

NATION

MULTIMEDIA GROUP
PUBLIC COMPANY LIMITED

NATION
GROUP



2017

ANNUAL REPORT



Vision Statement

The Multimedia group that reaches every household

To inform, educate, entertain
and inspire in the most trustworthy,
timely and creative manner

Mission Statement

Credibility :

Integrity :

Synergy :

Customer Focus :

Innovation :

Credibility in business operation and news reporting

Honesty to media profession and perform business ethically

Recognize the value of multimedia and synergy of various parties,
both internally and externally, to provide utmost interests for
customers, shareholders and employees

To provide excellent services to maximize customer satisfaction

Innovation in product, marketing, sales, service and management
system

Core Values

2017

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General Information



Name	Nation Multimedia Group Public Company Limited
Head Office	1858/121-122, 124-128, 28 th -31 st Floor, Bangna-Trad Road, Bangna, Bangkok 10260
Telephone	(66) 2338-3333
Fax	(66) 2338-3938
SET Listing Date	June 9, 1988
Public Company Registration	December 14, 1993 (PLC no.0107536001524)

- **Business Line**

The company and subsidiary companies operate eight business units as follows:

1. **Thai-language News Business Unit** - Production of Krungthep Turakij Thai language daily newspaper together with related businesses including news websites, training programmes, seminars, special events, news via mobile, and digital newspaper (I-Newspaper). Operated by KrungthepTurakij Media Company Limited.(KTM)
2. **General News Business Unit** - Production of Thai-language newspaper Kom Chad Luek and Nation Weekender. Operated by Kom Chad Luek Media Company Limited (KMM).
3. **English-language News Business Unit** - Production of The Nation newspaper, training and seminar business and communication skills. Operated by Nation News Network Company Limited (NNN).
4. **Broadcasting Business Unit**
 - Bangkok Business Broadcasting Company Limited (BBB), a subsidiary of NMG and owner of the general SD digital TV channel NOW (Channel NOW26) presenting variety news and entertainment for the new generation covering economy, stocks, investment and how to succeed, as well as lifestyle programs on culture, sports, environment, family and more, to serve the needs of the modern urban dweller.
 - Nation Broadcasting Corporation Public Company Limited (NBC) founder and operator of a full-cycle TV broadcasting business including program production, procurement and sale of air time for news and entertainment programs, production of radio programs, and New Media. NBC Next Vision Company Limited (a subsidiary of NBC) is the owner of the SD News digital TV channel under the name Nation TV (Channel 22).
5. **Edutainment & International Business Unit** - Production and distribution of print media for children and educational purposes, including production of publications under Nation Books, Nation Junior, advertising representative and distributor of foreign publications, etc. Operated by Nation International Edutainment Public Company Limited (NINE). Also undertakes educational services and related services, operated by NINE Be Bright Co., Ltd. (a subsidiary of NINE).
6. **Printing Business Unit** - Printing service business. Operated by WPS (Thailand) Company Limited (WPS).

7. **Logistics Business Unit** - Providing logistics services for printed media and other categories of goods for group companies and general customers. Operated by NML Company Limited (NML).

8. **Education Business Unit** - Undertaking the education business by managing and operating Nation University providing bachelor's and master's degree courses at its two campuses in Bangkok and Lampang. Operated by Nation U Company Limited (NU), a subsidiary of NMG.

- **Registered Capital**

Baht 2,663,572,194.95 consisting of 5,025,607,915 Shares at Baht 0.53 par value

- **Paid-up Capital**

December 31, 2016 the Company has paid-up capital of Baht 2,155,959,048.86 consisting of 4,067,847,261.96 Shares at Baht 0.53 par value

- **Chiang Mai Branch**

24/1 Soi 5 Kor, Nantaram Road, Haiya, Muang District, Chiang Mai 50100
Tel: (053) 271-831 Fax: (053) 200-151

- **KhonKaen Branch**

67 Moo 8, Lao Na Dee Road, Muang District, KhonKaen 80000
Tel: (043) 324-170 Fax: (043) 324-243

- **Hat Yai Branch**

88/9 Kanchanawanich Road, Baan Pru, Hat Yai, Songkhla 90250
Tel: (074) 210-035-8 Fax: (074) 210-039

Summary of financial Data and Investments



(Unit : in Million Baht)

1. Data from Consolidated Financial Statements	2017	2016 (restated)	2015 (restated)
• Revenue from Sales and Rendering of Services	1,809.05	2,021.67	2,399.51
• Total Income	1,890.32	2,106.34	2,549.96
• Gross Profit Margin	109.34	21.21	189.60
• Profit (Loss) Before Interest, Taxes, Depreciation and Amortisation	(1,708.77)	(488.56)	(4.99)
• Net Profit (Loss)	(2,378.35)	(1,317.66)	(587.16)
• Total Assets	4,069.93	6,385.43	7,622.14
• Total Equity	134.52	2,317.32	3,740.23
2. Financial Ratios	2017	2016 (restated)	2015 (restated)
• Total Debts to Equity (Times)	29.26	1.76	1.04
• Gross Profit Margin (%)	6.04 %	1.05 %	7.90 %
• Net Profit (Loss) on Total Income (%)	-125.82 %	-62.56 %	-23.03 %
• Return on Equity (%)	-20,507.58 %	-59.27 %	-17.61 %
• Return on Total Assets (%)	-45.50 %	-18.81 %	-7.42 %
• Earnings (losses) per Share (Baht)	(0.53)	(0.29)	(0.16)
• Book Value per Share (Baht)	0.03	0.57	1.01

Dividend Policy

The Company has a policy to pay dividend to shareholders of no less than 65 percent of net profit (separate financial statements) after corporate income tax, legal reserve and other reserves. However, the dividend payment is subject to the investment plan, business necessity, and other suitable causes in the future. The Board of Director's resolution to pay dividend must be approved at the shareholder's meeting, except for payment of interim dividend at which the Board of Directors have authority to approve and must report such payment at the next shareholder's meeting.

Investments in direct and indirect Subsidiaries of Nation Multimedia Group PCL. as of 31 December 2017		
	Authorised and paid share capital (Million Baht)	Percentage of Investments (%)
PUBLISHING BUSINESS		
Nation International Edutainment PCL.	170.05	71.04
Nation Global Edutainment Co., Ltd. <i>(Invested by Nation International Edutainment PCL. 99.74%)</i>	200	-
Nation News Network Co., Ltd.	50	99.99
Kom Chad Luek Media Co., Ltd.	25	99.99
Krungthep Turakij Media Co., Ltd.	25	99.99
PRINTING SERVICES BUSINESS		
WPS (Thailand) Co., Ltd.	500	84.50
BROADCASTING BUSINESS		
Bangkok Business Broadcasting Co., Ltd.	1,500	99.93
Nation Broadcasting Corporation PCL.	535.44	71.45
NBC Next Vision Co., Ltd. <i>(Invested by Nation Broadcasting Corporation PCL. 99.99%)</i>	800	-
LOGISTIC SERVICES BUSINESS		
NML Co., Ltd.	50	99.99
EDUCATION BUSINESS		
Nation U Co., Ltd.	340	90
Nation University <i>(Held licenses by Nation U Co., Ltd.)</i>	-	-
Investments in Associated Company of Nation Multimedia Group PCL. as of 31 December 2017		
Yomiuri-Nation Information Service Limited	4	45

Chairman's message



The year 2017 has seen major changes and challenges that came with the fast-developing media landscape as a result of heightened competition from various forms of digital media. All media business companies have been under pressure to adapt and adopt new strategies in the way never seen before in Thai media industry.

For the Nation Multimedia Group (NMG), 2017 is another year of major developments in terms of management and business restructuring designed to cope with these challenges and to maintain its leadership in the digital age. The multi-media strategy adopted by the Nation Group over the past several years has served as a solid foundation for it to continue its strong presence in the new media landscape and to keep its commitment to offering the best of services in news and education.

The year 2017 also sees NMG embark on a series of business streamlining and cost-cutting initiatives that we are confident will result in a more efficient news organization. The decision of the Board of Directors to sell off parts of the group's businesses represents efforts by the Group to achieve more efficiency and to concentrate more on its core businesses related to news and educational contents.

While we continue to strengthen its traditional media outlets, especially its two digital TV channels, Nation TV and NOW26, and its three daily newspapers, The Nation, KrungthepTurakij and Komchadluek, NMG has also expanded aggressively into digital media activities to diversify its sources of income. The results have been very encouraging with the two TV channels maintaining their strong presence in the broadcast industry while the print media are able to sustain growths in terms of readership and advertising revenue.

In 2017, NMG also engages in a wide range of activities aimed at expanding its sources of revenue and at the same time playing a more active role in social services. They include seminars at both national and regional levels, sports and healthy-living activities. "Nation Bike", a series of biking activities held in many provinces across the country, is one good example.

We would like to thank the staffs at all levels at NMG for their most valuable contributions to the company. It's their strength and their dedication, along with the support from our share-holders, that have been most instrumental in helping NMG go through these difficult times and to pave the way for a much brighter year ahead.

2017



A stylized, handwritten signature in white ink, likely belonging to Mr. Marut Arthakaivalvatee.

Mr. Marut Arthakaivalvatee
Chairman

The Board of Directors



Mr.Sontiyan Chuenruetainaidhama
Vice Chairman of the Board of Directors
and Executive Director



Mr.Marut Arthakaivalvatee
Chairman of the Board of Directors
and Executive Director



Mr.Apivut Thongkam
Independent Director and
Chairman of The Audit Committee



Mr.Somchai Meesen
Director and Executive Director and
Chief Executive Officer



Mr.Chaivasit Puvapiromquan
Independent Director and
Member of The Audit Committee



Ms.Warangkana Kalayanapradit
Independent Director and
Member of The Audit Committee



Mr.Tatchapong Thamputthipong
Director and Executive Director



Ms.Salinee Wangtal
Independent Director



Mr. Marut Arthakaivalvatee

Chairman of the Board of Directors and Executive Director

Age 63 Years

Qualification Master of Business Administration
Chulalongkorn University
Bachelor of Communication Arts
Chulalongkorn University

Training Course

- Thai Institute of Directors
 - Director Accreditation Program (DAP) 2009
 - Anti-Corruption for Executive Program (ACEP) 2014
- Academy of Business Creativity Sripatum University
 - Academy of Business Creativity (ABC) Class 2/2014

No. of Shares Held as at May 28, 2018

- Mr. Marut Arthakaivalvatee - Share
- Spouse - Share
- Minor Child - Share

Relationship with NMG's Executive

- N/A

Experience

- Sep 28, 2017 - Present Chairman of the Board of Directors and Executive Director
Nation Multimedia Group Plc.

Director of other listed companies

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

- 2012 - Present

Member of the Nomination and Remuneration Committee
VGI Global Media Plc.
Director
VGI Global Media Plc.

- 2007 - Present

Director of other non - listed company

- 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 and Chairman of Executive Director
Arrow Media
- 2011 - Present Director
Point of View (POV)
Media Group Co., Ltd.
- 2009 - Present Director
VGI Advertising Media Co., Ltd.

Director of a competing company or a related business company

- N/A

Year of Directorship 3 Months 3 Days

Appointed as a director since September 28, 2017

The Meeting Attendance / Meeting held (Frequency) of 2017

Board of Directors 5/5
Annual General Meeting of Shareholders N/A



Mr.Sontiyon Chuenruetainaidhama

Vice Chairman of the Board of Directors and Executive Director

Age 57 Years

Qualification Bachelor of Laws
Ramkhamhaeng University

Training Course

- N/A

No. of Shares Held as at May 28, 2018

- Mr.Sontiyon Chuenruetainaidhama 15,000,000 Share
- Spouse - Share
- Minor Child - Share

Relationship with NMG's Executive

- N/A

Experience

- Jan 17, 2018 - Present Vice Chairman of the Board of Directors & Executive Director Nation Multimedia Group Plc.

Director of other listed companies

- Feb 7, 2018 - Present Director and Vice Chairman of the Board of Directors Nation Broadcasting Corporation Plc.
- 2017 - Jan 17, 2018 Director News Network Corporation Plc.

Director of other non - listed company

- 2004 - Present President of Chuenruetainaidhama Foundation and Meditation Center in Nakhon Srithamarat
- 2017 - Present President and Managing Director Green Panyayan Publishing T-Multimedia Group
- 2011 - Aug 10, 2018 President Network Surveillance and Prevent Royal Institution Committee
- 2010 - 2017 Local Development Foundation

Director of a competing company or a related business company

- N/A

Year of Directorship

Appointed as a director since January 17, 2018

The Meeting Attendance / Meeting held (Frequency) of 2017

Board of Directors	N/A
Annual General Meeting of Shareholders	N/A

2017



Mr. Apivut Thongkam

Independent Director and Chairman of The Audit Committee

Age 56 Years

Qualification Master of Laws, American University, USA
Master of Comparative Law, Howard University, USA
Thai Bar Association
Bachelor of Laws, Ramkhamhaeng University

Training Course

Thai Institute of Directors Association

- Director Certification Program Course (DCP) Class 89/2007
- Chartered Director Class Course (CDC), Class 3/2008

World Intellectual Property Organization, Switzerland

- Certificate in Intellectual Property.

School of Criminal Justice, University of Michigan

- Certificate in Trend and Problem of Computer Crime.

Thammasat University

- Certificate in Executive Program
- "Thammasat Leadership Program" (TLP) Class 7
- Certificate in Executive Program
- "Thammasat Golf Leadership" Class 2

National Defense College

- Diploma of Advanced Security Management Program, Class 6,

National Defense College National Defense Institution

National Defense College, National Defense Studies Institute

[NDC. Class 54 (Diploma, National Defense College, The Joint State - Private Sector Course Class 24)

- Diploma of National Defense College The Joint State - Private Sector Course Class 24 of the year 2011-2012

Lead Business Institute of Cornell University

- Certificated of Global Business Leaders Program Class 1 (2016)

No. of Shares Held as at May 28, 2018

• Mr. Apivut Thongkam	1,000 Share
• Spous	- Share
• Minor Child	- Share

Relationship with NMG's Executive

- N/A

Experience

- Jan 3, 2018 - Present

Independent Director and Chairman of the Audit Committee
Nation Multimedia Group Plc.

Director of other listed companies

- Present
- Feb 15, 2017 - Aug 29, 2018
- Sep 14, 2016 - Aug 29, 2018
- 2015 - 2017
- 2014
- 2013

Independent Director
Eternal Energy PLC.
Vice Chairman
Chief Executive Officer,
Executives Committee,
Member of nomination and
Remuneration Committee
AQ Estate Plc.
Vice Chairman
News Network Corporation Plc.
Audit Committee
Mill Con Steel Plc.
Chairman of the Audit Committee
Krisdamanakorn Plc.

Director of other non - listed company

- 2011 - 2014
- 2011 - 2013

Appeal Board
Social Security Office,
Ministry of Labor.
Honorary Advisor to the Energy
Commission
House of Representatives

Director of a competing company or a related business company

- N/A

Year of Directorship

Appointed as a director since January 3, 2018

The Meeting Attendance / Meeting held (Frequency) of 2017

Board of Directors	N/A
Audit Committee	N/A
Annual General Meeting of Shareholders	N/A



Mr. Chaiyasit Puvapiromquan

Independent Director and Member of The Audit Committee

Age 76 Years

Qualification Bachelor of Political Science
Sukhothai Thammathirat Open University

Training Course

Thai Institute of Directors

- Director Accreditation Program (DAP) 2015
- King Prajadhipok's Institute
- Advanced Certificate Course in Management of Public Economics

No. of Shares Held as at May 28, 2018

- | | |
|-------------------------------|---------|
| • Mr. Chaiyasit Puvapiromquan | - Share |
| • Spouse | - Share |
| • Minor Child | - Share |

Relationship with NMG's Executive

- N/A

Experience

- Sep 28, 2018 - Present Independent Director and Member of The Audit Committee
Nation Multimedia Group Plc.

Director of other listed companies

- 2011 - Present Director
Master Ad Plc.

Director of other non - listed company

- 2012 - Present Audit Committee and Evaluation
Bansomdejchaopraya
Rajabhat University
- 2011 - Present Independent Director and Member of The Audit Committee
BTS Assets Company Limited

Director of a competing company or a related business company

- N/A

Year of Directorship 3 Months 3 Days

Appointed as a director since Sep 28, 2017

The Meeting Attendance / Meeting held (Frequency) of 2017

Board of Directors	5/5
Audit Committee	2/2
Annual General Meeting of Shareholders	N/A

2017



Ms. Warangkana Kalayanapradit

Independent Director and Member of the Audit Committee

Age 58 Years

Qualification Master of Art in Political Science,
Ramkhamhaeng University
Bachelor of Business Administration (Accounting)
Ramkhamhaeng University

Training Course

Thai Institute of Directors

- Director Certification Program (DCP) #113/2009
- Company Secretary Program (CSP) #1/2002

No. of Shares Held as at May 28, 2018

- Ms. Warangkana Kalayanapradit 2,760 Share
- Spouse - Share
- Minor Child - Share

Relationship with NMG's Executive

- N/A

Experience

- Jan 17, 2018 - Present Independent Director and Member of the Audit Committee
Nation Multimedia Group Plc.

Director of other listed companies

- 2014 - Present Independent Director and Member of the Audit Committee
Sales Printing Plc.

Director of other non - listed company

- 2017 - Present Financial Accounting Consultant
Stonehenge Co., Ltd.
- 2016 - Present Financial Accounting Consultant
Chalermapat Transport Co., Ltd.
- 2016 - Present Financial Accounting Consultant
CTV Chon Co., Ltd.
- 2007 - Present Financial Accounting Consultant
TV POOL Co., Ltd.
- 2007 - Present Financial Accounting Consultant
The Majestic Creek Country Club Co., Ltd.

Director of a competing company or a related business company

- N/A

Year of Directorship

Appointed as a director since January 17, 2018

The Meeting Attendance / Meeting held (Frequency) of 2017

Board of Directors	N/A
Audit Committee	N/A
Annual General Meeting of Shareholders	N/A



Mr. Somchai Meesen

Director and Executive Director and Chief Executive Officer

Age 49 Years

Qualification Master of Political Science (Politics)
Thammasart University
Bachelor of Arts (History),
Chiang Mai University

Training Course

- N/A

No. of Shares Held as at May 28, 2018

- | | |
|----------------------|---------|
| • Mr. Somchai Meesen | - Share |
| • Spouse | - Share |
| • Minor Child | - Share |

Relationship with NMG's Executive

- N/A

Experience

- Jan 3, 2018 - Present Director and Chief Executive Officer
Nation Multimedia Group Plc.

Director of other listed companies

- Feb 15, 2018 - Present Director and Vice Chairman
of the Board of Directors
Nation Broadcasting Corporation Plc.
- Mar 15, 2018 - Present Director
Nation International Entertainment Plc.

- 2017 - Present

Director

AQ Estate Plc.

- 2017 - Present

Chairman of the Board of Directors
Max Metal Corporation Plc.

Director of other non - listed company

- 1994 - 2014 Independent radio operator

Director of a competing company or a related business company

- N/A

Year of Directorship

Appointed as a director since January 3, 2018

The Meeting Attendance / Meeting held (Frequency) of 2017

Board of Directors	N/A
Annual General Meeting of Shareholders	N/A

2017



Mr. Tatchapong Thamputthipong

Director and Executive Director

Age 53 Years

Qualification Master of Business Administration MBA,
Finance and Banking, Thammasart University
Bachelor of Business Administration,
major in Finance and Banking,
Chulalongkorn University

Training Course

King Prajadhipok's Institute

- Intermediate Certificate Course in Good Governance for Medical Executives 2012
- Advanced Certificate Course in Public Economics Management for Executives 2010

Thai Institute of Directors

- Director Certificate Program (DCP 129) 2010

Bangkok Hospital

- Mini Advanced in Healthcare Management: Strategic Management 2009

Marcus Evans

- Healthcare financial Management 2007

No. of Shares Held as at May 28, 2018

- | | | |
|---------------------------------|--------|-------|
| • Mr. Tatchapong Thamputthipong | 10,000 | Share |
| • Spous | - | Share |
| • Minor Child | - | Share |

Relationship with NMG's Executive

- N/A

Experience

- Apr 9, 2018 - Present Director
Nation Multimedia Group Plc.

Director of other listed companies

- 2015 - Present First Senior Vice President & Division Head
Siam Commercial Bank Plc.
- 2015 - Present Independent Director/Member of The Audit Committee
Wiik & Hoeglund Plc.
- 2014 - 2015 Senior Vice President & Division Head
Bangkok Bank Plc.

Director of other non - listed companies

- 2012 - 2013 Chief Executive Officer
Thonburi Hospital, Group Subsidiaries
- 2012- 2013 Managing Director
Ameditec Corporation Co., Ltd.
(Thonburi Hospital, Group Subsidiaries)
- 2012 - 2013 Executive Director
Dental Siam Co., Ltd.
(Thonburi Hospital, Group Subsidiaries)

Director of a competing company or a related business company

- N/A

Year of Directorship

Appointed as a director since April 9, 2018



Ms. Salinee Wangtal

Independent Director

Age 63 Years

Qualification Master in Finance & International Business,
Columbia University, U.S.A.
Bachelor of Accounting (Second Class Honor),
Faculty of Commerce and Accountancy,
Chulalongkorn University

Training Course

- Harvard University, U.S.A.
- Advance Management Program
- Thai Institute of Directors Association
- Role of Chairman Program class 36/2015

No. of Shares Held as at May 28, 2018

- Ms. Salinee Wangtal - Share
- Spous - Share
- Minor Child - Share

Relationship with NMG's Executive

- N/A

Experience

- Apr 10, 2018 - Present Independent Director
Nation Multimedia Group Plc.

Director of other listed companies

- 2014 - Present Director
MBK Life Assurance Plc.
- 2001 - 2003 Deputy Managing Director
TMB Bank Plc.

Director of other non - listed companies

- 2018 - Present Independent Director
Chairman of The Audit Committee
Siam Commercial Bank Asset Management
(SCBAM)
- 2016 - Present Director
Public Warehouse Organization
- 2015 - Sep, 2017 Director
Office of Small and Medium Enterprises
Promotion
- 2014 - 2016 Chairman of the Board of Directors
Small and Medium Enterprise Development
Bank of Thailand
- 2011 - 2014 Assistant Governor - Supervision Group
Bank of Thailand

Director of a competing company or a related business company

- N/A

Year of Directorship

Appointed as a director since April 9, 2018

Management Team



Mr. Prakrit Chompukam
Director and Executive Director



Ms. Mathaya Osathanond
Senior Vice President - Finance
and Company Secretary



Mr. Sirichai Chananam
Senior Vice President - Accounting



Ms. Nutvara Seangwarin
Executive Vice President - Marketing
and Public Relations Department



Mr. Prakit Chompukam

Assistant Chief Executive Officer

Age 53 Years

Qualification Bachelor's Degree in Communication Arts
Bangkok University

Training Course(s)

- N/A

No. of Shares Held as at May 28, 2018

- Mr. Prakit Chompukam - shares
- Spouse - shares
- Minor child - shares

Relationship with NMG's Executive

- N/A

Experience

- Present Assistant Chief Executive Officer,
Acting Editorial Director Nation Group
Nation Multimedia Group Plc.
- June 1, 2016 Assistant Managing Director
Thansettakij Multimedia Co., Ltd.
- November 1, 2016 Senior Vice President,
New Media Spring News Group
Spring News corporation Co., Ltd.
- November 1, 2008-2013 Executive Editor,
Kom Chad Luek Newspaper
Nation Multimedia Group Plc.

2017



Ms.Mathaya Osathanond

Senior Vice President - Finance and Company Secretary

Age 48 Years

Qualification BA. Accounting, Faculty of Commerce and Accountancy
Thammasat University

Training Course(s)

- Thai Listed Companies Association
 - Directors Certification Program (DCP # 150)
- Federation of Accounting Professions of Thailand
 - CFO Current Issues

No. of Shares Held as at May 28, 2018

- Ms.Mathaya Osathanond 100,000 shares (0.00%)
- Spouse - shares
- Minor child - shares

Relationship with NMG's Executive

- N/A

Experience

- 2013 - Present Corporate Secretary
Nation Multimedia Group Plc.
- 2012 - Present Senior Vice President - Finance
Nation Multimedia Group Plc.
- 2011 - Present Director
Nation Global Edutainment Co., Ltd.
- 2008 - Mar 26, 2018 Director
Nation News Network Co., Ltd.
- 2017- Sep 19, 2018 Director
NML Co., Ltd.



Mr. Sirichai Chananam

Senior Vice President -Accounting

Age 49 years

Qualification Master degree of Science in Finance
Faculty of Commerce and Accountancy,
Chulalongkorn University
Bachelor degree of Accounting
Faculty of Commerce and Accountancy,
Thammasart University

Training Course(s)

- N/A

No. of Shares Held as at May 28 , 2018

- Mr.Sirichai Chananam 4,900 shares (0.00%)
- Spouse - shares
- Minor child - shares

Relationship with NMG's Executive

- N/A

Experience

2018 - Present

2017 - Present

2014 - Present

2014 - Present

Mar 29, 2017 - Jun 1, 2018

Dec 23, 2016 - 2018

2015 - 2017

2016 - 2017

Senior Vice President - Accounting
Nation Multimedia Group Plc.
Director
Bangkok Business Broadcasting CO., LTD.
Director
Compass Audit Co.,Ltd.
Director
Peare-Non Cable Net Co.,Ltd.
Director
NBC Next VisionCO., LTD.
Director
National Broadcasting Corporation Plc.
Assistant Senior Vice President - Accounting
Nation Multimedia Group Plc.
Director
Nation Multimedia Group Plc.

2017



Ms. Nutvara Seangwarin

Executive Vice President - Marketing and Public Relations Department

Age 49 Years

Qualification Master of Public and Private Management Program,
National Institute of Development Administration (NIDA)
BA. Business Administration, Business Computer,
Kasem Bundit University

Training Course(s)

Thai Institute of Directors

- Directors Certification Program (DCP # 148/2011)
- Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA) Executive Development Program (EDP # 11)

King Prajadhipok's Institute

- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives # 9

Commerce Academy

- TOP Executive program in commerce and trade (TEPCOT # 8)

Experience

- 2012 - Present
- 2012 - Present
- 2016 - 2017
- 2016 - 2017

Executive Vice President - Marketing and Public Relations Department
Nation Multimedia Group Plc.
Director
KrungthepTurakij Media Co., Ltd.
Director and Executive Director
Nation Multimedia Group Plc.
Director
Nation International Edutainment Plc.

No. of Shares Held as at May 28, 2018

- Ms. Nutvara Seangwarin 383,100 shares (0.01%)
- Spouse - shares
- Minor child - shares

Relationship with NMG's Executive

- N/A

The management of Nation Group's subsidiaries



Mr.Pana Janviroj
Chief Executive Officer
Nation International Edutainment Plc.



Mr.Chatchai Pokogwai
Managing Director
Nation Broadcasting Corporation Plc.



Mr.Supawat Sa-Nguan-Ngam
Managing Director
Krungthep Turakij Newspaper



Mr.Supalak Ganjanakhundee
Executive Editor
The Nation Newspaper



Ms.Nutvara Seangwarin
Executive Vice President



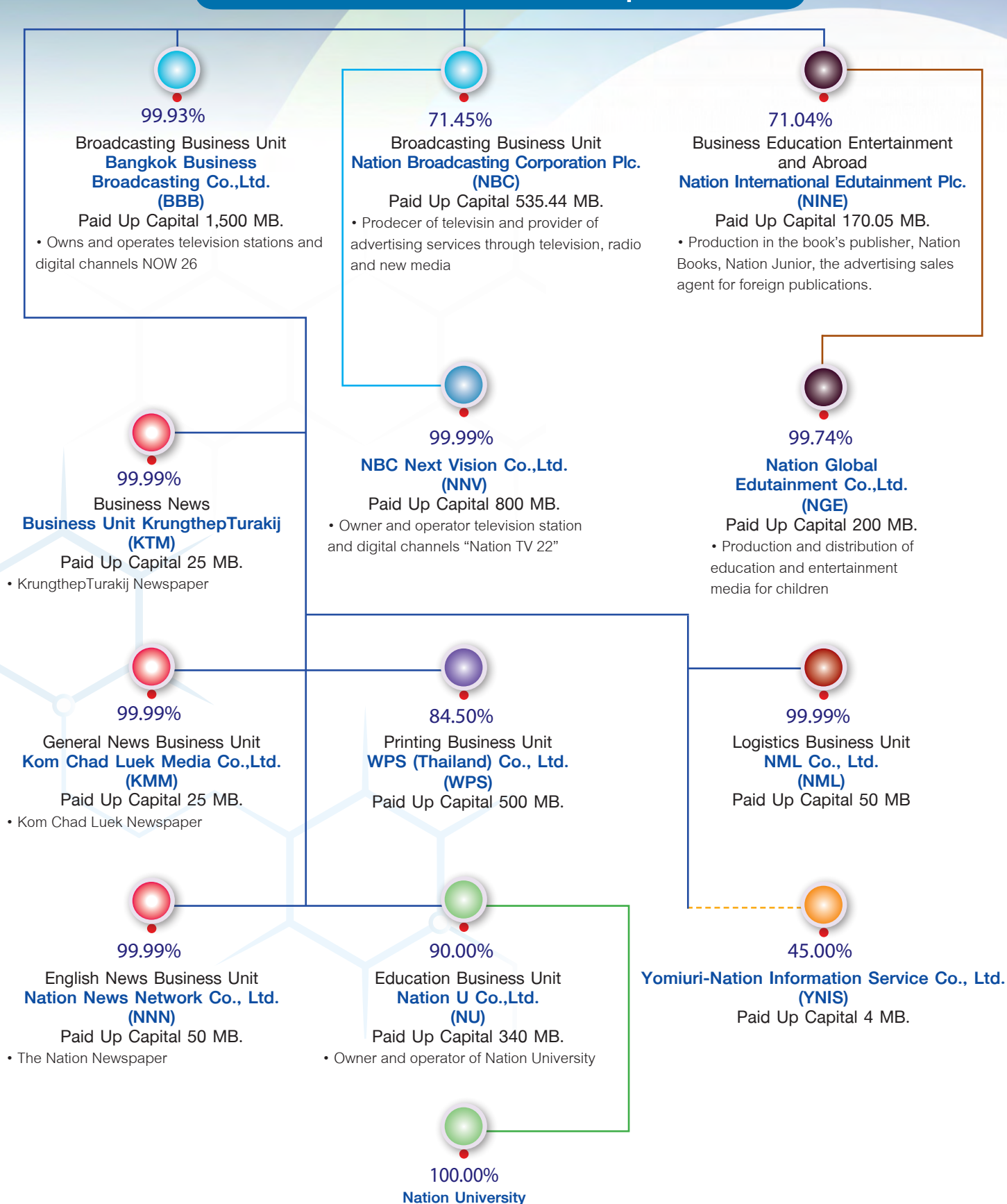
Mr.Weerasak Phongaksorn
Executive Editor
Krungthep Turakij Newspaper



Mr.Piya R.Na Nakorn
Executive Editor
Kom Chad Luek Newspaper

Business Group Structure 2017

Nation Multimedia Group Plc.



Business Network



1. Thai-language Business News Unit ● Krungthep Media Company Limited (KTM)

Although 2016 was another poor year politically and economically, Krungthep Turakij maintained its widespread public acceptance and recognition as Thailand's leading provider of comprehensive business and economic news. Krungthep Turakij Media Co., Ltd.'s core business is its daily newspaper "Krungthep Turakij" which has retained the trust of the Thai public throughout the 30 years since its inception.



With its strong foundation in economic and business news coverage, Krungthep Turakij has expanded into television broadcasting with the country's first 24-hour business news station "Krungthep Turakij TV" and is now opening a new era of expansion in digital television with the "NOW26 Channel", a free urban lifestyle television channel that offers a broad variety of educational, entertaining and creative content. The new channel answers the lifestyle needs of the new generation, entrepreneurs and executives, urbanites and members of Gen C – today's ageless digital society – who demand news and information that is varied, contemporary, fresh and in step with the latest technologies and trends.

These factors have enabled Krungthep Turakij to retain a loyal readership over the years, while advertising revenues have remained higher than the print media industry average. They have also served as the basis for the successful launch of the new digital television channel NOW26.

At the same time, KTM has developed new and innovative forms of presentation. Readers can now access news and information via all platforms, whether digital television, Internet or online social media, ensuring that Krungthep Turakij retains its No. 1 position as the nation's top business daily and maintains the trust engendered in it by the business community. The newspaper also has a role as an "intermediary", linking businesses with the social sector to create sustainable growth alongside Thailand's business circles, through various formats such as events and seminars. Together with the NOW26 digital television channel and strengths in other platforms, Krungthep Turakij is able to fully respond to consumer demand in the digital era.

» www.bangkokbiznews.com

A leading business news website attracting no less than 10 million views per month. The website presents fast, accurate

and timely business news, with analyses from experts in various fields and a variety of sections including business, finance-investment, property, and automotive. The website offers Stock Watch, which monitors stock price movements and Stock Quotes, letting users check as many as four stock prices in a portfolio simultaneously.

» i-Newspaper

The “Krungthep Turakij” digital newspaper or “i-Newspaper” offers readers access to news and information through new communication channels in response to modern lifestyles in the 4G era. Readers are able to follow the news via mobile phone, tablet, iPad, notebook or desktop PC.

The i-Newspaper provides the same content as the print version of Krungthep Turakij but offers additional benefits such as news archives, more photos, interactive stock quotes and video clips. The full version together with breaking news can be downloaded in PDF format with a single click from www.bangkokbiznews.com.

» Events and Special Activities

Besides news provided through Krungthep Turakij newspaper, online media and television news on the digital TV channel NOW26, another business strength of KTM is its expertise in organizing special events and seminars, which also stems from the company’s solid foundation in journalism. The company’s strength in organizing events enables it to disseminate knowledge and experience in business or seek solutions to difficult social and economic issues utilizing Krungthep Turakij newspaper as a base. KTM’s broad knowledge base covers macroeconomics, national reformation and strategic development through finance, investment and sustainable social development.

This knowledge represents the combined information and experience in business-specific areas amassed over a span of 30 years. It is able to open the way to new ideas and help create a more knowledge-based society. Equally, events and seminars contribute to Krungthep Turakij newspaper by providing direct business experience. As it enters its 29th year of professional business journalism, Krungthep Turakij, with the support of various media platforms, will continue to stand as the country’s top business daily, helping foster a community of learning and serving as a barometer of social experience in the country.



2. General Thai News Business Unit

- Kom Chad Luek Media Company Limited (KMM)

Producer and distributor of newspaper Generator Daily Thai version “Kom Chad Luek” daily newspaper. Offering new options to readers. By broadcasting content. From the team and columnists. Very experienced. Diverse industry Under the objective of making all the news. Every article is colorful. By presenting “Creative Distinction” and focus on responsible social responsibility for all family readers.

Throughout the year 2017, Kom Chad Luek has strengthened the depth and variety of its news content with special in-depth reports in response to the preferences of new-generation readers and to be more competitive in the world of news and social media. The improvements have enabled the newspaper to play a more important role in ensuring access to news and information for people of every community and to serve as a true “friend” to members of the public at all levels.

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2017

3. English News Business Unit

- Nation News Network Company Limited (NNN)

THE
NATION



Nation News Network Co., Ltd. (NNN) is the publisher of the English-language daily newspaper The Nation. The past year's content development ASEAN News and Asia to cover. And add news coverage on Facebook and Twitter.

Apart from two daily pages devoted exclusive to news and features from Asean and engaging Asian countries including Japan, China, South Korea, India, etc., China Daily Asia Weekly and a once every two-month supplement on Russia known as "Russia Beyond the Headlines".

The Nation has also made advances into digital technology with the launch of a set of e-Papers in collaboration with members of Asia News Network including Malaysia's The Star, Indonesia's Jakarta Post, Philippine Daily Inquirer, and Myanmar's Eleven Media. The service is available on all digital platforms with all digital versions of the five newspapers available for the price of "one subscription

In the past year, The Nation has organized an international seminar on "One Belt & One Road" with China Daily. It aims to disseminate the economic opportunities of Southeast Asian countries. Development of the One Belt One Road project and the preparation of infrastructure development. To support the investment business to increase in the region.



4. Broadcasting Business Unit

4.1 NOW 26 Digital TV Channel

- Bangkok Business Broadcasting Company Limited (BBB)



1. Nature of Business

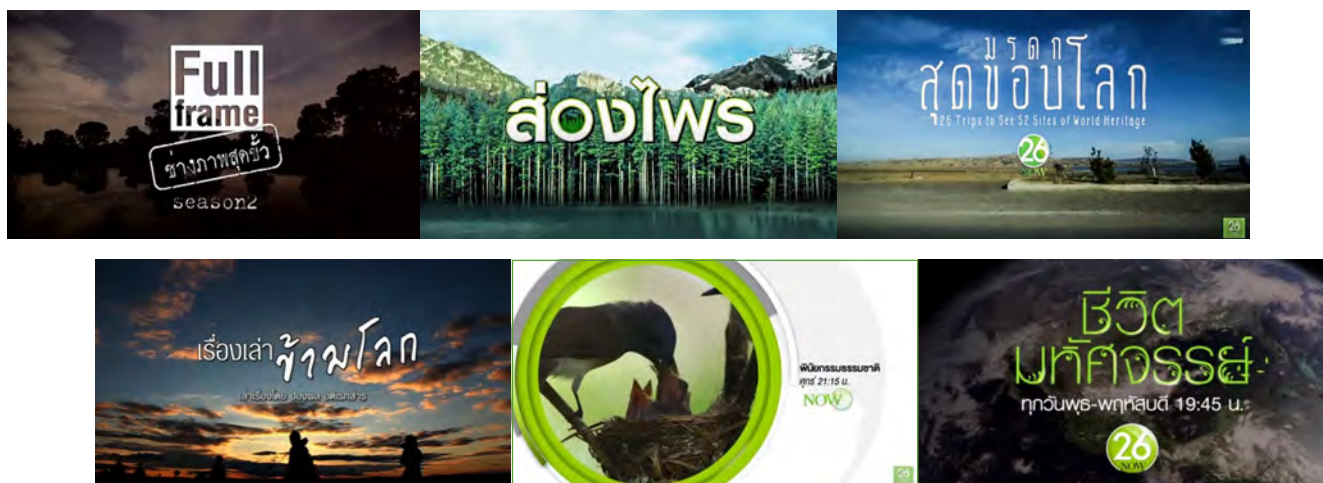
NOW 26 is one of two digital TV channels under the Nation Group, which won the bidding in a digital TV auction on December 27, 2013. The Channel is an extended business of Krungthep Turakij newspaper and has been developed from the Krungthep Turakij satellite TV channel.

NOW 26 is a standard definition (SD) variety channel which has differentiated itself as the leading free digital television documentary channel. It is the only channel to bring documentaries from the leading international studios to Thai screens. Documentary programs, the mainstay of the channel, constitute around 75% of the station's total programming and are sourced from leading international producers as well as filmmakers in Thailand. Other content includes sports programs from home and abroad, lifestyle-tourism variety programs, foreign film series that are internationally acclaimed, economic, business and investment programs, as well as news items. The professional news team and new-generation presenters have brought a high degree of excellence to all the content, while viewers are entertained with the highest quality programs.

NOW 26's programs are categorized into four groups:

1. Documentary programs:

In 2017, NOW26 announced its marketing stance as the leading Thai documentary channel, joining forces with leading international documentary producers, such as National Geographic from the USA, BBC from the UK, ARTE and France Com from France, NHK from Japan, and many more nature documentary production studios from around the world.



NOW26 has also collaborated with Thai documentary producers such as the jungle photographer group and producer of the World Heritage documentaries Mr.Pongpol Adireksarn to produce the Reung Lao Kham Lok documentary; Jackumentary Co., Ltd.to produce the Full Frame and Moradok Sud Kob Lok documentaries; and Green Asia Co., Ltd. to produce the Pinaikam Thammachart documentary. All of these Thai-made documentaries have gained popularity and praise for their quality Have fun, exciting, beautiful, not to lose the work of a documentary world-class. And Burapha Group. The 62-episode documentary has been aired for more than a year. The concentration.

2. News programs:

As a member of Nation Group, NOW26 is able to produce quality news programs, with in-depth analysis, differentiated viewpoints and contemporary presentation. Regular news programs include Pikad Khao, which looks at daily news items of interest and hot issues throughout the day, and Pikad Khao La Kwam Jing, which presents daily insights of interesting and hot issues. The channel also presents the economic and financial news analysis program Money Go Round, another highly rated program from NOW26.



3. Sports programs:

NOW26 presented broadcasts of many major sports competitions both in Thailand and from overseas in 2017 including the Dakar 2017 rally, Giro d'Italia 2017, Tour de France 2017 and La Vuelta 2016. Domestically, NOW26 joined hands with sports associations such as Football League Division 2, presenting live broadcasts of regional football fixtures throughout the year, as well as Thai boxing program "The Hero", produced with Kom Chad Luek, which has achieved very high viewer ratings, especially among audiences outside Bangkok and Thai Boxing Day Working with Khun Chai Rattanasuban to open a new standard boxing arena Blue Arena and is a list boxing Friday.



4. Entertainment programs:

In the year 2017, NOW26 launches the adventurous reality series produced by the BBC. And National Geographic. To penetrate the adventurous audience. And the excitement on the list of adventure and human extreme, there is also a variety of travel. The answer to the lifestyle of the new generation. I love traveling on my own, as well as the list of Japan. Delicious rolls and Pazza Barza.



» Target Groups of Television Media Business

NOW 26 has two target groups as follows

1. Target customers which are categorized into two groups:

- Advertising agencies, which are companies providing services of advertising plans and arrangement of advertising time for their customers who are owners of products or services. This customer group will buy advertising time in various package forms for different programs and times. The deals will be made in advance, with advertising periods ranging from one month, three months, six months to one year.
- Product owners, which are companies with the capacity to create their own advertising and public relations plans. This customer group will contact the company directly to buy advertising time.

2. Target audience

NOW 26's target audience includes urban residents, business persons, investors, and new-generation entrepreneurs, which are together referred to as "Urban Mass" categorized as follows:

- Residents of Bangkok and urban areas in other provinces, with a minimum monthly income of Baht 20,000.
- SME group
- Viewers nationwide that frequently shop at hyper markets such as Tesco Lotus and Big C



» Digital Television Channel NOW26 - Marketing and Competition

1. Industry Overview

The digital television business in 2017 was characterized by fierce competition among Thailand's digital TV operators. The focus has been mainly on producing new content with improved quality and marketing strategies designed to attract viewers to watch television series on a continuous basis. Programs are designed in line with consumer behavior and to meet the differing needs and lifestyles of different target audiences, in order to boost ratings and capture advertising spending.

Nielsen (Thailand) reported total advertising expenditure in 2017 of Bt101,445 million, down by 6 per cent from the previous year, with most of this amount spent on the mainstream media - analog television with Bt40,966 million, down by 13.12 per cent, digital television with Bt21,907 million, an increase of 7.42 per cent, and newspapers with Bt7,706 million, down by 21.82 per cent.

Television advertising in 2017

TV category	Amount (million Baht)	Change (%)
Analog	40,966	▼ 13.12%
Digital	21,907	▲ 7.42%
Cable/Satellite	2,913	▼ 15.57%

Source: Nielsen (Thailand)

2017

Other media advertising spending included cinema advertising with Bt6,807 million, up 25.01 per cent, out-of-home media with Bt6,391 million, up 12.78 per cent, mobile media with Bt5,878 million, up 10.14 per cent, radio with Bt4,476 million, down by 14.95 per cent, cable/satellite television with Bt2,913 million, down by 15.57 per cent, magazines with Bt1,943 million, a decrease of 33.60 per cent, Internet media with Bt1.513 million, a decrease of 12.59 per cent and in-store media with Bt946 million, up by 34.57 per cent.

It is predicted that in 2018, the advertising industry will return to growth once again, in consistency with the anticipated overall economic recovery and the government's clearer election planning. A number of other factors are expected to support the advertising sector including expansion in the export and tourism sectors, improved public and private investment, and media marketing campaigns for global events such as the World Cup 2018. Online media and digital television are expected to experience the most significant growth.



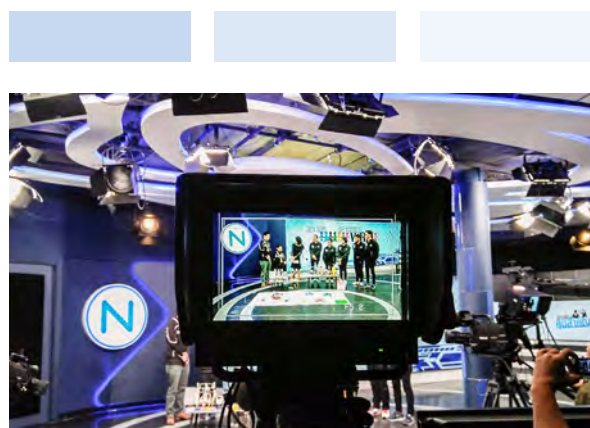
4.2. Nation TV 22 Channel

● NBC Next Vision Company Limited



TV Business


The company is a producer and supplier of television news and knowledge content with various formats and channels aired to reach the company's target customers extensively. In addition, the company has adopted the resources used in the production of TV programs such as news content, news pictures, and news crews to extend the existing business to other related businesses.



Products and services of TV media business

1) TV station the company operates

The company sets up and manages the full-service TV stations; including program providers, organizing, airtime leasing and broadcasting, and extending ad time. The company's revenue comes from airtime sales, being outsources to produce program and short documentaries and selling airtime. The company has administrated the digital terrestrial television stations fully after having been approved by the NBTC.

Channel	Concept	Distribution
1. Nation TV broadcasted since year 2014 	24-hour news and knowledge station aiming to provide accurate, independent, up-to-date content with news analysis and in-depth information from experienced reporter team	<ul style="list-style-type: none"> - Set Top Box channel 22 - Satellite TV channel 22 - Local TV cable - Satellite TV Thaicom-6 via C-Band 3880 MHz - Satellite TV Thaicom-5 via KU-Band 12355 MHz - www.nationtv.tv - All network mobile phones - Application on IOS and Android

2) TV Programs co-produced with free TV stations

The company co-produces news and knowledge programs with free TV channels and receives advertising sale sharing and PR of the company's products and services. In 2017, the company has two TV programs co-produced with free TV on channels as follows:

Channel	Program	Concept	ON AIR
Channel 3	Reung Den Yen Nee	Daily news report or talk of town news report	MON-SUN 15.45-17.00 P.M.
Channel 9	Ying Tok Kanok Sak	Thailands' first entertainment program, "Situation Talk"	MON-FRI 18.20-18.50 P.M.

3) Relating Businesses

In 2017, the company continued to implement its business policy; data content, qualified personnel, availability of equipments, and company's reputation to expand the business into the related businesses. To provide maximum benefit to the company, popular television content, news or events that are in the interest of society are taken to create a product or activities in different aspects to meet the needs of consumers, increase the income of the company, as well as strengthen the reputation and beneficial image of the company to be known among the audience and potential customers more extensively. The products, services, or activities the Company has operated currently are as follows.

Product or Service Provided	Format
Organizing special activities	<ul style="list-style-type: none"> National-level seminar on 10 Special Economic Zones, a Golden Opportunity for the AEC to enhance trade and investment and drive the economy. Nation Bike Thailand 2017, encouraging cyclists nationwide to transform Thailand into a country for cycling. Now in its third year.



» Radio Broadcasting

The company together with its business partners, has produced programmes to broadcast on radio station for 27 years with revenue generated from advertising. In 2017, the NBC is a co-producer of programmes and news broadcasted on two FM radio stations

F.M.90.5 MHz. (Defense Energy Dept Radio Station) under the name "News 90.5" focuses on hourly newsbreak, economic news in middle hour, and radio programmes which report the news of interesting events; including political, economic, social, international, marketing news, and the in-depth analysis of significant news, as well as interviews with people in the news. The programmes are emceed by the Nation TV popular professional moderators and specialists.

F.M.102 MHz. (Military Transportation Dept Radio Station) under the name "Nation Business Radio" produces content of knowledge, economic and political and social movements among working people in the fashion of lifestyle variety that are expected to be beneficial to the daily life of people of working age and higher, emceed by the professional moderators and specialists.

The details are as follows.

Radio Station	Airtime/ Radius	Content	Target Audience
F.M. 90.5 MHz	<p>Monday - Friday 07.30 - 12.00 a.m. 13.00 - 17.00 p.m. 19.30 - 20.00 p.m.</p> <p>Saturday 05.00 - 06.00 a.m. 19.30 - 20.00 p.m.</p> <p>Radius: Bangkok and its vicinity, Ayutthaya, Ratchaburi, Phetchaburi, Suphan Buri, Chachoengsao, Samut Songkhram.</p>	<ul style="list-style-type: none"> Report the interesting event movement; including political, economic, social, marketing, and international, in-depth analysis of news, interviews with key people in the news. Report newsbreak and events of interest. Report business newsbreak of interest at the middle hour Summarize sports news from around the world. Talk about physical and mental health and secrets of self-care, beauty, foods and the interesting event movement in society Emceed by the Nation TV radio station in its affiliates and specialists 	Businessmen, executives, workers, students and the general public aged 25 years up
F.M.102.0 MHz	<p>Monday - Sunday 08.00 a.m. - 23.00 p.m. Bangkok and its vicinity</p>	<ul style="list-style-type: none"> News and knowledge in the fashion of lifestyle variety that is beneficial to daily life of the people Emceed by the Nation TV radio station moderator, editors in the affiliates and specialists. 	Working groups aged 25 years up



Channels and Nation Radio Programmes

In addition to radio broadcasting, the news is broadcasted through the F.M. 90.5 MHz and F.M. 102.0 MHz radio station via the various new media to increase channels for the audiences to listen to the radio more easily as well as the format of retro-listening.

- Broadcast on the Internet - listens via the website. www.nationradio.co.th, and via other websites linked, i.e. www.sanook.com
- Broadcast on Mobile Phone, Smart Phone, Window Phone and through social media such as Twitter, Facebook www.twitter.com/NTRadio_NBC , www.facebook.com/radio.nbc.

» New Media Business



The Company has been in effort to surmount the products and services in the information dissemination through new media constantly; it includes through websites and mobile devices such as cell phones, smart phones, tablets, smart TVs to accommodate the changing patterns of information receiving of the modern people. Through media channels and development of the new presentation of information in the innovative ways to keep up with advance technology as well as support for digital TV to enhance the new and different watching experience to the consumers, for examples, viewing programmes from all channels continuously, advertising campaigns on other websites for the customers who want to advertise by which the company serves as agency in getting a contact and carrying out the ad campaigns.

Products and services: new media business

1.) Website Business

The company develops websites to present its products and services. All of which contain news, knowledge and information updates. The company also gains income from selling advertisement on websites. In 2017, the company's websites include the following.

Website Name	Format
www.nationtv.tv	Website presenting Nation Channel's news program
www.oknation.net	Blog for the public to share news and information
www.nationradio.co.th	Website presenting co-produced FM 90.5 MHz and FM 102 MHz radio programs
http://breakingnews.nationtv.tv	Website presenting Nation TV's short news and the Nation, feeding the news to other NMG and partners' websites
www.247friend.net	Website to review academic knowledge for youth preparing for university admissions



In addition, in 2017, the company is also a distributor of online advertising space to third parties. The gained revenue share of advertising in different proportions according to the agreement made. At present, the websites of trading partners under the supervision of the company are as follows:

- **www.pantip.com** : The biggest resources website in Thailand
- **www.exteen.com** : Blog that exposes the public to takepartin the presentation of information.

Including the preparation of the ad campaign on otherwebsitefor those clients who want to advertise; the company serves as agent in the liaison to the respective adcampaign.

- **Facebook, Youtube, Instagram** : conducting ad campaigns for customers through online media aforesaid.
- **Manage Influencer** : administration of Online Influencer in the presentation of products to other products.

2) News on Mobile Phone Business

The company uses news content from the company's television and radio stations as well as that of business partners to provide the services to meet with consumers' needs increasingly. In 2017, the company provides content through mobile devices, for example mobile phone, smart phone, and tablet as follow.

- **SMS (Short Message Service)**, news and up-to-date issues on mobile phones through every network. news on mobile phone's services are delivered in accordance with consumer's needs i.e. business news, English news and general news, and so on, The company gains income from providing the company's contents through SMS subscription, and gains revenue sharing from SMS of the partners' services which the company serves as marketing representative.

In 2017, SMS service of the company as follows.

Service	Format	Rate Charged
Nation Update	Important news and news issues occurred timely from the Nation Channel	49 Baht/Month
The Nation News	English news from The Nation	49 Baht/Month
ThaiVisa	English news from ThaiVisa and The Nation Newspapers	49 Baht/Month
Bangkok Business Urgent News	News and update news on economics and finance from Bangkok Business Newspapers	49 Baht/Month
Kom Chad Luek Urgent News	Important news and news issues occurred timely from the Kom Chad Luek Newspapers	29 Baht/Month
Nation Oil Alert	Update on oil price; rising-falling immediately when changes occur.	1 Baht/SMS

5. Business Entertainment and International

● Nation International Edutainment Public Co., Ltd.



5.1 Book Business

5.1.1. Pocketbooks

The Company operates a business through its own entity under the name of the "Nation Books Publisher", a producer and distributor of the pocketbooks, who have been entrusted with copyrights from the famous writers and renowned domestic and foreign publishers as producer and distributor of the quality works, covering a variety of genres, including management, novel, language and learning, psychology and philosophy and religion and general category that meets the needs of all groups of readers.

Popular books and media produced by Nation Books include: Strengths Finder, Strengths Finder 2.0, Blue Ocean Strategy, Marketing 4.0, Stock Investing for Sustainable Returns, etc.

Website: www.nine.co.th, www.facebook.com/NationBooksFanPage



5.1.2. Comics and books for youth

Nation Global Edutainment Company Limited operates publishing house, covering the production, import and distribution of printed materials for youth for education, entertainment, and skills promotion to the main target group, youth under the age of 18 years. They have largely been licensed from European countries, America, and Australia; for instances, the Walt Disney, Warner Bros., etc.

Popular books and media produced by Nation Kids include Disney books to enhance skills in children include Frozen, Princess, Walt Disney animations Princess Sophia, Marvel, Spiderman, Avengers, etc.

Website: www.nine.co.th, www.facebook.com/NationKids



5.1.3. Japanese and Thai comics

Under the name of the "Nation Edutainment" Publisher, our business involves production and distribution of the printed materials for youth for education and entertainment. Our main target customers include young people under the age of 18 years. We focus on the popular comic copyrighted books and the novels licensed from leading publishers both in Thailand and Japan from the companies such as Shueisha Inc., Shogakukan Kodansha and Futabasha, Kodakawa, etc.

Popular comics produced by Nation Edutainment include "Naruto – Road to Ninja", "Bleach," "One Punch Man," "Platinum End," "Boruto," "Jo Jo Lion the Hunter," "Jo Jo Lion", "Jojonium", "Master Keaton", "Death Note Pocket Edition," "Blue Exorcist", Doraemon, Crayon Shin-chan, etc.

Website: www.nine.co.th, www.facebook.com/nedcomics



5.2 Digital Business

The Company has engaged in production and distribution of e-books in various formats, corresponding to the reading tastes and lifestyle. They include administration, management, religion, psychology, philosophy, language, fiction, literature, stories, cartoons and more, as well as newspapers, pocket books, magazines, which eases a convenience of buying to those reading-lovers without waste time to travel. Ordering is easily made through the website NSTORE.net, Nation books application on iOS, and android, affiliates' application on iOS, and android, social media, LINE account, email, phone, and Affiliate Program.

Also, the Company operates as the distributor of various consumer products, covering the consumers of all age and lifestyles. They include IT items, household items, toys for children, products for health and beauty, sporting goods, car decoration, games, DVDs and many more. The purchase is easy and quick without waste of travel time through the website NSTORE.net, social media, LINE account, email, phone, Affiliate Program.

Business as distributor of foreign publications and related services

The Nation Group operates a business as a distributor of the leading foreign publications and related services through the company itself. The publications sold by the company include a total of 213 items. They include foreign language newspapers, foreign language magazines and international online media, and serves as membership sales representative. However, the company is mostly adaptive to the modern era and the following is done through both printed materials and online channel. In addition, the company serves as advertising sale representative for the Yomiuri Shimbun, and delivers several newspapers and magazines.





5.3 English learning media

NJ Digital

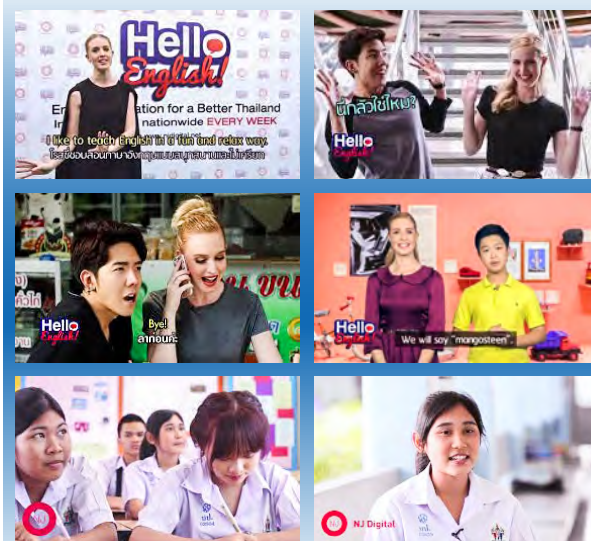
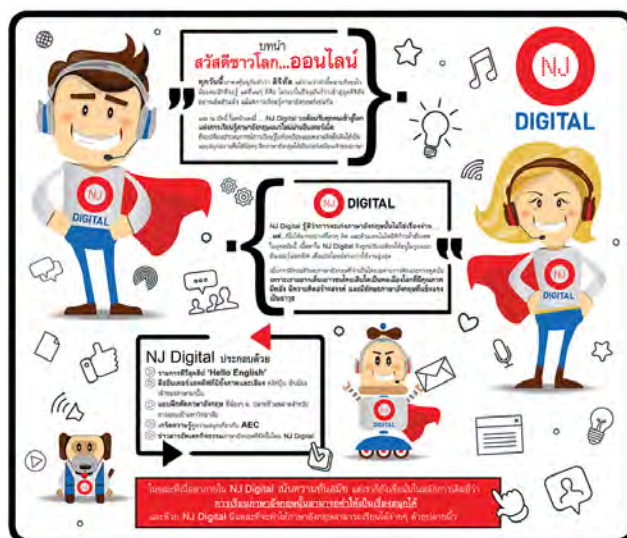
Learning English in a modern and fun way that is easy to understand and in tune with the media habits of the target audience. NJ Digital uses all types of digital media channels including television to meet the demand for media that is up to date and utilizes the latest technology while creating a new learning environment for youth. NJ Digital works in compliance with government policies to raise the standard of English among youth.

NJ Digital aims to benefit the education sector to the maximum extent. The company also sends NJ Digital English learning media to secondary schools or equivalent nationwide for use as classroom learning media via the website. njdigital.net. The service is free of charge.

NJ Special Admission

The company provides a preparation guide for admission exam. A special edition is the “NJ Special Admission 2017”, comprising a series of two books in which the lessons and exams are compiled and gathered under the instruction of the leading faculties. Knowledge review covers related content for the GAT / PAT, O-NET, and 7 common subjects. This guide is to support the knowledge review and preparation to enter the university with the contribution of Sahaphat No. 20, which was held simultaneously in four regions across the country during the month of October 2017 and it has been broadcasted on broadband to more than 500 schools participants across the country, and the review of the knowledge can be done via the website throughout the year.

Website: www.njdigital.net





6. Printing Business Unit

● WPS (Thailand) Company Limited (WPS)

A subsidiary of Nation Multimedia Group Plc., WPS (Thailand) Company Limited (WPS) primarily offers printing services for Nation Group such as Kom Chad Luek Media Co., Ltd., Krungthep Media Co., Ltd., and Nation News Network Co., Ltd. Its publications include Kom Chad Luek, Krungthep Turakij and The Nation newspapers, biweekly and weekly magazines such as NJ Magazine and Nation Weekender, as well as the local editions of renowned international newspapers such as The Wall Street Journal Asia and Yomiuri Shimbun to serve Nation International Edutainment Plc (NINE), which is licensed to manage the printing, distribution and logistics operations of these newspapers. In addition, the company prints the China Daily newspaper and Russia Beyond the Headlines for insertion in The Nation.



WPS (Thailand) Company Limited also provides printing services for other types of publication, such as magazines, journals, flyers, brochures and pocket books. Affiliate customers include Nation International Edutainment Plc (NINE), Krungthep Media Co., Ltd. and Nation Broadcasting Corporation Plc (NBC) while external customers include Thai Airways, Giffarine, TV Direct and many more. The company utilizes modern fully integrated printing machinery, receiving numerous awards for quality over the years.



7. Logistics Business Unit

● NML Company Limited. (NML)



» Delivery and Distribution Services

NML Co., Ltd. (Nation Media Logistics) is a member of the Nation Group providing delivery services for Nation Group print media as well as various other products medicines, electronic goods and marketing support products using a fleet of motorcycles and trucks of all sizes. The company's services cover residential areas in all major towns as well as business and commercial areas nationwide.

In addition to NML's fleet of vehicles, the company operates a 2,000-sq.-m. distribution centre on Bangna-Trad Road as well as distribution centres of more than 500 sq. m. in three major provincial cities and 14 loading stations of around 100 sq. m. each covering all regions of the country.



» NML's Services



NML currently provides express delivery services for B2B customers, from manufacturers/product distributors/product owners to retail outlets/distributors in both traditional and modern trade formats, for business districts in all regions of the country. In total, NML serves 505 out of 926 districts nationwide. NML also accepts products from various regions of the country for delivery to Bangkok, including OTOP and CO-OP products.

However, in 2018, the Company plans to The network to expand the service area to the district area. The number of households in the service covers more than 2.5 million households. For more than 22 years, NML has been distributing Nation Group products directly to consumers. And through the network stores. Throughout this period, NML has been able to develop information systems to suit the distribution business in every dimension, such as goods receipt, inventory control. And receive and manage orders to facilitate delivery. And especially the order management system, the system can handle more than 10,000 orders per day from more than 890,000 printed copies a day.

NML has provided delivery services for Nation Group print products directly to customers and sales agents. During that time, NML has been able to develop all aspects of its communications systems to keep abreast of developments and progress within the industry, for example in the receipt of deliveries, control over the volume of deliveries, as well as receiving and expediting orders in order to facilitate deliveries and especially the system of expediting orders. This system is capable of handling more than 10,000 order lists daily with more than 890,000 print copies daily. In the year 2017,

NML brought the experience. And the information system. Provides storage services. And distribution to the retail / wholesale. Both traditional and modern trade in the business areas of every region of the country. The system can be monitored and coordinated with all drivers. In order to ensure accurate and timely delivery of goods to the destination, it is possible to trace back at any time. Including the opening of the information through the Website to allow customers to jointly check the goods of the customer to promote another service.



NML has been entrusted by customers in Bangkok and its surrounding areas for more than 12 years in the direct delivery of their printed products to consumers. As a member of Nation Group, NML provides home delivery services to a large customer base of newspaper and magazine subscribers. With more than 40 years' experience in this business segment, NML has developed a strong team covering Bangkok and surrounding areas. The company has also continuously undertaken surveys, building up a strong database of information, and invested in GIS mapping software to ensure accuracy of information in order to precisely answer the needs of customers and to define customer segments such as housing estates, condominiums, areas with high or moderate purchasing power, or to pinpoint key areas for the direct mailing of advertising leaflets. In 2017 NML aims to expand its network of services to all parts of the country to meet the demand for distribution of print materials and customer information across the widest area of coverage possible. NML has extensive experience in the distribution of printed materials to Thailand's neighbouring countries, both by air and overland, and is confident that from 2017 onwards the company will further develop and expand its business to reach greater potential in future.

2017

8. Education Business Unit

● Nation U Co., Ltd.

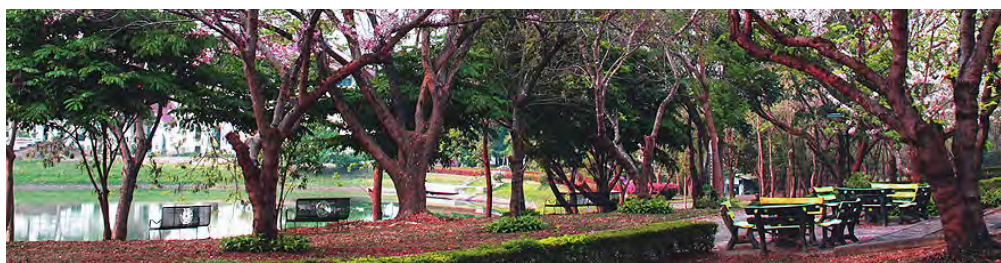


A subsidiary of Nation Multimedia Group Public Company Limited, Nation U Co., Ltd. has operated “Nation University” since November 2011.

Yonok College, currently known as Nation University (NTU), received approval from the Ministry of University Affairs to provide educational services in 1988. Operated by the Yonok Foundation, approval for Yonok College to upgrade and be renamed “Yonok University” was given by the Office of the Higher Education Commission (OHEC) on August 23, 2006, and subsequently “Nation University” on November 30, 2011, with recommendations by OHEC under the Ministry of Education. NTU currently offers bachelor’s degree and master’s degree programs.

NTU is a private higher education institute located in Lampang province. The University is committed to producing quality graduates to serve society by emphasizing a learning approach in which students are encouraged to think and learn enthusiastically and who will combine academic knowledge and practical applications, based on moral principles with public awareness. Here, students receive first-hand experience and pick up knowledge and skills from various well-designed activities, which can be applied in their actual working lives.

Featuring natural landscapes and a learning-conducive atmosphere, NTU underscores the “University in the Park” concept, in conjunction with promotion of close relations between the Faculty team and students. The University offers facilities such as libraries, male and female student dorms, computer room, communications technology room (where students receive training on broadcasting) and an international languages center. The Lampang Campus is located at 444 Vajiravudh Damneon Road, Phrabat Sub-District, Muang District, Lampang Province. The Nation Bangna Campus is situated at 1854, Bangna-Trad Road (Km 4.5), Bangna, Bangkok.



NTU is well-prepared for the Asean Economic Community (AEC), with its outcome-based learning approach. The University has won strong support from both Nation Multimedia Group's leading business alliances and other companies, so it is equipped with qualified lecturers and personnel who have the necessary expertise in business management, social sciences, information technology, public health and new media management.

NTU has continuously developed its curricula by conducting research and surveys to pinpoint the real needs of both learners and employers. These results are used to improve and develop proactive curricula, which are highly-efficient, flexible and adjustable to each constantly evolving educational field, in order to allow students to compete efficiently in both domestic and international markets. The University has a firm commitment to produce graduates with academic excellence, professionalism and public consciousness, and has striven to become an internationally-recognized university. Its core missions also include conducting research, preserving Thai art and culture as well as transferring academic knowledge to society. To achieve these missions and differentiate itself from other institutions the University focuses on three main skill sets: professional skill, communication skill and English skill, which are in conformity with its identities of "Learning from Professionals" and "Graduates with Public Minds," and also in line with the OHEC's qualification standards for higher education.

NTU has been highly praised by the parents of students for its learning approach which emphasizes real workplace practice with fully-equipped media facilities. At NTU, students receive on-the-job training from the first year of study and are encouraged to integrate theoretical knowledge with practice to deliver highly-efficient working performances.

Research

- For the academic year 2017, Nation University of the United Nations has partnered with foreign educational institutions to seek opportunities for joint academic and research development. Nation University and Fukui University of Technology, Japan have jointly organized the 4th NTU/FUT Joint Symposium being hosted by Fukui University of Technology, Japan from February 13-19, 2018. This time, the University of Technology Fukui, Japan hosted the event. At the symposium, lecturers and students of Nation University will give academic presentations.
- On June 29, 2017, Nation University participated in the signing ceremony for an educational development cooperation agreement with Sahapat Group. Mr. Boonchai Chokwatana, Chairman of Saha Pathanapibul Plc. signed the agreement with Asst. Prof. Dr. Pong-in Rakariyatham, President of Nation University, at Meeting Room 2, Queen Sirikit National Convention Center.

» Skills Development Activities

Nation University places emphasis on the integration of learning, teaching and activities to support the application of acquired knowledge in developing the students, the university and society as a whole in various aspects.

- Orientation ceremony for new students for the academic year
- Selection of student clubs to play a role in the development of student activities and sustainable improvement in the quality of life of students on campus.



- The establishment of student clubs within the university to create opportunities for students to get involved in activities in line with their talents and interests, and to enhance their academic and professional knowledge and personal characteristics through social interaction.
- The establishment of a Co-operative Education project with the Siam Commercial Bank (SCB). SCB recruited university candidates for training at the bank.
- English Camp, to improve English language skills for new students.
- English Speaking Day, to improve English language skills for students and university personnel.
- Annual activities – sports day, honouring teachers, paying respects to teachers in the water festival.
- Hood-wearing ceremony to symbolize graduation and celebrate graduation day.

- Activities to preserve Lanna arts and culture at Wat Samakphi Boonaram (Wat Doi Luang Pu Luang), Tambol Phrabat, Mueang District, Lampang Province on October 15, 2017.



- The Business Day #2 project on November 10, 2017 was organized so that students could apply the knowledge they had gained in the classroom in a real-life situation by creating a simulated scenario in the campus.

- The Student Promotion Project organized by the Faculty of Communication Arts of Nation University won the runner-up award in a media anti-corruption contest at the higher education level (short movie) from the Office of the National Anti Corruption Commission (NACC) on November 17, 2017. The award was presented for the film entitled “Political Arena” created by the Pop-Up team, with 4th year students including Mr. Soheli Ahmed, Ms. Tawisa Srileu and Ms. Jirarat Wannee.





All graduates of Nation University are expected to show well-rounded development academically, professionally, and morally, with a high degree of responsibility towards society and the environment. This includes use of a responsible code of practice to apply in their careers, and towards society and the nation as a whole in their future lives.

Besides, the University has created educational openings for students with the necessary qualifications through educational scholarships in various categories and according to grades, as follows:

- GPA of 3.00-3.24 receive a 20% reduction in tuition fees
- GPA of 3.25-3.49 receive a 50% reduction in tuition fees
- GPA of 3.50-4.00 receive a 100% reduction in tuition fees
- Scholarships for students with good grades (Scholarship program of the Secondary Education Office - Office of the Higher Education Commission receive a 20% reduction for the full course of study).

Students receiving scholarships must have demonstrated good moral conduct, have undertaken activities on behalf of their schools and must have been accredited by their schools with a portfolio of supporting materials.

- Personnel Scholarship
The recipient must be a person or a child within the organization and have an MOU and a document confirming personnel status to study at university. Recipients receive a 20 percent reduction for the entire duration of the course.
- Scholarships for graduates
Receive 20 percent of course fees for the duration of the course (for a second bachelor's degree course or a master's degree course).
- Scholarships in honour of HRH Princess Maha Chakri Sirindhorn to mark her 60th birthday anniversary

NTU, together with Kasikornbank, presented 60 scholarships for the academic year 2016 to children in Nan province of the 3rd batch on August 10, 2017.



- Nation Multimedia Group 4th Anniversary Scholarships, 2017

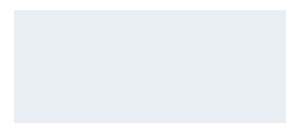
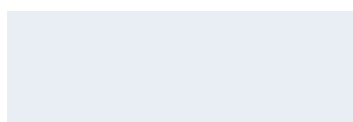
Scholarship category 1: Scholarships for Matayom 6th-year students (or equivalent) who achieve GPA of 3.50 or above and demonstrate aptitude in languages, music, art and culture who intend to further their studies at the university level in a subject at Nation University for course fees for the four-year duration of the course. Each scholarship is worth Bt240,000.

Scholarship category 2: The university will provide scholarships covering 50 percent of costs for the full course of study for M6 students or equivalent who intend to further their studies at the university level in a subject at Nation University, Lampang Campus.

2017

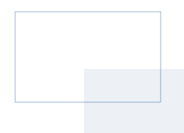
Nation University currently offers the following courses:

Nation University - Lampang Campus



Bachelor's Level

- ★ Faculty of Communication Arts
 - Communication Arts (Communication Arts)
- ★ Faculty of Business Administration available in two subjects:
 - Business Management (Marketing)
 - Accountancy (Accountancy)
- ★ Faculty of Health Science
 - Health Science (Health Science)
 - Health Science (Public Health)
- ★ Faculty of Information Technology
 - Computer Science (Computer Science)
 - Business Management (Computer for Business)
- ★ Faculty of Social Sciences and Humanities
 - Public Administration (Public Administration)



Master's Level

- ★ Faculty of Business Administration
 - Business Administration
- ★ Faculty of Social Science and Humanities
 - Education (Education Management)
 - Public Administration (Local Administration)
- ★ Faculty of Health Science
 - Health Science (Health Science)



Nation University – Nation Bangna Campus

- ★ Faculty of Business Administration
 - Business Administration (Marketing)
- ★ Faculty of Communication Arts
 - Communication Arts

Industry and Competition Overview



Overall Economy

Overall, the Thai economy in 2017 expanded at a rate of 3.90 percent year-on-year, up from the rate of 3.20 percent in the previous year. The main contributor was the continued growth in exports of goods and services in the second half of the year together with expansion of the tourism sector, while private investment recovered significantly, especially investment in machinery and equipment in the automotive sector. Public investment slowed as a result of the fall in disbursements of investment expenditure under the economic stimulus package towards the end of the scheme, but it is expected to gradually recover and drive the economy from 2018 onwards. Thailand is expected to recover somewhat in the year 2018 with growth in all areas, including exports which are expected to pick up in line with the recovery of the global economy. Private investment is likely to expand, supported by the BOI investment policy, the Eastern Economic Corridor (EEC) project, and public-private sector investment.

In the year 2017, Thai passed through a period of mourning with no economic recovery. As a result, the purchasing power of households, businesses and government slumped. The fall in advertising spending was the result of a fall in revenue from sales of goods and services. Overall, spending on advertising in 2017 totalled 101,445 million baht, a decrease of 6 percent from 107,923 million baht in 2016 (source: Nielsen).

Comparative advertising budget of all media 2016-2017

(million baht)

MEDIA	Y2017	SOV%	Y2016	SOV%	DIFF	% Change
Analog TV	40,966	40%	47,151	44%	(6,185)	-13%
Digital TV	21,907	22%	20,393	19%	1,513	7%
Cab/Sat TV	2,913	3%	3,450	3%	(537)	-16%
Newspapers	7,706	8%	9,857	9%	(2,152)	-22%
Cinema	6,807	7%	5,445	5%	1,362	25%
Outdoor	6,391	6%	5,667	5%	724	13%
Transit	5,878	6%	5,337	5%	541	10%
Radio	4,476	4%	5,263	5%	(786)	-15%
Magazines	1,943	2%	2,926	3%	(983)	-34%
Internet	1,513	1%	1,731	2%	(218)	-13%
In-Store	946	1%	703	1%	243	35%
Grand Total	101,445	100%	107,923	100%	(6,478)	-6%

Note: Does not include section or house ads / Does not include cable TV or satellite TV

In the year 2017, television media (analog TV, digital TV and satellite TV) remained the main media for advertising budgets, representing 66 percent of the total advertising value, or about 65,786 million Baht, a decrease of 7 percent from 2016 TV advertising worth 70,995 million Baht. Advertising in digital TV experienced a growth rate of 7 percent. Digital TV operators need to be creative in their content presentation and programming in order to appeal to target groups.

Print media experienced the greatest change in 2017 with advertising expenditure in magazines of 1,943 million Baht and newspapers of 7,706 million Baht, falling from the previous year by 34 percent and 22 percent, respectively, due to the impact of online media. Consumer behavior has begun to change, forcing businesses to adapt to the changing situation, especially the role played by technology.

Based on data from the NESDB, the Thai economy is expected to grow by 3.6-4.6 percent in 2018 due to the expansion of the global economy. The export sector will continue to grow and government investment is also expected to accelerate. Private-sector investment is becoming clearer, which will affect the employment and income of the people. The advertising industry in 2018 is likely to grow, especially digital and outdoor media. The main factors leading to the growth of digital advertising is an increase in the number of Internet and Smartphone users. The growth in media outside the home is due to expansion of the mass transit networks as well as the switch to digital advertising which can display more advertisements. Nonetheless, television media are still the most important media in Thailand, capable of reaching people across the country and creating product brand awareness.

Nature of Business

The company's business consists of eight lines, as follows:

1. **Thai-language business news publications:** Managed by Krungthep Turakij Media Co., Ltd., producer and distributor of "Krungthep Turakij" business daily. Target customers include business people, young-generation executives, academics, government officials, marketing executives, university students and moderately educated to well-educated readers.
2. **Thai-language general news publications:** Managed by Kom Chad Luek Media Co., Ltd., producer and distributor of "Kom Chad Luek" mass-circulation daily, and "The Nation Weekender" weekly news analysis magazine. Target customers are general news readers.
3. **English-language news publications, seminars and communications training:** Managed by Nation News Network Co., Ltd., producer and distributor of "The Nation" daily newspaper and "Nation Junior" magazine. Target customers include Thais who follow the political and economic scene, young-generation readers and foreign residents in Thailand.
4. **Edutainment and foreign-related businesses:** Managed by Nation International Edutainment Public Company Limited (NINE) and its subsidiaries: Nation Global Edutainment Co., Ltd. Business operations include:
 - Production of copyright pocket books from both domestic and international sources, for instance, "Marketing 4.0 by Philip Kotler" and the auspicious sacred calendar 2018 by Joey Yap.
 - Advertising sales agent and distributor for foreign publications in Thailand and the ASEAN region including foreign newspapers, such as The Wall Street Journal Asia and The Yomiuri Shimbun, as well as a range of popular international foreign magazines such as Fortune, Time Magazine, Forbes Asia, Bloomberg Business Week, The Economist and Harvard Business Review, etc.



5. Broadcasting Business: Operator of a TV news station, radio programs and new media. Target customers are the general public.

The company has received licenses to operate two digital TV channels as follows:

5.1 SD News category - under the Nation TV channel, broadcast on channel 22 and operated by NBC Next Vision Co., Ltd., a subsidiary of Nation Broadcasting Corporation Public Company Limited (NBC).

Nation TV is a 24-hour standard definition news and information channel (SD News) focusing on unbiased, accurate and timely news with analyses and in-depth insights from the experienced news team. Nation TV is broadcast through a number of media channels including digital TV channel 22, the website www.nationtv.com, and via mobile and tablet applications.

Nation TV maintains a strategy to be the leading news station among all target groups and across all areas of coverage. The channel aims to continuously improve the quality of its programming, creating new program formats such as Khon Kon Nation, Timeline by Suthichai Yoon, Primetime with Thepchai, Keb Tok from The Nation, Line Kanok, Channel Japan, etc. The company also gives importance to new social media in order to foster audience participation via television and websites.

5.2 SD Variety category - under the NOW channel, broadcast on channel 26 and operated by Bangkok Business Broadcasting Co., Ltd., a subsidiary of Nation Multimedia Group Public Company Limited (NMG).

Now26 is a standard definition (SD) variety channel which differentiates itself from other variety channels by offering quality and entertaining programs that are also educational. These include documentaries produced by the world's top studios, foreign film series, foreign and domestic sports programs such as Kom Chad Luek Seuk Muay Thai, etc.

6. Print Business: Managed by WPS (Thailand) Co., Ltd. (a subsidiary, 84.5 percent held by NMG) as a provider of newspaper printing services to the Nation Group, including Kom Chad Luek, Krungthep Turakij and The Nation newspapers. In addition, the company prints comic books for the Nation Group, as well as pocket books, print ads and various jobs for external customers, such as magazines, journals, catalogues and brochures.

7. Logistics Business: Managed by NML Co., Ltd. as the logistics provider for print products, such as newspapers and all other print products, including Kom Chad Luek, Krungthep Turakij, The Nation, as well as the publications of business partners such as The Yomiuri Shimbun and Bangkok Shimbun in Bangkok and surrounding areas, and all provinces nationwide, as well as providing a competitive range of logistics services for external customers.

8. Education Business: Managed by Nation U Co., Ltd. (shareholding ratio: NMG 90% and South-East Asia University 10%), which is holding the license to operate Nation University (formerly Yonok University). Nation University is located in Prabath Subdistrict, Muang District, Lampang. Currently, the university offers bachelor's degrees in seven programs including communication arts, business administration (marketing), accountancy, public health science, computer science, public administration, business administration (computer for business) and master's degrees in one program - business administration.

- The Bangkok campus located at Nation Group's Bangna complex currently offers bachelor's degrees in two programs: communication arts and business administration, and also an Executive MBA program.

Competition in the Publishing Business

The publishing business has faced fairly fierce competition and high production costs. It has also encountered a challenging transformation, in which consumers have largely changed their media consumption behavior from print media to digital technologies that offer more convenient access.

“Krungthep Turakij” remains a leader in the business daily newspaper segment, consistently increasing its sales and currently holding a 66% market share.

“Kom Chad Luek”, the general daily newspaper retains the third largest advertising market share after “Thai Rath” and “Matichon” with a 21% market share.

“The Nation” English-language newspaper has only one competitor: “The Bangkok Post”. “The Nation” holds approximately 34% of the market share in advertising.

“Nation Books” is facing a period of adjustment due to changing consumer behavior and advances in technology, which have brought more varied online content. The unit needs to adapt itself to the current situation in terms of content format and new channels of distribution, such as sale of ebooks through online bookstores. Nation Books’ main competitors include Amarin Printing, Nanmee Books, Matichon, abook, etc.

Directions and Trends of Print Media

In 2018, the pulp and paper industry and the print industry are likely to contract. Production of printing and writing paper are expected to increase to support domestic consumption while imports of paper and printed materials are anticipated to fall, especially commercial publications and printed books due to the increasing role played by digital media in everyday life.

Print media are expected to experience a decline in 2018 with falling advertising revenues, especially magazines. Industry players need to adjust to the changing technological trends, especially the consumer trend towards mobile phones and online media. The print media segment has consequently adjusted itself as a “Content Provider” to provide content for other media platforms.

Though print media as a whole are still experiencing a positive trend, the paper print media sector is expected to decline, with the advent of increasingly diversified electronic platforms such as tablets, smart phones and online media. Content is considered the heart of print media. If the content is of high-quality, it can be leveraged across all media platforms including television, newspapers, and websites - a strategy adopted by Nation Group for several years. Operating the two digital TV channels, which are Nation TV, Channel 22, and NOW 26, in 2016 the company will use its television platform to advertise and publicize its publications in order to broaden its customer bases and reach greater numbers of consumers.

The print media segment also needs to adjust in tune with the digital era by offering digital versions in parallel with print publications, so as to expand its market share for e-books, which have become increasingly popular, with the development of modern applications. Business operators also have to come up with new strategies to improve content in order to compete efficiently in the highly competitive market.

The Media Agency Association Thailand (MAAT) has forecast that growth of the advertising industry in 2017 will largely depend on growth of the overall economy but is anticipated to reach 3-5 percent, up slightly from 2016, based on the economic and political situation in the country. Should there be any resurgence in private-sector confidence and investment, the advertising sector will likewise benefit.

With the increasing shift to multi-screen lifestyles, brands need to be remodeled and new marketing directions and formats developed. Marketing campaigns need to be able to reach target groups across all channels and offer a greater variety of services to consumers.



Advertising spending on old media such as analog television, magazines and radio is likely to decline while budgets are increasingly being allocated to emerging media such as digital television, online digital media, social media, etc. The trend is the result of changing consumer behavior and the shift towards multiple media channels or multi-screen behavior.

The advertising industry is expected to return to normal growth in 2018. The Office of the National Economic and Social Development Board (NESDB) expects GDP growth in 2018 to be in the range of 3.6-4.6 percent. The positive factor is that exports will continue to grow, helping stimulate the industrial sector. The tourism sector is also experiencing growth and household debt is likely to improve. Policies implemented by the government are helping stimulate the purchasing power of the people. The government's State Benefit Card and the shop-to-help-the-country campaign, in addition to helping low-income people, are also assisting business and improving the atmosphere for commerce. All of these factors will help support growth of the overall economy in 2018. Business owners will accelerate the use of advertising budgets to build a better atmosphere for commerce and to drive sales growth, which in turn is expected to boost advertising revenue in the media business.



The Company recognizes the importance of risk management and implements a strategy to manage, track and control risk to a reasonable level. The primary goal of risk management is to manage risks to achieving the corporate objectives, to reduce or minimize the likelihood of risks occurring and / or to obtain business opportunities.

Nation Multimedia Group's business operations face risks which pose a direct and significant impact to the Company and/or its investors. The Company has therefore implemented risk management measures as follows:

1 Business operation risk

1.1 Risk from advertising industry situation

The major revenue of NMG comes from advertising sales while the cost structure is largely fixed costs. The performance of the Company is therefore dependent on the advertising industry while advertising costs are largely dependent on economic conditions. The advertising industry also reflects the overall economic situation. If the economy slows consumers will tend to delay their purchases which will affect producers of goods and services who in turn will consider their advertising spending more carefully. They are more likely to utilize media channels which most accurately reach their target groups. On the other hand, if the overall economy expands, producers of goods and services are more likely to use their advertising budgets.

To minimize the impact from the instability of economic conditions, NMG has framed all the strategic plans of its subsidiaries in the same direction, aiming to maintain competitiveness and using this competitive advantage to reduce risk by taking advantage of multimedia channels to publicize products and services, with the use of improved sales strategies and media synergy to efficiently satisfy market demands, transforming the Company into a Total Media Solution for advertisers. The Company has striven to introduce new technologies to conventional media in every platform, mainly based on content suitability and business potential, in order to cover all of its target groups and to achieve a competitive edge.

In addition, the Company's business plan does not just focus on selling advertising alone. The Company will increasingly generate revenues from New Media and event organizing by leveraging the content produced by the main business to create events and by using events as additional content, such as seminars organized by Krungthep Turakij newspaper. In 2018, around 11 seminars will be held, a significant increase from the four held in the previous year. The Company also aims to generate more revenue by organizing events on behalf of government agencies and private organizations if these events do not match with the Company's main seminars. Additional revenue will be generated through the New Media channels of Kom Chad Luek and Nation Weekend under Kom Chad Luek Media Co., Ltd. Raising revenues from these channels does not result in additional costs since content from other media channels can be utilized. At the same time, the Company will continue to implement strict cost management in line with the sluggish economic performance.



1.2 Risk from advertising industry on TV

With changing consumer behavior in which a greater number of consumers are shifting their focus to digital media, and more and more communication strategies are being launched via new media platforms, especially the internet, the advertising industry on TV faces a direct impact from new media that may replace TV in the future. As a result, advertising agencies as well as product and service providers have enjoyed a wider choice of advertising spending through a greater variety of media platforms. The market share of advertising on TV has subsequently been apportioned to the new media. However, according to an AC Nielson study, advertising on TV still experienced steady growth, holding the highest market share when compared to other media and accounting for 65 percent of the total advertising market value in 2017. Digital media are also limited in several areas, whether in determining the effectiveness of advertising, widow dressing viewer ratings or whether viewers skip advertisements before watching the program. This causes reluctance to spend money on digital media among some companies and advertising agencies.

The digital TV business is intensely competitive with competition from the conventional analog free TV operators and the digital free TV operators. Television channels have to compete to source and produce programs to attract audiences. Since the channel popularity ratings have a direct influence on the decisions of the owners of advertising products and services, the group has accorded priority to improving and developing its content to effectively answer the needs of viewers, which change rapidly and continuously.

The Company has conducted in-depth marketing research with the use of reliable information from both local and international research initiatives in order to produce high-quality programs for all platforms of new media that would serve customer lifestyles and compete efficiently in the market. This is an additional measure to help minimize the Company's risk exposure.

1.3 Risks from business operation strategies

NMG has a clear business operation structure designed to achieve flexibility in management and has employed Target-Based Strategy assessment to be in line with its corporate policies and visions. The Company focuses on maintaining competitive edges and competitive advantages in order to expand its business and create additional value. The Company's business is divided into the following business units: Printing and Advertising Business including Krungthep Turakij Media Co., Ltd., with the main medium of Krungthep Turakij newspaper; Kom Chad Luek Media Co., Ltd., with the main medium of Kom Chad Luek newspaper and Nation News Network Co., Ltd., with the main medium of The Nation newspaper; Broadcasting Business – owner and operator of two digital TV channels, Now 26 (SD variety) operated by Bangkok Business Broadcasting Co., Ltd. and Nation TV 22 (SD news) operated by NBC Next Vision Co., Ltd.; Edutainment and International Business; Logistics Business; Printing House Business; and Education Business.



The Company has established a number of subsidiaries in order to achieve optimal business performance and improved management efficiency. Without efficient and productive management and supervision of subsidiaries, there might be non-compliance within the Company's directions and strategies, and conflicts of interest between subsidiaries, which would affect the overall performance of the Company.

To minimize risk arising from subsidiaries management, NMG has drawn up strategic plans for all business units and group of companies that are in the same direction to maintain its competitiveness and create maximum value for the group companies. The Company has adhered to good corporate governance to lay the firm foundations for sustainable business. The Company has appointed its top executives as members of the Board of its subsidiaries in order to synergize the group's policies, strategies and business directions, as well as to supervise business expansion of subsidiaries to be in compliance with the group's policies.

In addition, the Company plans to divest its investments in subsidiaries as a means to restructure its business, including Nation U Limited (NU), which holds a license to undertake the university business, WPS (Thailand) Company Limited (WPS), and NML Company Limited (NML), which is involved in the logistics business. These business do not represent the Company's core business of media and content production.

The Company has already been able to sell its entire investment in NU, as reported to the Stock Exchange of Thailand on July 19, 2018. The divestment of the Company's non-core assets will not impact the Company's business operations but will help reduce the Company's debt burden and facilitate business continuity.



1.4 Risk from investment in digital TV

The Company operates the digital TV business through ownership of two digital TV channels - NOW 26 Channel, a standard definition digital TV channel (SD Variety) and Nation TV 22, a standard definition news TV channel (SD News). The investments give the group full integration across all media types, answering current business needs and improving prospects and opportunities to boost revenues and expand growth over the long term.

However, the digital TV business is fiercely competitive, in terms of advertising sales and content production. This causes volatility in the price of advertising, even for programs with strong ratings.

In order to compete effectively in this business, NOW 26 channel has adapted the format of its programming with the introduction of the Muay Max boxing program every Monday to Sunday. This has raised NOW 26 to 10-12 in the ratings and enabled it to compete effectively in the market. Nonetheless, the Company always evaluates the value of its investment in content and takes into account risk. In addition, NOW 26 channel plans to negotiate with parties interested in content and revenue sharing at little or no additional cost. However, the channel rating must be maintained at the same high level and investment costs carefully controlled.

2 Production risk

2.1 Risk from content production

Consumption of news and information via online and social media channels is gaining in popularity at present. This presents a major challenge to the group's traditional print and television media since the new media are able to reach out quickly and create greater communication through repetition, forwarding, copying and commenting. Nonetheless, the group's editorial teams are well prepared to cope with this situation and can compete effectively in a variety of media platforms. NMG's strengths can be attributed to the following factors:

1. We are "Professional Media"

NMG editorial staff have been entrusted by the public for over 47 years, which is considered a valuable asset and strong advantage. The Company has so far received positive feedback from the public amidst the highly competitive environment of both new and traditional media.

2. Advanced Content Management System

The innovative "convergence newsroom" employs content management technology to enhance operations under a News Convergence Editorial System (NCES), which makes the integration of news teams a reality. The NCES system acts as a virtual newsroom coordinating communications within the organization through a "central command center" in line with the rapid and mobile working style of the news teams. The application of new technologies helps improve the speed and convenience of operations, reduces production costs and facilitates better teamwork, which lowers the risk of staff shortages that could have an effect on the quality of news content.

3. Screens

NMG is committed to developing the websites of its five core media including The Nation, Krungthep Turakij, Kom Chad Luek and the two digital TV channels of Nation TV and NOW 26. All have successfully achieved top ratings in terms of page views in each of their categories. The ratings reflect the attention paid by the Company to changing media consumption behavior.

The NMG news teams have also played an influential role in the social media world, garnering a great number of followers from all media channels. The Company can reach consumers effectively via its “5 Screens” strategy, allowing them to access NMG’s quality news and content conveniently through multiple platforms of newspapers, TV, tablets, smart phones and PCs or notebook computers.

2.2 Key personnel retention risk

NMG is publicly accredited for its media professionalism. Since personnel play a vital role in the quality of content production, the Company is dedicated to develop a team of capable editorial staff instead of being dependent on individuals, to lower the risk of losing key editorial individuals and the subsequent impact on the Company.

Business operations in the digital era are highly competitive. The Company must adapt to the continuously changing media landscape by developing human resources who have a love and commitment for the organization as well as good understanding of the business. At the same time, the Company offers competitive remuneration and benefit packages that are commensurate to those of other companies in this industry. The Company stresses the development of successors, which are promoted and encouraged by the Company’s top executives and play a part in management and decision-making. The Company also emphasizes the decentralization of accountability from the executive level downwards with an underlying structure that focuses on the decentralization of responsibility and obligations. The objective is to streamline operations, improve performance and reduce redundancy in the system. This is an important mechanism in enabling the organization to reach its goals and achieve sustainable levels of growth, while retaining the core values of credibility, integrity, synergy, customer focus and innovation.



2.3 Technology risk

Current technology in broadcasting, wireless communications and digital technology are experiencing rapid change and continuous development. News and information are presented in many formats and through various media channels, bringing about changes in customer behavior. Customers have the choice to get their information through more media channels and with greater speed. These issues are having a major impact on the operations of media businesses, today and in the future.

To minimize the impact of such risk and to avoid the loss of future business opportunities and competitiveness, the Company has developed an efficient database management system together with the application of information technology and modern communications to help support its operations, improve the quality and speed of the news production process and incorporate new media. The system supports news gathering on every platform as well as the content development of each different business line. The group is committed to developing content to meet customer needs in all target groups. At the same time the group is



adapting the various forms of advertising, focusing on multimedia technology, to increase the value of goods and services, maximize benefits to customers and build up competitive advantages in target markets in the future. Initial impacts may be high in newly developed channels and time may be needed to develop new markets.

2.4 Risk of volatility in raw material prices

The main raw material of the printing business is paper. The cost of paper represents about 4 of the cost of goods sold and 58 % of total raw materials costs. Paper is a commodity that changes in price depending on consumer demand and production (supply and demand), which is the main factor in determining the price in the world market. The Company is consequently exposed to fluctuations in paper prices, which may directly affect the cost of production.

Demand can change as a result of changing consumer behavior, who are increasingly turning to online media and moving away from newspapers. A number of major publishers have experienced significant losses in sales and have closed their businesses reducing the volume of paper in the world market and causing paper prices to begin fluctuating in an upward direction. The Company maintains a policy of strict control over paper costs, such as control of production efficiency to ensure minimal wastage has the lowest cost of waste or effective distribution management to reduce newspaper returns. In addition, the Company has adjusted its system of stock control to ensure it corresponds closely with production needs. Nonetheless, the Company still has plans to buy in advance with the proportion of paper imports to domestic purchases being 95% to 5% of the total. Exchange rate risk is managed through forward contracts based on the amount of paper ordered at the time.

3 Management risk

3.1 Policy determination from management

The media business is essential in publicizing news and information to the public. Considered as an opinion leader of society in politics and the economy, the media business requires management with lengthy experience and expertise in mass communications to ensure operations are conducted ethically and transparently. Realizing that presenting news ethically and objectively is at the heart of the media profession, NMG's Board and major shareholders have never interfered in the editorial team's daily news presentation. Instead, they have outlined news presentation guidelines for the editorial teams of each NMG unit under its Corporate Governance policy and closely supervised operations to ensure they are in accordance with determined policy.



3.2 Changes in the organizational structure of shareholders/board of directors

During the year, a new group of shareholders invested in the Company, altering the overall shareholding structure. Provided these shareholders do not intervene in management or create conflicts of interest, this new shareholding structure will have no effect on the running and development plans of the Company, nor the editorial independence of the group's media. Regardless, as a media institution with a strong structure and professional working principles, whose primary duty is to present news and information of benefit to

society and in a responsible and ethical manner, any change in the holding of the Company will have no effect on the administration or media stance of the Company. On the contrary, the Company will continue to maintain its ethical standpoint in presenting the news and in its analysis of the issues affecting society in order to bring maximum benefit to the public and to protect the interests of its employees and retail investors.



4 Financial risk

4.1 Debt obligation risk

As of December 31, 2017 NMG and its subsidiaries had loan liabilities from financial institutions of Bt 1,621.17 million, divided into a short-term loans for capital flow in the overdraft account, trust receipts and short-term promissory notes of Bt 864.67 million.

The Company faces a risk of being unable to repay its debts. In order to reduce this risk, the Company undertakes financial projections, which are based on prudence. Projections indicate likely trends in performance and cash flow. Nonetheless, under non-standard financial ratio requirements, the Company has requested and been granted an exception.

However, in order to reduce the debt burden, the Company has been preparing to offer for sale certain non-core assets, as approved by the Extraordinary General Meeting of Shareholders No. 1/2018 on February 28, 2018. The Company, however, later received approval to revoke the previous resolution of the shareholders' meeting regarding the disposal of the Company's assets as in the agenda 3 of the Extraordinary General Meeting of Shareholders No. 1/2018. This would allow the Board of Directors to determine more reasonable prices and better negotiate the disposal of the Company's non-core businesses. As the determined 'base prices' were not consistent with market conditions for each asset at the time of the auction, the Company was unable to dispose of the assets. The proceeds from the disposal of assets will reduce the debt burden, resulting in lower interest expenses, improved financial liquidity and cash flow, and bring maximum benefit to the Company.

The Company's non-core assets that have been divested are as follows:

1. Entire divestment of Nation U Co., Ltd. (NU), with a total value of Bt256.50 million, as reported to the SET on July 19, 2018. Proceeds from the divestment of NU have been used to reduce the debt burden, resulting in lower interest expenses, and partly used as working capital.

2. Entire divestment of NML Co., Ltd., with a total value of Bt9 million. The contract to sell the shares in NML was made on August 28, 2018. The Company has to comply with regulations to receive payment for the assets which is expected in the third quarter of 2018.

4.2 Risk arising from encumbrances in payment of digital TV license fees

Two subsidiary companies that hold licenses to operate digital TV stations are required to pay digital TV licensing fees to the Office of the National Broadcasting and Telecommunications Commission (NBTC), as follows:

1. Payment of the digital TV license fee in the general SD (standard definition) category worth Bt2,200 million (excluding VAT). The Company has made payment for the first to the fourth installments totaling Bt1,271 million (excluding VAT). Five more installments have to be paid totaling Bt929 million (excluding VAT).
2. Payment of the digital TV license fee in the news and educational content SD (standard definition) category worth Bt1,338 million (excluding VAT). The Company has made payment for the first to the fourth installments totaling Bt768 million (excluding VAT). Five more installments have to be paid totaling Bt570 million (excluding VAT).



According to the announcement of the National Council for Peace and Order (NCPO), published in the Royal Gazette on May 23, 2018, the NCPO approved the suspension of digital TV license fee payments for three years, from the installment of May 2018 – May 2020 (1.5 percent interest per year). This has helped improve the Company's cash flow situation and financial liquidity. BBB and NNV have received suspension of digital TV operating license fees of THB 186 million (not including VAT) and THB 114 million (not including VAT) per year, respectively.

4.3 Exchange rate risk

Changes in the foreign exchange rate rely on demand and supply of the Thai currency against other currencies. Fluctuations in foreign exchange rates have an effect on the Company's production costs. The Company's major raw material is newsprint paper, 95 percent of which is imported using US\$ currency. The Company is therefore exposed to foreign currency exchange risks through the import of newsprint.

However, to help counteract this situation, the Company has adopted a policy for hedging against foreign currency exchange risks, by placing forward contracts on orders for newsprint. As of December 31, 2017, the cost of imported newsprint amounted to 0.42 percent of total debts. This amount did not affect the financial statements, in spite of fluctuations in foreign exchange rates.



4.4 Risk from external financial sources

The Company has various external financial sources, such as loan credit limits from many banks and financial institutes. As of December 31, 2017, the Company and its affiliates had a total loan credit limit of Bt 903 million and used credit of Bt 847.71 million. Thus, the available credit line stands at Bt 55.29 million, or 6 percent of total loan credit and current external financial sources are sufficient to meet the Company's operational needs.

According to the Extraordinary General Meeting of Shareholders No. 2/2018, in the agenda item 3, the Meeting resolved to revoke the previous resolution of the shareholders' meeting regarding disposal of the Company's assets so as to allow the Board of Directors to determine more reasonable prices and better negotiate the disposal of the Company's non-core businesses. This resulted from the determined 'base prices' not being consistent with market conditions for each asset at the time of the auction, rendering the Company unable to dispose of the assets. However, the Company will firmly adhere to its plan to sell off its non-core businesses to gain proceeds and reduce the debt burden.

4.5 Risk from impairment of accounts receivable

The Company acknowledges the risk from the prevention of doubtful debts, as remarked in the financial statements, whereby the Company has established policies for debt collection and allowances for doubtful accounts. The Company considers the amount of doubtful accounts by estimating the current financial status of debtors, combined with its past experience of debt collection. In addition, the Company has a policy to set an allowance for doubtful accounts using an income margin. The Company set the allowance for doubtful accounts outstanding at 1 percent of advertising income. As for the income from agents, it stands at 30 percent of returned domestic publications and 65 percent of returned foreign publications. The Company also has a policy for a maximal decrease margin of 12-month debts. As of December 31, 2017, the over 12-month debts (total financial statements) stood at Bt 69.54 million, and 6-12 month debts stood at Bt 7.88 million. As of December 31, 2017, the Company had already set the allowance for doubtful debts (total financial statements) of Bt 59.72 million and the allowance for returned goods of Bt 5.33 million. In addition, the Company has a Debt Collection Unit to continuously follow up on collection of debts.





5 Risk factors of investors

5.1 Dilution effect on shareholders from the rights exercise of NMG-W3 warrants

The Company issued the NMG-W3 warrants and rights offering for existing shareholders with a total of 1,647,740,300 units, lasting five years, in the ratio of one existing ordinary share per one warrant unit.

The last opportunity for NMG-W3 warrant holders to exercise their right was June 19, 2018. On this occasion, there were 123,000 exercised warrants. The remaining 903,530,838 NMG-W3 unexercised warrants had no dilution effect on the stock price or decrease in the shareholding proportion for the period 2017 - August 2018.

5.2 Dilution effect on shareholders from the rights exercise of NMG-WB warrants

The Company issued warrants to purchase the Company's ordinary shares for its directors, management and/or employees and/or its subsidiaries (NMG-WB) with a total of 82,387,015 units, in the category of non-value shares, lasting five years, in the ratio of one warrant unit per one ordinary share at the exercised price of Bt1 baht per one ordinary share.

The last opportunity for NMG-WB warrant holders to exercise their right was August 14, 2018. On this occasion, there were 100 exercised warrants. The remaining 54,106,715 unexercised and expired warrants had no dilution effect on the stock price or decrease in the shareholding proportion for the period 2017 - August 2018.

5.3 Impacts of the "SP" flag of NMG stock on shareholders

The Stock Exchange of Thailand (SET) posted the "SP" (Suspension) flag on the securities of "NMG" from March 2, 2018 onwards due to the Company's inability to submit its financial statements for the year 2017 to the SET within the specified period. Despite the Company being able to submit the financial statements on August 27, 2018, the SET maintained the SP flag on the securities of NMG since the Company had not yet submitted its first and second quarter financial statements for 2018. Presence of the "SP" flag meant that the securities could not be traded during that period. Once the "SP" flag is lifted, trading of the Company's securities **may resume lessening the impacts on the market price.**

Nonetheless, the current appointed management team intends to use the best of its knowledge and ability to enable the Company to recover and pass through the present crisis. It is expected that the business plan and new structure that focus on the Company's core business specializations together with the policy to dispose of non-core businesses will result in better performance than ever before and a stable and sustainable future, ensuring renewed confidence among its shareholders.

THE TOP TEN SHAREHOLDERS AS OF MAY 28, 2018 ARE RANKED AS FOLLOWS:

	Name	Shares	% Holding
1	News Network Corporation Public Company Limited	404,985,000	9.96
2	CIMB Securities (Singapore) PTE.LTD.	391,972,000	9.64
3	U-City Public Company Limited	370,110,000	9.10
4	Mr. Siriwat Vongjarukorn	355,000,000	8.73
5	Mr. Patkawat Wongopasi	332,511,000	8.17
6	Mr. Sombat Panichewa	270,000,000	6.64
7	Mr. Suthichai Sae-Yoon	212,878,542	5.23
8	Chao Phaya Insurance Public Company Limited	141,400,000	3.48
9	DOW JONES & COMPANY.INC.,NEW YORK	120,000,000	2.95
10	Mr. Siritat Rojjanapruk	117,252,000	2.88
	Others	1,351,738,720	33.84
	TOTAL	4,067,847,262	100.00

Note: During June 19, 2018 to August 14, 2018 with the exercise of warrants NMG-W3 and NMG-WB (The Last Exercise) total of 123,100 shares and the company has registered capital paid to the Department of Commerce, Ministry of Commerce have paid the amount. 4,067,970,362 shares

Categories of shareholders As of May 28, 2018

Nationality	Shareholders	Shares	% Shares
• Thai	4,745	3,526,786,883	86.70
• Foreign	29	541,060,379	13.30
Total	4,774	4,067,847,262	100

Corporate Governance Report



Corporate Governance Policy

The Board of Directors of Nation Multimedia Group Public Company Limited strongly believes that good corporate governance principles and systems will ensure the company's effective, transparent and accountable management and raise the level of credibility and confidence in the company as perceived by shareholders, investors, stakeholders and related parties. Corporate governance also promotes sustainable growth, which will contribute to the company's success, and enable the company to achieve its ultimate goal of rendering the most optimized value to shareholders.

The company's Board of Directors thus sets corporate governance policy in line with the Stock Exchange of Thailand's code of best practices and is in charge of enforcing strict compliance to corporate governance policy, and periodically adjusting the policy to suit circumstances and meet shareholder expectations, ensuring shareholders' interests are well protected.

The current corporate governance policy has received the consent of the Board of Directors and was first announced on November 10, 2006. It is set that the policy be revised annually to comply with the code of best practices for listed companies introduced in 2012 by the Stock Exchange of Thailand. The latest edition of the policy was released on May 9, 2016, and announced to all employees for acknowledgement and strict adherence.

Communication of the corporate governance policy

The Board of Directors well recognizes the practice of corporate governance to coincide with the company's vision and commitment. As a main factor that drives operations is the employees of the company and subsidiaries, the policy has been communicated to employees by publicizing through the internal website and publishing 'Nation's Way' as a handbook for employees in addition to information in the website to follow the procedure in their operations. Management has closely monitored and ensured that all aspects of the policies have been put into practice. In addition, in order to develop understanding with all stakeholders, the company has publicized good corporate governance principles through the company's website for interested persons and investors' acknowledgement. If any shareholder would like to receive a copy of the aforementioned policies, please contact the corporate secretary.

Monitoring of compliance with the corporate governance policy

The company has been committed to improving its corporate governance policy since the Stock Exchange of Thailand (SET) announced its corporate governance principles for listed companies in 2006. The evaluation results of the company's performance on corporate governance are as follows:

The company scored 94 out of 100 for an evaluation on the Annual General Meeting Checklist, jointly assessed by the Thai Investor Association, the Thai Listed Companies Association and the Securities and Exchange Commission.

For an evaluation on the company's participation in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) campaign, the company has been awarded membership certification by the CAC, affirming that it recognizes the importance of anti-corruption policy implementation and is ready to operate with transparency. The certification is valid for a 3-year period, starting from November 10, 2017.

In 2017, the company's corporate governance principles covered five areas, namely:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Role of stakeholders
4. Information disclosure and transparency policies
5. Board of Directors' responsibilities

1. Rights of shareholders

The company realizes that the shareholders are entitled to the company's ownership right. Shareholders control the management by appointing the company's Board of Directors to act and make key decisions for them as stated in the corporate governance principles. The company values and respects the shareholders' rights by adhering to the principles regulated by law.

The company has a policy to treat every shareholder with equality. Realizing that the shareholders are entitled to the rights to receive sufficient and timely information of the company, the Investor Relations Division was set up to provide information and respond to enquiries. The website: www.nationgroup.com publicizes the company's information for shareholders and investors both in Thai and English. The information provided includes the latest information, an investor's newsletter and shareholders' meetings.

The company also provides shareholders with opportunities to inquire, request explanations and express their opinions with equality.

Shareholders' Meetings

Organizing Annual Shareholders' Meetings

The Board of Directors has recognized the importance of holding the Annual General Meeting to allow shareholders to acknowledge the company's performance, jointly make decisions on significant company matters and inspect operations managed by the Board and management. In 2017, the company not only organized the Annual General Meeting in line with the law and guidelines as suggested in the AGM Checklist manual, published by the Thai Investors Association, the Thai Listed Companies Association, the Securities and Exchange Commission and the Stock Exchange of Thailand but also strictly adhered to the principles of Good Corporate Governance.

The company has adopted a policy to promote and facilitate shareholders by disclosing the date, time and venue of the meeting in advance together with a map in the invitation to the meeting. A barcode registration system has been adopted as well as technology to count votes and display the meeting's resolutions.

In 2017, the company organized the Annual General Meeting of Shareholders for the year 2017 on April 28, 2017 at the Nation University Building, Bangkok Campus, meeting room, 7th floor, at 14.00 hrs. Eight out of a total of nine directors and 226 shareholders and shareholders' representatives attended the meeting, representing shareholdings of 2,698,560,997 shares or 66.34 percent of the 4,067,847,262 total issued shares. The meeting proceeded in accordance with good practices for shareholders' meetings and related laws. The meeting details are as follows:



Prior to the General Meeting of Shareholders

The company posted the meeting invitation letter with complete information on the company's website prior to the meeting date. It has appointed Thailand Securities Depository Co., Ltd. to serve as the company's registrar, to circulate meeting invitation letters to the shareholders. The meeting invitation letter provided details of the agenda, rationale, the Board of Director's views on each item of the agenda, and complete and sufficient information for the shareholders to make their decisions as well as previous meeting reports, annual reports, related documents required for the consideration of each agenda item, clarification of procedures, information on the Independent Directors, procedures and company regulations concerning attendance of the shareholders' meeting, map of the meeting venue, reply form and authorization documents as specified by the Ministry of Commerce. The meeting date and other details were announced in the newspaper for three consecutive days and at least three days prior to the meeting date.

The General Meeting of Shareholders and Extraordinary Meeting of Shareholders

In determining the date, time and venue for the meeting, the company gave priority on providing the greatest convenience to shareholders. Meeting registration was opened for shareholders and shareholders' representatives one hour in advance of the meeting and attendees were handed out complimentary items. Auditors from KPMG Poomchai Audit Co., Ltd. attended the meeting. All shareholders' meetings were chaired by the Chairman of the Board of Directors.

Prior to the meeting

Prior to the meeting, the company informed shareholders in detail of the rules and practices for the meeting including the vote casting procedure, vote counting and ballot instruction to the assembly. The Chairman gave shareholders opportunities to inquire and express their opinions openly and assigned the President and Executive Directors to answer the inquiries. Summaries of questions from the shareholders, answers and conclusions as well as the other relevant details were recorded in the minutes.

The company used a barcode system to register attendees, count votes and display resolutions for each agenda item in the meeting.

The company proposed directors' remunerations for approval at the Annual General Meeting of Shareholders. Information proposed to the shareholders for acknowledgement and approval includes payment for each director in comparison with the preceding year, clearly stated policies and criteria relating to specifications of payments for directors.

The company suggested that the shareholders who were unable to attend the 2016 Annual General Meeting assign authority to at least one of the Independent Directors of the company, who has no interest in the issues being considered to represent and cast votes for them. The company enclosed proxy forms A and B with the meeting invitation letter. The proxy form B allows shareholders to specify their vote for each agenda item.

After the General Meeting of Shareholders and Extraordinary Meeting of Shareholders

The company has disclosed resolutions made by the Annual General Meeting of Shareholders for the year 2017 for the acknowledgement of shareholders and members of the public through the SET Community Portal system, developed by the Stock Exchange of Thailand, immediately after the meeting or not later than 09.00 of the business day following the meetings, which is in accordance with the Disclosure Rules of the Stock Exchange of Thailand.

2. Equitable treatment of shareholders

The Board of Directors has regularly controlled and checked up on the company's corporate governance structure to ensure equitable and fair treatment for all shareholders, as well as to ensure that the caretaking process is neither complicated nor incurring unnecessarily high costs. In the meeting of shareholders for 2017, the company recognized all shareholders equally and undertook the following guidelines to ensure that all shareholders had the right to participate in decision making and to acknowledge the company's decisions on important matters as stipulated by the law or the company's regulations.

- In the shareholders' meeting the company has a policy to not proceed in any way that threatens the rights of all shareholders. No item shall be included in the agenda and no important information shall be exchanged if it's not informed to the shareholders in advance. Moreover, no document containing additional important information shall be provided in the meeting, to ensure the shareholders have sufficient time to make decisions.
- All shareholders have a right to vote as per the number of shares one holds. Each share counts for 1 vote and there is no special voting right.
- Shareholders who are unable to attend the meeting in person may authorize an independent director who has no conflict of interest with the meeting agenda to attend and cast the ballot. Shareholders can download the proxy form from the company's website.
- No transactions shall be mutually made with any joint-venture, related companies or related parties who are shareholders of the company, as it may lead to significant conflicts of interest.

3. Role of Stakeholders

Apart from caretaking and ensuring the shareholders' rights, the Board of Directors has set a policy to take care of all stakeholders, not only concerning the impact of the business operations, but also on the community. The rights of stakeholders are protected in compliance with relevant laws. The Board of Directors approved the establishment of a procedure to foster cooperation between stakeholders and the company to enhance sustainable business for the company.

Several stakeholder groups are important to the company, including employees, customers, shareholders, investors, trading partners, creditors, trade competitors, society, government agencies, neighboring communities, etc. The Board of Directors has maintained a policy to protect the rights of each group of stakeholders in accordance with related laws or agreements stakeholders have made with the company, and has aimed to promote employee involvement in enhancing the performance of the company to ensure more productive performance and sustainable growth by disclosing relevant, sufficient and timely information to stakeholders. The company has established organizational ethics covering various areas and reviews these on a regular basis (most recent revision was May 9, 2016) with adjustments to keep pace with changing circumstances. In addition, the company has established an anti-corruption policy and adjusted its complaints receiving process to be more clear. (Nation Multimedia Group Public Company Limited's ethical guidelines can be viewed at www.nationgroup.com)

Issues regarding good corporate governance for the 2015 Annual General Meeting of Shareholders

Following the issue in which the Chairman of the company refused entry to certain groups of shareholders to the meeting to exercise their right to vote in the 2015 Annual General Meeting of Shareholders, on May 16, 2017, the Appeal Court upheld the verdict delivered by the Phrakhanong Provincial Court that annulled the Annual General Meeting of Shareholders for the year 2015. On July



14, 2017, the company subsequently filed an appeal with the High Court to reverse the decision of the Appeal Court. During the appeal, the business and administrative affairs of the company continued as normal, under the responsibility of the current Board and management of the company. The company clarified the matter through the communication channels of the Stock Exchange of Thailand on August 11, 2017. However, to date, no progress or changes have been made in this matter.

Ethics of Nation Group's directors, management and employees consist of:

Ethics of Nation Group's directors, management and employees consist of:

Ethics on business operation

Business operation guidelines

Nation Multimedia Group Public Company Limited was established in 1971 as Thailand's first English-language newspaper managed by Thais. Over the years, the company has remained committed to growing alongside Thai society and performing its media duties with objectivity and credibility, and has a strong determination to drive Thailand towards a knowledge-based society. Today, the company has become one of Thailand's fully-integrated media organizations, with a commitment to perform its duties as a good, creative and dependable media organization under good corporate governance to serve Thai society in the years to come.

Anti-corruption policy

The company has a policy to operate its business with honesty and professional media ethics, as well as demonstrate a keen sense of social responsibility and the best interests of all groups of stakeholders in accordance with its corporate governance policy, ethical guidelines and Code of Conduct. The company therefore has outlined its "Anti-Corruption Policy," which has been approved by the Board of Directors, as clear guidelines to operate the business and develop a sustainable organization, as follows:

1. Nation Group's directors, management and employees are prohibited from conducting or accepting every type of corruption both in direct or indirect manner including receiving complimentary items or gifts, joining entertainment or hospitality activities, granting financial aid or donations and other forms of benefits from those doing business with the company, for themselves or their families.
2. The implementation of the Anti-Corruption Policy covers Nation Group's employees, customers and all groups of stakeholders, both in Thailand and abroad, and specifies that evaluation of the risk of corruption in the organization is undertaken annually. The Policy is reviewed at least once a year in order to accord with business changes, rules, regulations, and laws.
3. Operations relating to the Anti-Corruption Policy must be in line with the guidelines stated in the Nation Group's Corporate Governance Policy and ethical guidelines, related regulations and operation manual, as well as additional guidelines that will be further stipulated by the company.
4. To focus attention on processes which incur a high risk of corruption, Nation Group's directors, management and employees at all levels must conform carefully in the following courses of action:
 - 4.1 Entertainment and hospitality, gifts
Offering gifts or entertainment and hospitality activities must be in compliance with Nation Group's ethical guidelines and Code of Conduct.
 - 4.2 Charitable contributions or aid
Granting contributions or receiving aid must be transparent and in compliance with stipulated laws by confirming that such transactions shall not be claimed as an act of bribery.

4.3 Business relations and procurement process

All types of bribery or illegal payments are prohibited in business transactions, whether they are made with suppliers, contract parties or government agencies. Such transactions must be processed transparently and in compliance with related laws and regulation.

• Roles and responsibilities

1. The Board of Directors is responsible for determining policy, monitoring, and forming an effective system supporting Anti-Corruption activities in order to affirm that the Management Team is seriously concerned with, emphasizes, and cultivates an Anti-Corruption mindset as part of the company's culture.
2. The Audit Committee is responsible for revision of financial and accounting reports, internal control, internal audit, and risk management to ensure such operations are concise, appropriate, effective, and in conformity with global standards.
3. Chief Executive Officer and the Management are responsible for determining the Anti-Corruption system, promoting, and encouraging an Anti-Corruption culture. This also includes revision of the system or regulations in order to best suit business changes, rules, regulations and laws.
4. The Internal Audit Director is responsible for auditing, assessment, and evaluations in business transactions to ensure that they are accurate and in compliance with policies, guidelines, operating authority, regulations and laws, as well as that the internal controls are sufficient and suitable for probable risk in corruption. This shall be directly reported to the Audit Committee.

Anti-corruption guidelines

1. Nation Group's Board of Directors, the Management Team and staff at all levels must follow the company's Anti-Corruption Policy and Code of Conduct by avoiding involvement in any course of corruption, either directly or indirectly.
2. The Board of Directors provides an assessment of the risks of corruption. The Board of Executive Directors and managers of various departments identify common risk factors for corruption, the impacts and opportunities that may arise, measures required to minimize the risks and provide a monitoring process, review of operations and report the results to the Audit Committee and Board of Directors.
3. Nation Group's staff shall not be negligent in any corruption conditions involved directly with the company. All staff must notify such acts to supervisors or responsible persons, and collaborate in any investigation. Any queries or questions are needed to be consulted by the supervisor or a responsible person who monitors the compliance of ethical guidelines provided in particular channels.
4. The company shall provide fairness and safeguard staff who deny involvement in or inform of corruption cases relating to the company by applying Protection Policy for appellants or persons who provide Anti-Corruption information as stated in the ethical guidelines number 4 – Complaints and Comments Submissions.
5. A person who commits an act of corruption is considered to be in misconduct according to the Nation Group's ethical guidelines. This means such person will be subject to disciplinary action. Convictions may be applied in cases that violate the law.
6. The company realizes the importance of dissemination, knowledge sharing, and communications with other people who are involved in or affect the company so that those parties shall conform to Anti-Corruption guidelines.
7. The company strives to develop personnel with public consciousness, create good citizens for society and country, and sustain an organizational culture that rejects corruption as unacceptable in every type of business transaction when dealing with both public and private sectors.



• Dissemination of the Anti-Corruption Policy

Nation Group disseminates its Anti-Corruption Policy to its staff and stakeholders through the Internet, e-mail and the www.nationgroup.com website.

Policy to prevent intellectual property violation

The company has determined a policy to maintain information technology security covering prevention of intellectual property and copyright violation. All employees are required to affix their signatures to accept terms and conditions of the policy. The company has consistently conducted tests on information technology and computer network systems so as to prevent the use of pirate software or programs that are not related to work. The company's policy to prevent intellectual property and copyright violations are as follows:

1. Employees are not allowed to install pirate software, as well as freeware and shareware programs on the company's computers. Those who need to use additional software other than the readily-installed basic programs have to seek permission and software installation must be undertaken or supervised by staff in charge of monitoring the information technology system.
2. Employees are not allowed to duplicate, counterfeit or use software that violates the copyright law and patent law, and professional ethics, nor use the work or information owned by third parties within the company. Checks must be made to verify that the intellectual property rights of others are not violated.

Ethical responsibilities

• Ethics on responsibilities to the media profession (the "Nation Way")

Since its establishment, the company has strictly observed the code of conduct of the media profession. This is a major reason why the company's media and staff have earned credibility and trust from society in spite of some difficult periods when there were political pressures. The company's staff perform their duties as a credible media organization, closely and consistently adhering to principles.

The "Nation Way" code of conduct was drafted as professional guidelines for the Group's editorial staff at every level. The content covers the basic ethical standard for "news crews" at every level as well as how they behave in public, both on-duty and off-duty. The Group's news staff at every level shall strictly observe the following principles without any exceptions so that we can continue to maintain the credibility and trust of society.

"Nation Way" Code of Conduct is categorized as follows:

- 1 Ethical requirements of the media professionals
- 2 Ethics of Nation Group's media
- 3 Responsibilities to the readers, listeners and audience.
- 4 Commitment to the media profession and organization
- 5 Guidelines for news reporting and desirable behavior with sources
- 6 Special privileges and conflicts of interest
- 7 Guidelines for participating in political and social activities
- 8 Guidelines for the advertisement, marketing and sale departments.
- 9 Guidelines for copyright and freelancing jobs
- 10 Guidelines for reporters in various beats
- 11 Guidelines for mistakes recovery
- 12 Guidelines for reporting the company's activities
- 13 Guidelines and ethics on Nation Social Media

The company has measures to prevent problems from libel and defamation charges arising from news reports by providing training courses for staff in the news department to keep them informed of the news reporting guidelines, undesirable statements and pictures. The company has also reinforced the parties involved to perform accordingly.

• **Ethics on responsibilities to shareholders**

The company determines to act in a trustworthy manner and ensure the best interests of the shareholders by placing high priority on steady corporate growth and sustainable returns. The company shall operate in a transparent manner, ethically and within the framework of the law and the company's corporate governance policy, and with a credible accounting system. The company's Investor Relations Division was set up to communicate with investors and shareholders who would like to make inquiries and seek explanations on related issues.

• **Ethics on relations to customers**


The company determines to ensure that the customers and public shall be satisfied with the company's quality products and services with reasonable prices. Besides, the company determines to continuously and seriously enhance its standards as well as maintain this positive and sustainable relationship with its customers.

Emphasizing customer satisfaction, the company consistently organizes a series of activities to relate with each customer segment, such as printed media subscribers which account for a large segment of the company's total customers. The company places importance on customers' opinions of group products. Questionnaires are sent to survey customer opinions in terms of content and format. Invitations are made for customers to participate in various activities such as academic seminars, booth fairs, lucky draws and other events such as the Kom Chad Luek awards. In addition, Nation Broadcasting Corporation Plc., a subsidiary of Nation Group, or Nation TV 22, joined forces with three leading business partners including Mitsubishi Motors (Thailand) Co., Ltd., Charoen Pokphand Group and Charoen Pokphand Foods PCL or CPF to hold Nation Bike Thailand 2017, which was in its fourth consecutive year. Taking place at 12 arenas across the country, the activity was undertaken to promote exercise and healthy living, foster stronger relations among cyclists, introduce new tourism destinations in many provinces and raise public awareness on environmental conservation, global warming and air pollution reduction through cycling. These actions are in line with the United Nations' 17 Sustainable Development Goals (SDGs), which cover social, economic and environmental aspects.

• **Ethics on responsibilities to employees**

The company realizes that human resources are the most valuable asset that drives the organization to success. The company is committed to develop the quality of employees as well as enhance the corporate culture, promote employees' physical and mental health, ensure a positive work environment, promote team work to build up the employees' confidence, and encourage the election of staff representatives to get actively involved in managing staff welfare as stipulated by the law. Furthermore, the company facilitated the setting up of a "Thai Mass Media Labour Union" according to the Labor Relations Act B.E. 2518 to protect the interests of employees and promote good relations between the employees and the employers as well as among the employees themselves. Additional activities involving the employees include, for example, monthly alms giving for the executives and the employees, New Year's celebration, Meet & Greet activity between the company's management and staff, and activities of employees' clubs, such as volunteering for rural development camps, music club, sports clubs, etc.

In terms of employee welfare, the company has paid great attention to labour welfare, implementing appropriate wages and a welfare system based on the employees' competitiveness in the labour market, growth prospect of career paths, capability and living costs. In addition to wages, employees are entitled to welfare covering monetary assistance upon receiving treatment at hospitals,



in the event of the death of employees' parents, spouses, children or the employees themselves, marital monetary gift, monetary gift for newborn babies and children's education. The welfare packages also include leave, provident fund, emergency loans, uniform, health expenses, annual medical check-up, accident insurance, group insurance and travel allowances. The company has determined labour and human rights practices to be in accordance with international practices and standards on labour and human rights, as well as facilitated the establishment of an employees' labour committee and union. The company also provides employees with opportunities to express opinions and lodge complaints on different matters to the company. In terms of long-term returns, the company offered employees an opportunity to purchase ordinary shares of Employee Stock Options (ESOP), which were allocated for its directors, management and/or employees and/or its subsidiaries at the company's second offering (NMG-WB) on August 15, 2013, with a total of 82,387,015 units. Warrant holders can exercise their rights to purchase ordinary shares every 15th November and 15th May for a period of five years. They can exercise their rights for the first time on November 15, 2013 and for the last time on August 14, 2018 at one warrant per one new ordinary share and one baht per share.

Safety and hygiene in the workplace

In terms of safety and hygiene in the workplace, the company has continuously organized training and launched campaigns to raise employees' awareness on maintaining a safe workplace for life and property. Throughout the year 2016, there were no reports of accidents or medical leave during operating hours as most operations were performed at the office. The company has recognized the importance of the work place, and has constantly maintained working equipment and tools as well as the establishment so that they are always ready to be in service and safe.

Human resources development

In terms of human resources development, the company has concentrated on upgrading employee capability at all levels by organizing internal training courses such as a Code of Conduct course, and external training courses with other institutes or agencies, enabling them to use the acquired knowledge to improve working efficiency. The company has organized training courses in conformity with the Skill Development Promotion Act B.E.2002, stipulating that any company with over 100 employees must organize training courses for employees in the ratio of 50% of the total number of its employees, and apply for training courses certification to the Department of Skill Development. The company strictly follows the Act when it comes to holding training courses for its employees. In 2017, the company held training courses for 217 employees, accounting for 62.36 percent of its total employee number of 348 (average employee number for the 12-month period), with a total of 1,324 training hours or 3.80 hours/person/year.

Respect for human rights

The company has set guidelines in business ethics that all the employees will be treated with respect, prestige and humanity. The employees must not perform any act of legal injury, threats against other employees of different nationality, sexes, religions, ages or physical or mental handicap.

During the past year, there have been no disputes between the company and its employees. The company has received cooperation from the labor union in providing information and building strong understanding among the employees and the company.

• Ethics on relations with trade partners

The company realizes the importance of equality and honesty in business practice as well as the mutual benefits with trade partners. The company strictly abides by law and regulations as well as good business ethics. The company's guidelines in this respect are as follows:

1. Directors, executives and employees of the company shall not receive, claim or accept offers for benefits that are not in accordance with standard trade practices.

2. Act in strict compliance with the law and regulations.
3. Evaluate and select trade partners using standardized criteria.
4. Strictly follow the conditions concerning trade partners. In the event that the company is unable to follow such conditions, the partner should be informed in advance in order to consider appropriate solutions.
5. Provide accurate and correct information.
6. Support and cooperate with trade partners in the production of high-quality standardized products.
7. Support and cooperate with trade partners in the production of new products and services in order to answer changing customer preferences.
8. Safeguard the confidentiality of trade partners and do not use information for self benefit or the benefit of other parties.

The company always takes relations with trade partners into consideration, such as cooperation with trade partners to provide delivery and distribution services of printed materials by NML which is one of the company's subsidiaries and to utilize each department's resources to the optimum.

In the year under review, the company had no disputes relating to trade partners.

The company has set selection criteria for new partners as follows:

1. Have the ability to demonstrate a reliable financial background and potential to grow in the long run.
2. Have the ability to produce or distribute quality products according to the company's requirements and allow the company to conduct tests on product quality.
3. Have the ability to support the company in terms of sales promotions and after-sales services provided to customers.

• Ethics on relations with trade competitors

The company adheres to ethical rules of business, best practices and fairness in regard to competitors, as follows:

1. Comply with the accepted rules of good competition.
2. Refrain from untruthfully discrediting competitors and avoid dishonest methods to damage competitors.
3. Refrain from sourcing the confidential information of competitors through dishonest or inappropriate means, such as offering bribes to competitor's employees, etc.

During the year under review, the company did not have any disputes relating to trade competitors.

• Ethics on relations with creditors

The company recognizes the importance of equality and honesty in dealing with creditors. To strictly follow loan contracts made with the banks and financial institutions and to meet repayments due on products and services, as well as capital and interest payments, the company has established guidelines as follows:

1. Strictly follows terms and conditions stated in loan agreements made with creditors, both in terms of repayment and collateral, and must not use the loan for purposes other than those stated in agreements.
2. Report the company's financial status that is actual and accurate to creditors honestly.
3. Report to creditors in advance in the event that the company fails to follow the obligations stated in agreements in order to jointly seek solutions with creditors.

The company has received syndicated loans from several banks which have long business relations with the company and ranked the company as a top-rated customer which has thoroughly followed the terms and conditions of its loan contracts.

In the year under review, the company had no disputes relating to creditors and financial institutions.



- **Ethics on social responsibility and environment**

The company has raised employee awareness on conserving the environment and using resources in the most efficient manner through its internal communication process. It has also encouraged employees to take part in a campaign to reduce global warming by changing their behaviors to reduce energy consumption, join in 5S activities, and other activities concerning conservation of the environment, natural resources and energy held by the company.

As a fully-integrated media operator, the company shares national concerns over the quality of life and the information consumption of Thais. Therefore, the company has a mission to present quality and useful news to society and the public. The company also participates in efforts to improve the living standards of Thai society. As a business operator in Thailand, the company cares about the environment. In 2016, the company was involved in almost all aspects of social contribution activities (details as stated in Social Contribution Activities

As a media company, our staff have not only constantly communicated and listened to the stakeholders' comments and suggestions through various social and business functions, but the management and directors also have opportunities to meet with stakeholders on a regular basis. Furthermore, the company's call centre is always available to take complaints and is ready to solve any dissatisfactions should they arise. The company has constantly responded to such complaints and suggestions.

Complaints and suggestions

The company encourages its management and employees to conduct business with integrity, transparency, fairness and accountability in accordance with good corporate governance and the company's code of business ethics. As part of this policy, the company provides channels for comments, complaints and suggestions from the company's employees and all groups of stakeholders. Complaints, suggestions and tip-offs concerning various issues can be made to the Audit Committee or the company's Audit Department Manager via E-mail audit_nmg@nationgroup.com or by mail to the company at Nation Multimedia Group Public Company Limited 1858/121-122, 124-128, 28th-31st Floor, Bangna-Trad Road, Bangna, Bangkok 10260.

Operation procedures after receiving complaints

- The Internal Audit Department will consolidate complaints and launch initial inspections. If the complaints are found to be grounded, they will be forwarded to the Chief Executive Officer, which will set up a fact-finding committee, with the Human Resources Department acting as the committee's secretary. The committee will subsequently present its findings, together with measures against wrongdoers, to the Chief Executive Officer, the Internal Audit Department Manager and the Audit Committee.
- The Audit Committee will provide fairness and safeguard complainants, those in charge of receiving complaints, those who are the subject of complaints and those relating the fact-finding operation by applying protection measures. All involved information will be kept confidential and disclosed only where necessary, with the safety and possible damages to concerned parties taken into consideration.

4. Information disclosure and transparency policies

The Board of Directors ensures that the company provides its information including financial reports and non-financial reports in a manner that is accurate, complete, timely and transparent through easy-to-access channels such as the website of the company and disclosure channels of the Stock Exchange of Thailand and the Securities and Exchange Commission.

To observe the corporate governance principles, the company requires the directors and management to report any changes of their securities holdings to the Securities and Exchange Commission and the Stock Exchange of Thailand as well as provide the copies thereof to the company's secretary. The company's secretary will provide for the document to be forwarded to the directors and the management in November so that they can update their information thereof. Then, the secretary will collect the shareholding reports to present to the Board of Directors at least once a year.

The company recognizes the importance of preserving confidential data and/or internal information, and the company has issued a 'corporate supervision policy', which prohibits anyone in the company's management or internal agencies who have access to any inside information from disclosing such information to outside parties or non-related persons, except in the case that the disclosure was meant to benefit the company's operations. They shall be barred from buying, selling, transferring, or accepting the company's securities by using the company's confidential data and/or inside information in a manner to cause harm to the company either directly or indirectly.

In the past year, the company has disclosed the company's financial reports and non financial reports accurately, completely, timely, in a transparent manner and in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand through the information disclosure channels of the Stock Exchange of Thailand and the company's website. The company's annual report 2016 provides the following information:

1. Vision, mission and values of the organization
2. List of directors as well as their work and educational backgrounds, their family relationship with the management, their service in other listed companies and their holding of the company's securities
3. Shareholders' structure
4. Risk factors
5. Corporate Governance Report
6. Directors' remuneration and attendance at board meetings
7. Board of Directors' performance in the past year and the training record of the board
8. Audit Committee's performance in the past year
9. Remuneration policy for directors and high-level management
10. The remuneration for service in the Board of Directors and other assignments or the company and its subsidiaries
11. Annual report of the Audit Committee
12. The Board's accountability report to the financial statements with the required content, endorsed by the Chairman of the Board and Chief Executive Officer
13. Explanation and analysis of the financial status of the management
14. Accurate and complete financial statements in accordance with accounting standards
15. Financial statements and operating results



The company has disclosed the following information at www.nationgroup.com

1. Roles, duties and responsibilities of the directors, sub-committees, Chairman and Chief Executive Officer
2. List of related transactions
3. Business ethics and Code of Conduct
4. Corporate Governance Policy
5. Audit Committee's charter
6. Internal Audit Committee's charter
7. Quarterly and annual financial statements
8. Annual report
9. Human Resource Management Policy
10. Conflicts of Interest Policy
11. Internal Auditing
12. Company Regulations
13. Anti-corruption Policy

Investor Relations Section

The Investor Relations section is responsible for communicating with shareholders, institutional investors, investors, analysts and related government agencies in an equal and fair manner in order to build strong relations with them. The investor relations section answers queries related to the company and its operations for investors through the company's website, by telephone or via other channels. The company facilitated the distribution of important information by organizing and participating in the following activities in 2016:

Publicize the company's financial status through its newspapers and website four times.

The Investor Relations Section can be contacted at:

Address: 1858/121-122, 124-128 Interlink Tower, 28-31 Fl.,
Bangna-Trad Road, Bangna, Bangkok 10260
Tel: 02-338-3289-90
Email: investor@nationgroup.com
Website: <http://www.nationgroup.com>

Company Secretary Department

The company recognizes the significance of working in compliance with the regulations required by the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant laws in an accurate, complete and transparent manner, which passes through sequential consideration and inspection. The Board of Directors appointed Ms. Mathaya Osathanond as the Company Secretary on February 15, 2013. The Company Secretary assists the Chairman in ensuring the Board of Directors, sub-committees and all directors of the company work in accordance with their roles and duties and in compliance with relevant laws, regulations and rules. The Secretary prepares sufficient necessary documentation and agenda for meetings for the consideration and decisions of the Board, carefully and accurately records the minutes of meetings showing that the Board has considered agenda items carefully, completely, honestly and responsibly using judgment and with consideration of the business environment and what other businesses

might be expected to do in a similar situation. The Secretary is responsible for keeping the register of directors, notice of meetings, minutes of the Board of Directors and Shareholders Meetings, reports of conflicts of interest, reports of share holdings of directors and executives, and to ensure that coordination of activities between the Board of Directors and the management proceeds in line with the Board's resolutions. The Company Secretary has discharged her duties fully and thoroughly.

5. Responsibilities of the Board of Directors

Responsibilities of the Board of Directors

Roles, duties and responsibilities of the Board of Directors

The Board of Directors has an important duty in supervising business operations to ensure the best interests of the company. The Board of Directors is accountable to the shareholders and independent from the management. The Board of Directors consists of persons with knowledge and experience in different fields including accounting and finance, management, marketing, strategy and law.

The Board of Directors has clearly stipulated the duties and responsibilities of the Board of Directors, Board of Executive Directors, Chairman and Chief Executive Officer to ensure the independent judgments of the board to serve the best interests of the company and shareholders. Besides, a monitoring and supervision procedure is in place to ensure the company operates in a manner consistent with the relevant laws and business ethics stipulated by the board

The Board of Directors considers and approves important matters concerning the company's operations, including business plans, operating budgets, financial objectives and business strategies as proposed by the Chief Executive Officer. The Board of Directors also monitors the progress of operations according to the specified policies, strategies and plans, and reviews the vision and mission of the company on an annual basis.

Roles, duties and responsibilities of the Chairman

The Chairman plays important roles in chairing and supervising meetings, allocating time for each agenda to ensure each director will have sufficient time to express their views on significant matters and making decisive casting votes when votes cast on both sides are equal in number. The Chairman holds responsibility as head of the Board of Directors to lay the framework and monitor the determination of the company's corporate governance policy, as well as acts as the Chairman of the Annual General Meeting.

Counterbalance of non-executive directors

In 2017, the Board of Directors consists of eight members, three of them are independent directors, another three are executive directors of the company and its subsidiaries, and two are non-executive directors. The number of independent directors and non-executive directors accounts for more than one third of the board to ensure an effective check and balance system in management. (As of August 24, 2561 has appointed an independent director as one people, including four independent directors out of a total of 8 people).

The four Independent Directors are fully qualified according to the company's definition of the independent directors, approved by the board and the requirements of the Securities and Exchange Commission issued in 2008. Three out of the three independent directors are members of the Audit Committee. One of them is the Chairman of the Audit Committee and two of them are members of the Audit Committee.



Appointment of the Board of Directors

According to the company's requirement, one third of the directors shall vacate their offices when their tenures end every year. The company can re-appoint directors whose tenure ends to the same positions again for another term. The company does not set requirements on the term limit according to the requirement of the Securities and Exchange Commission. The company has set a policy stipulating that its directors must not hold the status of director in more than five other listed companies on the Stock Exchange of Thailand concurrently. The company's directors shall not be directors in competing companies or have conflicts of interest with the company's business. In the case that the directors hold positions in other companies, those company names, types of business and positions of the directors shall be disclosed in the director profile. In 2017, none of the company's directors or executives held positions as directors in more than five listed companies.

The high-level management of the company will not hold any position in other companies, except for subsidiaries and joint ventures. If any member of the high-level management sits on the board of other companies, such service shall be reported in form 56-1.

Compliance units

The company has established various units to ensure compliance with the company rules as well as the regulations of relevant authorities. The Company Secretary Department ensures compliance with regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission as well as related laws. The Legal Department monitors operations to ensure they adhere to related business law. The Internal Audit Department reviews the adequacy and appropriateness of the internal control system to develop and improve the efficiency of the internal control system.

Sub-committees

The company's Board of Directors has appointed sub-committees to help screen information relating to the operations by setting the qualifications and responsibility in the requirements for each sub-committee.

At present, the company has two sub-committees, namely the Audit Committee and the Executive Board. The duties and responsibilities of the Audit Committee and the Executive Board are detailed in under the topic Sub-committees.

Conflicts of interest

The company acknowledges the importance of the potential for conflicts of interest. Therefore, the company has announced its conflicts of interest policy which prevents the company's directors, management and employees operating any business which can come into competition with the company, as well as getting involved in a transaction that is likely to lead to a conflict of interest with the company. If it is necessary to do so, the Board of Directors will ensure that the transaction will be transparent and fair. The consideration will be thorough as if the transaction was executed with a third party, whereby the directors, the management or the employees involved shall not be allowed to take part in the approval process. Furthermore, the Stock Exchange of Thailand's regulations shall be strictly observed. Related transactions between the company and its subsidiaries, or associated companies in 2017 were presented before the Audit Committee and the Board of Directors in February 2018 and the company has disclosed with details and necessities/reasons in the Annual Disclosure Report (56-1 form).

The Board of Directors' Meeting

Board of Directors' Meetings are scheduled in advance with a minimum of once a quarter and special meetings are held as required. Agenda are clearly announced prior to the meetings with routine agenda to follow up on the operational results. The Company Secretary is responsible for sending invitation letters informing approved agenda by the Chairman and the Chief

Executive Officer together with related documents to all directors seven days in advance. This is to allow time for the directors to review the information prior to the meeting. Should any director wish to propose additional agenda or require the management to update the progress on any particular issue, he or she can inform their intention to the Chairman of the board or the Company Secretary.

Generally, each board meeting takes 3-4 hours. The Chairman gives equal opportunity for all directors to independently express their ideas and opinions. The Board of Directors views that to prevent the unintentional leakage of information, the management will report the results of the company's operations only in the month that the meeting is being held. Independent directors and non-executive directors meet regularly to discuss management issues without the presence of operating personnel. Should there be any issues of concern, the management will be notified to solve or improve them.

Evaluation of the Board of Directors' performance

The Board of Directors arranges for performance evaluation of the entire board and sub-committees at least once a year so that the Board of Directors and sub-committees can review their performance as well as operational problems and obstacles during the past year for improved operations.

In 2017, since five new directors were appointed to replace those who had resigned as a result of the company's restructuring plan in the third quarter of the year, accounting for 63 percent of the total number of eight directors, the Board of Directors' Meeting 8/2560 resolved the evaluation of the Board of Directors and the Audit Committee for the year 2017 was not undertaken.

Directors' remuneration

The company sets a clear and transparent policy regarding remunerations of directors. Set at competitive rates for this industrial sector, remunerations are high enough to attract directors who have the required qualifications. Directors tasked with more responsibility and duties shall have appropriate levels of remunerations in line with their newly-assigned duties and responsibilities. The company's guidelines for the remunerations of the Chief Executive Officer are in accordance with the terms and policies stipulated by the Board of Directors. The remunerations are based on the company's and individual's performance. The Board of Directors assigned the Executive Board to consider appropriate levels of remuneration to the Chief Executive Officer.

The Board of Directors proposes to the General Meeting of Shareholders for the fiscal year 2560 the Remuneration Committee for the year 2017 are as follows:

Name/Position	Annual Remuneration 2016	Annual Remuneration 2017
Chairman	400,000.-	400,000.-
Chairman of the Audit Committee	400,000.-	400,000.-
Audit Committee	300,000.-	300,000.-
Non Executive Director	200,000.-	200,000.-
Executive Directors	200,000.-	200,000.-

Note: If the executive is an employee shall not receive remuneration.



Director and management development plan

Every new director will attend a basic orientation program conducted by the Chairman of the board, regarding the company's nature of business, history, background, the company's location and branches, the corporate culture as well as being briefed by the Chief Executive Officer and the Company Secretary regarding the company's structure, supervision policy, and internal control with related documents.

The company promotes the development of all directors to enhance their efficiency in performing their duties. The company has set a policy to encourage directors to participate in seminars and training courses organized by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand or other institutes. Topics of seminars and training courses involve development for directors in relation to their duties and responsibilities or new management trends to support continuous development in performing their duties, as well as to enable them to apply acquired knowledge appropriately to consistently improve operations for the benefit of the company. In 2016, the company arranged training courses for directors as follows:

Succession plans

The company's Board of Directors realizes that the organization's efficiency is a result of its staff. The sustainable growth of the company depends on whether the company will be able to create qualified personnel to execute the company's mission and continue the intention of the founders as well as to pass on good corporate culture to subsequent generations. The company has therefore instructed the management to give priority to effective management and human resource development with clear directions to achieve the company's vision, mission and values.

The company has set a policy to recruit personnel at all management levels appropriately and transparently to ensure it will acquire management who are professional, unbiased, do not get involved in politics and have a thorough understanding of the media culture and business ethics. The company has succession plans as follows:

1. Chief Executive Officer

When the management position of Chief Executive Officer vacates or persons holding such position are unable to perform their duties, the company may select an executive at the nearest level or deputy position to the vacated position to act as a caretaker up until the selection and recruitment process of the vacated position is completed. Successful candidates must have vision, capability, experience and fit well into the organizational culture. The entire Board of Directors will consider the qualifications of successful candidates and forward his/her name to the chairman who will further nominate the new Chief Executive Officer at the Shareholders' Meeting.

2. The President, Director. When the management position of vice president vacates or persons holding such position are unable to perform their duties, the company has succession plans as follows:

1. Analyze the company's business operations in terms of strategies, policies and plans, as well as business expansion plans.
2. Evaluate readiness of the workforce to be in line with the company's business strategies both in the short and long term.
3. Formulate a plan to build workforce readiness by developing staff or recruiting new staff in replacement of those resigning.

4. Create a staff recruitment and training development plan in advance, prior to staff's retirement or resignation.
5. Determine qualifications covering desirable knowledge, skills, personalities and attitudes for each work position and create individual development plans.
6. Evaluate employee performance and capability to consider their suitability for the position.
7. Use KPIs in tests and evaluations to measure employee performance and capability.

Sub-committees

The company's Board of Directors has appointed two sub-committees, the Audit Committee and the Board of Executive Directors whose roles and responsibilities are described as follows:

(1) Audit Committee

The Audit Committee must be comprised of independent directors and must be appointed by the Board of Directors or shareholders. Audit Committee members must be able to use their discretion independently. At least one member of the Audit Committee must have expertise in accounting or related financial management in accordance with the requirements of the Stock Exchange of Thailand and be able to read and understand financial statements.

As of August 31, 2018 , the Audit Committee comprised three members, as follows:

Order	Name	Position	Qualifications
1	Mr.Apivut Thongkam	Audit Committee Chairman	Independent Director
2	Mr.Chaisit Puvapiromquan	Audit Committee Member	Independent Director
3	Ms.Warangkana Kalayanapradit	Audit Committee Member	Independent Director with finance and accounting background

Roles, duties and responsibilities of the Audit Committee

1. Review the company's financial reporting (quarterly and annually) to ensure accuracy and adequate disclosure regarding the company prior to presenting to the Board of Directors.
2. Review the system of internal control and internal audit to ensure they are appropriate, adequate and effective and consider the independence of the internal audit unit. Also consider and approve the appointment, transfer or dismissal of the head of the internal audit unit or any other unit responsible for the internal audit.
3. Review the company's system of risk assessment and management to ensure that is appropriate, adequate and effective.
4. Review the company's compliance with securities laws, the regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other laws relating to the company's business.
5. Consider the appointment of independent personnel as internal auditors of the company, set remuneration rates and liaise with auditors concerning the objectives, scope, directions and working plan of the audit as well as the scope of problems encountered during the inspection and any important issues raised by the auditor. Participate in meetings with the auditor but in the absence of management personnel at least once annually.
6. Consider any transactions that may have conflicts of interest to ensure accuracy and completeness in accordance with the laws and regulations of the Stock Exchange of Thailand and ensure correct and complete disclosure of such transactions. This is to ensure that such transactions are reasonable and bring optimal benefit to the company.

7. Review the accuracy of the company's referential documents and self-assessment form on anti-corruption measures outlined by Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) campaign.

8. Produce the Audit Committee Report for disclosure in the company's Annual Report. The Audit Committee Report must be signed by the Chairman of the Audit Committee and include the following information:

- Comments on the accuracy, completeness and reliability of the financial statements of the company.
- Comments on the adequacy of the system of internal control of the company.
- Comments on the risk management system of the company.
- Comments on the company's compliance with the regulations of the Securities and Exchange Commission, Stock Exchange of Thailand and any other laws relating to the company's business.
- Comments on the appropriateness of the company's Auditor.
- Comments on any transactions that may have conflicts of interest.
- The number of Audit Committee meetings held and the attendance of each Audit Committee member.
- Overall opinions and observations of the Audit Committee encountered while undertaking their duties under the charter.
- Any other information that it is felt the shareholders and investors should know about in carrying out the duties and responsibilities assigned by the Board of Directors.

9. Perform other duties as assigned by the Board of Directors and approved by the Audit Committee. In carrying out the duties listed above, the Audit Committee is directly responsible to the Board of Directors while the Board of Directors is responsible for the operations of the company to external parties.

(2) Board of Executive Directors

The Board of Executive Directors has the authority, duty and responsibility of management with regard to normal business operations, issuing policies covering business plans, budgets, management structure, management authority and business criteria of the company in accordance with economic circumstances and policies issued by the Board of Directors, for the consideration and/or approval of the Board of Directors, as well as monitoring and following up on the performance of the company in compliance with the policies issued by the Board of Directors.

As of February 28, 2018, the Executive Board comprised four executive directors, as follows:

Order	Name	Position
1.	Mr.Marut Arthakaivalvatee	Chairman of Executive Director
2.	Mr.Somchai Meesen	Executive Director and Chief Executive Officer
3.	Mr.Sontiyan Chuenruetainaidhama	Executive Director
4.	Mr.Tatchapong Thamputhipong	Executive Director

Roles, duties and responsibilities of the Board of Executive Directors

1. Control business operations and set policies, directions and business strategies in carrying out the policies and goals of the Board of Directors, including the proposal of policies, business plans, budgets and directions in carrying out the company's business and plans for the approval of the Board of Directors.

2. Consider the organizational structure, management authority and salary structure of the company as well as the recruitment, training, hiring, appointment, transfer, dismissal, remuneration and bonuses of senior-level staff. The company's CEO is authorized to represent the company in signing employment agreements.

3. Consider and approve operations in the normal course of business, such as product procurement, purchase of licenses, investment in assets, transactions with banks/financial institutions in the opening of bank accounts, lending and borrowing, sourcing of credit, loan guarantees and other credit facilities, including the trading and registration of land, carried out in the normal course of business and within authorized credit limits for each type of transaction as set by the Board of Directors.

4. Set business plans, budgets and principles of business operations in accordance with the objectives assigned by the Board of Directors and have the authority to supervise the operations of the company in line with the policies, plans and business strategies approved by the Board of Directors of the company, which are laid down under the company's rules, regulations and Articles of Association.

5. Undertake operations pursuant to policies set by the Board of Directors of the company in connection with operations of the business under the rules, regulations and the Articles of Association of the company, with the exception of areas where the Executive Board may have conflicts of interest with the company or its subsidiaries. Such cases should only proceed following approval in a meeting of the Board of Directors attended only by Independent Directors. Transactions involving the acquisition or disposal of major assets of the company must be undertaken in accordance with the procedures prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission.

6. Consider the company's profit or loss and propose to the Board of Directors of the company the payment of interim dividends and annual dividends.

7. Consider other matters as assigned by the company's Board of Directors. Such authorization must not empower the Executive Board or those who act as representatives of the Executive Board to approve matters in which they themselves may have conflicts of interest or any conflicts of interest as specified by the Securities and Exchange Commission, except for those in accordance with regulations the Board of Directors had earlier approved.

Nonetheless, the approval of matters with conflicts of interest must proceed according to announcements of the Stock Exchange of Thailand, the Capital Market Supervisory Board and / or the Securities and Exchange Commission, on regulations, procedures and related transactions of the listed companies.

Decisions to appoint or dismiss the company's Executive Directors may be taken in meetings of the Board of Directors or Shareholders' meetings

Nomination and appointment of directors and senior executives

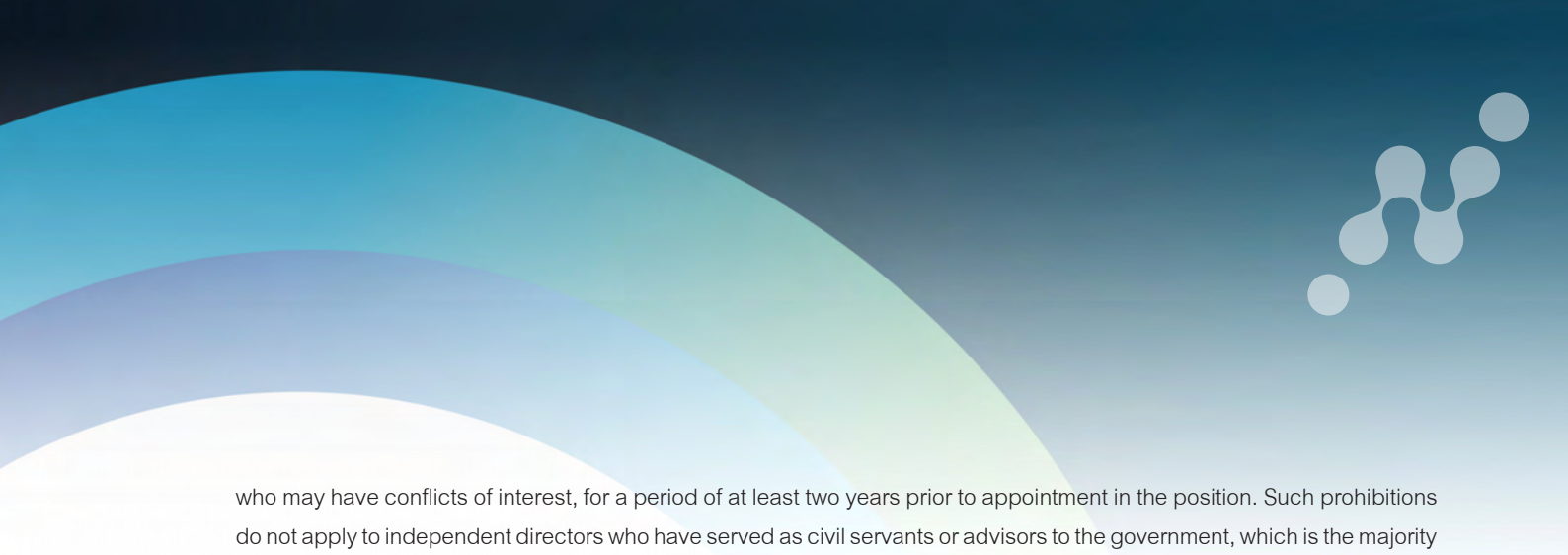
(1) Independent directors

Independent directors are not involved in managing the affairs of the company, its subsidiaries or affiliates, are independent of the major shareholders and executives of the company, and hold no relationships that could compromise their independent judgment.

The number of independent directors of the company satisfies the minimum requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Qualifications of independent directors

1. Hold no more than 1 percent of the total number of shares with voting rights of the company, holding company, its subsidiaries or affiliated companies, or of the major shareholders or those with authority to regulate the company, and inclusive of shares held by related parties of the independent director under Section 258 of the Securities and Exchange Act.
2. Have no and have never had any participation in the management of the company, as an employee or an advisor receiving regular compensation or as a person with control or influence over the company, holding company, its subsidiaries or affiliates, or of the company's major shareholders or those with authority over the company, including personnel



who may have conflicts of interest, for a period of at least two years prior to appointment in the position. Such prohibitions do not apply to independent directors who have served as civil servants or advisors to the government, which is the majority shareholder or which has authority or control over the company.

3. Have no and have never had any commercial or business relationship, business conflict of interest or financial or other benefits in management, either directly or indirectly, with the company, holding company, subsidiaries, affiliates, major shareholders or those with authority over the company in a way that may compromise their independent judgment, and which are not nor have ever been significant shareholders or persons with authority or control of the business of the company, its subsidiaries, affiliates or major shareholders, or those persons with authority or control of the business of the company, for a period of at least two years prior to appointment in the position.
4. Has no relationship by family descent or by legal registration as parent, spouse, brother, sister or child, including the spouses of children of executives, major shareholders or controlling parties, or persons in the process of nomination for management positions or other controlling parties of the company or its shareholders.
5. Must not represent openly or covertly directors, major shareholders or other shareholders who are related in any way to major individual shareholders or groups of shareholders of the company.
6. Must act and exercise independence with judgment and without being influenced by the directors, management or major shareholders of the company, including related parties and relatives.
7. Is not and has never been auditor for the company, its holding company, subsidiaries, affiliates, or of the company's majors olders or those with authority over the company, and is not a major shareholder, controlling party or partner of an auditing firm of the company, its holding company, subsidiaries, affiliates, or of the company's major shareholders or those with authority over the company, for a period of at least two years prior to appointment in the position.
8. Must not and must never have provided professional services, including legal consultancy services, financial consultant or property appraiser with service charges in excess of Bt2 million per year from the company, holding company, subsidiaries, affiliates major shareholders or those with authority over the company, and is not the major shareholder, controlling party or partner of the aforementioned service providers for a period of at least two years prior to appointment in the position.
9. Does not operate in a similar type of business or in competition with the business of the company or its subsidiaries, is not a significant partner of any partnership, executive director, employee, staff member or advisor who receives a regular salary or holds shares amounting to more than 1 percent of total shares with voting rights in other companies involved in similar businesses or in competition with the company of the applicant or its subsidiaries.
10. Independent directors should not have any other characteristics that would preclude them from the exercise of their independent opinion on matters concerning the company and its operations.

Independent Directors must have undergone the process of nomination and selection of the Board of Directors or shareholders.

(2) Nomination of directors and top management

The company believes that its media business activities play an important function in shaping the views of society at large. For this reason, senior executives and directors of the company must have a clear understanding of the roles and duties of the media, as well as a strict code of media and business ethics in order to set policies in presenting information independently and without bias or distortion. The selection of individuals to serve as directors and executives of the company is considered a serious matter that is placed under the responsibility of the Board of Directors.

Nomination of Directors

The Board of Directors has been assigned responsibility for the nomination of the company's directors, including the proposal and consideration of potential candidates taking into account the varied qualifications and suitability of the candidate for the position, including professional skills, gender, age, etc., using information from various sources, particularly the Director Pool, to ensure that there are no legal prohibitions or other factors that may affect the operations of the group.

The appointment of directors is subject to review by the Board of Directors. The number of independent directors, Audit Committee members and the appointment of directors require the approval of shareholders, in accordance with the rules of the company. The Articles of Association of the company requires that directors are elected in the meeting of shareholders in accordance with the following rules and procedures:

- (a) Shareholders have one voting right per share.
- (b) Each shareholder must exercise the right to vote for directors individually.
- (c) Persons who receive the most votes in descending order will be elected as directors, in accordance with the number of positions to be filled. In the event of a tie in the number of votes for the last director position available, the Chairman shall have the deciding vote.

In each Annual General Meeting of Shareholders, one third of all directors on the board must resign from their positions. Those directors that have occupied their positions the longest must resign first. However, outgoing directors may be re-elected to the position once again.

Nomination of Senior Executives

Nomination, consideration and recruitment of candidates for the position of Chief Executive Officer are undertaken by the Executive Board for the consideration and approval of the Board of Directors. Candidates must demonstrate the qualifications as required by the company and should have high levels of vision, knowledge, ability and experience, and fit in well with the company's corporate culture.

Control of cross-transactions between the company and subsidiaries

The company maintains a policy concerning cross-transactions between the company and its subsidiaries with parties that may have conflicts of interest now or in the future. Should such cross-transactions take place, they must follow the normal trading practice of transacting with a third party using market price. In the event that the price cannot be compared with any third party, both transacting parties must consider and set an appropriate price for the products or services. The Audit Committee shall examine the transaction and give its views regarding the necessity of the transaction and the appropriateness of its price.

In 2017, the company and its subsidiaries undertook cross-transactions with other related parties under market-price conditions. Other cross-transactions, considered for appropriateness and transaction value by the Audit Committee, can be viewed in the accompanying notes to the financial statements.



Control of inside information

Prevention of insider information

The company maintains a policy to prevent directors and executives from abusing their position to gain personal benefit, which causes damage to other shareholders or all shareholders, in compliance with Section 241 of the Securities and Exchange Act B.E. 2535, as follows:

1. Directors, management and any staff of the company with access to inside information shall not disclose the inside information to outsiders or to anyone who is not involved.
2. The company's directors, management and staff involved in conducting financial reports or other related documents shall exercise caution regarding company securities transactions in the period prior to announcement of the financial results. Should any securities transactions be undertaken during this period, the company's Board of Directors must be notified immediately.

Information disclosure

The Board of Directors has set guidelines for directors and executives of the company and its subsidiaries to disclose information on any conflicts of interest and the parties involved, in accordance with Section 89/14 of the Securities and Exchange Act B.E. 2551 and in accordance with the Securities and Exchange Commission Announcement Tor Jor 2/2552. The company has adhered to the rules since July 1, 2009, as follows:

1. Directors and executives must report any conflicts of interest of their own or of other related parties at least once annually. The company's secretary is responsible for collecting information relating to conflicts of interest of directors, executives and related parties ready for disclosure to the Board of Directors should they require it for consideration of transactions between companies, with directors and/or executives or involved parties who have conflicts of interest. The company secretary will report the interests of directors and executive management for acknowledgement of the company's Board of Directors in the meeting of the Board of Directors at the end of the year.
2. Directors and executives must report any changes in conflicts of interest of their own or of other related parties to the company secretary to report to the Board of Directors within 7 days of the change.
3. In 2017, since most of the directors were appointed to replace those who had resigned following implementation of the company's restructuring plan, the report on conflicts of interest submitted to the company's Secretary has remained unchanged.

Report on shareholding

The company's board and management have been notified of their obligation to report their shareholdings to the Securities and Exchange Commission and the Securities Exchange of Thailand in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 and to report each sale, purchase, transfer or receipt of shares to the company's board within three working days of the transaction. The company secretary shall report shareholdings for the Board of Directors acknowledgement in the meeting of the Board of Directors at the end of the year.

In 2017, the company required the Board of Directors and executives to report their shareholdings in the Meeting of the Board of Directors on February 28, 2017.

During the year 2018, the company reported increases (decreases) in the shareholdings of its directors and management between

Name	No. of Shares			Shareholding proportion of NMG shares as of May 28, 2018 (%)
	As of May 28, 2018	As of Feb 19, 2018	Increase (Decrease) in the No. of Shares	
1. Mr.Marut Arthakaivalvatee	-	-	-	-
2. Mr.Sontiyen Chuenruetainaidhama	15,000,000	15,000,000	-	0.36
3. Mr.Apivut Thongkam	1,000	1,000	-	-
4. Mr.Chaisit Puvapiromquan	-	-	-	-
5. Ms.Warangkana Kalayanapradit	2,760	2,760	-	-
6. Mr.Somchai Meesen	-	-	-	-
7. Mr.Tatchapong Thamputhipong	10,000	10,000	-	-
8. Ms.Saline Wangtal	-	-	-	0.36

Note: 1. Paid-up shares of NMG as of February 28, 2018 total 4,067,639,262 shares.

2. Directors' shareholdings are inclusive of shares held by spouses (if any).

* Ms.Warangkana Kalayanapradit and Mr.Sontiyen Chuenruetainaidhama have been appointed Audit Committee member and Director, respectively, to replace those resigning from the company. This is in accordance with the Board of Directors' Meeting 1/2561's resolution on January 16, 2018.

Auditor's remuneration

(1) Audit fee

The company and its subsidiaries paid an audit fee for the financial year of Bt3,560,000 to KPMG Phoomchai Audit Limited.

(2) Non-audit fees

The company and its subsidiaries received no other services from the Office of the Auditor, Auditor's personnel or any other parties related to the Auditor* in the past fiscal year.

Note: * Parties related to the Office or personnel of the Auditor include:

1. Spouses or children who are dependents of the Auditor's staff.
2. Parties that have control over the Auditor, are under the control of the Auditor or which are under common control with the Auditor, whether directly or indirectly.
3. Parties significantly influenced by the Office of the Auditor.
4. Partners or the equivalent of the Auditor.
5. Spouses or children who are dependents of staff of parties in (4).
6. Parties related to the Auditor as in (1), (4) or (5) who hold significant control or influence, whether directly or indirectly.

Other Aspects of Good Corporate Governance

Meeting Attendance

In 2017, attendance at the Board of Directors Meetings, Audit Committee Meetings and Shareholders' Meetings was as follows:

Order	Directors	Meeting Attendance/No. of Meeting	
		Directors' Meeting	Audit Committee Meeting
1	Mr.Marut Arthakaivalvatee (appointed September 28, 2017)	5/5	N/A
2	Mr.Thepchai Sae-Yong	12/12	N/A
3	Ms.Pichitra Mahaphon	10/12	5/6
4	Mr.Sumet Sanksiri (appointed September 22, 2017)	5/6	N/A
5	Mr.Chaisit Puvapiromquan (appointed September 28, 2017)	5/5	2/2
6	Mr.Supoth Piansiri	12/12	N/A
7	Mr.Apivut Thongkam (appointed December 29, 2017)	-	-
8	Mr.Somchai Meesen (appointed December 29, 2017)	-	N/A

Note: Board of Directors Meetings and Audit Committee Meetings were held 12 times and 6 times respectively in 2017. Of the total eight directors, most of them, as stated in this report, were appointed to replace directors who had resigned. The Board of Directors Meeting 12/2560 on December 28, 2017 resolved to appoint Mr. Apivut Thongkam as Independent Director and Audit Committee member, to replace Mr. Pongsak Chomsuwan, who had resigned, and Mr. Somchai Meesen as Director, to replace Mr. Tawat Tintabura, who had resigned. So, meeting attendance of Directors Meetings and Audit Committee Meetings has been counted since their appointment in 2017.

As Thailand's fully-integrated and leading media operator, Nation Group has realized its important roles and missions in providing news and information that can influence society, both in positive and negative ways. To create a better and more sustainable society in Thailand as well as preserve national culture, Nation Group, as part of its Good Corporate Governance and Corporate Social Responsibility policies, has organized numerous CSR activities, many in collaboration with external agencies. Nation Group and its subsidiaries' outstanding CSR activities for 2017 are outlined as follows:

1. TanKhunPaenDin Project



The “TanKhunPaenDin” 2017 Project plays a part in encouraging Thai people to undertake good deeds for society. Nation Group, through Kom Chad Luek newspaper, has initiated the “TanKhunPaenDin” project to praise and honour individuals who have made significant social contributions.

Objectives

- To provide good examples of individuals selected as “Good People,” who will serve as role models to inspire other Thais to perform good deeds.
- To raise awareness among Thai people about the importance of self-improvement, development of creativity, social contribution and serving as a driving force to move the Thai people forward to a truly peaceful and sustainable society.
- To continue to develop the “TanKhunPaenDin” project, which has been organized continuously since 2007, to be bigger and better than ever before.

Qualifications of “TanKhunPaenDin People”

1. Persons who have been widely recognized by society as “good people”.
2. Persons who have demonstrated creativity with out-of-the-box thinking.
3. Persons whose works benefit society and communities at large.
4. Persons whose works help create a more sustainable society and communities.
5. Persons with inspirational biographies and works, which will ideally serve as role models for other people in society.





Nation Group believes the nomination of good people and model youths under the project will encourage Thai society to recognize the value of beneficial deeds and honour those performing good deeds. The company is confident that the project will set a good example to all sectors of society, raise awareness of the value of social contribution, as well as promote collaboration among all sectors to create a more peaceful and sustainable society. The company considers human resources development to be a worthy investment as human resources are the driving force behind organizations and society. If most Thai people observe moral and ethical principles, Thai society, as a whole, will be a truly happy, peaceful and sustainable one.



To date, 831 people have won TanKhunPaenDin awards over a period of 12 years and from all regions of the country. The “TanKhunPaenDin” prize winners are presented on television on the “TanKhunPaenDin Report” publicizing those people with initiative, integrity and who bring benefit to society to a wider audience.

Encouraging people to act for the greater good is a way to help Thailand achieve peace and harmony, and to develop in a sustainable manner. This in turn serves as a foundation for the country amidst the rapid change that occurs in the world.

2. Magic Box Project

NML Co., Ltd. together with Ampol Food Co., Ltd., Siam Piwat Co., Ltd. and SIG COMBIBLOC Co., Ltd. organized the Magic Box Project to encourage greater awareness of environmental issues among the public and private sector as well as the young generation, and to help ease the problem of garbage in the country. The Magic Box project involved washing and recycling used UHT cartons as chips which can then be used in the production of desks and chairs for underprivileged school children nationwide. The “Magic Box Keep 2 Share” project aimed to promote environmental conservation and return benefits to society by encouraging members of the public and private sectors to wash and unpack used UHT cartons and deposit them at six collection points in Paragon Shopping Center and Siam Center from June to September 2017.



3. Dam Building for Forest Conservation Project

Organized with the advice and guidance of Mr. Seksun Daengsai, the project involved a total of 165 students, comprising 125 students from Nation University, 11 students from Lampang College of Commerce and Technology and 29 military cadets. The program was organized by first-year students of the Faculty of Communication Arts, Nation University. The project aimed to promote friendship and a volunteer spirit among students as well as giving participants knowledge, understanding and experience on construction of check dams and forest conservation.

4. Plant Genetic Conservation Project under the Royal Initiative of HRH Princess Maha Chakri Sirindhorn



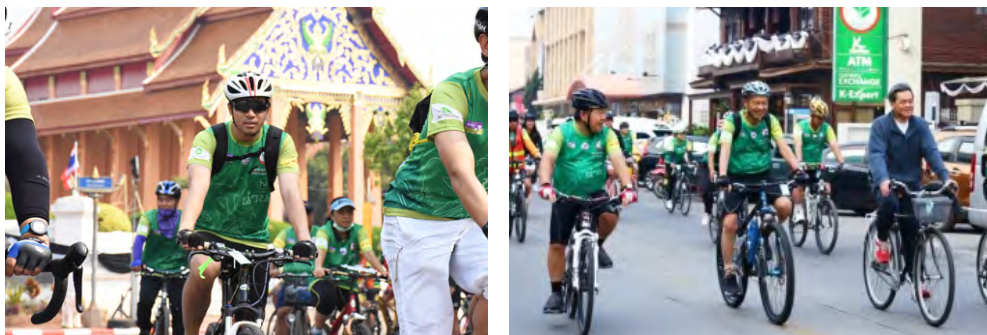
As part of the Plant Genetic Conservation Project under the Royal Initiative of HRH Princess Maha Chakri Sirindhorn, Nation University's working committee on the Project has mapped out an annual action plan to work in compliance with the Project's Master Plan with close monitoring of the University's operations to be in line with the action plan.

The Project's ultimate goal is to build personnel with expertise on plant genetics who will play a key role in the conservation and development of plant genetics resources for the benefit of the country. Other objectives are to raise public awareness and promote better understanding about the importance of plant genetics, which will lead to collaborative action to conserve plant genetics.

5. Nation Bike Thailand 2017 – Forest conservation campaign



KASIKORNBANK, NBC Next Vision Co., Ltd. and Nan Municipality jointly organized the Nation Bike Thailand 2017 project to promote forest conservation in Nan. The project aims to raise awareness among people in the area to work together in helping conserve forests in the province, which represent the source of around 40 per cent of water flowing into the Chao Phraya River, the main lifeline of Thailand. Watershed forests in Nan are therefore very important to all Thai people and it is crucial to prevent further destruction of the forests, promote reforestation, and raise awareness of the importance of nature, forests and rivers among children and the young generation.



6. Smile Library Project 4

The Smile Library project is organized to donate books to schools, in cooperation with partners comprising individuals and more than 30 private companies, to deliver educational materials to young people in rural areas. The project aims to bring the world to disadvantaged youth while encouraged youngsters to be more creative. In 2017, the company and its partners jointly delivered more than 100,000 copies of books to 100 schools across the country. Participating organizations included Siemens Co., Ltd., the Thailand Management Association (TMA), Bangkok Distributor Co., Ltd., Chulalongkorn Engineering Alumni, etc.



Books were presented to the following shelters and foundations:

1. Children's Shelter at Wat Botworadit, Ang Thong province, on January 28, 2017
2. Ban Sangsak Dek, Pathum Thani province, on April 30, 2017
3. Youth Aid Center Maharat Foundation, Pathum Thani province, on June 24, 2017
4. Elderly Care Home, Nakhon Pathom province, on August 27, 2017
5. Lorenzo Orphanage, Chonburi province, on October 28, 2017
6. Wat Bang Phloeng Children's Home, Ayutthaya province, on December 2, 2017

7. NJ Spelling Bee 2017

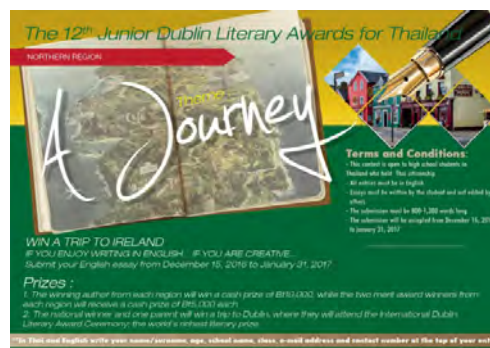


The NJ Spelling Bee is an English spelling contest for Thai students, which aims to enhance the vision and potential of students. It is also important in the advancement of Thai society. Since 1998, Nation Junior, a unit of Nation International Edutainment Public Company Limited (NINE), has regularly held the "NJ Spelling Bee" with an award bestowed by H.R.H. Princess Maha Chakri Sirindhorn, together with scholarships to study English in the United States for the regional champion as well as a scholarship to study overseas for the supervising teacher.

Over the past 20 years, NJ Spelling Bee has become well-recognized as the leading English spelling contest in Thailand and across Asia, with more than 20,000 students joining the contest to date. Each year children and teenagers are given an opportunity to show off their English competency on the stage, helping broaden their vision concerning the study of English, as well as strengthening relations between teachers and pupils through the exchange of ideas, knowledge and experience.



8. The 12th Junior Dublin Literary Awards for Thailand 2017



The Junior Dublin Literary Awards for Thailand is a creative English essay-writing contest for Thai students. Nation Junior, in cooperation with the Embassy of the Republic of Ireland in Thailand, has held the creative English essay contest for 11 years, this year under the topic "A Journey". The main prize is a study trip to the Republic of Ireland. This activity is a way to develop the English language potential of Thai youth, providing them with opportunities to demonstrate their English skills to prepare them for the international community. The company cooperated with partners such as City Life Chiang Mai Magazine as co-organizer for the Northern regional level and Phuket Gazette Newspaper for the Southern regional level, eliciting more than 1,000 entries from high school students nationwide.

9. Introduction to Creative Writing Workshop for Teachers

The 12th creative English essay-writing contest (the 12th Junior Dublin Literary Awards for Thailand) promotes the creativity and enhances the English skills of youth, while also affording an opportunity for teachers to participate in offering advice on writing and improving the English skills of their students. To help the teachers, a 1-day workshop was organized - "Introduction to Creative Writing" lectured by Prof. Ingtip Rattananangsi, lecturer at the Language Institute of Chulalongkorn University. The seminar was free of charge.

10. Music Club Project

The Music Club has been established to give employees the opportunity to get together and share the joy of music with others. The club's emphasis is on creating benefit for society by performing music for charitable purposes.



11. Model Graduates 4

The “Model Graduates” project, whose objective is to encourage young people to dedicate themselves to assisting communities and society, was launched through the cooperation of the Pidhthong Lang Phra Foundation, the University Council and members of Nation Group. The project’s youth members are encouraged to develop an awareness of social issues and dedicate the time, effort and knowledge they have gained into helping bring about solutions to pressing problems and benefitting society. The project aims to get the new generation of youngsters involved in helping develop the nation. The objectives of the project are:

- To stimulate public awareness and create broad benefits for youth.
- To create opportunities for youth to learn about and play a part in alleviating the problems facing communities and society.



Awards for Nation Group Companies in 2017

Nation Multimedia Group Public Company Limited (NMG)

Received a Certificate of Membership from Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) November 21, 2017



The Company has been certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), which confirms the Company's commitment to fighting corruption and its readiness to undertake business operations with transparency. The Company maintains a policy and practices to completely prevent corruption in accordance with the criteria set by the CAC Board. The certificate is valid for a period of three years from November 10, 2017 to November 10, 2020.

Nation Broadcasting Corporation Public Company Limited (NBC)

Received a Certificate of Membership from Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) November 21, 2017

The Company has been certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), which confirms the Company's commitment to fighting corruption and its readiness to undertake business operations with transparency. The Company maintains a policy and practices to completely prevent corruption in accordance with the criteria set by the CAC Board. The certificate is valid for a period of three years from November 10, 2017 to November 10, 2020.



2017

Awarded “NACC Award” for Anti-corruption in the Media by the National Anti-Corruption Commission November 17, 2017

NACC Awards

Television Program category for “Thai Bank Time Bomb” and “Rolls Royce Lesson for the Future” from the Nation X Files, broadcast on digital TV channel Nation 22.



Nation U Co., Ltd. (Nation University)

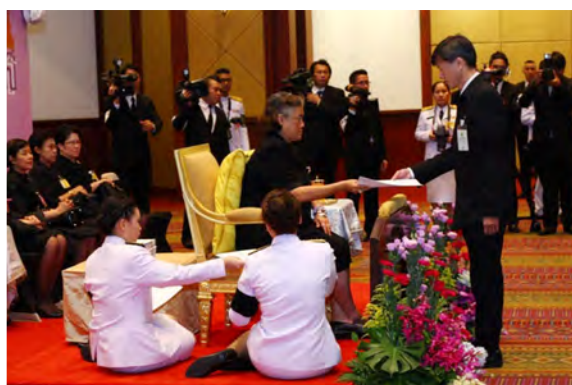
Received the runner-up prize in the Media Anti-corruption Contest at the higher education level. November 17, 2017



Fourth-year students of Nation University, Bangna Campus, received the runner-up prize in the Media Anti-corruption Contest in the Higher Education short film category for their film “Political Arena”.

Nation International Edutainment Public Company Limited (NINE)

Received an Award from the Publishers and Booksellers Association of Thailand (PUBAT)



Award from the Publishers and Booksellers Association of Thailand (PUBAT)

On March 29, 2017, Her Royal Highness Princess MahaChakriSirindhorn graciously presented a certificate to Mr. SangchaiLelanawalikhit on behalf of NINE at the 45th National Book Fair and 15th International Book Week, events sponsored by the Publishers and Booksellers Association of Thailand (PUBAT).

On October 18, 2017 the Company received a plaque of honor from the Publishers and Bookseller Association of Thailand (PUBAT) as a sponsor of the 22th International Book Fair, which promotes reading-habit among Thai people extensively and creates a sustainable knowledge society as a crucial basis for national development.

Received a Certificate of Membership from Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) November 21, 2017

Award from Thailand's Private Sector Collective Action Coalition against Corruption

On November 21, 2017, the company was awarded a membership certificate from Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), confirming the company's commitment to anti-corruption measures and transparent business operations. The company maintains policies and practices to ensure corruption-free business in accordance with criteria set by the CAC Board. The certificate is valid for three years from November 10, 2017 to November 10, 2020.



Structure of Sales and Service Income

Nation Multimedia Group Public Company Limited and Subsidiaries have the structure of revenue from sales and rendering of services grouped by products and services as follows:

(Unit : in Million Baht)

Products / Services	Operated by	2017		2016 (restated)		2015 (restated)	
		Amount	%	Amount	%	Amount	%
Publishing and distribution of newspapers, publishing, digital publishing and providing advertising media / news services	<ul style="list-style-type: none"> • Nation Multimedia Group PCL. • Kom Chad Luek Media Co., Ltd. 	714	39%	868	43%	1,022	43%
Publishing and distribution English newspapers, publishing, digital publishing and advertising media	• Nation News Network Co., Ltd.						
Publishing and distribution of newspaper, publishing, digital publishing and advertising media	• Krungthep Turakij Media Co., Ltd.						
Importing, publishing, distributing local and foreign publications, production of TV programmes and providing advertisements through TV media, digital media and character management	• Nation International Edutainment PCL.	119	7%	146	7%	179	7%
Importing, publishing and distribution educational books and comics	<ul style="list-style-type: none"> • Nation Global Edutainment Co., Ltd. • Nation Edutainment Co., Ltd. <i>(liquidated and completed liquidation on 17 Oct 16)</i> 						
Production of publishing, and books and publishing services.	• WPS (Thailand) Co., Ltd.	40	2%	60	3%	54	2%
Production of TV and radio programmes and providing advertisements through TV, radio and new media forms	<ul style="list-style-type: none"> • Bangkok Business Broadcasting Co., Ltd. • Nation Broadcasting Corporation PCL. • NBC Next Vision Co., Ltd. • NBC Nextmedia Co., Ltd. <i>(liquidated and completed liquidation on 23 Jun 17)</i> • NBC Next Screen Co., Ltd. <i>(liquidated and completed liquidation on 12 Dec 17)</i> • Nation Kids Co., Ltd. <i>(liquidated and completed liquidation on 29 Jun 17)</i> 	735	41%	767	38%	964	40%
Transportation and delivery services	• NML Co., Ltd.	143	8%	114	6%	106	5%
University and education services	<ul style="list-style-type: none"> • Nation U Co., Ltd. • Nation University 	58	3%	67	3%	75	3%
Total		1,809	100%	2,022	100%	2,400	100%

Audit Committee's Report for the Year 2017



The Audit Committee of Nation Multimedia Group Public Company Limited (the “Company”) consists of three independent directors, with Mr.Apivut Thongkum as the chairman of the committee (he was appointed as the chairman of the committee on 17 January 2018). Mr.Chaiyasith Puvapiromquan and Mrs.Warangkana Kanlayanapradit, are the committee members (appointed on 28 September 2017 and 17 January 2018, respectively). In 2017, Mrs. Pijitra Mahapol acted as the chairman of the committee from 1 January 2017 to 16 January 2018 and Mrs. Narawadee Vanichvatana and Mr.Suphaphong Sukhasapha acted as the committee members from 1 January 2017 to 27 September 2017. Mr.Pongsak Chomsuwan acted as the committee member from 28 September 2017 to 28 December 2017.

The Audit Committee would like to inform that as shareholders are already aware that the Company was not able to submit the financial statements for the year 2017 within the period of time specified by law, the cause is that the new set of directors and management, who came to take a position from September 2017 to January 2018, had considered the financial information and found that the financial statements for the year 2017 contained the accrued revenue record of which the significance may be fraudulent and inconsistent with the actual performance of the Company (the “Accrued Revenue Record of which the Significance may be Fraudulent”). The Company therefore informed KPMG Phoomchai Audit Ltd., the auditor of the Company (the “Independent Auditor”), to inspect the information regarding the Accrued Revenue Record of which the Significance may be Fraudulent. The Audit Committee would like to inform that the Company regards this matter as the utmost importance. The Company is not indifferent toward such matter and appoint a working group consisting of relevant experts for the investigation and evidences gathering from the Accrued Revenue Record of which the Significance may be Fraudulent in order for the financial statements for the year 2017 to be truly correct and reflect the actual performance and the comprehensive share value of the shareholders.

The cause of the delay in submitting the financial statements for the year 2017 was from the inspection of the Accrued Revenue Record of which the Significance may be Fraudulent of which there were a number of relating parties and relevant documents. Therefore, the Company had to inspect documents, gather evidences and inquire every relevant party, including operational staff, as well as co-operate with the Independent Auditor throughout such inspection. The progress of the inspection is that after the Audit Committee was informed of the Accrued Revenue Record of which the Significance may be Fraudulent, the Audit Committee asked the Company to hire and appoint independent legal advisor to take legal action against the persons that related to the event of the Accrued Revenue Record of which the Significance may be Fraudulent. Preliminarily, after consulting with the independent legal advisor, the Company is still not able to provide information with regard to the investigation result since it may affect the cases. Nevertheless, the Audit Committee affirms that the current Audit Committee of the Company perform the duties with responsibility, care and integrity in conformity with relevant legal framework and is completely irrelevant to the event of the Accrued Revenue Record of which the Significance may be Fraudulent. The Audit Committee also intends to monitor the submission of financial statements and financial position and performance report of the company to be strictly in conformity with laws.

In this regard, on 24 August 2018, the meeting of the Board of Directors of the Company no. 9/2018 passed a resolution to approve the financial statements for the year 2017 ended 31 December 2017 which was already audited by the Independent Auditor. In 2017 and 2018 (until the date of this Report), the Audit Committee attended eight meetings, each of which took approximately four hours, in order to perform its duties as specified in the Audit Committee Charter, including being informed and providing opinion as the Audit Committee of the Company regarding the Accrued Revenue Record of which the Significance may be Fraudulent. Furthermore, in every meeting, there were agenda items to meet with the Company’s Independent Auditor, the internal auditor, and the executive management in the case of there being any relevant matters. The Audit Committee is of the opinion that:

1. The interim financial statements for the first 3 quarters of 2017 and the financial statements for the year 2017 were appropriate in presenting the complete, adequate, and correct information on the operational results of the Company in all material respects in conformity with the generally-accepted accounting principles according that the Independent Auditor disclosed

and provided opinion in the Audit Report and were made in accordance with Accounting Standard and Financial Reporting Standard, along with relevant legal requirements. The review and inspection of material information in the making of financial statements is in conformity with the Financial Reporting Standard and neither suspicious conduct nor transaction were found to materially affect the financial reports.

2. The Company's internal control system and risk management system were appropriate, adequate and efficient. At present, there is one experienced internal auditor (previously, there were two internal auditors but one internal auditor resigned on 17 June 2017) who is responsible for overseeing and carrying out internal audit activities, as well as evaluating according to the Internal Control System Sufficiency Evaluation Form of the Securities and Exchange Commission that the system of the Company is sufficient and suitable for the business operation of the Company, which is consistent with the Audit Report.
3. Reviewing the accuracy of the reference and self-evaluation form regarding the anti-corruption measures of the Company according to Thailand's Private Sector Collective Action Coalition against Corruption and the Company was certified as a member on 10 November 2017.
4. The Audit Committee was informed of and reviewed the related party transactions i.e. connected transactions in 2017 and found that those were normal business transactions with general commercial terms and conditions (arm's length basis) that were reasonable. No irregular transaction was found and those were under the framework of the resolution of the meeting of the Board of Director of the Company no. 5/2016 held on 9 May 2016 (according to Corporate Governance Policy of the Company).
5. In 2017 and 2018 (until the date of this report), the Company has duly complied with the law governing Securities and Exchange, as well as other requirements and laws relevant to the business of the Company.
6. Ms.Patamavan Vadhanakul, certified public accountant registration number 9832, was the Company's Independent Auditor for the year 2017. This was her fourth consecutive year as the company's Independent Auditor. She is knowledgeable, independent, and has extensive experience in auditing and is, therefore, a suitable candidate for the position.



(Mr.Chaiyasith Puvapiromquan)
Member of the Audit Committee

With respect to the appointment of the Company's Independent Auditor for the year 2018, the Audit Committee proposes that Mrs.Sasithorn Pongadisak, certified public account registration No. 8802 or Ms.Marisa Tharathornbunpakul, certified public accountant registration no. 5752, or Mr.Thanit Osathalert, certified public accountant registration no. 5155 of KPMG Phoomchai Audit Ltd. be appointed as the Company's Independent Auditor for the year 2018 for another term on account of their suitability, knowledgeability, independence and experience in account auditing.



(Mr.Apivut Thongkum)
Chairman of the Audit Committee



Report of the Board of Director's Responsibilities to the Financial Report for the year 2017 Nation Multimedia Group Public Company Limited

According to shareholders are already aware that the Company was not able to submit the financial statements for the year 2017 within the period of time specified by law, the cause is that the new set of directors and management, who came to take a position from September 2017 to January 2018, had considered the financial information and found that the financial statements for the year 2017 contained the accrued revenue record of which the significance may be fraudulent and inconsistent with the actual performance of the Company (the **"Accrued Revenue Record of which the Significance may be Fraudulent"**). The Company therefore informed KPMG Phoomchai Audit Ltd., the auditor of the Company (the **"Independent Auditor"**), to inspect the information regarding the Accrued Revenue Record of which the Significance may be Fraudulent. The Audit Committee would like to inform that the Company regards this matter as the utmost importance. The Company is not indifferent toward such matter and appoint a working group consisting of relevant experts for the investigation and evidences gathering from the Accrued Revenue Record of which the Significance may be Fraudulent in order for the financial statements for the year 2017 to be truly correct and reflect the actual performance and the comprehensive share value of the shareholders.

The cause of the delay in submitting the financial statements for the year 2017 was from the inspection of the Accrued Revenue Record of which the Significance may be Fraudulent of which there were a number of relating parties and relevant documents. Therefore, the Company had to inspect documents, gather evidences and inquire every relevant party, including operational staff, as well as co-operate with the Independent Auditor throughout such inspection. The progress of the inspection is that after the Audit Committee was informed of the Accrued Revenue Record of which the Significance may be Fraudulent, the Audit Committee asked the Company to hire and appoint independent legal advisor to take legal action against the persons that related to the event of the Accrued Revenue Record of which the Significance may be Fraudulent. Preliminarily, after consulting with the independent legal advisor, the Company is still not able to provide information with regard to the investigation result since it may affect the cases. Nevertheless, the Audit Committee affirms that the current Audit Committee of the Company perform the duties with responsibility, care and integrity in conformity with relevant legal framework and is completely irrelevant to the event of the Accrued Revenue Record of which the Significance may be Fraudulent. The Audit Committee also intends to monitor the submission of financial statements and financial position and performance report of the company to be strictly in conformity with laws.

In this regard, on 24 August 2018, the meeting of the Board of Directors of the Company no. 9/2018 passed a resolution to approve the financial statements for the year 2017 ended 31 December 2017 which was already audited by the Independent Auditor.

The Board of Directors has been aware of its duties and responsibilities as director of the listed company in regulating and ensuring of the transparency, accuracy and completeness of the established financial reporting in material appropriately to maintain the company's assets, prevent frauds and abnormal transactions and related transactions which may cause a conflict of interest, commercial transactions as normal course of business and in compliance with the generally accepted accounting standards, implement the appropriate accounting policies and practice regularly with a deliberate precaution in conducting the separate consolidated financial statements of the company and its subsidiaries, as well as financial information as appeared in the annual report of the company.

Thus, to assure the stakeholders of the financial reporting of the company, the Board of Directors has appointed the Audit Committees; consisting of independent director whose qualification meets the requirements of the Stock Exchange of Thailand (SET) and the Notification of the Capital Market Commission, to be responsible for reviewing the financial reporting and business operation for adequate accuracy and disclosure and ensuring of the transparency, accuracy and completeness of the related transaction or transactions with the conflict of interest, the adequateness of risk management, internal control, and sufficient and effective regulation

2017

of the company, the adequateness of tracking requirements of the Stock Exchange of Thailand (SET) and the Notification of the Capital Market Commission. Audit Committee reported the Board of Directors its opinion on this matter in the Report of the Audit Committee as appeared in the Annual Registration Statement (56-1) and annual report of the company.

The Board of Directors have been of the opinion that internal control of the company as a whole was satisfactory to some degrees with a reasonable confidence to the reliability of the separate and consolidated financial statements of the company and its subsidiaries as of ended December 31, 2017, which the company's auditors have been of the opinion that the financial statements representing the financial position, operating results, and cash flow is accurate, complete, reliable and reasonable in accordance with the generally accepted accounting principles, coupled with the use of appropriate accounting policies and practices regularly and transparent and adequate disclosure in accordance with the applicable laws and relevant regulations.



Mr. Marut Arthakaivalvatee
Chairman of the Board of Director

Clarification on Percentage of Change More Than 20%



The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the ended 31 December 2017 represented a loss of Baht 2,156.49 million. Compared to the same period of 2016, the loss was Baht 1,179.47 million (restated), an increase loss of 83%. The Company would like to clarify a significance change of Group's operation results were summarized as follows

1. Revenue from sales and services for the year 2017 decreased by 11% compared to the same period of 2016. The main reasons is from economic slowdown which affected advertising revenue decreased by 10% and circulation revenues of newspaper, pocket books and children books decreased by 25%.
2. Costs and expenses for the year 2017 increased by 31% compared to the same period of 2016. The main reasons were:
 - Cost of goods sold and services decreased 15% in line with the decreased in revenues from sales and services.
 - Distribution costs and administrative expenses decreased 20% due to in the second quarter of 2016, the subsidiaries have recognised a provision for inventory obsolescence and written-off the licences for publication from their restructuring of Baht 204.45 million.
 - The subsidiary and indirect subsidiary recognised impairment loss of digital terrestrial television licenses and relating assets at the amount of Baht 1,479.09 million in 2017. The impairment of assets related to the licenses were estimated the recoverable amount of value in use, determined by discounted future cash flows, the terminal growth rate and discounted rate used in the assumptions are based on management of the subsidiary and indirect subsidiary's judgment and past experience and business plan, as well as the future prediction that is believed to be reasonable in the present situation and compared to the carrying amount of assets related to the licenses.

Conclusion :

The Group reported a loss for the year ended 31 December 2017 was Baht 2,156.49 million. Compared to the same period of 2016, the loss was Baht 1,179.47 million (restated).

**Nation Multimedia Group Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2017
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Nation Multimedia Group Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries (the "Group") and of Nation Multimedia Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern


I draw attention to Note 2 to the financial statements, which indicates that the Group and the Company incurred a net loss of Baht 2,378.35 million and Baht 3,229.50 million, respectively during the year ended 31 December 2017 and, as of that date, the Group and the Company's total current liabilities exceeded its current assets by Baht 1,423.49 million and Baht 1,668.01 million, respectively and the Group and the Company had deficit of retained earnings of Baht 3,556.27 million and Baht 3,102.74 million, respectively. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group and the Company's ability to continue as a going concern. My opinion to the consolidated and separated financial statements 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Revenue from advertising services recognition	
Refer to Note 5 (P) to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group has revenue from advertising services as a major revenue of the Group. It was a key performance indicator in terms of business operations which the management and the users of the financial statements pay particular attention. The establishment of scope of services, the pricing arrangements, terms and conditions as stipulated in the service agreements as well as relevant respective internal controls are relatively complex, which could be subject to either accidental errors or deliberate fraud.</p> <p>Therefore, I have determined this matter to be a key audit matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • gain an understanding of internal control processes related to the control over processes of revenue • accessing and testing of the IT system with respect to revenue cycle • assess design and implementation of control over processes of revenue • perform testing on accounting and supporting documents for revenue recognition and accrued income • perform analysis on revenue by comparison with historical data and industry information

Valuation of investments in subsidiaries and trade and other current accounts receivable with related parties	
Refer to Notes 10, 11 and 16 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Company's portfolio of investments in subsidiaries consists of publishing and advertising, printing, edutainment, broadcasting and new media, and other businesses.</p> <p>According to the recent trend of changes in consumer behaviour and the current economic downturn, it affects publishing and broadcast media advertising businesses. This includes the competition in digital television business. Consequently, these matters affect the operations of subsidiaries which are indicators of impairment on the investments in subsidiaries and trade and other current accounts receivable with related parties.</p> <p>The consideration of value of investments and trade and other current accounts receivable with related parties depends on the management's judgements to determine assumptions in respect to the forecast of operating results, discount rate and key assumptions used to estimate the recoverable amount of each aforementioned investments in subsidiaries and trade and other current accounts receivable with related parties. Therefore, I considered this matter to be a key audit matter.</p>	<p>In evaluating the impairment assessment performed by management, my audit procedures included, among others:</p> <ul style="list-style-type: none"> gaining an understanding of the determination of cash-generating units of the Group and the estimated recoverable amount, which was the higher of its fair value less costs to sell and value in use, including the preparation of discounted future cash flow along with management approval; considering the determination of cash-generating units of the Group; considering the discounted future cash flow approved by management by evaluating the key assumptions and actual operating results and the business plans, as well as assessing the appropriateness of discount rate used by comparing to the weighted average cost of capital of an industry which the Group operates in and testing the computation of discounted future cash flow; evaluating the sensitivity of key assumptions used in the estimation of future cash flows, in order to evaluate the effects to the recoverable amount; and evaluating the adequacy of financial statements disclosures in accordance with Thai Financial Reporting Standards. 

Impairment of digital television licences	
Refer to Notes 20, 21 and 22 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>A direct subsidiary and an indirect subsidiary obtained the commercial digital terrestrial television licences (“licence”) at national level for a variety standard definition channel category and a news channel category, respectively.</p> <p>Transitioning to digital television era has resulted in high competition in the television industry. There is risk that operation results may not be in line with initial expectations and forecasts, and that the licence asset may possibly be impaired. This would impact on the operating results of the direct and indirect subsidiaries which own the licences.</p> <p>Management of the direct and indirect subsidiaries use significant judgements in determining key assumptions used to estimate the recoverable amount of the licences.</p> <p>I have determined this matter to be a key audit matter.</p>	<p>In evaluating the impairment of digital television licences consideration of management, my audit procedures included, among others:</p> <ul style="list-style-type: none"> gaining an understanding of estimated recoverable amount from the preparation of discounted future cash flow along with management approval; assessing the discounted future cash flow approved by management by evaluating the key assumptions used in discounted future cash flow with the actual operating results and the business plan; as well as assessing the appropriateness of discount rate used by comparing to the weighted average cost of capital of an industry which the Group operates in and testing the computation of discounted future cash flow; evaluating the sensitivity of key assumptions used in the estimation of future cash flows, in order to evaluate the effects to the recoverable amount of digital television licences; and evaluating the adequacy of the financial statements disclosures in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to Notes 3 and 4 to the financial statements, which describes the following matters. My opinion is not modified in respect of these matters.

- As discussed in note 3, the management of the Group adjusted the transactions related to revenue recognition in previous years and restated the relevant financial statements. I have audited these adjustments and found that such adjustments are appropriated and have been properly applied.
- I draw attention to note 4 describing the effect of the change in accounting policy for property, plant and equipment in 2017.

Other Information

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

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



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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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


In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company'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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 consolidated and separate 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.

(Patamavan Vadhanakul)
Certified Public Accountant
Registration No. 9832

KPMG Phoomchai Audit Ltd.
Bangkok
24 August 2018

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated financial statements			Separate financial statements		
		31 December 2017	31 December 2016 (restated)	1 January 2016 (restated)	31 December 2017	31 December 2016 (restated)	1 January 2016 (restated)
Assets	<i>Note</i>						
<i>(in Baht)</i>							
Current assets							
Cash and cash equivalents	8	186,398,722	233,693,922	207,525,311	9,481,223	26,768,246	17,758,285
Current investments	9	125,421,715	422,376,193	822,149,643	-	49,288,713	2,549
Trade accounts receivable	10	274,767,764	398,048,724	588,556,740	932,770,606	1,168,238,871	1,083,108,218
Accrued income	3, 7	77,069,842	99,468,957	167,704,292	25,237,531	13,878,813	29,157,336
Other current receivables	11	59,605,476	89,842,411	85,826,136	339,142,823	927,673,352	649,800,574
Inventories	12	68,115,945	136,926,036	379,967,569	16,262,360	26,223,637	69,698,118
Other current assets	13	285,792,385	321,558,486	242,306,751	82,459,905	90,502,258	66,182,620
Total current assets		1,077,171,849	1,701,914,729	2,494,036,442	1,405,354,448	2,302,573,890	1,915,707,700
Non-current assets							
Restricted deposits	14	478,638	861,618	2,682,654	-	-	-
Investment in associate	15	23,226,005	23,156,526	22,076,249	1,800,000	1,800,000	1,800,000
Investments in subsidiaries	16	-	-	-	1,490,563,920	3,627,879,275	2,993,311,391
Long-term investment in related party	18	-	-	-	-	-	-
Long-term investments in other companies	9	4,019,185	7,415,844	10,342,497	4,019,185	7,415,844	10,342,497
Investment properties	19	70,654,548	75,446,583	44,677,757	62,205,134	64,495,244	44,677,757
Property, plant and equipment	4, 20	1,462,585,494	1,488,481,024	1,646,419,498	445,152,717	489,345,282	528,224,191
Intangible assets	21	66,983,615	171,182,015	115,517,353	5,443,928	7,511,243	11,691,160
Digital television licences	22	1,049,289,369	2,574,170,702	2,783,779,533	-	-	-
Deferred tax assets	23	77,316,597	112,053,123	262,921,978	9,751,725	21,352,550	92,414,477
Withholding tax deducted at source		213,353,593	201,529,222	213,879,317	113,576,200	128,588,112	159,457,033
Other non-current assets		24,851,379	29,218,722	25,808,862	10,989,936	12,565,057	9,916,264
Total non-current assets		2,992,758,423	4,683,515,379	5,128,105,698	2,143,502,745	4,360,952,607	3,851,834,770
Total assets		4,069,930,272	6,385,430,108	7,622,142,140	3,548,857,193	6,663,526,497	5,767,542,470

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December 2017	31 December 2016 (restated)	1 January 2016 (restated)	31 December 2017	31 December 2016 (restated)	1 January 2016 (restated)
		(in Baht)					
Current liabilities							
Bank overdrafts and short-term loans							
from financial institutions	24	864,673,663	549,430,992	590,384,836	801,184,751	492,980,198	519,497,304
Trade accounts payable	25	105,023,638	99,264,197	133,706,003	1,341,373,708	1,509,797,797	1,177,449,030
Other current payables	26	67,394,508	26,139,951	26,328,803	38,087,710	28,594,237	25,695,733
Deferred income		95,518,157	119,995,484	93,320,510	36,884,390	27,728,783	33,153,567
Current portion of digital television							
licences payable	28	297,964,168	584,068,719	556,203,640	-	-	-
Current portion of long-term loans							
from financial institutions	24	156,000,000	120,000,000	-	156,000,000	120,000,000	-
Short-term loans	24	553,500,223	550,000,000	-	553,500,223	550,000,000	-
Current portion of							
finance lease liabilities	24	-	1,066,172	1,561,041	-	1,066,172	1,561,041
Accrued expenses	3, 27	166,496,782	187,344,952	216,231,989	90,282,158	70,623,925	69,632,279
Current tax payable	3	-	8,108	417,749	-	-	-
Output value added tax pending		178,133,657	226,745,927	213,353,190	51,371,219	59,565,068	55,492,454
Other current liabilities		15,961,494	21,923,130	22,885,069	4,678,714	8,815,335	7,032,608
Total current liabilities		2,500,666,290	2,485,987,632	1,854,392,830	3,073,362,873	2,869,171,515	1,889,514,016
Non-current liabilities							
Digital television licences payable	28	1,131,218,342	1,130,069,671	1,714,138,390	-	-	-
Long-term loans from							
financial institutions	24	47,000,000	158,833,333	-	47,000,000	158,833,333	-
Finance lease liabilities		-	-	1,270,784	-	-	1,270,784
Deferred tax liabilities	23	31,230,072	20,909,398	17,826,173	-	-	-
Non-current provisions for							
employee benefit	29	137,980,447	167,252,750	163,856,203	43,507,442	47,684,856	52,165,755
Other non-current liabilities	30	87,315,106	105,061,289	130,431,918	66,433,250	81,903,868	100,734,575
Total non-current liabilities		1,434,743,967	1,582,126,441	2,027,523,468	156,940,692	288,422,057	154,171,114
Total liabilities		3,935,410,257	4,068,114,073	3,881,916,298	3,230,303,565	3,157,593,572	2,043,685,130
Equity							
Share capital	31						
Authorised share capital		2,663,572,195	2,663,572,195	2,663,572,195	2,663,572,195	2,663,572,195	2,663,572,195
Issued and paid share capital		2,155,959,049	2,155,959,049	2,155,848,809	2,155,959,049	2,155,959,049	2,155,848,809
Share premium	31, 32						
Share premium on ordinary shares		1,169,694,244	1,169,694,244	1,169,344,804	1,169,694,244	1,169,694,244	1,169,344,804
Share premium on							
ordinary shares of subsidiaries		96,939,173	96,604,862	95,397,593	-	-	-
Warrants	32	35,345,366	30,012,457	18,665,439	30,742,698	25,057,328	14,511,236
Reserve on acquisition of warrants	32	(91,013,286)	(91,013,286)	(91,013,286)	-	-	-
Retained earnings (Deficit)							
Appropriated							
Legal reserve	33	32,700,000	32,700,000	32,700,000	32,700,000	32,700,000	32,700,000
Unappropriated (Deficit)	3	(3,556,270,055)	(1,399,684,610)	(91,467,016)	(3,102,743,297)	126,754,031	355,702,896
Other components of equity	33	167,161,062	(4,231,727)	(4,250,405)	32,200,934	(4,231,727)	(4,250,405)
Equity attributable to							
owners of the parent		10,515,553	1,990,040,989	3,285,225,938	318,553,628	3,505,932,925	3,723,857,340
Non-controlling interests	3, 17	124,004,462	327,275,046	454,999,904	-	-	-
Total equity		134,520,015	2,317,316,035	3,740,225,842	318,553,628	3,505,932,925	3,723,857,340
Total liabilities and equity		4,069,930,272	6,385,430,108	7,622,142,140	3,548,857,193	6,663,526,497	5,767,542,470

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2017	2016 (restated)	2017	2016 (restated)
		(in Baht)			
Revenues	7				
Revenues from sales					
and rendering of services	3	1,809,052,334	2,021,668,301	450,044,175	627,152,987
Investment income	35	8,710,466	22,603,972	14,836,163	103,381,011
Other income		72,561,446	62,066,260	33,241,648	26,633,741
Total revenues		1,890,324,246	2,106,338,533	498,121,986	757,167,739
Expenses					
Costs of sales of goods					
and rendering of services	7	1,699,707,927	2,000,459,926	187,770,788	232,680,711
Distribution costs	7, 36	212,045,387	212,949,366	91,465,755	104,317,588
Administrative expenses	3, 7, 37	679,839,765	694,099,023	1,154,041,909	408,852,657
Impairment losses on assets	9, 12, 16, 19				
	20, 21, 22	1,479,091,000	2,950,000	2,177,075,980	2,950,000
Loss on business restructuring					
of subsidiaries	16	-	204,445,292	-	-
Finance costs	40	173,896,095	152,358,315	114,772,222	41,169,374
Total expenses		4,244,580,174	3,267,261,922	3,725,126,654	789,970,330
Share of profit of associate	15	69,479	1,080,277	-	-
Loss before income tax expense		(2,354,186,449)	(1,159,843,112)	(3,227,004,668)	(32,802,591)
Tax expense	3, 41	(24,166,071)	(157,818,808)	(2,492,660)	(71,669,895)
Loss for the year	3	(2,378,352,520)	(1,317,661,920)	(3,229,497,328)	(104,472,486)
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Gains (losses) on remeasuring					
available for sale investments	9	2,568,564	386,247	(582,369)	386,247
Net change in fair value of available for sale					
investments transferred to profit or loss	9	2,716,210	(362,900)	5,867,143	(362,900)
Income tax relating to items that will be					
reclassified subsequently to profit or loss	23, 41	(1,056,955)	(4,669)	(1,056,955)	(4,669)
Total items that will be reclassified subsequently to profit or loss		4,227,819	18,678	4,227,819	18,678

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2017	2016 (restated)	2017	2016 (restated)
		(in Baht)			
Items that will not be reclassified subsequently to profit or loss					
Gain on revaluation of assets	4, 20	204,927,351	-	40,256,052	
Losses on remeasurement of defined benefit plan	29	(111,208)	(11,968,306)	-	(3,063,185)
Income tax relating to items that will be reclassified subsequently to profit or loss	4, 23, 41	(19,876,247)	2,393,661	(8,051,210)	612,637
Total items that will not be reclassified subsequently to profit or loss		184,939,896	(9,574,645)	32,204,842	(2,450,548)
Other comprehensive income (expense) for the year, net of tax	3	189,167,715	(9,555,967)	36,432,661	(2,431,870)
Total comprehensive income (expense) for the year	3	(2,189,184,805)	(1,327,217,887)	(3,193,064,667)	(106,904,356)
Profit (loss) attributable to					
Owners of the parent		(2,156,485,358)	(1,179,473,013)	(3,229,497,328)	(104,472,486)
Non-controlling interests		(221,867,162)	(138,188,907)	-	-
Loss for the year		(2,378,352,520)	(1,317,661,920)	(3,229,497,328)	(104,472,486)
Total comprehensive income (expense) attributable to					
Owners of the parent		(1,985,192,656)	(1,186,188,196)	(3,193,064,667)	(106,904,356)
Non-controlling interests		(203,992,149)	(141,029,691)	-	-
Total comprehensive income (expense) for the year		(2,189,184,805)	(1,327,217,887)	(3,193,064,667)	(106,904,356)
Loss per share	3, 42				
Basic and diluted loss per share		(0.53)	(0.29)	(0.79)	(0.03)

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements (restated)

	Note	Other component of equity										
		Retained earnings (Deficit)					Equity					
		Issued and paid-up share capital	Share premium	Share premium of subsidiaries	Warrants	Reserve on acquisition of warrants	Legal reserve	Unappropriated (Deficit)	Available for sale investments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(in Baht)												
Year ended 31 December 2016												
Balance at 1 January 2016 - as reported												
Accounting adjustments												
Balance at 1 January 2016 - restated												
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
31, 32		110,240	349,440	-	(251,680)	-	-	-	-	208,000	-	208,000
32		-	-	-	11,756,029	-	-	-	-	11,756,029	379,285	12,135,314
16		-	-	-	-	-	-	-	-	-	17,000,000	17,000,000
43		-	-	-	-	-	-	(122,025,831)	-	(122,025,831)	-	(122,025,831)
16		-	-	-	-	-	-	-	-	-	(16,985,245)	(16,985,245)
Total contributions by and distributions to owners of the parent												
		110,240	349,440	-	11,504,349	-	-	(122,025,831)	-	(110,061,802)	394,040	(109,667,762)
Change in ownership interest in subsidiary												
16		-	-	1,207,269	(157,331)	-	-	15,111	-	1,065,049	12,910,793	13,975,842
Total change in ownership interest in subsidiary												
		-	-	1,207,269	(157,331)	-	-	15,111	-	1,065,049	12,910,793	13,975,842
Total transactions with owners, recorded directly in equity												
		110,240	349,440	1,207,269	11,347,018	-	-	(122,010,720)	-	(108,996,753)	13,304,833	(95,691,920)
Comprehensive income (expense) for the year												
		-	-	-	-	-	-	(1,179,473,013)	-	(1,179,473,013)	(138,188,907)	(1,317,661,920)
		-	-	-	-	-	-	(6,733,861)	18,678	(6,715,183)	(2,840,784)	(9,555,967)
Total comprehensive income (expense) for the year												
		-	-	-	-	-	-	(1,186,206,874)	18,678	(1,186,188,196)	(141,029,691)	(1,327,217,887)
Balance at 31 December 2016												
		2,155,959,049	1,169,694,244	96,604,862	30,012,457	(91,013,286)	32,700,000	(1,399,684,610)	(4,231,727)	1,990,040,989	327,275,046	2,317,316,035

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

Consolidated financial statements (restated)

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of changes in equity

Separate financial statements (restated)							
Note	Issued and paid-up share capital	Share premium	Warrants	Retained earnings		Other component of equity	Total equity
				Legal reserve <i>(in Baht)</i>	Unappropriated	Available for sale investments	
Year ended 31 December 2016							
	2,155,848,809	1,169,344,804	14,511,236	32,700,000	515,258,325	(4,250,405)	3,883,412,769
3	-	-	-	-	(159,555,429)	-	(159,555,429)
	2,155,848,809	1,169,344,804	14,511,236	32,700,000	355,702,896	(4,250,405)	3,723,857,340
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
31, 32	110,240	349,440	(251,680)	-	-	-	208,000
32	-	-	10,797,772	-	-	-	10,797,772
43	-	-	-	-	(122,025,831)	-	(122,025,831)
	110,240	349,440	10,546,092	-	(122,025,831)	-	(111,020,059)
Total transactions with owners, recorded directly in equity							
	110,240	349,440	10,546,092	-	(122,025,831)	-	(111,020,059)
Comprehensive income (expense) for the year							
Profit or loss	-	-	-	-	(104,472,486)	-	(104,472,486)
Other comprehensive income (expense)	-	-	-	-	(2,450,548)	18,678	(2,431,870)
	-	-	-	-	(106,923,034)	18,678	(106,904,356)
Total comprehensive income (expense) for the year							
	-	-	-	-	-	-	-
Balance at 31 December 2016	2,155,959,049	1,169,694,244	25,057,328	32,700,000	126,754,031	(4,231,727)	3,505,932,925

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of changes in equity

		Separate financial statements (Restated)						
		Retained earnings (Deficit)			Other components of equity			
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated (Deficit) <i>(in Baht)</i>	Available for sale investments	Total other components of equity
		Note						
Year ended 31 December 2017								
Balance at 31 December 2016 - as reported								
Accounting adjustments	3	2,155,959,049	1,169,694,244	25,057,328	32,700,000	302,504,532	(4,231,727)	3,681,683,426
		-	-	-	-	(175,750,501)	-	(175,750,501)
Balance at 31 December 2016 - restated		2,155,959,049	1,169,694,244	25,057,328	32,700,000	126,754,031	(4,231,727)	3,505,932,925
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners</i>								
Share-based payment transactions	32	-	-	5,685,370	-	-	-	5,685,370
<i>Total contributions by and distributions to owner</i>		-	-	5,685,370	-	-	-	5,685,370
Total transactions with owners, recorded directly in equity		-	-	5,685,370	-	-	-	5,685,370
Comprehensive income (expense) for the year								
Profit or loss		-	-	-	-	(3,229,497,328)	-	(3,229,497,328)
Other comprehensive income		-	-	-	-	-	4,227,819	36,432,661
Total comprehensive income (expense) for the year		-	-	-	-	(3,229,497,328)	4,227,819	(3,193,064,667)
Balance at 31 December 2017		2,155,959,049	1,169,694,244	30,742,698	32,700,000	(3,102,743,297)	(3,908)	318,553,628

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2017	2016 (restated)	2017	2016 (restated)
	(in Baht)			
Cash flows from operating activities				
Loss for the year	(2,378,352,520)	(1,317,661,920)	(3,229,497,328)	(104,472,486)
<i>Adjustments to reconcile loss to cash receipts (payments)</i>				
Tax expense	24,166,071	157,818,808	2,492,660	71,669,895
Finance costs	173,896,095	152,358,315	114,772,222	41,169,374
Depreciation	176,247,396	202,460,891	44,128,400	49,982,232
Amortisation of assets	116,645,610	106,856,703	3,409,765	6,133,553
Amortisation of digital television licences	178,631,333	209,608,831	-	-
Impairment losses on digital television licences	1,346,250,000	-	-	-
Impairment losses on inventories	7,990,000	-	-	-
Impairment losses on investments in subsidiaries	-	-	2,131,499,980	-
Impairment loss from long-term investments in other companies	-	2,950,000	-	2,950,000
Impairment losses on investment properties	4,521,000	-	2,576,000	-
Impairment losses on property, plant and equipment	51,350,000	-	43,000,000	-
Impairment losses on intangible assets	68,980,000	-	-	-
Non-current provisions for employee benefit	(32,752,277)	(11,828,151)	(5,326,875)	(5,767,136)
Share-based payments	5,267,590	12,135,314	5,685,370	10,797,772
Gain on fair value adjustment of investments in debt securities	(312,623)	(280,643)	(98,665)	(13,837)
Gain on disposal of investments in debt securities	(2,069,984)	(865,968)	(640,927)	(298,677)
Gain on disposal of debt security in private fund	(4,607,349)	-	-	-
(Gain) loss on disposal of long-term investments in other companies	5,914,027	(362,900)	5,914,027	(362,900)
Loss on return of investment in subsidiary	-	-	1,981,680	4,456,274
Share of profit of associate, net of income tax	(69,479)	(1,080,277)	-	-
Bad and doubtful debts expenses	2,647,434	6,680,120	820,869,676	3,324,986
Reversal of allowance for goods returned	(3,421,847)	(2,545,742)	(2,405,803)	(536,218)
(Reversal of) losses on inventories devaluation	(1,254,155)	127,380,630	(2,840,311)	(19,462)
Loss on decline in value of other non-current assets	1,239,059	-	-	-
Loss on disposal of investment properties	2,110,442	-	2,110,442	-
(Gain) loss on disposal of equipment	(232,471)	(796,461)	1,989,172	(631,761)
Loss on written-off of assets	12,895,897	24,330,694	-	4,898,525
Investment income	(8,710,466)	(22,603,972)	(14,836,163)	(103,381,011)
	(253,031,217)	(355,445,728)	(75,216,678)	(20,100,877)
Changes in operating assets and liabilities				
Trade accounts receivable	122,710,895	163,776,595	154,530,046	(88,554,761)
Accrued income	22,399,115	68,235,335	(11,358,718)	15,278,523
Other current receivables	28,242,451	(6,097,077)	(150,407,017)	(276,964,246)
Inventories	62,074,246	115,659,107	12,801,588	43,492,147
Other current assets	35,618,771	(82,796,475)	8,686,038	(24,320,118)
Restricted deposits	382,980	1,821,036	-	-
Other non-current assets	4,434,383	5,264,757	1,466,470	5,870,808
Trade accounts payable	12,813,790	(39,471,572)	(168,424,089)	332,348,767
Other current payables	42,914,836	(28,909,526)	6,356,683	(31,590,544)
Deferred income	(36,626,286)	26,674,975	(2,993,352)	2,240,290
Accrued expenses	(20,694,709)	(13,139,112)	19,569,691	760,336
Other current liabilities	(54,573,906)	12,430,798	(12,330,470)	5,855,341
Non-current provisions for employee benefit	(468,500)	(1,848,559)	-	(140,000)
Other non-current liabilities	(17,746,183)	(25,370,629)	(15,470,618)	(18,830,707)
Net cash used in operating	(51,549,334)	(159,216,075)	(232,790,426)	(54,655,041)
Taxes paid	(71,180,414)	(66,261,227)	(21,487,381)	(21,510,959)
Withholding tax refunded	57,578,833	60,748,025	35,543,328	43,430,929
Net cash used in operating activities	(65,150,915)	(164,729,277)	(218,734,479)	(32,735,071)

The cash flows from operating activities are an integral part of these financial statements.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended		Year ended	
	31 December		31 December	
Note	2017	2016	2017	2016
		(restated)		(restated)
	(in Baht)			
Cash flows from investing activities				
Proceeds from sale of long-term investment in other company	2,767,406	362,900	2,767,406	362,900
Current investments	73,356,823	598,302,300	-	-
Proceeds from sale of debt security in private fund	181,923,695	-	-	-
Acquisition of debt securities in private fund	(177,316,346)	-	-	-
Proceeds from sale of other debt securities	1,453,080,262	1,104,017,760	502,028,305	259,026,350
Acquisition of other debt securities	(1,227,100,000)	(1,301,400,000)	(452,000,000)	(308,000,000)
Proceeds from sale of investment properties	8,709,460	-	8,709,460	-
Proceeds from sale of equipment	2,418,707	1,971,099	448,222	698,171
Acquisition of building and equipment	(8,409,175)	(27,574,311)	(2,467,962)	(12,964,969)
Acquisition of programme licences	(73,493,468)	(174,335,587)	-	-
Acquisition of intangible assets	(18,170,297)	(10,827,295)	(1,312,919)	(1,130,610)
Digital television licences payments	(323,800,000)	(647,600,000)	-	-
Dividend received	24,322	36	14,811,822	103,340,762
Interest received	8,748,877	25,320,078	24,341	40,249
Net cash from (used in) investing activities	(97,259,734)	(431,763,020)	73,008,675	41,372,853
Cash flows from financing activities				
Proceeds from change in ownership interest in subsidiary without a change in control	3,833,695	13,975,842	3,833,695	13,975,842
Proceeds from exercise of share options	-	208,000	-	208,000
Acquisition of non-controlling interests	-	17,000,000	-	-
Bank overdrafts and short-term loans from financial institutions	315,242,671	199,046,155	308,204,554	213,482,894
Proceeds from short-term loans	180,000,000	310,000,000	180,000,000	310,000,000
Repayment of short-term loans	(166,000,000)	-	(166,000,000)	-
Proceeds from long-term loan from financial institution	-	300,000,000	-	300,000,000
Repayment of long-term loan from financial institution	(75,000,000)	(20,000,000)	(75,000,000)	(20,000,000)
Repayment of finance lease	(1,072,880)	(1,850,172)	(1,072,880)	(1,850,172)
Cash paid for up front fee of long-term loan from financial institution	(2,000,000)	(1,500,000)	(2,000,000)	(1,500,000)
Investment in subsidiary	-	-	-	(653,000,000)
Dividends paid to owners of the Company	-	(122,025,831)	-	(122,025,831)
Dividends paid to non-controlling interests of subsidiaries	(2,712,500)	(16,985,245)	-	-
Interest paid	(137,175,537)	(55,207,841)	(119,526,588)	(38,918,554)
Net cash from financing activities	115,115,449	622,660,908	128,438,781	372,179
Net increase (decrease) in cash and cash equivalents	(47,295,200)	26,168,611	(17,287,023)	9,009,961
Cash and cash equivalents at 1 January	233,693,922	207,525,311	26,768,246	17,758,285
Cash and cash equivalents at 31 December	8 186,398,722	233,693,922	9,481,223	26,768,246
Non-cash transactions				
Payables for purchase of building and equipment	1,864,015	305,742	8,462,552	6,918,519
Payables for purchase of programme licences	14,945,860	22,242,415	-	-
Payables for purchase of intangible assets	-	3,218,552	-	391,400
Digital television licences payable	1,429,182,510	1,714,138,390	-	-
Assets received from rendering of services	7,539,287	8,776,475	7,539,287	30,738,178

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 August 2018.

1 General information

Nation Multimedia Group Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1858/121-122, 124-128, 28th-31st Floors, Bangna-Trad Road, Kwang Bangna, Khet Bangna, Bangkok.

The Company was listed on the Stock Exchange of Thailand in June 1988.

The principal activities of the Company are the publishing and distribution of newspapers and publishing, providing advertising and news services and others. The principle activities of the Group are the publishing, distribution and delivery of newspapers, publishing, digital publishing and advertising media, TV production, providing advertising and news via television and others and university. Details of the Company’s associate and subsidiaries as at 31 December 2017 and 2016 are given in notes 15 and 16.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has revised TFRS effective for annual accounting periods beginning on or after 1 January 2017. The initial application of these revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above revised TFRS, The FAP has issued TFRS 15 *Revenue from Contracts with Customers* which is effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard in preparing these interim financial statements.

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) *Construction Contracts*,
- TAS 18 (revised 2017) *Revenue*,
- TSIC 31 (revised 2017) *Revenue-Barter Transactions Involving Advertising Services*,
- TFRIC 13 (revised 2017) *Customer Loyalty Programmes*,
- TFRIC 15 (revised 2017) *Agreements for the Construction of Real Estate*, and
- TFRIC 18 (revised 2017) *Transfers of Assets from Customers*.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

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(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Investments in debt securities	Fair value
Available-for-sale investments	Fair value
Property, plant and equipment	Revaluation to fair value
Defined benefit liability	Present value of the defined benefit obligations as explained in Note 5 (m)
Warrants	Fair value

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency.

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a risk of resulting in a material adjustment to the amounts recognised in the financial statements is included in the following notes:

Notes 6 and 16	Determining the fair value less cost to sell of the disposal group on the basis of significant unobservable inputs;
Note 12	Measurement of net realisable value of inventories;
Notes 10, 11, 16, 20, 21 and 22	Impairment test: key assumptions underlying recoverable amounts;
Note 23	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and
Note 29	Measurement of defined benefit obligations: key actuarial assumptions.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

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Significant valuations are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 20 Property, plant and equipment;
- Note 32 share-based payment arrangements; and
- Note 44 financial instruments.

Use of going concern basis of accounting

During the year ended 31 December 2017, the Group and the Company incurred net losses of Baht 2,378.35 million and Baht 3,229.50 million, respectively (2016 (restated): Baht 1,317.66 million and Baht 104.47 million, respectively) and, as of that date, the Group's and the Company's current liabilities exceeded its current assets by Baht 1,423.49 million and Baht 1,668.01 million, respectively (2016 (restated): Baht 784.07 million and Baht 566.60 million, respectively) and had deficit of retained earnings of Baht 3,556.27 million and Baht 3,102.74 million, respectively (2016 (restated): deficit of Baht 1,399.68 million and retained earnings of Baht 126.75 million). This represents a material uncertainty over the appropriateness of using the going concern basis of accounting.

The Group's management has given careful consideration to the Group's and the Company's financial position and liquidity by executing the plan for co-operate within the Group to raise revenue from digital media segment and events and reforming the broadcasting presentation and other platforms to make its brand's loyalty to gain more advertising revenue. This included the implementation of plans to control expenses, such as improving and developing of internal systems to reduce operating costs, reducing the unused office space, reducing the news production costs in order to continually improve the financial position, liquidity, cash flows and performance of the Group and the Company. Moreover, the Group and the Company have implemented policies and procedures in an attempt to manage its liquidity risk including obtaining the lenders' waiver of breaches of the terms of the loan agreement from financial institution and accelerated the sale of assets and investments in non-core subsidiaries to repay debts (see note 46), including the negotiation with financial institutions' creditors to schedule repayment in accordance with the plan to sell assets and investments. This has made the Group and the Company to pay less interest and manage their debt levels in line with current business liquidity.

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The management believes that the preparation of the financial statements on a going concern basis is appropriate. Accordingly, the consolidated and separate financial statements do not include any adjustments relating to the recoverability and classifications of recorded assets amounts or to amounts and classifications of liabilities that may be necessary if the Group and the Company are unable to continue as a going concern.

3 Accounting adjustments

The Board of Directors and management have publicly disclosed that they had doubts concerning the recognition of advertising revenue during 2017 and previous years. In this respect, the directors and management of the Company have investigated the Group's and the company's processes and procedures over the recognition of advertising revenues. As a result, the management have noted that some previously recognised advertising revenue had not been adequately supported with proper evidences and was not in accordance with the Group's processes and procedures. Consequently, management has adjusted and restated the relevant financial statements as follows.

	Effects of accounting adjustments		
	As previously reported	Adjustments (in thousand Baht)	As restated
Consolidated statement of financial position			
At 1 January 2016			
Accrued income	782,780	(615,076)	167,704
Current tax payable	1,370	(952)	418
Non-controlling interests	455,017	(17)	455,000
Retained earnings (Deficits)	522,640	(614,107)	(91,467)
Consolidated statement of financial position			
At 31 December 2016			
Accrued income	790,269	(690,800)	99,469
Current tax payable	50	(42)	8
Non-controlling interests	327,298	(23)	327,275
Deficits	(708,950)	(690,735)	(1,399,685)
Separate statement of financial position			
At 1 January 2016			
Accrued income	572,797	(543,640)	29,157
Accrued expenses	453,716	(384,084)	69,632
Retained earnings	515,258	(159,555)	355,703
Separate statement of financial position			
At 31 December 2016			
Accrued income	581,403	(567,524)	13,879
Accrued expenses	462,397	(391,773)	70,624
Retained earnings	302,505	(175,751)	126,754

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	Effects of accounting adjustments		
	As previously reported	Adjustments (in thousand Baht)	As restated
Consolidated statement of comprehensive income			
For the year ended 31 December 2016			
Revenues from sales and rendering of services	2,097,393	(75,725)	2,021,668
Tax expenses	(163,781)	5,962	(157,819)
Administrative expense	(687,228)	(6,871)	(694,099)
Loss for the year	(1,241,028)	(76,634)	(1,317,662)
Other comprehensive income (expense) for the year, net of tax	(9,556)	-	(9,556)
Total comprehensive income for the year	(1,250,584)	(76,634)	(1,327,218)
Basic and diluted loss per share (Baht)	(0.27)	(0.02)	(0.29)
Separate statement of comprehensive income			
For the year ended 31 December 2016			
Revenues from sales and rendering of services	643,348	(16,195)	627,153
Loss for the year	(88,277)	(16,195)	(104,472)
Other comprehensive income (expense) for the year, net of tax	(2,432)	-	(2,432)
Total comprehensive income for the year	(90,709)	(16,195)	(106,904)
Basic and diluted loss per share (Baht)	(0.02)	(0.01)	(0.03)

4 Change in accounting policy

On 30 December 2017, the Group and the Company have changed its accounting policy relating to measurement after recognition of land from cost model to revaluation model. The change in accounting policy has been applied prospectively. The fair value of the Group's and the Company's land have been assessed at Baht 741.97 million and Baht 344.27 million, respectively. The carrying amount of land were Baht 537.04 million and Baht 304.01 million, respectively. The impacts on the 2017 financial statements were as follows:

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	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
Statement of financial position		
At 31 December 2017		
Increase in property, plant and equipment	204,927	40,256
Increase in deferred tax liability	19,876	8,051
Increase in shareholders' equity	167,165	32,205
Increase in non-controlling interests	17,886	-
Increase in total equity	185,051	32,205
Statement of comprehensive income		
For the year ended 31 December 2017		
Gain on revaluation of assets	204,927	40,256
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(19,876)</u>	<u>(8,051)</u>
Other comprehensive income (expense) for the year - net of income tax	<u>185,051</u>	<u>32,205</u>

5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associate.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investee

The Group's interest in equity-accounted investee comprises interest in associate.

Associate is the entity in which the Group has significant influence, but not control, over the financial and operating policies.

Interest in associate is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associate are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade accounts receivable and other current receivable

Trade and other current receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

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(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion or other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Finished goods comprise of books, CD, DVD and completed TV programmes. Costs are calculated using the following principles:

Books, CD and DVD	- Weighted average / first in first out
TV programmes	- Represent the production costs for both in progress and completed. Costs of the programmes consist of expenses which directly related to the production, are recognised as costs when the rights are delivered and transferred or the programmes are broadcasted, or amortised using the straight-line method based on the estimated broadcasting time
Raw materials	- Specific identification / weighted average
Store, supplies and others	- Weighted average / first in first out
Work in progress for projects	- Comprise cost of preparation, is measured at cost
Printing and books in progress	- Weighted average

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

(f) Investments

Investments in associate and subsidiaries

Investments in associate and subsidiaries in the separate financial statements of the Company are accounted for using the cost method less accumulated impairment losses. Investment in associate in the consolidated financial statements is accounted for using the equity method.

Investments in other debt and equity securities

Marketable debt securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

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Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(g) *Investment properties*

Investment properties are land and condominium and improvements which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property and other costs directly attributable to bringing the investment property to a working condition for its intended use.

Depreciation is charged to profit or loss in straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Condominium and improvements	20 years
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No depreciation is provided on investment property which is land.

(h) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Excluding land that is measured at revalued amount. The revalued land amount is the fair value determined on the basis of a actual use of the asset as at the date of revaluation and the allowance for impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When the property, plant and equipment are sold, the amounts included in the revaluation reserve are transferred to retained earnings

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Leased assets

Leases in terms of which the Group substantially assumes all the risks and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation surplus in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component part of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5 - 30	years
Buildings and improvements	5 - 20 and 30 - 35	years
Leasehold improvements	5 - 10 years and amortised over the term of the lease	
Machinery and equipment	3 - 15	years
Operating equipment	5 - 10	years
Furniture, fixtures and office equipment	2 - 10	years
Books	5	years
Vehicles	5	years

No depreciation is provided on freehold land and assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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(i) Intangible assets

Digital television licences

The carrying amount of digital television licences consists of expenditures that are directly attributable to the acquisitions of the commercial digital terrestrial television licences at national level for a news channel category and a variety standard definition channel category, and are measured at cash price equivalent by discounting the future instalments to present value using a market discount rate. The assets are measured at cost less accumulated amortisation and impairment losses. The differences between the cash price equivalent and the total payments to be made are recognised as an interest expenses over the licence fee payment periods. The assets are amortised from the date which they are ready to provide services.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Digital television licences	15 years
Computer programmes and software licences	3 and 5 years
Programme licences	2 years
Licence fees - books	Based on the higher amount of amortisation between a straight-line basis over three to seven years and calculation based on the numbers of books published or sold under the licence agreements
Rights for broadcasting	Amortised based on the straight-line basis over the periods specified in the agreements.
Trademark	14 years

No amortisation is provided on computer programmes under installation.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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(j) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial assets is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowing on an effective interest basis.

(l) Trade and other current account payable

Trade and other current accounts payable are stated at cost.

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(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in Other Comprehensive Income (OCI). The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When a plan is curtailed, the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and rendering of service

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Advertising income

Advertising income is recognised when services are rendered through newspapers, television and media.

Newspapers subscription income

Newspapers subscription income is recognised on a straight-line basis over the relevant subscription period.

Printing income

Printing income is recognised as services are provided.

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Tuition fees

Tuition fees are recognised as revenue over the period of each academic year. Unearned tuition fees for next semester presented as “advance income” under current liabilities in the statement of financial position.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

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Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(q) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except for the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Loss per share

The Group presents basic and diluted loss per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted loss (EPS) is determined by adjusting loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(u) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

6 Proceeding of assets divestment for business restructuring

At the Board of Directors' meeting of the Company held on 19 December 2017 and 16 January 2018, the Board of Directors approved to propose the shareholders' meeting to consider and approve the disposal of assets for business restructuring of the Group which comprised investments in 4 subsidiaries; Nation U Co., Ltd., Bangkok Business Broadcasting Co., Ltd., WPS (Thailand) Co., Ltd., and NML Co., Ltd. including land and constructions of the Company.

The abovementioned disposal of assets shall be made by means of a bidding process and shall then transfer the asset to the highest bidder, under the condition that the price of each asset shall not be lower than the base price approved by the shareholders' meeting. The based price for sale of shares in each subsidiary will be fixed at the price with a discount not exceeding 10 percent of the value appraised by the financial advisor and asset appraiser. The based price for sale of land and constructions will be fixed at the value appraised by the asset appraiser. The details of assets were as follows:

	Net carrying amount as at 31 December 2017	Value appraised by financial advisor and /or asset appraiser ¹ <i>(in thousand Baht)</i>	Base price used in bidding (adjusted at 16 January 2018)
Investments in subsidiaries			
Nation U Co., Ltd.	256,500	353,180	317,860
Bangkok Business Broadcasting Co., Ltd.	-	65,670	59,100 ²
WPS (Thailand) Co., Ltd.	422,500	505,520	593,320 ³
NML Co., Ltd.	10,000	44,150	39,740
	<u>689,000</u>	<u>968,520</u>	<u>1,010,020</u>

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	Net cost amount as at 31 December 2017	Value appraised by financial advisor and /or asset Appraiser ¹ (in thousand Baht)	Base price used in bidding (adjusted at 16 January 2018)
Property, plant and equipment			
Land and buildings on Bang Na Trad Road, Km. 29.5	287,839	288,040	288,040
Land and buildings in Chiang Mai Province	20,463	51,590	51,590
Land and buildings in Khon Kaen Province	2,504	14,840	14,840
Land and buildings in Songkhla Province	3,700	6,080	6,080
	<u>314,506</u>	<u>360,550</u>	<u>360,550</u>
Investment property			
Land on Bang Na-Trad Road, Km. 5	44,678	52,850	52,850
	<u>44,678</u>	<u>52,850</u>	<u>52,850</u>
Total	<u>1,186,524</u>	<u>1,381,920</u>	<u>1,423,420</u>

¹ Value of investments in subsidiaries as shown in the table above is calculated proportionately in accordance with the actual shareholding of the Company in each subsidiary.

² The base price of investment in Bangkok Business Broadcasting Co., Ltd. as shown in the table above does not include the outstanding debts between the subsidiary and the Company, whereby the Company will require the highest bidder to process the subsidiary to make full repayment of such outstanding debts to the Company.

³ The base price of investment in WPS (Thailand) Co., Ltd. as shown in the table above is value of investment determined by the financial advisor and the average price of value of the assets assessed by the asset appraiser with discount of 10 percent.

The financial advisor determined the fair value of each business according to the discounted cash flow method taking into account of the past performance and future operation, trends of business, industry, economic situation. The expected value of the subsidiary is assessed from discounted cash flow according to the shareholding of the Company in each subsidiary.

The asset appraiser determined the fair value of land and constructions of the Company using the market comparative method by comparing the quoted market prices of similar assets that are observable, in the similar area and in the same period of appraiser.

The Company shall then commence the bidding process after the extraordinary meeting of the shareholders of the Company approve the Company to enter into the transaction for asset divestment. The Company shall complete such disposal within a period of no more than six months after it is granted the approval.

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At the extraordinary meeting of the shareholder of the Company held on 28 February 2018, the shareholder approved the assets divestment for business restructuring of the Group which comprised investments Nation U Co., Ltd., WPS (Thailand) Co., Ltd., and NML Co., Ltd including land and constructions of the Company. However, the shareholders resolved not to approve the disposal of investment in Bangkok Business Broadcasting Co., Ltd. and at the extraordinary meeting of shareholders of the Company held on 19 June 2018, the shareholders approved to revoke the assets divestment pursuant to the resolution of the extraordinary meeting of the shareholders of the Company held on 28 February 2018 (see notes 16 and 46).

However, some of investments in subsidiaries including land and constructions of such companies were used as collateral for borrowings (see notes 16 and 24). Therefore, the Company obliged to use cash receive from the proceeds of assets to repay the secured debts relating to such assets.

7 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with associate and subsidiaries are described in notes 15 and 16. Relationship with key management, indirect subsidiaries and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
<i>Indirect subsidiaries</i>		
Nation University	Thailand	University, a license holding by Nation U Co., Ltd.
NBC Next Vision Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors
Nation Global Edutainment Co., Ltd.	Thailand	99.74% shareholding by Nation International Edutainment Public Company Limited, some common directors
<i>Other related parties</i>		
Thai Portal Co., Ltd.	Thailand	Related party, 19.00% shareholding by Kom Chad Luek Media Co., Ltd.
Shareholder	Thai	Shareholder of the Company

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The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods and rendering of services	General price and negotiable rate
Cost of sale of goods and rendering of services	Actual cost allocation rate and negotiable rate
Sale of equipment	Book value plus margin
Purchase of equipment	Book value plus margin
Dividend income	As announced in the minute of shareholders' meeting
Other income	Negotiable rate
Distribution costs and administrative expenses	Negotiable rate
Interest expense	Rate as specified in the agreement

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries				
Sale of goods and rendering of services	-	-	358,532	527,397
Cost of sale of goods and rendering of services	-	-	39,859	35,666
Sale of equipment	-	-	235	1,436
Purchase of equipment	-	-	1,363	1,013
Dividend income	-	-	14,788	103,341
Other income	-	-	14,039	15,090
Distribution costs and administrative expenses	-	-	11,902	12,033
Associate				
Rendering of services	4,626	5,227	122	122
Key management personnel				
Key management personnel compensation				
Wages and salaries	41,380	67,781	16,965	30,070
Defined contribution plans	2,582	3,846	864	1,079
Total key management personnel compensation	<u>43,962</u>	<u>71,627</u>	<u>17,829</u>	<u>31,149</u>
Other related party				
Interest expense	4,700	-	4,700	-

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Balances as at 31 December with related parties were as follows:

Trade accounts receivable - related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	915,634	1,014,960
Associate	181	231	11	11
Other related party	67	67	-	-
	248	298	915,645	1,014,971
Less allowance for doubtful accounts	(67)	(67)	(82,701)	-
Net	181	231	832,944	1,014,971
Bad and doubtful debts expense for the year	-	-	82,701	-
Accrued income - related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	4,472	5,283
Other current receivables - related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	1,043,755	887,353
Associate	345	349	9	-
Other related party	17,345	17,345	-	-
	17,690	17,694	1,043,764	887,353
Less allowance for doubtful accounts	(17,345)	(17,345)	(738,870)	-
Net	345	349	304,894	887,353
Bad and doubtful debts expense for the year	-	-	738,870	-
Trade accounts payable - related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	1,332,737	1,495,243
Associate	-	8	-	-
Total	-	8	1,332,737	1,495,243
Other current payables - related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	33,923	24,862
Associate	-	12	-	-
Total	-	12	33,923	24,862

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<i>Accrued expenses - related parties</i>		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016 (restated)
		<i>(in thousand Baht)</i>			
Subsidiaries		-	-	19,474	7,929
<i>Short-term loan from related party</i>		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
		2017	2016	2017	2016
		<i>(% per annum)</i>			
Shareholder	12.00	70,000	-	70,000	-
Less deferred interest		(1,305)	-	(1,305)	-
Total short-term loan from related party		68,695	-	68,695	-

Movements during the years ended 31 December of short-term loan from related party were as follows:

<i>Short-term loan from other related party</i>		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Shareholder					
At 1 January		-	-	-	-
Increase		70,000	-	70,000	-
At 31 December		70,000	-	70,000	-

Significant agreements with related parties

The Company entered into agreements with subsidiaries and indirect subsidiaries to provide services in relation to management, operations, marketing and other services. The Company will receive service fees as specified in the agreements.

The Company entered into an agreement with a subsidiary for rent space and related services. The Company committed to pay rental and service fees as specified in the agreement.

The Company entered into agreements with subsidiaries and an indirect subsidiary to rent out the spaces and provide related services. The subsidiaries and indirect subsidiary committed to pay rental and service fees as specified in the agreements.

The Company entered into an agreement with a subsidiary to receive information technology system services. The company committed to pay a service fee as specified in the agreement.

The Company entered into a short-term loan agreement with a shareholder amounting to Baht 70 million. The short-term loan was bill of exchange and repayable within 3 months. The loan bears interest rate at the rate of 12% per annum. The Company has paid interest at the date of short-term loan agreement amounting to Baht 2.01 million. Furthermore, the Company pledged investment in subsidiary as collateral for this short - term loan (see note 16).

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8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand	1,390	1,664	323	288
Cash at banks - current accounts	3,492	3,901	458	1,136
Cash at banks - savings accounts	62,238	106,597	8,699	25,344
Highly liquid short-term investments	119,279	121,532	1	-
Total	186,399	233,694	9,481	26,768

9 Other investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	3,471	3,630	-	-
Promissory notes	-	195,148	-	-
Debt securities held for trading	-	223,598	-	49,289
Debt securities held for trading (Private fund)	121,951	-	-	-
	125,422	422,376	-	49,289
<i>Other long-term investments</i>				
Equity securities available for sale	3	2,800	3	2,800
Other non-marketable equity securities	4,016	4,616	4,016	4,616
	4,019	7,416	4,019	7,416
Total	129,441	429,792	4,019	56,705

As at 31 December 2016, the Group entered into promissory notes with local financial institutions amounting to Baht 195.15 million. The promissory notes were repayable over 6 - 9 months. The loans bear interest at the rate of 1.65% - 6.00% per annum. The Group fully received these promissory notes during 2017.

During 2017, two subsidiaries established the private funds by engaging an independent assets management company for the purpose of cash management of the subsidiaries. These private funds invested in equity and debt securities in response to capital market conditions. As at 31 December 2017, the value of private funds outstanding totalling Baht 123.34 million (including cash and cash equivalents of Baht 1.33 million).

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Movements during the years ended 31 December of marketable equity and debt securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Current investment</i>				
Trading securities				
At 1 January	223,598	25,069	49,289	3
Purchases during the year	346,900	1,301,400	105,000	308,000
Sales during the year	(331,046)	(1,103,152)	(113,781)	(258,728)
Transfer during the year	(239,765)	-	(40,606)	-
Valuation adjustment	313	281	98	14
At 31 December	-	223,598	-	49,289
Trading securities (Private fund)				
At 1 January	-	-	-	-
Transfer during the year	121,951	-	-	-
At 31 December	121,951	-	-	-
Available for sale securities				
At 1 January	-	-	-	-
Purchases during the year	880,200	-	347,000	-
Sales during the year	(1,119,965)	-	(387,606)	-
Transfer during the year	239,765	-	40,606	-
At 31 December	-	-	-	-
Available for sale securities (Private fund)				
At 1 January	-	-	-	-
Purchases during the year	208,246	-	-	-
Sales during the year	(88,047)	-	-	-
Transfer during the year	(121,951)	-	-	-
Valuation adjustment	1,752	-	-	-
At 31 December	-	-	-	-
<i>Other long-term investment</i>				
Available for sale securities				
At 1 January	2,800	2,776	2,800	2,776
Sales during the year	(8,082)	-	(8,082)	-
Valuation adjustment	5,285	24	5,285	24
At 31 December	3	2,800	3	2,800

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10 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
			<i>(in thousand Baht)</i>		
Related parties	7	248	298	915,645	1,014,971
Other parties		339,640	471,982	133,270	192,923
Total		339,888	472,280	1,048,915	1,207,894
Less allowance for doubtful accounts		(59,786)	(65,475)	(113,269)	(34,374)
allowance for goods returned		(5,334)	(8,756)	(2,875)	(5,281)
Net		274,768	398,049	932,771	1,168,239
Bad and doubtful debts expense for the year		3,992	7,354	83,344	3,960

Aging analyses for trade accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
			<i>(in thousand Baht)</i>		
Related parties					
Within credit terms		181	231	92,812	164,711
Overdue:					
Less than 3 months		-	-	76,683	45,935
3-6 months		-	-	125,347	115,356
6-12 months		-	-	112,373	167,921
Over 12 months		67	67	508,430	521,048
		248	298	915,645	1,014,971
Less allowance for doubtful accounts		(67)	(67)	(82,701)	-
		181	231	832,944	1,014,971
Other parties					
Within credit terms		152,976	214,457	51,576	77,667
Overdue:					
Less than 3 months		94,224	158,507	36,413	58,195
3-6 months		15,017	22,011	4,365	15,460
6-12 months		7,885	10,061	4,237	6,531
Over 12 months		69,538	66,946	36,679	35,070
		339,640	471,982	133,270	192,923
Less allowance for doubtful accounts		(59,719)	(65,408)	(30,568)	(34,374)
allowance for goods returned		(5,334)	(8,756)	(2,875)	(5,281)
		274,587	397,818	99,827	153,268
Net		274,768	398,049	932,771	1,168,239

The normal credit term granted by the Group ranges from 7 days to 90 days.

In 2017, the Company recorded allowance for doubtful accounts for trade accounts receivable with related parties amounting to Baht 82.70 million by assessed the current status and the recoverability of outstanding receivables with related parties.

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11 Other current receivables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	7	17,690	17,694	1,043,764	887,353
Other parties					
Other receivables		52,900	56,598	52,088	53,160
Prepaid expenses		50,958	78,362	28,524	34,397
Advance to employees		1,426	2,198	30	500
Others		369	72	-	-
		105,653	137,230	80,642	88,057
Total		123,343	154,924	1,124,406	975,410
Less allowance for doubtful accounts		(63,738)	(65,082)	(785,263)	(47,737)
Net		59,605	89,842	339,143	927,673

In 2017, the Company recorded allowance for doubtful accounts for other current receivables with related parties amounting to Baht 738.87 million by assessed the current status and the recoverability of outstanding receivables with related parties.

12 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Finished Goods	31,680	86,629	-	-
Raw materials	22,937	30,444	15,268	24,255
Store, supplies and others	8,596	8,554	994	289
Work in progress	4,903	9,619	-	-
Raw materials in transit	-	1,680	-	1,680
Total	68,116	136,926	16,262	26,224
Inventories recognised as an expense in 'cost of sale of goods and rendering of services:				
- Cost of sale of goods and	1,700,963	1,990,050	190,611	232,681
- Write-down to net realisable value	2,074	10,559	-	-
- Reversal of write-down	(3,329)	(149)	(2,840)	-
Net total	1,699,708	2,000,460	187,771	232,681

At the Board of Director's meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 3 August 2016, the Board of Directors of the subsidiary approved the business restructuring of the publishing and distributing of publications of a subsidiary and an indirect subsidiary (together referred to as "group of subsidiary"). The management of the group of subsidiary involved judgement in the classification of inventories based on its distribution channel and future business plan and recognised loss on decline in value of inventories for the year ended 31 December 2016 amounted to Baht 193.48 million in the consolidated statement of comprehensive income (see note 16).

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Impairment testing

Management of the subsidiary and indirect subsidiary performed impairment test of carrying amount of inventories related to the licences. The recoverable amount was based on its value in use, determined by discounted future cash flows to be generated from the continuing use of assets until expiration date of licences based on its business plan and discount rate which is calculated by weighted average cost of capital (see note 22 for further details of the impairment loss).

13 Other current assets

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
			<i>(in thousand Baht)</i>		
Input value added tax pending		147,237	178,716	82,460	89,096
Refundable value added tax		138,464	139,104	-	-
Programme licences	21, 22	91	1,837	-	-
Others		-	1,901	-	1,406
Total		285,792	321,558	82,460	90,502

14 Restricted deposits

As at 31 December 2017, fixed deposits of subsidiary and indirect subsidiary of Baht 0.48 million (2016: Baht 0.86 million) have been pledged as collateral for letters of guarantee issued by a local financial institution.

15 Investment in associate

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		<i>(in thousand Baht)</i>		
At 1 January	23,156	22,076	1,800	1,800
Share of net profit of associate	70	1,080	-	-
At 31 December	23,226	23,156	1,800	1,800

During the year ended 31 December 2017 there were no acquisitions and disposals of investment in associate.

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Investment in associate as at 31 December 2017 and 2016, and dividend income from the investment for the years then ended was as follows:

Name of associate	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		(%)				(in thousand Baht)					
Yomiuri-Nation Information Service Limited	Advertising agency	45.00	45.00	4,000	4,000	1,800	1,800	23,226	23,156	-	-

Associate was incorporated in Thailand. None of the Group's associate is publicly listed and consequently does not have published price quotations.

Notes to the financial statements

		Separate financial statements											
		Ownership Interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Associate	(%)												
Yomiuri-Nation Information Service Limited		45.00	45.00	4,000	4,000	1,800	1,800	-	-	1,800	1,800	-	-

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The following table summarises the financial information of the associate as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the company.

	Associate	
	2017	2016
	<i>(in thousand Baht)</i>	
Revenue	12,004	18,135
Total comprehensive income (100%)	155	2,401
Group's share of total comprehensive income	70	1,080
Current assets	10,924	10,541
Non-current assets	42,576	42,686
Current liabilities	(1,135)	(1,108)
Non-current liabilities	(752)	(661)
Net assets (100%)	51,613	51,458
Group's share of net assets	23,226	23,156
Carrying amount of interest in associate	23,226	23,156

16 Investments in subsidiaries

	Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 January	3,627,879	2,993,311
Additions	-	653,000
Allowance for impairment	(2,131,500)	-
Disposals	(5,815)	(18,432)
At 31 December	1,490,564	3,627,879

Business restructuring of the group of subsidiary

At the Board of Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 3 August 2016, the Board of Directors of the subsidiary approved the business restructuring of the publishing and distributing of publications of a subsidiary and an indirect subsidiary (together referred to as "group of subsidiary") in accordance with the current situation and focusing on the publishing and distributing of certain profitable publications. According to the aforementioned operation's results, the Group of subsidiary recognised loss on decline in value of inventories and written-off the licences for publications for the year ended 31 December 2016 amounted to Baht 193.48 million and Baht 10.97 million in the consolidated statement of comprehensive income, respectively.

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The merger of the indirect subsidiaries

At the Board of Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited.") held on 10 February 2016, the Board of Directors of the subsidiary approved the merger of indirect subsidiaries, Nation Global Edutainment Co., Ltd. and Nation Edutainment Co., Ltd., which was the entire business transfer under the common control for the restructuring of the group of subsidiary's business operations.

Pursuant to the terms of the entire business transfer agreement, Nation Edutainment Co., Ltd. agreed to transfer its entire assets and liabilities to Nation Global Edutainment Co., Ltd., which Nation Global Edutainment Co., Ltd. paid the compensation of Baht 47 million to Nation Edutainment Co., Ltd. at the transfer date on 30 June 2016. Thereafter, Nation Edutainment Co., Ltd. registered the liquidation with the Ministry of Commerce on 30 June 2016 and completed the liquidation on 17 October 2016.

As a result of the merger, the extraordinary meeting of the shareholders of an indirect subsidiary ("Nation Global Edutainment Co., Ltd.") held on 1 June 2016, the shareholders of the indirect subsidiary approved an increase in the registered share capital from Baht 50 million (divided into 50,000 ordinary shares at Baht 1,000 per share) to Baht 97 million (divided into 97,000 shares at Baht 1,000 per share) to the shareholders of an indirect subsidiary ("Nation Edutainment Co., Ltd."). The indirect subsidiary fully received the paid-up share capital on 30 June 2016 and registered the increase in share capital with the Ministry of Commerce on 4 July 2016.

Additions

At the extraordinary meeting of the shareholders of an indirect subsidiary ("Nation Global Edutainment Co., Ltd.") held on 20 May 2017, the shareholders of the indirect subsidiary approved an increase in the registered share capital from Baht 97 million (divided into 97,000 ordinary shares at Baht 1,000 per share) to Baht 200 million (divided into 200,000 ordinary shares at Baht 1,000 per share). The indirect subsidiary registered the increase in share capital with the Ministry of Commerce on 5 June 2017.

At the extraordinary meeting of the shareholders of a subsidiary ("Nation U Co., Ltd.") held on 12 July 2016, the shareholders of the subsidiary approved an increase in the registered share capital from Baht 170 million (divided into 17,000,000 ordinary shares at Baht 10 per share) to Baht 340 million (divided into 34,000,000 ordinary shares at Baht 10 per share) and called up 50% of share capital amounting to Baht 85 million by offering to the existing shareholders proportionately. The Company invested in ordinary shares of the subsidiary amounting to Baht 76.50 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 26 July 2016.

At the extraordinary meeting of the shareholders of an indirect subsidiary ("NBC Next Vision Co., Ltd.") held on 8 September 2016, the shareholders of the indirect subsidiary approved an increase in the registered share capital from Baht 500 million (divided into 50,000,000 ordinary shares at Baht 10 per share) to Baht 800 million (divided into 80,000,000 ordinary shares at Baht 10 per share) by offering to the existing shareholders proportionately. A subsidiary ("Nation Broadcasting Corporation Public Company Limited") invested in ordinary shares of the indirect subsidiary amounting to Baht 300 million. The indirect subsidiary registered the increase in share capital with the Ministry of Commerce on 21 September 2016.

At the Board of Directors' meeting of a subsidiary ("Nation U Co., Ltd.") held on 17 November 2016, the Board of Directors approved to call up additional 50% of share capital amounting to Baht 85 million. The Company invested in ordinary shares of the subsidiary amounting to Baht 76.50 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 16 December 2016.

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At the extraordinary meeting of the shareholders of a subsidiary (“Bangkok Business Broadcasting Co., Ltd.”) held on 13 December 2016, the shareholders of the subsidiary approved an increase in the registered share capital from Baht 1,000 million (100,000,000 ordinary shares at Baht 10 per share) to Baht 1,500 million (150,000,000 ordinary shares at Baht 10 per share) by offering to the existing shareholders proportionately. The Company invested in ordinary shares of the subsidiary amounting to Baht 500 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 28 December 2016.

Return of investments

At the extraordinary meeting of the shareholders of an indirect subsidiary (“Nation Kids Co., Ltd.”) held on 26 December 2016, the shareholders of the indirect subsidiary approved the extraordinary resolution of the liquidation. The indirect subsidiary registered the liquidation with the Ministry of Commerce on 27 December 2016 and completed to liquidate on 29 June 2017.

At the extraordinary meeting of the shareholders of an indirect subsidiary (“NBC Nextmedia Co., Ltd.”) held on 27 September 2016, the shareholders of the indirect subsidiary approved the extraordinary resolution of the liquidation. The indirect subsidiary registered the liquidation with the Ministry of Commerce on 28 September 2016 and completed to liquidate on 23 June 2017.

At the extraordinary meeting of the shareholders of an indirect subsidiary (“NBC Next Screen Co., Ltd.”) held on 26 December 2016, the shareholders of the indirect subsidiary approved the extraordinary resolution of the liquidation. The indirect subsidiary registered the liquidation with the Ministry of Commerce on 27 December 2016 and completed to liquidate on 12 December 2017.

Partial disposal of interest in subsidiary without a change of control

During 2017, the Company sold 1.31% of its interest in a subsidiary (“Nation International Edutainment Public Company Limited”) for Baht 3.83 million in cash, reducing its ownership interest from 72.35% to 71.04%, whilst retaining control over the subsidiary. The carrying amount of the subsidiary’s net assets in the Group’s financial statements on the date of sale was Baht 267.79 million. The Group recognised an increase in non-controlling interest of Baht 3.50 million. The Group and the Company recognised gain and loss on sale of the investment of Baht 0.33 million and Baht 1.98 million, in the consolidated statement of changes in equity and separate statement of comprehensive income for the year ended 31 December 2017, respectively.

During 2016, the Company sold 4.14% of its interest in a subsidiary (“Nation International Edutainment Public Company Limited”) for Baht 13.98 million in cash, reducing its ownership interest from 76.49% to 72.35%, whilst retaining control over the subsidiary. The carrying amount of the subsidiary’s net assets in the Group’s financial statements on the date of sale was Baht 309.23 million. The Group recognised an increase in non-controlling interest of Baht 12.77 million. The Group and the Company recognised gain and loss on sale of the investment of Baht 1.21 million and Baht 4.46 million, in the consolidated statement of changes in equity and separate statement of comprehensive income for the year ended 31 December 2016, respectively.

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The following summarises the effect of changes in the Group's ownership interest in Nation International Edutainment Public Company Limited:

	2017 (in thousand Baht)	2016
Group's ownership interest at 1 January	194,879	372,962
Effect of decrease in Group's ownership interest	(3,499)	(12,769)
Share of other comprehensive income	5,261	(165,314)
Group's ownership interest at 31 December	196,641	194,879

Security

During the year 2017, the Company pledged investments in subsidiaries as collateral for short-term borrowings from related party, individuals and asset management companies (see note 24) as follows:

Subsidiaries	Number of shares (thousand shares)	At cost - net (in thousand Baht)
Nation Broadcasting Corporation Public Company Limited	382,024	446,951
Nation International Edutainment Public Company Limited	118,389	310,057
Krungthep Turakij Media Co., Ltd.	250	25,000
Bangkok Business Broadcasting Co., Ltd.	149,900	-
Nation U Co., Ltd.	10,000	8,382
WPS (Thailand) Co., Ltd.	42,250	422,500
Total	702,813	1,212,890

Dividends

2017

At the annual general meeting of the shareholders of a subsidiary ("WPS (Thailand) Co., Ltd.") held on 27 April 2017, the shareholders of the subsidiary approved the appropriation of dividends from the 2016 operating results and retained earnings of Baht 0.35 per share, amounting to Baht 17.50 million. The dividends were paid to shareholders in May 2017.

2016

At the annual general meeting of the shareholders of a subsidiary ("Nation International Edutainment Public Company Limited") held on 25 April 2016, the shareholders of the subsidiary approved the appropriation of dividends from the 2015 operating results of Baht 0.022 per share, amounting to Baht 3.74 million. The dividends were paid to the shareholders in May 2016.

At the annual general meeting of the shareholders of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 26 April 2016, the shareholders of the subsidiary approved the appropriation of dividends from the 2015 operating results of Baht 0.08 per share, amounting to Baht 42.83 million. The dividends were paid to the shareholders in May 2016.

At the annual general meeting of the shareholders of a subsidiary ("Krungthep Turakij Media Co., Ltd.") held on 27 April 2016, the shareholders of the subsidiary approved the appropriation of dividends from the 2015 operating results of Baht 195 per share, amounting to Baht 48.75 million. The dividends were paid to the shareholders in May 2016.

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At the annual general meeting of the shareholders of a subsidiary (“WPS (Thailand) Co., Ltd.”) held on 28 April 2016, the shareholders of the subsidiary approved the appropriation of dividends from the 2015 operating results of Baht 0.50 per share, amounting to Baht 25 million. The dividends were paid to the shareholders in May 2016.

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Investments in subsidiaries as at 31 December 2017 and 2016, and dividend income from those investments for the year then ended, were as follows:

Separate financial statements											
Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
	(in thousand Baht)										
Direct subsidiaries											
Nation Broadcasting Corporation Public Company Limited	71.45	71.45	535,437	535,437	989,589	989,589	542,000	-	447,589	989,589	30,604
Nation International Entertainment Public Company Limited	71.04	72.35	170,048	170,048	316,377	322,192	-	-	316,377	322,192	2,862
Nation News Network Co., Ltd.	99.99	99.99	50,000	50,000	50,000	50,000	40,000	-	10,000	50,000	-
NMNL Co., Ltd.	99.99	99.99	50,000	50,000	50,000	50,000	41,000	40,000	9,000	10,000	-
Kom Chad Luek Media Co., Ltd.	99.99	99.99	25,000	25,000	99,990	99,990	96,392	96,392	3,598	3,598	-
Krunghthep Turakij Media Co., Ltd.	99.99	99.99	25,000	25,000	25,000	25,000	-	-	25,000	25,000	48,750

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Separate financial statements											
Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net	Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016		2017	2016
	(%)										
Direct subsidiaries											
Bangkok Business Broadcasting Co., Ltd.	Production of TV programmes and providing advertisements through TV media	99.93	99.93	1,500,000	1,499,000	1,499,000	1,499,000	-	-	1,499,000	-
Nation U Co., Ltd.	Establish a private University and academic training	90.00	90.00	340,000	306,000	306,000	306,000	49,500	265,500	306,000	-
WPS (Thailand) Co., Ltd.	Production of newspaper, and books and publishing service	84.50	84.50	500,000	422,500	422,500	422,500	-	422,500	422,500	21,125
Total				3,758,456	3,764,271	2,267,892	136,392	1,490,564	3,627,879	14,788	103,341

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	Type of business	Ownership interest 2017	2016 (%)	Paid-up capital 2017	2016	Cost 2017	2016	Impairment 2017	2016 <i>(in thousand Baht)</i>	At cost - net 2017	2016	Dividend income 2017	2016
Indirect subsidiaries													
<i>Held by Nation Broadcasting Corporation Public Company Limited</i>													
NBC Nextmedia Co., Ltd.	New media advertising	-	-	-	10,000	-	-	-	-	-	-	-	-
(liquidated and completed liquidation on 23 June 2017)													
NBC Next Screen Co., Ltd.	Production of TV programme and advertisements through TV media	-	-	-	250	-	-	-	-	-	-	-	-
(liquidated and completed liquidation on 12 December 2017)													
NBC Next Vision Co., Ltd.	Production of TV programme and advertisements through TV media	-	-	800,000	800,000	-	-	-	-	-	-	-	-
<i>Held by Nation International Education Public Company Limited</i>													
Nation Kids Co., Ltd	Production of TV programme and advertisements through TV media	-	-	-	1,000	-	-	-	-	-	-	-	-
(liquidated and completed liquidation on 29 June 2017)													
Nation Global Edutainment Co., Ltd.	Importing, publishing and distributing children's books for edutainment	-	-	200,000	97,000	-	-	-	-	-	-	-	-

All direct and indirect subsidiaries were incorporated in Thailand.

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None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations, except for Nation Broadcasting Corporation Public Company Limited and Nation International Edutainment Public Company Limited which are listed on the Market for Alternative Investment. Based on the closing price of Baht 1.17 and Baht 1.59, respectively at 31 December 2017 (2016: Baht 1.82 and Baht 1.57, respectively), the fair value of the Group's investments in the said companies were Baht 447.59 million and Baht 192.09 million, respectively (2016: Baht 696.25 million and Baht 193.16 million, respectively).

Impairment testing

Management of the Company performed impairment test of carrying amount of investments in subsidiaries. The recoverable amount was based on the fair value and value in use, determined by discounted future cash flows to be generated from the continuing operations of the CGU according to the business plan and discount rate which is calculated by weighted average cost of capital.

CGU 1: Investment in Nation Broadcasting Public Company Limited ("NBC")

Based on the impairment test of the carrying amount of investment in Nation Broadcasting Public Company Limited, the recoverable amount was determined by fair value which is the closing price as at 31 December 2017. The carrying amount of investment in NBC was higher than the recoverable amount by Baht 542 million. The Company recognised an impairment loss on the investment of Baht 542 million in the separate financial statements for year ended 31 December 2017.

CGU 2: Investment in Nation News Network Co., Ltd. ("NNN")

Based on the impairment test of the carrying amount of investment in Nation News Network Co., Ltd., the recoverable amount was based on value in use, determined by discounted future cash flow. The carrying amount of investment in NNN was higher than the recoverable amount by Baht 40 million. The Company recognised an impairment loss on the investment of Baht 40 million in the separate financial statements for the year ended 31 December 2017.

The key assumptions used in the estimation of recoverable amount as at 31 December were as follows:

Key assumptions	Separate financial statements	
	2017	2016
		(%)
Discount rate	9.02	9.10
Terminal growth rate	0.00	0.00

CGU 3: Investment in Bangkok Business Broadcasting Co., Ltd. ("BBB")

Based on the impairment test of the carrying amount of investment in Bangkok Business Broadcasting Co., Ltd., the recoverable amount was based on value in use, determined by discounted future cash flow. The carrying amount of investment in BBB was higher than the recoverable amount. The Company recognised an impairment loss on the investment in full amount in the separate financial statements for the year ended 31 December 2017.

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The key assumptions used in the estimation of recoverable amount as at 31 December were as follows:

Key assumptions	Separate financial statements	
	2017	2016
	(%)	
Discount rate	11.82	9.51
Terminal growth rate	2.00	3.00

CGU 4: Investment in NML Co., Ltd. (“NML”)

As described in the note 46, The Board of Directors of the Company approved the proceeding of divestment of investment in NML Co., Ltd, amounting to Baht 9 million. Therefore, the recoverable amount of investment in NML was determined by fair value less costs to sell which was lower than the carrying amount by Baht 41 million. The Company recognised an additional impairment loss on the investment of Baht 1 million in the separate financial statements for the year ended 31 December 2017.

CGU 5: Investment in Nation U Co., Ltd. (“NU”)

As described in the note 46, The Board of Directors of the Company approved the proceeding of divestment of investment in Nation U Co., Ltd, amounting to Baht 256.50 million. Therefore, the recoverable amount of investment in NU was determined by fair value less costs to sell which was lower than the carrying amount by Baht 49.50 million. The Company recognised an impairment loss on the investment of Baht 49.50 million in the separate financial statements for the year ended 31 December 2017.

The discount rate was a pre-tax measure based on the rate of 10 - 30 years government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

These assumptions were based on management of the Company’s judgement and past experiences and business plan, as well as the future prediction that is believed to be reasonable in the present situation. Changes in the information or new noticeable information may lead to the change in the assumptions and the discount rate for the estimation of the discounted future cash flows.

Moreover, management of the Company performed impairment tests of carrying amount of other investments in subsidiaries which have impairment indicators. The recoverable amounts were based on its value in use, determined by discounted future cash flows to be generated according to the business plan and discount rate which is calculated by weighted average cost of capital. Based on the impairment test, the recoverable amounts of other investments in subsidiaries were higher than or equal to its carrying amount. Therefore, the Group did not recognise impairment loss on other investments in subsidiaries in the separate financial statements for the year ended 31 December 2017.

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17 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2017			
	Nation Broadcasting Corporation Public Company Limited	Nation International Edutainment Public Company Limited	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra-group eliminations Total
Non-controlling interests percentage	28.55%	28.96%		
Current assets	276,195	295,270		
Non-current assets	522,328	25,967		
Current liabilities	(216,425)	(33,223)		
Non-current liabilities	(460,415)	(13,570)		
Net assets	121,683	274,444		124,004
Carrying amount of non-controlling interests	34,740	79,479	84,298	(74,513)
Revenue	539,092	158,273		
Profit (loss)	(916,238)	7,179		
Other comprehensive income	58,337	-		
Total comprehensive income (loss)	(857,901)	7,179		(221,867)
Profit (loss) allocated to non-controlling interests	(261,586)	2,079	(37,231)	74,871
Other comprehensive income (loss) allocated to non-controlling interests	16,655	-	17,875	(16,655)
				17,875

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	31 December 2017			
	Nation Broadcasting Corporation Public Company Limited	Nation International Edutainment Public Company Limited	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Total
Cash flows from operating activities	(43,655)	(61,616)		
Cash flows from investing activities	(28,413)	133,482		
Cash flows from financing activities	(3,702)	(477)		
Net decrease in cash and cash equivalents	(75,770)	71,389		
Dividends to non-controlling interests	-	-	2,713	2,713

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	31 December 2016			
	Nation Broadcasting Corporation Public Company Limited	Nation International Edutainment Public Company Limited	Other individually immaterial subsidiaries (in thousand Baht)	Intra-group eliminations
Non-controlling interests percentage	28.55%	27.65%		
Current assets	602,137	353,256		
Non-current assets	1,241,745	23,237		
Current liabilities	(394,454)	(97,099)		
Non-current liabilities	(469,299)	(12,255)		
Net assets	980,129	267,139		
Carrying amount of non-controlling interests	279,827	73,864	124,180	(150,596)
				327,275
Revenue	536,524	182,214		
Profit (loss)	(275,463)	(213,857)		
Other comprehensive income (loss)	(19,124)	(2,584)		
Total comprehensive income (loss)	(294,587)	(216,441)		
Profit (loss) allocated to non-controlling interests	(78,645)	(59,131)	(133)	(280)
Other comprehensive income (loss) allocated to non-controlling interests	(5,460)	(714)	123	3,210
				(138,189)
				(2,841)

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	31 December 2016			
	Nation Broadcasting Corporation Public Company Limited	Nation International Edutainment Public Company Limited	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra-group eliminations
Cash flows from operating activities	(77,607)	(43,717)		
Cash flows from investing activities	176,195	10,352		
Cash flows from financing activities	(47,348)	(14,211)		
Net increase (decrease) in cash and cash equivalents	51,240	(47,576)		
Dividends to non-controlling interests	12,231	879	3,875	-
				16,985

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18 Long-term investment in related party

Long-term investment in related party as at 31 December 2017 and 2016, and dividend income from the investment for the year then ended was as follows:

Consolidated financial statements										
Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net	Dividend income
	2017	2016	2017	2016	2017	2016	2017	2016		
	(in thousand Baht)									
Internet services	19.00	19.00	100,000	100,000	<u>6,092</u>	<u>6,092</u>	<u>6,092</u>	<u>6,092</u>	-	-
Thai Portal Co., Ltd.					<u>6,092</u>	<u>6,092</u>	-	-	-	-

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19 Investment properties

	Consolidated financial statements			Separate financial statements		
	Land	Condominium and improvements	Total	Land	Condominium and improvements	Total
	<i>(in thousand Baht)</i>					
Cost						
At 1 January 2016	44,678	-	44,678	44,678	-	44,678
Additions	-	31,145	31,145	-	20,006	20,006
At 31 December 2016 and 1 January 2017	44,678	31,145	75,823	44,678	20,006	64,684
Additions	-	12,149	12,149	-	12,149	12,149
Disposals	-	(11,205)	(11,205)	-	(11,205)	(11,205)
At 31 December 2017	44,678	32,089	76,767	44,678	20,950	65,628
Depreciation and impairment losses						
At 1 January 2016	-	-	-	-	-	-
Depreciation charge for the year	-	376	376	-	189	189
At 31 December 2016 and 1 January 2017	-	376	376	-	189	189
Depreciation charge for the year	-	1,600	1,600	-	1,043	1,043
Impairment losses	-	4,521	4,521	-	2,576	2,576
Disposals	-	(385)	(385)	-	(385)	(385)
At 31 December 2017	-	6,112	6,112	-	3,423	3,423
Net book value						
At 1 January 2016	44,678	-	44,678	44,678	-	44,678
At 31 December 2016 and 1 January 2017	44,678	30,769	75,447	44,678	19,817	64,495
At 31 December 2017	44,678	25,977	70,655	44,678	17,527	62,205

Fair value of investment property, which is land of the Group and the Company as at 31 December 2017 of Baht 52.85 million (*2016: Baht 48.60 million*) was determined by independent professional valuers, at comparative method.

The fair value of investment property, which is condominiums and improvements of the Group and the Company as at 31 December 2017 of Baht 27.60 million and Baht 19.15 million, respectively, was determined by independent professional valuer, at comparative method.

The fair value measurement for investment properties has been categorised as a Level 3 fair value.

During 2016, the Group and the Company received barter condominium and improvements from rendering of services totalling Baht 31.15 million and Baht 20.01 million, respectively. The Group believed that fair value of investment property, which is condominium and improvements, was not different from the acquisition date, therefore, the Group did not determine the fair value by external independent property valuer as at 31 December 2016.

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Measurement of fair value

Fair value hierarchy

The fair value of investment properties were determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio every 3 years.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Comparative method	Quoted market prices of similar asset that are observable and in the similar area.	The estimated fair value will increase (decrease) if the rate per square metre increase (decrease).

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20 Property, plant and equipment

[illegible]

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	Consolidated financial statements						
	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment	Operating equipment	Furniture, fixtures and office equipment	Assets under construction and installation
							Total
<i>Net book value</i>							
At 1 January 2016							
Owned assets	579,558	280,405	106,762	372,477	211,930	47,921	1,645,035
Assets under finance leases	-	-	-	-	-	1,384	1,384
	<u>579,558</u>	<u>280,405</u>	<u>106,762</u>	<u>372,477</u>	<u>211,930</u>	<u>49,305</u>	<u>1,646,419</u>
At 31 December 2016 and 1 January 2017							
Owned assets	579,754	269,948	79,375	322,475	164,809	27,653	1,487,974
Assets under finance leases	-	-	-	-	-	507	507
	<u>579,754</u>	<u>269,948</u>	<u>79,375</u>	<u>322,475</u>	<u>164,809</u>	<u>28,160</u>	<u>1,488,481</u>
At 31 December 2017							
Owned assets	745,876	233,670	48,036	277,987	114,679	14,982	1,462,585

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Separate financial statements

	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment	Operating equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>								
Cost / revaluation									
At 1 January 2016	342,532	28,361	83,980	1,635	73,800	190,390	52,715	-	773,413
Additions	-	10,731	598	-	2,915	1,408	500	-	16,152
Disposals / written-off	-	-	(11,812)	-	(131)	(5,347)	(2,015)	-	(19,305)
At 31 December 2016 and 1 January 2017	342,532	39,092	72,766	1,635	76,584	186,451	51,200	-	770,260
Additions	-	-	-	-	1,500	1,093	1,419	-	4,012
Surplus on revaluation	40,256	-	-	-	-	-	-	-	40,256
Disposals / written-off	-	-	(4,906)	-	(602)	(6,238)	-	-	(11,746)
At 31 December 2017	382,788	39,092	67,860	1,635	77,482	181,306	52,619	-	802,782
Depreciation and impairment losses									
At 1 January 2016	227	6,120	28,698	873	13,591	169,136	26,544	-	245,189
Depreciation charge for the year	114	1,618	12,725	164	14,807	11,624	8,741	-	49,793
Disposals / written-off	-	-	(6,914)	-	(51)	(5,087)	(2,015)	-	(14,067)
At 31 December 2016 and 1 January 2017	341	7,738	34,509	1,037	28,347	175,673	33,270	-	280,915
Depreciation charge for the year	113	1,786	12,032	164	15,211	5,974	7,806	-	43,086
Impairment losses	38,000	5,000	-	-	-	-	-	-	43,000
Disposals / written-off	-	-	(2,782)	-	(377)	(6,213)	-	-	(9,372)
At 31 December 2017	38,454	14,524	43,759	1,201	43,181	175,434	41,076	-	357,629

Notes to the financial statements

	Separate financial statements								
	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment	Operating equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
						(in thousand Baht)			
Net book value									
At 1 January 2016									
Owned assets	342,305	22,241	55,282	762	60,209	19,870	26,171	-	526,840
Assets under finance leases	-	-	-	-	-	1,384	-	-	1,384
	342,305	22,241	55,282	762	60,209	21,254	26,171	-	528,224
At 31 December 2016 and 1 January 2017									
Owned assets	342,191	31,354	38,257	598	48,237	10,271	17,930	-	488,838
Assets under finance leases	-	-	-	-	-	507	-	-	507
	342,191	31,354	38,257	598	48,237	10,778	17,930	-	489,345
At 31 December 2017									
Owned assets	344,334	24,568	24,101	434	34,301	5,872	11,543	-	445,153

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The gross amount of the Group's and the Company's fully depreciated building and equipment that were still in use as at 31 December 2017 amounted to Baht 466.04 million and Baht 189.28 million, respectively (2016: Baht 421.35 million and Baht 151.94 million, respectively).

Security

At 31 December 2017, the Group's and the Company's properties with a net book value of Baht 750.82 million and Baht 354.05 million, respectively (2016: Baht 785.63 million and Baht 354.05 million, respectively) were partially secured credit facilities from a financial institution (see note 24) and a bank guarantee from a financial institution (see note 45).

Revaluation

On 30 December 2017, the Group and the Company have changed its accounting policy relating to measurement after recognition of land from cost model to revaluation model. The fair value of the Group's and the Company's land have been assessed at Baht 741.97 million and Baht 344.27 million, respectively. The carrying amount of land were Baht 537.04 million and Baht 304.01 million, respectively. The fair value of land was determined by independent valuers at comparative method (see note 4).

Measurement of fair value

Fair value hierarchy

The fair value of land was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for land has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of land, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Comparative method	Quoted market prices of similar asset that are observable and in the similar area.	The estimated fair value will increase (decrease) if the rate per square metre increase (decrease).

Impairment testing

As described in the note 6, the Board of Directors of the Company approved to propose to the shareholders' meeting to consider and approve the proceeding of divestment of assets for business restructuring of the Group by determine the based price of land and constructions of the Company as the condition in bidding process at the value appraised by the asset appraiser. The appraised value was lower than the carrying amount of land and constructions by Baht 43 million. The Company recognised an impairment loss of land and constructions by Baht 43 million in the separate financial statements for the year ended 31 December 2017.

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In addition, management of the subsidiary and indirect subsidiary performed impairment test of carrying amount of assets related to the licences. The recoverable amount was based on its value in use, determined by discounted future cash flows to be generated from the continuing use of assets until expiration date of licences based on its business plan and discount rate which is calculated by weighted average cost of capital (see note 22 for further details of the impairment loss).

21 Intangible assets

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Current portion included in “other current assets”	13	91	1,837	-	-
Non-current portion		66,984	171,182	5,444	7,511
Total		67,075	173,019	5,444	7,511

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	Consolidated financial statements					
	Computer programmes and software licences	Programme licences	Licence fees - books	Rights for broadcasting (in thousand Baht)	Trade mark	Computer programmes under installation
						Total
Cost						
At 1 January 2016	236,669	-	84,174	125,904	700	447,447
Additions	1,605	-	5,614	163,386	-	170,898
Written-off	-	-	(69,848)	(34,109)	-	(103,957)
At 31 December 2016						
At 1 January 2017	238,274	-	19,940	255,181	700	514,388
Additions	11,076	1,185	2,691	66,197	-	81,149
Transfer	293	-	-	-	-	-
Written-off	(1,450)	-	-	(17,047)	-	(18,497)
At 31 December 2017	248,193	1,185	22,631	304,331	700	577,040
Amortisation and impairment losses						
At 1 January 2016	221,062	-	62,909	42,528	49	326,548
Amortisation charge for the year	7,512	-	10,471	88,393	49	106,425
Written-off	-	-	(57,495)	(34,109)	-	(91,604)
At 31 December 2016						
At 1 January 2017	228,574	-	15,885	96,812	98	341,369
Amortisation charge for the year	5,263	474	4,032	106,406	49	116,224
Impairment losses	228	-	-	68,752	-	68,980
Written-off	(1,450)	-	-	(15,158)	-	(16,608)
At 31 December 2017	232,615	474	19,917	256,812	147	509,965
Net book value						
At 1 January 2016	15,607	-	21,265	83,376	651	120,899
At 31 December 2016						
At 1 January 2017	9,700	-	4,055	158,369	602	173,019
At 31 December 2017	15,578	711	2,714	47,519	553	67,075

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	Separate Financial statements		
	Computer programmes and software licences	Computer programmes under installation <i>(in thousand Baht)</i>	Total
Cost			
At 1 January 2016	222,164	-	222,164
Additions	1,229	293	1,522
At 31 December 2016 and 1 January 2017	223,393	293	223,686
Additions	922	-	922
Transfer	293	(293)	-
At 31 December 2017	224,608	-	224,608
Amortisation			
At 1 January 2016	210,473	-	210,473
Amortisation charge for the year	5,702	-	5,702
At 31 December 2016 and 1 January 2017	216,175	-	216,175
Amortisation charge for the year	2,989	-	2,989
At 31 December 2017	219,164	-	219,164
Net book value			
At 1 January 2016	11,691	-	11,691
At 31 December 2016 and 1 January 2017	7,218	293	7,511
At 31 December 2017	5,444	-	5,444

Impairment testing

Management of the subsidiary and indirect subsidiary performed impairment test of carrying amount of rights for broadcasting and software licences related to the licences. The recoverable amount was based on its value in use, determined by discounted future cash flows to be generated from the continuing use of assets until expiration date of licences based on its business plan and discount rate which is calculated by weighted average cost of capital (see note 22 for further details of the impairment loss).

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22 Digital television licences

	Consolidated financial statements <i>(in thousand Baht)</i>
<i>Cost</i>	
At 1 January 2016	3,135,672
At 31 December 2016 and 1 January 2017	3,135,672
At 31 December 2017	3,135,672
<i>Amortisation and impairment losses</i>	
At 1 January 2016	351,893
Amortisation for the year	209,608
At 31 December 2016 and 1 January 2017	561,501
Amortisation for the year	178,632
Impairment losses	1,346,250
At 31 December 2017	2,086,383
<i>Net book value</i>	
At 1 January 2016	2,783,779
At 31 December 2016 and 1 January 2017	2,574,171
At 31 December 2017	1,049,289

A subsidiary (“Bangkok Business Broadcasting Co., Ltd.”), was the winner of the auction for commercial digital terrestrial television licence (“licence”) at national level for a variety standard definition channel category at a bid price of Baht 2,200 million (exclusive of VAT). The subsidiary was required to make payments under the following payment conditions:

- 1) For the minimum bid price amounting to Baht 380 million, the payment is divided into 4 instalments and has to be made within 3 years from the date of acquiring the licence as specified by Nation Broadcasting and Telecommunications Commission (“NBTC”).
- 2) For the exceeding amount of the minimum bid price amounting to Baht 1,820 million, the payment is divided into 6 instalments and has to be made within 5 years from the date of acquiring the licence as specified by NBTC.

The subsidiary paid the first instalment, which was 50% of minimum bid price and 10% of the exceeding of the minimum bid price, totalling Baht 334 million, excluded value added tax and net of guarantee deposit amounting to Baht 38 million on 29 October 2013. The subsidiary placed the letter of guarantee issued by a financial institution for the remaining licence fee amounting to Baht 1,828 million to NBTC on 7 February 2014. Such remaining licence fee will be paid annually in the amount as specified in the agreement expiring on 25 April 2019.

As at 31 December 2017, the outstanding balance of letter of guarantee was Baht 929 million (2016: Baht 1,130 million).

An indirect subsidiary (“NBC Next Vision Co., Ltd.”), was the winner of the auction for commercial digital terrestrial television licence at national level for a news channel category at a bid price of Baht 1,338 million (exclusive of VAT). The indirect subsidiary was required to make payments under the following payment conditions:

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- 1) For the minimum bid price amounting to Baht 220 million, the payment is divided into 4 instalments and has to be made within 3 years from the date of acquiring the licence as specified by NBTC.
- 2) For the exceeding amount of the minimum bid price amounting to Baht 1,118 million, the payment is divided into 6 instalments and has to be made within 5 years from the date of acquiring the licence as specified by NBTC.

The indirect subsidiary paid the first instalment, which was 50% of minimum bid price and 10% of the exceeding of the minimum bid price, totalling Baht 199.80 million, excluded value added tax and net of guarantee deposit amounting to Baht 22 million on 29 October 2013. The indirect subsidiary placed the letter of guarantee issued by a financial institution for the remaining licence fee amounting to Baht 1,116.20 million to NBTC on 7 February 2014. Such remaining licence fee will be paid annually in the amount as specified in the agreement expiring on 25 April 2019.

As at 31 December 2017, the outstanding balance of letter of guarantee was Baht 570 million (2016: Baht 692.80 million).

On 25 April 2014, the subsidiary and the indirect subsidiary received the commercial digital terrestrial television licences at national level for a period of 15 years, commencing from 25 April 2014 to 24 April 2029.

On 20 December 2016, National Council for Peace and Order (NCPO) issued an order under Section 44 to promote the business of radio broadcasting, television broadcasting and telecommunications for public interest. The order allows the licence holders, who were unable to comply with the initial terms and conditions of licence fees payments from the fourth instalment onwards, to extend the payment term by providing a written notification to NBTC in advance. In case NBTC deems the requests appropriate, those licence holders are able to pay the rest of licence fees in accordance with the terms and conditions within this order, which are extended. During the year 2017, the subsidiary and the indirect subsidiary received the official letters from NBTC which approves the subsidiary and the indirect subsidiary to repay the rest of licence fees together with its interest of payments in accordance with the terms and conditions within the order.

The details of digital television licence fees payments of the subsidiary and the indirect subsidiary to NBTC, as revised, were as follows:

	<i>(in million Baht)</i>
1 st instalment (within 30 days from the date being informed as auction winner)	593.8
2 nd instalment (within 30 days from the maturity 1 year from receiving the licences)	473.8
3 rd instalment (within 30 days from the maturity 2 years from receiving the licences)	647.6
4 th instalment (within 30 days from the maturity 3 years from receiving the licences)	323.8
5 th instalment (within 30 days from the maturity 4 years from receiving the licences)	323.8
6 th instalment (within 30 days from the maturity 5 years from receiving the licences)	293.8
7 th instalment (within 30 days from the maturity 6 years from receiving the licences)	293.8
8 th instalment (within 30 days from the maturity 7 years from receiving the licences)	293.8
9 th instalment (within 30 days from the maturity 8 years from receiving the licences)	293.8
Total	<u>3,538.0</u>

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On 23 May 2018, The National Council for Peace and Order (“NCPO”) has released the order No. 9/2561 in subject of a measure to relieve a license fee payment burden to the operators of the sound transmission, television transmission and sound broadcasting and television broadcasting, by virtue of Section 265 of Constitution of the Kingdom of Thailand and Section 44 of Constitution of the Kingdom of Thailand (interim), in the following significant detail:

- 1) Determining that any licensees granted the licenses of spectrum for providing the digital television service from the National Broadcasting and Telecommunications Commission (“licensee”) and failed to comply with the terms and conditions of the license fee payment from the fifth instalment onwards in accordance with the terms, requirements, and conditions of the NCPO’s Order No. 76/2559 dated 20 December 2016 in the subject of promotion of the sound transmission, television transmission and telecommunications businesses for the public interest, are able to request by giving a written letter to the Office of the National Broadcasting and Telecommunications Commission (“Office of the NBTC”) to impose the moratorium on making the licence fee payment for not over three years from the approval date by the Office of the NBTC and thereafter on 12 June 2018, received the letter of the approval from the Office of the NBTC for the moratorium of the licence fee payment in accordance with the terms and conditions thereunder;
- 2) Determining that NBTC and the Office of the NBTC, or the Executive Committee of the Broadcasting and Telecommunications Research and Development Fund for the Public Interest, as the case may be, provide a subsidy to spend for the network rental expenditures in accordance with a digital terrestrial television broadcasting network service at the rate of fifty percent of the network rental expenditures spent by the licensees for twenty four months from the date of this order that has been effectively enforced.

Impairment testing

Management of the subsidiary and indirect subsidiary performed impairment test of carrying amount of assets related to the licences. The recoverable amounts were based on its value in use, determined by discounted future cash flows to be generated from the continuing use of assets until expiration date of licences based on its business plan and discount rate which is calculated by weighted average cost of capital.

The key assumptions used in the estimation of value in use as at 31 December as follows:

Key assumptions	Consolidated financial statements	
	2017	2016
	(%)	
Discount rate	11.82 - 12.64	9.51
Terminal growth rate	2 - 2.20	3.00

The discount rate was a pre-tax measure based on the rate of 11-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

These assumptions are based on management of the subsidiary and indirect subsidiary’s judgment and past experience and business plan, as well as the future prediction that is believed to be reasonable in the present situation. Changes in the information or new noticeable information may lead to the change in the assumptions and the discount rate for the estimation of the discounting future cash flows along with sensitivity of key assumptions effect to the recoverable amount.

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CGU 1: Digital television licence for a variety standard definition channel category

Base on the impairment test, the carrying amount of the CGU 1 was determined to be higher than its recoverable amount. Therefore, the Group recognised an impairment loss in the consolidated financial statements for the year ended 31 December as follows:

	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Impairment losses		
Digital television licence	785,510	-
Intangible assets	62,320	-
Inventories	7,990	-
Building and equipment	8,350	-
Total	864,170	-

CGU 2: Digital television licence for a news channel category

Base on impairment test, the carrying amount of the CGU 2 was determined to be higher than its recoverable amount. Therefore, the Group recognised an impairment loss in the consolidated financial statements for the year ended 31 December as follows:

	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Impairment losses		
Digital television licence	560,740	-
Intangible assets	6,660	-
Total	567,400	-

23 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Total	104,000	126,450	57,913	35,306
Set off of tax	(26,683)	(14,397)	(26,683)	(14,397)
Net deferred tax assets (liabilities)	77,317	112,053	31,230	20,909

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	Separate financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
		(in thousand Baht)		
Total	18,203	22,048	8,451	695
Set off of tax	(8,451)	(695)	(8,451)	(695)
Net deferred tax assets (liabilities)	9,752	21,353	-	-

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements		
	(Charged) / Credited to:		
	At 1 January 2017	Profit or loss	Other comprehensive income
		(in thousand Baht)	
At 31 December 2017			
Deferred tax assets			
Trade accounts receivable	10,706	(1,830)	-
Marketable securities	1,058	-	(1,057)
Inventories	11,057	(7,900)	-
Other current assets	7,082	(141)	-
Provisions	32,574	(5,912)	-
Digital television licences	44,325	(3,679)	-
Loss carry forward	19,648	(1,931)	-
Total	126,450	(21,393)	(1,057)
Deferred tax liabilities			
Property, plant and equipment	35,073	2,564	19,876
Upfront fee of long-term loan from financial institution	233	167	-
Total	35,306	2,731	19,876
Net	91,144	(24,124)	(20,933)

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	At 1 January 2016	Consolidated financial statements (Charged) / Credited to:		At 31 December 2016
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable	11,762	(1,056)	-	10,706
Marketable securities	1,063	-	(5)	1,058
Inventories	16,024	(4,967)	-	11,057
Other current assets	6,492	590	-	7,082
Provisions	31,938	(1,757)	2,393	32,574
Digital television licences	31,297	13,028	-	44,325
Loss carry forward	174,303	(154,655)	-	19,648
Total	272,879	(148,817)	2,388	126,450
Deferred tax liabilities				
Property, plant and equipment	27,783	7,290	-	35,073
Upfront fee of long-term loan from financial institution	-	233	-	233
Total	27,783	7,523	-	35,306
Net	245,096	(156,340)	2,388	91,144
Separate financial statements				
	At 1 January 2017	(Charged) / Credited to:		At 31 December 2017
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable	3,803	(1,243)	-	2,560
Marketable securities	1,058	-	(1,057)	1
Inventories	568	(568)	-	-
Other current assets	7,082	(141)	-	6,941
Provisions	9,537	(836)	-	8,701
Total	22,048	(2,788)	(1,057)	18,203
Deferred tax liabilities				
Property, plant and equipment	462	(462)	8,051	8,051
Upfront fee of long-term loan from financial institution	233	167	-	400
Total	695	(295)	8,051	8,451
Net	21,353	(2,493)	(9,108)	9,752

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	At 1 January 2016	Separate financial statements (Charged) / Credited to:		At 31 December 2016
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Trade accounts receivable	4,275	(472)	-	3,803
Marketable securities	1,063	-	(5)	1,058
Inventories	572	(4)	-	568
Other current assets	6,492	590	-	7,082
Provisions	10,433	(1,509)	613	9,537
Loss carry forward	70,000	(70,000)	-	-
Total	92,835	(71,395)	608	22,048
Deferred tax liabilities				
Property, plant and equipment	420	42	-	462
Upfront fee of long-term loan from financial institution	-	233	-	233
Total	420	275	-	695
Net	92,415	(71,670)	608	21,353

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Trade account receivables	-	671	16,540	671
Other current receivables	-	-	147,774	-
Inventories	5,193	34,951	-	-
Investment in subsidiaries	-	-	426,300	-
Investment properties	904	-	515	-
Property, plant and equipment	10,270	-	8,600	-
Intangible assets	13,796	-	-	-
Digital television licences	269,250	-	-	-
Loss carry forward	707,269	477,911	174,777	125,243
Total	1,006,682	513,533	774,506	125,914

The subsidiaries recognised deferred tax assets from tax losses because management considered it probable that future taxable profits would be available against which such losses can be used.

The tax losses expire in 2018-2022. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

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24 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Current					
Bank overdrafts					
Unsecured		95,712	47,539	82,579	42,057
Short-term loans from financial institutions					
Secured		200,000	-	200,000	-
Unsecured		568,962	501,892	518,606	450,923
		<u>768,962</u>	<u>501,892</u>	<u>718,606</u>	<u>450,923</u>
Bank overdrafts and short-term loans from financial institutions		<u>864,674</u>	<u>549,431</u>	<u>801,185</u>	<u>492,980</u>
Current portion of long-term loan from financial institution					
Secured		156,000	120,000	156,000	120,000
Current portion of long-term loan		<u>156,000</u>	<u>120,000</u>	<u>156,000</u>	<u>120,000</u>
Short-term loans from related party					
Secured	7	68,695	-	68,695	-
Short-term loans from individuals and asset management companies					
Secured		484,805	550,000	484,805	550,000
Short-term loans		<u>553,500</u>	<u>550,000</u>	<u>553,500</u>	<u>550,000</u>
Current portion of finance lease liability		<u>-</u>	<u>1,066</u>	<u>-</u>	<u>1,066</u>
Total current interest-bearing liabilities		<u>1,574,174</u>	<u>1,220,497</u>	<u>1,510,685</u>	<u>1,164,046</u>
Non-current					
Long-term loan from financial institution					
Secured		47,000	158,833	47,000	158,833
Long-term loan		<u>47,000</u>	<u>158,833</u>	<u>47,000</u>	<u>158,833</u>
Total non-current interest-bearing liabilities		<u>47,000</u>	<u>158,833</u>	<u>47,000</u>	<u>158,833</u>

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The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Within one year	1,574,174	1,219,431	1,510,685	1,162,980
After one year but within five years	47,000	158,833	47,000	158,833
Total	<u>1,621,174</u>	<u>1,378,264</u>	<u>1,557,685</u>	<u>1,321,813</u>

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Carrying amount:				
Land and constructions, machine and equipment	750,821	785,631	354,049	354,049
Investment in subsidiaries	1,364,230	-	1,364,230	-
Total	<u>2,115,051</u>	<u>785,631</u>	<u>1,718,279</u>	<u>354,049</u>

Short-term loans from financial institutions and others

As at 31 December 2017, the Group and the Company entered into short-term loan agreements with financial institutions amounting to Baht 768.96 million and Baht 718.61 million, respectively (2016: Baht 501.89 million and Baht 450.92 million, respectively). These unsecured short-term loans bear interest at the rate of 2.90% - 11.00% per annum (2016: 2.80% - 7.15% per annum).

As at 31 December 2017, the Company entered into short-term loan agreements with individuals and asset management companies amounting to Baht 484.81 million (2016: Baht 550 million). The loans were bills of exchange and were repayable over 1 - 3 months. The loans bear interest at the rate of 6% - 15% per annum (2016: 2.65% - 15% per annum). Short term loans were secured by investments in subsidiaries (see note 16).

Long-term loan from financial institution

On 9 May 2016, the Company entered into a Loan Agreement with a local financial institution of Baht 300 million to use as its working capital. This loan has interest rate at the Minimum Loan Rate minus 1% (MLR - 1%) and shall be repaid by monthly within 3 years commencing from November 2016 to April 2019. The Company is committed to comply with certain conditions and restriction prescribed in the loan agreements which are maintaining the debt to equity ratio and the debt service coverage ratio.

The loan was secured by land and constructions, printing machines and parts of equipment of the Company and a subsidiary. As at 31 December 2017, the outstanding balance of the loan was Baht 203 million.

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Breach of loan covenant

During 2017, the Company had loss on operations resulting the Company could not maintain the debt to equity ratio and the debt service coverage ratio as prescribed in the loan agreement. However, the Company had already obtained the debt covenant waiver confirmation letter from the financial institution for the year ended 31 December 2017.

As at 31 December 2017, the Group and the Company had overdrafts and other credit facilities with local financial institutions totalling Baht 3,525.53 million and Baht 1,735.60 million, respectively (2016: Baht 4,084 million and Baht 1,947.60 million, respectively).

As at 31 December 2017, the Group and the Company had unutilised credit facilities totalling Baht 709.06 million and Baht 599.44 million, respectively (2016: Baht 873.26 million and Baht 759.69 million, respectively).

Finance lease liability

Finance lease liability as at 31 December were payable as follows:

	Consolidated financial statements / Separate financial statements					
	2017			2016		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	-	-	-	1,073	7	1,066

25 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in thousand Baht)			
Related parties	7	-	8	1,332,737	1,495,243
Other parties		105,024	99,256	8,637	14,555
Total		105,024	99,264	1,341,374	1,509,798

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26 Other current payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
			(in thousand Baht)		
Related parties	7	-	12	33,923	24,862
Others					
Other payables		65,531	22,647	3,971	3,238
Payables for purchase of assets		1,864	3,481	194	494
		<u>67,395</u>	<u>26,128</u>	<u>4,165</u>	<u>3,732</u>
Total		<u>67,395</u>	<u>26,140</u>	<u>38,088</u>	<u>28,594</u>

27 Accrued expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
			(in thousand Baht)		(restated)
Related parties	7	-	-	19,474	7,929
Others					
Accrued rebate		46,390	54,755	26,125	31,386
Accrued revenue sharing		10,048	17,147	-	-
Accrued annual broadcasting or television licence fees		9,551	4,189	-	-
Accrued licence fees		13,741	25,901	-	-
Others		86,767	85,353	44,683	31,309
		<u>166,497</u>	<u>187,345</u>	<u>70,808</u>	<u>62,695</u>
Total		<u>166,497</u>	<u>187,345</u>	<u>90,282</u>	<u>70,624</u>

28 Digital television licences payable

Digital television licences payable to NBTC as at 31 December were as follows:

	Consolidated financial statements					
	2017			2016		
	Future payments	Interest	Present value of payments	Future payments	Interest	Present value of payments
			(in thousand Baht)			
Within one year	323,800	25,836	297,964	647,600	63,531	584,069
After one year but within five years	1,175,200	43,981	1,131,219	1,175,200	45,130	1,130,070
Total	<u>1,499,000</u>	<u>69,817</u>	<u>1,429,183</u>	<u>1,822,800</u>	<u>108,661</u>	<u>1,714,139</u>

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Change of digital television licences payable as at 31 December were as follows:

	Consolidated financial statements	
	<i>Note</i>	
	2017	2016
	<i>(in thousand Baht)</i>	
Present value at 1 January	1,714,139	2,270,342
Payment of the digital television licences	(323,800)	(647,600)
Interest expense	40 38,844	91,397
Present value at 31 December	1,429,183	1,714,139

29 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Statement of financial position				
Non-current provision for:				
Defined benefit plan	<u>137,980</u>	<u>167,253</u>	<u>43,507</u>	<u>47,685</u>
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Defined benefit plan	<u>(28,915)</u>	<u>(6,723)</u>	<u>(4,120)</u>	<u>(4,165)</u>
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	111	11,968	-	3,063
Cumulative actuarial losses recognised	<u>141,448</u>	<u>141,337</u>	<u>47,859</u>	<u>47,859</u>

Define benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plan exposes the Group to actuarial risks, such as longevity risk and interest rate risk. Movement in the present value of the defined benefit obligations.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	167,253	163,856	47,685	52,166
Include in profit or loss:				
Current services costs	10,701	13,485	2,923	3,674
Interest on obligations	3,837	5,105	1,207	1,602
Curtailment gain	<u>(43,453)</u>	<u>(25,313)</u>	<u>(8,250)</u>	<u>(9,441)</u>
	(28,915)	(6,723)	(4,120)	(4,165)

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	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Included in other comprehensive income:				
Actuarial loss	111	11,968	-	3,063
	111	11,968	-	3,063
Others				
Transfer out	-	-	(58)	(3,239)
Benefit paid	(469)	(1,848)	-	(140)
	(469)	(1,848)	(58)	(3,379)
At 31 December	137,980	167,253	43,507	47,685

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Demographic assumptions	49	(10,028)	-	(3,127)
Financial assumptions	559	20,071	-	6,822
Experience adjustment	(497)	1,925	-	(632)
Total	111	11,968	-	3,063

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(%)</i>			
Discount rate	2.9 - 3.9	2.9 - 3.9	2.9	2.9
Future salary growth	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2017, the weighted-average duration of the defined benefit obligation was 15 years (2016: 15 years).

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
At 31 December 2017				
Discount rate (1% movement)	(11,674)	13,475	(4,176)	4,802
Future salary growth (1% movement)	15,917	(13,895)	5,626	(4,922)
Mortality improvement (1% movement)	680	(759)	230	(256)
At 31 December 2016				
Discount rate (1% movement)	(15,803)	18,224	(4,933)	5,676
Future salary growth (1% movement)	21,522	(18,806)	6,675	(5,840)
Mortality improvement (1% movement)	927	(1,033)	273	(304)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

30 Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Advance received for advertising	64,264	79,601	64,264	79,601
Security deposits	7,493	7,295	2,169	2,303
Others	15,558	18,165	-	-
Total	87,315	105,061	66,433	81,904

31 Share capital

	Par value per share <i>(in Baht)</i>	2017		2016	
		Number	Baht	Number	Baht
		<i>(in thousand shares / in thousand Baht)</i>			
<i>Authorised</i>					
At 1 January					
- ordinary shares	0.53	5,025,608	2,663,572	5,025,608	2,663,572
At 31 December					
- ordinary shares	0.53	5,025,608	2,663,572	5,025,608	2,663,572
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	0.53	4,067,848	2,155,959	4,067,640	2,155,849
Exercise of share options	0.53	-	-	208	110
At 31 December					
- ordinary shares	0.53	4,067,848	2,155,959	4,067,848	2,155,959

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Issue of ordinary shares

On 13 May 2016, 208,000 ordinary shares were issued as a result of the exercise of vested share options arising from 2013 share option programme granted to the directors, management and/or employees of the Company and/or its subsidiaries for consideration totalling Baht 0.21 million. As a result, the Company had share premium amounting to Baht 0.10 million. The Company registered the paid-up share capital from the share options exercised with the Ministry of Commerce on 23 May 2016.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

32 Warrants

NMG-WB

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the shareholders approved an issuance of warrants to the directors, management and/or employees of the Company and/or its subsidiaries of 82,387,015 units. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	5 years from the issuance date of warrant
Propose to sell to	The Company and/or subsidiaries' directors, management and/or employees
Issue and sell quantities	82,387,015 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 1 per ordinary share
Exercise period and proportion	The date 15 th of November and May in each year, to exercise not more than 20% each year

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	1.61
Exercise price warrant (Baht)	1.00
Historical volatility in 3 years at the allotment date	83.94%
The expected period, that shareholders will completely use their right on warrant	5 years
Historical dividend yield in 3 years	0.00%
Risk free interest rate (3 years Government bond yield) at the allotment date	3.02%

The condition for subscription is comprised of each employee of the Company and/or its subsidiaries as of each offering date.

On 15 August 2013, the Company granted the rights and notified terms and conditions for exercising the rights to the directors, management, and/or employees of the Company and/or its subsidiaries.

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NINE-WA

At the annual general meeting of the shareholders of a subsidiary (“Nation International Edutainment Public Company Limited”) held on 23 April 2013, the shareholders of the subsidiary approved an issuance of warrants to the directors, management, and/or employees of the company and/or its subsidiaries of 4,250,000 units. The details are as follows

Description	Details
Type of warrants	No value
Terms of warrants	5 years from the issuance date of warrant
Propose to sell to	The company and/or subsidiaries’ directors, management and/or employees
Issue and sell quantities	4,250,000 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 4 per ordinary share
Exercise period and proportion	The date 15 th of November and May in each year, to exercise not more than 20% each year

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	4.74
Exercise price warrant (Baht)	4.00
Historical volatility in 3 years at the allotment date	81.75%
The expected period, that shareholders will completely use their right on warrant	5 years
Historical dividend yield in 3 years	2.93%
Risk free interest rate (3 years Government bond yield) at the allotment date	3.02%

The condition for subscription is comprised of each employee of the company and/or its subsidiaries as of each offering date.

On 15 August 2013, the subsidiary granted the rights and notified terms and conditions for exercising the rights to the directors, management, and/or employees of the company and/or its subsidiaries.

NBC-WB

At the annual general meeting of the shareholders of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 24 April 2013, the shareholders of the subsidiary approved an issuance of warrants to the directors, management, and/or employees of the company and/or its subsidiaries of 8,798,905 units. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	5 years from the issuance date of warrant
Propose to sell to	The company and/or subsidiaries’ directors, management and/or employees
Issue and sell quantities	8,798,905 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 3 per ordinary share
Exercise period and proportion	The date 15 th of November and May in each year, to exercise not more than 20% each year

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The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	3.62
Exercise price warrant (Baht)	3.00
Historical volatility in 3 years at the allotment date	49.69%
The expected period, that shareholders will completely use their right on warrant	5 years
Historical dividend yield in 3 years	5.31%
Risk free interest rate (3 years Government bond yield) at the allotment date	3.02%

The condition for subscription is comprised of each employee of the company and/or its subsidiaries as of each offering date.

On 15 August 2013, the subsidiary granted the rights and notified terms and conditions for exercising the rights to the directors, management, and/or employees of the company and/or its subsidiaries.

The expense for share-based payment transactions for the year ended 31 December 2017 of Baht 5.27 million and Baht 5.69 million in the consolidated and separate financial statements, respectively (2016: Baht 12.14 million and Baht 10.80 million, respectively).

Movements during the year ended 31 December of warrants were as follows:

	Consolidated financial statements			
	2017		2016	
	Number of warrants	Grant date fair value	Number of warrants	Grant date fair value
	<i>(in thousand units / in thousand Baht)</i>			
At 1 January	24,474	30,012	14,799	18,665
Issued warrants during the year	17,787	20,250	15,483	16,917
Exercised warrants during the year	-	-	(208)	(252)
Forfeited warrants during the year	(13,485)	(14,917)	(5,600)	(5,318)
At 31 December	28,776	35,345	24,474	30,012

	Separate financial statements			
	2017		2016	
	Number of warrants	Grant date fair value	Number of warrants	Grant date fair value
	<i>(in thousand units / in thousand Baht)</i>			
At 1 January	20,709	25,057	11,993	14,511
Issued warrants during the year	15,732	17,367	13,003	14,130
Exercised warrants during the year	-	-	(208)	(252)
Forfeited warrants during the year	(11,033)	(11,681)	(4,079)	(3,332)
At 31 December	25,408	30,743	20,709	25,057

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NMG-W3

The outstanding unexercised warrants as at 31 December were as follows:

Unexercised warrants as at 1 January 2017	Issued warrants (million units)	Exercised warrants	Unexercised warrants as at 31 December 2017	Exercise price (Baht / share)	Expiry date
904	-	-	904	1	5 years from the grant date
Unexercised warrants as at 1 January 2016	Issued warrants (million units)	Exercised warrants	Unexercised warrants as at 31 December 2016	Exercise price (Baht / share)	Expiry date
904	-	-	904	1	5 years from the grant date

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the shareholders approved an issuance and offering of warrants to the Company's existing shareholders who subscribed for additional ordinary shares in a ratio of 1 warrant for 1 existing ordinary share, without the offering price and approved an increase in the registered share capital from Baht 873.30 million (divided into 1,647,740,300 ordinary shares at Baht 0.53 per share) to Baht 2,663.57 million (divided into 5,025,607,915 ordinary shares at Baht 0.53 per share) by issuing of not exceeding 3,377,867,615 ordinary shares at Baht 0.53 per share to reserve for the increase in share capital and exercise of warrants as referred above.

During the first quarter of 2015, a subsidiary ("Nation Broadcasting Corporation Public Company Limited") invested in the warrants of 82,237,800 units, amounting to Baht 91.01 million.

33 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprise the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

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Valuation surplus

The valuation surplus account within equity comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of.

34 Segment information

The Group has five reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Publishing and advertising
- Segment 2 Printing services
- Segment 3 Edutainment
- Segment 4 Broadcasting and new media
- Segment 5 Others

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information about reportable segments

	Publishing and advertising		Printing services		Edutainment		Broadcasting and new media		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>											
External revenue	713,522	867,551	40,150	60,141	119,320	145,448	735,300	767,220	200,760	181,308	1,809,052	2,021,668
Inter-segment revenue	87,765	129,048	157,090	216,315	15,372	15,176	10,580	7,347	80,832	97,516	351,639	465,402
Other income	19,670	22,313	3,801	5,923	16,205	15,842	24,877	18,924	16,719	21,668	81,272	84,670
Total segment revenue	820,957	1,018,912	201,041	282,379	150,897	176,466	770,757	793,491	298,311	300,492	2,241,963	2,571,740
Segment profit (loss) before income tax	(332,286)	(270,625)	(13,868)	21,398	16,235	(197,494)	(1,970,002)	(669,596)	(54,334)	(44,606)	(2,354,255)	(1,160,923)
Interest income	58	90	1	2	6,021	8,893	2,480	13,431	126	188	8,686	22,604
Interest expense	(112,908)	(38,100)	(3,662)	(2,771)	-	(26)	(1,262)	(18)	-	-	(117,832)	(40,915)
Depreciation and amortisation	(23,959)	(35,067)	(69,495)	(74,298)	(5,569)	(9,387)	(176,355)	(168,566)	(17,515)	(22,000)	(292,893)	(309,318)
Amortisation of digital television licence	-	-	-	-	-	-	(178,631)	(209,609)	-	-	(178,631)	(209,609)
Share of profit of investment in associate	69	1,080	-	-	-	-	-	-	-	-	69	1,080
Other material non-cash items:												
- Impairment loss on assets	(45,576)	-	-	-	-	-	(1,433,515)	-	-	-	(1,479,091)	-
Capital expenditures	3,675	4,180	2,523	2,181	14,387	5,623	70,013	184,617	519	3,168	91,117	199,769
Segment assets as at 31 December	907,349	815,510	589,197	665,265	236,151	317,421	2,076,844	4,292,033	260,389	295,201	4,069,930	6,385,430
Segment liabilities as at 31 December	2,000,383	1,816,508	137,452	128,492	38,797	38,029	1,705,997	2,028,461	52,781	56,624	3,935,410	4,068,114

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Reconciliation of reportable segment revenue and profit or loss

	2017 (in thousand Baht)	2016
Revenue		
Total revenue from reportable segments	2,074,731	2,373,583
Other revenue	167,232	198,158
	<u>2,241,963</u>	<u>2,571,741</u>
Elimination of inter-segment revenue	(351,639)	(465,402)
Consolidated revenue	<u>1,890,324</u>	<u>2,106,339</u>
Profit or loss		
Total loss for reportable segments	(2,354,255)	(1,160,923)
Unallocated amount:		
- Share of profit of investment in associate	69	1,080
Consolidated loss before income tax	<u>(2,354,186)</u>	<u>(1,159,843)</u>

Geographical segments

The Group is managed and operated principally in Thailand. There are no material revenues derived from, or assets located in foreign countries.

35 Investment income

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Dividend income					
Subsidiaries	7, 16	-	-	14,788	103,341
Other party		24	-	24	-
		<u>24</u>	<u>-</u>	<u>14,812</u>	<u>103,341</u>
Interest income					
Other parties		8,686	22,604	24	40
		<u>8,686</u>	<u>22,604</u>	<u>24</u>	<u>40</u>
Total		<u>8,710</u>	<u>22,604</u>	<u>14,836</u>	<u>103,381</u>

36 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Distribution	2,393	6,829	3,169	6,460
Marketing	120,361	92,034	32,829	26,353
Personnel	78,499	97,053	52,512	66,203
Others	10,792	17,033	2,956	5,302
Total	<u>212,045</u>	<u>212,949</u>	<u>91,466</u>	<u>104,318</u>

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37 Administrative expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Personnel		356,333	268,872	150,065	156,229
Management compensation	7	43,962	71,627	17,829	31,149
Administrative		201,659	260,490	141,127	189,177
Depreciation		40,429	48,975	18,071	20,603
Loss on written off of assets		12,896	24,330	-	4,899
Bad and doubtful debts expense	10, 11	2,647	6,680	820,870	3,325
Others		21,914	13,125	6,080	3,471
Total		679,840	694,099	1,154,042	408,853

38 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Wages and salaries		592,217	790,169	176,310	218,877
Defined contribution plan		32,049	42,321	10,103	12,811
Defined benefit plan	29	(32,752)	(11,828)	(5,327)	(5,767)
Share-based payment transactions	32	5,268	12,135	5,686	10,798
Voluntary resignation plan		201,173	84,644	42,308	28,790
Others		95,562	138,982	23,865	42,099
Total		893,517	1,056,423	252,945	307,608

During the year 2017 and 2016, the Group announced voluntary resignation plans for business restructuring of the Group. The Group and the Company had expenditures related to the voluntary resignation plans as at 31 December 2017 amounted to Baht 201.17 million and Baht 42.31 million, respectively (2016: Baht 84.64 million and Baht 28.79 million, respectively).

Defined contribution plan

The defined contribution plan comprises a provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rate of 5% of their basic salaries and by the Group at the rates ranging from 5% to 7.5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

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39 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016 (restated)
		<i>(in thousand Baht)</i>			
Cost of production and services		427,191	452,751	22,712	22,956
Change in finished goods and work in progress		(239,651)	(22,665)	(15,642)	(43,492)
Raw materials and supplies used		137,513	188,420	73,383	101,099
Transportation expenses		188,515	166,781	5,628	9,936
Other services expenses		84,575	91,699	20,888	14,014
Administrative expenses	37	201,659	260,490	141,127	189,177
Distribution and marketing	36	122,754	98,863	35,998	32,813
Employee benefit expenses	38	893,517	1,056,423	252,945	307,608
Depreciation and amortisation	19, 20, 21, 22	471,524	518,927	47,538	56,116
Bad and doubtful debts expense	37	2,647	6,680	820,870	3,325
Others		301,349	89,139	27,831	52,299
Total cost of sale of goods and rendering of services, distribution costs and administrative expenses		<u>2,591,593</u>	<u>2,907,508</u>	<u>1,433,278</u>	<u>745,851</u>

40 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Interest expense					
Related parties	7	4,700	-	4,700	-
Bank loans and overdrafts		109,798	40,831	106,135	38,016
Interest expense from digital television licences payable	28	38,844	91,397	-	-
Interest expense from finance lease		7	84	7	84
Total interest expense		<u>153,349</u>	<u>132,312</u>	<u>110,842</u>	<u>38,100</u>
Other finance costs		20,547	20,046	3,930	3,069
Total		<u>173,896</u>	<u>152,358</u>	<u>114,772</u>	<u>41,169</u>

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41 Income tax expenses

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		-	7,441	-	-
Adjustment for prior years		42	(5,962)	-	-
		42	1,479	-	-
Deferred tax expense	23				
Movements in temporary differences		24,124	156,340	2,493	71,670
Total income tax expense		24,166	157,819	2,493	71,670

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2017			2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Available-for-sale financial assets	5,285	(1,057)	4,228	24	(5)	19
Revaluation of property, plant and equipment	204,927	(19,876)	185,051	-	-	-
Defined benefit plan actuarial losses	(111)	-	(111)	(11,968)	2,393	(9,575)
Total	210,101	(20,933)	189,168	(11,944)	2,388	(9,556)

	Separate financial statements					
	2017			2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Available-for-sale financial assets	5,285	(1,057)	4,228	24	(5)	19
Revaluation of property, plant and equipment	40,256	(8,051)	32,205	-	-	-
Defined benefit plan actuarial losses	-	-	-	(3,063)	613	(2,450)
Total	45,541	(9,108)	36,433	(3,039)	608	(2,431)

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Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate	2017	Rate	2016
	(%)	(in thousand Baht)	(%)	(in thousand Baht)
Loss before income tax expense		<u>(2,354,186)</u>		<u>(1,159,843)</u>
Income tax using the Thai corporation tax rate	20	(470,837)	20	(231,969)
Effect of different tax rates		-		(132)
Expenses not deductible for tax purposes		1,173		11,904
Expenses for tax incentives		(32)		(114)
Temporary differences for which no deferred tax assets was recognised		264,462		31,107
Losses for which no deferred tax asset was recognised		229,358		180,954
Recognition of previously unrecognised tax losses		-		(2)
Reversal from previously recognised deferred tax expenses		-		172,033
Adjustments for prior years		42		(5,962)
Total	1.03	24,166	13.61	157,819

	Separate financial statements			
	Rate	2017	Rate	2016
	(%)	(in thousand Baht)	(%)	(in thousand Baht)
Loss before income tax expense		<u>(3,227,005)</u>		<u>(32,803)</u>
Income tax using the Thai corporation tax rate	20	(654,401)	20	(6,561)
Income not subject to tax		(2,962)		(20,668)
Expenses not deductible for tax purposes		2,295		6,394
Expenses for tax incentives		(32)		(112)
Temporary differences for which no deferred tax assets was recognised		599,058		671
Losses for which no deferred tax asset was recognised		49,535		21,946
Reversal from previously recognised deferred tax expenses		-		70,000
Total	0.08	2,493	218.49	71,670

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2017.

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42 Loss per share

Basic loss per share

The calculations of basic loss per share for the years ended 31 December 2017 and 2016 were based on the loss for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to ordinary shareholders of the Company (basic)	<u>(2,156,485)</u>	<u>(1,179,473)</u>	<u>(3,229,497)</u>	<u>(104,472)</u>
Number of ordinary share outstanding at 1 January	4,067,848	4,067,640	4,067,848	4,067,640
Effect of shares options exercised on 23 May	<u>-</u>	<u>127</u>	<u>-</u>	<u>127</u>
Weighted average number of ordinary shares outstanding (basic)	<u>4,067,848</u>	<u>4,067,767</u>	<u>4,067,848</u>	<u>4,067,767</u>
Loss per share (basic) (in Baht)	<u>(0.53)</u>	<u>(0.29)</u>	<u>(0.79)</u>	<u>(0.03)</u>

Diluted loss per share

The Group and the Company did not assume the conversion of the warrants (NMG-W3) and the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NMG-WB) in the calculation of diluted loss per share, as the exercise prices (including fair value of services to be rendered per warrant) were higher than the weighted average market prices in the consolidated and separate financial statements for the year ended 31 December 2017.

The Group and the Company did not assume the conversion of the warrants (NMG-W3) in the calculation of diluted loss per share as they were antidilutive, and did not assume the conversion of the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NMG-WB) in the calculation of diluted loss per share, as the exercise prices (including fair value of services to be rendered per warrant) were higher than the weighted average market prices in the consolidated and separate financial statements for the year ended 31 December 2016.

43 Dividends

At the annual general meeting of the shareholders of the Company held on 27 April 2016, the shareholders approved the appropriation of dividends from the 2015 operating results of Baht 0.03 per share, amounting to Baht 122.03 million. The dividends were paid to the shareholders in May 2016.

44 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

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Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loans interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from borrowings and digital television licences payable (see notes 24 and 28).

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rates (% per annum)	Consolidated financial statements		
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2017				
Current				
Bank overdrafts	MOR	95,712	-	95,712
Short-term loan from related party	12	68,695	-	68,695
Short-term loans from financial institutions	2.90 - 11.00	768,962	-	768,962
Current portion of long-term loan from financial institution	MLR minus 1%	156,000	-	156,000
Other short-term loans from individuals and asset management companies	6 - 15	484,805	-	484,805
Non-current				
Long-term loan from financial institution	MLR minus 1%	-	47,000	47,000
Total		1,574,174	47,000	1,621,174

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		Consolidated financial statements			
		Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2016					
Current					
Bank overdrafts	MOR	47,539	-		47,539
Short-term loans from financial institutions	2.80 - 7.15	501,892	-		501,892
Current portion of long-term loan from financial institution	MLR minus 1%	120,000	-		120,000
Other short-term loans from individuals and asset management companies	2.65 - 15.00	550,000	-		550,000
Non-current					
Long-term loan from financial institution	MLR minus 1%	-	158,833		158,833
Total		1,219,431	158,833		1,378,264
		Separate financial statements			
		Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2017					
Current					
Bank overdrafts	MOR	82,579	-		82,579
Short-term loan from related party	12	68,695	-		68,695
Short-term loans from financial institutions	2.90 - 11.00	718,606	-		718,606
Current portion of long-term loan from financial institution	MLR minus 1%	156,000	-		156,000
Other short-term loans from individuals and asset management companies	6 - 15	484,805	-		484,805
Non-current					
Long-term loan from financial institution	MLR minus 1%	-	47,000		47,000
Total		1,510,685	47,000		1,557,685
2016					
Current					
Bank overdrafts	MOR	42,057	-		42,057
Short-term loans from financial institutions	2.80 - 7.15	450,923	-		450,923
Current portion of long-term loan from financial institution	MLR minus 1%	120,000	-		120,000
Other short-term loans from individuals and asset management companies	2.65 - 15.00	550,000	-		550,000
Non-current					
Long-term loan from financial institution	MLR minus 1%	-	158,833		158,833
Total		1,162,980	158,833		1,321,813

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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group will primarily utilise forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

At 31 December, The Group and the Company were exposed to foreign currency risk in respect of financial liabilities denominated in the following currency:

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
<i>United States Dollars</i>					
Trade accounts payable	25	8,431	2,481	-	1,680
Gross expense		8,431	2,481	-	1,680
Carry forward		-	(523)	-	(523)
Net expense		8,431	1,958	-	1,157

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2017					
Financial assets measured at fair value					
Debt securities held for trading (Private fund)	121,951	-	121,951	-	121,951
Equity securities available for sale	3	3	-	-	3
31 December 2016					
Financial assets measured at fair value					
Debt securities held for trading	223,598	-	223,598	-	223,598
Equity securities available for sale	2,800	2,800	-	-	2,800
Foreign currency forward contracts	-	-	(90)	-	(90)
Separate financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2017					
Financial assets measured at fair value					
Equity securities available for sale	3	3	-	-	3
31 December 2016					
Financial assets measured at fair value					
Debt securities held for trading	49,289	-	49,289	-	49,289
Equity securities available for sale	2,800	2,800	-	-	2,800
Foreign currency forward contracts	-	-	(90)	-	(90)

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 2 (d).

Type	Valuation technique
Investments in marketable unit trusts classified as trading investments and available-for-sale investments	The net asset value as of the reporting date
Forward exchange contracts	Closing rates at end of year

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45 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	196,763	212,595	47,568	39,242
After one year but within five years	636,990	607,963	77,107	7,338
After five years	625,357	772,999	-	-
Total	1,459,110	1,593,557	124,675	46,580
	<i>(in thousand)</i>			
<i>Other commitments</i>				
Unused letter of credit (USD)	-	523	-	523
Unused letters of credit (THB)	1,251	21,243	1,251	20,054
Guarantee credit lines of subsidiaries with financial institutions (THB)	85,000	85,000	85,000	85,000
Bank guarantees (THB)	1,650,805	2,001,747	34,876	36,567
Total	1,737,056	2,107,990	121,127	141,621

Significant agreements

- The Company and its subsidiaries entered into lease and service agreements for their office premises and facilities with a local company for the period of 3 years, expiring in various periods up to 30 November 2020 with an option for renewal. The Company and its subsidiaries agreed to pay rental and service fees at the rate specified in the agreements.
- An indirect subsidiary entered into a news supply agreement with a foreign company for a period of 5 years, commencing from 1 June 2016 to 31 May 2021 with an option for renewal. The indirect subsidiary agreed to pay a fee at the rate specified in the agreement.
- A subsidiary and an indirect subsidiary entered into service agreements covering television broadcasting satellite services with two local companies for periods ranging from 9 months to 5 years and 11 months, expiring in various periods up to 31 March 2020. The subsidiary and indirect subsidiary committed to pay the fees for such television broadcasting totalling USD 3.03 million.
- A subsidiary and an indirect subsidiary entered into Standard Definition Terrestrial Digital Television Network Services agreements with Thai Royal Army for a period of 14 years and 5 months, commencing from 16 January 2014 to 31 May 2028. The subsidiary and the indirect subsidiary committed to pay the licence fees for such channels totalling Baht 1,569.47 million.
- A subsidiary entered into lease and service agreements for its office and studio premises with a local company for a period of 3 years, commencing from 1 December 2014 to 30 November 2017 with an option to be renewal for a total period of 15 years. The subsidiary agreed to pay rental and service fees at the rate specified in the agreements. The subsidiary terminated the agreements on 1 May 2017.

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- f) The Company entered into a building space rental agreement for studio premises with an institution of education for a period of 3 years and 11 months, commencing from 1 February 2015 to 31 December 2018. The Company agreed to pay a rental fee at the rate specified in the agreement.
- g) The Company entered into a land rental agreement with a local company for a car parking area. The Company agreed to pay a rental fee at the rate as specified in the agreement. The agreement had a period of 3 years, expiring on 28 February 2018.
- h) A subsidiary entered into car rental agreements with three local companies. The subsidiary agreed to pay rental fees at the rate specified in the agreements. The agreements had a period of 3 - 4 years, expiring in various periods up to 22 May 2021.
- i) A subsidiary entered into a service agreement for ratings measurement in television audiences of television channels in Thailand with a local association for a period of 6 years, commencing from 17 December 2015 to 30 September 2021. The subsidiary agreed to pay a service fee at the rate specified in the agreement. During the year 2017, the service provider entered into an amendment of the agreement to change the expiry date of the agreement from 30 September 2021 to 30 September 2023 and all other provision of the agreement remain unchanged.
- j) A subsidiary entered into a service agreement for ratings measurement in television audiences of television channels in Thailand with a local association for a period of 6 years, commencing from 15 January 2016 to 30 September 2021. The subsidiary agreed to pay a service fee at the rate specified in the agreement. During the year 2017, the service provider entered into an amendment of the agreement to change the expiry date of the agreement from 30 September 2021 to 30 September 2023 and all other provision of the agreement remain unchanged.

An indirect subsidiary has a commitment in respect of a letter of guarantee issued by a local financial institution for electricity usage, which the indirect subsidiary's land and construction thereon had been pledged as collateral (see note 20).

46 Events after the reporting period

a) Proceeding of assets divestment for business restructuring

As described in note 6, at the extraordinary meeting of the shareholders of the Company held on 28 February 2018, the shareholders approved the assets divestment for business restructuring of the Group which comprised investments in Nation U Co., Ltd., WPS (Thailand) Co., Ltd. and NML Co., Ltd. including land and constructions of the Company. However, the shareholders resolved not to approve the disposal of investment in Bangkok Business Broadcasting Co., Ltd. Furthermore, the assets divestment which has been approved from the shareholders shall be made by means of a bidding process and complete within a period of no more than six months after it is granted the approval.

At the extraordinary meeting of the shareholders of the Company held on 19 June 2018, the shareholders of the Company approved to revoke the assets divestment pursuant to the resolution of the extraordinary meeting of the shareholders' of the Company held on 28 February 2018, which comprised investments Nation U Co., Ltd., WPS (Thailand) Co., Ltd., and NML Co., Ltd. including land and constructions of the Company due to there is no buyer interested in purchasing each property by bidding process at a price not lower than the based price.

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b) The disposal of investments in subsidiaries

At the Board of Directors' meeting of the Company held on 19 July 2018, the Board of Directors approved the disposal of investment in Nation U Co., Ltd. which is a subsidiary that owner and business operation of Nation University in the amount of 30,599,999 shares, representing 90% of the total shares of the subsidiary at a price of Baht 8.3824 per share, totalling Baht 256.50 million in accordance with the share purchase agreement dated 13 July 2018.

At the Board of Directors' meeting of the Company held on 17 August 2018, the Board of Directors approved the disposal of investment in NML Co., Ltd, a subsidiary in the amount of 4,999,500 share, representing 90% of the total shares of the subsidiary at a price of Baht 1.80 per share, totalling Baht 9 million. The management is in the process negotiating with the buyer in the share purchase agreement and other agreements.

c) An increase in share capital of a subsidiary

At the Board of the Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 17 August 2018, the Board of Directors of the subsidiary approved an increase in the registered share capital from Baht 170,049,286 (divided into 170,049,286 ordinary shares at Baht 1 per share) to Baht 390,549,286 (divided into 390,549,286 ordinary shares at Baht 1 per share) to offer to Private Placement as specified in the meeting at Baht 1.40 per share, totalling Baht 308,700,000, which is considered as a connected transaction. The subsidiary will propose to the shareholders meeting for the approval.

d) The announcement of "C" (Caution) sign from new regulations of the Stock Exchange of Thailand

In accordance with the Stock Exchange of Thailand's ("SET") new regulations effective starting from 2 July 2018, One of the criteria that the Company's securities traded on the SET which has the Group's and the Company's total equity less than 50% of the Group's and the Company's total paid-up share capital, the "C" (Caution) sign will be posted on the next business day after the issuance of these reviewed interim financial statements for the three-month and six-month periods ended 30 June 2018 ("notified date"). Investors will only be allowed to purchase the Company's securities with a Cash Balance account on the next business day after the notified date onwards, as long as the "C" sign remains posted. Such listed company has to provide information and plan to resolve the issue within 15 days after the "C" sign to inform shareholders, investors and relevant parties.

47 Other matters

The Company, a subsidiary ("Krungthep Turakij Media Co., Ltd."), directors and employees of the Group were accused of defamation through advertisements, breaches of the Computer Crime Act B.E. 2550 and others in the criminal lawsuit with the claim of Baht 2,343 million. As at 31 December 2017, the lawsuit is under the consideration of Court of First Instance. On 1 June 2018, the plaintiff sued all defendants. The Court allowed the plaintiff to withdraw the case and release the case from the case file. The case is finally resolved. Moreover, on 2 April 2018, the court dismissed the plaintiff's complaint on the subsidiary's case.

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The Company and directors of the Group were accused of breach of the Public Limited Company Act B.E. 2535 in the civil lawsuit with the claim of Baht 42.5 million. However, as at 6 October 2016, the Phrakhanong Provincial Court rendered a civil lawsuit judgement to dismiss the case against the Company and directors of the Group. The judgement was appealed by plaintiff in January 2017 then the plaintiff filed a petition to withdraw the appeal in February 2018. In July 2018, the Court of Appeal dismissed the case. However, the Court of First Instance is awaiting for the outcome of the case to the end before a new verdict according to the case. The management and legal consultant believe that the Court shall allow the withdrawal of the appeal for the Company and the lawsuit will be ended as the judgement of Court of First Instance.

The Company and directors of the Group were accused of violating the Securities and Exchange Act B.E. 2535 in the civil lawsuit with the claim of Baht 51.9 million. At 31 December 2017, the lawsuit is under the consideration of Court of First Instance. The management and legal consultant believe that the court's judgement will be favourable to the Company and directors of the Group and there will be no significant impact to the financial statements as a result of the lawsuit.

On 16 May 2017, the Court of Appeal rendered a civil lawsuit judgement to revoke the resolutions in the 2015 Annual General Meeting of the shareholders of the Company held on 29 April 2015 then, the Company filed a petition to the court in July 2017. At 31 December 2017, the lawsuit is under the consideration of Court of Appeal. The management and legal consultant believe that the Company shall not assume any responsibility for compensation and there will be no significant impact to the financial statements as a result of the lawsuit.

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48 Reclassification of accounts

Certain accounts in the 2016 financial statement have been reclassified to conform to the presentation in the 2017 financial statements as follows:

	2016					
	Consolidated financial statements			Separate financial statements		
	Before Reclass.	Reclass.	After Reclass. <i>(in thousand Baht)</i>	Before Reclass.	Reclass.	After Reclass.
<i>Statement of financial position</i>						
Other current assets	381,310	(59,751)	321,559	111,994	(21,492)	90,502
Property, plant and equipment	1,485,521	2,960	1,488,481	-	-	-
Intangible assets	174,142	(2,960)	171,182	-	-	-
Withholding tax deducted at source	-	201,529	201,529	-	128,588	128,588
Other non-current assets	170,997	(141,778)	29,219	119,661	(107,096)	12,565
Bank overdrafts and short-term loans from financial institutions	939,431	(390,000)	549,431	882,980	(390,000)	492,980
Short-term loans	160,000	390,000	550,000	160,000	390,000	550,000
Other current payables	146,135	(119,995)	26,140	56,323	(27,729)	28,594
Deferred income	-	119,995	119,995	-	27,729	27,729
Output value added tax pending	-	226,746	226,746	-	59,565	59,565
Other current liabilities	248,669	(226,746)	21,923	68,380	(59,565)	8,815
		<u>-</u>			<u>-</u>	
<i>Statement of comprehensive income</i>						
Gain on disposal of investments	1,228	(1,228)	-	-	-	-
Other income	60,838	1,228	62,066	-	-	-
Administrative expenses	690,178	(2,950)	687,228	411,803	(2,950)	408,853
Impairment losses on assets	-	2,950	2,950	-	2,950	2,950
		<u>-</u>			<u>-</u>	

Other Reference Persons

Security Registrar (Common Share)

Thailand Securities Depository Company Limited

93 The Stock Exchange of Thailand Building 14th , Rachadapisek Road,
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Tel: (66) 2009-9991

Certified Public Accountant

- | | |
|-----------------------------------|-----------------------|
| 1. Ms. Patamavan Vadhanakul | Registration No. 9832 |
| 2. Mr. Veerachai Ratanajaratkul | Registration No. 4323 |
| 3. Ms. Vannaporn Jongperadechanon | Registration No. 4098 |

KPMG Phoomchai Audit Ltd.

1 Empire Tower, 50th-51th Floor, Sathorn Road, Yannawa, Bangkok 10120
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Audit Fee

1. The audit fee of the Company and subsidiaries for the year 2017 is Bt3,560,000
2. Non-audit fee -None-

Legal Consultants

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