

UNLOCKING  
THE  
VALUE

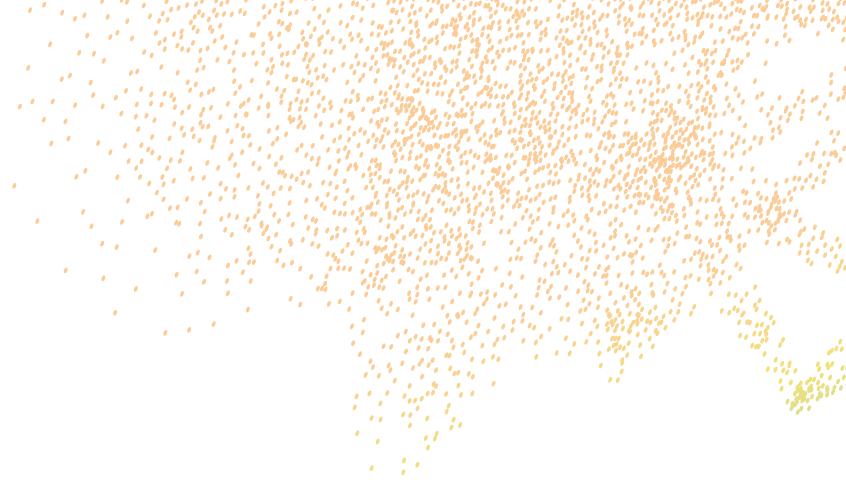


His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun  
RAMA X

**LONG LIVE THE KING**



On Behalf of  
Board of Directors, Managements, and Staffs of  
VGI Global Media Public Company Limited



# VGI GROUP

VGI is a unique market leader in Thailand providing fully integrated Offline-to-Online (O2O) Solutions for our clients. Leveraging on our exclusive access to Rabbit data, which serves as a bridging point throughout the customer journey, we are able to offer a 360-degree advertising solutions for our clients, helping them reach their target audience at every stage of the purchasing process and engage more effectively with their customers; thereby providing a better overall customer experience.



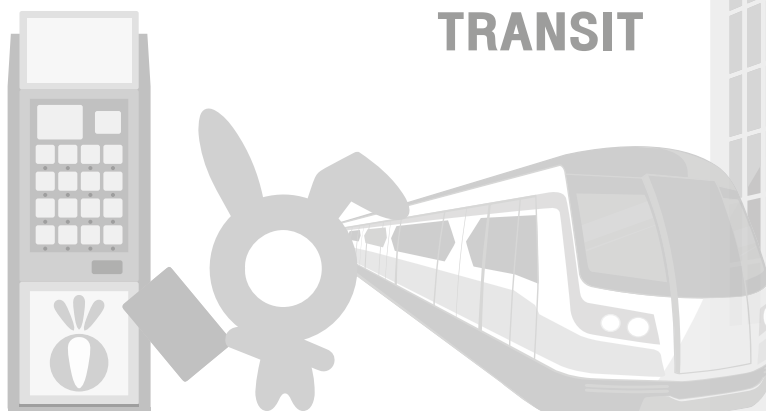
**AVIATION**

**RABBIT**

**ACTIVATION**



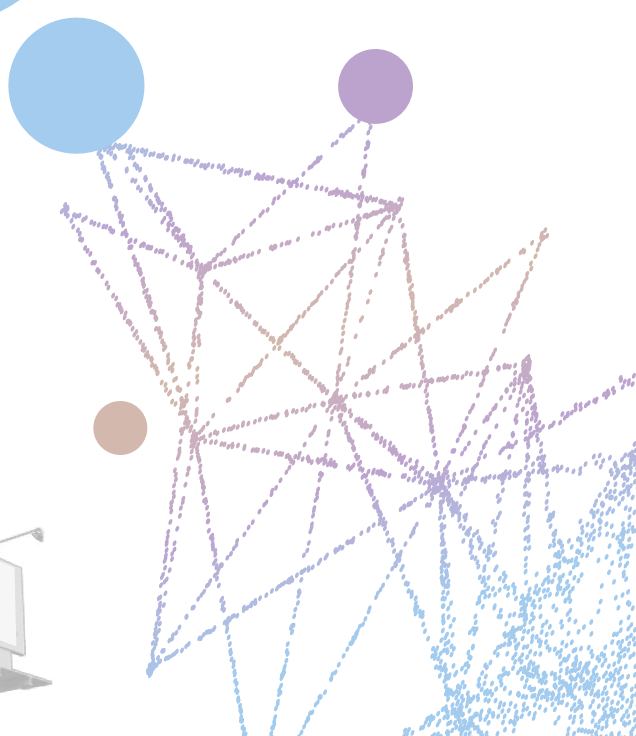
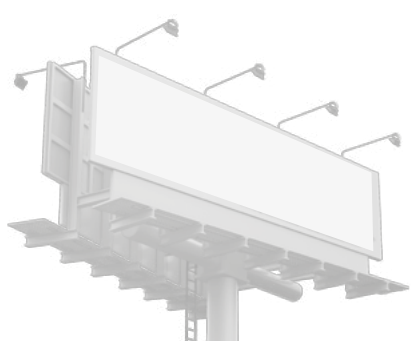
**TRANSIT**





**OFFICE**

**OUTDOOR**



# TABLE OF CONTENTS

## 1.0 INTRODUCTION

1.1	Our Vision, Mission and Values	8
1.2	Financial Highlights	9
1.3	Message from the Chairman of the Board of Directors	10
1.4	Message from the Chairman of the Executive Committee and Deputy CEO	12
1.5	Audit Committee Report	14
1.6	Nomination and Remuneration Committee Report	16
1.7	Corporate Governance Committee Report	17
1.8	Our Board of Directors	18
1.9	Our Management	20

## 2.0 HIGHLIGHTS 2017/18 AND OUTLOOK

2.1	Our History	24
2.2	Important Events 2017/18	26
2.3	Business Assessment 2017/18	27
2.4	Our Strategy	28
2.5	Business Outlook 2018/19	30

## 3.0 MEDIA INDUSTRY AND OUR BUSINESS

3.1	Media Industry	32
3.2	Integrated Offline-to-Online Business Portfolio	34
3.2.1	Out-of-Home Media Business	35
3.2.2	Digital Services Business	43

## 4.0 ANNUAL BUSINESS REVIEW

4.1	Capital Markets Review	46
4.2	Risk Factors	52
4.3	Social, Community and Environment Responsibility for Sustainable Growth	56
4.4	Management Discussion and Analysis	57

## 5.0 CORPORATE INFORMATION AND CORPORATE GOVERNANCE REPORT

5.1	Organisation Chart	64
5.2	Corporate Profile and Structure	65
5.3	Subsidiaries, Associated Companies and Jointly Controlled Entities Information	66
5.4	Management Structure	70
5.5	Corporate Governance	75
5.6	Nomination and Remuneration of Directors and Executives	99
5.7	Internal Control and Risk Management	102
5.8	Related Party Transactions	106
5.9	Profiles of Director and Executive	109
5.10	Information on the Positions of Directors and Executives in the Company, Subsidiaries, Associated Companies, Jointly Controlled Entities and Related Companies	120

## 6.0 FINANCIAL REPORT

6.1	Director's Responsibility Report	124
6.2	Independent Auditor's Report	125
6.3	Audited Financial Statements	130
6.4	Notes to Consolidated Financial Statements	142

## OTHERS

Definitions	208
-------------	-----

## CG INDEX

Accounting Policy	142-145
Audit Committee	14-15, 90-92
Auditor Fee	97
Auditor Report	125-129
Board of Directors	18-19, 70, 82-85
Cash Flow Statement	135-138
Code of Conduct	78-81
Company Secretary	71
Corporate Governance	75
Corporate Governance Committee	17, 94-95
Corporate Social Responsibility	56, 80
Dividend	49, 61
Corporate Profile	65
Independent Director	18-19, 70, 83, 87-88
Internal Audit	14-15, 102-105
Internal Control	102-105
Investor Relations	50-51, 82
Management Discussion and Analysis	57-61
Management Structure	20-21, 70
Meeting Attendance	83, 88, 90, 92, 94-95
Minority Shareholders	75-78
Nature of Business	32-44
Nomination and Remuneration Committee	16, 92-94
Profile	109-119
Related Party Transactions	106-108
Responsibility Report	10-17, 124
Revenue Structure	35, 43, 57-61
Risk Factors	52-55
Risk Management	102-105
Roles and Responsibilities	83-85, 90-96
Shareholder Structure	48-49
Statement of Comprehensive Income	133-134
Statement of Financial Position	130-132
Holding in Company' security	71-73



1.0



## INTRODUCTION

1.1	Our Vision, Mission and Values	8
1.2	Financial Highlights	9
1.3	Message from the Chairman of the Board of Directors	10
1.4	Message from the Chairman of the Executive Committee and Deputy CEO	12
1.5	Audit Committee Report	14
1.6	Nomination and Remuneration Committee Report	16
1.7	Corporate Governance Committee Report	17
1.8	Our Board of Directors	18
1.9	Our Management	20

## VISION

- Pioneering Solutions for Tomorrow

## MISSION

- Design the pioneering experience for consumers
- Create the pioneering platform for brands and clients
- Build the pioneering and sustainable business for stakeholders, social and environment

## VALUES

V

Values

G

Growth

I

Innovation



	2015/16 (Restated) <sup>1</sup>	2016/17	2017/18
<b>STATEMENT OF COMPREHENSIVE INCOME (THB mn)</b>			
Revenue from services <sup>2</sup>	2,341	3,051	3,936
Out-of-home media			
Transit media	1,793	1,865	2,262
Outdoor media	-	550	958
Office & Other media	241	266	338
Modern Trade media <sup>3</sup>	50	-	-
Digital Services	258	371	378
Cost of sales	881	1,269	1,535
Gross profit	1,461	1,783	2,401
EBITDA	1,391	1,356	1,691
Net profit	941	826	846
<b>STATEMENT OF FINANCIAL POSITION (THB mn)</b>			
Total assets	5,563	7,985	9,617
Total liabilities	1,728	4,880	3,699
Total shareholders' equity	3,835	3,105	5,917
<b>CASH FLOW (THB mn)</b>			
Cash from operating activities	732	957	1,272
Capital expenditures	(158)	(311)	(549)
<b>PER SHARE DATA (THB / share)</b>			
Earnings per share	0.1	0.1	0.1
Dividend per share <sup>4</sup>	0.1	0.1	0.1
Book value per share	0.6	0.5	0.8
<b>KEY RATIOS</b>			
Gross profit margin (%)	62.4%	58.4%	61.0%
EBITDA margin (%)	59.4%	44.5%	43.0%
Net profit margin (%)	40.2%	27.1%	21.5%
Debt to equity (times)	0.1x	1.0x	0.3x
ROA (%)	19.1%	12.2%	9.6%
ROE (%)	31.6%	23.8%	18.8%
<b>SHARE INFORMATION (as of 31 March)</b>			
Share price (THB)	4.78	5.10	7.80
Outstanding shares (shares mn)	6,864	6,864	7,204
Market capitalisation (THB mn)	32,812	35,008	56,194
Par value (THB per share)	0.1	0.1	0.1

## Note:

<sup>1</sup> The Company restated 2015/16 financial performance after the consolidation of Rabbit Group under the common control basis.

<sup>2</sup> Excludes other income

<sup>3</sup> The Company terminated the Modern Trade business in 4Q 2014/15. Therefore, this business unit will no longer generate revenue from 2Q 2015/16 onwards.

<sup>4</sup> Dividend for the second half of 2017/18 is subject to the resolution of Annual General Meeting, which will be held on 5 July 2018).



### Dear Fellow Stakeholders,

The past fiscal year was one of the most lucrative years for VGI in numerous respects. As with the prior year, VGI has set a new record for 2017/18 financial performance, reaching the target revenue growth of 25% to 30% with a net profit margin in the range of 20% to 25%. We achieved what we have committed. Our revenue reached the highest record at THB 3,936mn, an upsurge of 29%, while our net profit from operation rose considerably by 28% to THB 964mn. On top of these positive developments, VGI share price also reached a new record, quoting at THB 7.95 per share in March 2018, and achieved the highest market share among listed media companies, recording THB 56,554mn in market capitalisation.

The world as we know it has drastically changed with the advent of the internet revolutionising the way we interact and communicate, and new communications technology - and the proliferation of the social media, in particular - bringing people around the globe closer together more than ever before. This has made it inevitable for the media industry to find a way to connect with people at the same pace as the internet.

We anticipated such changes and started to expand our service from solely providing advertising platform to payments and last-mile delivery solutions; thus creating a seamless ecosystem, which connects the offline and online worlds, bridged by Rabbit Group data. With this strategic shift, VGI now offers a 360-degree view of advertising solutions that allows advertisers to reach their target audience throughout the entire customer journey, thereby delivering key added value for advertisers and brands.

This year, within the Digital Services segment, Rabbit Group has welcomed AIS, the leading telecommunications operator, to invest in its digital cashless payment system called Rabbit LINE Pay. This partnership is in alignment with Rabbit Group's vision to be the "Digital Payment Solutions" for the Thai consumer market and to eventually add further benefits to the core advertising business of VGI. In addition, our Board of Directors has approved an investment of 23% in Kerry Express (Thailand) Limited, the leading parcel delivery company in Thailand. This acquisition is another important step to further

We anticipated such changes in media industry and started to expand our service from solely providing advertising platform to payments and last-mile delivery solutions; thus creating a seamless ecosystem, which connects the offline and online worlds, bridged by Rabbit Group data. With this strategic shift, VGI now offers a 360-degree view of advertising solutions that allows advertisers to reach their target audience throughout the entire customer journey, thereby delivering key added value for advertisers and brands.



**Mr. Keeree Kanjanapas**  
Chairman of the Board of Directors



strengthen our Offline-to-Online (O2O) ecosystem. By enhancing the logistic capabilities within our service portfolio, we are very well positioned to deliver a seamless customer experience facilitated by better physical connectivity through Kerry Express.

In order to allow our shareholders to directly participate in the Company's success, VGI has distributed an interim dividend of THB 0.036 per share for the first half of VGI's performance. Also, we will propose a final dividend of 0.054 per share at the Annual General Meeting, which will take place on 5 July 2018.

For VGI, social responsibility is an integral part of our corporate action. The Company and its parent, BTS Group Holdings Public Company Limited, have together supported numerous social projects through our "Next Station Happiness" CSR programme focusing on underprivileged children in "hard to reach" communities across Thailand. The programme includes the subsidisation of school infrastructure, schooling fees, free meals; scholarship programmes; and donations of basic necessities as well as free health check-up

for young children and disadvantaged population in the far-flung communities. In 2017/18, we established 4 additional "Next Station Happiness" in the province of Ratchaburi, Lopburi, Uthai Thani and Tak, bringing a total of 16 stations receiving assistance under our CSR campaign. Our abiding commitment to sustainability, corporate governance, transparency and ethical practices has also been recognised with a 5-star corporate governance rating for the 3<sup>rd</sup> year in a row.

I am pleased to introduce Mr. Nelson Leung, whose tireless and transformative work in his role as Deputy CEO of VGI, has been invaluable in bringing about the integration of O2O Solutions and the development of the Company. I am confident that his endeavours will yield future success for the company.

Finally, I would like to extend my appreciation to all of VGI's directors, executives, employees, partners and other stakeholders for their professionalism, dedication and work. The success aforementioned is attributable to your collective efforts. I am strongly convinced that we can expect to see more in the future.

## 1.4

MESSAGE FROM THE CHAIRMAN  
OF THE EXECUTIVE COMMITTEE AND DEPUTY CEO**Dear Fellow Stakeholders,**

2017/18 was another year of solid progress for VGI. We achieved the highest revenue in the Company's history at THB 3,936mn - a significant growth of 29%. Our EBITDA expanded by 25% to THB 1,691mn, while adjusted net profit rose considerably by 28% to THB 964mn.

VGI has successfully established ourselves as the market leader in Thailand with the integrated original offline Out-of-Home ("OOH") and attractive online/digital platform. The initiative started in early 2017, we envisioned ourselves as a seamless Offline-to-Online ("O2O") Solutions made possible from the integration of OOH and Online bridging by Rabbit Data as proven with the talk-of-the-town "Station Sponsorship" campaigns. With this, our sales strategy has shifted from solely being a platform provider to offering O2O Solutions that allow advertisers to reach the targeted audiences at every point of the consumer journey.

The first ever product under the O2O Solutions concept was known as 'Station Sponsorship'

campaign. During the past fiscal year, we have successfully introduced 9 brands on 11 BTS stations. This innovation has been unlocking the value of offline and online integration for brands by creating impact and awareness through offline OOH media, engaging target audience with online media channels through our behavioural data network and lastly activating the conversion via our cashless payment systems. Such burgeoning product has proven to be impactful to financial performance generating additional THB 336mn in synergy-related revenue within our transit media segment.

2017/18 was also marked by the historic expansion of our strategic partnership in our Digital Services segment. Rabbit Group's business – digital spearhead of VGI – has been considerably enhanced with the inclusion of AIS, the leading telecommunications operator in Thailand. 'Rabbit Group' now comprises of industry-leaders BTS, Rabbit, LINE, AIS and Kerry, working in close collaboration to help spur the adoption of our Rabbit LINE Pay ("RLP") cashless



**Mr. Kavin Kanjanapas**  
Chairman of  
the Executive Committee

**Mr. Lap Shun Nelson Leung**  
Deputy Chief Executive Officer

payment system. In turn, Rabbit Group's database will deepen and widen, benefiting VGI by helping it better able to connect with over 40 million people everywhere they go.

Our OOH media is also gathering pace. Outdoor media through Master Ad Public Company Limited has digitised some of its prime media portfolio located in key central business districts, by installing more than 35 large format digital screens. While our Office media, has comfortably surpassed our target of acquiring 12 additional buildings, bringing the total number to 174 buildings in our portfolio and retained its position as the largest and - effectively - the only player in this lucrative segment. During the year, we also undertook a couple of acquisitions that expanded our OOH footprint in Malaysia. The acquisition of 25.0% of Puncak Berlian Sdn Bhd and 25.1% of Meru Utama Sdn Bhd is an escalation of our expansion in the region. Malaysia is a key market and springboard for VGI as it has a sizeable, affluent, yet underdeveloped market. Lastly, in our

Digital Services business, the number of Rabbit Cards in circulation has grown from 7.3mn to 8.9mn, whilst the number of RLP users has grown to 2.9mn from 1.7mn in the previous year.

This is an exciting period of growth for VGI. We will put our talent and determination to strengthening our business. We expect to realise more synergies from our O2O Solutions strategy as well as organic growth across all of our business units. We forecast revenue growth of 10 - 15% to THB 4,500 – 4,600mn with EBITDA and Net Profit margin of 40 - 45% and 20 - 25%, respectively, in the next fiscal year ended 31 March 2019.

Finally, I would like to express my gratitude to VGI's directors, executives, employees, public and private partners whose support and hard work has allowed VGI to go from strength to strength. I'd like to draw recognition to the tireless dedication of all stakeholders, who have enabled VGI to become Thailand's O2O Solutions leader.

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

In 2017/18, the Audit Committee to undertook the duties and responsibilities regarding matters assigned by the Board of Directors, which were summarised 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 Suntasvaraporn, Certified Public Accountant (Thailand) No.4523 from EY Office Company Limited to act as the auditor for the Company. Such appointment and fee for fiscal year 2017/18 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. Reviewed the Company’s manage internal control on Anti-Fraud & Corruption of the organisation in accordance with anti-corruption measures under the Thailand’s Private Sector Collective Action Coalition against corruption.
7. Prepared this Audit Committee Report and disclosed the Report signed by the Chairman of the Audit Committee in the Annual Report 2017/18.
8. From 1 April 2017 to 31 March 2018, the Audit Committee conducted seven meetings by which each member has attended the meetings as follows

Names	Position	Times attended/ Total number of meetings
Assoc. Prof. Jaruporn Viyanant	Chairman of the Audit Committee	7/7
Mrs. Maneeporn Siriwatanawong	Member of the Audit Committee	7/7
Mr. Kiet Srichomkwan	Member of the Audit Committee	7/7

From each of meeting, there was discussions with the management, external auditor and internal audit on the related matters. And a meeting with external auditor without the management once.

### OVERALL AUDIT COMMITTEE'S OPINIONS

In the fiscal year 2017/18, 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.



**Assoc. Prof. Jaruporn Viyanant**  
Chairman of the Audit Committee

The Nomination and Remuneration Committee of VGI Global Media Public Company Limited (the “Company”) consists of 2 Independent Directors, namely, Mrs. Maneeporn Siriwattanawong as the Chairman of the Nomination and Remuneration Committee, Associate Professor Jaruporn Viyanant, and 1 Executive Directors, namely, Mr. Chan Kin Tak as the Members of the Nomination and Remuneration Committee and 1 Non-Executive Directors, namely, Mr. Marut Arthakaivalvatee as the Members of the Nomination and Remuneration Committee and Mrs. Sununya Srinoikhao as the Secretary to the Nomination and Remuneration Committee.

In 2017/18, the Nomination and Remuneration Committee conducted 4 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 the performance assessment criteria of the Chairman of the Executive Committee and the Deputy Chief Executive Officer and to present the result of such assessment to the Board of Directors for approval, as well as to propose the structure amount and form of remuneration of the Chairman of the Executive Committee and the Deputy Chief Executive Officer in both short and long term, in correspondence with the result of the performance assessment, to the Board of Directors for consideration and approval;
6. Conducted the self-evaluation of the 2017/18 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 2017/18 performance to the Board of the Directors and/or the shareholders, which is disclosed in the 2017/18 Annual Report;
8. Considered the evaluation form of the Corporate KPI (Key Performance Indicator) and propose to the board of the director meeting for the approval;
9. Appointed the committee in order to help working in various tasks of the Nomination and Remuneration Committee as well as appoints the expertise independent director to give an advice;
10. To perform other actions associated with the assignments from the board of the director and consider the nomination as prescribed by the law or the requirements of the governance.



**Mrs. Maneeporn Siriwattanawong**

Chairman of the Nomination and Remuneration Committee



The Corporate Governance Committee of VGI Global Media Public Company Limited (the “**Company**”) consists of 3 directors, in which 1 Independent Director i.e. Associate Professor Jaruporn Viyanant is the Chairman, and 1 Non-Executive Director and 1 Executive Director, namely, Mr. Marut Arthakaivalvatee and Mr. Chan Kin Tak, respectively, are the Members. Ms. Tamtawan Srilaemthong acts as its Secretary.

In 2017/18, there were 2 Corporate Governance Committee meetings, which were in compliance with the Charter, and that all members had attended those Meetings in order to perform the duties and responsibilities as assigned by the Board of Directors. Set out below is the key matters and activities performed by the Corporate Governance Committee:

1. Acknowledgement of the new 8 principles of the Corporate Governance Code for Listed Companies 2017 (the “**New CG Code**”) developed by the Securities and Exchange Commission, and application of the same subject to the appropriateness to the Company’s businesses through the revision of the Corporate Governance Policy and Code of Conduct of VGI Group. Accordingly, the written Investor Relations Code of Conduct and relevant additional action plans had been supplemented e.g. introduction of the E-learning platform in order to communicate any of the Company’s significant policies to the employees organisation-wide to raise awareness and sense of strict compliance. Such was proposed to the Board of Directors for further consideration and approval;
2. Consideration and revision of the Company’s anti-corruption implementation plan to ensure a) the employees’ awareness of the Anti-Corruption Measures and Procedures; b) practicability of such across board; and c) sufficient availability of the operational and monitoring systems. In 4 May 2017 and 16 May 2017, the Company arranged the training sessions to the employees, the executives and the Board of Directors for their acknowledgements and awareness;
3. Acknowledgement of the 2017/18 activities conducted by the Company for the purpose of sustainability growth and determination of

material information and recommendation of the Company’s 2017/18 Sustainability Report, which was prepared under the guideline of the Sustainability Reporting Guidelines of Global Reporting Initiative (GRI) – G4 presenting the Company’s performance in economic, environmental and social aspects; and was proposed to the Board of Directors for approval. In addition, further action plans had been set for the determination of sustainability key performance indicators and the preparation of sustainability report under GRI Standards;

4. Conducting of the self-assessment of its 2017/18 performance, the result of which was fully discharge of its duties as assigned. The result was acknowledged by the Board of Directors;
5. Preparation of this Corporate Governance Committee’s report on its 2017/18 performance to the Board of Directors and shareholders. Such would be published in the 2017/18 Annual Report of the Company.

As a result of the Company’s firm commitment to conducting businesses constantly with corporate governance standards, especially the matters related to the anti-corruption, and its continuous participation in social, community and environmental responsibility, the Company had been certified a member of the Thai Private Sector Collective Action Coalition against Corruption and awarded “Excellent” or “5-Star” by the Corporate Governance Report of Thai Listed Companies 2016 surveyed by the Thai Institute of Directors for the third consecutive year as well as a certificate of recognition for participation in the 2017 SET Sustainability Report Award.



**Associate Professor Jaruporn Viyanant**

Chairman of the Corporate Governance Committee



# 1.8

## OUR BOARD OF DIRECTORS



**Mr. Keeree Kanjanapas**  
Chairman  
of the Board of Directors



**Mr. Marut Arthakaivalvatee**  
Vice Chairman  
of the Board of Directors



**Mr. Kavin Kanjanapas**  
Director



**Mr. Surapong Laoha-Unya**  
Director





**Mr. Kong Chi Keung**  
Director



**Mr. Chan Kin Tak**  
Director



**Associate Professor  
Jaruporn Viyanant**  
Independent Director  
and Chairman  
of the Audit Committee



**Mrs. Maneeporn Siriwatanawong**  
Independent Director  
and Member  
of the Audit Committee



**Mr. Kiet Srichomkwan**  
Independent Director  
and Member  
of the Audit Committee



**Mr. Kavin Kanjanapas**

Chairman of the Executive Committee



**Mr. Lap Shun Nelson Leung**

Member of the Executive Committee  
and Deputy Chief Executive Officer



**Mr. Chan Kin Tak**

Member of the Executive Committee  
and Chief Operating Officer



**Mrs. Chitkasem Moo-Ming**

Member of the Executive Committee  
and Chief Financial Officer



**Mrs. Jantima Gawbansiri**

Member of the Executive Committee,  
Chief Legal and Compliance Officer  
and Company Secretary



**Mrs. Oranuch Rujirawona**

Member of the Executive Committee  
and Chief Sales Officer



**Mr. Chavin Kalayanamitr**

Member of the Executive Committee  
and Chief Technology Officer



**M.L. Kriengkrai Hastindra**

Member of the Executive Committee  
and Deputy Chief Sales Officer  
(not an Executive by definition of SEC)



**Ms. Daranee Phanklin**

Financial Controller



**Mrs. Pitchapaksorn Jitopas**

Billing and Accounting Director





2.0

## HIGHLIGHTS 2017/18 AND OUTLOOK

2.1	Our History	24
2.2	Important Events 2017/18	26
2.3	Business Assessment 2017/18	27
2.4	Our Strategy	28
2.5	Business Outlook 2018/19	30

Since VGI was established in 1998, we have been committed to be Thailand's most customer-oriented media company. This rich heritage defines who we are and what we do today. We envision providing fully integrated Offline-to-Online ("O2O") Solutions through our ecosystem to our customers that offer 360-degree view of advertisement solutions while developing a deeper understanding of customer's journey.

## 1990-1999

## BEGINNINGS

- 1990** Keeree Kanjanapas founded the Bangkok Transit System Public Company Limited (BTS), operator of Bangkok's famous BTS SkyTrain.
- 1998** His son as business successor, Kavin Kanjanapas then invented the new concept and business model of BTS SkyTrain financed by advertising, laying the foundations for the company's future success. VGI Global Media was born.
- 1999** The BTS SkyTrain system was officially opened. VGI was granted the exclusive 30 years right from BTS to manage the advertising spaces and commercial areas on all BTS network.

## 2003-2010

## EXPANSION

- 2003** VGI ventures nationwide by entering into the Modern Trade business, managing media at major retailers Tesco Lotus and Big C.
- 2009** The Company acquires 100% of Point of View Media Group Company Limited, whose business is providing advertising service across premier office buildings in Bangkok CBD.
- 2010** VGI deepens its Transit media business by acquiring the right to manage advertising areas on the BRT bus system running through the city of Bangkok.





## 2012-2016 THE NO. 1 OUT-OF-HOME MEDIA

**2012** VGI becomes a publicly traded company on the Stock Exchange of Thailand.

**2013** VGI includes as a constituent member of SET100 Index.

**2014**

- VGI includes as a constituent member of SET50 Index.
- VGI was selected to be the “Best under a Billion” of small and midsize listed companies by Forbes.

**2015** The Company exits the Modern Trade media business. But VGI reestablishes its nationwide network coverage through acquisitions of companies operating in the Out-of-Home business:-

- Expanding its stake in Master Ad Public Company Limited (“MACO”) to 37.4%<sup>1</sup> - the leading company in outdoor and street furniture media in Thailand - from the 25.0% stake it held since 2014.
- VGI acquires 30.0% of Aero Media Group Company Limited, which manages media in prime airports across Thailand.
- VGI acquires a 40.0% stake in Demo Power (Thailand) Company Limited, the largest demonstration services business in Thailand.

**2016**

- Now present in all provinces of Thailand, VGI becomes the No. 1 Out-of-Home Media Platform in Thailand.
- VGI enters the Malaysian market with a 19.0% stake in Titanium Compass Sdn Bhd joint venture, which was awarded the 10 years concession to manage media on the SBK Line in Kuala Lumpur.

<sup>1</sup> As of March 2018, VGI held 30.4% in MACO.

## 2.2

## IMPORTANT EVENTS 2017/18

### TRANSFORMING TO BECOME THE O2O SOLUTIONS

2017/18 was marked by several strategic developments. VGI has successfully established itself as the unique market leader in Thailand, having an integrated offline Out-of-Home (“OOH”) and online digital platform. We are now positioning ourselves as the offline-to-online (“O2O”) Solutions for brands offering the reach to target audience at every point of the customer journey.

2017

#### MARCH

The Company acquires 90.0% of the shares in Bangkok Smartcard System Company Limited and BSS Holdings Company Limited (collectively known as Rabbit Group). Across Rabbit Group’s multitude of digital assets—from its payment services, to its ad tech business— VGI is able to offer O2O Solutions to create an ecosystem of awareness, engagement and conversation through leveraging Rabbit group’s data touchpoints on VGI’s out-of-home media platform (see *Section 3.2.2: Digital Services Business* for more details)

2018

#### JANUARY

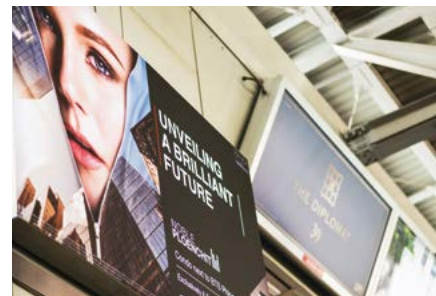
VGI, through VGI Global Media (Malaysia) Sdn Bhd (“VGM”), increased its exposure to the OOH business market in Malaysia by investing 25.0% in Puncak Berlian Sdn Bhd (“PBSB”). PBSB’s advertising platform includes managing media at major airports, buses, cinema and billboards along highway.

#### FEBRUARY

For the first time, VGI tops the “NEXT 1,000” by Nikkei ranking of midsize 1,000 ASEAN companies with sales of USD 100mn.

#### MARCH

VGI enlarges its data touchpoints through the partnership between Rabbit LinePay and Advanced Info Service Public Company Limited (“AIS”), the number 1 mobile operator in Thailand. This partnership will encourage Rabbit Group’s vision to be the “Digital Payment Solutions” for Thai consumer and eventually furnish VGI’s O2O Solutions ecosystem (see *Section 3.2.2: Digital Services Business* for more details).





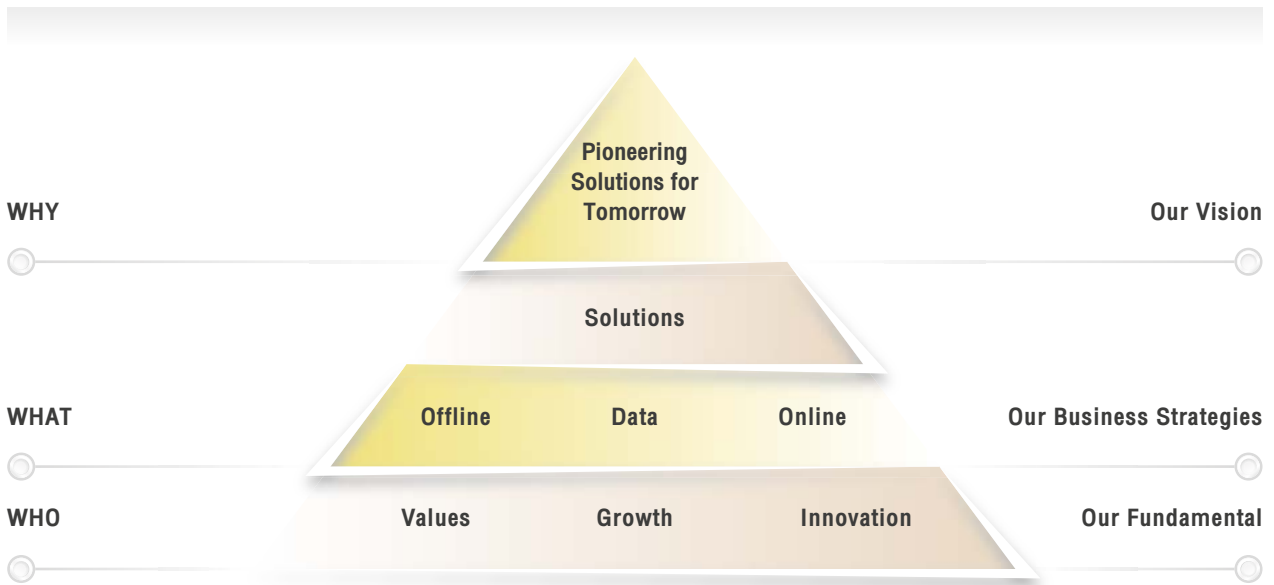
### ACHIEVED THE HIGHEST REVENUE IN VGI'S HISTORY

2017/18 was another year of solid progress for VGI. The Company achieved the highest revenue in its history and successfully established itself as a unique market leader in Thailand providing fully integrated Offline-to-Online (O2O) Solutions for the advertisers. With this, VGI's sales strategy has shifted from solely being a platform provider to offer 360-degree view of advertising solutions that allow advertisers to reach their target audiences throughout the entire customer journey.

- **The VGI Group's revenue** was THB 3,936mn, which increased by 29.0% YoY.
- **Transit media revenue** was THB 2,262mn, which increased by 21.3% YoY. The sharp rise in revenue growth is attributable to strong organic growth, price increases of static and digital media as well as the synergies from 'Station Sponsorship' campaigns, which has proven to be impactful to financial performance generating additional revenue of THB 336mn within the Transit media segment.
- **Outdoor media revenue** was THB 958mn, a growth of 74.3% YoY. The increase was mainly due to the full year consolidation of MACO starting in June 2016 as well as the launch of 35 new LED billboards starting in July 2017.
- **Office and Other media revenue** grew solidly, increasing by 27.3% YoY to THB 338mn. Revenue growth was mainly driven by the expansion of the office building media network as well as price increases. During the past year, we successfully added 12 new contracts to the office building portfolio (a total of 174 buildings), surpassing the year-end target to acquire 10 additional office buildings.
- **Digital Services business** was THB 378mn, increasing by 1.9% YoY, mainly due to an increase in card issuing fee, project management fee and the lead to insurance and credit card website.

## 2.4 OUR STRATEGY

Value, growth and innovation are the core elements forming the foundation of our business. Together, they define our strategic direction and structural plan, which constitute the driving force behind our Company's vision to be the "pioneering solutions for tomorrow".



### VALUE

We believe in long-term value creation. Creating sustainable value for our shareholders, partners and society is our fundamental principle.

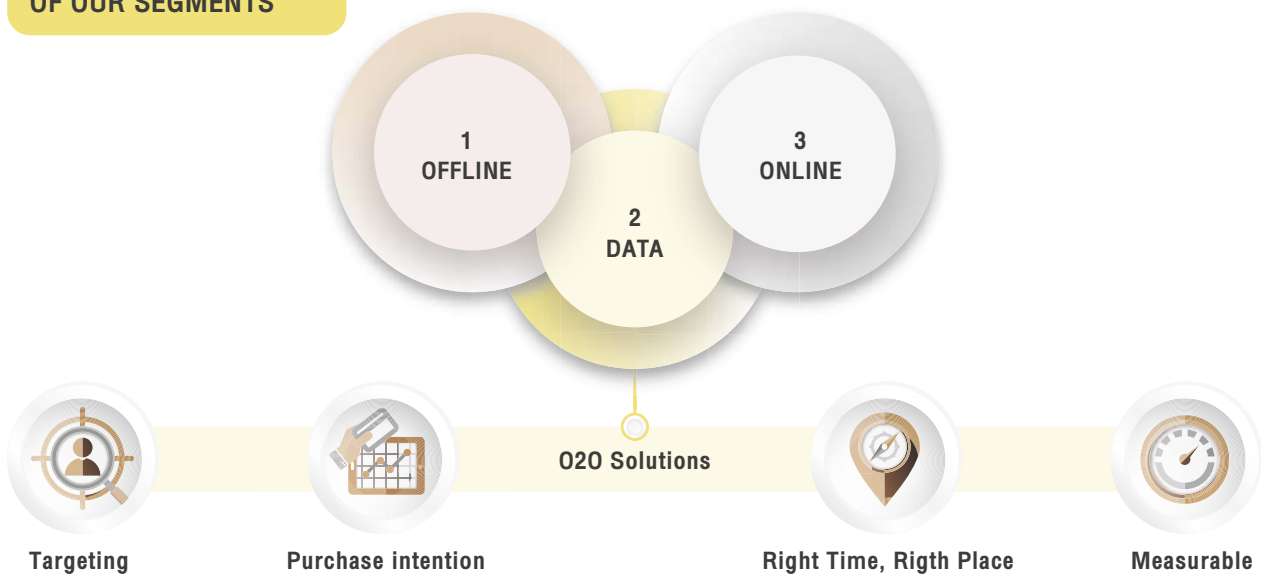
### GROWTH

We aim to achieve industry-leading growth. Strengthening our unique business units and partnering with key complimentary market leaders around the world is our key growth differentiator.

### INNOVATION

We commit to digital, technologies and R&D excellence to develop and launch new generation products and solutions that meet ever-changing consumer demands.

### BUSINESS STRATEGIES OF OUR SEGMENTS





## OFFLINE

As communication channels become more fragmented, a one-stop-shop media solution is becoming more relevant. Consolidation is the key to our success. VGI is already the leader in Out-of-Home media in Thailand.

Our media portfolio covers all forms of OOH advertising such as Transit, Billboards, Street, Buildings and Airports. This business unit is expected to see continued growth substantially, with mass transit line expansion; increased building supply; billboard and street portfolio expansion through new licensing agreements and external collaborations; and the increasing popularity of low cost airlines. Furthermore, we are focusing on expanding our presence in key ASEAN markets, such as Malaysia and Indonesia as well as other countries in the region.

To ensure we remain at the top in the OOH advertising industry, we intend to unlock greater value from our OOH media portfolio through the digitalisation of our top value OOH media assets to offer innovative premium products.

## DATA

Determining the right target audience can no longer be based on simple demographic terms. To know your customers, it is crucial to fully grasp their interests, behaviour and decision-making processes. The superior quality of the data and depth of information we possess allow us to engage our target audience with the right advertising messages, at the right time, throughout our customer touchpoints.

Our key vertical move to compliment our existing business portfolio involves the expansion of our payment network through our subsidiary, Rabbit Group, and partnerships with its strategic alliances. In addition, to enhance the performance of our products and solutions, we constantly experiment and pivot the use of data with various targeting technologies. With such dedication, we can attract, develop and retain the best talents to build a strong data scientist team.

## ONLINE

Digital and online marketing has become one of the key channels for advertising driven by the acceleration of internet access and the increasing popularity of smartphones. Advertisers can use these channels to reach a wider audience, whether in city centres or elsewhere. We are pioneering in this unique online field which enables us to integrate online and offline media inventories into one single end-to-end advertising platform.

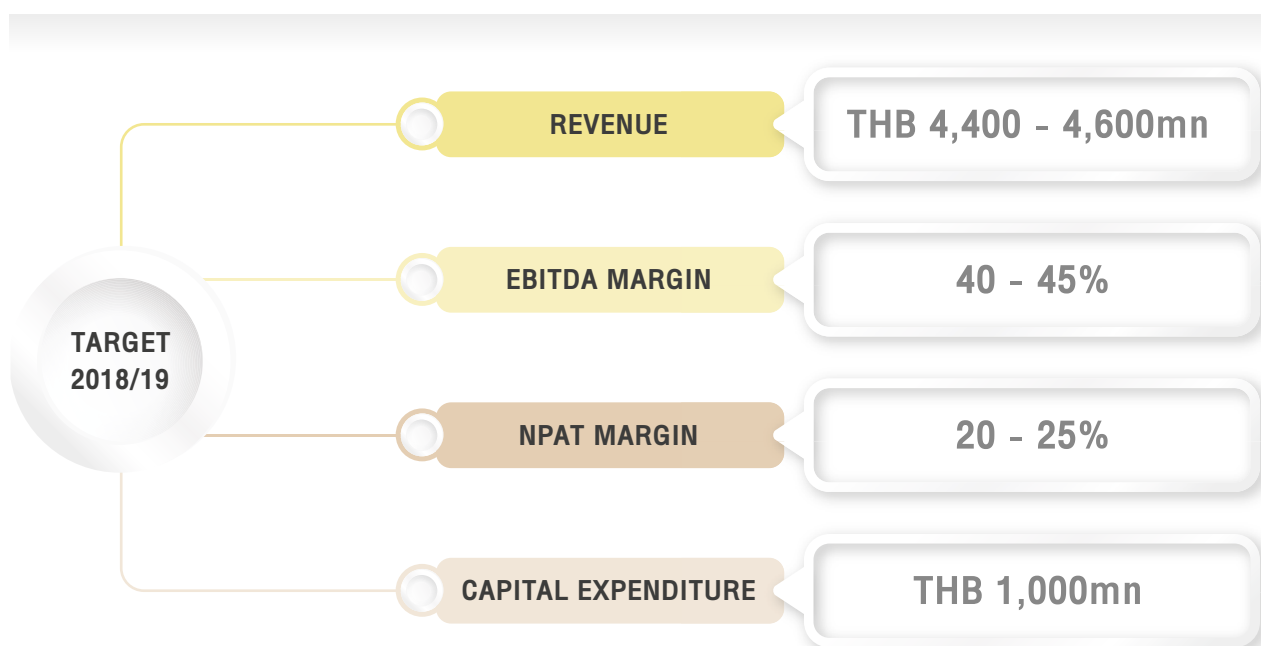
## SOLUTIONS

In a period of historical soft media advertising spend and structural and behavioural shifts, competitive pressure is heightened. By broadening our exposure to OOH media – which continues to grow solidly – VGI has deftly positioned itself to benefit from new paradigms while augmenting its service offerings with potentially more effective, targeted and more readily measurable solutions. Our strategy is clear, strengthening the integration of our offline to online platform, spanned by the continual enrichment of our data sources, to provide optimal O2O Solutions for our clients.



### 2018/19 IN FOCUS

Currently, the Company is a unique market leader in Thailand providing fully integrated Offline-to-Online (O2O) Solutions for our clients. For 2018/19, we focus on leveraging on our exclusive access to Rabbit data, which serves as a bridging point throughout the customer journey, enabling VGI to offer a 360-degree advertising solution for clients. We expect to extract and realise more shareholder and customer value from our unique product suite.





3.0

## MEDIA INDUSTRY AND OUR BUSINESS

<b>3.1</b>	Media Industry	32
<b>3.2</b>	Integrated Offline-to-Online Business Portfolio	34
<b>3.2.1</b>	Out-of-Home Media Business	35
<b>3.2.2</b>	Digital Services Business	43

# 3.1 MEDIA INDUSTRY

## 1. THAI MEDIA INDUSTRY IN 2017/18

The Thai advertising market has been shaped by major changes over the past few years. Traditional media such as television, newspaper, magazine and radio has been in steady decline, while Out-of-Home (“OOH”) and online/digital media have become the go-to choice when it comes to advertising today.

The expansion of OOH and online media is mainly driven by lifestyle changes, whereby urban population nowadays tend to spend more time outside their homes; the rapid increase of the number of Internet users; and the growing recognition of these media as effective advertising and marketing tools.

Within the OOH media landscape, the trend has shifted from the sole focus on OOH platform to an integrated platform that combines the offline and online worlds. This new approach has proven effective in helping advertisers reach the exact target audience rather than simply reaching a large audience through mass communications. As a result, advertisers can meet their objectives in creating awareness, engagement and conversion. In this exciting environment, companies that are able to adapt themselves are more likely to survive and outperform their counterparts.

In anticipation of such developments, VGI was the first company in the market to seize the opportunity to transform itself to become a provider of Offline-to-Online (“O2O”) Solutions. Now it is the leading company offering all-rounded advertising services that enable advertisers to effectively reach their target audience throughout the entire customer journey.

Back in 2017, although VGI had considered various sources to assess the size of the advertising market, it was not able to obtain consistent information as estimates by research tends to vary to some degree. The company has therefore decided not to carry out such analysis going forward. Nonetheless, reflecting on its market share, VGI estimated that in 2017 its OOH media accounted for approximately 50%<sup>1</sup> of Thailand’s OOH advertising spending.

## 2. KEY TRENDS: OUT-OF-HOME AND DIGITAL/ONLINE MEDIA

### 2.1 OUT-OF-HOME MEDIA

In recent years, there has been a shift in the media landscape brought by the change in people’s lifestyles. People are becoming more mobile and spending more time outside of their homes. Most of this time is spent commuting in their cars, on the street, in rail mass transit, buses, office buildings and shopping malls. In Bangkok, the commuting patterns have shifted towards an increased usage of rail mass transit, as it is more reliable and less time-consuming than road-based travel.

Currently, the key rail mass transit systems in Thailand are BTS SkyTrain (BTS) and Metropolitan Rapid Transit (MRT). Such a shift in the commuting trend has been reflected by the solid growth in rail mass transit ridership in the past years; total ridership jumped from 134mn passengers in 2004/05 to 362mn passengers in 2017/18, or a compound annual growth rate (CAGR) of 8.6%<sup>2</sup>. Apart from rail mass transit, airports also witnessed considerable growth in passenger numbers over the same period. Many individuals have spent more time travelling, as low cost airlines are a convenient and an affordable alternative. In Thailand, passenger numbers have increased more than 10.7% annually during the past 13 years<sup>3</sup>. Consequently, OOH advertising is directly positioned to benefit from this growth and structural shift.



<sup>1</sup> The calculation is based on revenue of OOH listed companies in SET Index.

<sup>2</sup> Bangkok Mass Transit System Plc and Bangkok Expressway and Metro Plc

<sup>3</sup> Airport of Thailand Plc and Department of Airport, Thailand



## 2.2 DIGITAL AND ONLINE MEDIA

Digital and online marketing has become one of the key channels for advertising driven by the acceleration of internet access and the increasing popularity of mobile phones (or smartphones). Advertisers can use these channels to reach a wider audience, whether in city centers or elsewhere.

The digital landscape continues to grow rapidly. With the majority of consumers having internet access in some form and each consumer spending more time on the internet on average, are ever increasing growth opportunities for digital businesses. Currently, internet penetration in Thailand is 82.0% of the total population, where the average time a consumer spends on the internet via communication devices is around 550 minutes per day, a significant increase from 300 minutes per day in the past few years<sup>4</sup>.

The growth of Digital and Online 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 and Online media is becoming more time and cost-effective than other traditional media, which is one of the most critical trends to keep up with in the media industry going forward.

## 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 2017 revenues:

Company	Revenue (THB mn)	Net Profit (THB mn)
VGI Global Media Public Company Limited*	3,936	846
Plan B Media Public Company Limited	3,016	461
Aqua Corporation Public Company Limited**	1,379	487
Master Ad Public Company Limited	965	221
Three Sixty Five Public Company Limited	387	(259)

\* Fiscal Year ends 31 March and excluded other income  
 \*\* includes gain on fair value changes in real estate of THB 293mn and gain on sales of investments of THB 34mn.  
 Source : Company's source and www.set.or.th

<sup>4</sup> We are social, Hootsuite, Jan 2018

In the past 3-4 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. 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 behavior. As a consequence, there is increasing acceptance in combining conventional and digital and online media and in integrating innovative elements into these media to create an engaging and enjoyable experience for viewers.

Given the continuing megatrends of digitisation, mobile broadband and the increasing mobility of the population, our range of OOH media and Digital Services business puts us in a good position to offer one-stop shop solutions to our customers, which translates into capturing more market share. VGI Group is the first fully integrated offline-to-online solution offering targeted and measurable media campaigns in Thailand (please see more details in section 3.2 Integrated Diversified Offline-to-Online Business Portfolio). The Company believes that its media network has an advantage over its competitors as our structural backbone of OOH media platform is well-placed to interact with, and be part of a growth in the internet and online broadband. This could give rise to opportunities to gain more market share in intermedia competition

# 3.2

## INTEGRATED OFFLINE-TO-ONLINE BUSINESS PORTFOLIO

### OFFLINE-TO-ONLINE (O2O) SOLUTIONS

After VGI spent the past 2 years expanding its media coverage in various offline Out-of-Home (“OOH”) media and acquiring online/ digital company, the Company is now successfully established itself as the unique market leader in Thailand providing fully integrated Offline-to-Online (O2O) Solutions. With a suite of products, which can be tailor made for the advertisers’ needs, VGI is able to reach the target audience at every touch point of the customer journey bridging by Rabbit data. Currently, VGI is focusing on two main businesses comprising 1) OOH media and 2) Digital services.

#### OUT-OF-HOME MEDIA BUSINESS

OOH media consists of 5 principal segments: 1) advertising in transit network in both domestic and international markets (“Transit media”), 2) billboards and street furniture advertising (“Outdoor media”), 3) advertising in office buildings (“Office media”), 4) advertising in airports (“Aviation media”) and 5) demonstration services (free products sampling) in modern trade and on BTS station (“Activation”). Transit and Office media are managed by VGI itself. Outdoor media is managed through a 30.4%<sup>1</sup> stake in Master Ad Public Company Limited (“MACO”). Aviation and Activation media are managed through a 30.0% stake in Aero Media Group Company Limited (“Aero Media”) and 40.0% shareholding in Demo Power (Thailand) Company Limited (“Demo Power”).

#### DIGITAL SERVICES BUSINESS

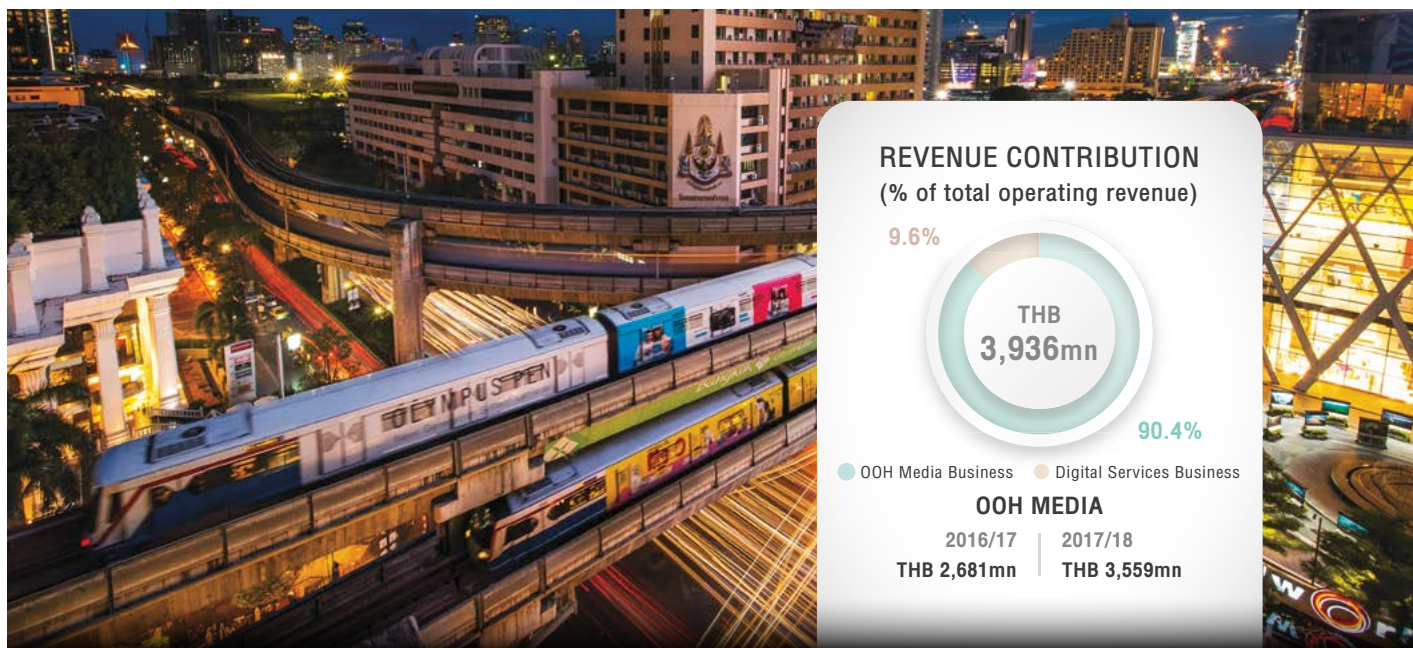
Digital Services provide total digital lifestyle solutions through 3 key business units: 1) Payments, 2) Services and 3) Media. Payments on the mass transit system and retail stores through the “Rabbit Card” and “Rabbit LinePay”, an e-wallet for both offline and online (e-commerce) payments. Services includes providing micro-loans under “Rabbit AEON loan”, an online brokerage and comparative website under “Rabbit Finance”, as well as a web portal under “Rabbit Daily”. “Rabbit Media” is an intelligent media solution, encompassing Online media and data analytics.

VGI GROUP	100.0%		30.4%	30.0%	40.0%	90.0%	90.0%	
COMPANY SEGMENT	VGI		MACO	AERO MEDIA	DEMO POWER	BSS & BSSH		
	TRANSIT	OFFICE	OUTDOOR	AVIATION	ACTIVATION	PAYMENT	SERVICES	
GEOGRAPHICAL ACTIVITY	BKK, Thailand KL, Malaysia	BKK, Thailand	Nationwide, Thailand KL, Malaysia	Nationwide, Thailand Yangon, Myanmar	Nationwide, Thailand	Nationwide, Thailand	Nationwide, Thailand	
LEADING POSITION & NETWORK	No. 1 in Transit media 31.0km, BKK 51.0km, Malaysia	No. 1 in Office media 174 office buildings 281 condominiums	No. 2 in Outdoor media >2,000 billboards	No. 2 in Aviation media 15 airports	The largest Activation services >1,000 stores	The largest micro payment platform 8.9mn cardholders 2.9mn LINE pay users		>1,300mn outstanding loan
AUDIENCE REACH	40mn potential reach			16mn users				
KEY GROWTH AREA	Additional inventory from BTS's new line extensions	Grade B&C and upcountry market	To convert 10% of static billboards to digital screens	Expand to airports in South East Asia	Potential expansion in BTS stations and office buildings	Expand Rabbit card & Rabbit LinePay network	Expand insurance and micro loan network	
2017/18 REVENUE*	THB 3,559mn					THB 378mn		
SEGMENT	OOH Media Platform					Digital Services		

\* Excluding revenue from Titanium Compass, Aero Media and Demo Power of which are recognised as equity method.

<sup>1</sup> VGI has majority control in MACO, which results in the consolidation of MACO in preparation of VGI's consolidated financial statements.

## 3.2.1 OUT-OF-HOME MEDIA BUSINESS



### TRANSIT MEDIA

VGI is the NO.1 Transit media company in Thailand. Over the past 16 years, VGI has enjoyed impressive revenue growth of approximately 19.6% per annum from this business unit. In 2017/18, Transit media business alone reported revenue of THB 2,262mn, accounting for 57.5% of total operating revenue and representing the highest contributor to the Company’s total revenue. The Company is also expanding its presence in Malaysian market by establishing a joint venture with 3 leading advertising companies in Malaysia.

#### 1. KEY DEVELOPMENT IN 2017/18

- Successfully launched the flagship O2O Solutions through “Station Sponsorship” campaign with 9 brands across 11 BTS Stations.
- Titanium Compass Sdn Bhd (“TCSB”) successfully managed media on 19 stations and 25 trains on the Sungai Buloh - Kajang Line (“SBK Line”)

#### 2. NETWORK, PRODUCTS AND CONCESSION IN THAILAND

##### 2.1 NETWORK

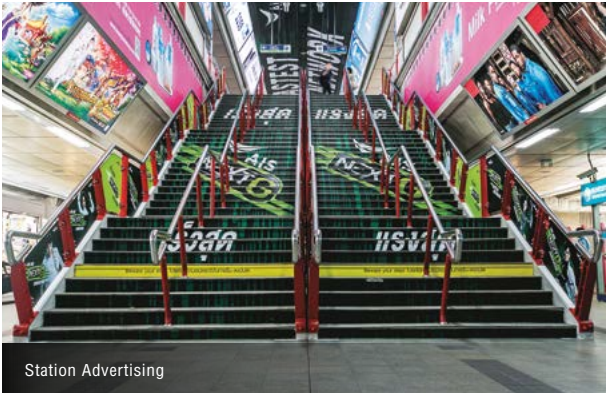
The Company has rights to manage advertising space across the BTS SkyTrain core network and extensions (collectively, “BTS Network”), which run through key commercial, residential and office areas of central

Bangkok. The BTS Network covers 30 stations (including 7 extension stations) with a combined track length of 31.0 km as well as 52 BTS trains (208 carriages). Transit media on the BTS Network has one of the highest viewer exposure in the OOH media sector, with an average of more than 740,000 viewers per day in 2017/18.<sup>2</sup>

##### 2.2 PRODUCTS

The Company caters to advertisers at all levels through a diversified Transit media product portfolio that captures both large groups of viewers and targeted audiences. Our products are widespread across trains and stations, where BTS’s passengers are able to see our media during their journey on the BTS Network. Our media on the BTS Network is categorised into 2 main products comprising of media space rental and merchandising space rental.

<sup>2</sup> BTS Group Holdings Plc (“BTSG”)



Station Advertising



Merchandising Space

- **Media Space Rental**

VGI offers 2 main types of media platform on the BTS Network comprising of static and digital media. Our Transit media originated from static media and we currently have over 4,000 static displays, such as train wraps (inside and outside the trains), stairs, ticket office and advertising on station platforms. One of our most popular static media is the full train-wrap, which is similar to a giant moving billboard that courses through Central Bangkok, captivating the attention of transit patrons, motorists and pedestrians in a unique way.

The increasing proliferation of digital media has reshaped the media landscape significantly. Digital media is now the key feature of Transit media as it provides advertisers with flexibility and scalability to communicate messages to a target audience through frequent delivery of dynamic images. We have over 2,000 digital screens in trains and on stations in the form of LCD screens in trains, Platform Truss LEDs, Platform Screen Doors and E-Posters. With the introduction of digital media, we are now able to offer innovative products that integrate digital and static media such as our Platform Truss LEDs, which synchronises with the movement of the incoming train to display the same advertisements as the train wrap when the train arrives at the station.

- **Merchandising Space Rental**

The Company has the rights to manage merchandising space on 30 BTS stations and is responsible for investment of the utility system and maintenance of the stations for the duration of the contract.

Construction and decoration of the shops, which must be approved by the Company, are the responsibility of the tenants, along with utility expenses according to actual usage. As of 31 March 2018, merchandising space comprised of approximately 8,800 sq.m. with more than 1,000 shops and kiosks for rent. In terms of rental duration, we provide short term contracts of 3 to 6 months for kiosks and medium term contracts of 1 to 3 years.

## 2.3 CONCESSIONS

- **Core Network Concession**

The Company was granted the rights to manage advertising space across 23 stations on the core network from our parent company, Bangkok Mass Transit System Public Company Limited (“BTSC”) from 18 May 2012 to 4 December 2029. A percentage-based revenue sharing scheme is applied to the core network contract and paid to BTSC on an annual basis. The revenue shared is determined by a percentage of the Transit media revenue generated from the core network, starting at 5% on the effective date of the contract (18 May 2012) and increasing by 5% every 5 years to a maximum of 20%.

- **Extensions Concession**

In May 2015, the Company was granted the rights to manage advertising space across 7 stations on the extensions to the core network from BTSC and the Bangkok Metropolitan Administration (“BMA”) from 6 May 2015 to 4 December 2029 and a fixed rate concession fee is paid to BMA.

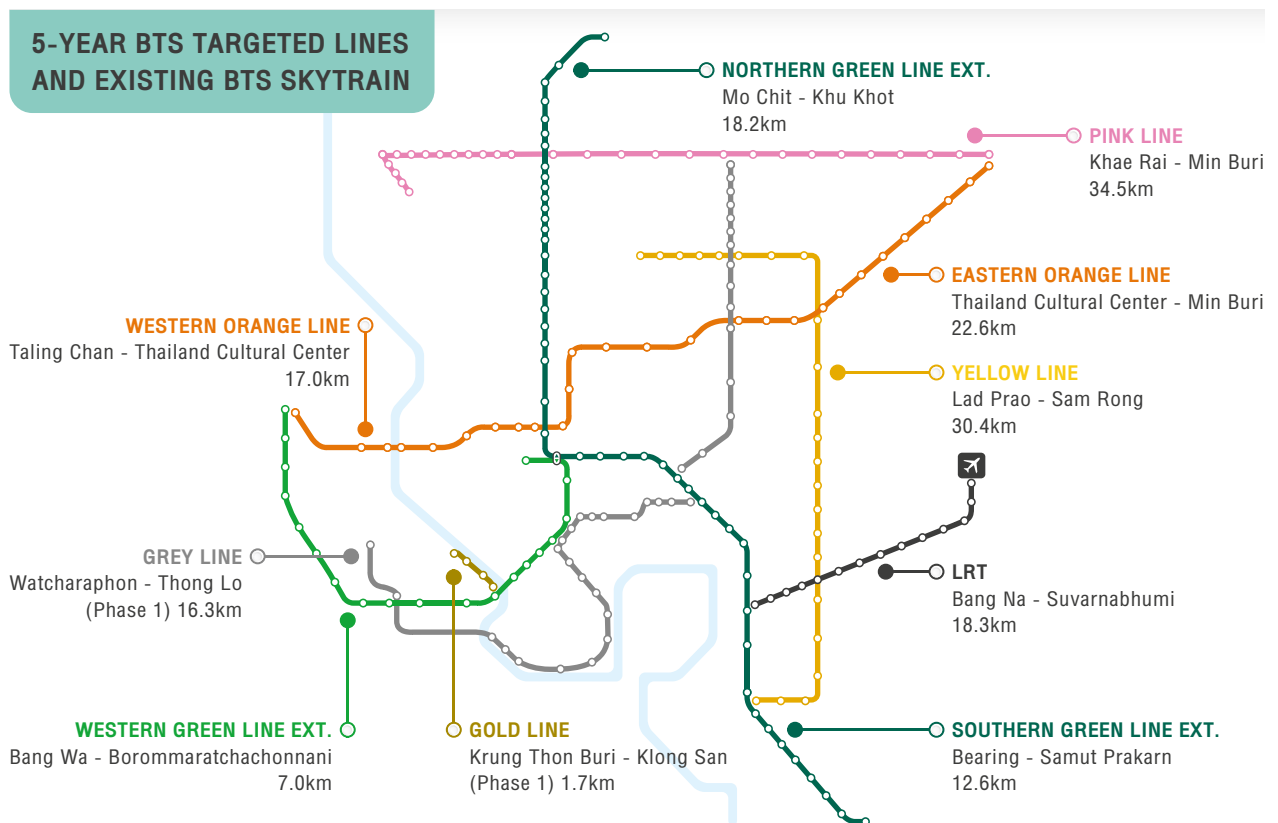
### 3. OPPORTUNITIES

#### 3.1 RAIL MASS TRANSIT EXPANSION IN THAILAND

Currently, the total length of existing rail mass transit lines is only 110.8 km (including BTS SkyTrain, MRT Subway and Airport Rail Link), mainly covering areas around the city center. The pervasion (defined as rail mass transit length per million population) in Bangkok has reached merely 10.2 km<sup>3</sup> 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 Ministry of Transport's Office of Transport and Traffic Policy and Planning (OTP) targets to have 12 routes with a total rail length of 515.2 km 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.

As of 31 March 2018, the BTS Network was able to capture around 34.0% of the market share in terms of distance as well as number of stations. However, BTS is the leader in terms of ridership with a market share based on weekday ridership of 65.0% on the entire network as it is located in the Central Business District area in Bangkok<sup>4</sup> BTSG. In terms of advertising, the higher ridership translates to more viewers or "eyeballs" of our advertising; therefore, the growing number of eyeballs will make our transit media increasingly valuable to media advertisers. Despite this, the existing rail mass transit is still immature. In the next 5 years, the government and the BMA are planning to implement an additional 208.3km. Having in 2017 secured 30.8km in extension lines as well as 64.9km of pink and yellow lines, BTS is well positioned to secure a total of 82.9km in the next 5 years. Therefore, VGI stands to benefit immensely from the mass transit network expansion and we expect that our media capacity will increase up to 4 to 5 times in terms of number of trains and stations once BTS has secured and operates all of the new lines.



<sup>3</sup> The Bureau of Registration Administration, Department of Provincial Administration, Ministry of Interior.  
<sup>4</sup> BTSG

### 3.2 INTERNATIONAL MARKET EXPANSION

In September 2016, VGI took an initiative to make a presence in the international market by investing in TCSB, a joint venture with 3 major leading advertising companies in Malaysia: Puncak Berlian Sdn Bhd (“PBSB”), Ikatan Asli Sdn Bhd and Utusan Airtime Sdn Bhd. The Company invested 19.0%, with an option to increase our stake up to 30.0%.

TCSB was awarded the rights to manage station and train advertising for a 10-year period from Mass Rapid Transit Corp Sdn Bhd. The rights cover advertising space on 58 trains (232 carriages) and 31 stations of SBK Line or Klang Valley MRT (“KV MRT”), with a total rail length of 51 km. The SBK Line starts from Sungai Buloh, runs through the city centre of Kuala Lumpur, and ends in Kajang, a fast developing town located to the southeast of Kuala Lumpur.

A while after the initiative step, we established a new subsidiary namely VGI Global Media (Malaysia) Sdn Bhd (“VGM”), a purely international operation, to provide an OOH media advertising services in Malaysia.

The Company positioned VGM as our spearhead to expand our OOH media business to the regional market. In January 2018, VGM has expanded further into Malaysia market by acquiring 25.0% in PBSB, whose business is providing a diversified OOH media network including Transit, Office, Outdoor, Aviation and In-store media. In addition, VGM also invested 25.1% in Meru Utama Sdn Bhd (“MUSB”) in March 2018. MUSB is providing aviation media services both international airport and airport for low cost airlines in Malaysia. With more than 19 years’ experience in OOH media, we are able to replicate our successful OOH business model in Thailand and adapt it to the Malaysian market.

In 17 May 2018, VGI’s Board of Directors approved the partial sale of VGM, equivalent to 75.0% of its total shares, to Master Ad Public Company Limited (“MACO”) at a total purchase price of THB 360mn. This transaction will help define a clear boundary of the media business of the Company’s group in Malaysia where MACO will become the flag bearer of the VGI Group in expanding the OOH media business overseas going forward<sup>5</sup>

## OFFICE MEDIA

In 2009, VGI expanded its OOH media coverage to office media by acquiring Point of View Media Group Company Limited. After 8 years of forming the office building network as well as improving the sales strategy, VGI has proven that it is now the leader in this business segment, with more than 80.0%<sup>6</sup> of market share in Grade A & B office buildings in Bangkok. At the end of 2017/18, VGI had 174 office buildings under our portfolio with revenue of THB 238mn, representing 6.0% of total operating revenue. In addition, Office media proved to be a resilient business unit as is evident from the 37.2% compound annual growth rate in the past 8 years.

### 1. KEY DEVELOPMENT IN 2017/18

- Successfully secured 12 additional contracts of office building portfolio, thereby achieving this year’s target.

### 2. NETWORK, PRODUCTS AND CONTRACTS

VGI offers two types of networks under building media: Office media and the recently acquired Residential Building media. Office media includes digital screens which are installed inside office building elevators as well as other waiting areas inside office buildings, such as lobbies. Residential Building media consists

of digital screens in residential buildings. Office and Residential Building media, particularly inside the elevators, are considered captive media as there is confined space where the media are placed and people are usually idle; therefore, the audience’s attention tends to be more focused towards the advertisements. Advertisements in the elevators are extremely successful at being viewed frequently due to their high traffic, as it is the only practical means of accessing high-rise office building, and are seen several times a day. As of 31 March 2018, VGI owned the largest Office media network with 174 office buildings with over

<sup>5</sup> The transaction is subject to approval by shareholders in 2018 Annual General Meeting of Shareholders which will be held on 5 July 2018.  
<sup>6</sup> Company’s source

980,000 viewers reach per day under management in Bangkok, including 1,340 screens which are centrally-controlled from VGI's head office.

Our Office media is also being complemented by a horizontal expansion into an adjacent segment. In November 2015, VGI became an exclusive sales agent for Artista Media Limited Partnership ("ARTISTA") across 281 residential buildings under leading brands such as AP, LPN and Grand Unity Development, making VGI the largest media company in the country to provide advertising services in office and residential buildings, covering 455 buildings with over 1,990 screens.

The duration of each contract is typically 3 to 5 years and VGI 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 meters from the lift lobby area. Remunerations for the buildings' landlords depend on each agreement; some landlords require annual fixed rates while other landlords require revenue sharing with annual minimum guarantees.

### 3. OPPORTUNITIES

The key success factor of Office media is the size of the network and viewer base. To gain a sizeable 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 VGI's Office media segment. Given the aforementioned high barriers to entry for other media players to enter the market, the incumbency



advantage in having the sizeable network and the Company's strong relationship with advertising agencies, the Company expects to further cement its leadership in this market segment.

Currently, VGI's Office Building network is concentrated in CBD area in Bangkok (Grade A buildings), whilst the total office supply in Bangkok in 2017 was approximately 8.8 mn sq.m. The high demand for office rental space was reflected by the occupancy rate, which edged up to 92.2% in 2017. It is expected that an additional 583,700 sq.m. of new office spaces will be completed between 2018 to 2021<sup>7</sup>. Our aim is to expand our network following the expansion of new office building supply as well as tap into Grade B and C buildings in the next 2 to 3 years; we also look for an opportunity to expand our network upcountry.

## OUTDOOR MEDIA

Outdoor media segment, which we operate through our subsidiary, MACO, is another focus area for the Company. MACO is the second largest Outdoor media company in Thailand with media inventory at over 2,000 locations nationwide. With MACO's extensive network, we have now expanded our presence from a Bangkok-centric media player to a nationwide media player. In 2017/18, Outdoor media segment reported revenue of THB 958mn, which accounted for 24.3% of the Company's total operating revenue and was the second-highest contributor to the Company's revenue.

### 1. KEY DEVELOPMENT IN 2017/18

- Acquired 30 billboards from Out of Home Media Company Limited and 42 billboards from Outdoor

Construction Company Limited in order to improve the asset management's efficiency and reduce cost and risk of depending on the sole major leasers.

<sup>7</sup> CB Richard Ellis (Thailand) Co., Ltd.

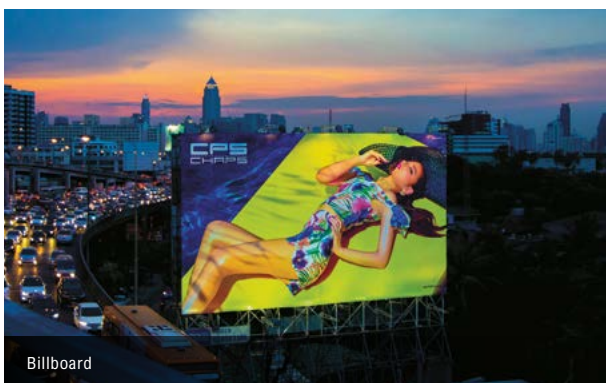
- Successfully acquired 70% of Comass Company limited (“Comass”) with a total investment of THB 335mn as a result MACO started to consolidate Comass’s financial statement in June 2017. Comass’s network comprises of 113 large-format static billboards and 7 digital billboards covering 23 provinces of Thailand.
- Started the process towards digitisation by replacing several of static media platforms with digital media. MACO has begun the full operation of digital network with 21 screens in 19 provinces in July 2017 and it was subsequently expanded to 35 screens in January 2018.

## 2. NETWORK, PRODUCTS AND CONTRACTS

MACO’s products are categorised into 2 main types comprising of 1) Billboards, 2) Street Furniture and 3) Creative OOH

### • Billboards

We offer various billboard formats comprising of 1) Large-format Billboards, 2) Nationwide Billboards, 3) PTT Posters (Billboard in PTT Jiffy gas station) and 4) Digital Billboards. Large-format Billboards are mostly installed at key strategic locations such as airports, expressways, city gateways and central business zones with a network of more than 254 panels. Nationwide Billboards are small to medium format outdoor advertising billboards, covering over 735 panels in prime areas of all Thai provinces. PTT Posters include a total of 240 media posters located in 139 PTT gas stations nationwide, which are exclusively managed by MACO. Digital Billboards include 35 LED billboards covering 31 major cities and 250 LCD screens installed inside famous restaurants in 40 provinces of Thailand.



Billboard



Street Furniture



Creative OOH

### • Street Furniture

Street Furniture consists of small to medium advertising panels which are installed primarily in the heart of Bangkok and along major commuting routes. Contracts comprises of 1) exclusive rights from BTS to install and manage 188 panels under 23 BTS stations and 2) rights from BMA to manage 306 Street Furniture panels under 19 major flyover bridges around Bangkok.

### • Creative OOH

We also presents Creative OOH media that is exclusively tailored to customer requirements. Creative OOH media can be various forms such as the contraction of large billboard, Interior Design, Projection Mapping, Mock up and Event.

## 3. OPPORTUNITIES

MACO has continued to drive the consolidation of the outdoor advertising industry to build a stronger media footprint in Thailand and transitioned itself from only be restricted in static media format to offer the better services through the digital-static media portfolio. Today,



MACO has proved its solid domestic establishment with a total network of 2,000 locations nationwide, and is now well-positioned to capture the continuously growing demand of outdoor segment.

Going forward, a profitable growth strategies of this business unit will be built through both organic growth and growth from acquisition. Outdoor business is well-positioned to seize growth opportunities domestically and internationally such as an expansion of new mass transit line which provides opportunity for street furniture media and digital conversion which

helps increase media value of product portfolio. Moreover, MACO is now exploring new potential opportunities to expand network to countries in Southeast Asian such as Malaysia, Indonesia and Vietnam which are rapidly growing countries. The overseas expansion is in response to a continuous growth of advertising demand following a robust economic growth in those potential areas. By using long-term knowledge and experience of the Company, we anticipate that MACO will enter into the next acceleration of business growth soon.

## AVIATION MEDIA

Aviation media is a type of OOH media that is effective in targeting local and foreign viewers of higher socioeconomic status. The Company entered into the rapidly expanding Aviation media market through an initial 20.0% investment in Aero Media in 2015, which has since been increased to 30.0%. Since the acquisition, Aero Media has shown exceptional progress both in terms of financial performance and network expansion. Currently, Aero Media is the second largest Aviation media player in Thailand.

### 1. KEY DEVELOPMENT IN 2017/18

- Secured a contract to manage media at Samui airport and Yangon airport in Myanmar. Altogether, currently Aero Media has a right to manage media in 14 airports in Thailand and 1 airport in Myanmar.
- Secured additional the right to manage inflight media on 20 planes of Nok Air and 4 planes of Thai Lion Air. Combining with its existing media inflight network, Aero Media has a total of 80 planes in the portfolio, comprising of 30 planes of AirAsia, the number one low cost airline in Asia, 30 planes of Thai Lion Air and 20 planes of Nok Air.

### 2. NETWORK, PRODUCTS AND CONTRACTS

Aero Media was granted the rights to provides media services for domestic airports throughout Thailand, including Thailand's prime airports, Suvarnabhumi Airport and Don Muang Airport, with more than 148mn<sup>8</sup> media exposure annually. Aero Media also manages media services at Yangon airport in Myanmar with over 6mn passengers per year<sup>9</sup>. Our products include a wide range of advertising structures in different key formats comprising of:

- **LED Screens**  
LED screens are placed where passengers tend to congregate such as at the passenger gate area, the departure area, check-in areas and passenger lounges. As of 31 March 2018, there were more than 343 LED screens in our portfolio.
- **Jet Bridge**  
Jet Bridge is one of the largest and most exclusive advertising available at the airport. We offer advertising space for the exteriors and interiors of 57 jet bridges.
- **Trolleys Media**  
Aero Media also hold the rights to place advertisements on 2,500 airport trolleys.
- **Inflight Media**  
We offer advertising inside 80 AirAsia, Thai Lion Air and Nok Air airplanes.
- **Online Aviation Media**  
With expertise in Aviation media, Aero Media has earned the trust to operate Airports of Thailand ("AOT") websites, including AOT mobile application and airport free Wi-Fi website.

<sup>8</sup> AOT and Department of Airport, Thailand  
<sup>9</sup> Yangon Aerodome Co. Ltd.



Trolleys Media



Inflight Media

### 3. OPPORTUNITIES

Travelling patterns around Thailand has changed from using buses to low cost airlines as evidenced by the continuous increment of airline passengers, which increased more than 10.7%<sup>10</sup> annually during the past 13 years. The jump in air passengers is the result of the highly competitive environment of low cost airlines, which forces players to lower their fares and offer affordable prices to people.

The significant increase in the number of passengers is not only observed in Thailand but also recorded in some Southeast Asian countries. For example, Yangon

airport in Myanmar handled 5.9mn passengers in 2017 representing 8.5% growth compared to 5.5mn passengers in 2016<sup>11</sup> whilst passengers at Kuala Lumpur International Airport in Malaysia increased by 11.2% from 52.6mn passengers to 58.6mn passengers.<sup>12</sup>

VGI's Aviation media segment continues to benefit from this trend, with aviation advertising reaching a wider audience and providing additional channels for advertisers to deliver their messages. Our strategic locations and the capabilities of our diversified network will create opportunities for us to expose our media footprints into new potential airports and countries.

### ACTIVATION

VGI has expanded the business into demonstration business, known as direct sampling, through a 40.0% investment in Demo Power. With more than 20 years of experience, Demo Power is the largest trial and demonstration service company in Thailand. In Thailand, it covers more than 1,000 locations nationwide and is the largest player in this market.

Demo Power's network includes exclusive partnership with the top retailers in Thailand to manage the entire process of demonstration in 360 stores of Big C Supercenter, Tesco Lotus, Tops Supermarket and Villa Market and the partnership with well-known retailers such as Makro, 7-Eleven, MaxValue, Foodland, Watson, Boots and FamilyMart to activate marketing campaign in 650 stores across the country.

With the cooperation of VGI, Demo Power also presents its services at other locations with very high footfall including BTS stations, office buildings and popular theme parks. From hypermarkets, to supermarkets and BTS stations,

the nationwide coverage enables the business unit to reach more than 40mn audience interactions a year.



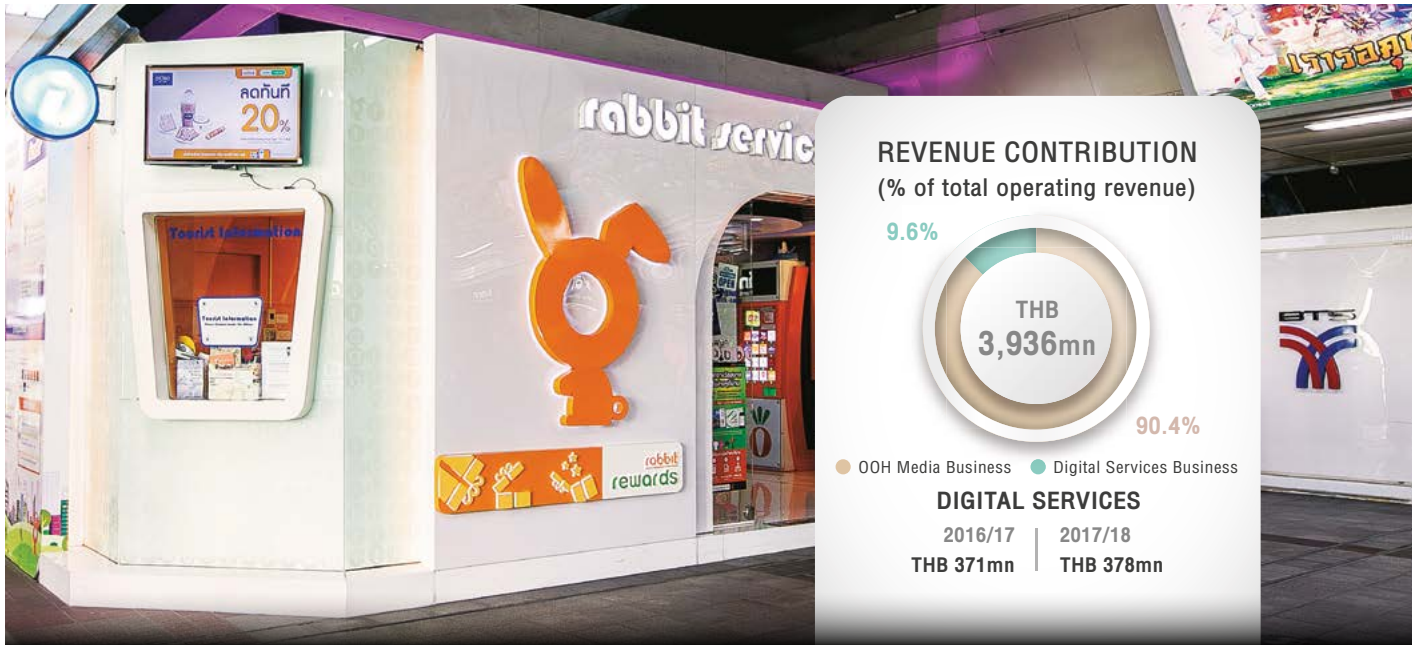
Demo Power Services

<sup>10</sup> AOT and Department of Airport, Thailand

<sup>11</sup> Yangon Aerodome Co. Ltd.

<sup>12</sup> Malaysia Airports Holdings Berhad

## 3.2.2 DIGITAL SERVICES BUSINESS



### 1. KEY DEVELOPMENT IN 2017/18

- Rabbit Group through Rabbit LinePay (“RLP”) made a historic partnership with Advanced Info Service Public Company Limited (“AIS”), the number 1 telecommunications operator in Thailand. AIS acquired 33.3% of RLP’s newly issued shares. The partnership will see a boost in RLP user base by integrating RLP as the default payment method in the myAIS application, the migration of existing mPay e-wallet users, the increase number of merchants through the AIS Serenade program, and increase in top-up channels through the AIS Refill-On-Mobile (“ROM”) network. This partnership is aligned Rabbit Group’s vision to build Thailand’s digital economy and to be the “Digital Payment Solution” for the Thai consumer.
- The number of Rabbit cards issued have increased 21.9% from 7.3mn cards in 2016/17 to 8.9mn cards in 2017/18 and coverage extends to over 157 retail partners with 5,680 outlets covering diverse business sectors.
- Rabbit LinePay, Thailand’s leading e-wallet has successfully acquired over 678 online e-commerce partners and its roll out across the 350 retail partners and 3,000 SME’s through the printed 2D QR-code, and registered 2.9mn users.

### 2. BUSINESS UNITS

#### 2.1 PAYMENT

The Rabbit Card was launched on 1 May 2012 by Bangkok Smartcard System Company Limited (“BSS”). Within six years of operations, the Rabbit Card user base has grown to over 8.9mn cards with over 157 participating retail partners and 5,680 outlets. Our participating retailers cover a wide variety of brands from many business sectors, including: F&B retail, including foodcourts; Entertainment, including cinemas; participating convenience stores. BSS also launched its usage and top-up service at MBK Food Island and partnered with Tesco Lotus to expand the Rabbit retail network across Tesco Lotus Express stores in the Bangkok metropolitan area and launch a promotion campaign exclusively for Tesco Lotus Express customers.

In April 2016, Rabbit Group has further expanded its e-money business from offline to online channels by establishing the first integrated offline-online e-wallet service in Thailand called Rabbit LinePay (“RLP”). The joint venture between Rabbit Pay System Company Limited, LINE Company (Thailand) Limited and LINE Biz Plus Limited, merges a substantial base with the most popular messaging application in Thailand. Later, in March 2018, Advanced Info Services Public Company Limited (“AIS”), the number 1 telecommunications operator

in Thailand, joined RLP as the third member of the joint venture. Along with AIS the other stakeholders of RLP are also the number 1 players in their respective industries: Bangkok Mass Transit System (BTS) in transit, Rabbit Group in cashless micro payments, LINE messenger in mobile communications, Kerry Express in ecommerce logistics and VGI in OOH media. The partnership establishes anchors and will drive adoption of cashless payments, offer solutions for the 'unbanked' population and is aligned with the government's vision of Thailand 4.0 and a cashless society.

Through these investment and partnership, we have now become the leading e-money service provider with integrated payment services for both offline and online channels. We have rolled out the use of the Rabbit LinePay e-wallet across the 350 merchant network and 3,000 SME's through the printed 2D QR-code. We expect to combine the Rabbit card and Rabbit LinePay into the single system in Q2 2018. This integrated service not only significantly increases our revenue potential, but through data gathering and analytics of consumer behaviour we enhance our media business by offering our clients intelligent, targeted advertising and activation capabilities.

## 2.2 SERVICES

### Rabbit Internet

ASK Hanuman Group has rebranded to Rabbit Internet Group, and includes Rabbit Internet Company Limited, Rabbit Insurance Broker Company Limited, and Ask Direct Group Company Limited:

- Rabbit Finance or Rabbit Insurance Broker, a licensed life and non-life insurance brokerage under the OIC, provides an online comparison service for insurance and financial products under the Rabbit Finance brand. Telesales agents contact the potential interested customers for a follow-through. Key verticals include Motor, Health and Life insurance, as well as Credit Cards and Personal Loans.
- Rabbit Daily has an in-house team of writers and editors covering everyday social lifestyle trends, and has a reach of over 4mn unique visitors per month. The content consumption behaviour of the rabbit audiences forms a valuable data source for the integrated rabbit consumer profile. The medium monetises via native content and display advertising

### AEON Rabbit Member Card

BSS has partnered with AEON Thana Sinsap (Thailand) Public Company Limited ("AEONTS") to launch the AEON Rabbit Member Card, merging the services and benefits of BSS and AEON into in one card. The co-branded card was launched on 16 February 2015. This card aims to give cardholders additional financial services (access to personal credit facilities, cash withdrawal and purpose loans from business partners of AEON's network) and quick access to mass transportation and easy payment channels at various retail outlets. The current loan balance is THB 1,366mn.

## 2.3 MEDIA

In 2016, Rabbit Group in partnership with VGI, recently launched "Rabbit Media" to conduct data analytics of user behaviour and profiles from a growing database of users of Rabbit's various services. Coupled with VGI's OOH media provides an offline-to-online ("O2O") Solutions that builds a consumer journey conversion funnel, enables hyper-targeted advertising, improved measurability of media campaigns, and results in a call-to-action.

Rabbit media is well-positioned to capture synergies from existing OOH media platform across the group, which has inventory or media sales capacity of around THB 7,000mn, an extensive database (with more than 3.5mn propriety registered members and up to 16mn profiles through alliances) and a digital platform. One such example is the flagship "Station Sponsorship" product. Through data analytics of commuters' behaviour Rabbit Media is able to tailored Advertisers needs to reach the relevant commuter demographic at the correct place and time, on a daily basis. By strategically selecting VGI media we are able to build on brand awareness, and then by utilising several online mobile channels are able to engage such commuters throughout their entire journey. We have also been successful in funneling call-to-actions at various conversion points, whether at brick-and-mortars retailers or via e-commerce. The impact of O2O campaigns has demonstrated the ability to not only yield better results, but also measure and improve customers return on investment as well as improving the utilisation rate across the group's media inventories. Rabbit Media will have similar initiatives within the VGI Group in the near future.



4.0

## ANNUAL BUSINESS REVIEW

4.1	Capital Markets Review	46
4.2	Risk Factors	52
4.3	Social, Community and Environment Responsibility for Sustainable Growth	56
4.4	Management Discussion and Analysis	57

## 1. HISTORICAL SHARE PRICE ANALYSIS AND TRADING SUMMARY

2017/18 was marked by a series of market-influencing events, such as the rise in oil prices and the synchronised recovery of the world's major economies, including the United States, the Eurozone, Japan and China. Correspondingly, the Thai stock market and VGI's share price witnessed strong growth. The Stock Exchange of Thailand Index ("SET Index") grew 12.4% from 1,580.86 points on 3 April 2017 to 1,776.26 points on 30 March 2018. While VGI's share price grew 51.5% from THB 5.15 to THB 7.80 during the same period. At the close of the final quarter, the Company's market capitalisation stood at THB 56,193.8mn (USD 1,802.2mn)<sup>1</sup>, representing a 59.0% increase YoY.

Throughout the first quarter of 2017/18, the Thai equity market traded sideways, despite the decline in oil prices and the growing tensions between the United States and North Korea. In line with the SET Index, VGI's share price saw slight changes during the first half of the quarter, remaining in the range of THB 4.82 - THB 5.80. However, it started to surge after the positive announcement of the Company's full-year financial results on 16 May 2017 and its intention to pay a dividend, subsequently reaching its quarterly peak at THB 5.80.

While the Thai stock market remained steady during the first two months of the second quarter (July - August 2017), it started to climb again from the end of August 2017, witnessing an increase of 2.4% on 28 - 29 August 2017, and continued on an upward trend for the rest of the quarter. The rise of the SET Index during this quarter was mainly attributable to the better-than expected GDP growth of 3.7%<sup>2</sup>. In fact, throughout this period, VGI's shares outperformed the SET and SETENTER Indices, trading in the range of THB 5.05 - THB 5.90, reaching a peak at THB 5.90.

During the third quarter, the global economy continued to maintain relatively strong growth momentum triggered by the continual recovery of the world's economic powerhouses, coupled with the rise in oil prices, which in turn helped buttress the Thai economy, especially in the export sector. As a result, the SET Index grew

FIGURE 1: VGI ANNUAL STOCK PERFORMANCE

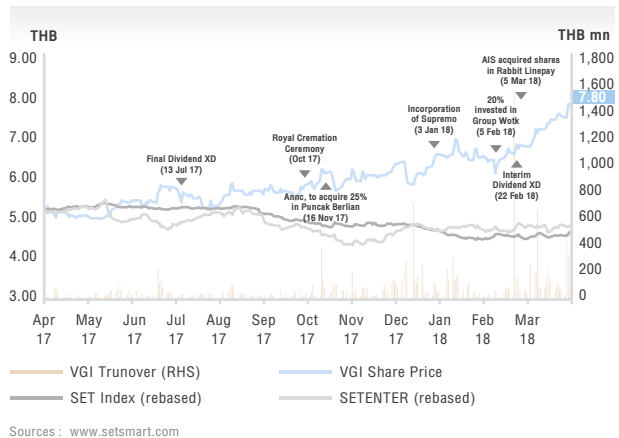
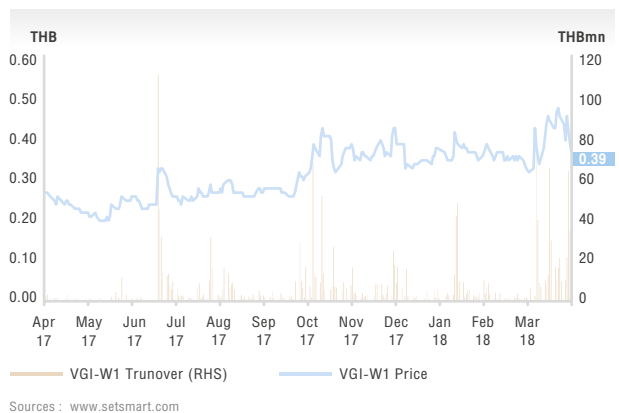


FIGURE 2: VGI-W1 WARRANT PERFORMANCE



significantly by 4.8%, closing at 1,753.71 points at end of the quarter. Likewise, VGI saw its share price rose by 13.9%, trading in the range of THB 5.45 - THB 6.60, and peaking at THB 6.60; again eclipsing the SET Index.

This upward trend persisted into the fourth quarter, with the SET Index growing by 1.3%, closing at 1,776.26 points, and reaching its all-time high at 1,852.51 points on 27 February 2018, the highest since it was established in April 1975. This is mainly influenced by the clear signal of election, which is expected to be held no later than February 2019 according to the Prime Minister Office. Meanwhile, VGI's share price continued to soar increasing by 19.1%, trading in a range of THB 6.00 - THB 7.95, and peaking at THB 7.95; thanks to the improved performance of the media industry after the Royal Cremation of His Majesty the late King Bhumibol Adulyadej in October 2017.

<sup>1</sup> Exchange rate at THB 31.18 per USD as of 31 March 2018.

<sup>2</sup> The Bank of Thailand

The rise in VGI's share price was also a result of a historic partnership between its Digital Service segment, Rabbit Line Pay ("RLP"), and AIS, Thailand's number one telecommunications operator. The collaboration is anticipated to spur the adoption of RLP cashless payment system, which in turn is expected to help bolster VGI's advertising segment as a whole. In addition, by leveraging on its exclusive access to Rabbit data - the bridging point between its Offline-to-Online (O2O) services - VGI is poised to offer seamless advertising solutions that will enable its clients to reach their target audience at every stage of the purchasing process and engage more effectively with their customers.

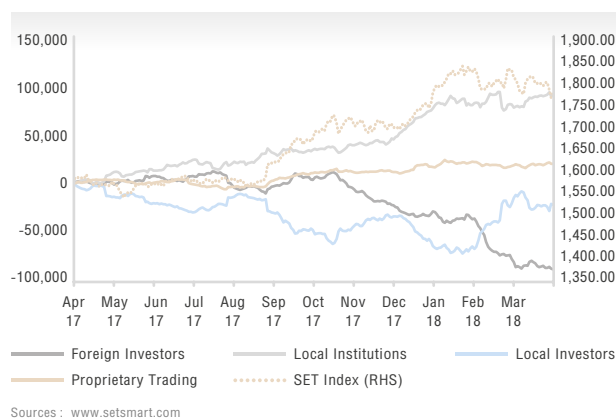
On top of these positive developments, VGI's share price reached a new record yet again, quoting at THB 7.95 per share on 28 March 2018, securing the highest market capitalisation among the country's listed media companies, recording THB 56,554mn in market capitalisation. From 3 April 2017, VGI shares' average trading volume was 11.5m shares per day and average daily value was THB 70.0mn or USD 2.2mn, a decrease of 16.1% and 10.2% YoY respectively. During the same period, the SET and SETENTER Indices average trading volumes were 9,892.4m and 166.8m shares per day and average daily values were THB 53,123.6mn and THB 1,064.4mn, or USD 1,703.7mn and USD 34.1mn respectively.

## 2. INDICES PERFORMANCE COMPARISON

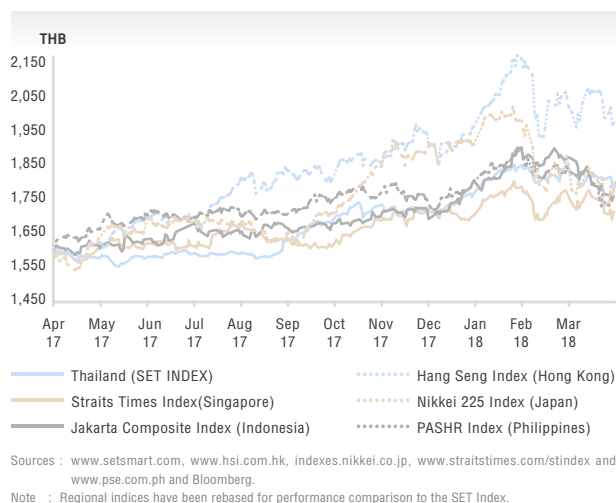
The SET Index rose by 12.4% for the year ended 31 March 2018, a directional trend that was mirrored across other emerging markets. Local institutional investors and proprietary traders were net buyers by THB 92.2bn and THB 20.4bn, respectively. On the other hand, foreign investors and local investors predominantly net sold their positions to the tune of THB 90.2bn and THB 22.4bn, respectively. The SET Index performed in line with other regional peers such as Hang Seng Index (Hong Kong) (+24.0%), Nikkei 225 Index (Japan) (+13.0%) and Jakarta Composite Index (Indonesia) (+10.4%) over the same period. SET Media & Publishing (SETENTER) grew by

8.5% from 60.32 points on 3 April 2017 to 65.47 points on 30 March 2018, reflecting the improvement of financial performance of listed companies within media segment and the greater investor confidence over stock price after being pressured from activity suspension at the end of 2017.

**FIGURE 3: CUMULATIVE INVESTOR FLOW (2017/18)**



**FIGURE 4: SET INDEX VERSUS REGIONAL PEERS**



**FIGURE 5: SUMMARY OF VGI STOCK PERFORMANCE AND REGIONAL INDICES**

	2015/16	2016/17	2017/18
Share price (THB)			
Year-end	4.78	5.10	7.80
Year-high	5.40	6.95	7.95
Year-low	3.44	3.80	4.82
Average daily traded value (THBmn)	62.5	77.9	70.0
Average daily traded volume (mn shares)	14.2	13.7	11.5
Number of shares outstanding at year-end (mn)	6,864.3	6,864.3	7,204.3
Market capitalisation at year-end (THBmn)	32,811.5	35,008.1	56,193.8
Change (YoY) - Stock dashboard			
VGI	-11.5%	+6.3%	+51.5%
SETENTER Index	-20.1%	-2.9%	+8.5%
SET Index	-7.7%	+12.5%	+12.4%
Nikkei 225 Index (Japan)	-12.0%	+17.0%	+13.0%
Straits Times Index (Singapore)	-17.6%	+12.7%	+7.5%
Hang Seng Index (Hong Kong)	-17.2%	+17.6%	+24.0%
Jakarta Composite Index (Indonesia)	-11.4%	+15.0%	+10.4%
PASHR Index (Philippines)	-8.1%	+4.8%	+9.7%

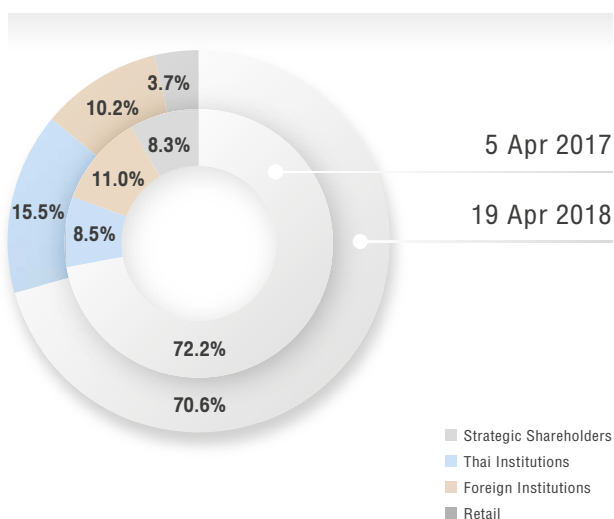
Sources : www.setsmart.com, www.hsi.com.hk, indexes.nikkei.co.jp, www.straitstimes.com/stindex and www.pse.com.ph and Bloomberg

### 3. SHAREHOLDER STRUCTURE

As of 19 April 2018, the Company had 7,719 shareholders. The major shareholders are Bangkok Mass Transit System Public Company Limited (“BTSC”) and BTS Group Holdings Public Company Limited (“BTSG”), who owned 48.5% or 3,500.6mn shares, and 21.6% or 1,556.2mn shares respectively (for more details of major shareholders, please see the Top 10 Major Shareholders table below). Non-Thai shareholding represented 8.7% 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 29.4% of total paid-up capital as of 19 April 2018.



**FIGURE 6: SHAREHOLDING BY SHAREHOLDER TYPE**



**FIGURE 7: SHAREHOLDER DISTRIBUTION**

No. of Shares held	No. of Shareholder(s)	% of all shares
> 100mn	7	86.7%
> 50mn - 10mn	2	2.3%
>1mn - 50mn	87	8.9%
100,001 - 1mn	295	1.2%
100,001 - 100,000	1,931	0.8%
1,001 - 10,000	2,867	0.2%
1- 1,000	2,530	0.0%
<b>Total</b>	<b>7,719</b>	<b>100.0%</b>



**FIGURE 8: TOP 10 MAJOR SHAREHOLDERS**

Name	No. of shares	% of Total
1. BTSC*	3,500,640,000	48.5%
2. BTSG**	1,556,233,492	21.6%
3. Bangkok Bank	712,754,706	9.9%
4. N.C.B.TRUST LIMITED-NORGES BANK 11	133,394,000	1.8%
5. STATE STREET EUROPE LIMITED	124,521,680	1.7%
6. Thai NVDR Co., Ltd.	115,538,465	1.6%
7. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	109,712,443	1.5%
8. Phatra Securities	90,345,800	1.3%
9. Kasikorn Securities	74,052,700	1.0%
10. Mr. Anutin Charnvirakul	50,000,000	0.7%
<b>Total (Top 10)</b>	<b>6,467,193,286</b>	<b>89.7%</b>

Remark:

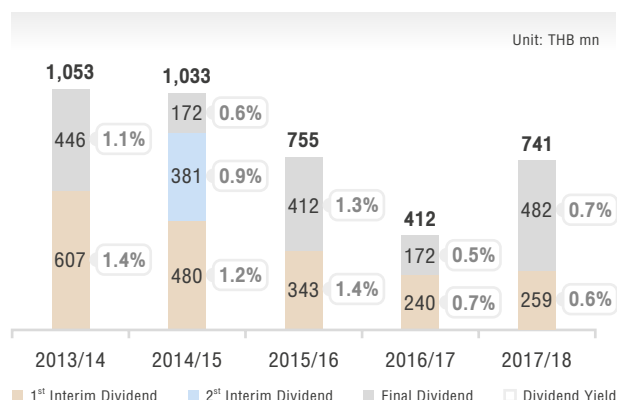
- \* BTSC, a subsidiary company of BTSG, holding 97.46% of BTSC's total shares. BTSC's core business is mass transit.
  - \*\* BTSG comprises of 4 business which are Mass Transit Business, Media Business, Property Business and Services Business
- As of 31 March 2018, Major shareholders of BTSG, holding 41.1%, is Mr. Keeree Kanjanapas Group, which consists of:
- (1) Mr. Keeree Kanjanapas holding:-
    - 2,986,164,652 shares on his own name,
    - 350,000,000 shares through the custodian, UBS AG HONG KONG BRANCH, and
    - 437,722,200 shares through the custodian, CREDIT SUISSE AG, SINGAPORE BRANCH
  - (2) Mr. Kavin Kanjanapas holding 602,459,295 shares,
  - (3) Ms. Susan Kanjanapas holding 32,000,000 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 50.0% 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 2017/18 the Company paid out an interim dividend in the form of cash of THB 0.036 per share. For the final dividend, the board of directors has approved to propose a cash dividend of THB 0.054 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 87.4% of net profit for 2017/18 and a dividend yield of 1.2%.

**FIGURE 9: VGI DIVIDEND RECORD**



- Note:
- Dividend yield is calculated using VGI closing share price one day before the date of Board of Director Meeting approving the relevant dividend.
  - 2013/14 and 2014/15 interim dividend included stock dividend (at par value) of 10:1, 25:1 and 1:1, respectively
  - 2017/18 final dividend is subject to shareholders' approval at the shareholders' meeting on 5 July 2018.

## 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 858mn 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 (Last exercise date and expiration Date is on 1 August 2018). 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. That was effective from 17 March 2015 onwards. Subsequently, on 15 July 2016, the Company has amended the warrant exercise ratio from 1:2 to 1:1 by issuing additional warrants to existing warrant holders on the basis of 1 unit per 1 unit of existing warrant.

## 6. INVESTOR RELATIONS

The Company places 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 2017/18, the Company met domestic and overseas institutional buy-side investors a total of 294 times, of which 183 were domestic buy-side and 88 were overseas investors. Additionally, the Company has maintained its marketing efforts by attending 12 non-deal roadshows (NDRs)/conferences in 2017/18, divided into 3 overseas NDRs/conferences and 9 domestic NDRs/conferences.

The Company hosted several investor-centric activities, including 4 quarterly earnings review meetings for analysts and fund managers. 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 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 2017/18, 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.

**FIGURE 10: INVESTOR RELATIONS KEY STATISTICS**

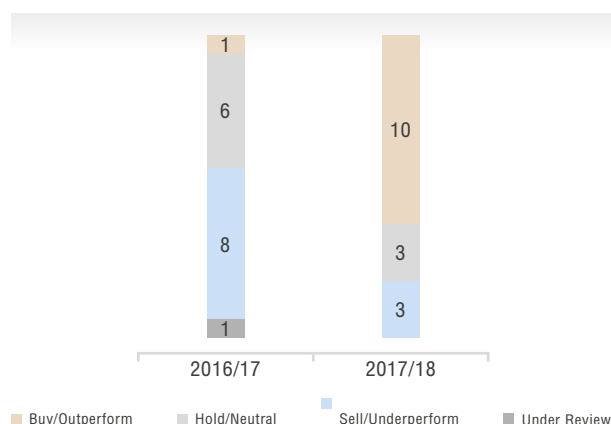
Investor Relations Key Statistics	2016/17	2017/18
Domestic Institutional Investors met (Buy-side)	164	183
Overseas Institutional Investors (Buy-side) met	57	88
Domestic Sell-side met	38	22
Overseas Sell-side met	4	1
<b>Total</b>	<b>263</b>	<b>294</b>
Analyst Earnings Review meeting / Opportunity day	6	6
No. of Roadshow / Conference	11	12
Company Visit / Conference call	67	98

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 2017/18, the website was mainly accessed by visitors from Thailand, USA and United Kingdom.

As of 31 March 2018, the Company was covered by 16 research companies, namely AEC Securities, Asia Plus Securities, Bualuang Securities, CIMB Securities, Credit Suisse Securities, DBS Vickers Securities, Finansia Syrus Securities, IV Global Securities, MayBank KimEng Securities, KT Zmico Securities, Nomura Securities, Phillip Securities, RHB OSK Securities, SCB Securities, Thanachart Securities

and TISCO Securities. As of 31 March 2018, 10 out of the 16 companies placed a buy or outperform recommendation on VGI, 3 placed a hold or neutral recommendation and 3 placed a sell or underperform recommendation with average consensus target price of THB 6.62 per share.

**FIGURE 11: ANALYST RECOMMENDATION SUMMARY**



**INVESTOR RELATIONS CONTACT DETAILS**

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

<b>Contact Telephone</b>	+66 (0) 2273 8615 ext. 1513
<b>Email</b>	ir@vgi.co.th
<b>Website</b>	http://www.vgi.co.th
<b>SET Share Symbol</b>	VGI
<b>SET Warrant Symbol</b>	VGI-W1

## 4.2 RISK FACTORS

The Board of Directors assigns the Executive Committee to consider the overall risks across board, evaluate and prepare a risk assessment matrix, monitor and control key risks and other factors that may cause significant impact on the Company's business operations so as to manage and minimise the impact of the risks to an appropriate and acceptable level. In this respect, the results of the risk assessment are 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 are reported to the Board of Directors.

The Company's risks analysis is based on 5 aspects i.e. strategic risks, operational risks, financial risks, compliance risks and fraud risks. Set out below is the key risks acknowledged by the Board of Directors due to their material impacts on the Company's current business operations. However, those key risks do not represent 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 2018 was at approximately THB 2,261.97 million, or equivalent to 55.44 percent of the Company's total revenue. In the past 3-year, revenue derived from providing media services and merchandising areas was slightly decreased, which were equivalent to 69.37 percent, 55.56 percent and 55.44 percent for the 2015/16 fiscal year, the 2016/17 fiscal year and the 2017/18 fiscal year, respectively.

If the Company's right to manage media services and merchandising areas in the BTS SkyTrain system from BTSC is somehow terminated, this may cause a material adverse effect on the business, financial condition and results of operations of the Company.

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

(a) BTSC may exercise 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 becomes 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, and 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 of the Company is at a relatively high level, which as of 31 March 2018 was in the amount of THB 1,173.09 million, higher than the concession fee paid to BTSC for a period of 31 March 2018 of THB 210.10 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 terminate the Concession Agreement only on any of two grounds i.e. (1) BTSC is under 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, it is highly unlikely that BTSC would be under the receivership, since BTSC continuously has a good result of operation and a robust financial position. Moreover, BTSC has strictly complied with the terms and conditions of the Concession Agreement.

In order to mitigate the risk of dependence on fewer business partners, the Company has a policy to expand its business into online media platforms to reach online consumer sector, which is expected to rapidly grow in numbers. Further, the Company has ventured offshore such as acquisition of 25 percent stake in Puncak Berlian Sdn Bhd or PBSB, as well as online business through its subsidiary Rabbit Group i.e. RLP electronic money service has entered into the joint venture agreement with Advanced mPAY Co., Ltd. or mPAY a subsidiary of

the leading telecommunication player in Thailand; Advanced Info Service Plc.

## **2. RELIANCE ON MAJOR MEDIA AGENCIES**

The Company's key customers are i) media agencies; and ii) direct customers such as product and service owners. As a normal course of media or advertising service business, direct customers engage the media agencies to provide advertising strategy plan, including advertising budget and media type selection to ensure that the advertising or marketing budget will be well spent to maximise its return on investment.

The Company has more than 20 media agencies customers, of which 10 are renowned media agencies. In the fiscal year ended 31 March 2018, the Company's revenue derived from the media agencies was approximately THB 1,559.51 million, or equivalent to 73.85 percent, of the total advertising revenue. The Company's revenue generated from the top 5 media agencies was 57.14 percent of the total advertising revenue. Therefore, if the Company could not maintain long-term business relationship with the media agencies, the Company's business position could be impaired and that material adverse effect on the business, financial position, results of operation and business opportunity would be likely.

To manage the risk mentioned above, the Company has financial planning by not relying on any media agency over 26 percent of the total advertising revenue. Furthermore, the Company strongly believes that this risk is manageable. The Company's management vision is to seek new group of direct customers such as FMCG business owners to expand customer base, other than customary media agencies. To strengthen our business to existing and new group of customers, the Company promotes transparent and fair business operation, whereby the customers are informed of effectiveness and quality of the Company's media, which suits and supports customers' advertising strategy and plan.

The Company's wide media network coverage, both online and offline, captures modern lifestyle and a variety of group of target customers. In terms of customer relation, the Company prioritises customer relationship management, and that various activities such as VGI Day showcasing varieties of media products were organised to strengthen relationship with the customers while gaining marketing benefits.

## **3. MEDIA BUSINESS VARIES BY THE OVERALL ECONOMIC SITUATION**

Like any other businesses in Thailand, overall economic situation of the country is a key factor of media business growth. Thailand's economy is affected by domestic and global factors as well as changes in political situation. The recession or slowdown of certain sectors such as manufacturing, export or unemployment situation are also attributable to economic impact. These factors could 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 budget expended by the product and service owners, and that may result 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, especially online media, which can cover wider target groups and create more awareness, 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, living in condominium and connecting to social media. The Company firmly believes that with the locations, characteristics, and types of media, especially BTS related and online media and service, the Company is unlikely to be affected by the current economic situation. Moreover, the Company has expanded its media network to other new platforms (ref. item 4 "Business Expansion" for more details).

Nonetheless, in the event of economic nosedive, the business, financial condition and results of operation of the Company would be affected. In such as case, the Company's management will use its utmost effort to ensure that the situation will be professionally handled.

## **4. BUSINESS EXPANSION**

The Company has adopted the strategy to expand into new businesses regime to support and yield high benefits to the Company's business operations at domestic and international level. Also, such expansion is expected to strengthen the existing business platforms while enhancing the Company's long-term growth opportunities. As it is always quoted that "High Risk, High Return", the Company, however, cautiously identify, assess and

manage risks associated with business expansion, which could be finally turned into an opportunity. Certain business expansions require significant amount of fund and resources, whereby return or outcome is expected to meet the target forecasted by the Company. Any failure may cause an adverse effect on the overall business, financial position and operational results of the Company.

To minimise the risk associated with business expansion, the Company discreetly considers projects with high potential and a robust strategic partner, as well as investing in media businesses, which is within the Company's expertise. In this respect, before making the decision on each investment, the Company conducts a feasibility study based on 3 assumptions i.e. (a) base case, (b) worst case, and (c) best case, while taking into account the best benefits of the Company and its shareholders including additional interests arisen from synergies of any particular investment.

After the Company had completely built media network according to "Nationwide Integrated Media Platform" in the 2016/17 fiscal year, the Company set and pursued its strategy towards "Data Centric Media Hypermarket" with the ongoing development concept in order to combine and integrate media while building targeted media platform to maximise brand value through integrated offline media, the Company's traditional media and online media, under management of the Company's subsidiaries i.e. Rabbit Group.

Additionally, in March 2018, RLP, a company under Rabbit Group conducting the e-money and e-payment service business under the service name "Rabbit LINE Pay", introduced the new business partner, Advanced mPAY Co., Ltd. or mPAY, a leading financial services player in the market through mobile and other electronic channels businesses. The new partner and RLP's key collaboration purpose is transforming Thailand into the real "Cashless Society", which is the main campaign of the Bank of Thailand, and that RLP will become the 1<sup>st</sup> ranked mobile payment platform in Thailand. As a result of the joint investment, the member base had been increasingly expanded, which meant significant incremental in money top-up points.

In relation to the offshore business investment, the Company strongly continues its previous investment in Malaysia, through VGM, a wholly-owned subsidiary incorporated in Malaysia, in PBSB, a company operating out of home media business in Malaysia, with diversified media network strength within the Company's expertise.

## 5. REVENUE GROWTH VARIES BY NUMBER AND BEHAVIOURS OF CONSUMERS

An increase in the number of ridership on the BTS SkyTrain system, including the consumers' behaviours, 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 utilisation and negotiation power on media sale 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' behaviours e.g. a favour 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 routes pass 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 routes, 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 state-of-the art and corresponds with the consumers' behaviours, including increases its advertising space to new area. In the 2017/18 fiscal year, the Company has developed and increased its advertising space to be more captured with current consumer's lifestyle, such as media at LockBox (self-storage installed at the interchange between BTS stations and skywalks).

For "Station Sponsorship", an integrated offline and online media launched in the past year, there was increased in the number of customers chosen this product. Furthermore, in the third quarter of 2017/18 fiscal year, the Company has collaborated with LINE (Thailand) Co., Ltd. or LINE to launch the LINE Beacon trial, which is a technology transmitting data over short distances through Bluetooth low energy. When users are in the proximity of LINE Beacon, they receive interesting message and advertising media via LINE chat application, which include coupons, promotions, and recommended restaurants, which certainly enables brands to create consumer engagement more effectively. This trial was well responded as average click-through-rate representing the audiences' awareness percentage rate was higher than other types of online media, particularly once

the consumers captured both offline media on BTS station and message in LINE application. The Company and LINE intend to officially launch LINE Beacon during mid of 2018.

In addition, the Company offers all advertising media under VGI Group's and its associated companies to the customers in a form of bundle package, such as outdoor media, aviation media, online media and marketing activity with the purpose to increase the media occupancy rate and to accommodate the customers to be able to select and purchase media products with the Company as one stop service center.

## **6. COMPETITION WITH OTHER MEDIA SERVICE PROVIDERS**

Nowadays, there are various new faces of media service providers in the market, which strongly intensifies competition in media sector, especially price competition, so-called price war. All media service providers surely wish to at least maintain or even increase their market share. If the Company cannot be responsive to such competition in a timely and cost-effective manners, such competition may cause significant impact on the business, financial condition and results of operation of the Company. However, the Company firmly believes that its current media network, coupled up with continuous media development and new advertising space, covers and corresponds to the current modern lifestyle and is able to effectively reach all groups of consumers. With its decent risk management method, the Company is adept and ready to compete among changes in such volatile economic situation.

## **7. CHANGE IN DIGITAL MEDIA TECHNOLOGY**

The Company always aims to develop its digital media technology to keep its leader image and to attract the target continuously. Consequently, each time of the change in digital media technology impacts the Company to spend high investment budget and long period for procurement and installation. Thus, before changing any media, the Company usually studies investment worthiness, prepares feasibility study and regularly plans the schedule for installation, included test run.

In the past year, the Company has invested and installed equipment as well as developing Passenger Information System for multimedia broadcasting function to support the extension of BTS SkyTrain routes and the increase in the number of trains. This developed system is enable programmatic queueing advertising media to be more flexible for the customers' need meanwhile it results more stable

and faster network, which is expected to satisfy the customer and support the change in technology at least 5 years.

## **8. RELIANCE ON PERSONNEL WITH SPECIALISED 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 in management to optimise the usage of the advertising space and media creativity to meet the product and service owners' need depend on the executives and personnel with knowledge, expertise and experience in media planning. Thus, if the Company fails 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 values human resources management and development. The Company arranges the work into teams, and any team member is substitutable. In addition, the Company provides functional and soft-skill 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. The Company stresses on the importance of remuneration, welfare and long-term benefits given to its personnel by considering based on (i) working condition and job description, (ii) the Company's annual performance and (iii) individual employee's performance. All of these are to minimise 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.

## **9. CHANGE IN ANY LAWS RELATING TO VGI GROUP'S BUSINESS**

Change in any laws relating to VGI Group's business, such as Payment System Act B.E. 2560 (2017), which was effective as from 16 April 2018, may impact on VGI Group's business operations. As such, VGI Group continuously monitors any changes in relevant laws relating to VGI Group's business in order to set guidelines for operations and prepare backup plans if necessary.



## 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 executives and employees together with 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 business operation that is in compliance with the environmental standards, as well as the social and community development. The Company has prepared

the **“Sustainability Report 2017/18”** in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) Version 4 for the third consecutive year to communicate the Company’s policy and performance in social, community and environmental responsibility through economic, social and environmental aspects between 1 April 2017 and 31 March 2018. For more information, please refer to the Sustainability Report 2017/18, which is published on the Company’s website at [www.vgi.co.th](http://www.vgi.co.th).



## 2017/18 SNAPSHOT &amp; ANALYSIS

## CONSOLIDATED P&amp;L SNAPSHOT

THB (mn)	4Q 2016/17	4Q 2017/18	YoY (%)	2016/17	2017/18	YoY (%)
Operating revenue	864	1,128	30.6%	3,051	3,936	29.0%
Cost of sales	357	406	13.8%	1,269	1,535	21.0%
Gross profit	507	722	42.5%	1,783	2,401	34.7%
EBITDA	347	524	50.9%	1,357	1,691	24.6%
Adjusted EBITDA <sup>1</sup>	350	535	52.7%	1,238	1,779	43.6%
EBIT	252	413	63.9%	1,010	1,258	24.5%
Interest expenses	10	17	64.9%	32	88	176.1%
Tax	39	66	70.8%	210	241	15.1%
Net profit <sup>2</sup>	193	288	49.1%	826	846	2.4%
Adjusted net profit <sup>3</sup>	205	305	49.0%	755	964	27.7%
Gross profit margin	58.6%	64.0%		58.4%	61.0%	
EBITDA margin	40.1%	46.4%		44.5%	43.0%	
Adjusted EBITDA margin	40.5%	47.4%		40.6%	45.2%	
Net profit margin	22.4%	25.5%		27.1%	21.5%	
Adjusted net profit margin	23.7%	27.1%		24.7%	24.5%	

Note: The Company restated its 4Q 2016/17 and 2016/17 financial performance after the consolidation of Rabbit Group under the common control basis.

<sup>1</sup> Adjusted for gain of fair value measurement in MACO at acquisition date, share of investment in JV and associates and non-recurring expenses.

<sup>2</sup> As shown in financial statement, excluding minority interest.

<sup>3</sup> Net profit excludes minority interest, is adjusted for amortisation of PPA in MACO, gain of fair value measurement in MACO at acquisition date, non-recurring expenses and share of investment in JV and associates.

## PERFORMANCE ANALYSIS (2017/18 VS 2016/17)

2017/18 was another year of solid progress for VGI. The Company achieved the highest revenue in its history and successfully established itself as a unique market leader in Thailand providing fully integrated Offline-to-Online (O2O) Solutions for the advertisers.

With this, VGI's sales strategy has shifted from solely being a platform provider to offer 360-degree view of advertising solutions that allow advertisers to reach their target audiences throughout the entire customer journey. The VGI Group's **revenue** increased by 29.0% YoY or THB 885mn in 2017/18 from THB 3,051mn in the same period last year to THB 3,936mn.

## REVENUE BREAKDOWN (THB MN)

THB (mn)	4Q 2016/17	4Q 2017/18	YoY (%)	2016/17	2017/18	YoY (%)
<b>OOH media</b>	<b>767</b>	<b>1,018</b>	<b>32.7%</b>	<b>2,681</b>	<b>3,559</b>	<b>32.7%</b>
Transit	535	618	15.6%	1,865	2,262	21.3%
Outdoor	161	291	80.7%	550	958	74.3%
Office and Other	71	108	52.8%	266	338	27.3%
<b>Digital Services</b>	<b>97</b>	<b>110</b>	<b>13.8%</b>	<b>371</b>	<b>378</b>	<b>1.9%</b>
<b>Total revenue</b>	<b>864</b>	<b>1,128</b>	<b>30.6%</b>	<b>3,051</b>	<b>3,936</b>	<b>29.0%</b>
<b>Contribution (%)</b>	<b>4Q 2016/17</b>	<b>4Q 2017/18</b>		<b>2016/17</b>	<b>2017/18</b>	
<b>OOH media</b>	<b>88.8%</b>	<b>90.2%</b>		<b>87.9%</b>	<b>90.4%</b>	
Transit	61.9%	54.8%		61.1%	57.5%	
Outdoor	18.7%	25.8%		18.0%	24.3%	
Office and Other	8.2%	9.6%		8.7%	8.6%	
<b>Digital Services</b>	<b>11.2%</b>	<b>9.8%</b>		<b>12.1%</b>	<b>9.6%</b>	
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	

The **OOH media segment** recorded broad revenue growth across all product groups. 2017/18's revenue in OOH media segment rose considerably 32.7% YoY, representing a contribution of 90.4% to total revenue or THB 3,559mn. The growth in OOH media revenue resulted from higher prices, synergies from the Digital Services segment, the launch new product – LED billboards – of the Outdoor media segment as well as the full year consolidation of Master Ad Public Company Limited (“MACO”)

**Transit media** revenue increased by 21.3% YoY to THB 2,262mn. The sharp rise in revenue growth is attributable to strong organic growth, price increases of static and digital media as well as the synergies from ‘Station Sponsorship’ campaigns, which has proven to be impactful to financial performance generating additional revenue of THB 336mn within the Transit media segment.

Meanwhile, our **Office and Other media** segment revenue grew solidly, increasing by 27.3% YoY to THB 338mn. Revenue growth in 2017/18 was mainly driven by the expansion of the office building media network as well as price increases, Wi-fi project management fee. During the past year, we successfully added 12 new contracts to the office building portfolio (a total of 174 buildings), surpassing the year-end target to acquire 10 additional office buildings.

The Group also benefited from the **Outdoor media segment**, which saw extraordinary growth of 74.3% YoY, or THB 408mn reaching THB 958mn in 2017/18. The increase was mainly due to the full year consolidation of MACO starting in June 2016 as well as the launch of 35 new LED billboards. This product is increasingly popular with customers since being launched in July 2017. In addition, the business segment also benefited from the consolidation of Multi Sign Co., Ltd (“MTS”) and COMASS Co., Ltd (“Comass”) of MACO, which was acquire in October 2016 and July 2017, respectively. These acquisitions have shifted the Company OOH media footprint from Bangkok-Centric to nationwide presence. (Please find more details of Outdoor media segment in 1Q 2018 MACO's management discussion and analysis <http://maco.listedcompany.com/misc/mdna/20180514-maco-mdna-1q2018-en.pdf>)

**Digital Services business** contributed 9.6% of total revenue or THB 378mn, increasing by 1.9% YoY or THB 7mn, mainly due to an increase in card issuing fee, project management fee and the lead to insurance and credit card website.

The growth in the operating business is also reflected in **cost of sales** which came to THB 1,535mn, an increase of THB 266mn or 21.0% YoY, primarily from higher sales, an increase in the Transit media concession fee from 5% to 10% in May 2017 (revenue sharing scheme, which increases by 5% every 5 years since May 2012) and full year consolidation of MACO. **Cost-to-sales ratio**, however, decreased from 41.6% to 39.0% primarily due to sales growth outpaced cost growth, improved operational efficiency and cost management especially in the Outdoor media and digital services business. Consequently, the **gross profit** was up 34.7% YoY from THB 1,783mn to THB 2,401mn. **Gross profit margin** increased from 58.4% to 61.0%.

**Selling, general and administrative expenses (“SG&A”)** increased by 15.9% YoY or THB 162mn from THB 1,018mn to THB 1,180mn. The ratio of SG&A to revenue decreased to 30.0% (prior year: 33.3%), from higher revenue growth.

In light of tangible improvement in gross profit, VGI Group's positive momentum is also reflected in its **EBITDA**, which increased by 24.6% YoY from THB 1,357mn to THB 1,691mn, while **adjusted EBITDA** increased significantly by 43.6% YoY from THB 1,238mn to THB 1,779mn

**Interest expenses** increased by THB 56mn from THB 32mn to THB 88mn in 2017/18. The increase was mainly from an increase of loan for financing the Rabbit Group acquisition in March 2017.

**Tax** increased by THB 31mn from THB 210mn to THB 241mn in this fiscal year.

As a result of the abovementioned improved operating performance, VGI Group generated total **net profit** of THB 846mn (prior year: THB 826mn), an increase by 2.4% YoY. At the same time, **adjusted net profit** climbed 27.7% YoY from THB 755mn to THB 964mn.

## FINANCIAL POSITION

### ASSETS

Assets Breakdown	31 March 2017		31 March 2018	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and short-term investments	1,210	15.2%	1,905	19.8%
Trade & other receivables	763	9.6%	1,143	11.9%
Equipment – net	1,503	18.8%	1,615	16.8%
Investment in JVs, associates and other long-term investments	1,373	17.2%	1,421	14.8%
Goodwill and excess of acquisition costs and net assets	1,487	18.6%	1,487	15.5%
Other assets	1,649	20.6%	2,046	21.2%
<b>Total assets</b>	<b>7,985</b>	<b>100.0%</b>	<b>9,617</b>	<b>100.0%</b>

**Total assets** as of 31 March 2018 stood at THB 9,617mn, an increase of THB 1,632mn or 20.4% from THB 7,985mn as of 31 March 2017. **Total current assets** were THB 3,705mn, increasing by 41.8% or THB 1,093mn, primarily due to 1) an increase in cash & cash equivalents and short-term investments of THB 695mn mainly from cash received from the issuance and offering of 340mn newly issued shares via a private placement under a general mandate, 2) an increase in trade and other receivables of THB 380mn (see further details in trade and other receivable section), 3) an increase in float from Rabbit cardholders of THB 67mn and 4) an increase in other current assets of THB 27mn. However, the increase was partially offset by 5) a decrease in current portion of long-term loans of THB 77mn.

**Total non-current assets** stood at THB 5,911mn, an increase of 10.0% or THB 539mn due to an increase of 1) an estimated amount by which costs of the acquisition of investment in subsidiary exceed identifiable net assets of the acquire of THB 282 mn from acquisition in COMASS by MACO, 2) investment in associates – PBSB of THB 111mn, 3) equipment –net of THB 113mn and 4) advance payments for purchase of assets of THB 95mn. The increase was partially offset by 5) a decrease in an investment in JVs and other long-term investments of THB 62mn.

**Trade and other receivables** were THB 1,143mn, an increase of THB 380mn. The increase was in-line with higher sales in 2017/18. 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 credit-worthiness. As of 31 March 2018, the allowance for doubtful accounts was THB 36mn. The increase in account receivables comprising of 1) trade receivables of THB 124mn, 2) accrued income of THB 111mn, 3) account receivables from exercise of warrants of THB 65mn and 4) other receivables of THB 80mn

Ageing Of Trade Receivables (THB mn)	31 March 2017	31 March 2018
Not yet due	577	647
Up to 6 months	93	164
Over 6 months	39	22
<b>Total</b>	<b>709</b>	<b>833</b>
% of total receivables	93.0%	72.9%
Allowance for doubtful debt	34	36
% of total receivables	4.5%	3.2%

## LIABILITIES AND SHAREHOLDERS' EQUITY

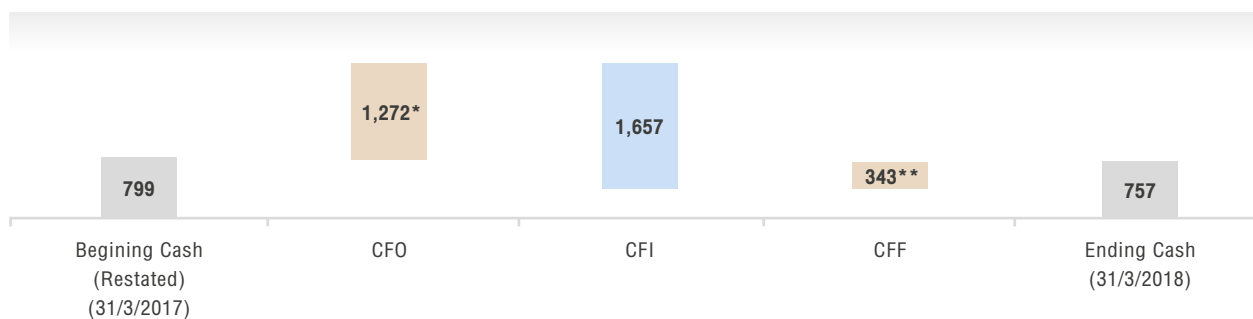
Liabilities And Equity Brakedown	31 March 2017		31 March 2018	
	(THB mn)	% out of total	(THB mn)	% out of total
Short term loans	778	9.7%	230	2.4%
Trade & other payables	536	6.7%	285	3.0%
Accrued expenses	400	5.0%	571	5.9%
Current portion of long-term loans from financial institutions	246	3.1%	44	0.5%
Other current liabilities	848	10.6%	918	9.5%
Long term loan	1,933	24.2%	1,489	15.5%
Other non-current liabilities	139	1.7%	162	1.7%
<b>Total liabilities</b>	<b>4,880</b>	<b>61.1%</b>	<b>3,699</b>	<b>38.5%</b>
Shareholders' equity	3,105	38.9%	5,917	61.5%
<b>Total liabilities and equity</b>	<b>7,985</b>	<b>100.0%</b>	<b>9,617</b>	<b>100.0%</b>

**Total liabilities** were THB 3,699mn, a decrease of THB 1,181mn or 24.2% from THB 4,880mn as of 31 March 2017 mainly from a decrease in 1) short term loans, long term loans and current portion of long term loans of THB 548mn, THB 444mn and THB 202mn, respectively, 2) trade and other payables of THB 251mn mainly from other payables for purchases of investment in Multi Sign and COMASS by MACO of THB 175mn

and THB 90mn, respectively. However, the decrease was partially offset by an increase in 3) accrued expenses, advances received from cardholders and provision for long-term employee benefits of THB 264mn.

**Total equity** was THB 5,917mn, increasing by THB 2,812mn or 90.6%, due mainly attributable to an increase in share capital from the private placement in December 2017 and retained earnings.

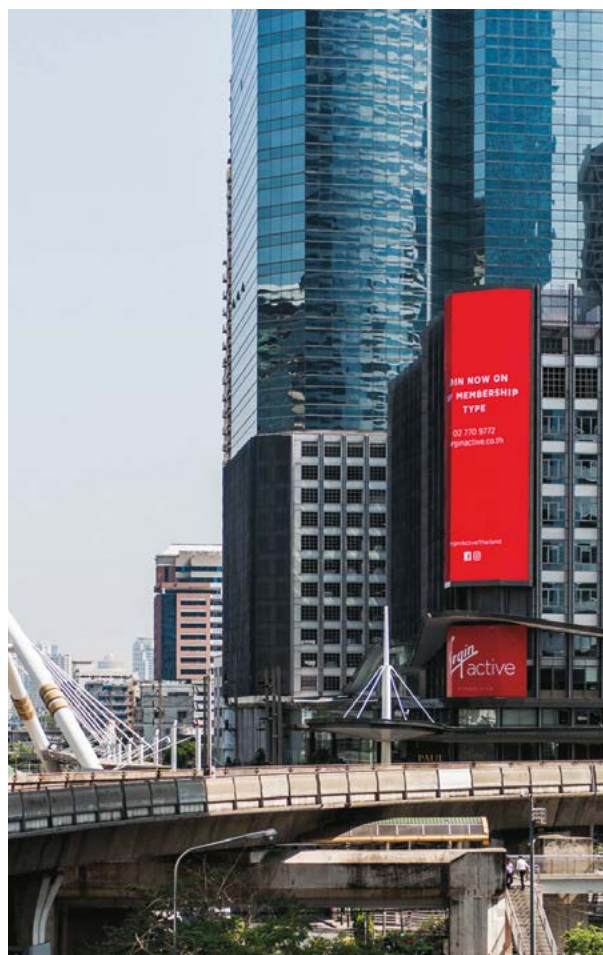
## LIQUIDITY AND CASH FLOW (THB mn)



\* After tax and net tax refund (THB 275mn) and interest expense (THB 83mn)  
 \*\* Included translation adjustment of (THB -1.6mn)



For the twelve months ended 31 March 2018, **cash and cash equivalents** was THB 757mn, a decrease of 5.3% or THB 42mn. Cash from operating activities was THB 1,630mn, increasing by 39.3% or THB 460mn. After deducting cash paid for corporate income tax net of tax refund of 275mn (12M 2016/17: THB 187mn) and cash paid for interest expenses of THB 83mn (12M 2016/17: THB 26mn), **net cash from operating activities** was THB 1,272mn. **Net cash used in investing activities** was THB 1,657mn. The key components are cash paid for a purchase of current investments of THB 736mn, an investment in COMASS by MACO of THB 335mn, an investment in Puncak Berlian Sdn Bhd of THB 106mn and LED billboards and the system upgrade for LCD screens in trains, LCD screens in office buildings and other of THB 549mn. **Net cash received in financing activities** was THB 343mn mainly from proceeds from the increase in share capital of THB 2,012mn, proceed from exercise of MACO's warrants of THB 162mn and sales of investment in MACO of THB 116mn. However, this offset by a decrease in long-term as well as short-term loans from financial institutions of THB 646mn and THB 548mn, respectively, dividend paid of THB 531mn<sup>1</sup> and cash paid to settle payable from purchase of investment in Multi Sign of THB 220mn



## FINANCIAL RATIOS

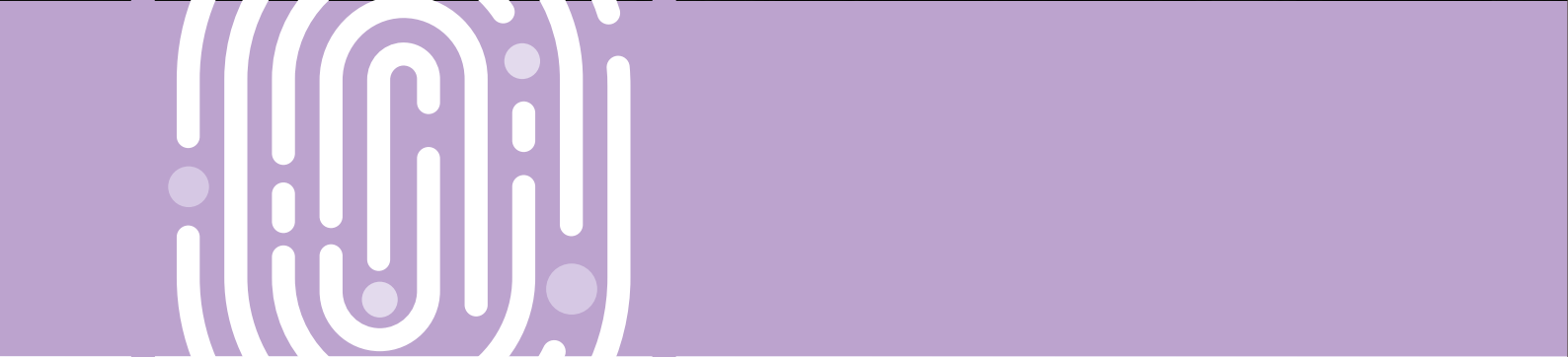
Profitability Ratios		2016/17	2017/18
Gross profit	(%)	58.4%	61.0%
Operating EBITDA	(%)	44.5%	43.0%
Cash-to-net profit	(%)	94.8%	101.1%
Net profit (excl. NCI)	(%)	24.6%	20.7%
Return on equity	(%)	40.3%	26.9%
<b>Efficiency Ratios</b>			
Return on assets	(%)	12.2%	9.6%
Return on fixed assets	(%)	75.8%	75.2%
Assets turnover	(times)	0.5	0.5

Liquidity Ratios		2016/17	2017/18
Current ratio	(times)	0.9	1.8
Quick ratio	(times)	0.8	1.2
Account receivable turnover	(times)	4.9	4.1
Average collection period	(days)	74.6	88.4
Payable days	(days)	100.8	97.6
<b>Leverage Ratios</b>			
Liability to equity	(times)	1.6	0.6
Debt to equity	(times)	1.0	0.3

Remark:

- Financial ratios were calculated based on The Stock Exchange of Thailand's formula.
- On 14 December 2017, the Company issued newly ordinary shares of 340mn shares as a result total share increased to 7,204mn shares as well as share premium, which increased by THB 1,978mn.

<sup>1</sup> Included dividend paid by a MACO's to non-controlling interests and shareholders of THB 70mn and THB 21mn, respectively.





5.0

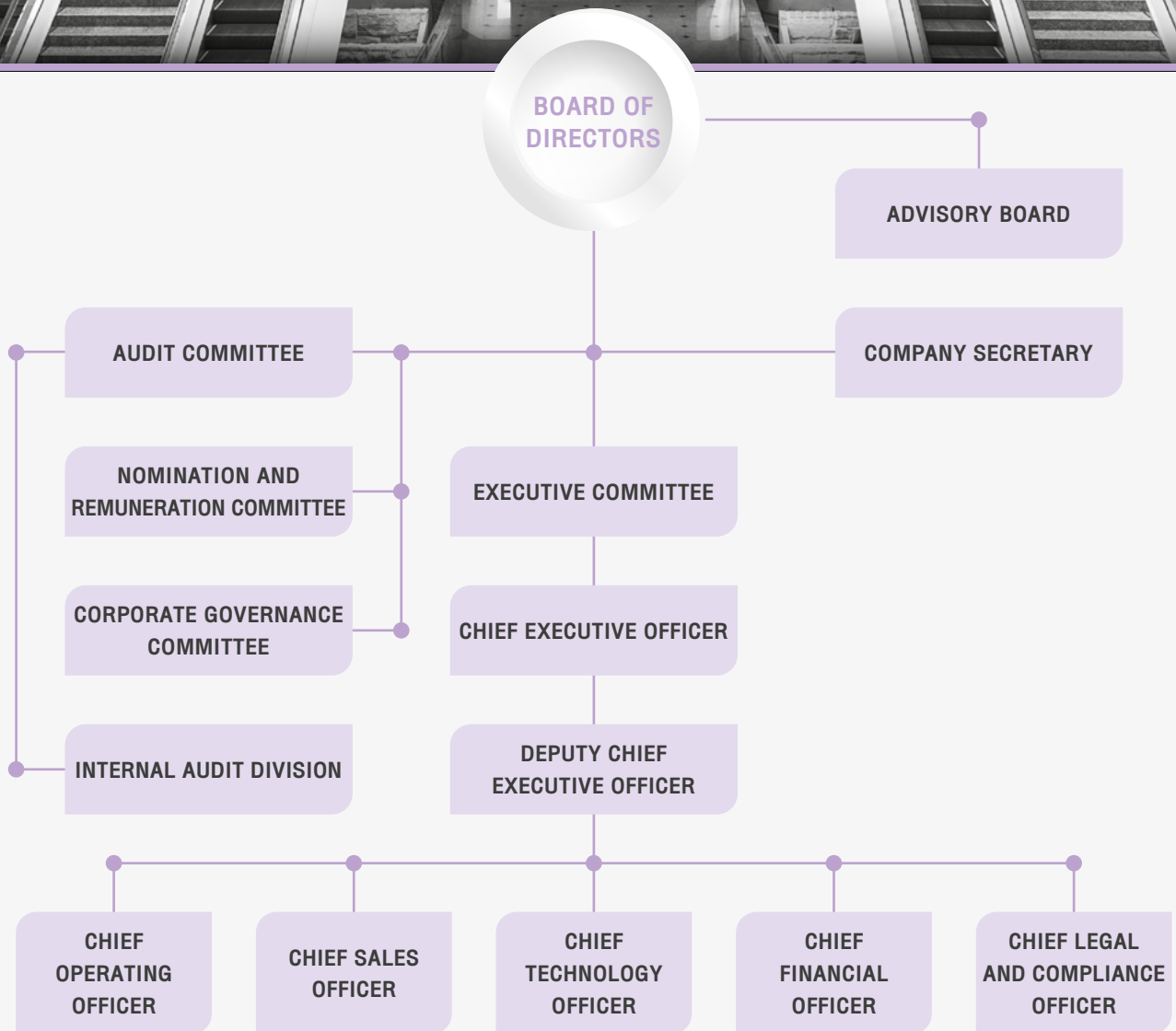
## CORPORATE INFORMATION AND CORPORATE GOVERNANCE REPORT

<b>5.1</b>	Organisation Chart	64
<b>5.2</b>	Corporate Profile and Structure	65
<b>5.3</b>	Subsidiaries, Associated Companies and Jointly Controlled Entities Information	66
<b>5.4</b>	Management Structure	70
<b>5.5</b>	Corporate Governance	75
<b>5.6</b>	Nomination and Remuneration of Directors and Executives	99
<b>5.7</b>	Internal Control and Risk Management	102
<b>5.8</b>	Related Party Transactions	106
<b>5.9</b>	Profiles of Director and Executive	109
<b>5.10</b>	Information on the Positions of Directors and Executives in the Company, Subsidiaries, Associated Companies, Jointly Controlled Entities and Related Companies	120

# 5.1

## ORGANISATION CHART

As of 31 March 2018





**COMPANY PROFILE**

<b>Year Established</b>	: 1995
<b>Equity First Trade Date</b>	: 11 October 2012
<b>Stock Symbol</b>	: VGI
<b>Market</b>	: SET
<b>Industry</b>	: Services
<b>Sector</b>	: Media & Publishing
<b>Registered Capital</b> (as of 3 Apr 2018)	: THB 891,990,523.00
<b>Paid-up Capital</b> (as of 3 Apr 2018)	: THB 721,366,542.80
<b>No. of Listed Shares</b> (as of 3 Apr 2018)	: 7,213,665,428 shares
<b>No. of VGI-W1</b> (as of 3 Apr 2018)	: 1,706,239,802 units
<b>Par Value</b>	: THB 0.10 per share

**COMPANY REGISTERED ADDRESS**

21 TST Tower, 9<sup>th</sup> 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.102, 556, 557

**Fax** : +66 (0) 2273 8883

**Email** : companysecretary@vgi.co.th

**Investor Relations**

**Tel** : +66 (0) 2273 8611-5 ext.1513,1520

**Fax** : +66 (0) 2273 8610

**Email** : ir@vgi.co.th

**STOCK REGISTRAR****Thailand Securities Depository Co., Ltd.**

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

**AUDITOR****EY Office Limited**

33<sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137

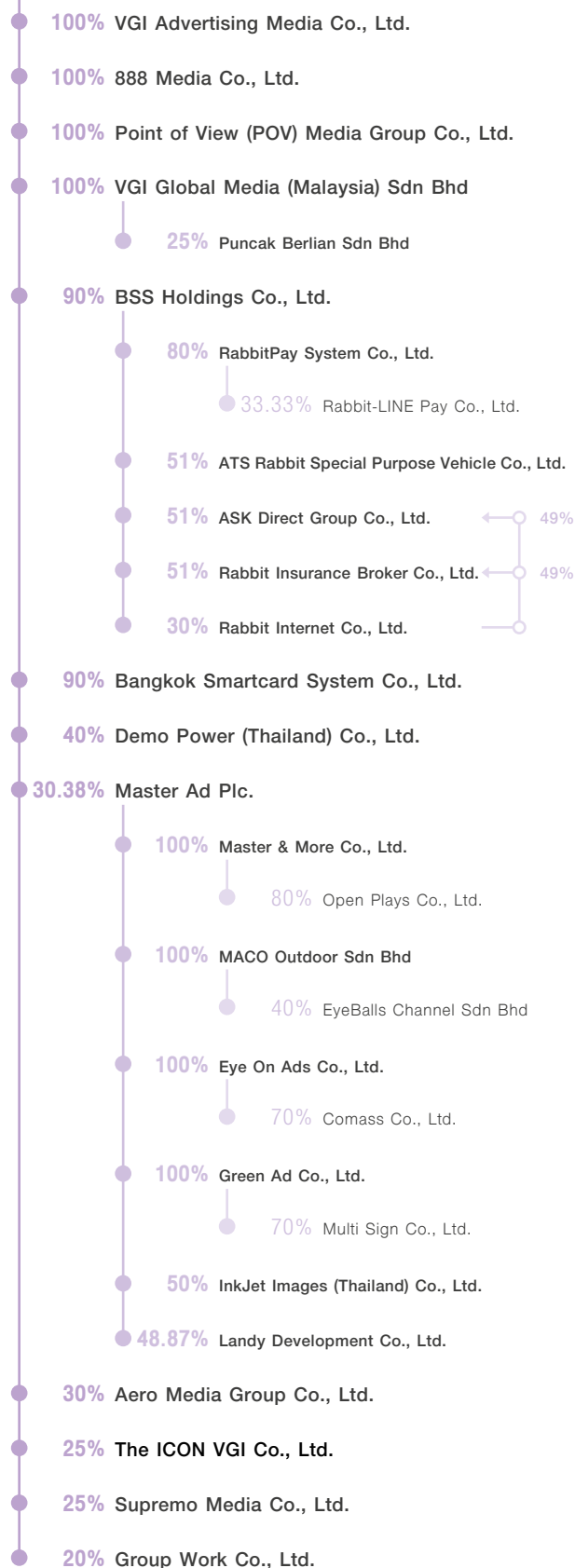
New Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand

**Tel** : +66 (0) 2264 0777

**Fax** : +66 (0) 2264 0789-90

**Mr. Supachai Phanyawattano**

**Certified Public Accountant No. 3930**

**VGI GLOBAL MEDIA PLC.**

## 5.3

## SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES INFORMATION

(As of 31 March 2018)

	Name of Company/ Address	Type of Business	Registered Capital (THB)	Total Issued Shares (Shares)	Type	Shareholding (%)
1.	<b>VGI Advertising Media Co., Ltd.</b> 21 TST Tower, 9 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2273 8884 Fax : +66 (0) 2273 8883	Providing advertising media service (It has currently ceased the operation because of the expiration of the concession agreement in Tesco Lotus.)	10,000,000	100,000 (par value of THB 100 per share)	Ordinary Shares	100.00
2.	<b>888 Media Co., Ltd.</b> 21 TST Tower, 9 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2273 8884 Fax : +66 (0) 2273 8883	Providing advertising media and production service	20,000,000	2,000,000 (par value of THB 10 per share)	Ordinary Shares	100.00
3.	<b>Point of View (POV) Media Group Co., Ltd.</b> 21 TST Tower, 9 <sup>th</sup> 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
4.	<b>VGI Global Media (Malaysia) Sdn Bhd*</b> Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia Tel : +60 3772 01188 Fax : +60 3772 01111	Providing advertising media service	MYR 29,154,175	29,154,175 (par value of MYR 1 per share)	Ordinary Shares	100.00
5.	<b>BSS Holdings Co., Ltd.</b> 21 TST Tower, 19 <sup>th</sup> Floor, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2617 8338 Fax : +66 (0) 2617 8339	Investment in the securities of other companies	1,200,000,000	12,000,000 (par value of THB 100 per share)	Ordinary Shares	90.00
6.	<b>RabbitPay System Co., Ltd.</b> 21 TST Tower, 19 <sup>th</sup> Floor, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2617 8338 Fax : +66 (0) 2617 8339	Investment in the securities of other companies	800,000,000	8,000,000 (par value of THB 100 per share)	Ordinary Shares	80.00 (held by BSS Holdings Co., Ltd.)
7.	<b>Rabbit-LINE Pay Co., Ltd.</b> 127 Gaysorn Tower, Unit A and B, 18 <sup>th</sup> Floor, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330 Tel : +66 (0) 2022 8497	Engaging in the business of accepting electronic and online payment as well as e- money services	599,999,400	5,999,994 (par value of THB 100 per share)	Ordinary Shares	33.33 (held by RabbitPay System Co., Ltd.)

	Name of Company/ Address	Type of Business	Registered Capital (THB)	Total Issued Shares (Shares)	Type	Shareholding (%)
8.	<b>ATS Rabbit Special Purpose Vehicle Co., Ltd.</b> 388 Exchange Tower, 27 <sup>th</sup> Floor, Sukhumvit Road, Khlong Toei, Bangkok 10110 Tel : +66 (0) 2689 7000 Fax : +66 (0) 2689 7010	A special purpose vehicle for securitisation under the Emergency Decree regarding Securitisation B.E. 2540 (1997)	40,000	400 (par value of THB 100 per share)	Preferred Shares and Ordinary Shares	51.00 (held by BSS Holdings Co., Ltd.)
9.	<b>ASK Direct Group Co., Ltd.</b> 1032/14 Krits Building, 2 <sup>nd</sup> Floor, Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120 Tel : +66 (0) 2022 1222	Providing sale of goods and all types of products by telesales and telemarketing services	1,000,000	1,000 (par value of THB 1,000 per share)	Ordinary Shares	51.00 (held by BSS Holdings Co., Ltd.) and 49.00 (held by Rabbit Internet Co., Ltd.)
10.	<b>Rabbit Insurance Broker Co., Ltd.</b> 1032/1-5 Krits Building, 2 <sup>nd</sup> Floor, Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120 Tel : +66 (0) 2022 1222	Providing non-life and life insurance broker services	31,300,000	313,000 (par value of THB 100 per share)	Ordinary Shares	51.00 (held by BSS Holdings Co., Ltd.) and 49.00 (held by Rabbit Internet Co., Ltd.)
11.	<b>Rabbit Internet Co., Ltd.</b> 1032/1-5,14 Krits Building, 2 <sup>nd</sup> Floor, Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120 Tel : +66 (0) 2022 1222	Providing web page system services and telemarketing services	4,002,000	4,002 (par value of THB 1,000 per share)	Preferred Shares and Ordinary Shares	30.00 (held by BSS Holdings Co., Ltd.)
12.	<b>Bangkok Smartcard System Co., Ltd.</b> 21 TST Tower, 19 <sup>th</sup> and 24 <sup>th</sup> Floors, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2617 8338 Fax : +66 (0) 2617 8339	Providing e-money services	400,000,000	4,000,000 (par value of THB 100 per share)	Ordinary Shares	90.00
13.	<b>Demo Power (Thailand) Co., Ltd.</b> 1126/2 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400 Tel : +66 (0) 2023 7077 Fax : +66 (0) 2250 7102	Providing product sampling services	3,000,000	30,000 (par value of THB 100 per share)	Ordinary Shares	40.00
14.	<b>Master Ad Plc.**</b> 4 <sup>th</sup> - 6 <sup>th</sup> Floors, 1 Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2938 3388 Fax : +66 (0) 2938 3489	Providing Out-of-Home media and production services	409,521,187.50	3,438,910,366 (par value of THB 0.10 per share)	Ordinary Shares	30.38

	Name of Company/ Address	Type of Business	Registered Capital (THB)	Total Issued Shares (Shares)	Type	Shareholding (%)
15.	<b>Master &amp; More Co., Ltd.</b> 1 Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2938 3388 Fax : +66 (0) 2938 3486-7	Providing advertising media and production services for small format billboard	20,000,000	2,000,000 (par value of THB 10 per share)	Ordinary Shares	100.00 (held by Master Ad Plc.)
16.	<b>Open Plays Co., Ltd.</b> 1 Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2938 3388 Fax : +66 (0) 2938 3489	Providing advertising media and production services	5,000,000	50,000 (par value of THB 100 per share)	Ordinary Shares	80.00 (held by Master & More Co., Ltd.)
17.	<b>MACO Outdoor Sdn Bhd</b> No. 52, 1 <sup>st</sup> Floor, Jalan SS21/58, Damansara Utama, 47400, Petaling Jaya, Selangor, Malaysia	Investment in the securities of other companies in Malaysia	MYR 400,000	200,000 (par value of MYR 1 per share)	Ordinary Shares	100.00 (held by Master Ad Plc.)
18.	<b>Eyeballs Channel Sdn Bhd</b> G-1-11, Jalan PJU1A/3 Taipan Damansara 47301, Petaling Jaya Selangor, Malaysia	Providing Out-of-Home media and production services in Malaysia	MYR 500,000	500,000 (par value of MYR 1 per share)	Ordinary Shares	40.00 (held by MACO Outdoor Sdn Bhd)
19.	<b>Eye On Ads Co., Ltd.</b> 28/43-45 Viphavadi-Rangsit Road, Lat Yao, Chatuchak Bangkok 10900 Tel : +66 (0) 2938 3388 Fax : +66 (0) 2938 3486-7	Providing advertising media for billboards and digital	5,000,000	500,000 (par value of THB 10 per share)	Ordinary Shares	100.00 (held by Master Ad Plc.)
20.	<b>Green Ad Co., Ltd.</b> 6 <sup>th</sup> Floor, 1 Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2938 3388 Fax : +66 (0) 2938 3486-7	Investment in the securities of other companies	500,000,000	100,000,000 (par value of THB 5 per share)	Ordinary Shares	100.00 (held by Master Ad Plc.)
21.	<b>Multi Sign Co., Ltd.</b> 34/13-14 Soi Borommaratchachonnani 123, Borommaratchachonnani Road, Sala Thammassop, Thawi Watthana Bangkok 10170 Tel : +66 (0) 2441 1761-2 Fax : +66 (0) 2441 1763	Providing Out-of-Home media and production services	14,000,000	140,000 (par value of THB 100 per share)	Ordinary Shares	70.00*** (held by Green Ad Co., Ltd.)
22.	<b>Comass Co., Ltd.</b> 4 <sup>th</sup> - 6 <sup>th</sup> Floors, 1 Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2938 3388 Fax : +66 (0) 2938 3486-7	Providing Out-of-Home media services	5,625,000	56,250 (par value of THB 100 per share)	Ordinary Shares	70.00 (held by Eye On Ads Co., Ltd.)

	Name of Company/ Address	Type of Business	Registered Capital (THB)	Total Issued Shares (Shares)	Type	Shareholding (%)
23.	<b>Inkjet Images (Thailand) Co., Ltd.</b> 28/43-45 Viphavadi-Rangsit Road, Lat Yao, Chatuchak Bangkok 10900 Tel : +66 (0) 2936 3366 Fax : +66 (0) 2936 3636	Providing inkjet media production services	6,000,000	600,000 (par value of THB 10 per share)	Ordinary Shares	50.00 (held by Master Ad Plc.)
24.	<b>Landy Development Co., Ltd.</b> 1 Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel : +66 (0) 2938 3388	Providing office building rental services	40,000,000	4,000,000 (par value of THB 10 per share)	Ordinary Shares	48.87 (held by Master Ad Plc.)
25.	<b>Aero Media Group Co., Ltd.</b> 115/1-3 Sukhothai Grand Building, Sukhothai Road, Dusit, Bangkok 10300 Tel : +66 (0) 2697 9944 Fax : +66 (0) 2697 9945	Providing marketing and advertising media service located at or related to aviation	85,700,000	85,700 (par value of THB 1,000 per share)	Ordinary Shares	30.00
26.	<b>The ICON VGI Co., Ltd.</b> 989 Siam Piwat Tower, 20 <sup>th</sup> Floor, Unit A 1, Rama 1 Road, Pathumwan, Bangkok 10330 Tel : +66 (0) 2658 1000 Fax : +66 (0) 2658 1022	Providing advertising media services	1,000,000	10,000 (par value of THB 100 per share)	Ordinary Shares	25.00
27.	<b>Supremo Media Co., Ltd.</b> 989 Siam Piwat Tower, 20th Floor, Rama 1 Road, Pathumwan, Bangkok 10330 Tel : +66 (0) 2658 1000 Fax : +66 (0) 2658 1022	Providing advertising media services	1,000,000	10,000 (par value of THB 100 per share)	Ordinary Shares	25.00
28.	<b>Puncak Berlian Sdn Bhd</b> Unit C508, Block C, Kelana Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia Tel : +60 3780 51817 Fax : +60 3780 41316	Providing Out-of-Home media services	MYR 17,125,105	17,125,105 (par value of MYR 1 per share)	Ordinary Shares	25.00 (held by VGI Global Media (Malaysia) Sdn Bhd)
29.	<b>Groupwork Co., Ltd.</b> 219/2 Asoke Towers, 2 <sup>nd</sup> Floor, Soi Asoke, Sukhumvit 21 Road, Klong Toei Nue, Watthana, Bangkok 10110	Leasing out the property area for temporary office space and/or workspaces	6,250,000	62,500 (par value of THB 100 per share)	Ordinary Shares	20.00
30.	<b>Titanium Compass Sdn Bhd</b> Unit C508, Block C, Kelana Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia Tel : +60 3780 51817 Fax : +60 3780 41316	Providing advertising media service	MYR 5,000,000	1,000,000 (par value of MYR 1 per share)	Ordinary Shares	19.00

Remark:

\* VGI Global Media (Malaysia) Sdn Bhd is on process of the acquiring 276,100 ordinary shares, representing 25.10 percent of total shares in Meru Utama Sdn Bhd. This acquisition is expected to complete within May 2018.

\*\* As of 8 May 2018, the registered capital of Master Ad Plc. was THB 378,280,140.20.

\*\*\* Green Ad Co., Ltd. is on process of the acquiring remained 42,000 ordinary shares, representing 30.00 percent of total shares in Multi Sign Co., Ltd. This acquisition is expected to complete within May 2018.

## BOARD OF DIRECTORS

As of 31 March 2018, 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. Kiet Srichomkwan	Independent Director	22 August 2016

## AUTHORISED DIRECTORS

Authorised directors of the Company are 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 2018, there were 9 executives, as follows:

No.	Name	Title
1.	Mr. Kavin Kanjanapas	Chairman of the Executive Committee
2.	Mr. Lap Shun Nelson Leung*	Deputy Chief Executive Officer
3.	Mr. Chan Kin Tak	Chief Operating Officer
4.	Mrs. Oranuch Rujirawona**	Chief Sales Officer
5.	Mr. Chavin Kalayanamitr	Chief Technology Officer
6.	Mrs. Chitkasem Moo-Ming	Chief Financial Officer
7.	Mrs. Jantima Gawbansiri	Chief Legal and Compliance Officer
8.	Ms. Daranee Phanklin	Financial Controller
9.	Mrs. Pitchapaksorn Jit-Opas	Billing and Accounting Director

Remark:

\* Mr. Lap Shun Nelson Leung was appointed to hold the position of Deputy Chief Executive Officer on 5 April 2017.

\*\* Mrs. Oranuch Rujirawona resigned from the position of Chief Sales and Marketing Officer, with effect from 30 September 2016, and was appointed to hold the position of Chief Sales Officer on 5 April 2017.

## COMPANY SECRETARY

Mrs. Jantima Gawbansiri, who was appointed by the Board of Directors, holds the Company Secretary position since 1 January 2017. The scope of duties and responsibilities of the Company Secretary are as follows:

- (1) To organise the Board of Directors' meetings and shareholders' meetings in accordance with the applicable laws and the Company's Articles of Association and regulations;
- (2) To prepare and retain the register of directors, the invitations to and the minutes of the Board of Directors' meetings and the invitations to and the minutes of the shareholders' meetings, including the Annual Reports of the Company;
- (3) To keep the reports on conflicts of interest as reported by directors or the executives;
- (4) To provide advice to the directors on 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; and
- (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) and Director Certification Program (DCP) organised by Thai Institute of Directors. The Company Secretary also regularly enrolls in training or seminar courses organised by the SET, the Office of the SEC and other relevant organisations 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 Section 5.9 (Profiles of Director and Executive).)

## 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 Division. The Company Secretary Division 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 2017 and 31 March 2018 can be summarised as follows:

**TABLE SUMMARISING CHANGES IN SHAREHOLDING OF THE DIRECTORS AND EXECUTIVES IN 2017/18**

No.	Name	Number of Shares		Percentage of Shareholding	
		31 March 2017	31 March 2018	31 March 2017*	31 March 2018**
1.	Mr. Keeree Kanjanapas Spouse and minor children	37,188,458 -	37,188,458 -	0.54 -	0.52 -
2.	Mr. Marut Arthakaivalvatee Spouse and minor children	400,000 244,088	0 244,088	0.006 0.004	0.00 0.003
3.	Mr. Kavin Kanjanapas Spouse and minor children	- -	- -	- -	- -
4.	Mr. Kong Chi Keung Spouse and minor children	193,896 -	193,896 -	0.003 -	0.003 -
5.	Mr. Surapong Laoha-Unya Spouse and minor children	336,440 -	336,440 -	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. Kiet Srichomkwan Spouse and minor children	- -	- -	- -	- -
10.	Mr. Lap Shun Nelson Leung Spouse and minor children	- -	- -	- -	- -
11.	Mrs. Oranuch Rujirawona Spouse and minor children	2,300,000 -	2,300,000 -	0.034 -	0.032 -
12.	Mr. Chavin Kalayanamitr Spouse and minor children	536,776 -	500,076 -	0.008 -	0.007 -
13.	Mrs. Chitkasem Moo-Ming Spouse and minor children	- -	- -	- -	- -
14.	Mrs. Jantima Gawbansiri Spouse and minor children	- -	- -	- -	- -
15.	Ms. Daranee Phanklin Spouse and minor children	- -	- -	- -	- -
16.	Mrs. Pitchapaksorn Jit-Opas Spouse and minor children	- -	- -	- -	- -

Remark:

\* As of 31 March 2017, the Company had 6,864,332,902 total issued shares.

\*\* As of 31 March 2018, the Company had 7,204,332,902 total issued shares.



**TABLE SUMMARISING CHANGES IN VGI-W1 HOLDING OF THE DIRECTORS AND EXECUTIVES IN 2017/18**

No.	Name	Number of VGI-W1		Percentage of VGI-W1 holding	
		31 March 2017	31 March 2018	31 March 2017*	31 March 2018**
1.	Mr. Keeree Kanjanapas Spouse and minor children	8,297,114 -	8,297,114 -	0.484 -	0.486 -
2.	Mr. Marut Arthakaivalvatee Spouse and minor children	- 61,022	- 61,022	- 0.004	- 0.004
3.	Mr. Kavin Kanjanapas Spouse and minor children	- -	- -	- -	- -
4.	Mr. Kong Chi Keung Spouse and minor children	48,474 -	48,474 -	0.003 -	0.003 -
5.	Mr. Surapong Laoha-Unya Spouse and minor children	84,110 -	84,110 -	0.005 -	0.005 -
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. Kiet Srichomkwan Spouse and minor children	- -	- -	- -	- -
10.	Mr. Lap Shun Nelson Leung Spouse and minor children	- -	- -	- -	- -
11.	Mrs. Oranuch Rujirawona Spouse and minor children	100,000 -	100,000 -	0.006 -	0.006 -
12.	Mr. Chavin Kalayanamitr Spouse and minor children	164,444 -	164,444 -	0.01 -	0.01 -
13.	Mrs. Chitkasem Moo-Ming Spouse and minor children	- -	- -	- -	- -
14.	Mrs. Jantima Gawbansiri Spouse and minor children	- -	- -	- -	- -
15.	Ms. Daranee Phanklin Spouse and minor children	- -	- -	- -	- -
16.	Mrs. Pitchapaksorn Jit-Opas Spouse and minor children	- -	- -	- -	- -

Remark:

\* As of 31 March 2017, the Company had remained 1,715,572,328 units of VGI-W1.

\*\* As of 31 March 2018, the Company had remained 1,706,239,802 units of VGI-W1.

## EMPLOYEES

As of 31 March 2018, the Company and its 19 subsidiaries had totally 819 employees, divided into 396 males and 423 females.

**Table on Remuneration, Training Hours, Rates of Leaves and Accidents or Serious Injuries from Work and Labor Disputes in 2017/18**

	VGI and its wholly owned subsidiaries (5 companies)	MACO and its subsidiaries (9 companies)	BSS, BSSH and their subsidiaries (6 companies)	Total 20 companies
Total Employees (Persons)	256	239	324	819
Remuneration (THB Million)*	276.70	253.67	153.95	684.32
Training Hours (Hours)	8,503	2,921	248	11,672
Average Training Hours per employee per year (Hours)	33.21	12.22	0.77	15.40
Average Sick Leaves per year (Days)**	5.32	3.41	5.94	4.89
Average Personal Leaves per year (Days)	0.71	2.76	0.84	1.44
Average Annual Leaves per year (Days)	7.71	4.23	9.18	7.04
Average Other Types of Leaves (Times)***	1	6	4	11
Accidents or serious injuries from work (Times)	0	0	0	0
Labor disputes (Times)	0	0	0	0

Remark:

\* Remuneration consists of salary, bonus, provident fund contributions, overtime wages, social security fund, per diem, commissions and others. In respect to remuneration determination, the Company and its subsidiaries have taken into account the appropriateness of the working conditions and nature of work together with their operating results, in both short term and long term, as well as the performance results of each employees.

\*\* There was none of sick leave resulting from sickness or accident caused by working.

\*\*\* Other types of leaves include maternity leave, sterilisation leave, military leave and ordination leave.

## 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 competency development in order to retain qualified employees and instill awareness within the organisation that they are the important parts of VGI Group. (Please see additional details in Form 56-1 under Section 8.5 Employees.)

## CORPORATE GOVERNANCE REPORT 2017/18

The Board of Directors has established the corporate governance policy and code of conduct, comprising of principles and procedural steps outlined by the SET principles and guidelines on good corporate governance and the Thai Institute of Directors (Thai IOD)'s recommendations. To keep pace with the rapidly changing business while promoting our robust corporate governance, our Board of Directors regularly develops the corporate governance policy with recognition of the importance of good corporate governance, which fosters the Company's sustainable growth and strengthens the value to the Company and its shareholders in the long run as the good corporate citizenship. In 2017/18, as per the SEC's updated 8 principles of the Corporate Governance Code for Listed Companies 2017, the Company has acknowledged such revision and has applied the same under the appropriateness of the Company's businesses. Consequently, the Corporate Governance Policy and the Code of Conduct of VGI Group has been revisited, and those revisions are made available and communicated on the Company's website; [www.vgi.co.th](http://www.vgi.co.th) including on the Company's intranet.

The Company's corporate governance policy comprises of 5 sections covering good corporate governance principles; i.e. Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency and Board Responsibilities. The details of which are as follows:

### SECTION 1: RIGHT OF SHAREHOLDERS

The Company places emphasis on the rights of shareholders as the Company's owners. All shareholder groups, whether retail or institutional investors, are encouraged to exercise their fundamental rights, e.g. sale and purchase of, 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, determination of directors' remuneration, the appointment of auditor and determination of the auditor's fee, payment of, or suspension of dividend payment, capital increase and issuance of new shares, as well as making enquiries or comments on the matters that are relevant to the Company.

In 2017/18, the Company held the 2017 Annual General Meeting of Shareholders on 6 July 2017, which was held within four months from the end of the Company's fiscal year, and organised the meeting in accordance with the corporate governance practices as follows:

- The Company entrusted the Company Secretary with the meeting calling and convening as required by laws and in accordance with the guidelines for shareholders' meetings as stipulated by the SET as well as the Company's policies. The Company encouraged all directors, subcommittees, executives and the Company Secretary to attend the shareholders' meeting in order to provide an explanation and listen to the shareholder's recommendation.
- The Company engaged (a) the legal advisor to provide legal advice and witness the vote counting process, whereby a minority shareholder voluntarily acted as witness to the vote counting process and (b) the Company's auditor to present on the agenda requiring the approval of the Company's financial statements.

- The Company assigned Thailand Securities Depository Company Limited, its securities registrar, to deliver the invitation, also prepared in English language for the foreign shareholders by the Company, to both Thai and foreign shareholders. The invitation states the venue, date and time of the meeting together with the agenda items and sufficient supporting documents, including facts, reasons and opinion of the Board of Directors, as well as the number of votes required for each agenda item in order for the shareholders and investors to be able to access to and have sufficient time to review them. There shall be no hidden agenda or other additional agenda item not stated in the invitation, except for urgent matters. Besides, the Company published the invitation both in Thai and English versions on its website 30 days prior to the meeting date and furnished the same to the shareholders at least 21 days in advance of the meeting date, and published it in the newspaper.
- The Company encouraged the shareholders to use Proxy Form B, which is an explicit form setting out specific authorisation details.
- The Company equally facilitated all shareholders and proxies. There were no specific conditions or requirements restricting the shareholders' opportunity to attend the meeting. Thus, 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 equipped with decent security system conveniently accessible by the shareholders.
- The Company allowed two hours prior to the meeting time for the registration by the shareholders and proxies. The Company's officers were in attendance to verify the documents and facilitate the registration as per the types of shareholders, i.e. individual shareholders attending in person, proxies, and institutional shareholders and custodians. The Company employed the barcode system for the registration and votes counting for transparency, convenience and efficiency. Furthermore, the registration remained open to the shareholders

throughout the meeting time, whereby allowing the shareholders to register and vote on the remaining agenda.

- 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 advisor. She also informed the meeting about the voting 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. The enquiries were answered and given adequate time for discussion. For the appointment of directors agenda, the shareholders were allowed to vote for each director individually and separately. In addition, a director who was due to retire by rotation had left the meeting room temporarily during consideration of the proposed agenda item for his/her re-election as the Company's director for another term.
- After the meeting, the Company correctly and completely recorded the minutes, which would be reviewed by the shareholders. 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. The Company published the resolutions on the SET's website within the same day of the meeting. The minutes was submitted to the SET and published on the Company's website within 14 days from the date of the meeting.

## **SECTION 2 EQUITABLE TREATMENT OF SHAREHOLDERS**

The Company shall treat all shareholders, minority, majority or institutional, equally, irrespective of gender, age, nationality, religion, beliefs, and political opinions.

### **(1) PROPOSING AGENDA AND NOMINATING CANDIDATE TO BE ELECTED AS DIRECTOR**

To promote equitable treatment of shareholders, the Company allows its shareholders to propose agenda and nominate candidates to be elected as directors

of the Company in advance. Shareholder(s) who individually or collectively hold shares not less than 5 percent of the Company's total voting rights, 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 and announced such 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.

In addition, the Company always invites the shareholders to submit questions in relation to the agenda to be considered in the meeting together with the publication of the invitation to the shareholders' meeting before the meeting date.

## **(2) APPOINTING PROXIES**

To maintain the rights of shareholders who cannot attend the shareholders' meeting in person, the Company encloses in the invitation a Proxy Form B, which is an explicit form setting out specific details of authorisation, 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 vote on their behalf. The Company also publishes the proxy forms, together with the details and procedures for the appointment of proxy on its 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 the verification of shareholders' names and registration of the relevant documents in advance of the meeting as well as providing officers for collecting proxy form and supporting documents upon the shareholders' requests. Besides, the Company at its expenses provides duty stamps for the shareholders who appoint

a representative or the Company's independent director to attend the meeting and vote on their behalf.

## **(3) ACCESS TO INFORMATION**

To protect the shareholders' rights and to treat them equally, the Company favours no particular groups of stakeholders and shall not conduct any acts restricting accessibility to the Company's information. The documents delivered to the foreigner or information memorandum disclosed on the SET website are prepared in English language, which is made available to the shareholders and the public on the Company's website; [www.vgi.co.th](http://www.vgi.co.th) or through the Investor Relations Department at telephone no. +66 (0) 2273 8611-15 ext. 1513 or at email address [ir@vgi.co.th](mailto:ir@vgi.co.th).

## **(4) USE OF INSIDE INFORMATION AND CONFLICT OF INTERESTS**

The Company prohibits the directors, executives and employees of VGI Group, as well as other related persons from using inside information for the benefit of trading the securities of the Company, subsidiaries, and associated companies as per the determined criteria and procedures, and also forbid the disclosure of inside information to outsiders or non-related persons before disclosing the same to the SET. The directors and executives shall submit the conflict of interest report form regarding themselves and their related persons in accordance with the defined criteria and procedures in order to prevent transactions that may create a conflict of interest. Directors and/or executives in conflict shall not attend the meeting to present any information and/or vote. This is to ensure the shareholders that the Company carries out its businesses based on the fairness and equality for shareholders.

The Company always observes the principles of good corporate governance in protecting the shareholders' rights and treating the shareholders equitably. Additional information for the 2017 Annual General Meeting Shareholders is as follows:

Date	6 July 2017
Venue	Ballroom 1, 8 <sup>th</sup> Floor, Eastin Hotel Makkasan Bangkok
The Company allowed the shareholders to propose agenda and/or nominate director candidates in advance.	19 December 2016 – 20 March 2017
Date of publishing the invitation on the Company's website	5 June 2017
Date of submitting questions in advance	5 – 30 June 2017
Date of sending the invitation via registered post	14 June 2017
Date of announcement in the newspaper	30 June 2017 and 3 – 4 July 2017
Commencement of registration	12.00 p.m.
Meeting duration	2.00 p.m. – 3.59 p.m.
Shareholders attending in person and by proxy at the beginning of the meeting (Quorum: at least 25 shareholders or proxies of the shareholders holding no less than 1/3 of the total issued shares)	779 shareholders collectively holding 86.659% of the total issued shares
Directors attending the meeting	9 persons (full Board panel)
Witness to the vote count	Mrs. Prapatsorn Kantawong, a representative from the minority shareholders who attended the meeting by proxy and Ms. Arninart Silanookit, a representative from Capital Law Office Limited
Date of reporting the results of the meeting's resolutions through the SET	6 July 2017 at 6.10 p.m.
Date of submitting a copy of the minutes to the SET (within 14 days from the meeting date)	20 July 2017

## SECTION 3 ROLES OF THE STAKEHOLDERS

The Company fully acknowledges and places emphasis on the role and rights of the stakeholders as parts of the Company's business, e.g. shareholders, customers, employees, business partners, competitors, creditors, public and community. The Company ensures they are treated properly, equitably and fairly as it believes that good relationship with all groups of stakeholders plays an important role to achieve the long-term development and sustainable growth of VGI Group.

### (1) TREATMENT OF STAKEHOLDERS

The Company has set up the stakeholder treatment policy and guidelines and communicated the same to its directors, executives and employees for acknowledgement and adherence to ensure that all stakeholders will be treated equally and appropriately responding to their needs with sufficient communication channels.

Key policies 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 continuously growing returns to the shareholders at an appropriate level and in a sustainable way taking into account 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. VGI Group has set up a guideline to present and deliver quality services that are in accordance with or exceed the customers'

expectations at a fair value. VGI Group also focuses on attention and responsibility to its customers by giving accurate and sufficient information, including information regarding the quality or any condition of the goods or services, to the customers in order to support the customers in decision making before purchasing media and to prevent the customers from misunderstanding of the product or service quality or any other conditions. VGI Group also develops the quality and format of the goods and service in response to the demand of the customers continuously.

Sometimes, VGI Group may hire the professional research company to conduct research, particularly regarding consumers' behaviour in various aspects, e.g. efficiency, remarkableness and impact to daily life in deciding to purchase goods seen on relevant advertising media.

In addition, to maintain long-term and good relationships with the customers, VGI Group conducts surveys on customer satisfaction to hear customers' voices, which will be used for service and operational improvement. Also, VGI Group arranges training courses, pre and post duty commencement, to its customer service personnel to enhance their skills and knowledge so as to provide the best services to the customers.

Moreover, VGI Group has the confidentiality policy and guideline to keep customers' information confidential and will not exploit such information for undue benefits for itself or others, unless the customers' consent has been obtained and/or VGI Group is required by laws to disclose such information.

#### *Employees*

VGI Group believes that employees are the key and valuable resources in its business operation and, therefore, places high emphasis on its employees. VGI Group treats all levels of employees equally 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 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 see additional details in Form 56-1 under Section 8.5 Employees.)

#### *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. In the event of any non-compliance, the relevant business partners will be immediately notified of such to mutually seek appropriate solution. In addition, we annually arrange events to build relationship with our business partner.

#### *Competitors*

VGI Group treats its competitors in compliance with the laws and good business ethics with an emphasis on fair competition. We 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 VGI 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 damage to its creditors.

### *Consumers*

VGI Group gives importance to the media standard, especially in terms of safety for media installation and viewing. VGI Group studies, evaluates and improves the media's impact on the consumers regularly. VGI Group has conducted survey and precise measurement, e.g. regular measurement of noise level of digital media located inside the trains and on the stations to be in line with the standard to prevent noise pollution, safety inspections of the installed media to ensure that they do not collapse or pose a threat to passers-by.

Further, the media contents broadcast to public are of important, and that VGI Group verifies the contents if they are appropriate, statutory compliance and are in good moral of the public. The media contents to be on air should be useful for public, such as news, recent reports displayed on the BTS multimedia type to keep travelers updated of the latest news and information even while travelling.

### *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 organisation from the policy level to the operational level. VGI Group believes that conducting business with good conscience towards the society at large will create the powerful driving force leading 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 arranges activities that are beneficial to the society covering macro level, community level and operational level so as to provide contribution and return profits to the society. (for more details, please refer to the Sustainability Report 2017/18, which is made available on the Company's website at [www.vgi.co.th](http://www.vgi.co.th).)

### *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, irrespective 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 adopts the policy to conduct its business with integrity, honesty, transparency under the relevant laws and standards by fastening on the responsibility towards society and all groups of stakeholders in accordance with the principles of good corporate governance. Since its joining Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), not only it is committed to fighting against all forms of corruption and bribery, but its subsidiaries and related business entities are also encouraged and determined to apply the Anti-Corruption Measures, which covers compliance with by all relevant divisions to carry out any action with transparency and integrity being prioritised, especially when dealing with government officers or agencies, in order to avoid inappropriate action which are contrary to good corporate governance. On 18 August 2019, the Company had been certified a member of CAC.

In this respect, any actions and performances carried out by the Board of Directors, management and employees at all levels must be in line with the **"Do it Right"** statement of the Chairman of BTS Group Holdings Public Company Limited, the Company's parent company.

The Company's Anti-Corruption Measures consist of:

- A. Anti-Corruption Policy and guidelines of practices, through which the Anti-Corruption Measures are implemented:
  - Sponsorship Procedure;
  - Charitable Contribution Procedure;
  - Political Contribution Procedure;
  - Gifts Giving and Receiving Procedure; and
  - Hospitality and Expense Procedure;
- B. Whistle Blowing Policy and Protection Measures;
- C. Fraud Risk Management Procedure, which is supplemented the Anti-Corruption Measures.



For additional details, please refer to the “Anti-Corruption Measures”, available on the Company’s website at [www.vgi.co.th](http://www.vgi.co.th).

#### *Non-Infringement of Intellectual Property*

VGI Group has established a policy against infringement of intellectual property, i.e. the directors, executives and employees are required not to infringe computer software by downloading and/or installing any programs that have not been procured by the Information Technology Department. In addition, VGI Group 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 by applying information security and safety measures to prevent and minimise the risk of confidential information leakage intentionally

or negligently. The information technology and communications guidelines have been set with reference to 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. VGI Group also has preventive measure and procedures in the case of computer virus/malware attacking.

Moreover, VGI Group also requires its Information Technology Department to record the employees’ usage information based on relevant laws and regulations.

## **(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 Division or (2) the Audit Committee through the Internal Audit Division. In this regard, the Company shall keep information of the informant confidential.

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Company Secretary Division

Tel: +66 (0) 2273 8884 ext. 102, 556 or 557  
Fax: +66 (0) 2273 8883  
Email: [companysecretary@vgi.co.th](mailto:companysecretary@vgi.co.th)  
Or deliver per post to the Company Secretary Division at the Company’s address

Internal Audit Division

Tel: +66 (0) 2273 8611-15 ext. 1117-1119  
Fax: +66 (0) 2273 8616  
Email: [internalaudit@vgi.co.th](mailto:internalaudit@vgi.co.th)  
Or deliver per post to the Internal Audit Division at the Company’s address

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VGI Group believes that employees are the key factor and valuable resources in its business operation. Therefore, VGI Group has set up the complaint channels for the employees, as well as the methods and procedures in relation thereto. In this respect, VGI Group has established measures to protect the employees reporting complaints or witnessing the unfair treatment, e.g. job placement or transfer, disciplinary action, etc. Those measures are provided in writing in the Human

Resources Management Rules and Procedures, which are made available to all employees on the Company’s intranet.

In addition, the Company has a particular channel to receive reports on any actions with respect to corruption in the organisation. All stakeholders is able to whistle blow that are suspicious of corruption in VGI Group as follows:

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Legal and Compliance Division

Tel: +66 (0) 2273 8884 ext. 102  
Fax: +66 (0) 2273 8883  
Email: [VGI\\_CAC@vgi.co.th](mailto:VGI_CAC@vgi.co.th)  
Or deliver per post to the Legal and Compliance Division at the Company’s address

## **SECTION 4 DISCLOSURE AND TRANSPARENCY**

The Company regularly discloses the accurate, complete, timely information to all shareholders and stakeholders. Disclosed information is prepared in Thai and English languages as required by relevant laws and regulations, and the international good corporate governance standard. Information disclosure indicates the Group's transparency in doing business.

### **(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 those interested. Investor Relations Department functions as the two-way communications channel, the first of which is to publish accurate, complete and timely information of the Company, which includes business operations, performance and key events that affect the Company's performance, to investors. The other aspect is to report investors' opinions and suggestions to the Executive Committee and the Board of Directors on a quarterly basis. For additional details, please refer to Section 4.1 Capital Market Review. As such, the Board of Directors sets up the Investor Relations Code of Conduct as the manual guidelines for VGI Group's Investor Relation function to align with ethic and good corporate governance, whereby the disclosure of information and compliance with relevant laws and regulations are

strictly required. The interests of the shareholders and stakeholders are taken into account. (For more details, please refer to the "IR Code of Conduct", which is available on the Company's website at [www.vgi.co.th](http://www.vgi.co.th).)

### **(3) POLICY ON DISCLOSURE OF SIGNIFICANT INFORMATION**

The Company's significant information disclosure policy including disclosure of the Company's objectives, financial position, business performance, organisation and business structures, names and profiles of the Board of Directors and the executives, factors and policies on foreseeable risk management, corporate governance policies and code of conduct, duties and responsibilities of the Board of Directors and subcommittees, responsibilities of the Board of Directors' for the financial reports, subcommittees' reports, information on meeting attendance of the Board of Directors and the subcommittees, 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 SET notifications and other relevant laws and regulations, the Company's articles of associate, the minutes of the shareholders' meeting, 56-1 form, annual reports, sustainability reports and the Anti-Corruption Measures. Such information is publicly available through various channels and the SET media including the Company's website so that the shareholders and investors can access to relevant information to support investment decisions.

## **SECTION 5 BOARD RESPONSIBILITIES**

The Board of Directors is committed to being the country's leading media business organisation, with innovative lifestyle media networks and solutions with commitments to corporate social responsibilities 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 robust leadership skill, vision, and independence to make any decisions and has the duties and responsibilities to oversee the business, including monitor the management performance for 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 2018, the Board of Directors consisted of 9 members, which is a suitable number of directors given the Company's size and nature of business. The Board of Directors consists of 2 executive directors, 4 non-executive directors and 3 independent directors, 2 of which are female and 7 are male. They are qualified members with diversified professional backgrounds, including the skills of business administration, engineering, advertising and marketing,

financing, accounting and auditing, and other experiences relevant to the media business industry as well as other qualifications as required by laws and specified in the Corporate Governance Policy. All directors perform their duties independently without pressure to consider, give opinion on and vote for matters under the Board of Directors' authority so as to monitor, and oversee the performance of the management to be carried out in an efficient, accurate and transparent way as well as protecting the benefits of the Company and shareholders.

## LIST OF DIRECTORS AND MEETING ATTENDANCE IN 2017/18

No.	Name	Title	Meeting Attendance in 2017/18
1.	Mr. Keeree Kanjanapas	Chairman	6/6
2.	Mr. Marut Arthakaivavatee	Vice Chairman	6/6
3.	Mr. Kavin Kanjanapas	Director	5/6*
4.	Mr. Kong Chi Keung	Director	6/6
5.	Mr. Surapong Laoha-Unya	Director	6/6
6.	Mr. Chan Kin Tak	Director	6/6
7.	Assoc. Prof. Jaruporn Viyanant	Independent Director	6/6
8.	Mrs. Maneeporn Siriwatanawong	Independent Director	6/6
9.	Mr. Kiet Srichomkwan	Independent Director	6/6

Remarks:

\* The absence of director was due to business trip abroad. The Company Secretary was notified of such absence in advance of the meeting date to further inform the meeting.

## (2) AUTHORITIES, DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. To perform the duties in accordance with the laws, the Company's objectives and Articles of Association, and the resolutions of the shareholders' meetings with loyalty, responsibility and fiduciary for the utmost benefits of the Company and the shareholders;
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 create and maximise the value for the Company sustainably and the shareholders, and to consider, review and approve the Company's vision, mission, strategy and direction on a yearly basis, i.e. (1) annually on short-term basis and (2) 3–5 years as mid-term to long-term basis, taking into account environment and change in any factors, including innovation and technology relating to business operation;
3. To determine the Company's business plan, annual budget and annual key performance indicators, 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 determine the remuneration structure and welfare for the employees, through appropriate remuneration mechanism, which shall be in accordance with short-term and long-term performance of the Company;
5. To supervise the management to ensure that the accounting system, financial reporting and audit system are reliable, and to monitor the sufficient of cash flow, as well as ensuring that the Company has an appropriate and sufficient internal control system;

6. 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;
7. 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;
8. To monitor and prevent conflicts of interest among the stakeholders of the Company;
9. To consider and approve the payment of interim dividends to shareholders;
10. 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 with conflict shall not be entitled to vote on such transactions;
11. To oversee the business operations with integrity and business ethics, and promote the creation of corporate culture for all employees to adhere and perform duties ethically and to review the corporate governance policy on an annual basis and to regularly evaluate the implementation of such policy at least once a year;
12. To report the responsibilities of the Board of Directors on the preparation of the financial statements by disclosing the same together with 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, and disclosing significant information in an accurate, sufficient, timely manner under the relevant regulations, standard and guidelines;
13. To delegate one director or more 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;
14. To appoint subcommittees to assist and monitor the management system and the internal control system to ensure the compliance with the Company's policies, and to assign the annual performance evaluation and review the duties and responsibilities provided in the charters of relevant subcommittees;
15. To assign the managing authorities, duties, and responsibilities to the management in order to clearly separate the roles, duties and responsibilities between the Board of Directors and the management as well as reviewing the separation thereof, and to regularly monitor and evaluate the performance of the management in order to balance the managing power, enhance the independence in performing duties and increase the operational efficiency;
16. To appoint the Advisory Board consisting of professionals to advise the Company on relevant business affairs. Nonetheless, such opinion or advice from the Advisory Board will not legally bind the Company as it is merely the recommendation with a view from a non-executive of the Company;
17. To prepare and review the succession plan in order to determine the succession process for the senior executive positions;
18. To appoint the Company Secretary to ensure the Board of Directors and the Company's statutory compliance; and

19. To evaluate the performance of the Board of Directors on an annual basis, both in the forms of group and individual evaluation that shall be used as a guideline for the review of the Board of

Directors' performance, as well as reviewing their duties and responsibilities in the Board of Directors' Charter on an annual basis.

The roles and responsibilities of the Chairman as the leader of the Board of Directors, and the Vice Chairman are as follows:

Chairman	Vice Chairman
<ol style="list-style-type: none"> <li>1. To oversee the performance of the Board of Directors and other subcommittees to efficiently achieve the business objectives and plans, as well as to ensure that all directors contribute and promote the Company's ethical culture and good corporate governance;</li> <li>2. To call the meetings of the Board of Directors, which the Chairman or the person designated by him shall send the invitation letter to all directors at least 7 days prior to the meeting date, except in the case of urgency, and such invitation letter shall specify the venue, date and time of the meeting and the nature of businesses to be transacted. In addition, the Chairman shall allocate sufficient meeting time to allow the management to clarify thoroughly and have the directors discreetly discuss significant matters, as well as freely exercising their independent judgements;</li> <li>3. 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;</li> <li>4. 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;</li> <li>5. To perform any statutory duties, specifically as the Chairman's duties.</li> </ol>	<ol style="list-style-type: none"> <li>1. To act in the capacity of the Chairman in the absence of the Chairman;</li> <li>2. To perform or undertake any other tasks as may be assigned by the Chairman and/or the Board of Directors;</li> <li>3. To perform any other acts as stipulated by laws or regulations of the governmental authorities.</li> </ol>

### **SEGREGATION OF POSITIONS BETWEEN THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER**

For the purpose of performing the compliance duties and the transparency of the business operation, as well as to restrict limitless power, the Company clearly separates the duties, responsibilities and the persons taking the positions of the Chairman of the Board of Directors and the Chief Executive Officer from one another. The 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, 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;
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;
10. To delegate one or more persons to perform any task on his/her behalf; provided that, such delegation shall not be the authorisation allowing the designated person with a conflict of interest, or any kind of benefit with the Company or its subsidiaries to approve such transaction; and
11. If the Chief Executive Officer is not in office or is not available to perform his/her duties, the Deputy Chief Executive Officer shall act and perform all duties on his/her behalf and she/he shall report or present the approved matters to the Chief Executive Officer as soon as practicable.

In light of the above, the Chief Executive Officer's exercising of authority shall not allow him/her to approve transaction with himself/herself or his/her

related person(s) with a conflict of interest, or any kind of benefit with the interest of the Company or its subsidiaries.

### **(3) TERM OF DIRECTORSHIP**

At every annual general meeting of shareholders, 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 may be re-elected.

For the first and second year following the Company's incorporation, 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, 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, siblings 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 THB 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 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 operating 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.

After being appointed as the independent director, she/he may be assigned by the Board of Directors to make a decision in a collective decision manner on the business operations of the Company, its parent company, subsidiary, associate company, subsidiary ranked in the same level, major shareholder or controlling person.

#### **(5) MEETING OF THE BOARD OF DIRECTORS AND THE SUBCOMMITTEES**

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 Board of Directors' management. 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 voting at the Board of Directors' meeting.

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

As regards the subcommittees, the Company will hold at least the following number of meetings in each year and may consider calling additional meetings as it sees appropriate:

Subcommittees	Number of meetings per year
Audit Committee	4 meetings
Nomination and Remuneration Committee	2 meetings
Corporate Governance Committee	2 meetings
Executive Committee	12 meetings (on a 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 discuss any matters related to the Company's business, which are of their concerns. In 2017/18, the non-executive directors held 1 meeting.

The details of the number of meetings and the attendance of the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Executive Committee are elaborated in the relevant section of each subcommittee.

#### **(6) ASSESSMENT OF THE PERFORMANCES OF THE BOARD OF DIRECTORS AND THE SUBCOMMITTEES**

The annual self and group assessment system is adopted for the valuation of the Board of Directors' performance in order to review its work, issues and other obstacles so as to correct or improve its performance in a more effective and efficient level. The assessment summary is as follows:

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

In 2017/18, 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. After each director completed the self-assessment form, the Company Secretary Division collected and presented the summary of the scores of such assessment compiled as group evaluation to the Board of Directors at the Board of Directors' Meeting No. 3/2018 held on 17 May 2018 for acknowledgement. The average score was equivalent to 98.17 percent.



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

In 2017/18, the Board of Directors conducted the 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 Division 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. 3/2018 held on 17 May 2018 for acknowledgement. The average score was equivalent to 98.98 percent.

#### *Assessment of the performance of the subcommittees*

The Company's subcommittees i.e. the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Executive Committee, also conducted the assessment of their performances 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 Division presented a summary of the scores of the assessment of the performance of the subcommittees to the Board of Directors at the Board of Directors' Meeting No. 3/2018 held on 17 May 2018 for acknowledgement. The details were as follows:

- (1) the average score of the assessment of the Audit Committee's performance was equivalent to 97.64 percent;

- (2) the average score of the assessment of the Nomination and Remuneration Committee's performance was equivalent to 99.00 percent;
- (3) the average score of the assessment of the Corporate Governance Committee's performance was equivalent to 91.80 percent;
- (4) The average score of the assessment of the Executive Committee's performance was equivalent to 91.25 percent.

#### **(7) ASSESSMENT OF THE PERFORMANCE AND DETERMINATION OF THE REMUNERATION OF THE CHAIRMAN OF THE EXECUTIVE COMMITTEE**

The Nomination and Remuneration Committee (by the members with no conflicts of interest), by the Nomination and Remuneration Committee's Meeting No. 2/2018 held on 4 May 2018, evaluated the performance of the Chairman of the Executive Committee in the past fiscal year through the criteria and key performance indicators as detailed in Section 5.6(2) regarding determination of the directors' and executives' remuneration, with the scores of 92.00 percent, and proposed the same together with the details of the salary adjustment and bonus payment of the Chairman of the Executive Committee, which corresponds to the scores, compared with the Company's performance short-term and long-term result, 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 regularly to enhance their knowledge. In 2017/18, there were 3 directors attending the following training programs:

Name	Training Program
Assoc. Prof. Jaruporn Viyanant	- Boards that Make a Difference (BMD), organised by the Thai Institute of Directors
Mrs. Maneeporn Siriwatanawong	- Nomination Director Event 1/2017: "Nomination Committee Best Practice Guideline", organised by the Thai Institute of Directors, PTT Plc. and DDI - Asia/ Pacific International Ltd.
Mr. Kiet Srichomkwan	- Audit Committee Seminar: AC HOT UPDATE Preparation for New Era of CG to the sustainability, organised by the Office of the SEC, Federation of Accounting Professions, the Thai Institute of Directors and the SET

On 19 June 2017, BTS Group and the Company arranged a seminar to equip the directors with knowledge and understanding on the director criminal liability under the newly promulgated laws, which are of important for all directors of the Company and subsidiaries. In this regard, the Company invited the legal advisor from Hunton & Williams (Thailand) Ltd. to provide and explain the details thereof.

Moreover, the Board of Directors requires the new directors receive orientation through presentation of a brief summary on the Company's vision, mission and core value. The newly onboard directors will also be provided with relevant documents for studies 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 subcommittees, the Corporate Governance Policy and the Code of Conduct of VGI Group.

#### (9) SUCCESSION PLAN

The Company has the succession plan for senior executive level, with the purposes 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 for the succession plan. To select the successors, the Company considers various factors e.g. age, experience and past performance etc.

#### (10) POLICY ON HOLDING POSITIONS IN OTHER COMPANIES OF THE DIRECTORS AND THE SENIOR EXECUTIVES

The Board of Directors has established a policy limiting the number of listed companies, in which the Company's director may hold the directorship position to not more than 5 listed companies so that the directors can devote their time to effectively perform their duties as the directors of the Company.

For the senior executive, the Board of Directors determines that he/she should not hold positions in other companies, except for the companies within VGI Group and/or associated companies and/or joint venture company of the Company, unless permission is granted by the chairman of the Executive Committee. However, the number of senior executives' directorships in non-VGI Group companies shall not exceed 5 companies.

#### SUBCOMMITTEES

The Board of Directors has appointed 4 subcommittees; namely (1) Audit Committee, (2) Nomination and Remuneration Committee, (3) Corporate Governance Committee, and (4) Executive Committee, to oversee management system and business operation to be in line with the Company's policies and to consider and screen significance matters before escalating to the Board of Directors.

#### (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 2018, the Audit Committee consisted of 3 members as follows:

No.	Name	Title	Meeting Attendance in 2017/18
1.	Assoc. Prof. Jaruporn Viyanant*	Chairman of the Audit Committee	7/7
2.	Mrs. Maneeporn Siriwatanawong*	Member of the Audit Committee	7/7
3.	Mr. Kiet Srichomkwan	Member of the Audit Committee	7/7

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 report 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 the independence of the Internal Audit Division, as well as to approve the appointment, transfer and dismissal of the head of the Internal Audit Division 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 trustworthiness 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;
  - A fraud, irregularities or material deficiency in the internal control system;
  - 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 review the internal control management in relation to the organisation's anti-corruption as follows:
  - Review the internal audit plan of the Internal Audit Division to determine if the internal controls cover the implementation of Anti-Corruption Measures and other related policies including fraudulent risk from operations;
  - Review if reference documents and the self-assessments of anti-corruption measures under the Thailand's Private Sector Collective Action Coalition Against Corruption are correct;
  - Acknowledge periodic reports of fraudulent incidents to provide detailed information on fraudulent incidents. For severe fraudulent incidents, the report should cover results of the investigations and disciplinary actions taken etc;
  - Consult with the external auditor in the event of any material fraud;

8. To review and provide an opinion on the internal audit plan and the performance of the Internal Audit Division. The Audit Committee has the authority to invite the relevant management, executives, or employees to provide their opinions, attend meetings, or submit any relevant and necessary documents;
9. To appoint, at the Company's expenses, independent advisors possessing knowledge and expertise to provide advice, recommendation and assistance in performing of duties of the Audit Committee as it deems appropriate;
10. To review the Audit Committee Charter and its performance in the previous year on an annual basis at a minimum;
11. To evaluate the performance of the Audit Committee on an annual basis, both in the forms of group and individual, which shall be used as a guideline for the review of the Audit Committee's performance; and
12. To perform any other acts as assigned by the Board of Directors subject to the Audit Committee's approval.

## 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 sufficient knowledge and experience to review the trustworthiness 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 2018, the Nomination and Remuneration Committee consisted of 4 members as follows:

No.	Name	Title	Meeting Attendance in 2017/18
1.	Mrs. Maneeporn Siriwatanawong	Chairman of the Nomination and Remuneration Committee	4/4
2.	Assoc. Prof. Jaruporn Viyanant	Member of the Nomination and Remuneration Committee	4/4
3.	Mr. Marut Arthakaivalvatee	Member of the Nomination and Remuneration Committee	4/4
4.	Mr. Chan Kin Tak	Member of the Nomination and Remuneration Committee	4/4

## **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;
  - Diversity in the structure of the Board of Directors (Board Diversity) and the qualifications and skills of the director(s) which may be necessary or inadequate in the Board of Directors to which the Board Skill Matrix will be used to identify the required qualifications;
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 an election of a new director is needed 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 subcommittees, 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 Deputy 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 Deputy 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;
8. To conduct the annual evaluation of the Nomination and Remuneration Committee's performance and report its result to the Board of Directors;
9. To consider the evaluation of the key performance indicators of the Company and to propose the results of such evaluation to the Board of Directors for approval;
10. To appoint working groups to assist the Nomination and Remuneration 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
11. 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 2018, the Corporate Governance Committee consisted of 3 members as follows:

No.	Name	Title	Meeting Attendance in 2017/18
1.	Assoc. Prof. Jaruporn Viyanant	Chairman of the Corporate Governance Committee	2/2
2.	Mr. Marut Arthakaivavatee	Member of the Corporate Governance Committee	2/2
3.	Mr. Chan Kin Tak	Member of the Corporate Governance Committee	2/2

### 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 regulator's practices, and the international standard 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 2018, the Executive Committee consisted of 8 members as follows:

No.	Name	Title	Meeting Attendance in 2017/18
1.	Mr. Kavin Kanjanapas	Chairman of the Executive Committee	14/16
2.	Mr. Lap Shun Nelson Leung*	Deputy Chief Executive Officer	11/14
3.	Mr. Chan Kin Tak	Chief Operating Officer	14/16
4.	Mrs. Oranuch Rujirawona*	Chief Sales Officer	14/14
5.	Mr. Chavin Kalayanamitr	Chief Technology Officer	16/16
6.	Mrs. Chitkasem Moo-Ming	Chief Financial Officer	15/16
7.	Mrs. Jantima Gawbansiri	Chief Legal and Compliance Officer	13/16
8.	M.L. Kriengkrai Hastindra**	Deputy Chief Sales Officer	16/16

Remark:

\* Each of Mr. Lap Shun Nelson Leung and Mrs. Oranuch Rujirawona was appointed to hold the position of the Executive Committee member on 16 May 2017.

\*\* The position of M.L. Kriengkrai Hastindra had been renamed from the Deputy Chief Sales and Marketing Officer to Deputy Chief Sales Officer on 1 February 2018.

#### SCOPE OF DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

1. To determine policy, direction, strategy and management structure for the Company's business 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 oversee, review and monitor the Company's performance to be in line with the approved policy, strategy, direction and performance target, including business plan and budget on a monthly basis, to ensure that all performances are 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 or supporting the Company's and subsidiaries' normal course of business (e.g. sales and purchases, investments, or joint investments, disposal of investments for the purposes of carrying out the business in accordance with the Company's and subsidiaries' 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, with calculable consideration, 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 and to monitor and control key risks and any conditions that may cause material impact on the business operations of the Company and to report the same to the Board of Directors;
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;
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 subcommittees, 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 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 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 may be terminated, revoked, amended or replaced as it deems appropriate;
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;
17. To appoint working groups to assist the Executive 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
18. 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.



## **OVERSIGHT OF THE SUBSIDIARIES' AND THE ASSOCIATED COMPANIES' OPERATIONS**

The Company has the monitoring and supervision mechanism in relation to the management and operation of the subsidiaries and the associated companies in order 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 any such subsidiaries and the associated companies as per the Company's shareholding ratio 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 instruct the Company's representatives on the voting direction for any significant agenda items of the subsidiaries' and the associated companies.
2. The Company has the 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 paid the audit fee for the fiscal year ended 31 March 2018 (except for the audit fee of MACO and MACO's subsidiaries, which the audit fee was for the fiscal year ended 31 December 2017) to (a) EY Office Limited in the amount of approximately THB 9.04 million and (b) Leslie Yap & Co. in the amount of approximately THB 0.04 million.

In addition, in the fiscal year ended 31 March 2018, 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 THB 0.88 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 those of international standard. These SET-recommended principles can be applied by the listed companies subject to nature of business of such listed companies, or explain such non-compliance. In 2017/18, the Company has complied with the aforementioned principles, except for the followings pending implementation:

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 given the complexity, diversity and uniqueness of the Company's, and that requires the leader equipped with capability, experience, expertise and true understanding of the Company's business operation. 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 checks and balances mechanism of its business operation that is transparent and verifiable. Further, 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 views 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 2018, the Nomination and Remuneration Committee consisted of 4 members, 2 of whom were independent directors, representing 50 percent of the total members of the Nomination and Remuneration Committee, 1 of whom was non-executive director and 1 of whom was executive director. Based on the past performance of the Nomination and Remuneration Committee, these 4 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.

By the end of 2017, the SEC had developed and published the Corporate Governance Code for Listed Companies 2017 as the principles for the Board of Directors, acting as organisation top leader/highest governing body. Such code is expected to be applied as appropriate subject to the Company's business on the basis of "apply or explain". Rationales or other alternative measures should be referred to and such

had to be recorded in the minutes of the Board of Directors' meeting. In this respect, the Board of Directors' Meeting No. 2/2018 held on 20 March 2018 acknowledged and applied those new principles subject to the appropriateness to the Company's businesses through the revision of the Corporate Governance Policy and VGI Group's Code of Conduct.

# NOMINATION AND REMUNERATION OF DIRECTORS AND EXECUTIVES

5.6

## 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 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 dedication 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 5.5 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 the diversity of the Board of Directors and the appropriateness of the qualifications, including 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 holding shares in aggregate not less than 5 percent of the Company's total voting rights, to nominate candidates for director election 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 Company's directors and 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.

In respect to the senior executive candidates searching, the Company's employee may be considered as a priority, taking into account of the following prerequisite qualifications:

- To possess qualifications of executives pursuant to the Securities and Exchange Act B.E. 2535 (as amended) and relevant notifications of the SET and the Capital Market Supervisory Board;
- To encompass vision toward sizable corporation management, media business or related business management; and
- To possess leadership skill, good personality and ability to internationally collaborate both onshore and offshore levels.

## 2. REMUNERATION OF DIRECTORS AND EXECUTIVES

### DIRECTORS' REMUNERATION

#### • Monetary Remuneration

The Nomination and Remuneration Committee has determined the 2017 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 similar market capitalisation. The 2017 Annual General Meeting of Shareholders held on 6 July 2017 passed a resolution to approve the 2017 directors' remuneration and bonus in the amount of not exceeding THB 2.06 million or equivalent to 0.5 percent of the annual cash dividend of the Company to be paid to the shareholders from the results of the Company's business operation for the fiscal year ended 31 March 2017 (decreased by approximately 45.79 percent when comparing with the previous year, in which the directors' bonus was paid in the amount of THB 3.80 million or equivalent to 0.5 percent of the annual cash dividend of the Company), where the directors shall allocate the same among the mselves after obtaining approval from the shareholders' meeting.

Directors' Remuneration (including the executives who take the position of director) in 2017 and 2016 are as follows:

	2017	2016
<b>Monthly Remuneration</b>		
Chairman of the Board of Directors	THB 80,000 / Month	THB 60,000 / Month
Chairman of the Audit Committee	THB 66,700 / Month	THB 50,000 / Month
Vice Chairman of the Board of Directors	THB 66,700 / Month	THB 50,000 / Month
Directors	THB 40,000 / Month	THB 30,000 / Month
<b>Meeting Allowance</b>		
<b>Board of Directors</b>	None	None
<b>Audit Committee</b>		
- Chairman of the Audit Committee	THB 20,000 / Attendance	THB 20,000 / Attendance
- Members of the Audit Committee	THB 20,000 / Person / Attendance	THB 20,000 / Person / Attendance
<b>Nomination and Remuneration Committee</b>		
- Chairman of the Nomination and Remuneration Committee	THB 20,000 / Attendance	THB 20,000 / Attendance
- Members of the Nomination and Remuneration Committee	THB 20,000 / Person / Attendance	THB 20,000 / Person / Attendance
<b>Corporate Governance Committee</b>		
- Chairman of Corporate Governance Committee	THB 20,000 / Attendance	THB 20,000 / Attendance
- Members of Corporate Governance Committee	THB 20,000 / Person / Attendance	THB 20,000 / Person / Attendance
<b>Executive Committee</b>	None	None

Breakdown of directors' remuneration in 2017/18 is as follows:

(Unit: THB)

	Name	Remuneration*	Meeting Allowance	Bonus	Total
1.	Mr. Keeree Kanjanapas	900,000	-	412,000	1,312,000
2.	Mr. Marut Arthakaivalvatee	750,300	120,000	206,000	1,076,300
3.	Mr. Kavin Kanjanapas	450,000	-	206,000	656,000
4.	Mr. Kong Chi Keung	450,000	-	206,000	656,000
5.	Mr. Surapong Laoha-Unya	450,000	-	206,000	656,000
6.	Mr. Chan Kin Tak	450,000	120,000	206,000	776,000
7.	Assoc. Prof. Jaruporn Viyanant	750,300	260,000	206,000	1,216,300
8.	Mrs. Maneeporn Siriwatanawong	450,000	220,000	206,000	876,000
9.	Mr. Kiet Srichomkwan	450,000	140,000	206,000	796,000
	<b>Total</b>	<b>5,100,600</b>	<b>860,000</b>	<b>2,060,000</b>	<b>8,020,600</b>

Remark:

\* The Company started to pay the new rate salary to the Board of Directors in July 2017 after obtaining the approval from the 2017 Annual General Meeting of Shareholders held on 6 July 2017.

- **Non-monetary remuneration**

- None -

## EXECUTIVES REMUNERATION

The Nomination and Remuneration Committee shall consider and determine the amounts and forms of remuneration payment to the Chairman of the Executive Committee and the Deputy 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 of similar industry, as well as the Company's short-term and long-term including business achievements. Such shall be proposed to the meeting of the Board of Directors for consideration and approval on an annual basis.

Key performance indicators are as follows:

2017	
<b>Chairman of the Executive Committee</b>	<ul style="list-style-type: none"> <li>- Shareholder's Wealth</li> <li>- Corporate Governance</li> <li>- Corporate Social Responsibilities</li> <li>- Relationship with customers, landlords and business alliance</li> </ul>
<b>Deputy Chief Executive Officer</b>	<ul style="list-style-type: none"> <li>- Financial Performance</li> <li>- Service and products from customers' perspective</li> <li>- Operational Excellence</li> <li>- People Development</li> <li>- Innovation</li> </ul>

As for senior executives, the Deputy Chief Executive Officer shall consider the appropriateness of the executives' remuneration individually based on their performance through assessment of relevant 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 paid to the directors or members of the sub-committees) in 2017/18 and 2016/17 are as follows:

	2017/18	2016/17
Number of Executives (Person)	9	12*
Remuneration (THB Million)	70.82	62.59

Remark:

\* (a) Mr. Surachet Bumrongsuk was appointed to hold the position of the Chief Executive Officer on 1 July 2016 and resigned with effect from 1 April 2017; (b) Mrs. Suparanan Tanviruch resigned from the position of the Chief Financial Officer on 1 June 2016 and was transferred to hold the position of the Chief Executive Officer of MACO. On 16 October 2016, the Company appointed Mrs. Chitkasem Moo-Ming to hold the position of the Chief Financial Officer in her replacement; (c) Mrs. Oranuch Rujirawona resigned from the position of the Chief Sales and Marketing Officer with effect from 30 September 2016 and was on 5 April 2017 appointed to hold the position of the Chief Sales Officer; and (d) Mr. Somchat Visitchaichan was appointed to hold the position of the Chief Sales and Marketing Officer on 1 December 2016 and resigned with effect from 25 March 2017.

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 such as Control Environment, Risk Management, Control Activities, Information and Communication, and Monitoring Activities.

The Board of Directors, at the Board of Directors' Meeting No. 3/2018 held on 17 May 2018, acknowledged the evaluation results and the Audit Committee's opinion on the sufficiency of the Company's internal control system, and had no objection on the Audit Committee's opinion that the Company's internal control system is sufficient and suitable for the business operation and that there is no material deficiency in the internal control system. The details can be summarised as follows:

### 1. CONTROL ENVIRONMENT

The Company has established and revised the Company's vision, mission, strategy, and business direction and set up an organisation structure that effectively supports the business operation of the Company by clearly determining the line of command and the scope of duties and responsibilities for each line of command, and regularly reviewing and modifying the organisation structure to be suitable for the business operation of the Company so that each department can perform its duties 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 rules and regulations regarding human resources management and the work rules, and the corporate governance policy and the Code of Conduct, covering policy on social, community

and environment responsibility, policy on supervision of the use of inside information and conflict of interest and policy on anti-corruption and bribery. The Company on a regular basis reviews and revises the documented policies and relevant procedures to be in line with updated policies and procedures from time to time. Consequences of non-compliance are clearly specified there in. The Company has communicated these policies, rules and procedures to all employees, and disclosed the same on the Company's intranet and determined that it is duties and responsibilities of all directors, executives and employees to acknowledge and strictly abide to policy and guideline stipulated in the Code of Conduct, where all directors, executives and supervisors shall behave as a good precedent and shall be responsible for monitoring, supervising, and encouraging subordinates to behave and comply with the defined policies and guidelines. 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 minimise the impact of the risks to an appropriate and acceptable level, whereby the Company's risks are analysed into 5 aspects, i.e. Strategic Risks, Operational Risks, Financial Risks, Compliance Risks and Fraud Risks. The Company applies the risk management principles of the COSO (the Committee of Sponsoring Organisation 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 manage the overall risks of the Company and to evaluate and prepare a risk assessment matrix and to monitor and control key risks and any conditions that may cause material impact on the business operations of the Company so as to manage and minimise 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 Division to be responsible for reviewing 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 for the Board of Directors, the Executive Committee, the Chief Executive Officer or Deputy Chief Executive Officer (acting on behalf of the Chief Executive Officer) and 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 SEC's and the SET'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 Principles (GAAP) 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 provides communication channels for all stakeholders to contact or complaints via email or mail. These complaints shall be collected and presented to the Audit Committee and/or the Corporate Governance Committee and/or the Board of Directors (as the case may be). Furthermore, the Company also provides specific channel for reporting of any suspicious corruption/ bribery at [VGI\\_CAC@vgi.co.th](mailto:VGI_CAC@vgi.co.th).

### **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 Division 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 Division 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 viewed that the Company's internal control system is sufficient and suitable for the business operation, capable of preventing unduly or unauthorised 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 with regard to the auditing of the Company's financial statements in order to design appropriate approach for auditing consolidated financial statements and standalone financial statements. In this regard, the Company's auditor was of the opinion that those financial statements presented correct financial position, results of operation and cash flows as of 31 March 2018, which were in accordance with the financial reporting standards.

### **INTERNAL AUDIT DIVISION**

The Internal Audit Division is responsible for evaluating the sufficiency of the Company's internal control system, whether the financial and non-financial information and reviewing the compliance with internal policies and procedures, as well as providing advice for improvement of the Company's operations in order for the Company to be confident that it completely and fully complies with the relevant regulations and laws, has decent monitoring and internal control system and achieves its objectives and targets.

The Internal Audit Division prepares an annual audit plan and a 3-year long-term plan based on the risk assessment that might affect the business operation, covering organisational process. These plans are approved by the Audit Committee. The scope of Internal Audit Division'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 organisation plan, procedures, and measures for protecting the Company's assets from any frauds;
- 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;
- Reliability of the internal control system with regard to anti-corruption in order to be consistent with and correspond to the Company's Anti-Corruption Measures, which shall supports the Company's sustainable business operation with integrity. The contents of those documents cover complaint receiving framework, management procedure and process, including the collaboration among relevant divisions to solve and find solution and to have complaints channels for the employees and other stakeholders. The Internal Audit Division is one of the channel to receive complaints in general, material adverse impact complaints and suspicion of corruption and bribery. The Internal Audit Division will monitor the progress on the handling of complaints and report the progress to the Audit Committee.

The Internal Audit Division presents the audit report to the Audit Committee on a quarterly basis, and regulary



monitoring the progress of the corrective actions as per the recommendations provided. The Internal Audit Division is independent from other departments and is able to access the information and property of the Company relating to their performances, as well as having the authority to request for information and explanation from the relevant persons on the subject matters as assigned by the Audit Committee. In addition, the Internal Audit Division encourages all business units to conduct risk assessment. This is to ensure that the internal control system is effective and efficient, the financial reporting is reliable, and the operational performance is in accordance with the laws and regulations of the governmental agencies or the regulatory bodies as well as the Company's standards, policies, plans, rules, regulations and announcements. The internal control system is aimed to protect the Company's assets, to prevent the Company from any damage it may suffer from and to create a mechanism of checks and balances among the business units so as to ensure reasonable reliability of the Company's operations to achieve its targets.

In addition, the personnel of the Internal Audit Division is 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 DIVISION

The Company appoints Mr. Pipop Intaratut as the Internal Audit Director. 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., training programs organised by the Thai Institute of Directors (IOD), training programs organised by the Institute of Internal Auditors of Thailand (IIAT) and training programs organised by other organisations. Furthermore, Mr. Pipop Intaratut has knowledge and good understanding of the Company's business activities and operations. Therefore, the Audit Committee deemed that Mr. Pipop Intaratut's qualification is able to perform his duties appropriately.

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

### DETAILS OF HEAD OF INTERNAL AUDIT DIVISION

(as of 3 April 2018)

#### MR. PIPOP INTARATUT

Age 47 Years

#### Title

Internal Audit Director

#### Education

- Bachelor of Business Administration (Accounting), Ramkhamhaeng University
- Master of Business Administration (Financial), Ramkhamhaeng University
- Audit Committee Program (ACP), Thai Institute of Directors
- Monitoring Fraud Risk Management (MFM), Thai Institute of Directors
- Monitoring the System of Internal Control and Risk Management (MIR), Thai Institute of Directors
- Monitoring the Internal Audit Function (MIA), Thai Institute of Directors
- Monitoring the Quality of Financial Reporting (MFR), Thai Institute of Directors
- Company Secretary Program (CSP), Thai Institute of Directors
- Director Accreditation Program (DAP), Thai Institute of Directors
- How to Develop a Risk Management Plan Program (HRP), Thai Institute of Directors
- Anti-Corruption Synergy to Success, The Institute of Internal Auditors of Thailand

#### Working Experience for the 5-year period

2012 - Present Internal Audit Director  
VGI Global Media Plc.

#### Other Listed Companies in Thailand

2011 - Present Internal Audit Office Director  
BTS Group Holdings Plc.

#### Other Companies

2005 - Present Internal Audit Director  
Bangkok Mass Transit System Plc.

#### Other Organisation

2014 - Present Risk and Internal Control Committee  
Thai Listed Companies Association

### 1. RELATED PARTY TRANSACTIONS BETWEEN THE COMPANY AND PERSONS WHO MAY HAVE CONFLICTS OF INTEREST FOR THE FISCAL YEAR ENDED 31 MARCH 2017 AND 31 MARCH 2018

Persons with Conflict of Interest / Relationship	Transactions	Transaction Value for the fiscal year ended		Necessity and Rationale of Transactions
		31 March 2017 (THB million)	31 March 2018 (THB million)	
<p>BTS Group Holdings Plc. (“<b>BTSG</b>”)</p> <ul style="list-style-type: none"> <li>- BTSG is a major shareholder and a controlling person of the Company.</li> <li>- The Company and BTSG have 4 directors in common, namely:               <ol style="list-style-type: none"> <li>(1) Mr. Keeree Kanjanapas;</li> <li>(2) Mr. Kavin Kanjanapas;</li> <li>(3) Mr. Surapong Laoha-Unya; and</li> <li>(4) Mr. Kong Chi Keung.</li> </ol> </li> </ul>	Expenses from using investor relations service	4.20	4.20	BTSG is the Company’s parent company 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.
<p>Bangkok Mass Transit System Plc. (“<b>BTSC</b>”)</p> <ul style="list-style-type: none"> <li>- BTSC is a major shareholder and a controlling person of the Company.</li> <li>- The Company and BTSC have 3 directors in common, namely:               <ol style="list-style-type: none"> <li>(1) Mr. Keeree Kanjanapas;</li> <li>(2) Mr. Kavin Kanjanapas; and</li> <li>(3) Mr. Surapong Laoha-Unya.</li> </ol> </li> </ul>	Revenue from providing advertising space and commercial area	7.72	8.82	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	194.45	268.98	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	18.59	22.82	Remark: on 18 May 2017, the rate of the concession fee has been increased from 5 percent to 10 percent, calculated on the total revenue derived from the space utilisation in the BTS Skytrain system. Such incremental in the concession fee rate was as specified in the License to Manage Marketing Service Agreement. 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 and is in accordance with the terms agreed by the Company and BTSC.
<p>Rabbit Rewards Co., Ltd. (“<b>Rabbit</b>”)</p> <ul style="list-style-type: none"> <li>- Rabbit is a subsidiary of BTSG (holding the shares in Rabbit indirectly through RB Services Co., Ltd.), which is a major shareholder and a controlling person of the Company.</li> <li>- The Company and Rabbit have 3 directors in common, namely:               <ol style="list-style-type: none"> <li>(1) Mr. Keeree Kanjanapas;</li> <li>(2) Mr. Kavin Kanjanapas; and</li> <li>(3) Mr. Surapong Laoha-Unya.</li> </ol> </li> </ul>	Revenue from providing advertising space and commercial area	1.17	1.22	It is the Company’s normal course of business transaction. The service fee charged to Rabbit by the Company is the same rate charged to other major customers.

Persons with Conflict of Interest / Relationship	Transactions	Transaction Value for the fiscal year ended		Necessity and Rationale of Transactions
		31 March 2017	31 March 2018	
		(THB million)	(THB million)	
<p>Unison One Co., Ltd. (<b>"Unison One"</b>)</p> <ul style="list-style-type: none"> <li>- Unison One is a subsidiary of U City Plc. (<b>"U"</b>), whose major shareholder is BTSG as same as the Company.</li> <li>- BTSG and Unison One have 2 directors in common, namely:               <ol style="list-style-type: none"> <li>(1) Mr. Kavin Kanjanapas; and</li> <li>(2) Mr. Kong Chi Keung.</li> </ol> </li> </ul>	Office building space rental	16.37	15.95	It is a transaction to support the Company's normal course of business, which is office building space rental used for the Company's and its subsidiaries' offices and storages. The office building is close to the BTS trains depot and that it is convenient for BTS-related Media equipment installation. The rent charged by Unison One is the same as that offered to the other tenants and similar to the rate offered by the nearby office buildings.
<p>Remark: On 15 September 2017, Unison One was transferred the ownership of the office building from Dnal Co., Ltd. (<b>"Dnal"</b>), a subsidiary of BTSG, which is a major shareholder and a controlling person of the Company.</p> <p>In order to facilitate the comparison of the transaction values, the transaction values for the fiscal year ended 31 March 2017 were purely received by Dnal from the Company and the transaction values for the fiscal year ended 31 March 2018 were commonly received by Dnal and Unison One, where (a) the first transaction were THB7.45 million and THB8.50 million and (b) the second transaction were THB 0.13 million and THB 0.06 million.</p>	Expenses for advertising media through LCD screens in office building for the Company's customers	0.22	0.19	It is the Company's normal course of business transaction. The fee payable to Unison One is comparable and similar to the fee paid to the other owners of large-sized office buildings.
<p>Man Kitchen Co., Ltd. (<b>"Man Kitchen"</b>)</p> <ul style="list-style-type: none"> <li>- Man Kitchen is a subsidiary of Man Food Products Co., Ltd. (<b>"Man Food"</b>), whose major shareholder is BTSG as same as the Company.</li> <li>- The Company and Man Kitchen have 1 director in common, namely Mr. Kavin Kanjanapas.</li> </ul>	Expenses for food and services at Chef Man Restaurant for customer entertainment	6.35	7.56	It is a transaction to support the Company's normal course of business, which is service fee for customer hospitality at Chef Man Restaurant. The service fee charged to the Company by Chef Man Restaurant is the same rate charged to third parties.
<p>Little Corner Co., Ltd. (<b>"Little"</b>)</p> <ul style="list-style-type: none"> <li>- Little is a subsidiary of Man Food, whose major shareholder is BTSG as same as the Company.</li> <li>- The Company and Little have 1 director in common, namely Mr. Kavin Kanjanapas.</li> </ul>	Expenses for food and services at M Krub Restaurant for customer entertainment	0.50	1.10	It is a transaction to support the Company's normal course of business, which is service fee for customer hospitality 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>BTS Assets Co., Ltd. (<b>"BTSA"</b>)</p> <ul style="list-style-type: none"> <li>- BTSA is a subsidiary of U, whose major shareholder is BTSG as same as the Company.</li> <li>- The Company and BTSA have 2 directors in common, namely:               <ol style="list-style-type: none"> <li>(1) Mr. Kavin Kanjanapas; and</li> <li>(2) Mr. Kong Chi Keung.</li> </ol> </li> </ul>	Room rental and service fees for meeting at Eastin Grand Hotel Sathorn	0.00	0.19	It is a transaction to support the Company's normal course of business, which is room and meeting facility service at Eastin Grand Hotel Sathorn, for the Company's customers and the meeting. The service fee charged to the Company by Eastin Grand Hotel Sathorn is the same rate charged to the third parties.
<p>Muangthong Assets Co., Ltd. (<b>"Muangthong"</b>)</p> <ul style="list-style-type: none"> <li>- Muangthong is a subsidiary of U, whose major shareholder is BTSG as same as the Company.</li> <li>- The Company and Muangthong have 2 directors in common, namely:               <ol style="list-style-type: none"> <li>(1) Mr. Kavin Kanjanapas; and</li> <li>(2) Mr. Kong Chi Keung.</li> </ol> </li> </ul>	Service fee for the board of directors' meeting at U Sathorn Bangkok	0.03	0.12	It is a transaction to support the Company's normal course of business, which is meeting facility service 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 third parties.

Persons with Conflict of Interest / Relationship	Transactions	Transaction Value for the fiscal year ended		Necessity and Rationale of Transactions
		31 March 2017	31 March 2018	
		(THB million)	(THB million)	
Hwakay Thai (Thailand) Co., Ltd. (“Hwakay Thai”) <ul style="list-style-type: none"> <li>- 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.</li> </ul>	Room rental and service fees for shareholders’ meeting at Eastin Hotel Makkasan Bangkok	0.00	0.20	It is a transaction to support the Company’s normal course of business, which is room and meeting facility service at Eastin Hotel Makkasan Bangkok, for the Company’s customers and the annual general meeting of shareholders. 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 in providing 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 discloses 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.

## PROFILES OF DIRECTOR AND EXECUTIVE

5.9

(as of 3 April 2018)

\* Shares held by Director and Executive, including shares held by their spouse and minor child. As of 3 April 2018, the Company has 7,213,365,428 total issued shares.

### MR. KEEREE KANJANAPAS

Age 68 Years

#### Title

Chairman / Authorised Director

#### Education

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

#### Date of Appointment as Director:

30 March 2012

#### Shareholding in the Company (%)\*

37,188,458 (0.52%)

#### Family Relationship between Director and Executive

Father of Mr. Kavin Kanjanapas

#### Working Experience for the 5-year period

2012 - Present Chairman, VGI Global Media Plc.

#### Other Listed Companies in Thailand

- 2017 – Present Chairman, U City 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.

#### Other Companies

- 2018 – Present Director, BTS Infrastructure Services Co., Ltd.
- 2017 – Present Director, BTS Infrastructure Development Co., Ltd.
- 2017 – Present Director, Eastern Bangkok Monorail Co., Ltd.
- 2017 – Present Director, Northern Bangkok Monorail Co., Ltd.
- 2017 – Present Director, RB Services Co., Ltd.
- 2015 – Present Chairman of the Executive Committee, Bangkok Mass Transit System Plc.

- 2010 – Present Chairman, Bangkok Mass Transit System Plc.
- 1996 – Present Director, Bangkok Mass Transit System Plc.
- 1996 – 2015 Chief Executive Officer, Bangkok Mass Transit System Plc.
- 2015 – Present Director, BSS Holdings Co., Ltd.
- 2010 – Present Director, Rabbit Rewards Co., Ltd.
- 2009 – Present Director, Bangkok Smartcard System Co., Ltd.
- 1994 – Present Director, Tanayong International Limited
- 2009 – 2018 Director, BTS Land Co., Ltd.
- 1993 – 2018 Director, PrannaKiri Assets Co., Ltd.
- 1992 – 2018 Director, Tanayong Food and Beverage Co., Ltd.
- 1991 – 2018 Director, Thana City Golf & Sports Club Co., Ltd.
- 1990 – 2018 Director, Siam Paging and Communication Co., Ltd.
- 1990 – 2018 Director, Tanayong Property Management Co., Ltd.
- 1988 – 2018 Director, Muangthong Assets Co., Ltd.
- 2010 – 2015 Director, Kamkoong Property Co., Ltd.
- 2009 – 2015 Director, Nuvo Line Agency Co., Ltd.

### MR. MARUT ARTHAKAIVALVATEE

Age 62 Years

#### Title

Vice Chairman / Member of the Nomination and Remuneration Committee / Member of the Corporate Governance Committee / Authorised 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

**Date of Appointment as Director:**

15 November 2007

**Shareholding in the Company (%)\***

244,088 (0.003%)

**Family Relationship between Director and Executive**

-

**Working Experience for the 5-year period**

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.

2007 – Present Director, VGI Global Media Plc.

2012 – 2016 Member of the Executive Committee, VGI Global Media Plc.

1999 – 2016 Chief Executive Officer, VGI Global Media Plc.

**Other Listed Companies in Thailand**

2017 – Present Chairman, Nation Multimedia Group Plc.

**Other Companies**

2018 – Present Director, Supremo Media Co., Ltd.

2017 – Present Director, VGI Global Media (Malaysia) Sdn Bhd

2017 – Present Director, The Icon VGI Co., Ltd.

2016 – Present Director, Aero Media Group Co., Ltd.

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.

**MR. KAVIN KANJANAPAS**

Age 43 Years

**Title**

Director / Chairman of the Executive Committee / Authorised Director

**Education**

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

**Date of Appointment as Director:**

28 May 2003

**Shareholding in the Company (%)\***

-

**Family Relationship between Director and Executive**

Son of Mr. Keeree Kanjanapas

**Working Experience for the 5-year period**

2012 – Present Chairman of the Executive Committee, VGI Global Media Plc.

2003 – Present Director, VGI Global Media Plc.

**Other Listed Companies in Thailand**

2017 – Present Director, U City Plc.

2015 – Present Chief Executive Officer, BTS Group Holdings Plc.

2010 – Present Executive Director, BTS Group Holdings Plc.

2007 – Present Director, BTS Group Holdings Plc.

2017 – 2018 Independent Director, BEC World Plc.

**Other Companies**

2018 – Present Director, BTS Infrastructure Services Co., Ltd.

2017 – Present Director, BTS Infrastructure Development Co., Ltd.

2017 – Present Director, Natural Park Ville Co., Ltd.

2017 – Present Director, Natural Real Estate Co., Ltd.

2017 – Present Director, Richee Property Management Co., Ltd.

2017 – Present Director, Park Opera Co., Ltd.

2017 – Present Director, Park Gourmet Co., Ltd.

2017 – Present Director, Project Green Co., Ltd.

2017 – Present Director, Absolute Golf Services Co., Ltd.

2017 – Present Director, BTS Assets Co., Ltd.  
 2017 – Present Director, Kamkoong Property Co., Ltd.  
 2017 – Present Director,  
 Vienna House (Thailand) Co., Ltd.  
 2017 – Present Director, Unison One Co., Ltd.  
 2017 – Present Director,  
 Eastern Bangkok Monorail Co., Ltd.  
 2017 – Present Director,  
 Northern Bangkok Monorail Co., Ltd.  
 2017 – Present Director, Man Food Holdings Co., Ltd.  
 2017 – Present Director, RB Services Co., Ltd.  
 2017 – Present Director,  
 Keystone Management Co., Ltd.  
 2016 – Present Director, KMJ 2016 Co., Ltd.  
 2016 – Present Director,  
 Nine Square Property Co., Ltd.  
 2015 – Present Director, Travelodge (Thailand) 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, BSS Holdings Co., Ltd.  
 2015 – Present Executive Director,  
 Bangkok Smartcard System Co., Ltd.  
 2009 – Present Director,  
 Bangkok Smartcard System Co., Ltd.  
 2009 – 2015 Managing 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 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.  
 2015 – 2018 Director, Unicorn Enterprise 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.  
 2009 – 2015 Director, Nuvo Line Agency Co., Ltd.  
 2009 – 2014 Director, Midas Global Media Co., Ltd.

## MR. SURAPONG LAOHA-UNYA

Age 56 Years

### Title

Director / Authorised 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

### Date of Appointment as Director:

10 November 2006

### Shareholding in the Company (%)\*

336,440 (0.005%)

### Family Relationship between Director and Executive

-

### Working Experience for the 5-year period

2006 – Present Director, VGI Global Media Plc.

#### Other Listed Companies in Thailand

2010 – Present Executive Director / Director,  
BTS Group Holdings Plc.

#### Other Companies

2018 – Present Director,  
BTS Infrastructure Services Co., Ltd.

2017 – Present Director, BTS Infrastructure  
Development Co., Ltd.

2017 – Present Director,  
Eastern Bangkok Monorail Co., Ltd.

2017 – Present Director,  
Northern Bangkok Monorail Co., Ltd.

2017 – Present Director, RB Services Co., Ltd.

2016 – Present Director,  
Rabbit Insurance Broker Co., Ltd.

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.

2006 – 2015 Chief Operating Officer,  
Bangkok Mass Transit System Plc.

2006 – Present Director,  
Bangkok Mass Transit System Plc.

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

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

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

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

2009 – 2018 Director, BTS Land Co., Ltd.

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

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

#### Other Organisations

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

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

## MR. KONG CHI KEUNG

Age 43 Years

#### Title

Director / Authorised Director

#### Education

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

#### Date of Appointment as Director:

15 June 2000

#### Shareholding in the Company (%)\*

193,896 (0.003%)

#### Family Relationship between Director and Executive

-

#### Working Experience for the 5-year period

2000 – Present Director, VGI Global Media Plc.

#### Other Listed Companies in Thailand

2017 – Present Director, U City Plc.

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.

#### Other Companies

2018 – Present Director, BTS Land Co., Ltd.

2018 – Present Director, Unison One Co., Ltd.

2018 – Present Director,  
Thana City Golf & Sports Club Co., Ltd.

2018 – Present Director, Tanayong Property  
Management Co., Ltd.

2018 – Present Director,  
Tanayong Food and Beverage Co., Ltd.

2018 – Present Director, Mak8 Co., Ltd.

2018 – Present Director, PrannaKiri Assets Co., Ltd.

2018 – Present Director, Muangthong Assets Co., Ltd.

2018 – Present Director, Siam Paging  
and Communication Co., Ltd.



2017 – Present	Director, Richee Property Management Co., Ltd.	2016 – 2018	Director, BTS Sansiri Holding Seventeen Limited
2017 – Present	Director, Park Opera Co., Ltd.	2016 – 2018	Director, BTS Sansiri Holding Sixteen Limited
2017 – Present	Director, Park Gourmet Co., Ltd.	2016 – 2018	Director, BTS Sansiri Holding Fifteen Limited
2017 – Present	Director, Project Green Co., Ltd.	2016 – 2018	Director, BTS Sansiri Holding Fourteen Limited
2017 – Present	Director, Natural Park Ville Co., Ltd.	2016 – 2018	Director, BTS Sansiri Holding Twelve Limited
2017 – Present	Director, Natural Real Estate Co., Ltd.	2016 – 2018	Director, BTS Sansiri Holding Eleven Limited
2017 – Present	Director, Prime Area 38 Co., Ltd.	2016 – 2018	Director, Unicorn Enterprise Co., Ltd.
2017 – Present	Director, BTS Assets Co., Ltd.	2015 – 2018	Director, BTS Sansiri Holding Nine Limited
2017 – Present	Director, Kamkoong Property Co., Ltd.	2015 – 2018	Director, BTS Sansiri Holding Eight Limited
2017 – Present	Director, Eastern Bangkok Monorail Co., Ltd.	2015 – 2018	Director, BTS Sansiri Holding Seven Limited
2017 – Present	Director, Northern Bangkok Monorail Co., Ltd.	2015 – 2018	Director, BTS Sansiri Holding Six Limited
2016 – Present	Director, Rabbit Insurance Broker Co., Ltd.	2015 – 2018	Director, BTS Sansiri Holding Five Limited
2016 – Present	Director, Rabbit-LINE Pay Co., Ltd.	2015 – 2018	Director, BTS Sansiri Holding Four Limited
2016 – Present	Director, Nine Square Property Co., Ltd.	2015 – 2018	Director, BTS Sansiri Holding Three Limited
2016 – Present	Director, The Community Two Co., Ltd.	2015 – 2018	Director, BTS Sansiri Holding Two Limited
2016 – Present	Director, The Community One Co., Ltd.	2015 – 2018	Director, BTS Sansiri Holding One Limited
2016 – Present	Director, Kingkaew Assets Co., Ltd.	2015 – 2018	Director, Nuvo Line Agency Co., Ltd.
2016 – Present	Director, Ratburana Property Co., Ltd.	2016 – 2017	Director, Keystone Estate Co., Ltd.
2015 – Present	Director, ASK Direct Group Co., Ltd.	2010 – 2015	Director, VGI Advertising China Company Limited
2015 – Present	Director, Rabbit Internet Co., Ltd.	2010 – 2015	Director, BTS Assets Co., Ltd.
2015 – Present	Member of the Executive Committee, Bangkok Mass Transit System Plc.		
2012 – Present	Chief Financial Officer, Bangkok Mass Transit System Plc.		
2010 – 2013	Director, Bangkok Mass Transit System Plc.		
2015 – Present	Director, ATS Rabbit Special Purpose Vehicle Co., Ltd.		
2014 – Present	Director, Bangkok Payment Solutions Co., Ltd.		
2010 – Present	Director, Tanayong Hong Kong Limited		
2008 – Present	Director, Absolute Hotel Services Co., Ltd.		
2017 – 2018	Director, BTS Sansiri Holding Twenty Two Limited		
2017 – 2018	Director, BTS Sansiri Holding Twenty One Limited		
2017 – 2018	Director, BTS Sansiri Holding Nineteen Limited		
2016 – 2018	Director, BTS Sansiri Holding Twenty Limited		
2016 – 2018	Director, BTS Sansiri Holding Eighteen Limited		

## MR. CHAN KIN TAK

Age 52 Years

### Title

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

### Date of Appointment as Director:

15 November 2007

### Shareholding in the Company (%)\*

-

### Family Relationship between Director and Executive

-

### Working Experience for the 5-year period

2015 – Present Member of the Corporate Governance Committee, VGI Global Media Plc.  
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.

### Other Listed Companies in Thailand

- None -

### Other Companies

2017 – Present Director, VGI Global Media (Malaysia) Sdn Bhd  
2016 – Present Director, Demo Power (Thailand) Co., Ltd.  
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. JARUPORN VIYANANT

Age 73 Years

### Title

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, USA
- 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 (AACCP) Year 2014, Thai Institute of Directors
- Anti-Corruption for Executive Program (ACEP) Year 2015, Thai Institute of Directors

### Date of Appointment as Director:

30 March 2012

### Shareholding in the Company (%)\*

-

### Family Relationship between Director and Executive

-

#### Working Experience for the 5-year period

- 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.
- 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.

#### Other Listed Companies in Thailand

- 2015 – Present Chairman of the Corporate Governance and Social Responsibilities Committee / Member of the Audit Committee / Independent Director, Inoue Rubber (Thailand) Plc.

#### Other Companies

- 2017 – Present Independent Director / Chairman of the Audit Committee, BBGI Plc.
- 2014 – Present Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee, Ocean Life Insurance Plc.
- 2016 – 2017 Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee, KSL Green Innovation Plc.

#### Other Organisations

- 2014 – Present Monitoring and Evaluation Committee, Office of The National Broadcasting and Telecommunications Commission
- 2014 – Present Member of the Audit Committee, Electronic Government Agency (EGA)
- 2008 – Present Academic Professional, Faculty of Commerce and Accountancy, Thammasat University
- 2005 – Present Academic Standard Committee, Faculty of Business Administration, Rangsit University
- 2011 – 2014 Financial Institution Policy Committee, Bank of Thailand

- 2011 – 2014 Director, Electronic Government Agency (EGA)
- 2011 – 2014 Director, Anti-Money Laundering Office

### MRS. MANEERORN SIRIWATANAWONG

Age 69 Years

#### Title

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

#### Date of Appointment as Director:

30 March 2012

#### Shareholding in the Company (%)\*

-

#### Family Relationship between Director and Executive

-

#### Working Experience for the 5-year period

- 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.

#### Other Listed Companies in Thailand

- None -

#### Other Companies

- 2010 – Present Advisor, Singhapattana Chiang Mai Co., Ltd.
- 2010 – Present Advisor, Chiang Mai Pattana Group Co., Ltd.

## MR. KIET SRICHOMKWAN

Age 80 Years

### Title

Independent Director / Member of the Audit Committee

### Education

- Bachelor Degree in Business Administration, Western New Mexico University, USA
- Director Certification Program (DCP) Year 2002, Thai Institute of Directors
- Director Accreditation Program (DAP) Year 2003, Thai Institute of Directors
- Finance for Non-Finance Director (FND) Year 2003, Thai Institute of Directors
- Audit Committee Program (ACP) Year 2004, Thai Institute of Directors
- Improving the Quality of Financial Reporting (QFR) Year 2006, Thai Institute of Directors
- Top Executive Program in Commerce and Trade (TEPCoT) Year 2009, Commerce Academy
- Monitoring the Quality of Financial Reporting (MFR) Year 2009, Thai Institute of Directors
- Monitoring the Internal Audit Function (MIA) Year 2010, Thai Institute of Directors
- Monitoring Fraud Risk Management (MFM) Year 2010, Thai Institute of Directors
- Monitoring the System of Internal Control and Risk Management (MIR) Year 2010, Thai Institute of Directors
- Role of the Nomination and Governance Committee (RNG) Year 2012, Thai Institute of Directors
- Role of the Chairman Program (RCP) Year 2012, Thai Institute of Directors
- Director Certification Program Update (DCPU) Year 2015, Thai Institute of Directors

### Date of Appointment as Director:

22 August 2016

### Shareholding in the Company (%)\*

-

### Family Relationship between Director and Executive

-

### Working Experience for the 5-year period

2016 – Present Member of the Audit Committee,  
VGI Global Media Plc.

2016 – Present Independent Director,  
VGI Global Media Plc.

### Other Listed Companies in Thailand

2012 – Present Member of the Remuneration,  
Nomination and Governance  
Committee, The Navakij Insurance Plc.  
1999 – Present Independent Director / Member of  
the Audit Committee,  
The Navakij Insurance Plc.  
2010 – 2012 Member of the Remuneration and  
Nomination Committee,  
The Navakij Insurance Plc.

### Other Companies

2003 – Present Chairman, Alinkij Siam Co., Ltd.  
2002 – Present Chairman, Toyota Petchaboon  
Toyota's Dealer Co., Ltd.  
1995 – Present Director, Pen Sook Co., Ltd.  
1990 – Present Director, Suan Petchaboon Co., Ltd.  
1988 – Present Director, Din Prasit Co., Ltd.  
1988 – Present Director, Thai Petchaboon Co., Ltd.  
1987 – Present Director, Silver Beach Resort Co., Ltd.  
1977 – Present Chairman, Benja Rungrueng Co., Ltd.

## MR. LAP SHUN NELSON LEUNG

Age 43 Years

### Title

Member of the Executive Committee /  
Deputy Chief Executive Officer

### Education

- Bachelor of Mathematics,  
University of Waterloo, Canada
- MBA (Executive) Sasin Graduate Institute of  
Business Administration of Chulalongkorn University

### Shareholding in the Company (%)\*

-

### Family Relationship between Director and Executive

-

### Working Experience for the 5-year period

2017 – Present Member of the Executive Committee  
/ Deputy Chief Executive Officer,  
VGI Global Media Plc.

### Other Listed Companies in Thailand

- None -

#### Other Companies

- 2017 – Present Director, RB Services Co., Ltd.  
2016 – Present Chief Executive Officer,  
BSS Holdings Co., Ltd.  
2016 – Present Director, Rabbit-LINE Pay Co., Ltd.  
2015 – Present Director, BSS Holdings Co., Ltd.  
2015 – Present Chief Executive Officer,  
Bangkok Smartcard System Co., Ltd.  
2009 – Present Director,  
Bangkok Smartcard System Co., Ltd.  
2009 – 2015 Executive Director,  
Bangkok Smartcard System Co., Ltd.  
2015 – Present Director, Rabbit Internet Co., Ltd.  
2015 – Present Director,  
Rabbit Insurance Broker Co., Ltd.  
2015 – Present Director, ASK Direct Group Co., Ltd.  
2015 – Present Director, RabbitPay System Co., Ltd.  
2015 – Present Director, ATS Rabbit Special  
Purpose Vehicle Co., Ltd.  
2014 – Present Director,  
Bangkok Payment Solutions Co., Ltd.  
2010 – Present Director, Rabbit Rewards Co., Ltd.

#### MRS. ORANUCH RUJIRAWONA

Age 55 Years

##### Title

Member of the Executive Committee /  
Chief Sales Officer

##### Education

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

##### Shareholding in the Company (%)\*

2,300,000 (0.033%)

##### Family Relationship between Director and Executive

-

##### Working Experience for the 5-year period

- 2017 – Present Member of the Executive Committee,  
/ Chief Sales Officer  
VGI Global Media Plc.  
2012 – 2016 Member of the Executive Committee,  
VGI Global Media Plc.  
1999 – 2016 Chief Sales and Marketing Officer,  
VGI Global Media Plc.

#### Other Listed Companies in Thailand

- None -

#### Other Companies

- None -

#### MR. CHAVIN KALAYANAMITR

Age 55 Years

##### Title

Member of the Executive Committee /  
Chief Technology Officer

##### Education

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

##### Shareholding in the Company (%)\*

500,076 (0.007%)

##### Family Relationship between Director and Executive

-

##### Working Experience for the 5-year period

- 2012 – Present Member of the Executive Committee,  
VGI Global Media Plc.  
2000 – Present Chief Technology Officer,  
VGI Global Media Plc.

#### Other Listed Companies in Thailand

- 2016 – Present Member of the Executive Committee,  
Master Ad Plc.  
2014 – Present Director, Master Ad Plc.

#### Other Companies

- 2016 – Present Director, Green Ad Co., Ltd.

#### MRS. CHITKASEM MOO – MING

Age 43 Years

##### Title

Member of the Executive Committee /  
Chief Financial Officer

##### Education

- Bachelor of Business Administration, Finance  
and Banking, Chulalongkorn University

- Master of Business Administration, Finance and Strategy, University of North Carolina at Chapel Hill, USA
- CEDI - Babson Entrepreneurial Leadership Program Babson College, USA
- Company Secretary Program (CSP) Year 2012, Thai Institute of Directors
- Director Certificate Program (DCP) Year 2014, Thai Institute of Directors

#### Shareholding in the Company (%)\*

-

#### Family Relationship between Director and Executive

-

#### Working Experience for the 5-year period

2016 – Present Member of the Executive Committee / Chief Financial Officer, VGI Global Media Plc.

#### Other Listed Companies in Thailand

2016 – 2016 Senior Vice President – Finance and Accounting, Oishi Group Plc.  
 2013 – 2016 Company Secretary, Oishi Group Plc.  
 2013 – 2016 Vice President – Finance and Accounting, Oishi Group Plc.  
 2012 – 2016 Member of the Risk Management Committee, Oishi Group Plc.  
 2011 – 2013 Finance Director, Oishi Group Plc.

#### Other Companies

2016 – 2016 Director and Senior Vice President, Thai Drinks Co., Ltd.  
 2015 – 2016 Director, Food of Asia Co., Ltd.  
 2015 – 2016 Director, Oishi Group Limited Liability Company, Vietnam  
 2014 – 2016 Director, Oishi Myanmar Limited, Myanmar  
 2014 – 2016 Director, SPM Foods and Beverages Co., Ltd.  
 2014 – 2016 Director, Oishi F&B (Singapore) Pte. Ltd, Singapore  
 2013 – 2016 Director, Oishi International Holdings Limited, Hong Kong

## MRS. JANTIMA GAWBANSIRI

Age 40 Years

#### Title

Member of the Executive Committee / Chief Legal and Compliance Officer / Company Secretary

#### Education

- Bachelor of Law, Thammasat University
- Master of Law in European and International Laws, University of Bremen, Germany
- Anti – Corruption the Practical Guide Program (ACPG) Year 2012, Thai Institute of Directors
- Successful Formulation & Execution of Strategy Program (SFE) Year 2017, Thai Institute of Directors
- Company Secretary Program (CSP) Year 2017, Thai Institute of Directors
- Director Certification Program (DCP) Year 2018, Thai Institute of Directors

#### Shareholding in the Company (%)\*

-

#### Family Relationship between Director and Executive

-

#### Working Experience for the 5-year period

2017 – Present Company Secretary, VGI Global Media Plc.  
 2016 – Present Member of the Executive Committee, VGI Global Media Plc.  
 2016 – Present Chief Legal and Compliance Officer, VGI Global Media Plc.

#### Other Listed Companies in Thailand

2009 – 2012 Unit Head – Compliance (Assistant Vice President) Total Access Communication Plc.

#### Other Companies

2012 – 2016 Associate Lawyer, Hunton & Williams (Thailand) Ltd.

## M.L. KRIENKRAI HASTINDRA

Age 73 Years

#### Title

Member of the Executive Committee / Deputy Chief Sales Officer

#### Education

- Rajamangala University of Technology Krungthep

#### Shareholding in the Company (%)\*

-

#### Family Relationship between Director and Executive

-

#### Working Experience for the 5-year period

- 2017 – Present Deputy Chief Sales Officer,  
VGI Global Media Plc.
- 2012 – Present Member of the Executive Committee,  
VGI Global Media Plc.
- 2007 – 2017 Deputy Chief Sales and Marketing  
Officer, VGI Global Media Plc.

#### Other Listed Companies in Thailand

- None -

#### Other Companies

- 2016 – Present Director, Demo Power (Thailand) Co., Ltd.
- 2015 – Present Director, Aero Media Group Co., Ltd.
- 2015 – 2018 Director, Midas Global Media Co., Ltd.

### MS. DARANEE PHANKLIN

Age 53 Years

#### Title

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 the 5-year period

- 2008 – Present Financial Controller,  
VGI Global Media Plc.
- 1999 – 2008 Financial Manager,  
VGI Global Media Plc.

#### Other Listed Companies in Thailand

- 2014 – Present Director, Master Ad Plc.
- 2016 – 2017 Member of the Executive Committee,  
Master Ad Plc.

#### Other Companies

- 2016 – Present Director, Green Ad Co., Ltd.
- 2016 – Present Director, Master & More Co., Ltd.

### MRS. PITCHAPAKSORN JIT-OPAS

Age 50 Years

#### Title

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 the 5-year period

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

#### Other Listed Companies in Thailand

- None -

#### Other Companies

- 2015 – Present Director, Aero Media Group Co., Ltd.
- 2014 – 2015 Chief Financial Officer,  
Midas Global Media Co., Ltd.

# 5.10

## INFORMATION ON THE POSITIONS OF DIRECTORS AND EXECUTIVES IN THE COMPANY

### SUBSIDIARIES, ASSOCIATED COMPANIES, JOINTLY CONTROLLED ENTITIES AND RELATED COMPANIES

(as of 3 April 2018)

Companies	Directors and Executives																
	Mr. Keeree Kanjanapas	Mr. Marut Arthakaivavatee	Mr. Kavin Kanjanapas	Mr. Surapong Laoha-Unya	Mr. Kong Chi Keung	Mr. Chan Kin Tak	Assoc. Prof. Jaruporn Viyanant	Mrs. Maneeporn Siriwatanawong	Mr. Kiet Srichomkwan	Mr. Lap Shun Nelson Leung	Mrs. Oranuch Rujirawona	Mr. Chavin Kalayanamitr	Mrs. Chitkasem Moo – Ming	Mrs. Jantima Gawbansiri	M.L. Kriengkrai Hastindra	Ms. Daranee Phanklin	Mrs. Pitchapaksorn Jit-Opas
<b>VGI Global Media Plc.</b>	A	B	C,G,K	G	G	F,G,K	H, J	I, J	I, J	I, J	E,F,K	F, K	F, K	F, K	F	K	K
<b>Subsidiaries</b>																	
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											
4. VGI Global Media (Malaysia) Sdn Bhd		G				G											
5. Master Ad Plc.												F, G				G	
6. Master & More Co., Ltd.																G	
7. Open Plays Co., Ltd.																	
8. MACO Outdoor Sdn Bhd																	
9. Eye On Ads Co., Ltd.																	
10. Comass Co., Ltd.																	
11. Green Ad Co., Ltd.												G				G	
12. Multi Sign Co., Ltd.																	
13. Inkjet Images (Thailand) Co., Ltd.																	
14. BSS Holdings Co., Ltd.	G		G	G						D, G							
15. RabbitPay System Co., Ltd.				G						G							
16. ASK Direct Group Co., Ltd.				G	G					G							
17. Rabbit Insurance Broker Co., Ltd.				G	G					G							
18. Rabbit Internet Co., Ltd.				G	G					G							
19. Bangkok Smartcard System Co., Ltd.	G		F, G	F, G						D, G							
<b>Associated Companies</b>																	
1. Demo Power (Thailand) Co., Ltd.						G										G	
2. Aero Media Group Co., Ltd.		G													G		G
3. Groupwork Co., Ltd.																	
4. Eyeballs Channel Sdn Bhd																	
5. Landy Development Co., Ltd.																	
6. Puncak Berlian Sdn Bhd																	
<b>Jointly Controlled Entities</b>																	
1. Titanium Compass Sdn Bhd																	
2. The ICON VGI Co., Ltd.		G															
3. Supremo Media Co., Ltd.		G															
4. Rabbit-LINE Pay Co., Ltd.					G					G							
5. ATS Rabbit Special Purpose Vehicle Co., Ltd.					G					G							



Companies	Directors and Executives																
	Mr. Keeree Kanjanapas	Mr. Marut Arthakaivavatee	Mr. Kavin Kanjanapas	Mr. Surapong Laoha-Unya	Mr. Kong Chi Keung	Mr. Chan Kin Tak	Assoc. Prof. Jaruporn Viyanant	Mrs. Maneeporn Siriwatanawong	Mr. Kiet Srichomkwan	Mr. Lap Shun Nelson Leung	Mrs. Oranuch Rujrawona	Mr. Chavin Kalayanamitr	Mrs. Chitkasem Moo – Ming	Mrs. Jantima Gawbansiri	M.L. Kriengkrai Hastindra	Ms. Daranee Phanklin	Mrs. Pitchapaksorn Jit-Opas
<b>Related Companies</b>																	
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. BTS Infrastructure Services Co., Ltd.	G		G	G													
4. BTS Infrastructure Development Co., Ltd.	G		G	G													
5. Northern Bangkok Monorail Co., Ltd.	G		G	G	G												
6. Eastern Bangkok Monorail Co., Ltd.	G		G	G	G												
7. The Community Two Co., Ltd.			G		G												
8. The Community One Co., Ltd.			G		G												
9. Kingkaew Assets Co., Ltd.			G		G												
10. U City Plc.	A		G		G												
11. Tanayong Hong Kong Limited			G		G												
12. Thana City Golf & Sports Club Co., Ltd.			G		G												
13. Absolute Hotel Services Co., Ltd.			G		G												
14. Travelodge (Thailand) Co., Ltd.			G														
15. Absolute Golf Service Co., Ltd.			G														
16. Absolute Hotel Services Hong Kong Limited			G														
17. BTS Assets Co., Ltd.			G		G												
18. Kamkoong Property Co., Ltd.			G		G												
19. Tanayong Property Management Co., Ltd.			G		G												
20. Unison One Co., Ltd.			G		G												
21. Muangthong Assets Co., Ltd.			G		G												
22. BTS Land Co., Ltd.			G		G												
23. Tanayong Food and Beverage Co., Ltd.			G		G												
24. Mak8 Co., Ltd.			G		G												
25. Ratburana Property Co., Ltd.			G		G												
26. Nine Square Property Co., Ltd.			G		G												
27. PrannaKiri Assets Co., Ltd.			G		G												
28. Siam Paging and Communication Co., Ltd.			G		G												
29. Project Green Co., Ltd.			G		G												
30. Prime Area 38 Co., Ltd.					G												

Companies	Directors and Executives																
	Mr. Keeree Kanjanapas	Mr. Marut Arthakaivavatee	Mr. Kavin Kanjanapas	Mr. Surapong Laoha-Unya	Mr. Kong Chi Keung	Mr. Chan Kin Tak	Assoc. Prof. Jaruporn Viyanant	Mrs. Maneeporn Siriwatanawong	Mr. Kiet Srichomkwan	Mr. Lap Shun Nelson Leung	Mrs. Oranuch Rujirawona	Mr. Chavin Kalayanamitr	Mrs. Chitkasem Moo – Ming	Mrs. Jantima Gawbansiri	M.L. Kriengkrai Hastindra	Ms. Daranee Phanklin	Mrs. Pitchapaksorn Jit-Opas
31. Keystone Estate Co., Ltd.			G														
32. Keystone Management Co., Ltd.			G														
33. Natural Park Ville Co., Ltd.			G		G												
34. Natural Real Estate Co., Ltd.			G		G												
35. Richee Property Management Co., Ltd.			G		G												
36. Park Opera Co., Ltd.			G		G												
37. Park Gourmet Co., Ltd.			G		G												
38. Vienna House (Thailand) Co., Ltd.			G														
39. Tanayong International Limited	G																
40. RB Services Co., Ltd.	G		G	G					G								
41. Rabbit Rewards Co., Ltd.	G		G	G					G								
42. Bangkok Payment Solutions Co., Ltd.				G	G				G								
43. Man Food Holdings Co., Ltd.			G														
44. Primary Kitchen Co., Ltd.			G														
45. Man Kitchen Co., Ltd.			G														
46. Little Corner Co., Ltd.			G														
47. KMJ 2016 Co., Ltd.			G														

**A** = Chairman

**B** = Vice Chairman

**C** = Chairman of the Executive Committee

**D** = Chief Executive Officer

**E** = Deputy Chief Executive Officer

**F** = Member of the Executive Committee

**G** = Director

**H** = Chairman of the Audit Committee

**I** = Member of the Audit Committee

**J** = Independent Director

**K** = Executive



6.0

## FINANCIAL REPORT

<b>6.1</b>	Director's Responsibility Report	124
<b>6.2</b>	Independent Auditor's Report	125
<b>6.3</b>	Audited Financial Statements	130
<b>6.4</b>	Notes to Consolidated Financial Statements	142

## 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. Marut Arthakaivalatee**  
Vice Chairman of the Board of Directors



**Mr. Kavin Kanjanapas**  
Chairman of Executive Committee

To the Shareholders of VGI Global Media Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of VGI Global Media Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of VGI Global Media Public Company Limited for the same period.

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 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of Matter

I draw attention to Note 10 to the consolidated financial statements, which relates to the acquisition of investment in a subsidiary (Co-Mass Company Limited). Another subsidiary (Eye On Ads Company Limited) (an acquirer) is currently in the process of measuring the fair value at the acquisition date of the identifiable assets acquired, liabilities assumed and goodwill, and has not yet completed the measurement.

In addition, I draw attention to Notes 11 and 12 to the consolidated financial statements regarding the measurement of the fair values at the acquisition dates of the identifiable assets acquired and liabilities assumed of a joint venture (Rabbit-LINE Pay Company Limited) and an associate (Demo Power (Thailand) Company Limited), respectively, and the measurement of related goodwill, which was completed during the year.

My opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

### *Assessment of controls*

As described in Note 5 to the consolidated financial statements, as at 31 March 2018 the Company and BSS Holdings Company Limited (“BSSH”), a subsidiary of the Company, held 30.38 percent of all issued and paid-up shares of Master Ad Public Company Limited (“MACO”) and 30 percent of all issued shares of Rabbit Internet Company Limited (“RI”), respectively. However, the Company and the subsidiary deem that they have control over MACO and RI since they have the rights, or are exposed, to variable returns from their involvement with MACO and RI, and they have the ability to direct the activities that affect the amount of their returns, even though the Company’s and the subsidiary’s shareholdings and voting rights are less than half of the totals. Management is required to exercise a high degree of judgement in determining the issue of control, which has a significant impact on the preparation of the consolidated financial statements.

I inquired with management as to the nature and objectives of the shareholding and considered the issue of control in order to evaluate whether it meets the definition of control, by considering conditions and facts in respect of power, rights to variable returns and ability to direct the activities that affect the amount of the returns. In addition, I gained an understanding of and assessed the work of the subsidiary’s auditor, who performed an audit of the assessment of control over RI, to obtain sufficient and appropriate audit evidence. The subsidiary’s auditor reviewed the terms and conditions of the agreements and management’s responses to her enquiries as to the nature and objectives of the shareholding, and assessed control over RI.

### *Business combination, investments and goodwill*

As discussed in Note 10 to the consolidated financial statements, on 30 June 2017 Eye On Ads Company Limited (“Eye On Ads”) (a subsidiary owned by MACO) acquired ordinary shares of Co-Mass Company Limited (“Co-Mass”). As at 31 March 2018, the Company and its subsidiaries provisionally recorded the acquisition using their best estimate of the values of the identifiable assets acquired and liabilities assumed, determined by applying the acquisition method. The Company and its subsidiaries will complete the recording of the acquisition within June 2018, and the amount recorded as at 31 March 2018 may change. Management was required to exercise substantial judgement when determining the assumptions used as a basis for measurement of the identifiable assets acquired and liabilities assumed, including the initial difference on the acquisition, and provisional recognition of the acquisition. This business acquisition transaction is significant to the financial statements as a whole. In addition, the determination of impairment of investments in subsidiaries, joint ventures and associates, as well as goodwill, are significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. As at 31 March 2018 the Group presented the carrying amounts of investments in joint ventures, investments in associates and goodwill, amounting to Baht 655 million, 766 million and Baht 1,487 million, respectively, and the Company presented the carrying amount of investments in subsidiaries, amounting to Baht 2,576 million, as separate items under non-current assets in the statement of financial position.

I reviewed the terms and conditions of the share purchase agreement and inquired with management as to the nature and objectives of the acquisition in order to evaluate whether the acquisition meets the definition of a business combination. In addition, I checked the fair value of the consideration transferred for the acquisition, excluding the costs of acquisition, against supporting documents and related payments, and evaluated the methods and significant assumptions that management used in determining the provisionally recognised

value of the acquisition by making enquiries of responsible executives and assessing the method the management used according to type of asset. I also tested the calculation and considered the reason for the initial difference on acquisition that arose from the business combination, as well as reviewing the disclosures related to the acquisition in the notes to the financial statements.

In addition, I reviewed the impairment of investments and goodwill of the Company and its subsidiaries, and gained an understanding of and assessed the work of the subsidiaries' auditor, who reviewed this for the subsidiaries, to obtain sufficient and appropriate audit evidence to assess the identification of cash generating units and the financial models selected by management, by gaining an understanding of management's decision-making process. Moreover, I and the subsidiaries' auditor tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets in the future, by comparing those assumptions to information from both internal and external sources of the Group and comparing past cash flow projections to actual operating results, in order to evaluate the exercise of management judgment in estimating the cash flow projections. I and the subsidiaries' auditor also evaluated the discount rate applied by management through analysis of the weighted average cost of capital of the entity, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. In addition, I reviewed the disclosures made with respect to the impairment assessment for investments in subsidiaries, joint ventures and associates, and goodwill.

#### *Revenue recognition*

The advertising media industry slowdown and changes in consumer behaviour have directly resulted in more intense competition. In addition, the Group has entered into agreements with a large number of customers, and used sales promotions, discounts and special discounts to boost sales. As a result, the Group's recognition of revenues is subject to a variety of conditions under these agreements. The amount and timing of revenue recognition also directly and significantly affects the Group's profit or loss, and service income is a significant item in the financial statements.

I reviewed the revenue recognition of the Company and its subsidiaries, and gained an understanding of and assessed the work of the subsidiaries' auditor, who reviewed this matter for the subsidiaries, in order to obtain sufficient and appropriate audit evidence. I and the subsidiaries' auditor reviewed the revenue recognition of the Group by gaining an understanding of the Group's IT system and internal controls with respect to the revenue cycle and selecting representative samples to test the operation of the designed controls, applying a sampling method to select service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreements, and whether it was in compliance with the Group's policy. I and the subsidiaries' auditor also examined supporting documents on a sampling basis, for actual sales and service transactions occurring during the year and near the end of the accounting period, and reviewed credit notes that the Group issued after the period-end date. In addition, I and the subsidiaries' auditor performed analytical procedures on the revenue accounts to detect possible irregularities in sales and service transactions throughout the period, particularly for accounting entries made through journal vouchers.

## **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



**Supachai Phanyawattano**

Certified Public Accountant (Thailand) No. 3930

EY Office Limited  
Bangkok: 17 May 2018

## 6.3

## AUDITED FINANCIAL STATEMENTS

VGI Global Media Public Company Limited and its subsidiaries

## Statement of financial position

As at 31 March 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		757,321,616	798,808,550	173,091,788	47,737,926
Current investments	7	1,147,948,335	411,489,729	1,000,000,000	99,591,360
Bank account for advances received from cardholders	8	442,549,224	375,228,953	-	-
Trade and other receivables	9	1,143,116,636	763,109,539	690,991,978	459,522,409
Short-term loans to related parties	6	-	-	24,000,000	40,500,000
Current portion of long-term loans to related parties	6	14,734,902	91,402,480	-	80,493,750
Prepaid expenses		97,821,363	91,211,111	13,163,629	12,064,425
Other current assets		101,943,070	81,558,878	15,155,543	9,799,822
<b>Total current assets</b>		<b>3,705,435,146</b>	<b>2,612,809,240</b>	<b>1,916,402,938</b>	<b>749,709,692</b>
<b>Non-current assets</b>					
Restricted bank deposits	31.4	4,844,138	4,303,182	-	-
Long-term loans to related parties - net of current portion	6	75,286,044	60,846,791	-	-
Investments in subsidiaries	10	-	-	2,576,178,784	2,404,921,337
Investments in joint ventures	11	654,626,808	709,604,246	2,288,476	2,038,476
Investments in associates	12	766,091,251	641,422,980	597,726,211	596,476,211
Other long-term investment	13	-	22,109,134	-	22,109,134
Estimated amount by which costs of the acquisition of investment in a subsidiary exceed identifiable net assets of the acquiree	10	281,611,877	-	-	-
Goodwill	10	1,486,844,341	1,486,844,341	-	-
Investment properties	14	64,919,837	64,919,837	-	-
Advance payment for purchases of assets		94,581,494	-	94,581,494	-
Plant and equipment	15	1,615,302,650	1,502,732,434	897,881,369	1,060,089,437
Intangible assets	16	612,819,597	684,144,470	46,903,902	36,991,450
Deferred tax assets	26	37,078,055	32,691,673	15,137,319	14,746,073
Other non-current assets		217,073,324	162,555,498	125,912,447	58,014,357
<b>Total non-current assets</b>		<b>5,911,079,416</b>	<b>5,372,174,586</b>	<b>4,356,610,002</b>	<b>4,195,386,475</b>
<b>Total assets</b>		<b>9,616,514,562</b>	<b>7,984,983,826</b>	<b>6,273,012,940</b>	<b>4,945,096,167</b>

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

**Statement of financial position (continued)**

As at 31 March 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions		230,000,000	778,000,000	-	778,000,000
Trade and other payables	17	284,781,443	536,300,834	121,156,663	100,655,208
Accrued expenses		571,254,570	399,772,314	464,120,005	286,863,601
Advances received from cardholders	8	430,246,805	374,921,300	-	-
Short-term loans from a related party	6	-	-	-	10,000,000
Current portion of long-term loans from financial institutions	18	44,000,000	245,893,326	-	200,000,000
Income tax payable		85,025,786	74,823,887	54,199,054	50,226,845
Current portion of unearned revenues		74,270,746	54,222,124	44,956,764	29,612,048
Deposits from cardholders		116,766,120	118,231,520	-	-
Deposits received from renting spaces		81,710,761	75,317,700	81,710,761	77,205,600
Provision for revenue being lower than the minimum guaranteed amount	6	-	-	-	29,209,332
Other current liabilities		129,909,452	150,043,200	55,214,137	41,838,591
<b>Total current liabilities</b>		<b>2,047,965,683</b>	<b>2,807,526,205</b>	<b>821,357,384</b>	<b>1,603,611,225</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions - net of current portion	18	1,489,000,000	1,933,000,000	1,400,000,000	1,800,000,000
Unearned revenues - net of current portion		5,396,292	5,901,612	5,396,292	5,901,612
Provision for long-term employee benefits	19	82,700,956	48,355,173	43,291,302	21,037,305
Deferred tax liabilities	26	62,575,234	73,870,020	-	-
Other non-current liabilities		11,647,656	11,019,874	-	-
<b>Total non-current liabilities</b>		<b>1,651,320,138</b>	<b>2,072,146,679</b>	<b>1,448,687,594</b>	<b>1,826,938,917</b>
<b>Total liabilities</b>		<b>3,699,285,821</b>	<b>4,879,672,884</b>	<b>2,270,044,978</b>	<b>3,430,550,142</b>

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

**Statement of financial position (continued)**

As at 31 March 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Shareholders' equity</b>					
Share capital	20				
Registered					
8,919,905,230 ordinary shares of Baht 0.1 each		891,990,523	891,990,523	891,990,523	891,990,523
Issued and fully paid-up					
7,204,332,902 ordinary shares (2017: 6,864,332,902 ordinary shares) of Baht 0.1 each		720,433,290	686,433,290	720,433,290	686,433,290
Share premium	20	2,843,637,316	865,388,837	2,843,637,316	865,388,837
Share subscriptions received in advance	21	65,327,682	-	65,327,682	-
Retained earnings					
Appropriated - statutory reserve	22	89,199,052	89,199,052	89,199,052	89,199,052
Unappropriated		1,177,707,482	767,539,041	948,042,571	537,196,795
Differences on business combination under common control	10, 23	(663,671,949)	(663,671,949)	(663,671,949)	(663,671,949)
Surplus from changes in the ownership interests in a subsidiary	10, 23	194,879,401	110,913,613	-	-
Other components of shareholders' equity		(1,715,870)	319,956	-	-
Equity attributable to owners of the Company		4,425,796,404	1,856,121,840	4,002,967,962	1,514,546,025
Non-controlling interests of the subsidiaries		1,491,432,337	1,249,189,102	-	-
<b>Total shareholders' equity</b>		<b>5,917,228,741</b>	<b>3,105,310,942</b>	<b>4,002,967,962</b>	<b>1,514,546,025</b>
<b>Total liabilities and shareholders' equity</b>		<b>9,616,514,562</b>	<b>7,984,983,826</b>	<b>6,273,012,940</b>	<b>4,945,096,167</b>

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

**Statement of comprehensive income**

For the year ended 31 March 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>					
Service income	24	3,905,711,048	3,029,248,473	2,338,021,214	2,023,251,240
Sales		30,671,957	22,179,724	-	-
Dividend income	6, 10, 12	-	-	32,653,055	42,796,435
Gain on change in status of investment	10	-	207,437,995	-	-
Gain on sales of investment in a subsidiary	10	-	-	51,847,902	1,835,979
Gain on change in the interests in a joint venture	11	63,459,788	-	-	-
Gain on sales of equipment		-	-	-	49,155
Other income		79,819,301	99,409,230	29,637,406	27,681,890
<b>Total revenues</b>		<b>4,079,662,094</b>	<b>3,358,275,422</b>	<b>2,452,159,577</b>	<b>2,095,614,699</b>
<b>Expenses</b>					
Cost of services		1,521,114,304	1,267,216,528	804,278,465	671,981,612
Cost of sales		14,157,676	1,539,252	-	-
Servicing and selling expenses		434,086,645	354,178,995	156,837,980	134,256,318
Administrative expenses		745,605,078	663,467,063	304,959,592	284,236,981
Loss on impairment of other long-term investment	13	-	7,890,866	-	17,890,866
Loss on impairment of assets		23,665,997	-	-	-
Loss on provision for revenue being lower than the minimum guaranteed amount	6	-	28,230,298	70,381,458	117,127,155
Other expenses		13,429,343	10,088,180	2,196,042	2,341,062
<b>Total expenses</b>		<b>2,752,059,043</b>	<b>2,332,611,182</b>	<b>1,338,653,537</b>	<b>1,227,833,994</b>
<b>Profit before share of loss from investments in joint ventures and associates, finance cost and income tax expenses</b>					
		1,327,603,051	1,025,664,240	1,113,506,040	867,780,705
Share of loss from investments in joint ventures and associates		(69,949,823)	(15,851,824)	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>1,257,653,228</b>	<b>1,009,812,416</b>	<b>1,113,506,040</b>	<b>867,780,705</b>
Finance cost		(87,547,846)	(31,712,439)	(71,657,938)	(17,231,780)
<b>Profit before income tax expenses</b>		<b>1,170,105,382</b>	<b>978,099,977</b>	<b>1,041,848,102</b>	<b>850,548,925</b>
Income tax expenses	26	(241,344,853)	(209,651,382)	(193,628,803)	(188,877,500)
<b>Profit for the year</b>		<b>928,760,529</b>	<b>768,448,595</b>	<b>848,219,299</b>	<b>661,671,425</b>

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

**Statement of comprehensive income (continued)**

For the year ended 31 March 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Other comprehensive income:</b>					
<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 - net of income tax		(2,269,574)	604,798	-	-
Gain (loss) on changes in value of available-for-sale investments - net of income tax		(254,541)	254,541	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(2,524,115)	859,339	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax		(11,238,041)	-	(6,409,304)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(11,238,041)	-	(6,409,304)	-
<b>Other comprehensive income for the year</b>		<b>(13,762,156)</b>	<b>859,339</b>	<b>(6,409,304)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>914,998,373</b>	<b>769,307,934</b>	<b>841,809,995</b>	<b>661,671,425</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		846,225,835	826,401,886	848,219,299	661,671,425
Non-controlling interests of the subsidiaries		82,534,694	(48,654,322)		
Shareholders of subsidiaries before business combination under common control		-	(9,298,969)		
<b>Total comprehensive income attributable to:</b>		<b>928,760,529</b>	<b>768,448,595</b>		
Equity holders of the Company		835,832,175	826,721,842	841,809,995	661,671,425
Non-controlling interests of the subsidiaries		79,166,198	(48,114,939)		
Shareholders of subsidiaries before business combination under common control		-	(9,298,969)		
		<b>914,998,373</b>	<b>769,307,934</b>		
<b>Earnings per share</b>	27				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.12	0.12	0.12	0.10

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

**Cash flow statement**

For the year ended 31 March 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before tax	1,170,105,382	978,099,977	1,041,848,102	850,548,925
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	326,248,804	246,580,085	205,367,036	182,230,379
Amortisation	107,389,969	100,084,469	12,760,530	12,717,515
Allowance for doubtful accounts (reversal)	11,284,960	944,021	2,050,700	(23,519)
Allowance for impairment of prepaid expenses	19,437,637	-	-	-
Allowance for impairment of other long-term investment	-	7,890,866	-	17,890,866
Allowance for impairment of equipment	4,230,192	-	-	-
(Gain) loss on disposals of assets	2,060,531	1,062,833	(10,261)	263,345
Loss on provision for revenue being lower than the minimum guaranteed amount	-	28,230,298	70,381,458	117,127,155
Provision for long-term employee benefits	28,935,387	8,787,720	16,303,021	4,263,593
Dividend income	-	-	(32,653,055)	(42,796,435)
Gain on change in status of investment	-	(207,437,995)	-	-
Gain on sales of investment in a subsidiary	-	-	(51,847,902)	(1,835,979)
Gain on change in the interests in a joint venture	(63,459,788)	-	-	-
Gain on sales of current investments	-	(637,349)	-	(637,349)
Unrealised (gain) loss on changes in value of current investments in trading securities	(41,825)	2,971,212	(41,825)	2,971,212
Share of loss from investments in joint ventures and associates	69,949,824	15,851,824	-	-
Interest income	(28,018,868)	(35,304,654)	(9,570,332)	(12,076,878)
Interest expenses	86,190,594	28,587,008	70,612,420	16,563,413
Profit from operating activities before changes in operating assets and liabilities	1,734,312,799	1,175,710,315	1,325,199,892	1,147,206,243
Operating assets (increase) decrease				
Bank account for advances received from cardholders	(67,320,270)	(90,443,256)	-	-
Trade and other receivables	(266,721,011)	49,044,375	(143,115,477)	(33,706,040)
Other current assets	2,217,505	(81,694,462)	(5,821,385)	5,135,693
Other non-current assets	(1,131,029)	11,058,206	(14,788,956)	21,046,313
Operating liabilities increase (decrease)				
Trade and other payables	40,849,672	32,771,244	67,598,422	(26,408,170)
Accrued expenses	126,736,859	39,957,840	131,636,834	25,272,551
Advances received from cardholders	55,325,504	94,252,229	-	-
Unearned revenues	21,908,648	(28,465,547)	14,839,396	(18,274,648)
Deposits from cardholders	(1,465,400)	(1,939,750)	-	-
Deposits received from renting spaces	6,393,060	12,766,140	4,505,160	12,266,190
Provisions	-	(28,230,298)	(99,590,790)	(87,917,823)
Other current liabilities	(9,864,275)	6,703,454	5,024,977	6,240,105

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

**Cash flow statement (continued)**

For the year ended 31 March 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Provision for long-term employee benefits	(8,852,106)	(21,021,832)	(2,060,653)	(12,201,268)
Other non-current liabilities	(2,560,388)	(409,467)	-	-
<b>Cash flows from operating activities</b>	<b>1,629,829,568</b>	<b>1,170,059,191</b>	<b>1,283,427,420</b>	<b>1,038,659,146</b>
Cash paid for interest expenses	(82,790,310)	(25,777,287)	(70,008,420)	(14,839,578)
Cash paid for corporate income tax	(276,800,913)	(187,006,635)	(188,445,514)	(153,206,322)
Corporate income tax refund received	2,043,823	-	-	-
<b>Net cash flows from operating activities</b>	<b>1,272,282,168</b>	<b>957,275,269</b>	<b>1,024,973,486</b>	<b>870,613,246</b>
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits	(540,956)	(16,760)	-	-
Purchase of current investments	(1,643,498,066)	(349,120,956)	(1,592,619,548)	(96,418,992)
Proceeds from sales of current investments	907,174,228	445,418,939	692,252,733	242,111,116
(Increase) decrease in short-term loans to related parties	-	118,317,951	16,500,000	(24,500,000)
Increase in long-term loan to a related party	(25,981,983)	(21,113,617)	-	-
Decrease in long-term loans to related parties	7,716,558	29,842,970	-	26,831,250
Net cash paid for purchases of investments in subsidiaries (Note 10)	(314,814,627)	(2,422,723,465)	-	(2,397,204,825)
Cash paid for additional capital of a subsidiary (Note 10)	-	-	(237,274,000)	-
Cash paid for purchases of investments in joint ventures (Note 11)	(250,000)	(751,704,600)	(250,000)	(1,788,476)
Cash paid for purchases of investments in associates (Note 12)	(107,792,297)	(492,500,000)	(1,250,000)	(496,089,922)
Cash paid to settle payable from purchase of investment in a joint venture (Note 11)	(250,000)	-	(250,000)	-
Cash received from sale of investment in a joint venture (Note 11)	325	-	-	-
Cash received from sale of other long-term investment (Note 13)	22,000,000	-	22,000,000	-
Advances paid for purchases of assets	(94,581,494)	-	(94,581,494)	-
Acquisition of equipment	(389,058,172)	(246,400,423)	(39,485,559)	(109,439,982)
Acquisition of intangible assets	(65,355,113)	(64,631,609)	(18,838,314)	(1,271,000)
Cash paid to settle payables from purchases of assets	(9,057,382)	-	(1,273,548)	-
Dividend income	18,382,576	28,607,825	32,653,055	42,796,435
Interest income	29,836,116	34,956,113	11,635,268	11,017,081
Proceeds from sales of equipment	8,791,958	3,970,479	13,084	60,027
<b>Net cash flows used in investing activities</b>	<b>(1,657,278,329)</b>	<b>(3,687,097,153)</b>	<b>(1,210,768,323)</b>	<b>(2,803,897,288)</b>

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



**Cash flow statement (continued)**

For the year ended 31 March 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	(548,000,000)	838,000,000	(778,000,000)	838,000,000
Increase (decrease) in short-term loans from related parties	-	(35,942,121)	(10,000,000)	10,000,000
Cash paid for purchases of investments in subsidiaries (Note 10)	(40,262,871)	(6,513,250)	(37,748,671)	(6,521,916)
Cash paid to settle payable from purchase of investment in a subsidiary (Note 10)	(219,500,000)	-	-	-
Cash received from sales of investment in a subsidiary (Note 10)	155,613,110	8,348,280	155,613,110	8,348,280
Cash received from long-term loans from financial institutions	-	2,000,000,000	-	2,000,000,000
Repayment of long-term loans from financial institutions	(645,893,326)	(343,274,000)	(600,000,000)	(300,000,000)
Proceeds from increase in share capital (Note 20)	2,040,000,000	-	2,040,000,000	-
Cash paid for costs of issuing the additional ordinary shares (Note 20)	(27,751,521)	-	(27,751,521)	-
Proceeds from exercises of warrants	-	77,350	-	77,350
Proceeds from exercises of a subsidiary's warrants	162,395,932	-	-	-
Dividend paid	(439,964,219)	(652,109,007)	(430,964,219)	(652,109,007)
Dividend paid by a subsidiary to non-controlling interests of the subsidiary	(70,498,585)	(34,268,920)	-	-
Dividend paid by a subsidiary to shareholders of the subsidiary before business combination	(21,000,000)	-	-	-
Cash received from non-controlling interests for issuance of ordinary shares of a subsidiary	-	427,520,000	-	-
Cash received from shareholders of a subsidiary before business combination under common control for issuance of ordinary shares of the subsidiary	-	12,757,394	-	-
<b>Net cash flows from financing activities</b>	<b>345,138,520</b>	<b>2,214,595,726</b>	<b>311,148,699</b>	<b>1,897,794,707</b>
<b>Increase (decrease) in translation adjustments</b>	<b>(1,629,293)</b>	<b>4,600,131</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(41,486,934)</b>	<b>(510,626,027)</b>	<b>125,353,862</b>	<b>(35,489,335)</b>
Cash and cash equivalents at beginning of year	798,808,550	1,309,434,577	47,737,926	83,227,261
<b>Cash and cash equivalents at end of year</b>	<b>757,321,616</b>	<b>798,808,550</b>	<b>173,091,788</b>	<b>47,737,926</b>

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

**Cash flow statement (continued)**

For the year ended 31 March 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Supplemental disclosures of cash flow information</b>				
Non-cash transactions				
Payable of acquisition of equipment	4,302,540	14,078,481	4,026,233	8,075,169
Assets acquired under finance lease agreements	3,950,087	-	-	-
Payable of acquisition of intangible assets	117,368	1,894,959	3,484,667	-
Payable of acquisition of investments in subsidiaries	-	217,166,853	-	16
Payable of acquisition of investment in a joint venture	-	250,000	-	250,000
Transfer equipment to intangible assets	7,289,456	15,673,272	350,000	15,323,272
Transfer intangible assets to equipment	36,696,841	-	-	-
Transfer equipment to other non-current assets	12,739,066	-	-	-
Transfer other non-current assets to equipment	2,230,886	-	-	-
Transfer short-term loans to long-term loan from a financial institution	-	300,000,000	-	300,000,000
Change in status of investment from investment in an associate to investment in a subsidiary (Note 10)	-	617,353,801	-	626,732,964
Transfer liability under the loan agreement of non-controlling interests of a subsidiary to non-controlling interests of the subsidiaries when loans were provided to the subsidiary (Note 10)	29,220,918	61,699,206	-	-
Receivable from assignment of long-term loan	80,493,750	-	80,493,750	-
Receivable from exercise of warrants	65,327,682	-	65,327,682	-

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

**Statement of changes in shareholders' equity**

For the year ended 31 March 2018

(Unit: Baht)

**Consolidated financial statements**

	Equity attributable to owners of the Company											Total shareholders' equity		
	Issued and paid-up share capital	Share premium	Share subscriptions received in advance	Retained earnings		Differences on business combination under common control	Surplus from changes in the ownership interests in a subsidiary	Other components of shareholders' equity			Total equity attributable to owners of the Company		Non-controlling interests of the subsidiaries	Equity attributable to shareholders of subsidiaries before business combination under common control
				Appropriated	Unappropriated			Other comprehensive income		Total other components of shareholders' equity				
								Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of available-for-sale investments					
<b>Balance as at 1 April 2016</b>	686,432,185	865,312,592	-	85,799,325	586,645,889	7,899,463	-	-	-	-	2,242,179,454	301,856,967	1,291,218,840	3,835,255,261
Profit for the year	-	-	-	-	826,401,886	-	-	-	-	-	826,401,886	(48,654,322)	(9,298,969)	768,448,595
Other comprehensive income for the year	-	-	-	-	-	-	234,100	85,856	-	-	319,956	539,383	-	859,339
Total comprehensive income for the year	-	-	-	-	826,401,886	-	234,100	85,856	-	-	826,721,842	(48,114,939)	(9,298,969)	769,307,984
Exercised warrants (Note 21)	1,105	76,245	-	-	-	-	-	-	-	-	77,350	-	-	77,350
Dividend paid (Note 30)	-	-	-	-	(652,109,007)	-	-	-	-	-	(652,109,007)	-	-	(652,109,007)
Transferred retained earnings to statutory reserve	-	-	-	3,399,727	(3,399,727)	-	-	-	-	-	-	-	-	-
Dividend paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	-	-	(34,268,883)	-	(34,268,883)
Increase in non-controlling interests of the subsidiaries from change in status of investment	-	-	-	-	-	-	-	-	-	-	-	611,999,385	-	611,999,385
Acquired and disposed of investment in a subsidiary and increase in non-controlling interests of the subsidiary from issuance of additional ordinary shares of the subsidiary without loss of control (Note 10)	-	-	-	-	-	-	110,913,613	-	-	-	110,913,613	318,441,417	-	429,355,030
Increase in non-controlling interests of the subsidiaries from acquisition of investment in a subsidiary of another subsidiary	-	-	-	-	-	-	-	-	-	-	-	27,693,302	-	27,693,302
Increase in non-controlling interests of the subsidiary and equity attributable to shareholders of subsidiary before business combination under common control from issuance of additional ordinary shares of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	9,882,647	2,874,717	12,757,364
Acquired investments in subsidiaries under common control (Note 10)	-	-	-	-	-	(671,961,412)	-	-	-	-	(671,961,412)	-	(1,284,794,588)	(1,956,456,000)
Increase in non-controlling interests of the subsidiaries from adjustment to liability under the loan agreement of a subsidiary (Note 10)	-	-	-	-	-	-	-	-	-	-	-	611,699,206	-	611,699,206
<b>Balance as at 31 March 2017</b>	686,433,290	865,388,837	-	89,199,052	787,539,041	(663,871,949)	110,913,613	234,100	85,856	-	1,856,121,840	1,249,189,102	-	3,105,310,942

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 2018

(Unit: Baht)

## Consolidated financial statements (continued)

	Equity attributable to owners of the Company											Total shareholders' equity			
	Issued and paid-up share capital	Share premium	Share subscriptions received in advance	Retained earnings		Differences on business combination under common control	Surplus from changes in the ownership interests in a subsidiary	Other components of shareholders' equity			Total equity attributable to owners of the Company		Non-controlling interests of the subsidiaries	Equity attributable to shareholders of subsidiaries before business combination under common control	
				Appropriated	Unappropriated			Exchange differences on translation of financial statements in foreign currency	Other comprehensive income						Total other components of shareholders' equity
									Surplus on changes in value of available-for-sale investments	Surplus on changes in value of investments					
<b>Balance as at 1 April 2017</b>	686,433,290	865,388,837	-	89,199,052	767,539,041	(663,671,949)	110,913,613	234,100	85,856	319,956	1,856,121,840	1,249,189,102	-	3,105,310,942	
Profit for the year	-	-	-	-	846,225,835	-	-	-	-	-	846,225,835	82,534,694	-	928,760,529	
Other comprehensive income for the year	-	-	-	-	(8,357,834)	-	-	(1,949,970)	(85,656)	(2,035,826)	(10,393,660)	(3,388,496)	-	(13,782,156)	
Total comprehensive income for the year	-	-	-	-	837,868,001	-	-	(1,949,970)	(85,656)	(2,035,826)	835,832,175	79,166,198	-	914,998,373	
Increased share capital (Note 20)	34,000,000	1,976,248,479	-	-	-	-	-	-	-	-	2,012,248,479	-	-	2,012,248,479	
Exercised warrants (Note 21)	-	-	65,327,682	-	-	-	-	-	-	-	65,327,682	-	-	65,327,682	
Dividend paid (Note 30)	-	-	-	-	(430,964,219)	-	-	-	-	-	(430,964,219)	-	-	(430,964,219)	
Dividend paid by a subsidiary to non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Acquired and disposed of investment in a subsidiary without loss of control (Note 10)	-	-	-	-	3,707,530	-	95,804,967	-	-	-	99,512,497	39,237,467	-	138,749,964	
Acquired and exercised warrants to purchase newly issued ordinary shares of a subsidiary (Note 10)	-	-	-	-	(442,871)	-	22,806,519	-	-	-	22,163,648	139,789,413	-	161,953,061	
Decrease in equity attributable to owners of the Company and increase in non-controlling interests of the subsidiaries from acquisitions of investments in subsidiaries of two subsidiaries (Note 10)	-	-	-	-	-	-	(34,445,668)	-	-	-	(34,445,668)	25,327,824	-	(9,117,874)	
Increase in non-controlling interests of the subsidiaries from adjustment to liability under the loan agreement of a subsidiary (Note 10)	-	-	-	-	-	-	-	-	-	-	-	29,220,918	-	29,220,918	
<b>Balance as at 31 March 2018</b>	720,433,290	2,843,637,316	65,327,682	89,199,052	1,177,707,482	(663,671,949)	194,879,401	(1,715,870)	-	(1,715,870)	4,425,796,404	1,491,432,337	-	5,917,228,741	

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

**Statement of changes in shareholders' equity (continued)**

For the year ended 31 March 2018

(Unit: Baht)

**Separate financial statements**

	Issued and 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		
<b>Balance as at 1 April 2016</b>	686,432,185	865,312,592	-	85,799,325	531,034,104	7,989,463	2,176,567,669
Profit for the year	-	-	-	-	661,671,425	-	661,671,425
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-
Exercised warrants (Note 21)	1,105	76,245	-	-	-	-	77,350
Dividend paid (Note 30)	-	-	-	-	(652,109,007)	-	(652,109,007)
Transferred retained earnings to statutory reserve	-	-	-	3,399,727	(3,399,727)	-	-
Acquired investments in subsidiaries under common control (Note 10)	-	-	-	-	-	(671,661,412)	(671,661,412)
<b>Balance as at 31 March 2017</b>	686,433,290	865,388,837	-	89,199,052	537,196,795	(663,671,949)	1,514,546,025
<b>Balance as at 1 April 2017</b>	686,433,290	865,388,837	-	89,199,052	537,196,795	(663,671,949)	1,514,546,025
Profit for the year	-	-	-	-	848,219,299	-	848,219,299
Other comprehensive income for the year	-	-	-	-	(6,409,304)	-	(6,409,304)
Total comprehensive income for the year	-	-	-	-	841,809,995	-	841,809,995
Increased share capital (Note 20)	34,000,000	1,978,248,479	-	-	-	-	2,012,248,479
Exercised warrants (Note 21)	-	-	65,327,682	-	-	-	65,327,682
Dividend paid (Note 30)	-	-	-	-	(430,964,219)	-	(430,964,219)
<b>Balance as at 31 March 2018</b>	720,433,290	2,843,637,316	65,327,682	89,199,052	948,042,571	(663,671,949)	4,002,967,962

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

**VGI GLOBAL MEDIA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**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 (“BTSC”), which is incorporated in Thailand. The parent company of the Group is BTS Group Holdings Public Company Limited (“BTSG”). The Company is principally engaged in the arrangement and provision of advertising services in BTS stations, inside BTS trains, on BTS train bodies, and in office buildings, and the rental of retail space at BTS stations. The registered office of the Company is at 21, 9<sup>th</sup> 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 11 October 2016, 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	
			2018 (Percent)	2017 (Percent)
<b>Subsidiaries directly owned by the Company</b>				
VGI Advertising Media Company Limited	Management and provision of advertising services in department stores	Thailand	100.00	100.00
888 Media Company Limited	Management and provision of advertising services	Thailand	100.00	100.00
Point of View (POV) Media Group Company Limited	Management and provision of advertising services	Thailand	100.00	100.00
Master Ad Public Company Limited (“MACO”)	Management and provision of advertising services	Thailand	30.38	33.68
VGI Global Media (Malaysia) Sdn Bhd (“VGM”)	Provision of advertising services	Malaysia	100.00	100.00
BSS Holdings Company Limited (“BSSH”)	Investment in securities of other companies	Thailand	90.00	90.00
Bangkok Smartcard System (“BSS”)	Provision of electronic payment services for mass transit system and retail stores	Thailand	90.00	90.00
<b>Subsidiaries indirectly owned by the Company</b>				
<b>Held by MACO</b>				
Master and More Company Limited	Production and provision of outdoor advertising media services	Thailand	100.00	100.00
Eye On Ads Company Limited (“Eye On Ads”)	Production and sales of tri-vision equipment	Thailand	100.00	100.00
Green Ad Company Limited (“Green Ad”)	Provision of advertising services through the supply of tree wall-panel	Thailand	100.00	100.00
Inkjet Images (Thailand) Company Limited (“Inkjet”)	Production of advertising media and billboards	Thailand	50.00	50.00
Maco Outdoor Company Limited	Investment	Malaysia	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018 (Percent)	2017 (Percent)
<b>Held by Master and More Company Limited</b> Open Play Company Limited	Provision of outdoor advertising media services	Thailand	80.00	80.00
<b>Held by Green Ad Company Limited</b> Multi Sign Company Limited ("MTS")	Production and provision of outdoor advertising media services	Thailand	70.00	70.00
<b>Held by Eye On Ads Company Limited</b> Co-Mass Company Limited ("Co-Mass")	Production and provision of outdoor advertising media services	Thailand	70.00	-
<b>Held by BSSH</b> RabbitPay System Company Limited ("RPS")	Provision of electronic money, electronic payment services through any device or network and bill payment services, and investment in securities of other companies	Thailand	80.00	80.00
Rabbit Internet Company Limited ("RI")	Provision of a web portal service under the name "Rabbit Daily", which includes websites and articles and rental of space on web pages (web-based application), provision of design services and arrangement of various e-commerce-related activities, including online marketing services	Thailand	30.00	25.00
Rabbit Insurance Broker Company Limited ("RIB")	Provision of online insurance price comparison under the name "Rabbit Finance"	Thailand	51.00 (and 49 percent held by RI)	51.00 (and 49 percent held by RI)
ASK Direct Group Company Limited ("AD")	Provision of direct sales services for all types of products via telesales, which mostly consist of contacting prospective buyers of insurance and following up with existing customers with policies that are close to expiration	Thailand	51.00 (and 49 percent held by RI)	51.00 (and 49 percent held by RI)

- b) The Company and its subsidiaries are deemed to have control over an investee or subsidiaries if they have rights, or are exposed, to variable returns from their involvement with the investee, and they have the ability to direct the activities that affect the amount of their returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company and its subsidiaries obtain 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 overseas subsidiary companies 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 subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

### **3. NEW FINANCIAL REPORTING STANDARDS**

#### **3.1 FINANCIAL REPORTING STANDARDS THAT BECAME EFFECTIVE IN THE CURRENT YEAR**

During the year, the Company and subsidiaries adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which were effective for fiscal years beginning on or after 1 January 2017. 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, one standard involves changes to key principles, which are summarised below.

##### **TAS 27 (revised 2016) *Separate Financial Statements***

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in the separate financial statements under the equity method, as described in TAS 28 (revised 2016) *Investments in Associates and Joint Ventures*. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard did not have any significant impact on the Company's and its subsidiaries' financial statements because management decided to continue accounting for such investments under the cost method in the separate financial statements.

#### **3.2 FINANCIAL REPORTING STANDARDS THAT WILL BECOME EFFECTIVE IN THE FUTURE**

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. In addition, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 *Revenue from Contracts with Customers*, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

##### **TFRS 15 *Revenue from Contracts with Customers***

TFRS 15 supersedes TAS 11 *Construction Contracts* and TAS 18 *Revenue*, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires



entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. For TFRS 15 Revenue from Contracts with Customers, at present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 REVENUE RECOGNITION**

###### ***Rendering of services***

###### *Advertising income*

Advertising 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 stipulated in the contract.

###### *Income from renting of spaces on BTS stations*

Space rental income is recognised on an accrual basis and is calculated on a straight-line basis over the lease term. The rental charge depends on rental area, rental rate charged per area, and rental period stipulated in the contract.

###### *Service income and other service revenues*

Insurance brokerage income is recognised on the date the insurance policy comes into effect, net of discounts, and when services have been rendered. In cases where, it is highly uncertain that such income will be received, as a result of policy cancellation, the brokerage income is recorded as advance brokerage income, and recognised as income over the covered period of the policy.

Service income and other service revenues are recognised when services have been rendered taking into account the stage of completion.

###### ***Sales of goods***

Sales are recognised when the significant risks and rewards of ownership of the goods have passed to the buyers. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

###### ***Dividends***

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

###### ***Interest income***

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

## 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 available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit and loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which are classified as other investments, are stated at cost net of allowance for impairment loss (if any).
- e) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries, joint ventures 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 fair value of unit trusts is determined from their net asset value.

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

In the event the Company and its subsidiaries reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments 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 INVESTMENT PROPERTIES

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any). No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.6 PLANT AND EQUIPMENT / DEPRECIATION

Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings and building improvement	-	20 years
Leasehold improvement	-	5 years and lease period
Equipment	-	3-10 years and remaining period of concession
Furniture, 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 plant and 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.

#### 4.7 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.8 INTANGIBLE ASSETS

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Intangible assets acquired through business combination	- 3 years, 6 years 3 months, 7 years 7 months and remaining contract period
Royalty	- 10 years
Computer software	- 3-5 years

No amortisation is provided on computer software under development.

#### 4.9 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 and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate 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.

#### 4.10 BUSINESS COMBINATIONS UNDER COMMON CONTROL

Business combinations under common control are accounted for using the pooling of interests method, with the cost of the business combinations under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognized based on their book values, in proportion to the interests previously under common control.

Differences between the costs of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities are directly recognised in shareholders' equity (and if the pooled entities have profit or loss transactions directly recognised in the shareholders' equity, the financial statements after business combination present the transaction as if the business combination occurred at the earliest reporting date). The remaining difference between the cost of the business combination under common control and the acquirer's proportionate interest in the book value of the pooled entities, after recognising the profit or loss transactions directly in shareholders' equity, is presented as "Differences on business combination under common control" in shareholders' equity.

Costs relating to business combinations under common control are accounted for as expenses in the period in which the business combination occurred.

#### 4.11 RELATED PARTY TRANSACTIONS

Related parties comprise individuals or enterprises 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 or enterprises 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 Company's and its subsidiaries' operations.

#### **4.12 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 property, plant 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.

#### **4.13 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.

#### **4.14 IMPAIRMENT OF ASSETS**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

Except goodwill, in the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.15 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 and other long-term employee 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 Company's and its subsidiaries' contributions are recognised as expenses when incurred.

###### *Defined benefit plans and other long-term employee benefits*

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. In addition, the Company and its subsidiaries provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee 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.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

#### **4.16 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.

#### **4.17 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.

#### **4.18 DERIVATIVES**

##### **CROSS CURRENCY AND INTEREST RATE SWAP AGREEMENTS**

The Company and its subsidiaries record them as off-balance items, which are presented on an accrual basis. The foreign exchange components of those derivatives are recognised based on exchange rates ruling at the end of the reporting periods in the same manner as the hedged items. Unrealised gains or losses on exchange rates are recognised in profit or loss whereas the interest components of those derivatives are recognised on an accrual basis, in the same manner as the hedged assets and liabilities, as a part of interest income or expense over the term of the contracts.

##### **INTEREST RATE SWAP CONTRACTS**

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

#### **4.19 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:

## **CONSOLIDATION OF SUBSIDIARIES THAT THE COMPANY AND ITS SUBSIDIARIES HOLD LESS THAN HALF OF SHARES**

The Company's and its subsidiary's management determined that the Company has control over MACO, and MACO has control over Inkjet, even though the Company holds 30.38 percent of shares and voting rights, representing less than half of the total shares and voting rights, and MACO holds 50 percent of shares and voting rights. This is because the Company and the subsidiary are the major shareholders with the power to direct significant activities of such companies. Furthermore, the other shareholders of MACO are only minor shareholders. As a result, MACO and Inkjet are deemed to be subsidiaries of the Group and have to be included in the consolidated financial statements from the date on which the Company and its subsidiaries assumed control.

In addition, a subsidiary's management determined that BSSH has control over RI, even though BSSH holds 30 percent of shares and voting rights, which represents less than half of shares and voting rights. This is because the subsidiary has the power to direct the policies, management or operations of RI through RI's Board of Directors, and the rights to variable returns from RI. As a result, RI is deemed to be a subsidiary of the Group and has to be included in the consolidated financial statements from the date on which the subsidiary assumed control.

### **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.

### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### **Impairment of equity investments**



The Company and its subsidiaries treat available-for-sale investments and other 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.

#### **Plant and equipment / Depreciation**

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

In addition, the management is required to review plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets 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 units 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 and other long-term employee benefits**

The obligation under the defined benefit plan and other long-term employee 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
	2018	2017	2018	2017	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Service income	-	-	210	62	Contract rate
Dividend income	-	-	33	20	Announced rate
Interest income	-	-	1	1	Contract rate
Other income	-	-	5	5	Contract rate
Costs of services	-	-	40	16	Contract rate
Administrative expenses	-	-	2	-	Agreed-upon price
Loss on provision for revenues being lower than the minimum guaranteed amounts	-	-	70	89	Contract rate
Acquisition of computer software	-	-	17	-	Contract price
Transactions with the ultimate parent company					
Service income	1	6	-	-	Contract rate
Interest income	-	2	-	-	Contract rate
Other income	-	12	-	-	Contract rate
Investor relation expenses	4	4	4	4	Contract rate
Transactions with the parent company					
Service income	70	61	9	8	Contract rate
Sales	1	10	-	-	Agreed-upon price
Concession fees and other costs of services	314	214	291	194	Contract rate
Marketing and sales promotion expenses	6	1	-	-	Contract rate
Sales commission expenses	1	-	-	-	Contract rate
Other selling and administrative expenses	2	2	1	-	Agreed-upon price
Transactions with jointly controlled entities					
Service income	61	1	-	-	Contract rate
Interest income	7	5	-	-	Contract rate
Other income	4	5	-	-	Contract rate
Costs of services	1	-	-	-	Contract rate
Transactions with associates <sup>1</sup>					
Service income	67	5	67	5	Contract rate
Dividend income	-	-	-	23	Announced rate
Interest income	1	1	-	-	Contract rate
Other income	-	1	-	1	Contract rate
Costs of services	1	-	-	-	Contract rate
Rental and service expenses	12	10	-	-	Contract rate
Loss on provision for revenues being lower than the minimum guaranteed amounts	-	28	-	28	Contract rate

<sup>1</sup> On 31 May 2016, MACO changed its status from an associate to a subsidiary

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2018	2017	2018	2017	
<u>Transactions with related companies</u>					
Service income	92	59	1	1	Contract rate
Sales	-	1	-	-	Agreed-upon price
Interest income	2	6	2	5	Contract rate
Other income	6	14	-	-	Contract rate
Costs of services	15	28	-	4	Contract rate
Marketing and sales promotion expenses	23	27	2	-	Contract rate
Rental and service expenses	25	26	15	16	Contract rate
Other selling and administrative expenses	8	8	7	8	Agreed-upon price

The balances of the accounts between the Company, its subsidiaries and those related individuals or companies were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Trade and other receivables - related parties (Note 9)</b>				
Ultimate parent company	-	2,706	-	-
Parent company	24,378	21,245	1,798	1,498
Subsidiaries	-	-	55,641	20,335
Jointly controlled entities	44,944	16,151	300	-
Associates	54,405	6,237	33,740	5,536
Related companies (related by common shareholders and/or directors, being shareholders of subsidiaries, or related as the Company is a shareholder)	25,149	32,947	108	2,177
Total trade and other receivables - related parties	148,876	79,286	91,587	29,546

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Short-term loans to subsidiaries</b>				
Subsidiaries	-	-	24,000	40,500
<b>Prepaid expenses - related parties</b>				
Ultimate parent company	258	557	-	-
Parent company	9,537	12,057	9,537	12,057
Related companies (related by common shareholders and directors, or being shareholders of subsidiaries)	6,101	6,031	-	-
Total prepaid expenses - related parties	15,896	18,645	9,537	12,057
<b>Advance payments to the parent company</b>				
Parent company	-	20	-	-
<b>Retentions receivable - related party</b>				
Related company (related by common shareholders and directors)	210	210	-	-
<b>Long-term loans to related parties</b>				
Jointly controlled entities	71,157	45,263	-	-
Associate	18,864	26,493	-	-
Related company (related as the Company is a shareholder)	-	80,494	-	80,494
Total long-term loans to related parties	90,021	152,250	-	80,494
<b>Deposits - related parties</b>				
Parent company	531	531	531	531
Related companies (related by common shareholders and directors)	4,931	4,979	3,037	2,992
Total deposits - related parties	5,462	5,510	3,568	3,523
<b>Trade and other payables - related parties (Note 17)</b>				
Ultimate parent company	375	-	375	-
Parent company	70,027	58,363	50,431	48,454
Subsidiaries	-	-	13,777	4,113
Associates	-	66	-	-
Related companies (related by common shareholders and/or directors, being shareholders of subsidiaries, or related as the Company is a shareholder)	18,802	15,607	1,089	2,716
Related individuals (being directors or shareholders of subsidiaries) or shareholders of subsidiaries)	30,000	60,023	-	-
Total trade and other payables				
- related parties	119,204	134,059	65,672	55,283
<b>Accrued expenses - related parties</b>				
Parent company	98,031	525	90,146	-
Subsidiaries	-	-	49,514	-
Associate	367	-	330	-
Related companies (related by common shareholders and/or directors, or being shareholders of subsidiaries)	5,552	5,176	320	-
Total accrued expenses - related parties	103,950	5,701	140,310	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Short-term loans from a subsidiary</b>				
Subsidiary	-	-	-	10,000
<b>Unearned revenues - related parties</b>				
Parent company	5,902	8,184	5,902	6,407
Associate	5,196	-	5,196	-
Related company (related by common shareholders and directors)	-	567	-	-
Total unearned revenues - related parties	11,098	8,751	11,098	6,407
<b>Deposits received from renting spaces - subsidiary</b>				
Subsidiary			-	1,888
<b>Provision for revenues being lower than the minimum guaranteed amounts - related party <sup>2</sup></b>				
Subsidiary	-	-	-	29,209
<b>Other current liabilities - related parties</b>				
Ultimate parent company	13	-	-	-
Parent company	1,191	-	-	-
Related company (being a shareholder of a subsidiary)	7,362	1,112	-	-
Total other current liabilities - related parties	8,566	1,112	-	-
<b>Long-term loan from a related party</b>				
Related individual (being a shareholder of a subsidiary)	-	400	-	-

<sup>2</sup> The Company recorded provision for revenues being lower than the minimum guaranteed amounts for an agreement that the Company made with Master and More Company Limited. The Company determined the provision for shortfall in revenues compared to minimum guaranteed compensation based on the actual amounts of certain revenues which were less than the minimum guaranteed amounts stipulated in the agreement.

### Short-term loans to subsidiaries

The balances of short-term loans between the Company and its subsidiaries and the movements were as follows:

(Unit: Thousand Baht)

Short-term loans	Separate financial statements			Balance as at 31 March 2018
	Balance as at 31 March 2017	Increase during the year	Decrease during the year	
<b>Subsidiaries</b>				
888 Media Company Limited <sup>3</sup>	40,500	-	(40,500)	-
VGI Global Media (Malaysia) Sdn Bhd <sup>4</sup>	-	24,000	-	24,000
Total	40,500	24,000	(40,500)	24,000

<sup>3</sup> Clean loans, carrying interest at a rate of 2.4 percent per annum and due not more than three months

<sup>4</sup> Clean loans, carrying interest at a rate of 3.82 percent per annum and due not more than three months

## Long-term loans to related parties

The balances of long-term loans between the Company and its subsidiaries and those related companies and the movements were as follows:

(Unit: Thousand Baht)

### Consolidated financial statements

Long-term loans	Balance as at 31 March 2017	Increase during the year	Decrease during the year	Balance as at 31 March 2018
Jointly controlled entity				
ATS Rabbit Special Purpose Vehicle Company Limited <sup>5</sup> Associate	45,263	25,894	-	71,157
Eyeballs Channel Sdn Bhd <sup>6</sup> Related company	26,493	88	(7,717)	18,864
Midas Global Media Company Limited (related as the Company is a shareholder) (Note 13)	80,494	-	(80,494)	-
<b>Total</b>	<b>152,250</b>	<b>25,982</b>	<b>(88,211)</b>	<b>90,021</b>

<sup>5</sup> Clean loans, carrying interest at a rate of 12 percent per annum and due in accordance with the conditions stipulated in the agreement

<sup>6</sup> Clean loans, carrying interest at a rate of 5 percent per annum and payable within April 2019 by reference to the payment terms as stipulated in the agreements.

(Unit: Thousand Baht)

### Separate financial statements

Long-term loan	Balance as at 31 March 2017	Increase during the year	Decrease during the year	Balance as at 31 March 2018
Related company				
Midas Global Media Company Limited (related as the Company is a shareholder) (Note 13)	80,494	-	(80,894)	-

## Short-term loans from a subsidiary

The balances of short-term loans between the Company and its subsidiary and the movements were as follows.

(Unit: Thousand Baht)

### Separate financial statements

Short-term loans	Balance as at 31 March 2017	Increase during the year	Decrease during the year	Balance as at 31 March 2018
Subsidiary				
VGI Advertising Media Company Limited <sup>7</sup>	10,000	-	(10,000)	-

<sup>7</sup> Clean loans, carrying interest at a rate of 1.35 percent per annum and due not more than three months

## Long-term loans to related parties

The balance of long-term loan between a subsidiary and that related individual and the movement was as follows.

(Unit: Thousand Baht)

### Consolidated financial statements

Long-term loan	Balance as at 31 March 2017	Increase during the year	Decrease during the year	Balance as at 31 March 2018
Related individual				
Shareholder of a subsidiary	400	-	(400)	-

## Directors and management's benefits

During the years, 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	
	2018	2017	2018	2017
Short-term employee benefits	168	173	78	69
Post-employment benefits	17	6	11	3
Total	185	179	89	72

## 7. CURRENT INVESTMENTS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Fixed deposits with maturity date more than three months</b>	147,948	251,611	-	10,000
<b>Investments in debt securities expected to be held to maturity</b>	1,000,000	-	1,000,000	-
Private sector debt securities				
<b>Investments in trading securities</b>	-	89,591	-	89,591
Private sector debt securities - fair value				
<b>Investments in available-for-sale securities</b>	-	70,033	-	-
Unit trust in fixed income open-ended fund	-	255	-	-
Add: Unrealised gain on changes in value of investments				
Fair value	-	70,288	-	-
Total	1,147,948	411,490	1,000,000	99,591

## 8. BANK ACCOUNT FOR ADVANCE RECEIVED FROM CARDHOLDERS

In order to comply with the Notification of the Bank of Thailand applicable to electronic card businesses, BSS has to deposit cash received in advance from cardholders with financial institutions in an amount not less than the outstanding balance of the advance receipts at the end of each day. These funds cannot be used for any purposes other than making payment to goods or service providers on behalf of the cardholder. As at 31 March 2018, the balances of bank account for cash received in advance from cardholders and cash received in advance from card holders were Baht 443 million and Baht 430 million, respectively (2017: Baht 375 million and Baht 375 million, respectively).

## 9. TRADE AND OTHER RECEIVABLES

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	74,465	21,767	71,036	21,158
Past due				
Up to 3 months	1,449	4,076	19,721	-
6 - 12 months	-	9,836	-	-
Total trade receivables - related parties	75,914	35,679	90,757	21,158
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	572,747	555,397	402,608	365,116
Past due				
Up to 3 months	147,074	73,939	56,154	36,736
3 - 6 months	15,914	15,408	1,348	7,788
6 - 12 months	1,446	2,133	1,111	-
Over 12 months	20,311	26,790	11,523	9,473
Total	757,492	673,667	472,744	419,113
Less: Allowance for doubtful debts	(26,853)	(24,647)	(11,523)	(9,473)
	730,639	649,020	461,221	409,640
Post-dated cheques	454	712	-	-
Total trade receivables - unrelated parties - net	731,093	649,732	461,221	409,640
Total trade receivables - net	807,007	685,411	551,978	430,798
<u>Other receivables</u>				
Other receivables - related parties	34,767	7,511	107	5,555
Other receivables - unrelated parties	85,471	32,874	46,934	19,269
Other receivables from exercise of warrants (Note 21)	65,328	-	65,328	-
Dividend receivable - related party	28,813	15,335	-	-
Interest receivable from financial institutions	4,104	3,647	922	1,067
Interest receivable from related parties	958	3,231	244	2,164
Accrued income - related parties	8,424	17,530	479	669
Accrued income - unrelated parties	117,506	6,832	25,000	-
Total	345,371	86,960	139,014	28,724
Less: Allowance for doubtful debts	(9,261)	(9,261)	-	-
Total other receivables - net	336,110	77,699	139,014	28,724
Total trade and other receivables - net	1,143,117	763,110	690,992	459,522



## 10. INVESTMENTS IN SUBSIDIARIES

10.1 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 years	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
VGI Advertising Media Co., Ltd.	10,000	10,000	10,000	10,000	-	-	10,000	10,000	-	-
888 Media Co., Ltd.	20,000	20,000	20,000	20,000	-	-	20,000	20,000	-	-
Point of View (POV) Media Group Co., Ltd.	10,000	10,000	60,000	60,000	(45,354)	(45,354)	14,646	14,646	-	-
Master Ad Plc.	343,891	334,297	986,110	1,052,126	-	-	986,110	1,052,126	32,653	20,267
VGI Global Media (Malaysia) Sdn Bhd	237,274	-	237,274	-	-	-	237,274	-	-	-
BSS Holdings Co., Ltd.	1,200,000	1,200,000	1,302,804	1,302,804	-	-	1,302,804	1,302,804	-	-
Bangkok Smartcard System Co., Ltd.	400,000	400,000	669,017	669,017	-	-	669,017	669,017	-	-
Total			3,285,205	3,113,947	(45,354)	(45,354)	3,239,851	3,068,593	32,653	20,267
Differences on business combination under common control							(663,672)	(663,672)		
Investments in subsidiaries							2,576,179	2,404,921		

## MASTER AD PUBLIC COMPANY LIMITED

On 31 May 2016 (the acquisition date), in accordance with a resolution passed by the Extraordinary General Meeting of the Company's shareholders No. 1/2016 on 30 May 2016, the Company acquired 375 million additional shares of MACO at a price of Baht 1.1 per share, or for a total of Baht 412.5 million, from existing shareholders, through the big lot board of the Stock Exchange of Thailand. Following the acquisition of additional shares, then together with the 750,967,400 shares of MACO already held by the Company, the Company held 37.42 percent of all issued shares. The Company's management determined that the Company has control over MACO, even though the Company's holding of shares and voting rights was less than half of all shares and voting rights. Consequently, MACO is deemed to be a subsidiary of the Company from the date on which the Company assumed control. On the acquisition date, the classification of the investment therefore changed from investment in an associate to investment in a subsidiary. The fair value at the acquisition date of the existing interests in MACO held before the acquisition date was Baht 825 million and a gain of Baht 207 million from measuring the existing interests at their fair value was recognised as a separate item under the caption of "Gain on change in status of investment" in the statement of comprehensive income for the year ended 31 March 2017. In addition, during the year ended 31 March 2017, the Company completed the process of measuring the fair value at the acquisition date of the identifiable assets acquired, the liabilities assumed, non-controlling interests in the subsidiary, and goodwill. The Company, therefore, recorded goodwill amounting to approximately Baht 880 million in its accounts.

On 21 September 2016, the Extraordinary General Meeting of MACO's shareholders No. 1/2016 passed a resolution to approve the increase in its registered share capital of Baht 33.4 million, from Baht 376,121,187.50 (3,761,211,875 ordinary shares of Baht 0.1 each) to Baht 409,521,187.50 (4,095,211,875 ordinary shares of Baht 0.1 each) by issuing 334 million additional ordinary shares with a par value of Baht 0.1 each, to be offered to Ashmore OOH Media Limited incorporated and domiciled in Hong Kong by way of private placement at a price of Baht 1.28 per share, or for a total of Baht 427.52 million, in order to fund additional investment in out of home media business, including the acquisition of MTS's shares. MACO registered the corresponding increase in its registered share capital with the Ministry of Commerce on 30 September 2016, and issued 334 million additional shares and received payment on 25 October 2016.

As a result of the increase in MACO's share capital and the Company's acquisitions and sales of MACO's shares through the Stock Exchange of Thailand, the Company's shareholding in MACO decreased from 37.42 percent to 33.68 percent of all issued shares of MACO. As a result of these events, the Company recorded surplus from changes in the ownership interest in a subsidiary of Baht 111 million under shareholders' equity in the consolidated statements of financial position, and recorded gains on sales of investments in the subsidiary of Baht 2 million in profit or loss in the separate statements of comprehensive income for the year ended 31 March 2017.

Subsequently, on 24 August 2017, the Company sold 100 million ordinary shares of MACO through the Stock Exchange of Thailand at a price of Baht 1.5381 per share, or for a total of Baht 154 million, and on 14 September 2017 the Company sold 28,351,500 warrants to purchase the newly issued ordinary shares of MACO through the Stock Exchange of Thailand at a price of 0.0636 per warrant, or for a total of Baht 2 million. However, on 3 October 2017, the Company acquired 14,742,900 warrants to purchase newly issued ordinary shares of MACO through the Stock Exchange of Thailand at a price of Baht 0.03 per warrant, or for a total of Baht 442,287 and exercised warrants to purchase 14,742,900 newly issued ordinary shares of MACO with a par value of Baht 0.1 each, at an exercise price of Baht 2 per share, or for a total of Baht 29 million. On 6 November 2017 (the date on which MACO registered the increase in its share capital with the Ministry of Commerce), MACO issued 95,940,866 new ordinary shares with a par value of Baht 0.1 each, as a result of the exercise

of 95,940,866 warrants to purchase the same number of MACO's newly issued ordinary shares on 2 November 2017 (the final exercise date). In addition, in February 2018, the Company acquired 4 million ordinary shares of MACO through the Stock Exchange of Thailand at an average price of Baht 1.96 per share, or for a total of Baht 8 million. As a result, the Company's shareholding in MACO decreased from 33.68 percent to 30.38 percent of all issued shares of MACO. The Company therefore recorded the surplus (net of income tax) from changes in its ownership interest in the subsidiary as a result of the acquisition and sale and the exercise of warrants amounting to Baht 96 million and Baht 23 million, respectively, and surplus (net of income tax) from the sale of warrants of the subsidiary amounting to Baht 4 million, under shareholders' equity in the consolidated statements of financial position. In addition, the Company recorded a gain on the sale of investment in the subsidiary of Baht 52 million under profit or loss in the separate statements of comprehensive income during the current year.

On 25 April 2018, the 2018 Annual General Meeting of MACO's shareholders passed the following significant resolutions.

- a) Approved a decrease of Baht 65,630,151 in MACO's registered share capital, from Baht 409,521,188 (4,095,211,875 ordinary shares with a par value of Baht 0.1 each) to Baht 343,891,037 (3,438,910,366 ordinary shares with a par value of Baht 0.1 each) by cancelling 656,301,509 unissued ordinary shares with a par value of Baht 0.1 each to accommodate the exercise of warrants (MACO-W1) which expired on 2 November 2017 and were delisted from the Stock Exchange of Thailand on 3 November 2017.
- b) Approved an increase of Baht 34,389,104 in MACO's registered share capital, from Baht 343,891,037 (3,438,910,366 ordinary shares with a par value of Baht 0.1 each) to Baht 378,280,140 (3,782,801,403 ordinary shares with a par value of Baht 0.1 each), through the issue of 343,891,037 additional ordinary shares with a par value of Baht 0.1 each under a general mandate.
- c) Approved the allocation not more than 343,891,037 additional ordinary shares with a par value of Baht 0.1 each issued under a general mandate through private placements with investors who are not related parties.
- d) Approved the payment of a dividend at a rate of Baht 0.018 per share, or a total of Baht 61,900,387, to the shareholders, in respect of the profit for the period from 1 July 2017 to 31 December 2017. The dividend will be paid on 18 May 2018 and the Company will receive a dividend of Baht 19 million from MACO and recognised dividend income in the separate financial statements on that date.

### **GREEN AD COMPANY LIMITED**

On 28 September 2016, the Extraordinary General Meeting of Green Ad's shareholders passed a resolution to increase its registered share capital by Baht 495 million, from Baht 5 million (1 million ordinary shares with a par value of Baht 5 each) to Baht 500 million (100 million ordinary shares with a par value of Baht 5 each), by issuing 99 million new ordinary shares with a par value of Baht 5 each to MACO at a price of Baht 5 per share. Green Ad called up Baht 2.2222 per share, or equivalent to approximately Baht 220 million, and capital amounting to Baht 220 million was paid in by MACO on 28 September 2016. Green Ad registered the increase in its share capital with the Ministry of Commerce on 30 September 2016.

During the current year, MACO made further payment of Baht 220 million for the additional share capital called up by Green Ad. As a result, as of 31 March 2018, the uncalled portion of these shares amounted to approximately Baht 55 million (2017: Baht 275 million).

## **MULTI SIGN COMPANY LIMITED**

On 3 August 2016, MACO's Board of Directors meeting No. 8/2016 passed a resolution to approve Green Ad to acquire 98,000 ordinary shares with a par value of Baht 100 each of MTS from its existing shareholders ("the Sellers") at a cost of not more than Baht 439 million by increasing Green Ad's registered share capital and arranging for Green Ad to use cash received from the increase in Green Ad's share capital to acquire MTS's shares. This represents 70 percent of all issued shares of MTS.

Under the conditions of the share purchase and sale agreement, the acquisition price is divided into 2 parts as follows:

- 1) A preliminary purchase price of Baht 373.15 million to be paid under the terms and conditions stipulated in the share purchase and sale agreement.
- 2) An additional purchase price of not more than Baht 65.85 million, which may be reduced depending on the operating results and other conditions stipulated in the share purchase and sale agreement.

On 1 October 2016, Green Ad acquired 98,000 shares of MTS with a par value of Baht 100 each and received all of these shares, and on 3 October 2016 paid Baht 219.50 million to the sellers. The remaining balance of the purchase price was paid in accordance with the conditions stipulated in the share purchase and sale agreement during the current year and this balance had been presented, net of deferred interest expenses, as other payable from purchase of investment in a subsidiary, under the caption of "Trade and other payables" in the statement of financial position as at 31 March 2017.

During the year ended 31 March 2017, the subsidiary completed the process of measuring the fair value at the acquisition date of the identifiable assets acquired, the liabilities assumed and goodwill. The subsidiary, therefore, recorded goodwill amounting to approximately Baht 370 million in their accounts.

Subsequently, a meeting of MACO's Board of Directors on 5 March 2018 and a meeting of MACO's Executive Committee on 20 March 2018 passed a resolution to approve Green Ad to acquire an additional 42,000 ordinary shares with a par value of Baht 100 each of MTS from its existing shareholder ("the Seller") at a cost of not more than Baht 202.6 million, which represents 30 percent of all issued shares of MTS. The acquisition is to be made in accordance with the terms and conditions stipulated in a share purchase and sale agreement that is to be made within May 2018, whereby the acquisition price is divided into 2 parts as follows:

- 1) A preliminary purchase price of Baht 162.6 million to be paid on the date of the share purchase and sale agreement.
- 2) An additional purchase price of not more than Baht 40 million, which may be reduced depending on the conditions stipulated in the share purchase and sale agreement.

## **EYE ON ADS COMPANY LIMITED**

On 30 June 2017 (the acquisition date), Eye On Ads acquired 39,375 ordinary shares with a par value of Baht 100 each of Co-Mass, from an existing shareholder ("the Seller"), which is an unrelated company, at the acquisition price of Baht 335 million, in accordance with resolutions passed by the Company's Board of Directors meeting No. 4/2017 and MACO's Board of Directors meeting No. 3/2017 on 16 May 2017. The investment represents 70 percent of all issued shares of Co-Mass, and the acquisition price is that agreed between MACO and the Seller, in accordance with the terms and conditions stipulated in the share purchase and sale agreement dated 23 May 2017 between Eye On Ads and the Seller. On 23 January 2017, 29 June 2017 and the acquisition date, Eye On Ads made payments totalling Baht 245 million to the Seller. The remaining balance of the acquisition price, amounting to Baht 90 million, was paid on 31 July 2017.

Eye On Ads is currently in the process of measuring the fair value at the acquisition date of the identifiable assets acquired, liabilities assumed and goodwill. The carrying value of the identifiable assets acquired and liabilities assumed of Co-Mass at the acquisition date were summarised below.

(Unit: Thousand Baht)

Cash and cash equivalents	20,185
Trade and other receivables	17,237
Other current assets	17,304
Plant and equipment	42,913
Other non-current assets	5,714
Trade and other payables	(16,384)
Other current liabilities	(4,993)
Other non-current liabilities	(5,707)
Net assets of the subsidiary	76,269
Less: Non-controlling interests' proportionate share of identifiable net assets of the acquiree	(22,881)
Eye On Ads' proportionate share of identifiable net assets of the acquiree	53,388
Costs of the acquisition of investment in a subsidiary	335,000
Less: Eye On Ads' proportionate share of identifiable net assets of the acquiree	(53,388)
Estimated amount by which costs of the acquisition of investment in a subsidiary exceed identifiable net assets of the acquiree	281,612
Cash paid for purchase of investment in a subsidiary	335,000
Less: Cash and cash equivalents of the subsidiary	(20,185)
Net cash paid for purchase of investment in a subsidiary	314,815

On 13 October 2017, Co-Mass' Board of Directors meeting passed a resolution to pay to the shareholders an interim cash dividend of Baht 270 per share, or a total of Baht 15 million.

### **VGI GLOBAL MEDIA (MALAYSIA) SDN BHD**

On 14 March 2017, the Company received the transfer of 2 ordinary shares of VGM, which registered its incorporation in Malaysia on 26 January 2017, at a price of MYR 1 per share, for a total of MYR 2, or equivalent to Baht 16.07, from the Company's representative, who had established the company with a registered share capital of MYR 1 million (1 million ordinary shares with a par value of MYR 1 each), in accordance with a resolution passed by the Company's Executive Committee Meeting No. 15/2016 on 19 December 2016. Subsequently, on 28 April 2017, VGM issued the remaining 999,998 shares to the Company, at a price of MYR 1 per share, or for a total of MYR 999,998. The Company paid a total of MYR 1 million, or equivalent to Baht 8 million, for the shares, on 5 April 2017. In addition, during the current year, the Company paid for additional amounts of VGM's ordinary shares as follows:

Payment date	Number of shares	Price per share	Amount	Registration date
20 July 2017	1,000,000	1	MYR 1 million (Baht 8 million)	2 August 2017
14 September 2017	2,000,000	1	MYR 2 million (Baht 16 million)	25 September 2017
27 December 2017	13,154,175 *	1	MYR 13 million (Baht 107 million)	31 December 2017
23 January 2018	4,750,000 **	1	MYR 5 million (Baht 39 million)	31 January 2018
29 March 2018	7,250,000 **	1	MYR 7 million (Baht 59 million)	31 March 2018

\* In accordance with a resolution passed by the Company's Executive Committee Meeting No. 18/2017 on 19 December 2017, in order to provide a source of funds for the acquisition of Puncak Berlian Sdn Bhd's shares

\*\* In accordance with a resolution passed by the Company's Executive Committee Meeting No. 1/2018 on 18 January 2018 and No. 3/2018 on 23 February 2018, in order to provide a source of funds for the acquisition of Meru Utama Sdn Bhd's shares, including investment overseas

VGM registered the increase in its registered share capital to MYR 29,154,175 (29,154,175 ordinary shares with a par value of MYR 1 each) on 31 March 2018.

On 16 November 2017, the Company's Executive Committee Meeting No. 15/2017 passed a resolution to approve VGM's acquisition of 4,281,277 ordinary shares with a par value of MYR 1 each of Puncak Berlian Sdn Bhd ("PBSB"), representing 25 percent of all issued shares of PBSB, from Redberry Sdn Bhd ("RSB"), the existing shareholder, at an initial price of MYR 13,154,175. VGM entered into a conditional share purchase and sale agreement with RSB and paid MYR 13,154,175, or equivalent to Baht 106 million, for the shares to RSB, on 16 November 2017 and 28 December 2017, respectively. Subsequently, on 26 January 2018 (the acquisition date), RSB transferred 4,281,277 shares of PBSB to VGM.

The Company's and the subsidiary's management made estimate of the assets and liabilities of PBSB as at 31 January 2018 and the acquisition date and determined that they were not significantly different. The carrying value of the assets and liabilities of PBSB as at 31 January 2018 were summarised below.

(Unit: Thousand Baht)

Cash and cash equivalents	52,414
Trade and other receivables	345,663
Property, plant and equipment	130,657
Goodwill	56,795
Other intangible assets	1,058
Deferred tax assets	7,555
Other assets	26,119
Short-term loans from financial institutions	(33,261)
Trade and other payables	(339,748)
Other liabilities	(74,576)
Net assets	172,676

The Company's and the subsidiary's management is currently in the process of determining the fair value of the assets and liabilities of PBSB at the acquisition date.

In addition, on 30 March 2018, VGM entered into a conditional share purchase and sale agreement with existing shareholders, who were two individuals ("the Sellers"), for the acquisition of 276,100 ordinary shares with a par value of MYR 1 each of Meru Utama Sdn Bhd ("MUSB"), which is principally engaged in the provision of advertising media in airports in Malaysia, representing 25.1 percent of all issued shares of MUSB, at a price of not more than MYR 5.5 million, in accordance with a resolution passed by the Company's Executive Committee Meeting No. 3/2018 on 23 February 2018. The Company expects the acquisition to be completed within May 2018.

### **BSS HOLDINGS COMPANY LIMITED AND BANGKOK SMARTCARD SYSTEM COMPANY LIMITED**

On 21 March 2017, the Company acquired 10.8 million ordinary shares of BSSH with a par value of Baht 100 each, representing 90 percent of all issued shares of BSSH, from BTSG, at a price of Baht 119.69 per share, or for a total of Baht 1,292,652,000, and 3.6 million ordinary shares in BSS with a par value of Baht 100 each, representing 90 percent of all issued shares of BSS from BTSC, at a price of Baht 184.39 per share, or for a total of Baht 663,804,000, in accordance with a resolution passed by the Extraordinary General Meeting of the Company's shareholders No. 2/2016 on 7 November 2016. The Company recorded differences of approximately Baht 286 million and Baht 385 million from business combinations under common control in its accounts, as a result of the acquisitions of shares of BSSH and BSS shares, respectively.

### **RABBIT INTERNET COMPANY LIMITED**

On 23 November 2015, BSSH, RI and the existing shareholders of RI entered into Share Subscription Agreement, Investment Agreement and Loan Agreement ("Agreements") and on 27 November 2015 BSSH invested in 1,001 newly issued preferred shares of RI at a price of Baht 87,975 per share, or for a total of Baht 88 million. As a result BSSH held 25 percent of all issued shares of RI. Furthermore, BSSH invested in ordinary shares of AD and RIB and consequently holds 51 percent of all issued shares of AD and RIB. BSSH recorded goodwill amounting to approximately Baht 158 million resulting from these investments in its accounts.

The Agreements stipulate that BSSH agrees to grant a credit facility of Baht 234,775,958 to RI to be used as working capital, and in settlement of this loan BSSH will exercise its call option to subscribe to 2,666 additional preferred shares of RI, at a price of Baht 234,775,958. BSSH also has call options to subscribe to shares of the existing shareholder of RI within September 2019 (sum of existing shares held by BSSH and new shares to be exercised will not exceed 70 percent of all shares), and the existing shareholder of RI has a put option to sell shares of RI to BSSH within September 2022 under the conditions stipulated in the Agreements.

In addition, the Agreements stipulate that BSSH is entitled to nominate 3 of 5 directors of RI. As a result, BSSH has the power to direct the policies, management or operations of RI through RI's Board of Directors, and the rights to variable returns from RI.

Subsequently, on 4 August 2017, BSSH entered into the Share Sale and Purchase Agreement of RI to exercise its call option, as an existing shareholder, to subscribe to RI's shares, as stipulated in the Investment Agreement between BSSH, RI and the existing shareholders of RI dated 23 November 2015, and in accordance with the resolution of the Company's Board of Directors meeting No. 4/2017 on 16 May 2017. On 8 August 2017, BSSH received 200 ordinary shares of RI from the existing shareholders, at a price of Baht 160,000 per share, or for a total of Baht 32 million. As a result, BSSH's shareholding in RI increased by 5 percent, from 25 percent to 30 percent of all issued shares of RI, as detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash paid for purchase of investment in a subsidiary	32,000
Add: Non-controlling interests of the subsidiary	2,446
Deficit from the change in the ownership interests in the subsidiary	34,446

As at 31 March 2018, BSSH reclassified Baht 29 million (2017: Baht 62 million) of liability under the loan agreement of non-controlling interests, in proportion to the loans to RI, as non-controlling interests in shareholders' equity in the consolidated statement of financial position.

### RABBIT INSURANCE BROKER COMPANY LIMITED (“RIB”)

On 15 August 2017, the Extraordinary General Meeting of RIB's shareholders passed a resolution to increase its registered share capital, from Baht 4.3 million (33,200 ordinary shares and 9,800 preference shares with a par value of Baht 100 each) to Baht 31.3 million (303,200 ordinary shares and 9,800 preference shares with a par value of Baht 100 each). BSSH and RI (RIB's existing shareholders) acquired the newly issued ordinary shares of RIB in proportion to their shareholdings (rights offering). RIB registered the corresponding increase in its share capital with the Ministry of Commerce on 15 August 2017.

The Company and its subsidiaries assessed the recoverable amount of their investments in subsidiaries and goodwill based on the higher of a calculation of fair value less costs to sell and a value-in-use calculation, using cash flow projections. The management of the Company and its subsidiaries believed that the allowance for impairment of investments in subsidiaries is sufficient in the current situation and did not identify indications of impairment of goodwill.

### 10.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) attributable to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	2018 (Percent)	2017 (Percent)	2018	2017	2018	2017	2018	2017
MACO	69.62	66.32	1,238	964	146	39	64	34
BSSH	10	10	220	254	(66)	(93)	-	-
BSS	10	10	34	31	3	5	-	-



10.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	MACO		BSSH		BSS	
	2018	2017	2018	2017	2018	2017
Current assets	657	826	322	358	774	727
Non-current assets	1,366	860	985	1,004	375	400
Current liabilities	(483)	(454)	(159)	(99)	(704)	(676)
Non-current liabilities	(38)	(38)	(7)	(3)	(106)	(142)

Summarised information about comprehensive income

(Unit: Million Baht)

	MACO		BSSH		BSS	
	2018	2017	2018	2017	2018	2017
Revenues	1,053	643	420	131	452	408
Profit (loss)	244	68	(51)	(144)	32	47
Other comprehensive income	(5)	1	-	-	(1)	-
Total comprehensive income	239	69	(51)	(144)	31	47

Summarised information about cash flows

(Unit: Million Baht)

	MACO		BSSH		BSS	
	2018	2017	2018	2017	2018	2017
Cash flows from operating activities	293	147	(94)	(153)	51	122
Cash flows from investing activities	(445)	(276)	(28)	(717)	(14)	(17)
Cash flows from financing activities	58	363	(32)	(23)	(42)	(34)
Translation adjustments	-	5	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(94)	239	(154)	(893)	(5)	71

## 11. INVESTMENTS IN JOINT VENTURES

### 11.1 DETAILS OF INVESTMENTS IN JOINT VENTURES:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and its subsidiaries and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

#### Consolidated financial statements

Joint ventures	Nature of business	Shareholding percentage		Cost		Carrying amounts based on equity method	
		2018 (Percent)	2017 (Percent)	2018	2017	2018	2017
Titanium Compass Sdn Bhd	Provision of advertising media in the mass rapid transit (MRT) system, Lembah Kelang - Jajaran Sungai Buloh - Kajang (KVMRT-SBK Line (MRT1)) in Malaysia	19	19	1,705	1,705	-	-
The ICON VGI Company Limited	Management of advertising media for the Gold Line Monorail Mass Rapid Transit System project	25	25	250	250	234	250
Supremo Media Company Limited	Management of advertising media	25	-	250	-	3,678	-
ATS Rabbit Special Purpose Vehicle Company Limited	Special purpose juristic person established to receive the transfer of rights of claim in consumer loans arising from use of credit granted through AEON Rabbit Member Cards, whereby ATS will convert the rights of claim to securities	51	51	20	20	22	22
Rabbit-LINE Pay Company Limited	Provision of electronic money, electronic payment services through any device or network and bill payment services, under the name "Rabbit LINE Pay"	33.33	50	749,999	749,999	650,693	709,332
Total				752,224	751,974	654,627	709,604

(Unit: Thousand Baht)

#### Separate financial statements

Joint ventures	Nature of business	Shareholding percentage		Cost		Carrying amounts based on equity method	
		2561 (Percent)	2560 (Percent)	2018	2017	2018	2017
Titanium Compass Sdn Bhd	Provision of advertising media in the mass rapid transit (MRT) system, Lembah Kelang - Jajaran Sungai Buloh - Kajang (KVMRT-SBK Line (MRT1)) in Malaysia	19	19	1,788	1,788	1,788	1,788
The ICON VGI Company Limited	Management of advertising media for the Gold Line Monorail Mass Rapid Transit System project	25	25	250	250	250	250
Supremo Media Company Limited	Management of advertising media	25	-	250	-	250	-
Total				2,288	2,038	2,288	2,038

### **TITANIUM COMPASS SDN BHD (“TCSB”)**

On 13 June 2016, the Company entered into a joint venture agreement, in accordance with a resolution passed by the Company’s Board of Directors meeting No. 5/2016 on 13 June 2016, in order to jointly invest with Puncak Berlian Sdn Bhd, Ikatan Asli Sdn Bhd and Utusan Airtime Sdn Bhd, which were incorporated and domiciled in Malaysia. On the same date, the Company invested in 190,000 ordinary shares of TCSB, at a price of MYR 1 per share, or for a total of MYR 190,000, equivalent to Baht 1.7 million. TCSB registered its incorporation with a registered share capital of MYR 5 million (5 million ordinary shares of MYR 1 each), issued and fully paid-up amounting to MYR 1 million (1 million ordinary shares of MYR 1 each). As a result, the Company’s shareholding in TCSB is 19 percent of all issued shares, as stipulated in the joint venture agreement dated 13 June 2016. The agreement stipulated the shareholdings of the Company, Puncak Berlian Sdn Bhd, Ikatan Asli Sdn Bhd and Utusan Airtime Sdn Bhd in TCSB at 19 percent, 51 percent, 10 percent and 20 percent, respectively. Furthermore, in accordance with a resolution passed by the Company’s Board of Directors meeting No. 5/2016 on 13 June 2016, after TCSB is granted the right to advertise in the mass rapid transit (MRT) system, Lembah Kelang - Jajaran Sungai Buloh - Kajang line (KVMRT-SBK line (MRT1)) in Malaysia by Mass Rapid Transit Corporation SDN. BHD. (“MRT Corp”), the Company will increase its shareholding in TCSB to 30 percent. MRT Corp announced that TCSB had been selected to manage advertising, both on elevated trains and inside skytrain stations, on 28 September 2016. However, the agreement stipulates that the Company, Puncak Berlian Sdn Bhd, Ikatan Asli Sdn Bhd and Utusan Airtime Sdn Bhd jointly control TCSB.

### **THE ICON VGI COMPANY LIMITED**

On 2 February 2017, the Company entered into a joint venture’s shareholder agreement to invest in a joint venture with ICONSIAM Retail Company Limited (“IRC”), which is incorporated and domiciled in Thailand. Subsequently, on 28 March 2017, the Company and IRC made a joint investment to incorporate The ICON VGI Company Limited, with a registered share capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each). The Company acquired 2,500 ordinary shares of The ICON VGI Company Limited, at a price of Baht 100 per share, or for a total of Baht 250,000, in accordance with a resolution passed by the Company’s Executive Committee Meeting No. 3/2017 on 3 February 2017. As a result, the Company and IRC held 25 percent and 75 percent, respectively, of all issued shares of such company, as stipulated in the joint venture’s shareholder agreement. However, the agreement stipulates that the Company and IRC jointly control The ICON VGI Company Limited. On 28 April 2017, the Company made payment of Baht 250,000 for the shares, and this was presented as other payable from purchase of investment in a joint venture, under the caption of “Trade and other payables” in the statement of financial position as at 31 March 2017.

### **ATS RABBIT SPECIAL PURPOSE VEHICLE COMPANY LIMITED (“ATS”)**

On 2 February 2015, BSSH and AEON Thana Sinsap (Thailand) Public Company Limited (“AEONTS”) entered into Memorandum of Understanding for Business Cooperation for the joint issue of the Co-Branded Rabbit Program, the securitisation project and the establishment of a special purpose vehicle (“SPV”). SPV is to be established under the securitisation project in a form of a jointly controlled entity between BSSH and AEONTS, to carry out the securitisation project in accordance with the Emergency Decree regarding Securitisation B.E. 2540 (1997). This securitisation project has a term of up to 10 years and a funding size of up to Baht 5,000 million. BTSG will invest up to Baht 4,500 million in the debentures to be issued by the SPV, while BSSH and AEONTS, the shareholders of the SPV, will provide the SPV with subordinated loans in equal amounts, up to an aggregate amount of Baht 500 million.

Subsequently, on 20 March 2015, ATS was registered as a special purpose vehicle for the securitisation project under the Civil and Commercial Code of Thailand with a registered capital of Baht 40,000. This consisted of 2 preferred shares with a par value of Baht 100 per share and 398 ordinary shares with a par value of Baht 100 per share, with 51 percent of shares held by BSSH and the remaining 49 percent held by AEONTS. ATS was granted approval for the securitisation project by the Securities and Exchange Commission (SEC) on 2 October 2015. However, BSSH will receive 50 percent of returns according to the conditions in the shareholders' agreement.

In accordance with the conditions stipulated in the Memorandum of Understanding for Business Cooperation, on 22 October 2015, BTSG, ATS and AEONTS entered into the Subscription Agreement, and BTSG invested approximately Baht 497 million in unsubordinated secured long-term debentures, bearing interest at a rate of 4 percent per annum, to be paid monthly commencing from 18 December 2015. The debentures will be redeemed beginning from 2023 and mature in 2025, with conditions permitting early redemption. In the event that a Put Trigger Event occurs, as defined in the agreement, AEONTS is to purchase and BTSG is to sell the debentures at a price equal to the outstanding principal amount plus accrued interest at the purchase date.

In addition, on 22 October 2015, BSSH entered into an agreement to provide a subordinated term loan to ATS. The term loan matures in the year 2025 and carries interest at a rate of 12 percent per annum, payable monthly.

#### **RABBIT-LINE PAY COMPANY LIMITED (FORMERLY KNOWN AS “LINE BIZ PLUS LIMITED”) (“RLP”)**

On 31 March 2016, RPS executed a Share Subscription Agreement for the subscription of shares in RLP entered into among RPS, RLP and the existing shareholders of RLP (i.e., Line Biz+ PTE. LTD. and Line Company (Thailand) Company Limited) (“the Share Subscription Agreement”) where RPS subscribed 1,999,998 newly issued shares from RLP and purchased 1 share from an existing shareholder, i.e., 1,999,999 shares in total, which is equivalent to 50 percent of the total shares, totaling Baht 750 million, in RLP. The subscription of shares was completed on 25 April 2016 (the acquisition date).

During the current year, RPS completed its process of measuring the fair value at the acquisition date of RLP's assets and liabilities. The values of RLP's assets and liabilities at the acquisition date were summarised below.

(Unit: Thousand Baht)

	Fair value	Carrying value
Cash and cash equivalents	901,522	901,522
Trade and other receivables	3,722	3,722
Other current assets	3,900	3,900
Equipment	7,866	7,866
Intangible assets	55,766	-
Other non-current assets	877	877
Trade and other payables	(9,207)	(9,207)
Other current liabilities	(14,869)	(14,869)
Deferred tax liabilities	(11,153)	-
Other non-current liabilities	(1,327)	(1,327)
Net assets	937,097	892,484
Shareholding percentage (percent)	50	
Share of net assets	468,548	
Goodwill	281,451	
Cash paid for purchase of investment in a joint venture	749,999	

Subsequently, on 26 February 2018, RLP entered into a share purchase agreement with Advanced mPAY Company Limited (“mPAY”) and the existing shareholders of RLP. The agreement stipulates an increase of Baht 199,999,600 (1,999,996 ordinary shares with a par value of Baht 100 each) in RLP’s registered share capital, from Baht 399,999,800 (3,999,998 ordinary shares with a par value of Baht 100 each) to Baht 599,999,400 (5,999,994 ordinary shares with a par value of Baht 100 each), and mPAY’s subscription of all additional ordinary shares of RLP (after mPAY receives 2 shares of RLP from the existing shareholders), at an offering price of Baht 393.75 per share, or for a total of Baht 787 million. The transactions were completed on 5 March 2018. As a result, RPS’s shareholding in RLP decreased from 50 percent to 33.33 percent of all issued shares of RLP. RPS recorded the gain of Baht 63 million from the change in ownership interests in the joint venture as a separate item in profit or loss in the consolidated statement of comprehensive income for the current year.

### **SUPREMO MEDIA COMPANY LIMITED (“SUPREMO MEDIA”)**

On 3 January 2018, the Company and Supremo Company Limited (“Supremo”), which is principally engaged in the provision of advertising and public relations services, and is incorporated and domiciled in Thailand, made a joint investment to incorporate Supremo Media, with a registered share capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each). The Company acquired 2,500 ordinary shares of Supremo Media, at a price of Baht 100 per share, or for a total of Baht 250,000, in accordance with a resolution passed by the Company’s Executive Committee Meeting No. 8/2017 on 2 May 2017 and a joint venture’s shareholder agreement dated 28 August 2017. As a result, the Company and Supremo held 25 percent and 75 percent, respectively, of all issued shares of such company. However, the agreement stipulates that the Company and Supremo jointly control Supremo Media.

The Company and its subsidiaries assessed the recoverable amount of their investments in joint ventures based on the higher of a calculation of fair value less costs to sell and a value-in-use calculation, using cash flow projections. The management of the Company and its subsidiaries did not identify indications of impairment of investments in joint ventures.

### **11.2 SHARE OF COMPREHENSIVE INCOME AND DIVIDEND RECEIVED**

During the years, the Company and its subsidiaries recognised their share of profit or loss from investments in joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint ventures	Share of profit (loss) from investments in joint ventures during the years	
	2018	2017
Titanium Compass Sdn Bhd	-	(1,705)
The ICON VGI Company Limited	(16)	-
Supremo Media Company Limited	3,427	-
ATS Rabbit Special Purpose Vehicle Company Limited	31,861	12,885
Rabbit-LINE Pay Company Limited	(122,098)	(40,668)
<b>Total</b>	<b>(86,826)</b>	<b>(29,488)</b>

The Company and its subsidiaries did not have any share of other comprehensive income from investments in joint ventures recognised in the consolidated financial statements and the Company did not have any dividend received from joint ventures recognised in the separate financial statements during the years.

### 11.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

	ATS		RLP	
	2018	2017	2018	2017
Cash and cash equivalents	92	208	1,021	159
Other current assets	1,422	817	514	688
Non-current assets	1	1	54	10
Trade and other payables	(69)	(135)	(160)	(29)
Other current liabilities	(12)	(4)	(57)	(16)
Long-term loans	(1,240)	(774)	-	-
Other non-current liabilities	(194)	(113)	(4)	(2)
<b>Net assets</b>	-	-	<b>1,368</b>	<b>810</b>
Shareholding percentage (percent)	51	51	33.33	50
<b>Share of net assets</b>	-	-	<b>456</b>	<b>405</b>
Fair value adjustment of assets acquired and liabilities assumed	-	-	7	22
Goodwill	-	-	188	282
<b>Carrying amounts of joint ventures based on equity method</b>	-	-	<b>651</b>	<b>709</b>

Summarised information about comprehensive income

(Unit: Million Baht)

	ATS		RLP	
	2018	2017	2018	2017
Revenues	96	204	78	29
Total comprehensive income - profit (loss)	64	26	(232)	(81)

### 11.4 Investment in a joint venture with capital deficit

The Company recognised share of losses from investment in a joint venture until the value of the investment approached zero. Subsequent losses incurred by that joint venture have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of that joint venture. The amount of such unrecognised share of losses is set out below.

(Unit: Million Baht)

Joint venture	Unrecognised share of losses			
	Share of losses for the years		Cumulative share of losses up to 31 March	
	2018	2017	2018	2017
Titanium Compass Sdn Bhd	(5.7)	(0.4)	(6.1)	(0.4)

## 12. INVESTMENTS IN ASSOCIATES

### 12.1 Details of associates:

(Unit: Thousand Baht)

#### Consolidated financial statements

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2018 (Percent)	2017 (Percent)	2018	2017	2018	2017
Aero Media Group Company Limited	Provision of advertising media in 13 domestic airports	Thailand	30.00	28.00	180,000	180,000	189,218	183,417
Demo Power (Thailand) Company Limited	Arrangement of marketing activities, including distribution of samples and carrying out product demonstrations to promote sales	Thailand	40.00	40.00	412,500	412,500	420,419	420,476
Groupwork Company Limited	Rental of real estate for office space and/or co-working space, including spaces inside the BTS skytrain system	Thailand	20.00	-	1,250	-	1,176	-
Puncak Berlian Sdn Bhd (Note 10)	Provision of outdoor advertising media service in Malaysia	Malaysia	25.00	-	106,522	-	111,491	-
Landy Development Company Limited	Provision of office building rental service	Thailand	48.87	48.87	16,495	16,495	39,931	36,327
Eyeballs Channel Sdn Bhd	Provision of outdoor advertising media service in Malaysia	Malaysia	40.00	40.00	1,686	1,686	3,856	1,203
Translation adjustment					(58)	-	-	-
Total					718,395	610,681	766,091	641,423

(Unit: Thousand Baht)

#### Separate financial statements

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2018 (Percent)	2017 (Percent)	2018	2017	2018	2017
Aero Media Group Company Limited	Provision of advertising media in 13 domestic airports	Thailand	30.00	28.00	180,386	180,386	180,386	180,386
Demo Power (Thailand) Company Limited	Arrangement of marketing activities, including distribution of samples and carrying out product demonstrations to promote sales	Thailand	40.00	40.00	416,090	416,090	416,090	416,090
Groupwork Company Limited	Rental of real estate for office space and/or co-working space, including spaces inside the BTS skytrain system	Thailand	20.00	-	1,250	-	1,250	-
Total					597,726	596,476	597,726	596,476

## **AERO MEDIA GROUP COMPANY LIMITED (“AERO”)**

On 15 August 2016, the Company purchased 10,700 additional ordinary shares of AERO, at a price of Baht 7,477 per share, or for a total of Baht 80 million, in accordance with a resolution passed by the Company’s Board of Directors meeting No. 7/2016 on 3 August 2016. Subsequently, on 31 October 2016, Aero issued 6,080 additional ordinary shares with a par value of Baht 1,000 each and registered the increase in its share capital by Baht 6.08 million, from Baht 85.7 million (85,700 ordinary shares of Baht 1,000 each) to Baht 91.78 million (91,780 ordinary shares of Baht 1,000 each), with the Ministry of Commerce on the same date. The Company did not buy any additional shares in accordance with a resolution passed by the Company’s Board of Directors meeting No. 7/2016 on 3 August 2016. As a result, the shareholding of the Company increased from 20 percent to 28 percent of all issued shares of AERO.

However, on 4 April 2017, the Extraordinary General Meeting of AERO’s shareholders No. 2/2017 passed a resolution to decrease its registered share capital from Baht 91.78 million (91,780 ordinary shares of Baht 1,000 each) to Baht 85.7 million (85,700 ordinary shares of Baht 1,000 each), through the cancellation of 6,080 ordinary shares held by another shareholder with a par value of Baht 1,000 each. AERO registered the corresponding decrease in its share capital with the Ministry of Commerce on 5 April 2017. As a result, the shareholding of the Company increased from 28 percent to 30 percent of all issued shares of AERO.

## **DEMO POWER (THAILAND) COMPANY LIMITED (“DPT”)**

On 23 November 2016 (the acquisition date), the Company invested in 12,000 ordinary shares of DPT at a price of Baht 34,375, or a total of Baht 412.5 million, in accordance with a resolution passed by the Company’s Executive Committee Meeting No. 13/2016 on 15 November 2016. To effect the purchase, the Company entered into a conditional share purchase and sale agreement with the former shareholder, Demo Power Limited (“DPL”), on 16 November 2016. Significant details of the agreement are as follows:

- 1) The Company entered into an agreement transferring to DPT the exclusive rights to use space at 23 main BTS stations that had been granted to the Company by its parent company (Bangkok Mass Transit System Public Company Limited), for carrying on marketing and promotional activities for the goods and services of DPT’s clients.
- 2) No changes will occur that would have a significant adverse impact on the status of the business, operating results, assets and/or financial position of DPT.

The Company received all of the shares on 23 November 2016 and paid the purchase price to the seller in accordance with the conditions stipulated in the share purchase and sale agreement. In addition, the Company incurred expenses related to the acquisition totalling approximately Baht 4 million, which were recorded in administrative expenses in the consolidated statement of comprehensive income for the year ended 31 March 2017.

The Company’s management made estimates of the assets and liabilities of DPT as at 30 November 2016 and the acquisition date and determined that they were not significantly different. The Company completed its process of measuring the fair value as at the acquisition date of DPT’s assets and liabilities during the current year. The values of DPT’s assets and liabilities at the acquisition date were summarised below.



(Unit: Thousand Baht)

	Fair value	Carrying value
Cash and cash equivalents	61,566	61,566
Trade and other receivables	521,417	521,417
Other current assets	121,208	121,208
Property, plant and equipment	41,081	29,232
Intangible assets	188,051	-
Other non-current assets	103,665	103,665
Trade and other payables	(381,157)	(381,157)
Other current liabilities	(74,610)	(74,610)
Deferred tax liabilities	(39,980)	-
Other non-current liabilities	(63,911)	(63,911)
Net assets	477,330	317,410
Shareholding percentage (percent)	40	
Share of net assets	190,932	
Goodwill	221,568	
Cash paid for purchase of investment in an associate	412,500	

### **GROUPWORK COMPANY LIMITED (“WERKS”)**

On 5 February 2018, the Company entered into a conditional share subscription agreement to subscribe to 12,500 additional ordinary shares, representing 20 percent of all shares, of Werks, at an investment value of not more than Baht 1.25 million. The share subscription payment were made on 6 February 2018 and Werks registered the corresponding increase in its registered share capital with the Ministry of Commerce on 7 February 2018 (the acquisition date).

The Company’s management made estimates of the assets and liabilities of Werks as at 31 March 2018 and the acquisition date and determined that they were not significantly different. In addition, their fair values as at the acquisition date are not expected to be materially different from the carrying values presented in the statements of financial position. The carrying values of Werks’ assets and liabilities as at the acquisition date are summarised below.

(Unit: Thousand Baht)

Cash and cash equivalents	1,491
Leasehold improvement and equipment	3,737
Others	(13)
Net assets	5,215
Shareholding percentage (percent)	20
Share of net assets	1,043
Amount by which cost of the acquisition of investment in the associate exceeds net assets of the acquiree	207
Cash paid for purchase of investment in an associate	1,250

The Company and its subsidiaries assessed the recoverable amount of their investments in associates based on the higher of a calculation of fair value less costs to sell and a value-in-use calculation, using cash flow projections. The management of the Company and its subsidiaries did not identify indications of impairment of investments in associates.

## 12.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates during the years		Dividend received during the years	
	2018	2017	2018	2017
Master Ad Public Company Limited	-	4,105	-	22,529
Aero Media Group Company Limited	5,801	(2,999)	-	-
Demo Power (Thailand) Company Limited	(57)	7,976	-	-
Groupwork Company Limited	(73)	-	-	-
Puncak Berlian Sdn Bhd	4,949	-	-	-
Landy Development Company Limited	3,604	3,156	-	-
Eyeballs Channel Sdn Bhd	2,652	1,398	-	-
<b>Total</b>	<b>16,876</b>	<b>13,636</b>	<b>-</b>	<b>22,529</b>

Share of profit (loss) from investments in AERO, DPT, Werks and PBSB in the consolidated financial statements for the year ended 31 March 2018 and 2017 was determined based on the financial statements prepared by management.

### 12.3 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	Aero		DPT	
	2018	2017	2018	2017
Cash and cash equivalents	14	37	15	33
Other current assets	275	241	437	578
Non-current assets	227	281	66	133
Long-term loans	(29)	(76)	(15)	(89)
Other current liabilities	(134)	(144)	(138)	(316)
Other non-current liabilities	(12)	(31)	-	(3)
<b>Net assets</b>	<b>341</b>	<b>308</b>	<b>365</b>	<b>336</b>
Shareholding percentage (percent)	30	28	40	40
<b>Share of net assets</b>	<b>102</b>	<b>86</b>	<b>146</b>	<b>134</b>
Fair value adjustment of assets acquired and liabilities assumed	9	14	52	64
Goodwill	78	78	222	222
Surplus from changes in the ownership interests in an associate	-	5	-	-
<b>Carrying amounts of associates based on equity method</b>	<b>189</b>	<b>183</b>	<b>420</b>	<b>420</b>

Summarised information about comprehensive income

(Unit: Million Baht)

	Aero		DPT	
	2018	2017	2018	2017
Revenues	315	291	628	199
Profit	37	21	23	19

### 13. OTHER LONG-TERM INVESTMENT

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Investment in Midas Global Media Company Limited	-	30,000	-	40,000
Less: Allowance for impairment of investment	-	(7,891)	-	(17,891)
Other long-term investment - net	-	22,109	-	22,109

During the year ended 31 March 2017, the Company recognised loss on impairment of investment in Midas Global Media Company Limited which was shown under the caption of “Loss on impairment of other long-term investment” in the statement of comprehensive income.

Subsequently, on 30 June 2017, the Company entered into a share purchase and sale agreement with an unrelated individual (“the Buyer”), in order to sell all of its investment in Midas Global Media Company Limited (“Midas”), at a price of Baht 22 million. On the agreement date, the Company received an advance of Baht 10 million for the shares and it received the balance of Baht 12 million on 20 December 2017. In addition, in accordance with the conditions of the agreement, on 20 December 2017, the Company entered into a loan assignment agreement with the Buyer, to assign its long-term loan to Midas described in Note 6 to the consolidated financial statements to the Buyer, at a price of Baht 80 million. Payment was to be made in three annual installments, with the first two installments amounting to Baht 27 million each and a final installment of Baht 26 million, and payment was to be completed by 30 June 2020. The Company transferred the shares and assigned the long-term loan to Midas to the Buyer on 22 December 2017 and 25 December 2017, respectively.

However, on 31 August 2017, Midas filed a lawsuit against the Company, claiming damages amounting to approximately Baht 230 million for a breach of the agreement made between the Company and Midas. Subsequently, on 31 January 2018, Midas filed a petition to amend the previously claimed damages, requesting additional damages amounting to approximately Baht 995 million. In addition, on 14 February 2018, Midas filed another lawsuit against the Company and MACO, claiming damages amounting to approximately Baht 24 million resulting from transactions relating to a service agreement to provide billboard advertising time slots at 4 locations. Currently, these cases are being considered by the Civil Court. The Company’s and MACO’s management believes that such events will not have any significant impact on the Company and MACO because the management is confident that the Company did not breach the agreement with Midas and the Company and MACO did not take any actions that caused damages to Midas, and is therefore not liable for damages.

### 14. INVESTMENT PROPERTIES

Investment properties consisted of MACO’s land not being used in operations and held for currently undetermined future usage and are stated at cost.

The fair value of the investment properties as at 31 March 2018 and 2017 amounted to approximately Baht 65 million. The fair value of the land has been determined based on market prices with reference to the appraisal value performed by an accredited independent valuer.

## 15. PLANT AND EQUIPMENT

(Unit: Thousand Baht)

### Consolidated financial statements

	Buildings and building improvement	Leasehold improvement	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
<b>Cost:</b>							
1 April 2016	-	15,072	1,735,760	123,632	3,736	111,224	1,989,424
Additions	655	4,336	100,306	9,226	519	145,437	260,479
Disposals	-	-	(69,620)	(1,369)	(5,014)	(313)	(76,316)
Transfer in (out)	-	111	228,856	14,639	229	(246,578)	(2,743)
Acquisitions of subsidiaries	13,799	-	477,482	51,520	20,773	13,519	577,093
31 March 2017	14,454	19,519	2,472,784	197,648	20,243	23,289	2,747,937
Additions	45	8,940	17,404	16,448	3,950	350,410	397,197
Disposals	-	-	(23,118)	(8,705)	(19,078)	(736)	(51,637)
Transfer in (out)	7,194	12	270,041	31,055	-	(295,083)	13,219
Acquisitions of subsidiaries	-	-	107,370	6,097	14,003	3,278	130,748
31 March 2018	21,693	28,471	2,844,481	242,543	19,118	81,158	3,237,464
<b>Accumulated depreciation:</b>							
1 April 2016	-	2,557	563,378	93,164	500	-	659,599
Depreciation for the year	734	3,089	225,059	15,126	2,572	-	246,580
Depreciation on disposals	(163)	-	(59,412)	(1,224)	(3,624)	-	(64,423)
Acquisitions of subsidiaries	4,535	-	341,379	44,457	13,078	-	403,449
31 March 2017	5,106	5,646	1,070,404	151,523	12,526	-	1,245,205
Depreciation for the year	1,655	3,949	298,562	18,782	3,301	-	326,249
Depreciation on disposals	(22)	-	(16,573)	(8,484)	(15,165)	-	(40,244)
Transfer in (out)	3,728	-	(908)	(3,943)	-	-	(1,123)
Acquisitions of subsidiaries	-	-	70,810	5,411	11,615	-	87,836
Translation adjustment	-	4	-	6	-	-	10
31 March 2018	10,467	9,599	1,422,295	163,295	12,277	-	1,617,933
<b>Allowance for impairment loss:</b>							
1 April 2016	-	-	-	-	-	-	-
31 March 2017	-	-	-	-	-	-	-
Increase during the year	-	-	-	-	-	4,228	4,228
31 March 2018	-	-	-	-	-	4,228	4,228
<b>Net book value:</b>							
31 March 2017	9,348	13,873	1,402,380	46,125	7,717	23,289	1,502,732
31 March 2018	11,226	18,872	1,422,186	79,248	6,841	76,930	1,615,303
<b>Depreciation for the year</b>							
2017 (Baht 223 million included in costs of services, and the balance in administrative expenses)							246,580
2018 (Baht 296 million included in costs of services, and the balance in administrative expenses)							326,249

(Unit: Thousand Baht)

## Separate financial statements

	Equipment	Furniture, fixtures and office equipment	Assets under installation	Total
<b>Cost:</b>				
1 April 2016	1,515,494	104,721	108,760	1,728,975
Additions	275	2,310	114,930	117,515
Disposals	(47,202)	(254)	(313)	(47,769)
Transfer in (out)	186,271	14,425	(216,019)	(15,323)
31 March 2017	1,654,838	121,202	7,358	1,783,398
Additions	764	2,664	40,084	43,512
Disposals	-	(105)	-	(105)
Transfer in (out)	29,614	56	(30,020)	(350)
31 March 2018	1,685,216	123,817	17,422	1,826,455
<b>Accumulated depreciation:</b>				
1 April 2016	501,936	79,729	-	581,665
Depreciation for the year	171,729	10,502	-	182,231
Depreciation on disposals	(40,333)	(254)	-	(40,587)
31 March 2017	633,332	89,977	-	723,309
Depreciation for the year	194,062	11,305	-	205,367
Depreciation on disposals	-	(102)	-	(102)
31 March 2018	827,394	101,180	-	928,574
<b>Net book value:</b>				
31 March 2017	1,021,506	31,225	7,358	1,060,089
31 March 2018	857,822	22,637	17,422	897,881
<b>Depreciation for the year</b>				
2017 (Baht 172 million included in costs of services, and the balance in administrative expenses)				182,231
2018 (Baht 194 million included in costs of services, and the balance in administrative expenses)				205,367

As at 31 March 2018, the subsidiaries had motor vehicles with net book value of Baht 6 million (2017: Baht 2 million) which were acquired under finance lease agreements.

As at 31 March 2018, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 639 million (2017: Baht 658 million) (The Company only: Baht 287 million (2017: Baht 337 million)).

## 16. INTANGIBLE ASSETS

(Unit: Thousand Baht)

### Consolidated financial statements

	Intangible assets acquired through business combination	Computer software	Royalty	Computer software under development	Total
<b>Cost:</b>					
1 April 2016	14,337	435,713	-	40,413	490,463
Additions	-	1,836	300	64,391	66,527
Transfer in	-	15,673	-	-	15,673
Acquisitions of subsidiaries	377,614	10,806	-	-	388,420
31 March 2017	391,951	464,028	300	104,804	961,083
Additions	-	3,578	-	61,894	65,472
Transfer in (out)	-	13,450	-	(42,856)	(29,406)
31 March 2018	391,951	481,056	300	123,842	997,149
<b>Accumulated amortisation:</b>					
1 April 2016	1,584	165,306	-	-	166,890
Amortisation for the year	50,625	49,446	14	-	100,085
Acquisitions of subsidiaries	-	9,964	-	-	9,964
31 March 2017	52,209	224,716	14	-	276,939
Amortisation for the year	56,469	50,821	100	-	107,390
31 March 2018	108,678	275,537	114	-	384,329
<b>Net book value</b>					
31 March 2017	339,742	239,312	286	104,804	684,144
31 March 2018	283,273	205,519	186	123,842	612,820
<b>Amortisation for the year</b>					
2017 (Baht 36 million included in costs of services, Baht 64 million included in servicing and selling expenses and the balance in administrative expenses)					100,085
2018 (Baht 36 million included in costs of services, Baht 71 million included in servicing and selling expenses and the balance in administrative expenses)					107,390

(Unit: Thousand Baht)

Separate financial statements

	Computer software	Computer software under development	Total
<b>Cost:</b>			
1 April 2016	72,492	-	72,492
Additions	1,271	-	1,271
Transfer in	15,323	-	15,323
31 March 2017	89,086	-	89,086
Additions	191	22,132	22,323
Transfer in	250	100	350
31 March 2018	89,527	22,232	111,759
<b>Accumulated amortisation:</b>			
1 April 2016	39,377	-	39,377
Amortisation for the year	12,718	-	12,718
31 March 2017	52,095	-	52,095
Amortisation for the year	12,760	-	12,760
31 March 2018	64,855	-	64,855
<b>Net book value</b>			
31 March 2017	36,991	-	36,991
31 March 2018	24,672	22,232	46,904
<b>Amortisation for the year</b>			
2017 (included in administrative expenses)			12,718
2018 (included in administrative expenses)			12,760

### Intangible assets acquired through business combination

Details of intangible assets acquired through business combination are as follows:

(Unit: Thousand Baht)

Consolidated financial statements

	Cost		Useful lives
	2018	2017	
Customer list	9,145	9,145	3 years
Internally-developed software	5,192	5,192	3 years
Customer relationship	369,260	369,260	6 years 3 months and 7 years 7 months
Backlog	8,354	8,354	Remaining contract period
Total	391,951	391,951	



## 17. TRADE AND OTHER PAYABLES

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables - related parties	71,283	69,614	60,723	55,282
Trade payables - unrelated parties	126,200	143,640	39,550	23,722
Accrued interest expenses to financial institutions	2,328	1,731	2,328	1,723
Accrued interest expenses to related parties	-	23	-	1
Other payables for purchases of assets - related parties	-	-	3,485	-
Other payables for purchases of assets - unrelated parties	13,072	25,759	12,659	17,975
Other payables from purchases of investments in subsidiaries (Note 10)	22	217,189	-	-
Other payable from purchase of investment in a joint venture (Note 11)	-	250	-	250
Dividend payable	30,000	60,000	-	-
Other payables - related parties	17,921	4,422	1,464	-
Other payables - unrelated parties	23,955	13,673	948	1,702
<b>Total trade and other payables</b>	<b>284,781</b>	<b>536,301</b>	<b>121,157</b>	<b>100,655</b>

## 18. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit: Thousand Baht)

Loan	Interest rate	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2018	2017	2018	2017
1	Three-month Bangkok Inter-bank Offered Rate (3M BIBOR) plus a certain margin specified in the agreement	Annual installments as from March 2018 to March 2020	-	300,000	-	300,000
2	6M THBFIX plus a certain margin specified in the agreement	Annual installments as from February 2021 to February 2022	700,000	700,000	700,000	700,000
3	Three-month Mizuho Bank's Bangkok Inter-bank Offered Rate (3M Mizuho BIBOR) plus a certain margin specified in the agreement	Annual installments as from March 2018 to March 2020	-	300,000	-	300,000
4	Zenginkyo Tokyo Interbank Offered Rate (ZTIBOR) plus a certain margin specified in the agreement	Annual installments as from March 2021 to March 2022	700,000	700,000	700,000	700,000
5	Minimum Loan Rate (MLR) minus a certain spread specified in the agreement	Monthly installments as from November 2015 to October 2021	133,000	173,000	-	-
6	Minimum Loan Rate (MLR) minus a certain spread specified in the agreement	Monthly installments as from June 2015 to September 2021	-	5,893	-	-
Total			1,533,000	2,178,893	1,400,000	2,000,000
Less: Current portion			(44,000)	(245,893)	-	(200,000)
Long-term loans from financial institutions - net of current portion			1,489,000	1,933,000	1,400,000	1,800,000

A subsidiary's loan is guaranteed by another subsidiary.

The loan agreements contain several covenants which, among other things, require the Company and its subsidiaries to maintain a certain interest bearing debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements, and maintain incurrence of additional indebtedness, the major shareholder structure and management structure, and the combined direct and indirect shareholdings in the Company and its subsidiaries of the ultimate parent company, the parent company and individuals stipulated in the agreements.

In order to hedge the foreign exchange rate and interest rate risks associated with the long-term loans, the Company entered into an interest rate swap agreement to swap the loan 2 and a cross currency and interest rate swap agreement to swap the full amount of the loan 4, as described in Note 33.1 to the consolidated financial statements.

## 19. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

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

(Unit: Thousand Baht)

### Consolidated financial statements

	Defined benefit plan in respect of severance payments to employees upon retirement		Other long-term employee benefit plan		Total	
	2018	2017	2018	2017	2018	2017
<b>Provision for long-term employee benefits at beginning of year</b>	40,942	36,229	7,413	-	48,355	36,229
Included in profit or loss:						
Current service cost	13,313	7,674	837	648	14,150	8,322
Interest cost	1,555	1,462	194	210	1,749	1,672
Past service cost and losses on settlement	12,121	-	916	-	13,037	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	(566)	-	(623)	-	(1,189)	-
Financial assumptions changes	2,900	-	34	-	2,934	-
Experience adjustments	11,640	-	707	-	12,347	-
Acquisitions of subsidiaries	170	17,474	-	6,885	170	24,359
Benefits paid during the year	(7,261)	(20,691)	(1,591)	(330)	(8,852)	(21,021)
Reversal	-	(1,206)	-	-	-	(1,206)
<b>Provision for long-term employee benefits at end of year</b>	<b>74,814</b>	<b>40,942</b>	<b>7,887</b>	<b>7,413</b>	<b>82,701</b>	<b>48,355</b>

(Unit: Thousand Baht)

### Separate financial statements

	Defined benefit plan in respect of severance payments to employees upon retirement		Other long-term employee benefit plan		Total	
	2018	2017	2018	2017	2018	2017
<b>Provision for long-term employee benefits at beginning of year</b>	21,037	28,975	-	-	21,037	28,975
Included in profit or loss:						
Current service cost	3,738	3,568	269	-	4,007	3,568
Interest cost	793	695	32	-	825	695
Past service cost and losses on settlement	10,400	-	1,072	-	11,472	-
Included in other comprehensive income:						
Actuarial loss arising from						
Demographic assumptions changes	1,000	-	-	-	1,000	-
Financial assumptions changes	844	-	-	-	844	-
Experience adjustments	6,167	-	-	-	6,167	-
Benefits paid during the year	(1,895)	(12,201)	(166)	-	(2,061)	(12,201)
<b>Provision for long-term employee benefits at end of year</b>	<b>42,084</b>	<b>21,037</b>	<b>1,207</b>	<b>-</b>	<b>43,291</b>	<b>21,037</b>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

**Consolidated financial statements**

	Defined benefit plan in respect of severance payments to employees upon retirement		Other long-term employee benefit plan		Total	
	2018	2017	2018	2017	2018	2017
Costs of services	-	104	-	143	-	247
Administrative expenses	26,989	7,826	1,947	715	28,936	8,541
Total expenses recognised in profit or loss	26,989	7,930	1,947	858	28,936	8,788

(Unit: Thousand Baht)

**Seperate financial statements**

	Defined benefit plan in respect of severance payments to employees upon retirement		Other long-term employee benefit plan		Total	
	2018	2017	2018	2017	2018	2017
Administrative expenses	14,931	4,263	1,373	-	16,304	4,263

The Company and its subsidiaries expect to pay Baht 0.6 million of long-term employee benefits during the next year (the Company only: Nil) (2017: Baht 0.1 million (the Company only: Nil)).

As at 31 March 2018, the weighted average duration of the liabilities for long-term employee benefit of the Company and its subsidiaries is 16-26 years (the Company only: 19 years) (2017: 16-31 years (the Company only: 19 years)).

Significant actuarial assumptions are summarised below:

(Unit: Percent per annum)

	Consolidated financial statements		Seperate financial statements	
	2018	2017	2018	2017
Discount rate	3.1 - 3.4	2.4 - 4.3	3.2	2.4
Salary increase rate	3.5 - 10	5 - 10	6 - 7	5 - 6
Turnover rate	0 - 25	2 - 20	2 - 10	2 - 10

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation are summarised below:

(Unit: Million Baht)

**As at 31 March 2018**

	Consolidated financial statements		Seperate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(9)	11	(5)	5
Salary increase rate	11	(9)	5	(4)

(Unit: Million Baht)

As at 31 March 2017

	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(7)	9	(4)	5
Salary increase rate	8	(7)	4	(4)

## 20. SHARE CAPITAL

On 6 July 2017, the 2017 Annual General Meeting of the Company's shareholders passed the following significant resolutions.

- a) Approved resolutions (a) to cancel the increase in the Company's registered share capital under a general mandate and the allocation of not more than 340 million additional ordinary shares with a par value of Baht 0.1 each issued under the general mandate to be offered through private placements, in accordance with a resolution of the Extraordinary General Meeting of the Company's shareholders No. 2/2016 on 7 November 2016, and (b) to decrease the Company's registered share capital by Baht 34 million, from Baht 891,990,523 (8,919,905,230 ordinary shares of Baht 0.1 each) to Baht 857,990,523 (8,579,905,230 ordinary shares of Baht 0.1 each), through the cancellation of 340 million unissued ordinary shares with a par value of Baht 0.1 each.

The Company registered the corresponding decrease in its registered share capital with the Ministry of Commerce on 13 July 2017.

- b) Approved a resolution to increase the Company's registered share capital by Baht 34 million, from Baht 857,990,523 (8,579,905,230 ordinary shares of Baht 0.1 each) to Baht 891,990,523 (8,919,905,230 ordinary shares of Baht 0.1 each), through the issue of 340 million additional ordinary shares with a par value of Baht 0.1 each under a general mandate.

The Company registered the corresponding increase in its registered share capital with the Ministry of Commerce on 14 July 2017.

- c) Approved a resolution to allocate not more than 340 million additional ordinary shares with a par value of Baht 0.1 each issued under the general mandate to be offered through private placements. The investors are not to be related parties.

Subsequently, on 30 October 2017, meeting No. 6/2017 of the Company's Board of Directors passed the following significant resolutions.

- a) Approved the issuance and allocation of not more than 340 million additional ordinary shares with a par value of Baht 0.1 each under a general mandate, which are to be offered through private placements, in accordance with the resolution approved by the 2017 Annual General Meeting of the Company's shareholders on 6 July 2017. In addition, the meeting set the offering price at no lower than 90 percent of the weighted average price of the shares traded on the Stock Exchange of Thailand over the 7 consecutive business days preceding the date on which the meeting of the Company's Board of Directors considered the resolution to set an offering price, and set the periods for subscription to and payment of the additional ordinary shares to be within 30 April 2018. The dates of additional share subscription and payment must not be later than the 3 business days after the date the final offering price is determined.

- b) Approved the authorisation of the Executive Committee to carry out procedures necessary for and relevant to the Company's allocation and offering of additional ordinary shares, such as determining the final offering price, setting periods for subscription to and payment of additional ordinary shares, and specifying other details related to the allocation and offering of these shares.
- c) Approved the appointment of a placing agent, which is an international financial institution, to underwrite the issue of the Company's additional ordinary shares to foreign investors, and underwriters to underwrite the issue of the Company's additional ordinary shares to domestic investors. Such investors must be institutional investors or a group of not more than 50 specific investors in a period of twelve months, and must not be the Company's related parties.

On 13 December 2017, the Company allocated 340 million additional ordinary shares with a par value of Baht 0.1 each issued under a general mandate to be offered through private placements, at an offering price of Baht 6 per share, or for a total of Baht 2,040 million, in accordance with a resolution passed by the Company's Executive Committee Meeting No. 17/2017 on 6 December 2017 to determine the final offering price, additional ordinary share subscription and payment dates and other related details. The offering price was to be not less than 90 percent of the market price, or the weighted average price of the ordinary shares in trading on the Stock Exchange of Thailand over the 15 consecutive business days preceding 7 December 2017 (from 15 November 2017 to 6 December 2017), which was the first share offering date, and a silent period and an adjustment of the exercise price and/or exercise ratio of warrants to purchase the Company's additional ordinary shares are not required. The costs of issuing the additional ordinary shares amounted to Baht 28 million. The Company registered the corresponding increase in its paid-up share capital of Baht 34 million with the Ministry of Commerce on 14 December 2017. As a result, the Company's issued and fully paid-up share capital increased from Baht 686,433,290 (6,864,332,902 ordinary shares with a par value of Baht 0.1 each) to Baht 720,433,290 (7,204,332,902 ordinary shares with a par value of Baht 0.1 each).

## 21. WARRANTS

(Unit: Thousand Baht)

Balance as at 1 April 2016	857,792
Exercised during the year	(6)
Increase from the adjustment of the number of the warrants	857,786
Balance as at 31 March 2017	1,715,572
Exercised during the year	(9,332)
Balance as at 31 March 2018	1,706,240

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, and on 5 July 2016, the Company's Board of Directors meeting No. 6/2016 passed a resolution to adjust the exercise ratio and the number of the warrants. The adjustment of the exercise ratio and the number of the warrants is effective from 15 July 2016 and the warrant holders received the allocation of the newly issued warrants at an allocation ratio of 1 newly issued warrant to 1 existing warrant on the same date.

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 1 ordinary share (before the adjustment: 1 warrant per 2 ordinary shares)
Exercise price	Baht 7 per share

On 30 June 2016, the warrant holders exercised warrants to acquire 11,050 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 Baht 77,350. The Company registered the corresponding increase in its issued and paid-up share capital with the Ministry of Commerce on 7 July 2016.

Subsequently, on 30 March 2018, the warrant holders exercised 9,332,526 warrants to purchase 9,332,526 newly issued ordinary shares with a par value of Baht 0.1 each, at an exercise price of Baht 7 per share. The Company received the cash of Baht 65 million from the exercise of the warrants on 2 April 2018 and registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 3 April 2018. The Company therefore presented the receivable of Baht 65 million from the exercise of the warrants as “Other receivables from exercise of warrants”, under the caption of “Trade and other receivables”, and “Share subscriptions received in advance” in shareholders’ equity, in the statements of financial position as of 31 March 2018.

## **22. 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.

## **23. CAPITAL SURPLUS (DEFICIT)**

Differences on business combination under common control consisted of differences between the costs of business combination under common control and the sum of the net book values of assets and liabilities of the subsidiaries as at the date of combination.

Capital surplus from changes in the ownership interests in a subsidiary consisted of surplus from changes in the Company’s ownership interests in a subsidiary that do not result in a loss of control and is calculated based on differences between considerations paid or received as a result of the changes in ownership interests in the Company’s subsidiary and non-controlling interests of the subsidiaries at the net book value of the subsidiaries as of the date the change occurred. Non-controlling interests of the subsidiaries are measured at the value of the identifiable net assets of the subsidiaries, based on the percentage shareholdings of the non-controlling interests.

(Unit: Thousand Baht)

## Consolidated financial statements

	Differences on business combination under common control		Surplus from changes in the ownership interests in a subsidiary	
	2018	2017	2018	2017
Balance at beginning of year	(663,672)	7,989	110,914	-
Acquisitions and sales of MACO's ordinary shares and issuance of additional ordinary shares of MACO (Note 10)	-	-	118,411	110,914
Acquisition of investment in RI (Note 10)	-	-	(34,446)	-
Acquisition of investments in BSSH and BSS under common control (Note 10)	-	(671,661)	-	-
Balance at end of year	(663,672)	(663,672)	194,879	110,914

## 24. SERVICE INCOME

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Advertising income	2,797,786	2,069,064	1,813,201	1,618,209
Income from renting spaces	417,146	348,637	420,503	358,399
Service income	347,211	350,106	-	-
Others	343,568	261,441	104,317	46,643
Total	3,905,711	3,029,248	2,338,021	2,023,251

## 25. EXPENSES BY NATURE

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Salaries and wages and other employee benefits	646,654	570,061	313,902	283,016
Depreciation and amortisation	433,639	346,665	218,128	194,948
Concession fees	298,566	243,631	320,278	226,844
Billboard rental expenses	22,061	112,659	-	-
Rental expenses from other operating lease agreements	215,624	122,971	27,482	26,567
Costs of other services	184,397	162,444	27,894	23,542
Signboard and premise taxes	80,456	67,913	60,351	54,407
Marketing and sales promotion expenses	243,713	242,714	54,303	25,202
Loss on impairment of other long-term investment	-	7,891	-	17,891
Loss on impairment of assets	23,668	-	-	-
Loss on provision for revenues being lower than the minimum guaranteed amounts	-	28,230	70,381	117,127



## 26. INCOME TAX

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Current income tax charge	254,106	202,148	192,418	171,827
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(12,761)	7,503	1,211	17,051
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>241,345</b>	<b>209,651</b>	<b>193,629</b>	<b>188,878</b>

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	
	2018	2017	2018	2017
Deferred tax on actuarial loss	(2,854)	-	(1,602)	-
Deferred tax on gain from changes in value of available-for-sale investments	(64)	64	-	64
<b>Total</b>	<b>(2,918)</b>	<b>64</b>	<b>(1,602)</b>	<b>64</b>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before tax	1,170,105	978,100	1,041,848	850,549
Applicable tax rate (percent)	20	20	20	20
Accounting profit before tax multiplied by income tax rate	234,021	195,620	208,370	170,110
Utilisation of previously unrecognised tax losses	(5,950)	(9,547)	-	-
Adjustments in respect of deferred tax assets	(5,802)	16,560	-	24,103
Effects of elimination entries on the consolidation financial statements	(270)	9,375	-	-
Effects of:				
Non-deductible expenses	7,727	5,314	1,486	5,044
Additional expense deductions allowed	(8,371)	(1,820)	(8,370)	(1,820)
Exemption of income	(6,466)	-	(7,857)	(8,559)
Additional taxable income	-	5,842	-	-
Difference in tax rates of subsidiaries in overseas countries	(700)	25	-	-
Tax losses for the year of subsidiaries which deferred tax assets have not been recognised	20,719	25,057	-	-
Gain on change in status of investment	-	(41,488)	-	-
Gain on change in the ownership interests in a joint venture	(12,692)	-	-	-
Share of loss from investments in joint ventures and associates	20,155	3,170	-	-
Others	(1,026)	1,543	-	-
Total	19,346	(2,357)	(14,741)	(5,335)
Income tax expenses reported in the statement of comprehensive income	241,345	209,651	193,629	188,878

The tax rate enacted at the end of the reporting period of the subsidiaries in overseas countries is 24 percent.

The components of deferred tax assets and deferred tax liabilities are as follows :

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	2,305	1,895	2,305	1,895
Allowance for impairment of assets	3,888	-	-	-
Provision for revenues being lower than the minimum guaranteed amounts	-	-	-	5,842
Provision for decommissioning costs of billboards	828	462	-	-
Provision for long-term employee benefits	16,013	9,378	8,658	4,207
Adjustment of accrued rental expenses under the straight-line method	6,249	4,219	4,174	2,802
Unused tax loss	3,504	15,628	-	-
Unrealised gain on changes in value of investments	-	(64)	-	-
Others	4,291	1,174	-	-
<b>Total</b>	<b>37,078</b>	<b>32,692</b>	<b>15,137</b>	<b>14,746</b>
<b>Deferred tax liabilities</b>				
Intangible assets acquired through business combination	54,189	67,949	-	-
Revaluation of land acquired through business combination	7,747	5,921	-	-
Others	639	-	-	-
<b>Total</b>	<b>62,575</b>	<b>73,870</b>	<b>-</b>	<b>-</b>

As at 31 March 2018, the subsidiaries had deductible temporary differences and unused tax losses totalling Baht 330 million (2017: Baht 230 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 345 million (2017: Baht 306 million) will expire by the year ending 31 March 2023.

## 27. 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	
	2018	2017	2018	2017
Profit for the year attributable to equity holders of the Company (thousand Baht)	846,226	826,402	848,219	661,671
Weighted average number of ordinary shares (thousand shares)	6,965,918	6,864,330	6,965,918	6,864,330
Earnings per share (Baht)	0.12	0.12	0.12	0.10

The exercise price of the warrants (VGI-W1) was higher than the average market price of the Company's ordinary shares for the years ended 31 March 2018 and 2017. 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.

## 28. 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 on a basis consistent with that used to measure operating profit or loss in the financial statements. The chief operating decision maker has been identified as Chief Executive Officer.

For management purposes, after the Company acquired additional shares of MACO, including the acquisition of BSSH's and BSS's shares, as described in Note 10 to the consolidated financial statements, the Company and its subsidiaries are organised into business units based on the services they provide, which the Company and its subsidiaries mainly operate in Thailand, and there are four reportable segments as follows:

- 1) Provision of advertising space in the elevated mass transit system segment ("BTS segment"),
- 2) Provision of outdoor advertising space segment ("Outdoor segment")
- 3) Service segment, and
- 4) Other segment

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 Company's and its subsidiaries' operating segments for the years.

(Unit: Million Baht)

	BTS segment		Outdoor segment		Service Segment		Other segment		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Revenues</b>										
Revenues from external customers	2,262	1,865	958	550	378	371	338	266	3,936	3,052
Inter-segment revenues	214	71	95	89	29	29	42	25	380	214
Total revenues	2,476	1,936	1,053	639	407	400	380	291	4,316	3,266
Adjustments and eliminations	(214)	(71)	(95)	(89)	(29)	(29)	(42)	(25)	(380)	(214)
Total revenues - net	2,262	1,865	958	550	378	371	338	266	3,936	3,052
<b>Results</b>										
<b>Segment profit</b>	1,497	1,208	642	350	172	226	176	113	2,487	1,897
Adjustments and eliminations	20	(21)	(88)	(81)	(12)	(2)	(5)	(10)	(85)	(114)
<b>Segment profit - net</b>	1,517	1,187	554	269	160	224	171	103	2,402	1,783
Unallocated income and expenses:										
Gain on change in status of investment									-	207
Gain on change in the ownership interests in a joint venture									63	-
Other income									80	99
Servicing, selling and administrative expenses									(1,180)	(1,018)
Other expenses									(37)	(45)
Share of loss from investments in joint ventures and associates									(70)	(16)
Finance cost									(88)	(32)
Income tax expenses									(241)	(210)
<b>Profit for the year</b>									929	768
(Profit) loss attributable to non-controlling interests of the subsidiaries									(83)	49
Loss attributable to shareholders of subsidiaries before business combination under common control									-	9
Profit attributable to equity holders of the Company									846	826

Transfer prices between operating segments are set out in Note 6 to the consolidated financial statements.

For the year ended 31 March 2018, the Company and its subsidiaries have revenues from top ten major customers in total amount of Baht 1,660 million, arising from BTS, outdoor and other segments (2017: Baht 1,618 million, arising from BTS and other segments).

## 29. PROVIDENT FUND

The Company, its subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and their employees contribute to the funds monthly at the rate of five percent of basic salary. The funds, which are managed by BBL Asset Management Company Limited and SCB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year ended 31 March 2018 amounting to Baht 16 million (the Company only: Baht 7 million) (2017: Baht 11 million (the Company only: Baht 6 million)) were recognised as expenses.

## 30. DIVIDENDS

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 5 July 2016	412	0.060
Interim dividends for 2017	Board of Directors' meeting No. 1/2017 on 1 February 2017	240	0.035
Total for the year ended 31 March 2017		652	
Final dividends for 2017	Annual General Meeting of the shareholders on 6 July 2017	172	0.025
Interim dividends for 2018	Board of Directors' meeting No. 1/2018 on 12 February 2018	259	0.036
Total for the year ended 31 March 2018		431	

## 31. COMMITMENTS AND CONTINGENT LIABILITIES

### 31.1 CAPITAL COMMITMENTS

As at 31 March 2018, the Company and its subsidiaries had capital commitments of Baht 181 million (2017: Baht 108 million) (the Company only: Baht 170 million (2017: Baht 2 million)), relating to the acquisitions of equipment and computer software, the installation of ticketing systems and information management system, the development of website, the acquisitions of leasehold rights and billboards.

### 31.2 OPERATING LEASE COMMITMENTS

The Company and its subsidiaries have entered into several lease agreements in respect of advertising spaces, office building spaces, motor vehicles and equipment. The terms of the agreements are generally between 1 and 9 years.

Future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payable:				
In up to 1 year	109	103	21	19
In over 1 and up to 5 years	180	105	16	15
In over 5 years	14	20	-	-

Under the conditions of the lease agreements for advertising space, the subsidiaries are committed to pay rental on a monthly basis. One-month deposits were made and will be refunded when the agreements are terminated with the consent of the lessor. The agreements are renewable for every 3 years with rental adjustment made based on current market conditions.

### 31.3 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

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	
	2018	2017	2018	2017
Fees payable:				
In up to 1 year	79	87	65	70
In over 1 and up to 5 years	212	226	166	168
In over 5 years	258	292	258	292

These amounts will be adjusted in accordance with actual performance, based on certain rates stipulated in the agreements.

In addition, the Company entered into an agreement with an associate (DPT), transferring to DPT the rights to use space at BTS stations for carrying on marketing activities, as discussed in Note 12 to the consolidated financial statements. Under the conditions of the agreement, the Company is to receive compensation on the basis of the actual revenue generated, at rates stipulated in the agreement.

- b) As at 31 March 2018, the Company and its subsidiaries had outstanding commitments which future payments are required in respect of service agreements amounting to Baht 125 million (2017: Baht 193 million) (the Company only: Baht 98 million (2017: Baht 135 million)).

### 31.4 GUARANTEES

As at 31 March 2018, there were outstanding bank guarantees of approximately Baht 26 million (2017: Baht 24 million) (the Company only: Baht 16 million (2017: Baht 10 million)) issued by banks on behalf of the Company and its subsidiaries to guarantee contractual performance, electricity use, among others in respect of certain performance bonds as required in the normal course of business. The bank guarantees issued to a subsidiary' suppliers by banks on behalf of the subsidiary are secured by pledges of the subsidiaries' fixed deposits.

## 32. FAIR VALUE HIERARCHY

The Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements				
As at 31 March 2018				
	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	65	<b>65</b>
<b>Liabilities for which fair value are disclosed</b>				
Derivatives				
Cross currency and interest rate swap agreements	-	50	-	<b>50</b>
Interest rate swap agreement	-	15	-	<b>15</b>
<b>Assets measured at fair value</b>				
Held-for-trade investments				
Debt instruments	-	90	-	<b>90</b>
Available-for-sale investments				
Debt instruments	-	70	-	<b>70</b>
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	65	<b>65</b>
<b>Liabilities for which fair value are disclosed</b>				
Derivatives				
Cross currency and interest rate swap agreements	-	6	-	<b>6</b>
Interest rate swap agreement	-	3	-	<b>3</b>

(Unit: Million Baht)

Separate financial statements				
As at 31 March 2018				
	Level 1	Level 2	Level 3	Total
<b>Liabilities for which fair value are disclosed</b>				
Derivatives				
Cross currency and interest rate swap agreements	-	50	-	<b>50</b>
Interest rate swap agreement	-	15	-	<b>15</b>
<b>Assets measured at fair value</b>				
Held-for-trade investments Debt instruments				
	-	90	-	<b>90</b>
<b>Liabilities for which fair value are disclosed</b>				
Derivatives				
Cross currency and interest rate swap agreements	-	6	-	<b>6</b>
Interest rate swap agreement	-	3	-	<b>3</b>



### **33. FINANCIAL INSTRUMENTS**

#### **33.1 FINANCIAL RISK MANAGEMENT**

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash, deposits at financial institutions, investments, trade and other receivables, loans receivable, short-term loans payable, trade and other payables, advances and deposits received and long-term loans payable. 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 receivable. 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 receivable 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 its deposits at financial institutions, investments, loans receivable, short-term and long-term borrowings. 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.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

## Consolidated financial statements

As at 31 March 2018							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	5	-	-	751	1	757	0.10 - 2.08
Current investments	1,148	-	-	-	-	1,148	0.85 - 2.10
Bank account for advances received from cardholders	-	-	-	443	-	443	0.50 - 1.70
Trade and other receivables	-	-	-	-	1,143	1,143	-
Restricted bank deposits	5	-	-	-	-	5	0.88 - 1.50
Long-term loans to related parties	15	4	71	-	-	90	Note 6
	1,173	4	71	1,194	1,144	3,586	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	230	-	-	-	-	230	2.20
Trade and other payables	-	-	-	-	285	285	-
Advances received from cardholders	-	-	-	-	430	430	-
Deposits from cardholders	-	-	-	-	117	117	-
Deposits received from renting spaces	-	-	-	-	82	82	-
Long-term loans from financial institutions	-	-	-	1,533	-	1,533	Note 18
	230	-	-	1,533	914	2,677	

(Unit: Million Baht)

## Consolidated financial statements

As at 31 March 2017							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	793	6	799	0.10 - 1.20
Current investments	271	70	-	-	70	411	0.85 - 5.10
Bank account for advances received from cardholders	-	-	-	375	-	375	0.50 - 1.65
Trade and other receivables	-	-	-	-	763	763	-
Restricted bank deposits	4	-	-	-	-	4	0.875 - 1.20
Long-term loans to related parties	91	16	45	-	-	152	Note 6
	366	86	45	1,168	839	2,504	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	778	-	-	-	-	778	2.08 - 2.10
Trade and other payables	-	-	-	-	536	536	-
Advances received from cardholders	-	-	-	-	375	375	-
Deposits from cardholders	-	-	-	-	118	118	-
Deposits received from renting spaces	-	-	-	-	75	75	-
Long-term loans from financial institutions	-	-	-	2,179	-	2,179	Note 18
	778	-	-	2,179	1,104	4,061	

(Unit: Million Baht)

## Separate financial statements

	As at 31 March 2018						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	173	-	173	0.10 - 1.3
Current investments	1,000	-	-	-	-	1,000	2.00 - 2.10
Trade and other receivables	-	-	-	-	691	691	-
Short-term loans to related parties	24	-	-	-	-	24	Note 6
	1,024	-	-	173	691	1,888	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	121	121	-
Deposits received from renting spaces	-	-	-	-	82	82	-
Long-term loans from financial institutions	-	-	-	1,400	-	1,400	Note 18
	-	-	-	1,400	203	1,603	

(Unit: Million Baht)

## Separate financial statements

	As at 31 March 2017						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	47	1	48	0.10 - 0.875
Current investments	29	71	-	-	-	100	1.70 - 5.10
Trade and other receivables	-	-	-	-	460	460	-
Short-term loans to related parties	41	-	-	-	-	41	Note 6
Long-term loans to related parties	80	-	-	-	-	80	Note 6
	150	71	-	47	461	729	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	778	-	-	-	-	778	2.08 - 2.10
Trade and other payables	-	-	-	-	101	101	-
Deposits received from renting spaces	-	-	-	-	77	77	-
Short-term loans from related parties	10	-	-	-	-	10	Note 6
Long-term loans from financial institutions	-	-	-	2,000	-	2,000	Note 18
	788	-	-	2,000	178	2,966	

The Company entered into an interest rate swap agreement with a local commercial bank and a cross currency and interest rate swap agreement with another commercial bank as further described in the foreign currency risk section to manage risk associated with the financial liabilities carrying floating interest. The details of long-term loans from financial institutions are set out in Note 18 to the consolidated financial statements. The details of the interest rate swap agreement outstanding as at 31 March 2018 are as follows:

Counterparty	Effective date	Contractual maturity date	Notional amount	Interest to pay	Interest to receive	Fair value	
						2018	2017
						<b>Loss (Million Baht)</b>	
						2018	2017
The Company	21 March 2017	28 February 2022	Baht 700 million	Fixed rate specified in the agreement	6M THBFIX plus a certain margin specified in the agreement	(15)	(3)

### Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from lending or borrowings, acquisitions of equipment for operations, and financial transactions with overseas companies that are denominated in foreign currencies, and investments in foreign subsidiaries, a joint venture, and an associates.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

#### Consolidated financial statements

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2018 (Million)	2017 (Million)	2018 (Million)	2017 (Million)	2018 (Baht per 1 foreign currency unit)	2017
Singapore dollar	-	-	-	1	23.8223	24.6540
Japanese yen	-	-	2,273	2,273	0.2939	0.3077
Malaysian ringgit	-	1	-	3	8.0961	7.7920

#### Separate financial statements

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2018 (Million)	2017 (Million)	2018 (Million)	2017 (Million)	2018 (Baht per 1 foreign currency unit)	2017
Japanese yen	-	-	2,273	2,273	0.2939	0.3077

The Company and its subsidiaries manage their exposure to foreign currency risk by using derivatives considered appropriate except for the foreign currency risk from acquisitions of equipment and investments in foreign countries which the Company and its subsidiaries have considered insignificant effects to the financial statements. As at 31 March 2018, the outstanding cross currency and interest rate swap agreement is below.

Counterparty	Effective date	Contractual maturity date	Amount to pay		Amount to receive		Fair value	
			Notional amount	Interest rate	Notional amount	Interest rate	Loss (Million Baht)	
							2018	2017
The Company	21 March 2017	23 March 2022	Baht 700 million	Fixed rate specified in the agreement	Amount in foreign currency specified in the agreement	ZTIBOR plus a certain margin specified in the agreement	(50)	(6)

### 33.2 FAIR VALUES OF FINANCIAL INSTRUMENTS

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market 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:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to related parties, accounts payable and short-term loans from financial institutions and related parties, their carrying amounts in the statement of financial position approximate their fair value.
- 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.
- For equity securities, their fair value is generally derived from quoted market prices.
- For long-term loans to related parties carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- For long-term loans from financial institutions and related parties carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Company and its subsidiaries had considered to counterparty credit risk when determining the fair value of derivatives

During the current year, there were no transfers within the fair value hierarchy.

### 34. 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 2018, the Group's debt-to-equity ratio was 0.63:1 (2017: 1.57:1) and the Company's was 0.57:1 (2016: 2.27:1).

### 35. EVENTS AFTER THE REPORTING PERIODS

On 23 April 2018, the Company executed a term sheet ("the Term Sheet") with the existing shareholders of Kerry Express (Thailand) Limited ("KERRY") for the Company's acquisition of 23 percent of all shares ("KERRY Sale Shares") of KERRY, which is a limited company incorporated in Thailand and is principally engaged in the provision of domestic express delivery services in Thailand, at a price of Baht 5,900,611,083. This price is subject to change in accordance with the conditions stipulated in the Term Sheet.

In accordance with the Term Sheet, the Company shall offer the Company's newly issued ordinary shares ("VGI New Shares") to the existing shareholders through a private placement. The purchase price ("the Purchase Price of Sale Shares") shall be paid in cash by the Company. On the date that the existing shareholders receive the Purchase Price of Sale Shares from the Company ("the Subscription Date"), the existing shareholders undertake that they collectively or any one or two of them shall subscribe to VGI New Shares at a price per share equal to 95 percent of the base price ("the Subscription Price of VGI New Shares"). In this regard, base price means the volume weighted average price of the Company's ordinary shares traded on the Stock Exchange of Thailand during the 7 consecutive business days prior to the date on which a meeting of the Company's Board of Directors resolves to propose the offering of VGI New Shares to a meeting of the Company's shareholders for approval. The number of VGI New Shares to be issued and allotted to the existing shareholders shall be equivalent to 15 percent of the Purchase Price of Sale Shares divided by the Subscription Price of VGI New Shares. However, the Company's newly issued ordinary shares will not be offered upon an occurrence of any of the following events:

- a) the volume weighted average price of the Company's ordinary shares traded on the Stock Exchange of Thailand during the 7 consecutive business days prior to the Subscription Date ("the Closing Price") is down more than 10 percent of the base price, or
- b) the Closing Price is up more than 5.5 percent of the base price.

Moreover, the transaction is subject to the conditions precedent and other terms and conditions to be specified in the share sale and purchase agreement for the KERRY Sale Shares and the subscription agreement for the VGI New Shares that will be entered into by the relevant parties.

Subsequently, on 17 May 2018, the Company's Board of Directors meeting No. 3/2018 passed resolutions to approve the acquisition of KERRY Sale Shares and the offering and allotment of 121,578,525 VGI New Shares, at a price of Baht 7.28 per share, to the existing shareholders, under the above conditions, and approved to propose them to a meeting of the Company's shareholders for approval. In addition, the Board of Directors meeting passed the following significant resolutions.

- a) To propose to a meeting of shareholders for consideration a resolution to declare a final dividend for 2018 of Baht 0.054 per share, or a total of not more than Baht 482 million, in respect of the profit for the six-month period ended 31 March 2018.
- b) To propose to a meeting of shareholders for consideration a resolution to issue up to 1,808,296,751 warrants to purchase newly issued ordinary shares of the Company (VGI-W2), to be allocated to the existing shareholders of the Company on a pro rata basis (rights offering), at no cost. Details are as follows:

Allocation ratio	1 warrant to 5 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 1 ordinary share
Exercise price	Baht 10 per share

- c) To propose to a meeting of shareholders for consideration a resolution to increase the Company's registered share capital by not more than Baht 36,068,327 through the issue of 360,683,271 additional ordinary shares with a par value of Baht 0.1 each under a general mandate, to be offered through private placements.
- d) To propose to a meeting of shareholders for consideration a resolution to increase the Company's registered share capital by Baht 229,055,854.70, from Baht 891,990,523 (8,919,905,230 ordinary shares with a par value of Baht 0.1 each) to Baht 1,121,046,377.70 (11,210,463,777 ordinary shares with a par value of Baht 0.1 each), through the issue of 2,290,558,547 additional ordinary shares with a par value of Baht 0.1 each.
- e) To propose to a meeting of shareholders for consideration a resolution to allocate 2,290,558,547 additional ordinary shares with a par value of Baht 0.1 each as follows:
- 1) To allocate 121,578,525 additional ordinary shares with a par value of Baht 0.1 each to the existing shareholders of KERRY, at an offering price of Baht 7.28 each.
  - 2) To allocate 1,808,296,751 additional ordinary shares with a par value of Baht 0.1 each to accommodate the exercise of warrants (VGI-W2)
  - 3) To allocate 360,683,271 additional ordinary shares with a par value of Baht 0.1 each issued under a general mandate to private placement offerings.

### **36. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the Company's Board of Directors on 17 May 2018.

## DEFINITIONS

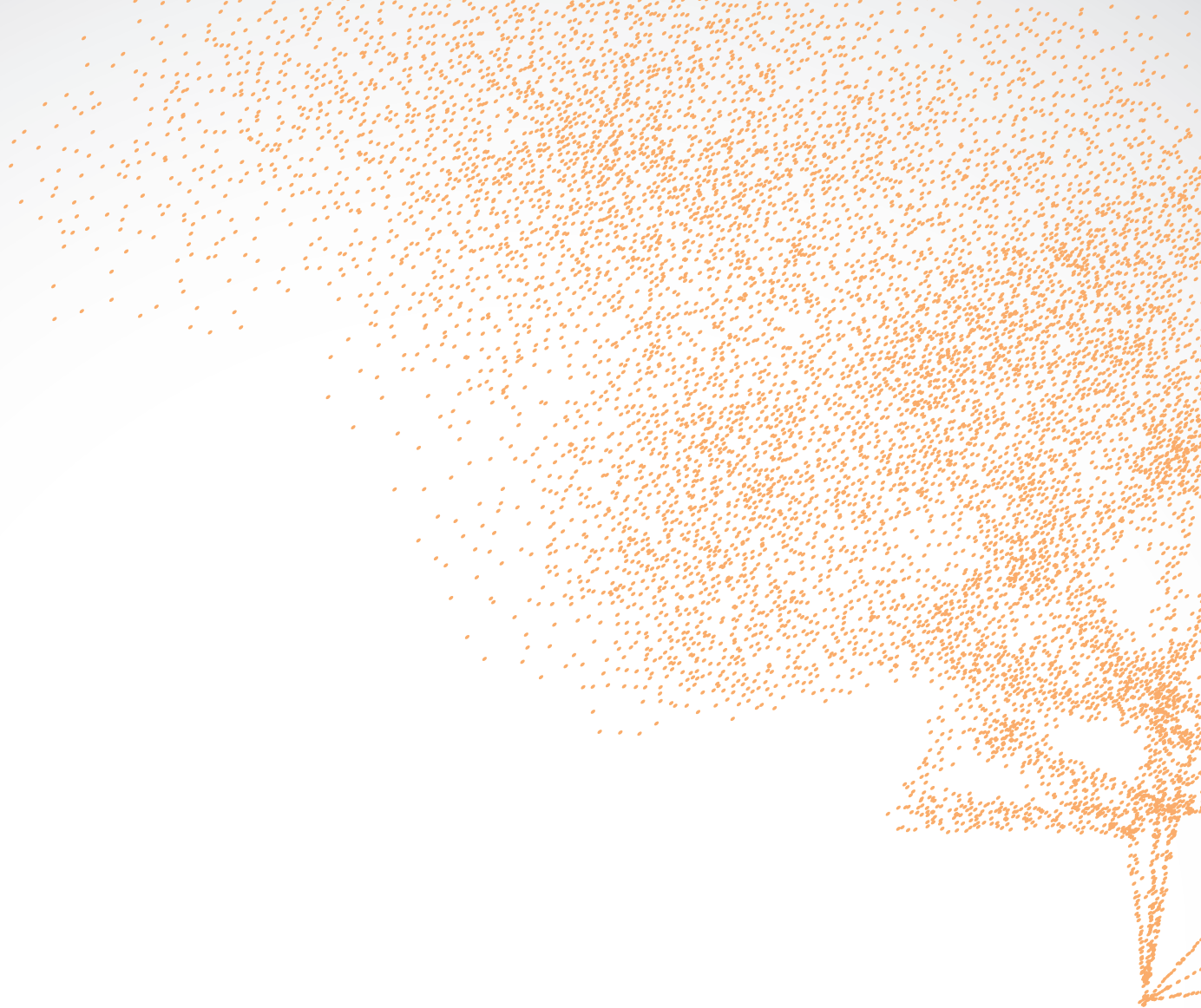
Unless, otherwise specified in this document, the following words shall have the following meanings:

<b>AERO</b>	means	Aero Media Group Co., Ltd.
<b>BSS</b>	means	Bangkok Smartcard System Co., Ltd.
<b>BSSH</b>	means	BSS Holdings Co., Ltd.
<b>BTSC</b>	means	Bangkok Mass Transit System Plc.
<b>BTSG</b>	means	BTS Group Holdings Plc.
<b>DPT</b>	means	Demo Power (Thailand) Co., Ltd.
<b>EBIT</b>	means	Earnings before interest and taxes
<b>EBITDA</b>	means	Earnings before interest and taxes, depreciation and amortisation
<b>MACO</b>	means	Master Ad Plc.
<b>M&amp;M</b>	means	Master & More Co., Ltd., which is MACO's subsidiaries
<b>PBSB</b>	means	Puncak Berlian Sdn Bhd
<b>POV</b>	means	Point of View (POV) Media Group Co., Ltd.
<b>Rabbit Group</b>	means	Bangkok Smartcard System Co., Ltd. and BSS Holdings Co., Ltd.
<b>TCSB</b>	means	Titanium Compass Sdn Bhd
<b>VGM</b>	means	VGI Global Media (Malaysia) Sdn Bhd
<b>BMA</b>	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 Co., Ltd.
<b>Bangkok</b>	means	Bangkok Metropolitan
<b>Member of the Executive Committee</b>	means	Member of the Executive Committee, who may be or may not be the Company's directors
<b>VGI Group</b>	means	VGI Global Media Plc. and its subsidiaries
<b>SET</b>	means	Stock Exchange of Thailand
<b>Company / VGI</b>	means	VGI Global Media Plc.
<b>VGI-W1 / VGI-W1 Warrants</b>	means	Warrants to Purchase the Newly Issued Ordinary Shares of the Company No. 1 (VGI-W1)
<b>Modern Trade</b>	means	Modern retail stores characterised by countrywide network such as Tesco Lotus and Big C
<b>BRT</b>	means	Bus Rapid Transit (BRT) provides the mass transit in the urban and outlying areas by using the special lane separated from the main road, and that makes it speedier than other buses. At present, there are 12 stations with 16 kilometers long, connecting Chong Nontree along Narathiwas Road through Rama III Road to Ratchapruerk, and having the station connecting to BTS at Chong Nonsi Station



<b>BTS SkyTrain System</b>	means	MRT Green Line Project and MRT Green Line Extensions
<b>MRT Green Line Project</b>	means	The original mass transit line in Bangkok covering 23 stations with a combined track length of 23.5 kilometers, i.e. the Silom Line covering 7 stations with a combined track length of 6.5 kilometers (including Siam station), connecting National Stadium station and Saphan Taksin station and the Sukhumvit Line covering 17 stations with a combined track length of 17 kilometers (including Siam station), connecting Mo Chit station and On Nut station
<b>MRT Green Line Extensions</b>	means	Extension lines from the MRT Green Line Project to which BTSC provides the operational and maintenance services to Krungthep Thanakom, covering (i) the Silom Line Extension with a combined track length of 7.5 kilometers, (ii) the Sukhumvit Line Extension with a combined track length of 5.25 kilometers, (iii) the MRT Northern Green Line Extension with a combined track length of 18.4 kilometers and (iv) the MRT Southern Green Line Extension with a combined track length of 12.8 kilometers
<b>Silom Line Extension</b>	means	The 7.5 kilometers extension of Silom Line, comprising of 6 stations, connecting Saphan Taksin station and Bang Wa station
<b>Sukhumvit Line Extension</b>	means	The 5.25 kilometers extension of Sukhumvit Line, comprising of 5 stations, connecting Bang Chak station and Bearing station
<b>MRT</b>	means	M.R.T. Chaloe M Ratchamongkhon, connecting from Hua Lamphong and Bang Sue, with combined track length of 20 kilometers, totalling 18 stations and having the station connected to 3 BTS stations i.e. Sala Deang station, Asoke station and Mo Chit station
<b>Airport Rail Link</b>	means	Train Transportation System connecting to Suvarnabhumi Airport
<b>MRTA</b>	means	Mass Rapid Transit Authority of Thailand
<b>Concession Agreement</b>	means	Bangkok Mass Transit System Concession Agreement between the BMA and BTSC for the operation of the MRT Green Line Project and/or the service of the MRT Green Line Extensions
<b>Right to Manage Marketing Services in the BTS Sky Train System</b>	means	License to Manage Marketing Services Agreement entered with BTSC, for granting to the Company the exclusive right to manage the advertising space and merchandising area in the MRT Green Line Project, and Agreement on the License to Manage Promotional Space for the Commutation on the Bangkok Mass Transit System Project with BTSC, for granting to the Company the exclusive right to manage the advertising space and merchandising area in the Silom Line Extension and the Sukhumvit Line Extension i.e. Krung Thonburi station, Wongwian Yai station, Bang Chak station, Punnawithi station, Udom Suk station, Bang Na station, and Bearing station
<b>Right to Advertise in the Office Building Agreement</b>	means	LCD screens installation and management in office building agreement, being granted to the Company for management of the advertising space in the passenger lifts, hall way and lobby of the office buildings
<b>SEC</b>	means	Securities and Exchange Commission
<b>Digital Media</b>	means	Multimedia
<b>Static Media</b>	means	Static picture, such as, vinyl sign, light box, Trivision, escalator gateway
<b>Multimedia</b>	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 etc.
<b>Media Agency</b>	means	Advertising agency who provides strategic planning for use of various types of media as well as media budget planning and media usage decision making of the owners of goods and/or services





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