



ANNUAL REPORT 2017



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Nation

Vision

To be the media institution of the future by being the top producer of valuable news and programmes

Missions

1. Inspiring to be an institution that produces journalists, news anchors and (TV) programme producers.
2. Creating a 24-hour news station that has the loyal following of a committed audience and also be the best producer of TV and radio programmes.
3. Continuously committing all efforts and embracing developments in every new media innovation to create new opportunities.
4. Maintain credibility which is the core value of the organisation and observe journalistic ethics.

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Nation

General Information

| | |
|---------------------------|---|
| Name | Nation Broadcasting Corporation Public Company Limited |
| Symbol | NBC |
| Core Business | Production of TV programs and radio programs and providing, news and advertisements through TV media, radio media and new media forms |
| Head Office | 1858/51-62, 12 th , 13 th Floor, Bangna-Trad Road, Bangna, Bangkok 10260 |
| Registration | PLC no. 0107552000103 |
| Telephone | (66) 2338-3645 |
| Fax | (66) 2338-3973 |
| Registered Capital | Baht 720,343,962 |
| Paid-up Capital | Baht 535,436,609 (December 31, 2017) |

The Company's Shareholding Exceeded 10% of Paid Capital.

(December 31, 2017)

| Company Name / Address | Business | % of Holding | Registered Capital | Paid-up Capital |
|--|--|--------------|--------------------|-----------------|
| Direct Subsidiaries | | | | |
| NBC Next Vision Co., Ltd. 1858/61-62 12 th , 13 th Floor Bangna-Trad Road, Bangna, Bangkok | Production of TV program and advertisements through TV media | 99.99 | 800,000,000 | 800,000,000 |

Note: NBC Nextmedia Co.,Ltd liquidated on June 23, 2017
NBC Next Screen Co.,Ltd liquidated on December 12, 2017

Summary of Financial Data and Investments

Unit : Million Baht

| 1. Selected data from consolidated financial statements | Consolidated | | |
|--|--------------|----------|----------|
| | 2017 | 2016 | 2015 |
| • Revenues from sales and services | 521.33 | 518.79 | 825.18 |
| • Total revenues | 539.09 | 536.52 | 846.15 |
| • Gross profit(loss) | 7.75 | (84.79) | 151.48 |
| • Profit (loss) before interest, taxes, depreciation, amortization | (754.83) | (87.64) | 158.53 |
| • Net profit(loss) | (916.24) | (275.46) | (20.56) |
| • Total assets | 798.52 | 1,843.88 | 2,439.77 |
| • Total shareholders' equity | 121.68 | 980.13 | 1,316.50 |

| 2. Financial ratios | Consolidated | | |
|--|--------------|----------|---------|
| | 2017 | 2016 | 2015 |
| • Debt to equity ratio (times) | 5.56 | 0.88 | 0.85 |
| • Gross profit (loss) margin (%) | 1.49% | (16.34%) | 18.36% |
| • Net profit (loss) margin (%) | (169.96%) | (51.34%) | (2.43%) |
| • Return on equity (%) | (166.31%) | (23.99%) | (1.52%) |
| • Return on total assets (%) | (69.35%) | (12.86%) | (0.81%) |
| • Earnings (loss) per share (Baht) | (1.71) | (0.51) | (0.04) |
| • Dividend per share (Baht) ** (please see note) | 0.00 | 0.00 | 0.08 |
| • Book value per share (Baht) | 0.23 | 1.83 | 2.46 |

Note : ** Dividend:

On February 12, 2015, the meeting of the Board of Directors of the Company agreed to propose to the Annual General Shareholders Meeting 2015 on April 27, 2015 for considering to pay dividend for the 2014 operating year at a rate of 0.08 Baht per share. The Board of Directors took into consideration the payment of interim dividend out of the accumulated profit to the Shareholders at 0.06 Baht per share, totaling 32.08 million Baht and resolved to put forth in the 2015 Annual General Meeting of Shareholders for the approval of final dividend payment to the Shareholders at 0.02 Baht per share, totaling 10.70 million Baht.

On April 27, 2015, the Annual General Shareholders Meeting of the Company approved to pay dividend to shareholders at a rate of 0.08 Baht per share, amounting to 42.78 Million Baht. The said dividend was paid to shareholders during 2014-2015.

On February 9, 2016, the meeting of the Board of Directors of the Company agreed to propose to the Annual General Shareholders Meeting 2016 on April 26, 2016 for considering to pay dividend for the 2015 operating year at a rate of 0.08 Baht per share. Totaling 42.83 million Baht.

On April 26, 2016, the Annual General Shareholders Meeting of the Company approved to pay dividend to shareholders at a rate of 0.08 Baht per share, amounting to 42.83 Million Baht. The said dividend was paid to shareholders in May 2016.

Dividend Payment Policy

The Company's dividend policy is to pay dividend to shareholders at not less than 40% of its net profit (separate financial statements) after deducting corporate taxes, legal and other required and appropriate reserves. The said dividend payment ratio may be altered subject to financial status, operating performance, investment plan and other necessities and appropriateness in the future approved by the Board of Directors and/or shareholders of the company. The resolution of the Board of Directors proposed for dividend payment has to be approved from Shareholders Meeting, except for interim dividend payment for which the Board of Directors is authorized to approve and reports to the shareholders to be acknowledged in the following meeting.



Nation

Chairman's Statement

The accomplishment of “NBTC” at the time of the 2017 announcement of digital TV auction results with making money of THB50,862 million into the Government, it signifies the beginning of the unfortunate of Thailand’s mass media.

With up to THB 70,000 million out of total THB 120,000 million TV commercials spending, the media operators have jumped into the digital TV auction overwhelmingly in the hope of the revenue sharing of such ad money.

By this time of the digital TV auction, the NBTC in its effort demonstrated the well-equipped knowledge by the auction groups; including entertainment, news, and children. However, the fact unveiled that each of the NBTC members has no actual understanding of the TV business.

In Thailand, there are about 21 million TV receivers occupied by almost households and the viewers have enjoyed their favorite TV programs. It is very difficult to change the consumer behavior to new programs unless the programs are very attractive. In addition, in the circumstance that the number of channels has been growing, the number of TV programs has increased accordingly, and consequently that it is not-easy-to remember, and the opportunity to distribute the audience to new channels is then tough. As such, the likelihood of distributing the ads spending from the existing TV channels to other new channels is very slight.

The revenue of TV business has derived from ‘TV Rating’ which is measured by the number of televisions and how many people are in an in the audience

Thus, the effort of the new digital TV operators to shift the consumer behavior to increase its TV rating adequately to draw the agencies to buy ads worth the investment is almost impossible. In particular, the news channel on the digital TV, although the concession fee is lower than almost half of the entertainment channel, but the fact is that in television business the agencies typically buy ads only through the TV programs and channels with high rating in descending order, not by groups; entertainment, news, children.

The way of buying advertisement by the agencies may result that the new digital TV operators have been of the high level of the bankruptcy risk, especially in news and children channels.

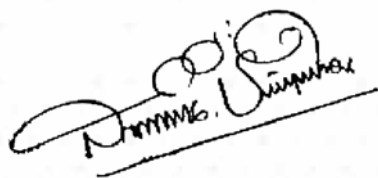
The NBC NEXT VISION Co., Ltd. holds the broadcasting license on digital TV news, “Nation TV Channel 22”, and even though it has produced the high-quality news content with the high level of the viewers’ top recognition for new programs constantly, it reported it was unable to earn revenue from advertising, because the measured rating is compared to other entertainment channels gaining higher audience base. Its qualification falls short of the original criteria consequently.

Furthermore, over the past four years, there has emerged the widespread development of new media channels; including communicating devices, especially handheld phones up to 60,000,000 units in accessing to the Internet.

Thus, in the viewpoint of traditional business, it is very difficult to break through because of the incompatibility of the technology and changing consumer behavior, thereby resulting in that the mass communication business, especially the marketing system that has been changing.

Adapting to the innovative technology and marketing systems on media ads spending is very necessary.

The ‘Nation TV’, a strong brand that has been widely recognized by the public, has to produce the news through all channels of communication such as digital television and new media on a variety of platforms in order that the consumers access to the quality news of Nation TV for no less than 1,000,000 times a day, and it has targeted to gain income to cover the expenditures in the year 2018, and it’s expected to gain profits from January 2019.



Sontiyon Chuenruetainaidhama
Chairman



Board of Directors

01



- 01 Mr. Sontiyon Chuenruetainaidhama
- 02 Mr. Supong Limtanakool
- 03 Mr. Metha Soonthornjit
- 04 Mr. Jessada Promjart
- 05 Mrs. Veerawan Vararuth

02



03



04



05



Board of Directors



- 06 Mr. Supawat Sa-nguan-ngam
- 07 Mrs. Lakana Ratwongsakul
- 08 Mr. Supoth Piansiri
- 09 Mr. Somchai Meesen



The Audit Committee



- 01 Mr. Supong Limtanakool
- 02 Mr. Metha Soonthornjit
- 03 Mr. Jessada Promjart

Board of Directors



Mr. Sontyan Chuenruetainaidhama

| | |
|----------|----------|
| Position | Chairman |
| Age | 57 years |

Qualification

- Bachelor of Laws, Ramkhamhaeng University

Training Course 2017

- None

No. of Shares Held as at February 1, 2018

- Mr. Sontiyarn Chuenruetainaidhama - shares
- Spouse - shares
- Minor child - shares

Relationship with NBC's Executive

- None

Experience

Feb 7, 2018 - Present Chairman
Nation Broadcasting Corporation Plc.

Director of other listed company

Jan 17, 2018 - Present Director
Nation Multimedia Group Plc.

Director of other non - listed company

| | |
|---------------------|--|
| 2011 - Present | President Network Surveillance and Prevention Royal Institution |
| 2010 - Jan 11, 2018 | President and Director T-News Press Association via Satellite T-News TV and “JorKao Ron...LuangKaoLeuk” TV programs Producer |
| 2010 - Present | Committee Local Development Foundation |
| 2017 - Present | President and Managing Director Green Panyayan Publishing T-Multimedia Group |

Director of a competing company or a related business company

- None

Year of Directorship

Appointed as a director since February 7, 2018

The Meeting Attendance / Meeting held (Frequency) of 2018

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

Mr. Supong Limtanakool

Position Independent Director and
Chairman of The Audit Committee
Age 65 years



Qualification

- Doctor of Business Administration in International Marketing, University of San Gabriel, Irvine, California, U.S.A.
- Master of Science in Marketing & Consumer Behavior, California State University
- Bachelor of Arts in Economics, California State University

Training Course(s)

- Director Certification Program (DCP99/2008), Thai Institute of Directors Association

Training Course (s) 2017

- None

No. of Shares Held as at December 29, 2017

- Mr. Supong Limtanakool - shares
- Spouse (Mrs. Ubonrat Limtanakool) - shares
- Minor child - shares

Relationship with NBC's Executive

- None

Experience

2009 - Present Independent Director and Chairman of The Audit Committee
Nation Broadcasting Corporation Plc.

Director of other listed company

2007 - Present Member of The Audit Committee
Thai Polycons Plc.

Director of other non - listed company

2012 - Present Director
Thai Tinplate MFG Co., LTD.
2009 - Present Vice President for External Affairs
Bangkok University

Director of a competing company or a related business company

- None

Year of Directorship

8 years 9 months (Appointed as a director since March 12, 2009)

The Meeting Attendance / Meeting held (Frequency)

| | |
|---|-----|
| Board of Directors | 5/6 |
| Audit Committee | 4/5 |
| Annual General Meeting of Shareholders | 1/1 |
| Extraordinary General Meeting of Shareholders | N/A |

Board of Directors



Mr. Metha Soonthornjit

Position Independent Director and Member of The Audit Committee
Age 57 years

Qualification

- MMM, The Graduate School of Public Administration, NIDA
- LL.B. Ramkhamhaeng University

Training Course (s)

- Director Certification Program (DCP118/2009), Thai Institute of Directors Association

Training Course (s) 2017

- None

No. of Shares Held as at December 29, 2017

- | | | |
|-------------------------|---|--------|
| • Mr. MethaSoonthornjit | - | shares |
| • Spouse | - | shares |
| • Minor child | - | shares |

Relationship with NBC's Executive

- None

Experience

2009 - Present Member of The Audit Committee
Nation Broadcasting Corporation Plc.

Director of other non - listed company

| | |
|----------------|--|
| 2012 - Present | ManagerLaw Consulting Office Lawman &Maytha |
| 2005 - 2012 | Manager Lawman Standard Co., Ltd. |

Director of a competing company or a related business company

- None

Year of Directorship

8 years 9 months(Appointed as a director since March 12, 2009)

The Meeting Attendance / Meeting held (Frequency)

| | |
|---|-----|
| Board of Directors | 5/6 |
| Audit Committee | 4/5 |
| AnnualGeneralMeeting of Shareholders | 1/1 |
| Extraordinary General Meeting of Shareholders | N/A |

Director of other listed company

- None

Mr. Jessada Promjart

Position Independent Director and
Member of The Audit Committee

Age 56 years



Qualification

- Master's degree (Accounting) Thammasat University
- Bachelor's degree (Accounting) Thammasat University

Training Courses

- Public Director Certification Program (Class 14), King Prajadhipok's Institute
- Ethical Leadership Program (ELP#5/2016), Thai Institute of Directors Association
- Public Administration and Law for Executives (Class 12), King Prajadhipok's Institute
- TLCA Executive Development Program (EDP#9/2012), Thai Listed Companies Association
- Advanced Management Strategies for the Prevention and Suppression (Class 1), Office of the National Anti-Corruption Commission
- Company Secretary Program (CSP#7/2004), Thai Institute of Directors Association
- Director Certification Program (DCP#45/2004), Thai Institute of Directors Association

Training Course (s) 2017

- Advanced Audit Committee Program (AAP#25/2017), Thai Institute of Directors Association

No. of Shares Held as at December 29, 2017

- | | | |
|------------------------|---|--------|
| • Mr. Jessada Promjart | - | shares |
| • Spouse | - | shares |
| • Minor child | - | shares |

Relationship with NBC's Executive

- None

Experience

2015 - Present Independent Director and Member of The Audit Committee
Nation Broadcasting Corporation Plc.

Director of other listed company

Sep.2016 - Present Independent Director / Member of Audit Committee, IRPC Public Company Limited

Mar.2016 - Present Director, IRPC Public Company Limited

Apr.2015 - Present The Corporate Governance Committee, Joint Operation Agreement between Bangkok Entertainment Company Limited (BEC) and MCOT Public Company Limited

Director of other non - listed company

Apr.2017 - Present Audit Committee, Chulabhorn Royal Academy

Nov.2016 - Present Director and Audit Committee, Expressway Authority of Thailand

Dec.2015 - Present Director and Audit Committee, Government Savings Bank (Thailand)

Apr.2015 - Present Director of Construction Sector, Chulabhorn Hospital and Chulabhorn Medicine Institute Chulabhorn Hospital

Mar.2015 - Present Corporate Governance Committee of the agreement of shopping center, Phaholyothin road's advantage between State Railway of Thailand and Central Inter Patthana Company Limited

Director of a competing company or a related business company

- None

Year of Directorship

2 years 8 months (Appointed as a director since April 27, 2015)

The Meeting Attendance / Meeting held (Frequency)

| | |
|---|-----|
| Board of Directors | 3/6 |
| Audit Committee | 4/5 |
| Annual General Meeting of Shareholders | 1/1 |
| Extraordinary General Meeting of Shareholders | N/A |

Board of Directors



Mrs. Veerawan Vararuth

Position Independent Director
Age 68 years

Qualification

- Master's Degree, Instructional Media Technology, Central Missouri State, U.S.A.
- Bachelor's Degree, Bachelor of Arts, Chulakongkorn University
- Higher Executive Course from the Office of the National Civil Commission
- Higher Executive Course of Justice Process of the National Justice College, Ministry of Justice
- Mini MBA from Kasetsart University

Training Course (s)

- Taking part in the Laureate Code of Conduct and Ethics Course on September 28, 2016
- Attending Anti-Corruption, Fraud Prevention and Conflict of Interest by Mark Snyderman, Chief Ethics and Compliance Officer of Laureate on October 28, 2016

Training Course (s) 2017:

- None

No. of Shares Held as at December 29, 2016

- | | | |
|--------------------------|---|--------|
| • Mrs. Veerawan Vararuth | - | shares |
| • Spouse | - | shares |
| • Minor child | - | shares |

Relationship with NBC's Executive

- None

Experience

| | |
|----------------|--|
| 2016 - Present | Independent Director Nation Broadcasting Corporation Plc. |
|----------------|--|

Director of other listed company

- None

Director of other non - listed company

| | |
|---------------------|--|
| Jun 2015 - Present | Dean of Communication Arts and Design Stamford International University |
| Oct 2009 - Jun 2015 | Dean of Liberal Arts Stamford International University |

Director of a competing company or a related business company

- None

Year of Directorship

1 year 9 days (Appointed as a director since December 23, 2016)

The Meeting Attendance / Meeting held (Frequency)

| | |
|---|-----|
| Board of Directors | 6/6 |
| Annual General Meeting of Shareholders | 0/1 |
| Extraordinary General Meeting of Shareholders | N/A |

Mr. Supawat Sa-nguan-ngam

Position Director
Age 44 years



Qualification

- MBA., Nation University

Training Course (s) 2017

- Criminal Liability of Director and Corporate Representative : New Law is better? The Securities Exchange of Thailand

No. of Shares Held as at December 29, 2017

- Mr.Supawat Sa-nguan-ngam - shares
- Spouse - shares
- Minor child - shares

Relationship with NBC's Executive

- None

Experience

| | |
|------------------------|--|
| Dec 23, 2016 - Present | Director / Managing Director Nation Broadcasting Corporation Plc. |
| 2015 - Dec 22, 2016 | Senior Vice President - Support Nation Broadcasting Corporation Plc. |
| 2012 - 2014 | Assistant Vice President- Accounting Nation Broadcasting Corporation Plc. |

Director of other listed company

2016 - Apr. 2017 Director
Nation Multimedia Group Plc.

Director of other listed company

- None

Director of other non - listed company

- None

Director of a competing company or a related business company

- None

Year of Directorship

1 year 9 days (Appointed as a director since December 23, 2016)

The Meeting Attendance / Meeting held (Frequency)

| | |
|---|-----|
| Board of Directors | 6/6 |
| Annual General Meeting of Shareholders | 1/1 |
| Extraordinary General Meeting of Shareholders | N/A |

Board of Directors



Mrs. Lakana Ratwongsakul

Position Director
Age 54 years

Qualification

- B.A. Economics, Ramkhamhaeng University

Director of other listed company

- None

Training Course

- Directors Certification Program (DCP # 124/2009), Thai Institute of Directors Association

Director of other non – listed company

- | | |
|----------------|---------------------------|
| 2012 - Present | Director |
| | NBC Next Vision Co., Ltd. |

Training Course (s) 2017

- None

Director of a competing company or a related business company

- None

No. of Shares Held as at December 29, 2017

- | | |
|---------------------------------|------------------|
| • Mrs.LakanaRatwongsakul | 1 shares (0.00%) |
| • Spouse (Mr.KanokRatwongsakul) | - shares |
| • Minor child | - shares |

Year of Directorship

1 year 9 days (Appointed as a director since December 23, 2016)

Relationship with NBC's Executive

- Mr.KanokRatwongsakul's wife

The Meeting Attendance / Meeting held (Frequency)

| | |
|---|-----|
| Board of Directors | 6/6 |
| Annual General Meeting of Shareholders | N/A |
| Extraordinary General Meeting of Shareholders | N/A |

Experience

| | |
|------------------------|--|
| Dec 23, 2016 - Present | Director Nation Broadcasting Corporation Plc. |
| 2015 - Present | Senior Vice President- Support Nation Broadcasting Corporation Plc. |
| 2010 - 2014 | Vice President - Support Nation Broadcasting Corporation Plc. |

Mr. Supoth Piansiri

Position Director
Age 49 years



Qualification

- Bachelor of Accounting (Auditing) 2nd honor, University of the Thai Chamber of Commerce

Training Course(s)

- The 7 Habits of Highly Effective People Affiliate Pac Rim Group
- Strategy Management Program # 1/2011 Faculty of Commerce and Accountancy, Chulalongkorn University
- Directors Certification Program (DCP) # 150/2011 Thai Institute of Directors
- CFO Current Issues for 2015 Federation of Accounting Professions of Thailand

Training Course (s) 2017

- Update TFRS (revised 2016)
- Ten Regulation of the AEC Accountant (update 2016) # 3/2017
- Consolidated Financial Statements

No. of Shares Held as at December 29, 2017

- | | | |
|-----------------------|--------|----------------|
| • Mr. Supoth Piansiri | 20,100 | shares (0.00%) |
| • Spouse | - | shares |
| • Minor child | - | shares |

Relationship with NBC's Executive

- None

Experience

- | | |
|----------------|--------------------------------------|
| 2016 - Present | Director |
| | Nation Broadcasting Corporation Plc. |

Director of other listed company

- | | |
|----------------|---------------------------------------|
| 2016 - Present | Director Nation Multimedia Group Plc. |
| 2016 - Present | Director |
| | Nation International Edutainment Plc. |

2012 - Present

Senior Vice President - Accounting
Nation Multimedia Group Plc.

Director of other non - listed company

- | | |
|----------------|---|
| 2017 - Present | Director - NBC Next Vision Co., Ltd. |
| 2017 - Present | Director - Nation News Network Co., Ltd. |
| 2016 - Present | Director - NML Co., Ltd. |
| 2016 - Present | Director - Nation U Co., Ltd. |
| 2015 - Present | Honorary Member - Nation University |
| 2014 - Present | Director - Nation Global Edutainment Co., Ltd. |
| 2014 - Present | Vice - Rector for Administration - Nation University |
| 2014 - Present | Director - Yomiuri - Nation Information Service Co., Ltd. |
| 2013 - Present | Director - WPS (Thailand) Co., Ltd. |
| 2012 - Present | Director - Bangkok Business Broadcasting Co., Ltd. |
| 2010 - Present | Director - Krungthep TurakijMedia Co., Ltd. |
| 2010 - Present | Director - Kom Chad Luek Media Co.,Ltd. |

Director of a competing company or a related business company

- None

Year of Directorship

1 year 9 days (Appointed as a director since December 23, 2016)

The Meeting Attendance / Meeting held (Frequency)

- | | |
|---|-----|
| Board of Directors | 6/6 |
| Annual General Meeting of Shareholders | 1/1 |
| Extraordinary General Meeting of Shareholders | N/A |

Board of Directors



Mr. Somchai Meesen

Position Director
Age 49 years

Qualification

- Master of political Science (Politics) , Thammasart University
- Bachelor of Arts (History), Chiang Mai University

Training Course(s) 2017

- None

No. of Shares Held as at February 1, 2018

- Mr. Somchai Meesen - shares
- Spouse - shares
- Minor child - shares

Relationship with NBC's Executive

- None

Experience

Feb 7, 2018 - Present Director
Nation Broadcasting Corporation Plc.

Director of other listed company

Jan 3, 2018 - Present Director
Nation Multimedia Group Plc.

Feb 15 - Present Director
Nation International Edutainment Plc.

2017 - Present Director
AQ Estate Plc.

2017 - Present President
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

- None

Year of Directorship

Appointed as a director since February 7, 2018

The Meeting Attendance / Meeting held (Frequency) of 2018

| | |
|---|-----|
| Board of Directors | N/A |
| Annual General Meeting of Shareholders | N/A |
| Extraordinary General Meeting of Shareholders | N/A |

Management Team



Mr. Supawat Sa-nguan-ngam

Position Director
Age 44 years



Qualification

- MBA., Nation University

Training Course (s) 2017

- Criminal Liability of Director and Corporate Representative
: New Law is better? The Securities Exchange of Thailand

No. of Shares Held as at December 29, 2017

- Mr.Supawat Sa-nguan-ngam - shares
- Spouse - shares
- Minor child - shares

Relationship with NBC's Executive

- None

Experience

Dec 23, 2016 - Present Director / Managing Director
Nation Broadcasting Corporation Plc.
2015 - Dec 22, 2016 Senior Vice President - Support
Nation Broadcasting Corporation Plc.
2012 - 2014 Assistant Vice President- Accounting
Nation Broadcasting Corporation Plc.

Director of other listed company

2016 - Apr. 2017 Director
Nation Multimedia Group Plc.

Director of other non - listed company

- None

Director of a competing company or a related business company

- None

Management Team



Mr. Kanok Ratwongsakul

| | |
|----------|-----------------------------------|
| Position | Senior Vice President Reporter |
| Age | 54 years |

Qualification

- B.A. Journalism and Mass Communication, Thammasat University

Training Course (s) 2017

- None

No. of Shares Held as at December 29, 2017

- | | | |
|----------------------------------|---|----------------|
| • Mr.KanokRatwongsakul | - | shares |
| • Spouse(Mrs.LakanaRatwongsakul) | 1 | shares (0.00%) |
| • Minor child | - | shares |

Relationship with NBC's Executive

- Mrs. LukanaRatwongsakul's husband

Experience

| | |
|----------------|---|
| 2010 - Present | Senior Vice President - Reporter Nation Broadcasting Corporation Plc. |
|----------------|---|

Director of other listed company

- None

Director of other non - listed company

- None

Director of a competing company or a related business company

- None

Mr. Weerasak Phongaksorn

Position Executive Editor
Television News
Age 52 years



Qualification

- B.A. Political Science, Ramkhamhaeng University

Training Course (s) 2017

- None

No. of Shares Held as at December 29, 2017

- Mr.WeerasakPhongaksorn - shares
- Spouse - shares
- Minor child - shares

Relationship with NBC's Executive

- None

Experience

- 2014 - Present Executive Editor-Television News
Nation Broadcasting Corporation Plc.
- 2012 - 2013 Executive Editor-Krungthep Turakij TV
Nation Multimedia Group Plc.

Director of other listed company

- None

Director of other non - listed company

- None

Director of a competing company or a related business company

- None

Management Team



Mrs. Lakana Ratwongsakul

Position Director
Age 54 years

Qualification

- B.A. Economics, Ramkhamhaeng University

Training Course (s)

- Directors Certification Program (DCP # 124/2009), Thai Institute of Directors Association

Training Course (s) 2017

- None

No. of Shares Held as at December 29, 2017

- | | |
|---------------------------------|------------------|
| • Mrs.Lakana Ratwongsakul | 1 shares (0.00%) |
| • Spouse (Mr.KanokRatwongsakul) | - shares |
| • Minor child | - shares |

Relationship with NBC's Executive

- Mr.Kanok Ratwongsakul's wife

Experience

- | | |
|------------------------|--|
| Dec 23, 2016 - Present | Director Nation Broadcasting Corporation Plc. |
| 2015 - Present | Senior Vice President- Support Nation Broadcasting Corporation Plc. |
| 2010 - 2014 | Vice President - Support Nation Broadcasting Corporation Plc. |

Director of other listed company

- None

Director of other non - listed company

- | | |
|----------------|---------------------------------------|
| 2012 - Present | Director NBC Next Vision Co., Ltd. |
|----------------|---------------------------------------|

Director of a competing company or a related business company

- None

Ms. Wilawan Sinthornchaikul

Position Senior Vice President – Sales
Age 48 years



Qualification

- Master of Arts, International Communication Macquarie University, Sydney, Australia

Training Course (s) 2017

- None

No. of Shares Held as at December 29, 2017

- | | | |
|-------------------------------|---|--------|
| • Ms. Wilawan Sinthornchaikul | - | shares |
| • Spouse | - | shares |
| • Minor child | - | shares |

Relationship with NBC's Executive

- None

Experience

- | | |
|----------------|---|
| 2016 - Present | Senior Vice President - Sales Nation Broadcasting Corporation Plc. |
| 2014 - 2016 | M&S Creation Co., Ltd. |

Director of other listed company

- None

Director of other non – listed company

- None

Director of a competing company or a related business company

- None

Management Team



Mrs. Suwannee Wacharapasakorn

| | |
|----------|------------------------|
| Position | Senior Finance Manager |
| Age | 50 years |

Qualification

- BBA, Accounting, Srinakharinwirot University

Training Course (s) 2017

- None

No. of Shares Held as at December 29, 2017

- | | | |
|---------------------------------|---|--------|
| • Mrs. Suwannee Wacharapasakorn | - | shares |
| • Spouse | - | shares |
| • Minor child | - | shares |

Relationship with NBC's Executive

- None

Experience

| | |
|----------------|--|
| 2012 - Present | Senior Finance Manager Nation Broadcasting Corporation Plc. |
|----------------|--|

Director of other listed company

- None

Director of other non - listed company

- None

Director of a competing company or a related business company

- None

Ms. Nittaya Wanguetchaiaree

Position Accounting Manager
Age 33 years



Qualification

- BBA, Accounting , Rajamangala University of Technology Krungthep

Training Course (s) 2017

- None

No. of Shares Held as at December 29, 2017

- Ms. Nittaya Wanguetchaiaree - shares
- Spouse - shares
- Minor child - shares

Relationship with NBC's Executive

- None

Experience

Jan 1, 2018 - Present Accounting Manager
Nation Broadcasting Corporation Plc.
2015 - 2017 Assistant Accounting Manager
Nation Broadcasting Corporation Plc.

Director of other listed company

- None

Director of other non - listed company

- None

Director of a competing company or a related business company

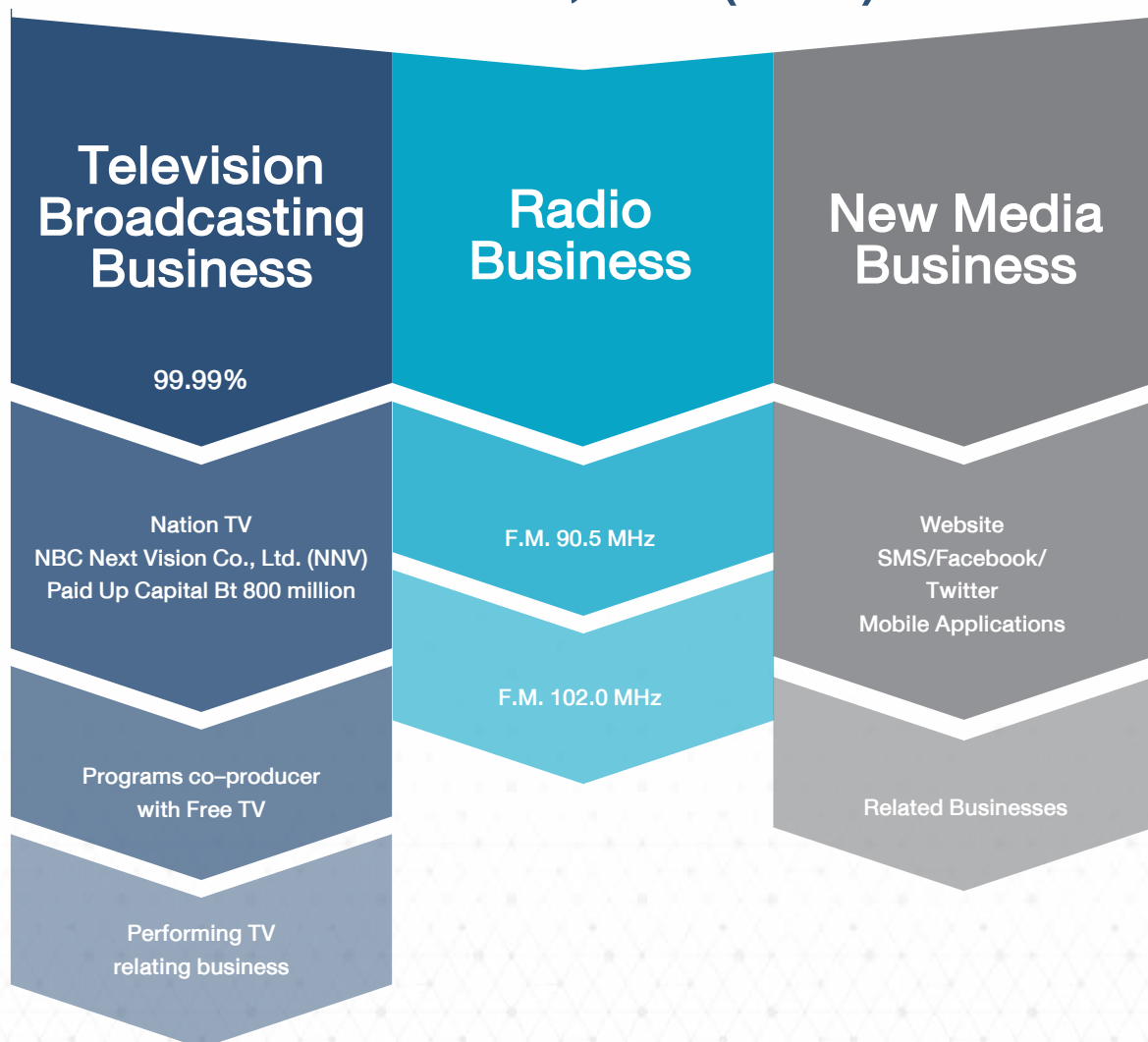
- None



บริษัท เนชั่น บรอดแคสติ้ง คอร์ปอเรชั่น จำกัด (มหาชน)
Nation Broadcasting Corporation

Business Company Structure 2017

Nation Broadcasting Corporation Public Co., Ltd. (NBC)



Product and Services


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 |
|---|--|---|
| <p>1. Nation TV broadcasted since year 2014</p>  | <p>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</p> | <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 |
|----------|-------------------|---|-----------------------------|
| Channel3 | Reung Den Yen Nee | Daily news report or talk of town news report | MON-SUN 15.45-17.00 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">Nation Bike Thailand 2017, encouraging cyclists nationwide to transform Thailand into a country for cycling. Now in its fourth year. |

Radio Broadcasting Business

Products and services of radio broadcasting business

The company together with its business partners has produced programmes to broadcast on radio station for 25 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 07.30-12.00a.m. 13.00-17.00p.m. 19.30-20.00p.m.</p> <p>Saturday 05.00-06.00a.m. 19.30-20.00p.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. | |
| F.M.102.0 MHz | <p>Monday - Sunday 08.00a.m. -23.00p.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 25years 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 |
| http://radio.nationchannel.com/ | Website presenting co-produced F.M. 90.5 MHz and F.M. 102 MHz radio programs |
| http://breakingnews.nationchannel.com | 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 take part in the presentation of information. Including the preparation of the ad campaign on other website for those clients who want to advertise; the company serves as agent in the liaison to the respective ad campaign.
- 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 and modern lifestyles which accept news through new media 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.

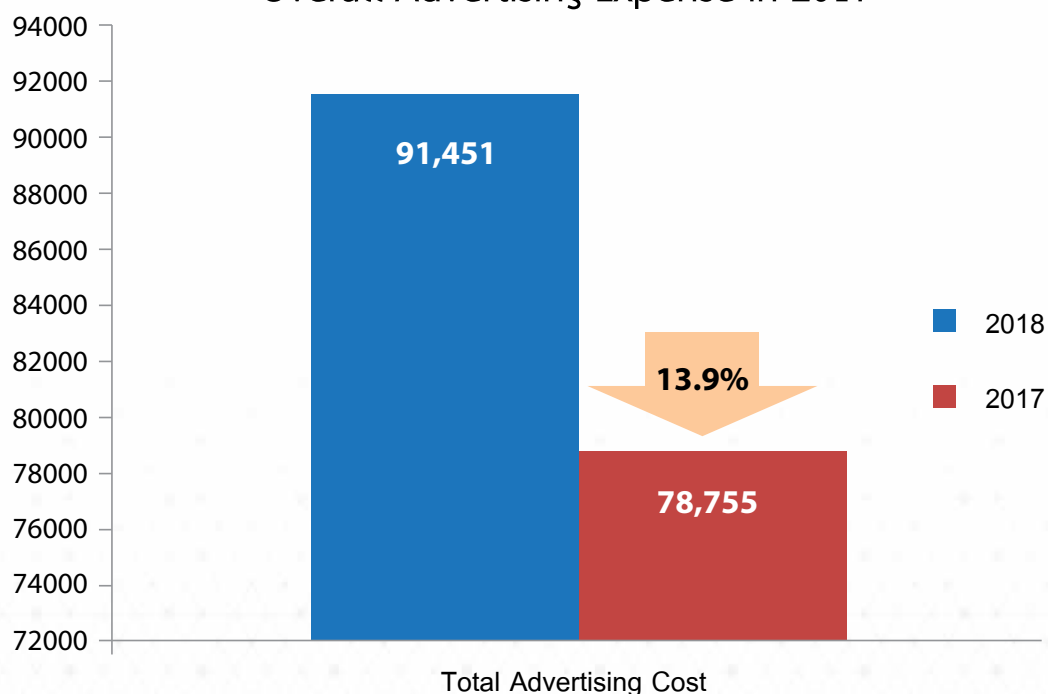
In 2017, SMSservice of the company as follows.

SMS Service

| 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 |
| Enjoy English with NJ | Knowledge about English | 29 Baht/Month |
| Horo Daily | Serve the daily horoscope with TokTak A4 Fortune teller from Kom Chad Luek Newspaper | 3 Baht/SMS |

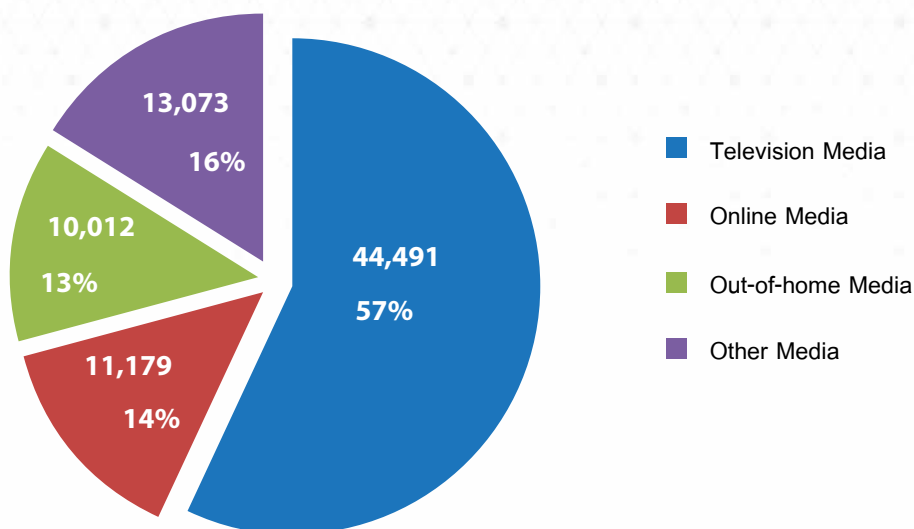
Industry conditions and competition

Overall Advertising Expense in 2017



The year 2017 was a year the television media confronting the intense competition. In the midst of an economic slowdown, TV ad spending overall the year declined by 13.9 percent compared to the year 2016. Also, the year 2017 was considered the year the advertisement spending was mostly depressed in the 10-year cycle, valued 78,755 million Baht from 91,451 million Baht in 2016.

Ratio of Advertising Expense, 3 Media Channels



Note : Information from Media Agency

As the figures shown, it was found that television media fell by 18% while online media grew by 29%, varied with customer behavior overall, and in each respect by media type, it is found that three main media; including, television, online media, and out-of-home media, overall represented 83% of total value, that is; television represented by 57%, worth 44,491 million Baht, online media represented by 14%, worth 11,179 million Baht and the out-of-home media represented by 13%, worth 10,012 million Baht.

In the fourth year of the digital television business, the a great deal of adjustment was needed after the year 2015 when the entrepreneurs announced their intention to terminate the broadcasting on two channels; Thai TV, and the LOCA channel. As a result, the National Broadcasting and Telecommunication Commission (NBCT) decided to revoke the licenses for Thai TV Channel and LOCA Channel, effective from February 4, 2016.

The digital TV operators on the twenty-two existing channels continue going forward with its effort to develop the corresponding content in meeting the needs of the audience, develop the strengths and branding for the channel in the more distinctive way; including news channel, variety channel, HD channels, and children's channel.

However, with the limited capital funds, the revenue generated from advertising sales has not reached the target. Meanwhile, the license cost for digital TV continues moving onward under the contract, this is aburden borne by the TV operators, leading to the rumors of the takeover, joint venture of the digital TV operators upon several channels, and exposure of new entrepreneurs on several channels. However, these influenced the financial adjustment and content adjustment in response to the consumer need concurrently.

1.) Marketing

The Company has implemented the business strategies and competitive strategy for the television media and related businesses as follows.

Develop leadership to achieve the number one news station in all target groups

From the first digital broadcasting (No.1 from Day 1), the survey conducted by AGN Nielsen Media Research found that the Nation TV has been one of the most popular news stations in the digital terrestrial news. The Nation TV station's strength is the skilled and experienced personnel. It has also been recognized by the all groups of the audiences. Since 2013, no free TV programs produced by the company are supposed to be an opportunity for the company's staffs to unity to strengthen the station even more and more.

Continuous quality improvement for programs

The Company has implemented a policy to improve the quality of programs through the new program format development on the Nation TV channel, extension of broadcasting time on daily news from 05.30 a.m. to 08.00 a.m. from Monday to Friday. They include the "Morning News", "Variety News Show", "Timeline Suthichai Yoon", situational analysis around the world, together with the foreign news team, led by Suthichai Yoon, the "Line Kanok", amusing variety of news and non-news, reported by Kanokrat Wongsakul, the "Prime Time with Theppachai", the in-depth analysis of news, highlighting the issues of the public interest, analysis of news by professional newsman; Theppachai Yong, and the editorial staffs of the Nation Group, analysis of news in the simple and easy-to-understand, but distinct and diverse way.

Regarding the personnel, the Nation TV has developed the potential of personnel and newscaster team to become a professional announcer as well as seeking the new-generation announcers to become a journalist continuously and regularly.

In addition to the content development, the company technically has invested building the @ The Coast, a new four-dimensional studio located at Bangna intersection, to accommodate the production of the live program and videotapes, as well as a venue organizing the activities alongside station activities and programs.

Social media leadership in creating audience participation

The Company places the importance of the introduction of new forms of social media to viewers to create the audience participation through TV screen and websites, pioneer and initiate the application like Twitter, Facebook, and Hashtag, targeting topics that are of interest to viewers, and encouraging viewers to comment through various social media. Until present, the company has been widely accepted that the MCs and reporters the station have the highest number of followers in the social media world.

Determine appropriate advertising rates

The company has the policy that advertising rates on channels or TV programs should be set fairly to all parties and worth spending by customers/ advertisers. This is to maintain a good relationship in the long run. In addition, the ad rate can survive the company's business and it is competitive in the business. The determination of ad rate is based on the popularity of the program in the duration of on-air time and is comparable to the ad rates of other operators in the same business, similarly to the pricing of goods or services of related businesses.

Specific advertising time sales

In addition to the package sales as the main ad format implemented by the company since the start-up of the station, the company has envisioned the capacity of several programs that are popular and potential to generate various revenue streams; including ad minutes sales, TIE-IN sales on the program, event and program co-organization, thereby the company has increased ad time sales for specific programs such as "Morning News", "Kation", "GleanNews", "Timeline Suthichai Yoon", the "Line Kanok", etc, which such programs have higher ad rates and revenue than the average generated by the station. This is a way to increase revenue and add value to the programs in addition to the existing package sales.

Marketing services through the integrated marketing communication (IMC)

With the company's advantages of various broadcasting channels for TV programs; including Free TV channels, cable TV, satellite TV, websites, and mobile phones, as well as other kinds of media, the company has been capable of providing the integrated marketing communication (IMC) in marketing service, goods and services marketing through various media simultaneously. The company has been well-equipped with equipment and work teams to provide full services from the production of attractive and quality advertising media, planning on media application suitably to budget and meets the target audience, as well as the advertisement presentation to the public through the various media of the company.

In the year 2017, the company has expanded its marketing activities with the direct audience, such as "the Nation Bike Thailand", this is an activity held across all parts of Thailand and each time the event is held, it has been popular with many visitors, that is meant to the increased audience multiplied by the company.

Marketing and Competition for Radio Business

1.) Industry Conditions and Competition

The radio business in 2017 has still been of the fierce competition. The obviously-apparent adjustment indicates the continuity of the radio business; even the expansion has not been quite high. The radio media has been swiftly changing in the online age, reflected in the "stable" ad spending, or slightly grew by 1-2% over the past several years.

According to a poll conducted by Nielsen, the radio audience during a period of 2016-2017 was 95 percent consumers listening music through various channels; 77% audience listen through offline and online radio while 88% audiences listen through the applications and websites.

Such figures were consistent with Circle's finding, discovering that in 2015, the 2% consumers reported radio listening through smartphones and up to 58% in 2016. Radio listening in 2015 represented by 60% and declined to 31% in 2016, reflecting the consumer behavior in the digital age; namely, the radio listening remains, just simply "switching" from radio receiver to the "mobile device" and other easy-to-access channels, especially the "application" on the smartphone, an important platform in the Mobile First era.

With such survey data, the technology, and online media, these have played a role in transforming the traditional radio media. The "radio" is another media reflecting the transformation of the digital platform continuously. Currently, radio program where the D.J, a person who introduces and plays recorded popular music on the radio is responsible for selecting the music to present the audience. Whether on any kind of display or online channel, the radio media has still drawn the attention of the audience; obviously reflecting the adjustment of radio operators that aim at presenting "radio program" offline and online through a variety of channels, including websites, applications, and social media.

Marketing and Competition of New Media Business

Industry Conditions and Competition

The rapidly-growing mobile phones and tablets partly result from the expansion of 4G services, thereby results in growing customer demand for mobile devices as well as the cheaper price of the mobile phones and tablets. The consequence of the 4G auctions on the 1800 MHz and 900 MHz frequency during 2015 -2016 held by the NBTC, a stimulating factor for the increased use of the internet on mobile phones, as well as the application and access to social media, Thailand is a country where the number of the Facebook and LINE users are the highest in Asian countries; representing more than 47 million users. The social media is a communications channel boosting the rapid growth of online advertisement revenues.

No.2 Online Media

While online media has been growing due to the increased number of Internet users, more than 60% of the population currently thereby resulted that the television and online media continue to be the "Mass Media" reaching the broad range of the consumers with the maximum ad budget received. Mindshare executives expect that the digital media would get ahead of the newspapers and becomes the second largest ad budget holding after the TV media TV by 2017.

TV media, including Free TV (analog TV), digital TV on new channels, cable TV and satellite TV have still held the highest ad spending. The operators, especially, original Free TV operators and digital TV operators have envisioned the signs of recovery and has invested in new content, including; series dramas, variety shows, game shows, international movies, and sports to expand its audience base and compete for adverts.

Among the continuous growth of the internet users, the future TV media will turn to invest and develop more “online” channels. The current content has been distributed through major digital platforms, both YouTube and Facebook while revenue share from the channels has been relatively low. On the contrary, the content has a large audience similarly to TV media as resulted from the consumer behavior of increased consumption of online media and retro-watching of the content.

In the same direction, the research on the U.S.A customer behavior of TV watching demonstrated the proportion of live TV viewers or watching through the TV screen accounted for 30%, the rest are those people watching through the online media and retro-watching. It’s believed that the TV watching behavior of Thai viewers is in the same direction with foreign viewers. With the increased access to the internet, the online channels; including websites and applications to accommodate the multi-screen audience will have the opportunity to earn income from the online ad budget, which it still tends to grow by 20-30% per year.

In addition, the direction of advertising budgets for goods and brands include the integrated communication planning; offline and online. Currently, the proportion of advertising budgets for online products and brands is 15-20% while the online ad revenue earned by the TV media gain from the digital ad share, a major platform, is 5-10%

Thus, should the online media spending increase, the TV media operators who are content owners may not enjoy such benefits fully. In the future, the television operators need to focus on investing developing the online platforms to enlarge the audience base.

Website Business

The company has a business strategy and competitive strategy to increase the popularity of the company’s website and to grow revenue from the ad sales on the company’s website and partners’ websites as follows.

Website quality and efficiency improvement

The company has pursued on the improvement on content, information and system in access to the website to ensure that they are accurate and updated to meet the needs of target customers, and keep up with the innovative technology regularly in the line with the “5 Screen” main policy; that is, the consumers may access the company profile information through all every channel while the presentation is different from the main channel.

Social media application in the publicity

The NBC and Nation Group have more than 7 million followers on social media networks.

Seeking new partnerships

Since the company has been an advertising sales agent for various websites and serves as a center for publication and exchange of news and information covering a wide range of customers such as entrepreneurs, adult workers, and students, the company therefore offers the mixed types of advertising in order that the customers are offered the special choices to advertise on the websites at the discounted price. In addition, the company offers the advertisement across all types of media; including television, radio, and website, together offers a discounted price to attract the advertisers in meeting the various needs of the customers more effectively. In addition, the advertisements can be spread across the highly popular media like television and the moderately-popular media like website simultaneously.

Mobile Data Services Business

The Company has a business strategy and competitive strategy for mobile information services as follows.

Develop original service quality and create new service

The Company has developed the quality of the existing services to maintain the popularity of the existing members and expand the customer base to new customers. Meanwhile, the company has developed new data services for mobile devices to meet the needs of all target customers, as well as keep pace with technological change, and the current popularity of the public, for instances, the Application to receive news from the news station through a smartphone and tablet.

Promotional Activities

The company has held the promotional activities continuously to expand the membership base and retain the existing customer base continuously in long run, for example, free trial subscription for new members; extend the service time for free of charge to the existing members.

Seminar and New Media Business

The company has seminars on new media business like the “Digital Marketing Summit”. It is a great job in the digital marketing field in which the people involved are interested, as well as small-group seminar that is offered to the organizations which are interested in social media as “Cognitive Influencer” and that may help consumers make decisions for products and services, the bloggers write the comments and product reviews, this is basically to influence the consumers more effectively than advertising.

Publication and service business through social network organization

The company provides publication and social media management services to the interested organizations. Currently, many firms have focused on marketing and public relations activities through social media. This is the opportunity to produce the publication and social media management services for the companies or organizations that are looking for carrying out the public relation and promotional events through social media.

The main factors for the public relations service business through social media is the penetration into the social media of the Nation Group materially and continuously. The Nation Group and NBC include the most of personnel and news coverage via social media in Thailand. With the highly popular of The advertising and public relations through social media over the past 1-2 years, the personnel has deliberated online marketing plan and advertising methods on social media to the clients who wish to reach the new generation customers who prefer to online communication.

In addition, the NBC’s business advantage as a partner with the largest community sites in Thailand, such as “Bloggang” “Exteenblog”, and “OKNation”, including more than 2 million followers and social media.fanpage.

Content Marketing Services Business

“Content Marketing” offers the content that is beneficial to consumers, primarily aiming at brand impression and brand loyalty to produce the beneficial image to the eyes of consumers, and the customers finally make a buying decision with the effort of advertisement. Content marketing has been popular for the promotion of products and services through social media. This fashion has occurred over the past 1-2 years continuously.

The company as an experienced content producer for all formats; including articles, images or video clips, has applied the knowledge and expertise to create content marketing to help promote products and services to various brands and communicate through the company’s social media channels. The strategy which the content is produced to create a sense of brand commitment, the company supports the development of campaign and the content presentation in the different formats offered to the companies that are interested in such format of the public relations.

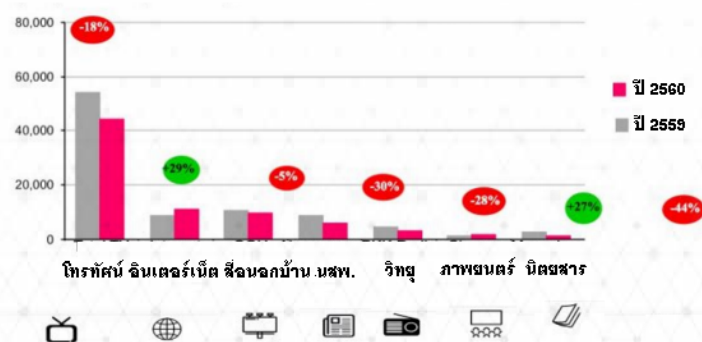
Risk Factors

TV media business

TV media business in 2017 was a challenging year confronting with all stations. Even though it presently enters the fourth years of transiting from analog to digital television, the operating results of most digital TV stations have remained deficit.

Meanwhile, in the overall picture of television media, as estimated by the advertising spending throughout the year 2017, the finding was not satisfactory. The updated estimation of advertising budgets by the Media Intelligence Co.,Ltd. in the viewpoint of the agencies, the actual numbers of sales and sales promotion by the end of December 2017 indicated that the number of advertising spending dropped by 13.9% compared to the year 2016. In addition, the 2017 ad spending was of the biggest recession over the past 10-year cycle, worth 78,755 million Baht decreased from 91,951 million Baht in 2016.

Comparison of Advertising Spending Between 2016 and 2017













Source: Media Intelligence

MEDIA
Intelligence

As the figures shown, it was found that television media fell by 18% while online media grew by 29%, varied with customer behavior overall, and in each respect by media type, it is found that three main media; including, television, online media, and out-of-home media, overall represented 83% of total value, that is; television represented by 57%, worth 44,491 million Baht, online media represented by 14%, worth 11,179 million Baht and the out-of-home media represented by 13%, worth 10,012 million Baht.

However, as depicted in the TV ad spending overall, it's estimated in the beginning of the year by several agencies that the intense competition in the television business will continue to grasp the advertising money 60,000 million Baht. However, the figures of television ad spending in 2017, as cited by the Media Intelligence, the actual ad spending was only 44,491 million Baht; lower than the forecasted figures targeted by the beginning of the year.

15 ช่องทีวีรายได้ลดลง

| ช่อง | ปี 2559 | ปี 2560 |
|---|---------|---------|
|  | 14,443 | 13,595 |
|  | 13,137 | 12,047 |
|  | 7,625 | 4,559 |
|  | 4,376 | 2,785 |
|  | 1,152 | 976 |
|  | 1,225 | 932 |
|  | 824 | 811 |
|  | 561 | 498 |
|  | 498 | 422 |
|  | 417 | 403 |
|  | 412 | 369 |
|  | 367 | 300 |
|  | 240 | 147 |
|  | 214 | 144 |
|  | 166 | 105 |

*Figures in reference to Rate Card (before a discount)
Sources: Neilson, Broadcasting Policy and Research Bureau, the Office of NBCT

Unit: Million Baht

From the figure above, it indicated that the television media situation has been in balance, the out-of-home media has remained growing because of its diversities; including billboards, digital signs, BTS Skytrain media, mass transit media, and the opportunity to grow is found in provinces, as well as the possibility to price increase. Currently, it has space constraints, if space is expanded; the ad spending is likely to increase.

Regarding online media, it found that Facebook occupied shares by 28%, YouTube /Google by 25%, they have still been a main channel for advertisements. Meanwhile, the 'Influencer' channel, which is a personal presentation throughout the YouTube and Facebook platform, demonstrated a high level of the growth; however, it's rather hard to identify in number because it's a personal agreement. However, it reflected that new media and new channels another factor for the seize of ad spending as the whole.

However, another important factor results in decreased ad spending and advertising industry due to the delayed use of brand budgets, thereby consequently that the overall picture of advertising in the year 2017 drastically decreased in the 10-year cycle.

Intense competition grabbing ad rating

In addition to the overall dropped ad spending, the competition in the television industry has been intense in terms of content development to grab the attention of the customers and markets, the competition grabbing the ad spending has dropped as whole, as depicted in figure=s above, these situations may lead to the adaptation of the television business, resulting that many channels have changed the proportion of shareholders to raise funds and changing the owners of several channels.

The competition and media landscape has changed from the disrupting of modern communication technology, resulting from that the viewers turn to receive the media from other platforms, especially online channels, thereby resulted in the increased ad spending of television media. Since the number of viewers has decreased, what happens to digital TV channels is the minor channels where the viewers' popularity (rating) has been moderate.

While the major channels have continued to move forward, particularly, the channels ranked with Top 5 rating in terms of ad spending and number of viewers. It is divided into two parts, the original Free TV such as Channel 3 and Channel 7, where the market share has been satisfactory while the new channels which its selling points is definite, for examples, 'Workpoint' and 'Mono 29', which its ratings is satisfactory continuously.

Rating is another measure for competition in the digital television business. According to the Nielsen (Thailand) Co., Ltd, and the Broadcasting Policy and Research Bureau, the average rating of digital television in 2017 is summarized as follows: Channel 7 (Rating 2.114), Channel 3 (Rating 1.348), Workpoint (Rating 1.001), Mono (Rating 0.702), Channel 8 (Rating 0.569), Channels Day (Rating 0.537), Amarin (Rating 0.279), Channel 28SD (Rating 0.267), ThaiRath TV (Rating 0.265), and Channel 9 (Rating 0.188).

| อันดับ | เรตติ้ง 2560 | เรตติ้ง 2559 | อันดับ | เรตติ้ง 2560 | เรตติ้ง 2559 |
|---|--------------|--------------|------------|--------------|--------------|
| 1. | 2.114 | 2.315 | 13. true4U | 0.149 | 0.158 |
| 2. | 1.348 | 1.600 | 14. GMM 25 | 0.121 | 0.111 |
| 3. | 1.001 | 0.837 | 15. | 0.086 | 0.091 |
| 4. | 0.702 | 0.536 | 16. | 0.075 | 0.077 |
| 5. | 0.569 | 0.437 | 17. | 0.072 | 0.082 |
| 6. | 0.537 | 0.406 | 18. new tv | 0.056 | 0.057 |
| 7. | 0.279 | 0.130 | 19. | 0.044 | 0.027 |
| 8. | 0.267 | 0.234 | 20. | 0.041 | 0.058 |
| 9. | 0.265 | 0.203 | 21. | 0.036 | 0.035 |
| 10. | 0.188 | 0.180 | 22. | 0.035 | 0.049 |
| 11. | 0.170 | 0.142 | 23. | 0.031 | 0.028 |
| 12. | 0.162 | 0.114 | 24. | 0.028 | 0.036 |
| facebook fanpage tvdigitalwatchthailand | | | 25. | 0.021 | 0.029 |

Symbol means a rank up-down compared between the year 2017 and 2016.

Sources: Neilson, Broadcasting Policy and Research Bureau, the Office of NBCT

*Public DTV Channel

In the line with the Media Intelligence's data, stating that the proportion of advertising spending via television in 2017 tended to decline continuously from 80 percent of total advertising budgets, or accounting for 60,000 million Baht approximate. However, the proportion of advertising spending via television in 2017 was 55-60% of total advertising budgets, in the line with market trends in which the number of viewers via online media is growing.

Even a presence of profitable status, the giant TV media companies like BEC World PCL, executive of Channel 3HD, (Channel 3), Channel 28SD and Channel 13, have acknowledged that the competition in digital TV business has been intense aggressively; especially in 6-10 channels out of 22 channels. Interestingly, while the number of channels has increased, the amount of money, in turn, has been reduced continuously and the big ad share has still been on Channel 7 and Channel 3 primarily.

Even though the volume of advertisements has been ranked on top, the overall sales decreased, thereby consequently that the Channel 3 has to hold promotional activities to reinforce the strength of drama-news content, together with campaigns to encourage viewers, the "Fantastic 3" and drama on prime time even if it's seemingly that Thai people's behavior admiring and familiar with drama and news. Moreover, the Channel 3 has tried to link between on-air and online channels, together with the development of online platforms such as Mello and the Channel 3 Live to increase new viewers; including the youth and adult workers to stimulate people to resume watching the major TV channels.

New Media Business

Modern media or 'New Media's another media channel that has played an influential role every year, especially social networking or social media has resulted from the development of websites as 360 degrees communication channel where the social networking members are both a sender and a receiver of messages, comments, and presenting an identity, as well as emotionally engagement, thereby making the social media become a new media that is influential and communicate quickly and freely, unlimitedly in term of space and time.

The phenomenal on social media is the new context of the media with powerful tools; including message carriers and communicating instruments synchronously. It is a big change in the role of the media to a receiver and sender simultaneously, sharing information and knowledge to each other, and involvement on social media quickly and easily.

New media business creates opportunities for the individual presenter to become a 'Blogger' and 'Vlogger' (Video + Blogger), which is a personal communication channel that creates a social identity, where products and services and brands may approach for service and advertising. In addition, the purchase of product reviews has increased from time to time, the YouTube channel becomes a personal TV channel that has been emerging a great deal. A great number of consumers are satisfied with these personal TV channels where the number of viewers is easily quantifiable and the customer engagement is measurable, consequently that products and brands have choices to become a sponsor on the personal TV channels.

The famous social media sites such as Facebook provide 'Live Video' services, enabling the viewers to experience live reporting from social networking, 2-way interactive communication, and comments. It also draws consumers to use and share experience and publication easily. The charming new media is potential to draw more consumers into services constantly.

Radio Business

The 2017 radio business is another year of adaptation. The radio media entrepreneurs who have operated the business for a long time like the GMM Grammy has recognized the difficult time, even earlier the executives of the A-TIME Media, an affiliate of the GMM Grammy, might report that the radio business has still been firm and stable. In spite of the A-TIME Media's audience numbers over 19 million people covering both on-air and online platforms, it decided to withdraw two major radio waves; "Chill89FM" and "94 EFF", and proclaimed to become radio online officially, which it is the first wave for radio online.

The Nation Broadcasting Corporation Public Company Limited (NBC) which operates the Nation Radio, FM.102 and FM.90.5, by the 3rd quarter of the year 2017 decided to terminate the radio wave 'FM.90.5' and the FM.102 by the end of the same year for reasons that radio business earns relatively low income and experienced the loss.

Risks affecting the investors

1. Impact on equity (Dilution Effect) from the exercise of "NBC-W1" warrants

In July 2013, the company has issued warrants to existing shareholders who subscribe for new ordinary shares in NBC-W1 amounted of 176,870,000 shares, aged of 5 years without any remuneration at ratio 2 ordinary shares for 1 warrant. As of December 31, 2017, the balance of the warrants was a total of 176,860,465 units.

In this regard, if the warrant holder exercises a right to purchase ordinary shares of the company in full. The company's shareholders may be affected by the Dilution Effect in terms of stock prices in the market may decline, and the proportion of shareholding that declines as follows.

Before the exercise of the warrants in full, (31 December 2017)

| | | |
|---|-------------|--------|
| Number of ordinary shares paid up | 535,436,609 | shares |
| Proportion of shareholding before the exercise of warrant | 100 | % |

After the exercise of the warrants in full, (NBC-W1)

| | | |
|--|-------------|--------|
| Number of ordinary shares paid up | 712,297,074 | shares |
| Proportion of shareholding after the exercise of warrant | 75.17 | % |
| Declined proportion of shareholding | 24.83 | % |

2. Impact on equity (Dilution Effect) from the exercise of "ESOP-WB" warrants

In August 2014, the company has issued warrants to directors, executives, and / or employees of the company and / or its subsidiaries (ESOP) amounted 8,798,905 units, the no-par value shares, aged of 5-years, exercise ratio 1 warrant for 1 ordinary share at the exercise price THB 3 per 1 ordinary share. As at 31 December 2017, the balance of warrants was a total of 6,579,143 units.

In this regard, if the warrant holder exercises a right to purchase ordinary shares of the company in full. The company's shareholders may be affected by the Dilution Effect in terms of stock prices in the market may decline, and the proportion of shareholding that declines as follows.

Before the exercise of the warrants in full (31 December 2017)

| | | |
|---|-------------|--------|
| Number of ordinary shares paid up | 535,436,609 | shares |
| Proportion of shareholding before the exercise of warrant | 100 | % |

After the exercise of the warrants in full (ESOP-WB)

| | | |
|--|-------------|--------|
| Number of ordinary shares paid up | 542,015,752 | shares |
| Proportion of shareholding after the exercise of warrant | 98.79 | % |
| Declined proportion of shareholding | 1.21 | % |

List of Major Shareholders

Name of Major Shareholders as of December 29, 2017 at closing book dated:

| No. | Name | Shares | % Total Share |
|--------------|--|--------------------|---------------|
| 1. | Nation Multimedia Group Public Company Limited | 382,553,074 | 71.45 |
| 2. | Mr.Sombat Panichewa | 16,096,300 | 3.01 |
| 3. | Green Siam Co., Ltd | 15,000,000 | 2.80 |
| 4. | Mr. Chainarong Saengtongaram | 6,566,700 | 1.23 |
| 5. | Mr. Prabda Yoon | 5,306,625 | 0.99 |
| 6. | Mr. Nivat Changariyavong | 5,000,000 | 0.93 |
| 7. | Thai NVDR Company Limited | 3,721,998 | 0.70 |
| 8. | Mr. Sirisak Ekpisutsunthorn | 2,855,000 | 0.53 |
| | Other | 98,336,912 | 18.36 |
| Total | | 535,436,609 | 100.00 |

Source : Thailand Securities Depository Co., Ltd.

Remark: The shareholders from the same entity and voted unanimously, which was Nation Multimedia Group Public Co., Ltd.

• Types of Shareholders - Share allotment by nationality

| Shareholder by Nationality | Number of Shareholders | Number of Share | % Total Share |
|--|------------------------|--------------------|---------------|
| Thai Shareholder | 1,671 | 535,246,790 | 99.96 |
| Foreign Shareholder | 3 | 189,819 | 0.04 |
| Total of Shareholders | 1,674 | 535,436,609 | 100.00 |
| * Nation Broadcasting Corporation Plc's regulation stipulates that "non-Thai shareholders are not allowed to hold the Company's stake in excess of 25% of total issued shares" | | | |

• Group of major shareholders who has significant impact on the formulation of management policies

-None-

• Name of shareholders who conceal their true identity

-None-



Corporate Governance Report

1. Corporate Governance Policy

The Board of Directors of Nation Broadcasting Corporation 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 May 20, 2009. 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 4, 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 in order to develop an understanding of the Company's good corporate governance.

Monitoring of the Practice of Corporate Governance Policy

From the determination to continuously improve the company's good governance since the Stock Exchange of Thailand has promulgation Principles of Corporate Governance was first introduced in 2006. The evaluation results of the company's performance on corporate governance are as follows:

- The company scored 99 out of 100 for an evaluation on the 2017 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.nbc.co.th 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.

The Annual General Meeting of Shareholders for the year 2017 on April 26, 2017 at 7th Floor, at the Nation University Building, Bangkok Campus at 14.00. Registration started by 13.00. Eight out of a total of ten directors and 42 shareholders and shareholders' representatives attended the meeting, representing shareholdings of 407,999,992 shares or 76.20 percent of the 535,436,609 total issued shares.

Prior to the General Meeting of Shareholders

The company posted the meeting invitation letter on the company's website the full detailed General Meeting of Shareholders as specified in the invitation letter 30 days in advance prior to the meeting respectively 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 and authorization documents as specified by the Ministry of Commerce, delivered to the shareholders no less than 21 days in advance prior to the meeting respectively. 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 company gives the opportunity the minority shareholders to propose the agenda, nominate the directors, and submit questions in advance prior to the Annual General Meeting of Shareholders for the year 2017 on April 26, 2017 during January 5, 2017 - February 6, 2017 via the website. www.set.or.th or www.nbc.co.th. No minority shareholders nominated the directors and proposed additional agenda.

The company reported the results regarding the shareholders exercising the right to nominate the directors and right to propose the agenda for the Annual General Meeting of Shareholders, via the company's website on February 10, 2017

Before the 2017 AGM, the Company solicited shareholders to send in their questions in advance through the Company's website and Fax at 02-338-3904 from March 31, 2017 to April 12, 2017 for the Board and management to prepare data to clarify to the shareholders in the AGM but no shareholders sent in any questions.

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. and the legal advisers of the Paw and Associates Law Office Co., Ltd. are invited to join the meeting to lend an ear on comments and answer the questions enquired by the shareholders, and to monitor the

vote counting. In any General Meeting of Shareholders, the company's Chairman serves as Chairman of 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.

The Company has adopted the barcode information technology to register the attendance, counting votes, and stating the resolution on each meeting's agenda. On the election of directors, the company invites the shareholders to elect directors individually. The voting method, votes counting, and meeting's resolution are recorded by scores "Agree", "Disagree", and "Abstain" in the minutes. On the election of directors, the resolution is made on individual basis. The voting ballots are used in making the resolution on each agenda for traceability purpose. The minutes and voting results on each agenda are entirely recorded.

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 2017 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 a proxy form, in which the shareholders can specify their vote for each agenda item, with the meeting invitation letter.

After the General 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 meetings 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 4, 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.nbc.co.th)

Ethics of the Board of Directors, management and employees consist of:

1. Ethics on business operation

1.1 Business operation guidelines

Nation Broadcasting Corporation Public Company Limited was established in 1993, aims to produce television programmes in the format of news and knowledge, which are broadcasted through television stations without charges collected from the audience. Over the past years, the company has truly been committed to develop and stay side by side the Thai society steadfastly, serves as a reliable neutral media and becomes part of Thai people's life thoroughly, and even pursue the businesses to grow steadily, concentrated to act as good mass media with the ethical standards of the profession, and uphold the credibility and social responsibility under the under good corporate governance.

1.2 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. 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. 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. 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

NBC disseminates its Anti-Corruption Policy to its staff and stakeholders through the Internet, e-mail and the www.nbc.co.th website.

Over the previous year, the company had no offenses caused by frauds.

1.3 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.

2. Ethical responsibilities

2.1 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.

2.2 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.

2.3 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.

The Company regularly organizes activities to strengthen closer relationship with every group of clients, for example,

- The audience via Nation TV’s programs (Channel 22) - The Company has paid attention to the content format and content of the program, including the event held for the audience through 2017 such as the Nation Bike Thailand, Nation TV Charity Rally, seminar on “10 Special Economic Zones and “Opportunities for AEC to enhance trade and investment to drive the country’s economy, etc.
- The audience via Nation Radio - There are various activities that the Company organized such as Nation Digital Voice (audio books), seminar on “Economy focus”, “Investment in SET in 2560”, “Thai’s fortune among the global crisis”, “Wealthy on investment” “Investment in property with the worth the price”, etc.

2.4 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, Meet & Greet activity between the company's management and staff, New Year's celebration and activities of employees' clubs, such as volunteering for rural development camps, music club, sports clubs, etc.

Our employee welfare focuses on personnel development and welfare of workers. The provision of employee wages and benefits must be reasonable. In regard of short-term return, it is based on the Company's turnover each year, competitiveness in the labor market, planned departmental growth, potential, the cost of living, which a starting wage of employee and welfare also covers leaves in any cases, 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, uniforms cost, medical expenses, annual medical check-up, accident insurance and group insurance, allowances, travel cost, as well as practices relating to labor and human rights that meets the international standards and requirements, right of the establishment of Labor Commission or Labor Unions for Employees, and the employees have the opportunity to comment or complain any issues. In regard of long-term return, the employees are entitled to buy the Employee Stock Options (ESOP) at the set price. The warrants to purchase common shares of the Nation Broadcasting Corporation Public Company Limited ("Company") in "ESOP-WB" is firstly issued on August 15, 2013, a total of 8,798,905 shares, with the exercise of right on every 15th of November and May of each year over the 5-year warrants; the exercise for the first time is on November 15, 2013 and the last date of the exercise is August 14, 2018 at the exercise ratio of 1 warrant: 1 new ordinary share, and the exercise price is three Baht per share.

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 2017, 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.

In terms of human resources development, the company has concentrated on upgrading employee capability at all levels by organizing internal training courses 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.2545, 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 95 employees, accounting for 92.23 percent of its total employee number of 103 (average employee number for the 12-month period), with a total of 615 training hours or 5.97 hour/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.

2.5 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.

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.

2.6 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.

2.7 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.

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

2.8 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 2017, the company was involved in almost all aspects of social contribution activities (details as stated in Social Contribution Activities on page 71).

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 dissatisfaction 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 and suggestions concerning various issues can be made to the Audit Committee or the company's Internal Control Department via E-mail audit_nbc@nationgroup.com or by mail to the company at Nation Broadcasting Corporation Public Company Limited 1858/121-122, 124-128, 28th 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/Managing Director, 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/Managing Director, 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 2017 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 for 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/Managing Director
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.nbc.co.th

1. Roles, duties and responsibilities of the directors, sub-committees, Chairman and Chief Executive Officer/Managing Director
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 2017:

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

The Investor Relations Section can be contacted at:

Nation Broadcasting Corporation Public Company Limited

Address : 1858/51-62, 12th, 13thFL., Bangna-Trad Road, Bangna, Bangkok 10260

Tel : (66) 2-338-3333

Fax : (66) 2-338-3904

Email : investor@nbc.co.th

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

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 Mr. YodsBoonyuen as the Company Secretary on February 7, 2018. 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

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/Manager Director 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/Managing Director. 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 nine members, four of them are independent directors, and another four are executive directors of the company and its subsidiaries and two non-executive directors. Independent directors and non-executive directors must account for more than one third of the board to ensure an effective check and balance system in management.

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 four 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 and one of them is the independent director.

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 point 2 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 is 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/Managing Director 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, the board arranged for performance evaluations in two forms: individual evaluation (self-performance) and collective evaluation of the entire board evaluation. The company used an evaluation form designed by the Stock Exchange of Thailand and the Thai Institute of Directors (IOD). The evaluation results are divided into four grades: 4 = Absolutely agree, 3 = Mostly agree, 2 = Agree, 1 = Disagree, 0 = Absolutely disagree.

The evaluation process commenced in November 2017 with the Company Secretary submitting the evaluation form from the Stock Exchange of Thailand to the meeting of the Audit Committees for consideration of completeness, accuracy and compliance with company guidelines. The form was then sent to the Audit Committee to carry out the evaluation with a deadline of January 15, 2018 so that the results could be communicated to the Audit Committee in its meeting 1/2018 on February 2018.

The evaluation results can be summarized as follows:

- **Individual evaluation** categorized under the topics of organizational structure and qualification of the Board of Directors, The Board of Directors' Meeting, and the Board of Directors' role and responsibilities. The results showed that the majority Mostly agree and Absolutely agree, representing 96.97%.
- **Evaluation of the entire Board of Directors** categorized under the topics of organizational structure and qualification of the Board of Directors, The Board of Directors' Meeting, and the Board of Directors' role and responsibilities, director's function, relationship with Management, self-development of the Board and executives. The results showed that the majority Mostly agree and Absolutely agree, representing 95.85%.
- **The evaluation of the Audit Committee** categorized under the topics of organizational structure and qualifications of the Audit Committees, the meeting, and the Audit Committees' role and responsibilities. The results showed that the majority Mostly agree and Absolutely agree, representing 95.85%.

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.

In 2016 and 2017, remunerations for directors are as follows:

| Name/Position | Annual Remuneration 2016 | | | | Annual Remuneration 2017 | | | |
|--------------------------------------|--------------------------|---------------------------|-------|-----------|--------------------------|---------------------------|-------|-----------|
| | Remu- neration | Meeting Allow- ance | Other | Total | Remu- neration | Meeting Allow- ance | Other | Total |
| Chairman of the Board : | | | | | | | | |
| - Mr. Sermsin Samalapa* | 200,000.- | - | - | 200,000.- | - | - | - | - |
| - Mr. Thepchai Sae-Yong | 100,000.- | - | - | 100,000.- | - | - | - | - |
| Chairman of Audit Committee : | | | | | | | | |
| - Mr. Supong Limtanakool | 400,000.- | - | - | 400,000.- | 400,000.- | - | - | 400,000.- |
| Member of Audit Committee : | | | | | | | | |
| - Mr. Metha Soonthornjit | 300,000.- | - | - | 300,000.- | 300,000.- | - | - | 300,000.- |
| - Mr. Jessada Promjart | 300,000.- | - | - | 300,000.- | 300,000.- | - | - | 300,000.- |
| Independent Director : | | | | | | | | |
| - Mrs. Veerawan Vararuth | 50,000.- | - | - | 50,000.- | 200,000.- | - | - | 200,000.- |

| Name/Position | Annual Remuneration 2016 | | | | Annual Remuneration 2017 | | | |
|---|--------------------------|-------------------|----------|--------------------|--------------------------|-------------------|----------|--------------------|
| | Remuneration | Meeting Allowance | Other | Total | Remuneration | Meeting Allowance | Other | Total |
| Executive Director of Parent/related company : | | | | | | | | |
| - Mr. Suthichai Sae-Yoon* | 100,000.- | - | - | 100,000.- | - | - | - | - |
| - Ms. Duangkamol Chotana* | 100,000.- | - | - | 100,000.- | - | - | - | - |
| - Mr. Thepchai Sae-Yong | 100,000.- | - | - | 100,000.- | - | - | - | - |
| Non-Executive Director | | | | | | | | |
| - Mrs. Nongnat Hanwilai | 50,000.- | - | - | 50,000.- | - | - | - | - |
| Executive Director : | | | | | | | | |
| - Mr. Adisak Limprungpatanakit* | 100,000.- | - | - | 100,000.- | - | - | - | - |
| - Ms. Aeumsree Boonhachairat* | - | - | - | - | - | - | - | - |
| - Mr. Supawat Sa-nguan-ngam | 50,000.- | - | - | 50,000.- | - | - | - | - |
| - Mrs. Lakana Ratwongsakul | 50,000.- | - | - | 50,000.- | - | - | - | - |
| - Mr. Supoth Piansiri | 50,000.- | - | - | 50,000.- | - | - | - | - |
| - Mr. Sirichai Chananam | 50,000.- | - | - | 50,000.- | - | - | - | - |
| Total | 2,000,000.- | - | - | 2,000,000.- | 1,200,000.- | - | - | 1,200,000.- |

Note:

1. The directors' remuneration will be based on 2017 annual remuneration approved by the Annual General Meeting of Shareholders for the year 2017 of the Company on April 26, 2017. Remunerations are paid quarterly. Directors who are employees of the company or its subsidiaries are not entitled to specified remuneration.
2. Mr. Sermsin Samalapa, Mr. Adisak Limprungpatanakit, Ms. Duangkamol Chotana resigned since December 23, 2016. Mr. Suthichai Sae-Yoon resigned since September 21, 2016. Ms. Aeumsree Boonhachairat resigned since January 31, 2016. Mrs. Nongnat Hanwilai resigned since May 3, 2017.

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 2017, the company arranged training courses for directors as follows:

| Name | Position | Training courses in 2017 |
|------------------------|----------|---|
| 1. Mr. Supoth Piansiri | Director | 1. Update TFRS (revised 2016) 2. Ten Regulation of the AEC Accountant (update 2016) # 3/2017 3. Consolidated Financial Statements |

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. Vice President

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.

2. 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 December 31, 2017, the Audit Committee comprised three members, as follows:

| No. | Name | Position | Qualifications |
|-----|------------------------|--------------------------|---|
| 1 | Mr. Supong Limtanakool | Audit Committee Chairman | Independent Director |
| 2 | Mr. Metha Soonthornjit | Audit Committee Member | Independent Director |
| 3 | Mr. Jessada Promjart | 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 December 31, 2017, the Executive Board comprised 4 executive directors, as follows:

| No. | Name | Position |
|-----|---------------------------|--------------------|
| 1. | Mr. Supawat Sa-nguan-ngam | Executive Director |
| 2. | Mrs. Lakana Ratwongsakul | Executive Director |
| 3. | Mr. Supoth Piansiri | Executive Director |
| 4. | Mr. Sirichai Chananam | Executive Director |

Note: The Board of Directors' Meeting No. 6/2017 held on December 23, 2017 appointed Mr. Supawat Sa-nguan-ngam, Mrs. Lakana Ratwongsakul, Mr. Supoth Piansiri and Mr. Sirichai Chananam as 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/Managing Director 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

3. 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 major shareholders 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 company also provides opportunities for the company's minority shareholders, either as individuals or as groups who have held shares for at least one year, who hold shares on the day of nomination and have documents to verify their shareholdings in the company, to nominate candidates for the position of director. Nominations should be made to the Chairman at least three months in advance of the Annual General Meeting of Shareholders, together with the candidate's qualifications and consent for the nomination.

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 Chairmanshall 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.

4. 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.

5. Control of inside information

1. 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.

2. 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.

In 2017, information was reported on one occasion without any conflicts of interest.

3. 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 10, 2017.

During the year 2017, the company reported increases (decreases) in the shareholdings of its directors and management between and October 27, 2016 and December 29, 2017 as follows:

The Company's Board of Director has reported the shareholding

| Name – Surname | Total Shares | | | Shareholders' equity (%) |
|-------------------------------------|--------------|---------------|---------------------|--------------------------|
| | Oct 27, 2016 | Dec. 29, 2017 | Increase (Decrease) | |
| 1. Mr. Sontiyon Chuenruetainaidhama | - | - | - | - |
| 2. Mr. Supong Limtanakool | - | - | - | - |
| 3. Mr. Metha Soonthornjit | - | - | - | - |
| 4. Mr. Jessada Promjart | - | - | - | - |
| 5. Mrs.Veerawan Vararuth | - | - | - | - |
| 6. Mr. Supawat Sa-nguan-ngam | - | - | - | - |
| 7. Mrs. Lakana Ratwongsakul | 1 | 1 | - | - |
| 8. Mr. Supoth Piansiri | 20,100 | 20,100 | - | 0.003 |
| 9. Mr. Somchai Meesen | - | - | - | - |

Note: 1. Paid-up shares of NBC as of December 29, 2017 total 535,436,609 shares.
2. Directors' shareholdings are inclusive of shares held by spouses (if any).

The Executives has reported the shareholding

| Name – Surname | Total Shares | | | Shareholders' equity (%) |
|--------------------------------|--------------|---------------|---------------------|--------------------------|
| | Oct 27, 2016 | Dec. 29, 2017 | Increase (Decrease) | |
| 1. Mr. Weerasak Phongaksorn | - | - | - | - |
| 2. Mr.Kanok Ratwongsakul | 1 | 1 | - | - |
| 3. Mrs.Lakana Ratwongsakul | 1 | 1 | - | - |
| 4. Mr.Supawat Sa-nguan-ngam | - | - | - | - |
| 5.Mrs.Suwannee Wacharapasakorn | - | - | - | - |
| 6. Ms. Nittaya Wanguetchaiaree | - | - | - | - |
| 7. Ms. Wilawan Sinthornchaikul | - | - | - | - |

Note: 1. Paid-up shares of NBC as of December 29, 2017 total 535,436,609 shares.
2. Directors' shareholdings are inclusive of shares held by spouses (if any).

6. Auditor's remuneration

1. Audit fee

The company and its subsidiaries paid an audit fee for the financial year of Bt850,000 to KPMG Phoomchai Audit Limited. The figure can be broken down as follows:

| Order | Company | Amount (Baht) |
|-------|--|---------------|
| 1 | Nation Broadcasting Corporation Public Company Limited | 650,000 |
| 2 | NBC Next Vission Co., Ltd. | 200,000 |
| Total | | 850,000 |

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.

7. 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:

| No. | Name – Surname | No of attendance / No of meeting | | | |
|-----|---------------------------|----------------------------------|-----------------|-----|-----|
| | | Board of Director | Audit committee | AGM | EGM |
| 1. | Mr. Thepchai Sae Yong | 6/6 | N/A | 1/1 | N/A |
| 2. | Mr. Supong Limtanakool | 5/6 | 4/5 | 1/1 | N/A |
| 3. | Mr. Metha Soonthornjit | 5/6 | 4/5 | 1/1 | N/A |
| 4. | Mr. Jessada Promjart | 3/6 | 4/5 | 1/1 | N/A |
| 5. | Mrs.Veerawan Vararuth | 1/1 | N/A | N/A | N/A |
| 6. | Mr. Supawat Sa-nguan-ngam | 6/6 | N/A | 1/1 | N/A |
| 7. | Mrs. Lakana Ratwongsakul | 6/6 | N/A | N/A | N/A |
| 8. | Mr. Supoth Piansiri | 6/6 | N/A | 1/1 | N/A |
| 9. | Mr. Sirichai Chananam | 6/6 | N/A | 1/1 | N/A |

Note : 6 Board of Directors meetings were held in 2017 and 5 Audit Committee meetings.

The company maintains written minutes of each meeting held. Meeting minutes are approved by the Board of Directors and available for inspection by directors and other related parties.

8. Internal control and risk management

The Board of Directors focuses on the internal control system continuously, the internal control covers finance, practices course, compliance with the applicable laws, rules and regulations. In addition, it includes the effective traceability and balancing mechanisms adequately to protect and safeguard the company's assets. The Internal Audit is responsible for monitoring the performance of the departments to ensure that they perform accurately and precisely in accordance with the regulations. In addition, the Audit Committee is responsible for overseeing and regulating the company's internal control system to comply with the policies and programs assigned by the Board of Directors, and in accordance with the rules required by the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC).

Audit Committee's review of the internal audit

In 2017, the Board of Directors was presented a report by the Audit Committee with the regard of the review of financial statements and financial reports, and the performance of the Internal Audit. The Board of Directors recognized that the company's internal control system was of the level of satisfaction overall; that is to say, it assures the reliability of the financial statements reasonably; protect the company assets against the misuse of the management and staffs, including transactions with persons who may have conflicts of interest and the related parties. Performance meets the defined procedures with appropriate precise internal control in the different five components; internal control, risk assessment, performance control, information and communication system, and monitoring systems, which can be summarized as follows:

1. Organization and Environment

The company designates its business goals that are definite and measurable, and reviews the possibility of the goals set forth periodically. Employee remuneration is determined reasonably based on the performance of individual employees each year. The organizational structure includes a division of the line authority explicitly. It also includes the Business Ethics and the Code of Conduct to make sure that all executives and employees adhere as work instructions in compliance with standard and integrity, including the caring of stakeholders and the compliance with the statutory provision which is bound to all employees strictly.

2. Risk Management

The company assesses the potentials risks that may affect its operations. The Board of Directors' Meeting consists of Chief Executive Officer, Senior Director, and the related Line Directors. Risk management includes evaluating the risks factors and consequences that may arise, including planning, implementation and monitoring of operations.

3. Operational Control

The company has established policies and procedures for different units of works, including financial transactions, purchase and hiring, and general administration. It is responsible for assigning in writing the authority and limits of approval of the different levels of the executives clearly. The duties on bookkeeping, information, and safeguarding of assets are separately apart. On the approval of the transactions of the company and the shareholders, directors and related parties, the company is aware of the best interests of the company and is considered as transactions made with the outsiders.

4. Information and communications

The company provides information technology and communication channels, both inside and outside the organization as appropriate, so that all parties involve can receive the information accurately, completely, timely, as well as the adequate important information that can be used to support a decision-making..

5. Monitoring System

The company has pursued on monitoring and the internal control regularly. The Internal Audit Department monitors and reviews the performance of employees in the different departments, and reported to the Board of Directors and executives, and if the defects are identified significantly, it shall be reported and take corrective action within a reasonable period.

Chief Internal Auditor

Mr. SamatchNgamwacha is Senior Internal Audit Manager are responsible for the internal audit department. The Audit Committees agreed that the Internal Auditor must be qualified to perform the functions effectively because he is knowledgeable, skillful and experienced to carry on auditing functions, with well-understanding of the activities and operations of the company. Besides, in the case of the appointment, removal and transfer of the Chief Internal Auditor, it must be approved by the Audit Committees.



Corporate Social Responsibility

Professional and consumer responsibility

Ethical code in mass communication is a practice to which the NBC has adhered constantly. The news presentation is based on accuracy, never misrepresents the facts or frames others, images or messages presented shall not violate human dignity and privacy, and focus on TV program production that benefits the public and society, and the presentation is made through the Nation channel and the DigitalTV 22. Below include the examples of the TV programs.



“Nation Watchdog” is a television program mediating to watch for and to warn the people of all kinds of threats; natural disasters, close-to-home threats, crimes, etc, primarily reflect the social problems and warn public of what might happen to the public and communities against all kinds of the disasters. It is like a guard warning the people and preventing the potential problems through news presentation.

“Kom Chad Luek” is a television program presenting the stories that are of interest to the society through interviews; the parties involved are invited to discuss on the issues, interchange of data and provide details of the story. It is the in-depth presentation to inform the public of knowledge regarding the respective issues and to create the understanding among the public through the all-around detailed presentation.

“Truth Hunt” is a scoop of news that delves into the issues of social interest, present the facts all-around upon the discussed issue. The field news teams closely follow the facts to clarify the society on the issues of interest and in-deep access to the relevant issues honestly, clearly and neutrally.

“Retired’s Club” is a television program presenting the interesting viewpoints on the lifestyles for the retired people which are growing in number constantly in Thailand moving into the “Aging Society” in the near future. The “Retired’s Club” is like a medium presenting the interesting activities and lifestyles for the retired people, availability and provision of public utilities to support them, which is an interesting issue of the society when the elderly population has been increasing continuously.

“Friendly Design by Krissana”, a quality tourism TV program emceed by Krishna Lalai (President of the Friendly Design for All Foundation and the Executive Editor of the Friendly Design magazine, taking the audiences on tour to visit the tourist attractions in the country and overseas, coupled with the survey of the Friendly Design - Design for All to find out the inspiration in the universal design for Thailand, and campaign the tourism development in Thailand to be furnished with the friendly design for people of all ages and the equal accessibility. The “Friendly Design by Krissana” can be viewed simultaneously worldwide via Facebook “Friendly Design Thailand”.

Creative Social Activities

In addition to the television programs acting as the mouthpiece of the society, the NBC had held continuous activities every year to aware the public of keeping healthy and creative tourism promotion through the “Nation Bike Thailand 2017” project held by the NBC, the DigitalTV 22 executive in the partnership with three national-level major alliances such as MISUBISHI MOTORS (THAILAND) CO.,LTD., CP Group, Charoen Pokphand Foods PCL. (CPF)



“The Nation Bike Thailand 2017” activity was held continuously for the fourth consecutive years, mustered with the bikers from twelve biking tracks across the country, get started from “Bangkhunthian Bangkok Sea View”, aiming to promote a biking sport for health, build a collective relationship, open the viewpoint of provincial tourism, persuade Thai people to maintain the environment, reduce global warming, reduce air pollution by cycling, which all these aims are consistent with the Global Goals for Sustainable Development (SDGs), which encompasses overall respects of social, economic and environmental dimensions.

The Nation Bike Thailand held by the Nation, DigitalTV 22 was first held in 2014 as it was aware of the importance and the popularity of biking exercise for health, and meanwhile, campaigning and pushing the Bike Lane’ policy to develop a ‘bicycle city’ in Thailand, aiming to increase safety for riders and safety in share the road, as well as reduce pollution, environmentally-friendly, and stimulate the economy in the communities. The activity held was in the collaboration of all sectors, and it was achieved satisfactorily and was of continuously positive feedback from all tracks, the public and organizations, both public and private sectors until the present 4th year.

The “Nation Bike Thailand 2017” project includes major sponsors; MISUBISHI MOTORS (THAILAND) CO.,LTD., CP Group, Charoen Pokphand Foods PCL, jointly create beneficial social activities and to build an awareness of cycling under the “bike for health and environment and reduce global warming with cycling” concept in 12 tracks nationwide from March to December 2017, including Bangkok (Mar 2017), Prachin Buri (April 2017), Yasothorn (May 2017), Songkhla (May 2017), Ang Thong (Jun 2017), Sukhothai (Aug 2017), Uthai Thani (Sep 2017), Suphan Buri (Oct. 2017), Prachuap Khiri Khan (Oct. 2017), Udon Thani (Nov 2017), Udon Thani (Nov 2017), and Chiang Rai (Dec 2017), aiming that the “Nation Bike Thailand 2017” partly contributes to keep Thai people healthy, reduces pollution and social development sustainably. A portion of the proceeds from the application fees of the year 2017 was contributed to the purchase of sports equipment donated to the schools in need in the province where the activity was held.

Educational Promotion Activities



Another activity held continuously by the NBC is the educational promotion to the youth under the Sahapat Admission (knowledge review to university) project. The activity was held under the cooperation between the Nation and the MAMA. This is the 20th educational promotion activity held during October 2-7, 2017. SahaPathanapibul Public Company Limited joined with the Nation TV, represented by the NBC held the “the 20th Sahapat Admission” to prepare a readiness for those students who are preparing to enter the university as well as to open the equally educational opportunities across all sectors of the country.

The project includes broadcasting signals onto the participating schools across the country. Broadcasting signals was sponsored by the DATAPRO COMPUTER SYSTEMS (DCS), covering over 77 provinces in the year 2017 with more than 800 participating schools.

It is an educational promotion project provided to students in remote provinces that they may have the opportunity to receive information and review their knowledge to prepare for university entrance exams. The Ministry of Education has modified the original admission to new admission system. In the past 2011, it provided the O-Net, GAT and PAT exams and the exam format focused more on thinking and association analysis.

In 2016, the Ministry of Education added a direct admission system through clearing house to select students to continue the higher education. Consequently, the students are required to take exams on nine additional common subjects: Thai, Social Studies, English, Mathematics, Physics, Chemistry and Biology, thereby the students have to more prepare for the exam.

At present, Thailand has confronted high economic competitiveness. Human resource development is important in gaining economically competitive advantage. One of the major problems in the development of Thai education is the educational opportunity inequity, especially in the provinces of the country which they lack of educational opportunities when compared to the population in Bangkok and the urban population. As the education has played an important role in the human quality development as an important force to economic and social development of the country, therefore the “20th Sahapat Admission” project has been held.

Responsibility toward Employees

The NBC has been truly committed in adherence to the ethics to ensure that its employees are happy both physically and mentally through the promotion and the development of the employee qualities, create a pleasant working atmosphere, nurture the excellent culture, encourage a unity with generosity to each other, promote autonomy and strengthen democracy within the organization, organize the events to intertwine the good relationships, take care of the employee’s security and health hygiene, provide the appropriate welfare and promote the idea of self-management on the economy and austerity for the promising future.

As such, the NBC recognizes its employees as valuable assets that contribute the organization to a success. In doing so, the NBC has carried out various aspects of the activities as summarized in the Annual Report of the past year, and has been trying to fulfill the employees in the more equitable manner.

Anti-corruption

The NBC has signed the Declaration of Intent for the Collective Action Coalition, in the collaboration with government and private sector, public and the international organizations to ensure the transparent business operation and anti-corruption on September 6, 2013.

The NBC's philosophy is to express the spirit and commitment in the fight against the corruption in all and any aspects, and to ensure that a decision and business with a potential risk of corruption shall be carefully considered and treated. So, the NBC has established "Anti-corruption" policy in writing with the approval of the Board of Directors as a clear guideline on business operation and development to the sustainability organization.

Anti-corruption policy

- Directors, executives, and employees of the Company shall not involve or accept any and all kinds of the corruptions directly or indirectly; that is; receipt of gifts, entertainments, funds, donations and other benefits for oneself from those who run the business with the Company, including employees, suppliers, customers and all stakeholders inside and abroad. The implementation of the anti-corruption policy shall be reviewed at least once on an annual basis, along with an assessment of the risk of corruption company-wide annually. In addition, the guidelines and requirements for operation in accordance with the changes in business, rules, regulations, and statutory requirements shall be reviewed.
- Any acts under the anti-corruption policy shall be in accordance with the guidelines of the Good Practices in Corporate Governance and the Code of Conduct, rules and regulations and the related operational manual and any other practices that may be set forth by the Company.
- To achieve clarity in any matters of the high risk of the corruption, the Board and the employees at all levels must be careful in the following.
 - Entertainment and gifts and other expenses
 - Giving or receiving gifts and entertainment shall be in accordance with the regulations stipulated in the Code of Conduct.
 - Charity donations, funds, or financial support
 - Giving or receiving donations, funds, or financial support shall be in a transparent and legal manner, ensuring that donations, funds, or financial support shall not be used as an excuse for bribery.
- Business relationships and procurement - do not give or receive bribe in any business with suppliers, government agencies, or corporations that conduct business with the Company under transparency and integrity and in accordance with relevant applicable laws and requirements.

Practices on the fight against corruption

- Directors, executives and employees of the Company at all levels must abide by the anti-corruption policy and the Code of Conduct and must not get involved in any corruption directly or indirectly.
- Employees must not neglect or ignore when exposed to the action of the networks of the corruption relating to the Company, but notify the supervisors or responsible persons, and cooperate in the factual investigation. In the case of doubts or questions, consult with the supervisors or the assigned responsible persons in the compliance with the Code of Conduct through the defined various channels.
- The Company ensures fairness and protects employees who report or refuse corruption related to the Company through the protective measures for complainants or cooperative persons in reporting corruption as set forth in the Code of Conduct, Section 4 Complaints, and Suggestion.
- A person who commits a corruption is considered a violation of the Code of Conduct and shall be considered a disciplinary punishment according to the regulations set out by the Company, or be punishable by law if such an action is illegal.
- The Company recognizes the importance of the dissemination of knowledge and understanding to others who have duties related to the Company and the stakeholders of the Company or potential effects on the Company in the regard of matters relevant to the anti-corruption measures.
- The Company is truly committed to creating and develop its personnel and staffs to be of good conscience and the good citizen of the society and the nation, and maintain the organizational culture dedicated "Corruption is unacceptable to any transactions with both governmental and the private sector."

Dissemination of anti-corruption policy

To ensure the Company employees and stakeholders to acknowledge the policy against corruption, the Company has pursued the following.

- For employees, the policy against corruption has been informed by the Company via the Intranet and electronic mail (E-mail) to all employees.
- For stakeholders, the policy against corruption has been informed by the Company via the Company's website (www.nbc.co.th) and annual report, and so on.

Matters/ complaints

- Perfidious acts, corruption related to the Company directly or indirectly.
- Wrongdoing against the regulations of the Company or any action that affects the internal controls of the Company, or action that is suspicious to commit fraud.
- Any action that defames or discredits the Company.
- Illegal and immoral conducts against the Code of Conduct.

Channels for complaints

- E-mail: audit_nbc@nationgroup.com to the Audit Committee and Internal Audit Manager Letter mailing, or contact in person directly to

Audit Committee or Internal Audit Manager at the Nation Broadcasting Corporation Public Company Limited (Thailand) No.1858/121-122, 124-128, 28th Fl., Bangna-Trad Road, Bangna Bangna, Bangkok10260

Procedures for the receipt of the complaint

- Internal Audit gathers facts related to the violation or noncompliance to the Code of Conduct and conducts an initial investigation.
- If it has reasonable ground to believe the complaint is a fault, the Internal Audit then gathers evidence submitted to the Chief Executive Officer for a further appointment of the commission of inquiry and the HR serves as the Investigation Committee Secretary.
- Investigation Committee investigates the facts and reports the results, and defines the measures taken to settle the violation or noncompliance, then submitted to the Chief Executive Officer, Internal Audit Manager, and Internal Audit Committee.
- Internal Audit is responsible for informing the complainant of the results when the complainant handles a process itself.

Measures of protection on complainants

The Company has taken measures to protect the complainants, based on the following criterions

- The complainant is entitled to be protected equally; whether they are employees or stakeholders.
- The complainant is entitled to opt non-disclose of their personal data unless the complainant considers that the disclosure would facilitate the Company to report the progress or inquires more useful information, or inform the facts, or mitigate the damages in more convenient and faster way.
- Audit Committee fairly treats and protects the complainant, officer receiving a complaint, the person who complains against, and those involved in the investigation process. In addition, the information is kept confidential, and disclosure is done as deem necessary with regard to the safety and damage of the complainant, officer receiving a complaint, the person who is complained against, and those involved in the investigation process.

In addition, the "Nation Group" in cooperation with the "Thaipat Institute" to enter the Partnership Against Corruption for Thailand: PACT, thrusting anti-corruption at the enterprise level, targeting to expand the supply chain at the industrial level, and navigates the promotion of the transparency over the media industry in three operational phases. "Commitment" a statement by the organization and management's messages, as well as including examples of concrete action or on anti-corruption of the management. "Action" is to transform the organization's commitment to action through policies and internal controls implemented to prevent and detect frauds. Lastly, "Extension" pushes the partners to implement the policies and practices that are not involved in corruption, based on the principles and practices recommended by the UN Global Compact, and the Transparency International, with the Pricewaterhouse Coopers Consulting (Thailand) Ltd. as the network consultant.

Characteristics of Business

Structure of revenues from sales of goods and rendering of services

Nation Broadcasting Corporation (Public) Company Limited and its subsidiaries structured revenues from sales of goods and rendering of services by type of products and services as follows:

Unit: million Baht

| Products / Services | 2017 | | 2016 | | 2015 | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Amount | % | Amount | % | Amount | % |
| Revenues from television broadcasting | 398.27 | 73.88 | 411.65 | 76.73 | 627.11 | 74.11 |
| Revenues from radio media | 13.74 | 2.55 | 22.91 | 4.27 | 25.80 | 3.05 |
| Revenues from new media business | 109.32 | 20.28 | 84.23 | 15.70 | 172.27 | 20.36 |
| Other revenues | 17.76 | 3.29 | 17.73 | 3.30 | 20.97 | 2.48 |
| Total revenues | 539.09 | 100.00 | 536.52 | 100.00 | 846.15 | 100.00 |

Audit Committee's Report For the Year 2017

Attn. Shareholders of
Nation Broadcasting Corporation Public Company Limited

The Audit Committee

The Audit Committee of Nation Broadcasting Corporation Public Company Limited comprises three independent directors: Dr. Supong Limtanakool- Committee Chairman; Mr. Metha Soonthornjit and Mr. Jessada Promjart- Committee Members.

During 2017, the Audit Committee arranged four meetings, each took a few hours, implementing the responsibilities specified in the Audit Committee Charter. The Audit Committee attended all meetings, along with the company's Independent Auditor, Internal Audit Manager and Chief Executives to discuss all relevant issues.

The Committee's opinions:

Financial Statements: The Audit Committee reviewed all quarterly financial statements, including the Annual Financial Statement for the year 2017, with management and the company's Independent Auditor. The audit inspected the financial reports of the company and its affiliates to ensure they had been organized correctly and properly, especially in their individual subject matter, in accordance with generally accepted accounting principles and that they disclosed all complete and credible information as well as applied financial reports standard and guidelines promulgated by Federation of Accounting Professions. In addition, the Committee reviewed the information disclosure and operations on mutual transactions between the company, its affiliates and its joint ventures, as well as connected transactions, in order to ensure the company had complied with and fulfilled all approved business practices and regulations as required by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

Internal Control System: The Audit Committee considered organization structure of Internal Audit Department to make sure independent of operation. The Committee considered the Internal Audit System Plan for the Year 2017, with due concern for possible risk factors that might adversely affect the company's operations. The Committee also made suggestions and provided guidance on adjusting the plan to be compatible the current situation. In addition, the Committee resolutely pursued the implementation of adjustments on significant issues for the administrative section, as specified in the Audit Report. For the year 2017, the auditor could not find any material discrepancy for the internal control of the company.

In addition, review the company's compliance with private sector's anti-corruption and certification programmes, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool. The company maintains policies and practices to ensure corruption-free business in accordance with criteria set by the CAC Board. The company was awarded a membership certificate on November 10, 2017.

Compliance with laws on securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as other laws relative to the company's business: In February 2018, the Audit Committee arranged a meeting with the Company Secretary at which it was determined that the company had appropriately complied with all laws on securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as with other laws relative to the company's business.

Auditors: The Audit Committee are agreed that the company's current Independent Auditor for the year 2017, Ms.PatamavanVadhanakul, registration No. 9832, is a suitable, independent, knowledgeable and long-experienced auditor. With regard to the appointment of the company's Independent Auditor for the year 2018, the Audit Committee proposes the following persons from KPMG Poomchai Audit Co., Ltd. for due consideration as the company's Independent Auditor for the year 2018: Ms.PatamavanVadhanakul, registration No. 9832; Mr.VeerachaiRatanajaratkul, registration No. 4323 ; Ms. VannapornJongperadechanon, registration No. 4098.

Connected Transactions: The Audit Committee considered all connected transactions that might cause conflicts of interest with the company and subsidiaries.The Committee shall examine the transaction and give opinions about the necessity of the transaction as well as the appropriateness in terms of prices by considering from relevant market factors and comparable prices with the third party,if possible. The Committee shall disclose the information for the relevant items according to the requirement of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as the accounting standard as required by the Federation of Accounting Professions. The Committee believes such the transactions are accurate, general business transactions that the company has implemented under the principles of Good Corporate Governance.

From its operations under the auspices of the Audit Committee Charter, the Audit Committee has determined that the company has delegated the implementation of management under the principles of Good Corporate Governance that eventually contribute to transparency and integrity.This has resulted in a firm trust with shareholders, investors and relevant parties and in a flawless, efficient Internal Control System of the company. Connected transactions that might have conflicts of interest have proved to be accurate, general business transactions of a reasonable nature. Additionally, no irregular material transactions have been found. It has therefore been determined that the company has properly complied with the relevant provisions of the law, as well as appropriate rules and regulations of official regulating organizations.

The Financial Statement ending December 31, 2017, has disclosed sufficient information and contains no problematic situations, or transactions that could materially affect the company's financial statement, which has been organized correctly in its subject matter in accordance with generally accepted accounting principles.



Dr. SupongLimtanakool
Chairman of the Audit Committee

Report of the Board of Directors' Responsibilities to the Financial Reporting for the year 2017 Nation Broadcasting Corporation Public Co., Ltd.

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 and 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 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. Sontiyon Chuenruetainaidhama
Chairman



Mr. Supawat Sa-nguan-ngam
Managing Director

The Results of the Consolidated Financial Statements

The consolidated financial statements of Nation Broadcasting Corporation Public Company Limited and its subsidiaries for the year ended 31 December 2017 represented had a loss of Baht 916.24 million. Compared to the same period of last year, it showed a loss of Baht 275.46 million, an increase loss of 233%. The Company would like to clarify a significance change of the Group's operating results were summarized as follows:

1. Revenue from sales and services for the year 2017 was Baht 521.33 million, which increased by 0.5% compared to the same period of last year. The advertising revenue from TV business decreased 5% and New Media increased 46% whereas, revenue from Radio business decreased 39%.
2. Cost and expenses for the year 2017 was Baht 1,442.22 million increased by 80% compared to the same period of last year. The main reasons were:
 - Cost of goods sold and services decreased 15% and distribution costs decreased 17% since the Group could control costs and expenses more effectively.
 - Administrative expenses increased 103% since the Group compensated a voluntary resignation plan to the employee and recognized provision for doubtful accounts from related parties.
 - The subsidiary recognized impairment loss of digital terrestrial television license & right for broadcasting related to the license at the amount of Baht 567.40 million in the third quarter of 2017. The impairment of license was 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'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 license. The Company recognized loss on impairment of investment in the warrants of Baht 83.61 million in the fourth quarter of 2017.

Conclusions: The Group reported operations for year ended 31 December 2017 represented had a loss of Baht 916.24 million. Compared to the same period of last year, it showed a loss of Baht 275.46 million.

**Nation Broadcasting Corporation Public Company
Limited and its Subsidiaries**

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

KPMG Phoomchai Audit Ltd.
Empire Tower, 50th-51st Floors
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000, Fax +66 2677 2222

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50-51 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000 แฟกซ์ +66 2677 2222

Independent Auditor's Report

To the Shareholders of Nation Broadcasting Corporation Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Nation Broadcasting Corporation Public Company Limited and its subsidiaries (the "Group") and of Nation Broadcasting Corporation 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 916.24 million and Baht 1,127.03 million, respectively during the year ended 31 December 2017 and, as of that date, the Group and the Company had deficit of retained earnings of Baht 1,264.54 million and Baht 1,090.19 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 separate financial statements is not modified in respect of these matters. //

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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.

| Valuation of digital television licence of subsidiary, investment in subsidiary and trade and other current accounts receivable with related parties | |
|---|---|
| Refer to Notes 7, 8, 10 and 14 to the consolidated and separate financial statements. | |
| The key audit matter | How the matter was addressed in the audit |
| <p>A subsidiary has the commercial digital terrestrial television licence (“licence”) which is considered to be a significant asset in the Group’s consolidated statement of financial position. 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 operation of the subsidiary which owns the licence. The investment in subsidiary and trade and other current accounts receivable with related parties are considered material to the financial statements.</p> <p>Management of the Company and the subsidiary use significant judgement in determining the assumptions used to estimate the recoverable amount of licence, investment in the subsidiary and trade and other current accounts receivable with related parties. If there are indicators of impairment, the deficit between the recoverable amount and its carrying value would be recognised in profit or loss. If management assess the subsequent increase in recoverable amount, the allowance for impairment loss would be reversed and recognised in profit or loss.</p> <p>Therefore, I have determined 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 estimated recoverable amount from the preparation of discounted cash flow projection along with management approval; • assessing the discounted cash flow projection approved by management by evaluating the key assumptions and actual operation results and operation plans; as well as assessing the appropriateness of discount rate used by comparing to the weighted average cost of capital of an industry in which the Group operates and testing the computation of discounted cash flow projection; • 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 the financial statements disclosures in accordance with Thai Financial Reporting Standards. <i>μ</i> |

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 judgment 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
9 March 2018

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of financial position

| Assets | Note | Consolidated | | Separate | |
|---------------------------------------|------|----------------------|----------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 31 December | | 31 December | |
| | | 2017 | 2016 | 2017 | 2016 |
| | | (in Baht) | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 60,241,826 | 136,011,877 | 55,908,442 | 124,848,945 |
| Current investments | 6 | 18,989,652 | 126,195,720 | 18,989,652 | 126,195,720 |
| Trade accounts receivable | 7 | 91,838,473 | 144,449,740 | 190,916,676 | 278,671,391 |
| Accrued income | 4 | 30,502,842 | 53,538,849 | 51,815,842 | 77,450,063 |
| Other current receivables | 8 | 17,660,031 | 57,955,881 | 37,750,442 | 85,072,308 |
| Inventories | 9 | 8,779,884 | 16,210,593 | 8,518,941 | 16,210,593 |
| Input value added tax pending | | 18,985,023 | 30,028,165 | 8,868,033 | 16,606,866 |
| Withholding tax deducted at source | | 19,747,878 | 24,227,461 | 12,645,854 | 16,670,450 |
| Other current assets | | 9,449,760 | 13,518,327 | - | 993,583 |
| Total current assets | | 276,195,369 | 602,136,613 | 385,413,882 | 742,719,919 |
| Non-current assets | | | | | |
| Investments in subsidiaries | 10 | - | - | - | 810,250,000 |
| Long-term investment in related party | 6 | 7,401,402 | 18,092,316 | 7,401,402 | 18,092,316 |
| Investment property | 11 | 8,449,415 | 10,951,340 | 8,449,415 | 10,951,340 |
| Plant and equipment | 12 | 98,474,401 | 145,202,434 | 98,474,401 | 145,202,434 |
| Intangible assets | 13 | 3,976,499 | 21,297,908 | 987,109 | 1,623,528 |
| Digital television licence | 14 | 345,491,341 | 973,189,931 | - | - |
| Deferred tax assets | 15 | 22,783,279 | 50,473,774 | 4,961,348 | 29,897,680 |
| Other non-current assets | 16 | 35,751,336 | 22,537,168 | 18,352,966 | 5,958,347 |
| Total non-current assets | | 522,327,673 | 1,241,744,871 | 138,626,641 | 1,021,975,645 |
| Total assets | | 798,523,042 | 1,843,881,484 | 524,040,523 | 1,764,695,564 |

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of financial position

| Liabilities and equity | Note | Consolidated financial statements | | Separate financial statements | |
|--|--------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | 31 December | | 31 December | |
| | | 2017 | 2016 | 2017 | 2016 |
| | | (in Baht) | | | |
| Current liabilities | | | | | |
| Trade accounts payable | 17 | 4,797,417 | 24,392,537 | 131,608,563 | 248,949,688 |
| Other current payables | 18 | 9,292,535 | 16,094,766 | 15,481,180 | 22,646,258 |
| Deferred income | | 6,810,329 | 34,604,404 | 6,810,329 | 33,870,805 |
| Current portion of digital television licence payable | 20 | 112,971,248 | 221,436,865 | - | - |
| Accrued expenses | 19 | 52,485,855 | 57,955,946 | 35,735,263 | 48,776,532 |
| Current tax payable | | - | 2,876 | - | - |
| Output value added tax pending | | 28,759,930 | 39,463,069 | 19,531,412 | 23,836,827 |
| Other current liabilities | | 1,307,764 | 503,409 | 1,307,764 | 499,909 |
| Total current liabilities | | 216,425,078 | 394,453,872 | 210,474,511 | 378,580,019 |
| Non-current liabilities | | | | | |
| Digital television licence payable | 20 | 430,463,334 | 430,026,432 | - | - |
| Non-current provisions for employee benefit | 21 | 29,952,105 | 39,272,391 | 17,536,284 | 20,849,005 |
| Total non-current liabilities | | 460,415,439 | 469,298,823 | 17,536,284 | 20,849,005 |
| Total liabilities | | 676,840,517 | 863,752,695 | 228,010,795 | 399,429,024 |
| Equity | | | | | |
| Share capital | 22 | | | | |
| Authorised share capital | | 720,343,962 | 720,343,962 | 720,343,962 | 720,343,962 |
| Issued and paid-up share capital | | 535,436,609 | 535,436,609 | 535,436,609 | 535,436,609 |
| Share premium on ordinary shares | 22, 23 | 824,431,691 | 824,431,691 | 824,431,691 | 824,431,691 |
| Warrants | 23 | 2,251,183 | 2,796,373 | 2,251,183 | 2,796,373 |
| Retained earnings (Deficit) | | | | | |
| Appropriated | | | | | |
| Legal reserve | 24 | 24,100,000 | 24,100,000 | 24,100,000 | 24,100,000 |
| Unappropriated (Deficit) | | (1,264,536,946) | (348,299,096) | (1,090,189,755) | 36,838,643 |
| Other component of equity | | - | (58,336,776) | - | (58,336,776) |
| Equity attributable to owners of the parent | | 121,682,537 | 980,128,801 | 296,029,728 | 1,365,266,540 |
| Non-controlling interests | | (12) | (12) | - | - |
| Total equity | | 121,682,525 | 980,128,789 | 296,029,728 | 1,365,266,540 |
| Total liabilities and equity | | 798,523,042 | 1,843,881,484 | 524,040,523 | 1,764,695,564 |

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of comprehensive income

| | Note | Consolidated | | Separate | |
|---|-------------------|------------------------|----------------------|------------------------|---------------------|
| | | financial statements | | financial statements | |
| | | Year ended 31 December | | Year ended 31 December | |
| | | 2017 | 2016 | 2017 | 2016 |
| (in Baht) | | | | | |
| Revenue | | | | | |
| Revenues from sale of goods | | | | | |
| and rendering of services | 4 | 521,328,418 | 518,790,722 | 272,653,042 | 269,658,384 |
| Interest income | | 2,459,656 | 13,414,953 | 2,451,875 | 13,266,096 |
| Other income | 4 | 15,303,958 | 4,318,266 | 32,842,043 | 31,495,993 |
| Total revenue | | 539,092,032 | 536,523,941 | 307,946,960 | 314,420,473 |
| Expenses | | | | | |
| Costs of sales of goods and | | | | | |
| rendering of services | 4 | 513,576,946 | 603,584,146 | 192,463,923 | 223,360,886 |
| Distribution costs | 4, 26 | 45,070,772 | 54,300,892 | 42,963,729 | 48,898,833 |
| Administrative expenses | 4, 27 | 209,998,127 | 103,626,343 | 302,945,609 | 91,016,003 |
| Impairment losses on assets | 6, 10, 11, 13, 14 | 652,956,884 | - | 885,556,884 | - |
| Finance costs | 30 | 20,620,852 | 40,321,971 | 693,075 | 848,169 |
| Total expenses | | 1,442,223,581 | 801,833,352 | 1,424,623,220 | 364,123,891 |
| Loss before income tax expense | | (903,131,549) | (265,309,411) | (1,116,676,260) | (49,703,418) |
| Tax (expense) income | 31 | (13,106,301) | (10,153,303) | (10,352,138) | 9,574,896 |
| Loss for the year | | (916,237,850) | (275,462,714) | (1,127,028,398) | (40,128,522) |
| Other comprehensive income | | | | | |
| Items that will be reclassified subsequently | | | | | |
| to profit or loss | | | | | |
| Losses on remeasuring available-for-sale | | | | | |
| investments | 6 | (10,150,749) | (13,980,426) | (10,153,249) | (13,980,426) |
| Net change in fair value of available-for-sale | | | | | |
| investments transferred to profit or loss | 6 | 83,071,719 | - | 83,074,219 | - |
| Income tax relating to items that will be | | | | | |
| reclassified subsequently to profit or loss | 15, 31 | (14,584,194) | 2,796,085 | (14,584,194) | 2,796,085 |
| Total items that will be reclassified | | | | | |
| subsequently to profit or loss | | 58,336,776 | (11,184,341) | 58,336,776 | (11,184,341) |

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

Nation Broadcasting Corporation 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 | 2017 | 2016 |
| | | (in Baht) | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | |
| Losses on remeasurements of defined benefit plan | 21 | - | (9,924,982) | - | (4,029,094) |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | 15, 31 | - | 1,984,996 | - | 805,819 |
| Total items that will not be reclassified subsequently to profit or loss | | <u>-</u> | <u>(7,939,986)</u> | <u>-</u> | <u>(3,223,275)</u> |
| Other comprehensive income (expense) for the year, net of tax | | <u>58,336,776</u> | <u>(19,124,327)</u> | <u>58,336,776</u> | <u>(14,407,616)</u> |
| Total comprehensive income (expense) for the year | | <u><u>(857,901,074)</u></u> | <u><u>(294,587,041)</u></u> | <u><u>(1,068,691,622)</u></u> | <u><u>(54,536,138)</u></u> |
| Profit (loss) attributable to | | | | | |
| Owners of parent | | (916,237,822) | (275,462,669) | (1,127,028,398) | (40,128,522) |
| Non-controlling interests | | (28) | (45) | - | - |
| Profit (loss) for the year | | <u><u>(916,237,850)</u></u> | <u><u>(275,462,714)</u></u> | <u><u>(1,127,028,398)</u></u> | <u><u>(40,128,522)</u></u> |
| Total comprehensive income (expense) attributable to | | | | | |
| Owners of parent | | (857,901,046) | (294,586,996) | (1,068,691,622) | (54,536,138) |
| Non-controlling interests | | (28) | (45) | - | - |
| Total comprehensive income (expense) for the year | | <u><u>(857,901,074)</u></u> | <u><u>(294,587,041)</u></u> | <u><u>(1,068,691,622)</u></u> | <u><u>(54,536,138)</u></u> |
| Loss per share | | | | | |
| Basic and diluted loss per share | 32 | (1.71) | (0.51) | (2.10) | (0.07) |

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Statement of changes in equity

| Consolidated financial statements | | | | | | | | | | |
|--|---|----------------------------------|---------------|-----------|------------------------|---------------|-------------------------------|---|---------------------------|---------------|
| | | Deficit | | | Other component equity | | | | | |
| | | Issued and paid-up share capital | Share premium | Warrants | Legal reserve | Deficit | Available-for-sale investment | Equity attributable to owners of parent | Non-controlling interests | Total equity |
| Note | | | | | | (in Baht) | | | | |
| Year ended 31 December 2016 | | | | | | | | | | |
| | Balance at 1 January 2016 | 535,436,609 | 824,431,691 | 1,745,846 | 24,100,000 | (22,061,533) | (47,152,435) | 1,316,500,178 | 53 | 1,316,500,231 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners of the parent | | | | | | | | | | |
| | Share-based payment transactions | - | - | 1,050,527 | - | - | - | 1,050,527 | - | 1,050,527 |
| 23 | Dividends to owners of the Company | - | - | - | - | (42,834,928) | - | (42,834,928) | - | (42,834,928) |
| 33 | | | | | | | | | | |
| | Total contributions by and distributions to owners of the parent | - | - | 1,050,527 | - | (42,834,928) | - | (41,784,401) | - | (41,784,401) |
| Change in ownership interest in subsidiary | | | | | | | | | | |
| | Acquisition of non-controlling interest without a change in control | - | - | - | - | 20 | - | 20 | (20) | - |
| | Total changes in ownership interest in subsidiary | - | - | - | - | 20 | - | 20 | (20) | - |
| | Total transactions with owners, recorded directly in equity | - | - | 1,050,527 | - | (42,834,908) | - | (41,784,381) | (20) | (41,784,401) |
| Comprehensive income (expense) for the year | | | | | | | | | | |
| | Profit or loss | - | - | - | - | (275,462,669) | - | (275,462,669) | (45) | (275,462,714) |
| | Other comprehensive income (expense) | - | - | - | - | (7,939,986) | (11,184,341) | (19,124,327) | - | (19,124,327) |
| | Total comprehensive income (expense) for the year | - | - | - | - | (283,402,655) | (11,184,341) | (294,586,996) | (45) | (294,587,041) |
| | Balance at 31 December 2016 | 535,436,609 | 824,431,691 | 2,796,373 | 24,100,000 | (348,299,096) | (58,336,776) | 980,128,801 | (12) | 980,128,789 |

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Statement of changes in equity

| Consolidated financial statements | | | | | | | |
|-----------------------------------|--|---------|----|------------------------|--|---|--------------|
| | | Deficit | | Other component equity | | | |
| | | | | | | Equity attributable to owners of parent | Total equity |
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The accompanying notes are an integral part of these financial statements.

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity

| | Separate financial statements | | | | | | Total equity |
|---|----------------------------------|---------------|-------------|----------------------------|---------------------------|-------------------------------|----------------------------|
| | Retained earnings | | | | Other component of equity | | |
| | Issued and paid-up share capital | Share premium | Warrants | Legal reserve (in Baht) | Unappropriated investment | Available-for-sale investment | |
| Note | | | | | | | |
| Year ended 31 December 2016 | | | | | | | |
| Balance at 1 January 2016 | | 535,436,609 | 824,431,691 | 1,745,846 | 24,100,000 | 123,025,369 | (47,152,435) 1,461,587,080 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners | | | | | | | |
| Share-based payment transactions | 23 | - | - | 1,050,527 | - | - | 1,050,527 |
| Dividends to owners of the Company | 33 | - | - | - | - | (42,834,929) | (42,834,929) |
| Total contributions by and distributions to owners | | - | - | 1,050,527 | - | (42,834,929) | (41,784,402) |
| Total transactions with owners, recorded directly in equity | | | | | | | |
| | | - | - | 1,050,527 | - | (42,834,929) | (41,784,402) |
| Comprehensive income (expense) for the year | | | | | | | |
| Profit or loss | | - | - | - | - | (40,128,522) | (40,128,522) |
| Other comprehensive income (expense) | | - | - | - | - | (3,223,275) | (11,184,341) (14,407,616) |
| Total comprehensive income (expense) for the year | | - | - | - | - | (43,351,797) | (11,184,341) (54,536,138) |
| Balance at 31 December 2016 | | 535,436,609 | 824,431,691 | 2,796,373 | 24,100,000 | 36,838,643 | (58,336,776) 1,365,266,540 |

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity

| | Separate financial statements | | | | | | | |
|---|-------------------------------|----------------------------------|---------------|-----------|-----------------------------------|--------------------------|-------------------------------|-----------------|
| | Note | Issued and paid-up share capital | Share premium | Warrants | Retained earnings (Deficit) | | Other component of equity | |
| | | | | | Legal reserve <i>(in Baht)</i> | Unappropriated (Deficit) | Available-for-sale investment | Total equity |
| Year ended 31 December 2017 | | | | | | | | |
| Balance at 1 January 2017 | | 535,436,609 | 824,431,691 | 2,796,373 | 24,100,000 | 36,838,643 | (58,336,776) | 1,365,266,540 |
| Transactions with owners, recorded directly in equity | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | |
| Share-based payment transactions | 23 | - | - | (545,190) | - | - | - | (545,190) |
| Total contributions by and distributions to owners | | - | - | (545,190) | - | - | - | (545,190) |
| Total transactions with owners, recorded directly in equity | | - | - | (545,190) | - | - | - | (545,190) |
| Comprehensive income (expense) for the year | | | | | | | | |
| Profit or loss | | - | - | - | - | (1,127,028,398) | - | (1,127,028,398) |
| Other comprehensive income (expense) | | - | - | - | - | - | 58,336,776 | 58,336,776 |
| Total comprehensive income (expense) for the year | | - | - | - | - | (1,127,028,398) | 58,336,776 | (1,068,691,622) |
| Balance at 31 December 2017 | | 535,436,609 | 824,431,691 | 2,251,183 | 24,100,000 | (1,090,189,755) | - | 296,029,728 |

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated | | Separate | |
|--|-----------------------------|----------------------|-----------------------------|---------------------|
| | financial statements | | financial statements | |
| | Year ended 31 December | | Year ended 31 December | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in Baht)</i> | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Loss for the year | (916,237,850) | (275,462,714) | (1,127,028,398) | (40,128,522) |
| <i>Adjustments to reconcile loss to cash receipts (payments)</i> | | | | |
| Tax expense (income) | 13,106,301 | 10,153,303 | 10,352,138 | (9,574,896) |
| Finance costs | 20,620,852 | 40,321,971 | 693,075 | 848,169 |
| Depreciation | 47,569,124 | 46,642,232 | 47,569,124 | 46,642,232 |
| Amortisation of intangible assets | 13,154,359 | 11,688,100 | 681,369 | 935,324 |
| Amortisation of digital television licence | 66,958,590 | 79,014,067 | - | - |
| Impairment losses on digital television licence | 560,740,000 | - | - | - |
| Impairment losses on investment property | 1,945,000 | - | 1,945,000 | - |
| Impairment losses on intangible assets | 6,660,000 | - | - | - |
| Impairment losses on investment in subsidiary | - | - | 800,000,000 | - |
| Impairment losses on long-term investment | 83,611,884 | - | 83,611,884 | - |
| Non-current provisions for employee benefit | (11,518,385) | 899,874 | (5,020,811) | (1,947,923) |
| (Reversal of) share-based payment | (545,190) | 1,050,527 | (545,190) | 1,050,527 |
| (Gain) loss on fair value adjustment | | | | |
| of investments in debt securities | (150,868) | 24,789 | (150,866) | 24,320 |
| Gain on disposal of investment in debt security | (749,543) | (481,674) | (745,384) | (470,829) |
| Gain on disposal of debt security in private fund | (937,583) | - | (937,583) | - |
| Gain on return of investments in subsidiaries | - | - | (4,100,744) | - |
| (Reversal of) bad and doubtful debts expenses | 65,391,466 | (623,162) | 206,528,484 | (614,434) |
| Reversal of loss on inventories devaluation | (107,891) | (245,155) | (107,891) | (245,155) |
| Loss on decline in value of other non-current assets | 1,089,420 | - | 1,089,420 | - |
| Gain on disposal of equipment | (106,245) | (2,749) | (106,245) | (2,749) |
| Loss on written-off of equipment | 10,242,075 | 166,318 | 10,242,075 | 166,318 |
| Loss on written-off of withholding tax | 269,702 | - | - | - |
| Interest income | (2,459,656) | (13,414,953) | (2,451,875) | (13,266,096) |
| | (41,454,438) | (100,269,226) | 21,517,582 | (16,583,714) |

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated | | Separate | |
|---|------------------------|---------------|------------------------|---------------|
| | financial statements | | financial statements | |
| | Year ended 31 December | | Year ended 31 December | |
| | 2017 | 2016 | 2017 | 2016 |
| | (in Baht) | | | |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | 20,361,823 | 65,847,304 | 56,505,125 | 40,102,114 |
| Accrued income | 23,036,007 | 48,907,684 | 25,634,221 | 46,839,670 |
| Other current receivables | 7,179,423 | (10,579,969) | (128,026,590) | 19,365,562 |
| Inventories | 7,538,600 | (5,660,424) | 7,799,543 | (5,660,424) |
| Other current assets | 15,111,709 | 2,938,024 | 8,732,416 | 7,556,838 |
| Other non-current assets | 3,203,641 | 648,357 | 2,731,009 | 346,510 |
| Trade accounts payable | (16,674,020) | (8,850,731) | (117,341,125) | (152,096,911) |
| Other current payables | (6,092,970) | (38,293,024) | (6,455,817) | 330,251 |
| Deferred income | (27,083,661) | 26,813,395 | (26,350,062) | 26,396,795 |
| Accrued expenses | (6,671,735) | (22,803,466) | (13,041,269) | 4,612,584 |
| Other current liabilities | (9,898,784) | (15,229,153) | (3,497,560) | (5,419,445) |
| Net cash used in operating | (31,444,405) | (56,531,229) | (171,792,527) | (34,210,170) |
| Taxes paid | (19,750,755) | (23,425,397) | (12,645,854) | (15,401,599) |
| Withholding tax refunded | 7,539,951 | 2,349,078 | 1,544,822 | 2,349,078 |
| Net cash used in operating activities | (43,655,209) | (77,607,548) | (182,893,559) | (47,262,691) |
| <i>Cash flows from investing activities</i> | | | | |
| Proceeds from return on capital of subsidiaries | - | - | 14,350,744 | - |
| Current investments | 55,148,000 | 494,292,273 | 55,148,000 | 484,793,036 |
| Proceeds from sale of debt security in private fund | 88,985,410 | - | 88,985,410 | - |
| Acquisition of debt security in private fund | (106,977,274) | - | (106,977,274) | - |
| Proceeds from sale of other debt security | 515,087,925 | 644,714,830 | 508,083,765 | 626,300,455 |
| Acquisition of other debt security | (443,200,000) | (701,200,000) | (436,200,000) | (683,300,000) |
| Proceeds from sale of equipment | 671,777 | 7,673,558 | 671,777 | 7,673,558 |
| Acquisition of building and equipment | (10,759,923) | (13,296,305) | (10,759,923) | (13,296,305) |
| Acquisition of programme licences | (5,429,100) | (23,396,700) | - | - |
| Acquisition of intangible assets | (958,652) | (2,422,626) | (958,652) | (2,222,626) |
| Digital television licence payment | (122,800,000) | (245,600,000) | - | - |
| Interest received | 1,818,804 | 15,430,066 | 1,811,023 | 15,206,250 |
| Net cash from (used in) investing activities | (28,413,033) | 176,195,096 | 114,154,870 | 435,154,368 |

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

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Year ended 31 December | | Year ended 31 December | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in Baht)</i> | | | |
| <i>Cash flows from financing activities</i> | | | | |
| Investment in subsidiary | - | - | - | (300,000,000) |
| Dividends paid to owners of the Company | - | (42,834,929) | - | (42,834,929) |
| Interest paid | <u>(3,701,809)</u> | <u>(4,512,961)</u> | <u>(201,814)</u> | <u>(205,686)</u> |
| Net cash used in financing activities | <u>(3,701,809)</u> | <u>(47,347,890)</u> | <u>(201,814)</u> | <u>(343,040,615)</u> |
| Net increase (decrease) in cash and cash equivalents | (75,770,051) | 51,239,658 | (68,940,503) | 44,851,062 |
| Cash and cash equivalents at 1 January | <u>136,011,877</u> | <u>84,772,219</u> | <u>124,848,945</u> | <u>79,997,883</u> |
| Cash and cash equivalents at 31 December | <u><u>60,241,826</u></u> | <u><u>136,011,877</u></u> | <u><u>55,908,442</u></u> | <u><u>124,848,945</u></u> |
| <i>Non-cash transactions</i> | | | | |
| Payables for purchase of building and equipment | 342,400 | 138,009 | 342,400 | 138,009 |
| Payables for purchase of programme licences | 1,950,000 | 2,010,000 | - | 2,010,000 |
| Payables for purchase of intangible assets | - | 913,652 | - | 913,652 |
| Digital television licence payable | 543,434,582 | 651,463,297 | - | - |
| Assets received from rendering of services | - | 21,961,703 | - | 21,961,703 |

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

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

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Nation Broadcasting Corporation 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 9 March 2018.

1 General information

Nation Broadcasting Corporation Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1858/51-62, 12th, 13th Floors, Bangna-Trad Road, Kwang Bangna, Khet Bangna, Bangkok.

The Company was listed on the Market for Alternative Investment in November 2009.

The immediate parent company during the financial year was Nation Multimedia Group Public Company Limited (71.45% of shareholding), which was incorporated in Thailand.

The principal activities of the Company are production of TV and radio programmes and providing advertisements through TV media, radio media and new media forms. Details of the Company’s subsidiaries as at 31 December 2017 and 2016 are given in note 10.

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 a number of other revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements.

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(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> |
|--------------------------------|--|
| Investment in debt security | Fair value |
| Available-for-sale investments | Fair value |
| Defined benefit liability | Present value of the defined benefit obligation as explained in Note 3 (m) |
| Warrants | Fair value |

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(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 significant risk of resulting in a material adjustment to the amounts recognised in the financial statements is included in the following notes:

| | |
|-----------------------|---|
| Note 9 | Measurement of net realisable value of inventories; |
| Notes 7, 8, 10 and 14 | Impairment test: key assumptions underlying recoverable amounts; |
| Note 15 | Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and |
| Note 21 | 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.

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

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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 23 share-based payments; and
- Note 34 financial instruments.

Use of going concern basis of accounting

For the year ended 31 December 2017, the Group and the Company incurred a net loss of Baht 916.24 million and Baht 1,127.03 million, respectively (2016: Baht 275.46 million and Baht 40.13 million, respectively) and, as of that date, the Group and the Company had deficit of retained earnings of Baht 1,264.54 million and Baht 1,090.19 million, respectively (2016: Baht 348.30 million and retained earnings in amount of Baht 36.84 million, respectively). This represents a material uncertainty over the appropriateness of using the going concern basis of accounting. Furthermore, the parent company disclosed in a note to the interim financial statements for the three-month and nine-month periods ended 30 September 2017 regarding the basis of preparation of the financial statements on a going concern basis, the financial position and liquidity of the parent company along with implemented policies and procedures in an attempt to manage its liquidity risk.

The Group's management has given careful consideration to the Group's and the Company's financial position and liquidity by executing a plan for expanding the digital media segment and discontinuing the other unprofitable businesses. This included the implementation of plans to control expenses, such as reducing the manpower to appropriate level, reducing the unused office space, reducing the production costs and reducing other administrative expenses in order to continually improve the financial position, liquidity, cash flows and performance of the Group and the Company.

The Group's 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 classification of recorded assets amounts or to amounts and classifications of liabilities that may be necessary if the Group and the Company is not able to continue as a going concern.

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3 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”).

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.

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.

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.

(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 rate 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.

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(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.

(d) Trade and other current accounts receivable

Trade and other current accounts 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.

(e) Inventories

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

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

| | | |
|-------------------------------|---|--|
| Books, CD and DVD | - | Weighted average |
| 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 |
| Work in progress for projects | - | Comprises cost of preparation, is measured at cost. |

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 subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method less accumulated impairment losses.

Investments in other debt and equity securities

Marketable debt security held for trading is classified as a current asset and is 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.

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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.

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 property

Investment property is condominium and improvements which is 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 property is 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 on a straight-line basis over the estimated useful lives of each property. The estimated useful live is as follow:

| | |
|------------------------------|----------|
| Condominium and improvements | 20 years |
|------------------------------|----------|

(h) Plant and equipment

Recognition and measurement

Owned assets

Plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

Any gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised in profit or loss.

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Subsequent costs

The cost of replacing a part of an item of 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 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 of an item of plant and equipment. The estimated useful lives are as follows:

| | |
|--|--------------|
| Building | 20 years |
| Leasehold improvements | 5 years |
| Operating equipment | 5 - 10 years |
| Furniture, fixtures and office equipment | 5 years |
| Vehicles | 5 years |

No depreciation is provided on assets under installation.

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

(i) Intangible assets

Digital television licence

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

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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 licence | 15 | years |
| Computer programmes and software licences | 3 and 5 | years |
| Trademark | 14 | years |
| Right for broadcasting | Amortised based on the straight-line basis over the periods specified in the contracts | |

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

(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.

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Reversals of impairment

An impairment loss in respect of a financial asset 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 borrowings on an effective interest basis.

(l) Trade and other current accounts payable

Trade and other current accounts payable are stated at cost.

(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.

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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.

(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.

Sale of goods and services rendered

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.

Rental income

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

Interest income

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

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(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 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 per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the year. Diluted loss (EPS) is determined by adjusting the loss attributable to ordinary shareholders and the number of ordinary shares outstanding, adjusted 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. Unallocated items comprise mainly cash and cash equivalents, deferred tax assets, other current liabilities other non-current provisions for employee benefit.

4 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.

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Relationships with subsidiaries are described in note 10. Relationships with key management 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. |
| Nation Multimedia Group Public Company Limited | Thailand | Parent, 71.45% shareholding, some common directors |
| Nation International Edutainment Public Company Limited | Thailand | 71.04% shareholding by parent, some common directors |
| Nation News Network Co., Ltd. | Thailand | 99.99% shareholding by parent, some common directors |
| NML Co., Ltd | Thailand | 99.99% shareholding by parent, some common directors |
| Kom Chad Luek Media Co., Ltd. | Thailand | 99.99% shareholding by parent, some common directors |
| Krungthep Turakij Media Co., Ltd. | Thailand | 99.99% shareholding by parent, some common directors |
| Bangkok Business Broadcasting Co., Ltd. | Thailand | 99.93% shareholding by parent, some common directors |
| WPS (Thailand) Co., Ltd. | Thailand | 84.50% shareholding by parent, some common directors |
| Nation University | Thailand | University, a license holding by Nation U Co., Ltd. |
| Nation Global Edutainment Co., Ltd. | Thailand | 99.74% shareholding by Nation International Edutainment Public Company Limited, some common directors |
| Thai Portal Co., Ltd. | Thailand | Related party, 19.00% shareholding by Kom Chad Luek Media Co., Ltd. |

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

| Transactions | Pricing policies |
|---|---|
| Sales of goods and rendering of services | General price and negotiable rate |
| Costs of sales 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 |
| Other income | Negotiable rate |
| Distribution costs and administrative expenses | Negotiable rate |

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

| <i>Year ended 31 December</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------|--|---------------|
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | | | | |
| Rendering of services | 12,804 | 10,723 | 12,804 | 10,723 |
| Costs of rendering of services | 6,003 | 26,130 | 3,270 | 5,052 |
| Sale of equipment | 32 | - | 32 | - |
| Purchase of equipment | 227 | 6 | 227 | 6 |
| Other income | 7 | 57 | 7 | 57 |
| Distribution costs and administrative expenses | 17,385 | 12,454 | 9,367 | 12,289 |
| Subsidiaries | | | | |
| Sales of goods and rendering of services | - | - | 3,310 | 165 |
| Costs of rendering of services | - | - | 1,863 | 158 |
| Other income | - | - | 23,424 | 28,375 |
| Other related parties | | | | |
| Rendering of services | 107 | 3,291 | 107 | 2,377 |
| Costs of sales of goods and rendering of services | 7,045 | 16,143 | 6,894 | 15,771 |
| Sale of equipment | 8 | - | 8 | - |
| Other income | 1,200 | 1,203 | 1,200 | 1,203 |
| Distribution costs and administrative expenses | 2,298 | 7,357 | 309 | 2,138 |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Wages and salaries | 10,947 | 19,699 | 10,947 | 19,699 |
| Defined contribution plan | 799 | 1,429 | 799 | 1,429 |
| Total key management personnel compensation | <u>11,746</u> | <u>21,128</u> | <u>11,746</u> | <u>21,128</u> |

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

| <i>Trade accounts receivable - related parties</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | 28,411 | 15,003 | 28,411 | 15,003 |
| Subsidiary | - | - | 105,204 | 137,050 |
| Other related parties | 2,915 | 3,296 | 1,937 | 2,318 |
| | <u>31,326</u> | <u>18,299</u> | <u>135,552</u> | <u>154,371</u> |
| Less allowance for doubtful accounts | (31,100) | - | (30,122) | - |
| Net | <u>226</u> | <u>18,299</u> | <u>105,430</u> | <u>154,371</u> |
| Bad and doubtful debts expense for the year | <u>31,100</u> | <u>-</u> | <u>30,122</u> | <u>-</u> |

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| <i>Accrued income - related parties</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | - | - | 23,088 | 26,407 |
| | <u>-</u> | <u>-</u> | <u>23,088</u> | <u>26,407</u> |
| <i>Other current receivables - related parties</i> | | | | |
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | 11,676 | 11,018 | 11,676 | 8,179 |
| Subsidiary | - | - | 177,281 | 52,092 |
| Other related parties | 24,064 | 21,845 | 23,526 | 21,845 |
| | <u>35,740</u> | <u>32,863</u> | <u>212,483</u> | <u>82,116</u> |
| Less allowance for doubtful accounts | (33,589) | (447) | (175,726) | (447) |
| Net | <u>2,151</u> | <u>32,416</u> | <u>36,757</u> | <u>81,669</u> |
| Bad and doubtful debts expense for the year | <u>33,142</u> | <u>-</u> | <u>175,279</u> | <u>-</u> |
| <i>Trade accounts payable - related parties</i> | | | | |
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | 41 | 641 | 41 | 539 |
| Subsidiary | - | - | 129,704 | 230,881 |
| Other related parties | 2,740 | 3,723 | 622 | 3,215 |
| Total | <u>2,781</u> | <u>4,364</u> | <u>130,367</u> | <u>234,635</u> |
| <i>Other current payables - related parties</i> | | | | |
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | 4,539 | 7,055 | 1,985 | 1,772 |
| Subsidiaries | - | - | 10,105 | 14,654 |
| Other related parties | 207 | 759 | 126 | 757 |
| Total | <u>4,746</u> | <u>7,814</u> | <u>12,216</u> | <u>17,183</u> |
| <i>Accrued expenses - related parties</i> | | | | |
| | Consolidated financial statements | | Separate financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Parent | 182 | 284 | 103 | 253 |
| Subsidiary | - | - | 1,818 | - |
| Other related parties | 92 | 278 | 92 | 278 |
| Total | <u>274</u> | <u>562</u> | <u>2,013</u> | <u>531</u> |

Significant agreements with related parties

The Company and a subsidiary entered into agreements with a parent company to be granted services in relation to management, operations and other services. The Company and the subsidiary committed to pay service fees as specified in the agreements.

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The Company entered into an agreement with a subsidiary to provide services in relation to management, operations, marketing and other services. The Company will receive service fee as specified in the agreements.

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

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

5 Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|----------------|--|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Cash on hand | 505 | 580 | 280 | 299 |
| Cash at banks - current accounts | 1,489 | 2,316 | 1,460 | 1,582 |
| Cash at banks - savings accounts | 17,821 | 18,115 | 13,741 | 7,967 |
| Highly liquid short-term investments | 40,427 | 115,001 | 40,427 | 115,001 |
| Total | 60,242 | 136,012 | 55,908 | 124,849 |

6 Other investments

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Current investments</i> | | | | |
| Promissory notes | - | 55,148 | - | 55,148 |
| Debt security held for trading | - | 71,048 | - | 71,048 |
| Debt security held for trading (Private fund) | 18,990 | - | 18,990 | - |
| | 18,990 | 126,196 | 18,990 | 126,196 |
| <i>Other long-term investment</i> | | | | |
| Equity security available for sale | 7,401 | 18,092 | 7,401 | 18,092 |
| Total | 26,391 | 144,288 | 26,391 | 144,288 |

As at 31 December 2016, the Company entered into promissory notes with local financial institutions amounting to Baht 55 million. The promissory notes were repayable over 6 - 9 months and bear interest at the rate of 1.65% - 4.75% per annum. The Company fully received the promissory notes during 2017.

During the year 2017, the Company established a private fund by engaging an independent assets management company for the purpose of cash management of the Company. This private fund invested in equity and debt securities in response to capital market conditions. As at 31 December 2017, the value of private fund outstanding totalled Baht 19.42 million (including cash and cash equivalents of Baht 0.43 million).

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Other long-term investment comprised investment in the warrants of 82,237,800 units with an acquisition cost of Baht 91.01 million. The Company recognised loss on impairment of such investment amounting to Baht 83.61 million in the separate financial statements for the year ended 31 December 2017.

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 investments</i> | | | | |
| Trading security | | | | |
| At 1 January | 71,048 | 14,046 | 71,048 | 13,543 |
| Purchases during the year | 147,700 | 701,200 | 145,200 | 683,300 |
| Sales during the year | (151,232) | (644,222) | (148,732) | (625,819) |
| Transfer during the year | (67,606) | - | (67,606) | - |
| Valuation adjustment | 90 | 24 | 90 | 24 |
| At 31 December | - | 71,048 | - | 71,048 |
| Trading security (Private fund) | | | | |
| At 1 January | - | - | - | - |
| Transfer during the year | 18,990 | - | 18,990 | - |
| At 31 December | 18,990 | - | 18,990 | - |
| Available-for-sale security | | | | |
| At 1 January | - | - | - | - |
| Purchases during the year | 295,500 | - | 291,000 | - |
| Sales during the year | (363,106) | - | (358,606) | - |
| Transfer during the year | 67,606 | - | 67,606 | - |
| At 31 December | - | - | - | - |
| Available-for-sale security (Private fund) | | | | |
| At 1 January | - | - | - | - |
| Purchases during the year | 106,977 | - | 106,977 | - |
| Sales during the year | (88,047) | - | (88,047) | - |
| Transfer during the year | (18,990) | - | (18,990) | - |
| Valuation adjustment | 60 | - | 60 | - |
| At 31 December | - | - | - | - |
| <i>Other long-term investment</i> | | | | |
| Available-for-sale security | | | | |
| At 1 January | 18,092 | 32,073 | 18,092 | 32,073 |
| Valuation adjustment | (10,691) | (13,981) | (10,691) | (13,981) |
| At 31 December | 7,401 | 18,092 | 7,401 | 18,092 |

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
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7 Trade accounts receivable

| | | Consolidated financial statements | | Separate financial statements | |
|--|-------------|--|---------------------------|--|----------------|
| | <i>Note</i> | 2017 | 2016 | 2017 | 2016 |
| | | | <i>(in thousand Baht)</i> | | |
| Related parties | 4 | 31,326 | 18,299 | 135,552 | 154,371 |
| Other parties | | 95,176 | 129,063 | 89,006 | 126,875 |
| Total | | 126,502 | 147,362 | 224,558 | 281,246 |
| Less allowance for doubtful accounts | | (34,664) | (2,912) | (33,641) | (2,575) |
| Net | | 91,838 | 144,450 | 190,917 | 278,671 |
| | | | | | |
| (Reversal of) bad and doubtful debts expense for the year | | 32,249 | (623) | 31,250 | (614) |

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 | | 8,695 | 1,575 | 10,200 | 3,271 |
| Overdue: | | | | | |
| Less than 3 months | | 1,758 | 1,064 | 2,960 | 6,145 |
| 3-6 months | | 2,459 | 4,496 | 2,459 | 3,931 |
| 6-12 months | | 2,178 | 5,987 | 23,377 | 33,984 |
| Over 12 months | | 16,236 | 5,177 | 96,556 | 107,040 |
| | | 31,326 | 18,299 | 135,552 | 154,371 |
| Less allowance for doubtful accounts | | (31,100) | - | (30,122) | - |
| | | 226 | 18,299 | 105,430 | 154,371 |
| | | | | | |
| Other parties | | | | | |
| Within credit terms | | 51,367 | 68,057 | 48,442 | 66,350 |
| Overdue: | | | | | |
| Less than 3 months | | 37,879 | 55,092 | 36,541 | 54,992 |
| 3-6 months | | 2,112 | 2,361 | 249 | 2,361 |
| 6-12 months | | 255 | 639 | 255 | 595 |
| Over 12 months | | 3,563 | 2,914 | 3,519 | 2,577 |
| | | 95,176 | 129,063 | 89,006 | 126,875 |
| Less allowance for doubtful accounts | | (3,564) | (2,912) | (3,519) | (2,575) |
| | | 92,612 | 126,151 | 85,487 | 124,300 |
| | | | | | |
| Net | | 91,838 | 144,450 | 190,917 | 278,671 |

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

In 2017, the Group and the Company recorded allowance for doubtful accounts for trade receivable with related parties amounting to Baht 31.10 million and Baht 30.12 million, respectively by assessed the current status and the recoverability of outstanding receivables with related parties.

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8 Other current receivables

| | | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|-------------|--|---------------|--|---------------|
| | <i>Note</i> | 2017 | 2016 | 2017 | 2016 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 4 | 35,740 | 32,863 | 212,483 | 82,116 |
| Other parties | | | | | |
| Prepaid expenses | | 14,995 | 24,731 | 493 | 2,877 |
| Advance to employees | | 511 | 659 | 500 | 449 |
| Other receivables | | 3 | 150 | - | 77 |
| | | 15,509 | 25,540 | 993 | 3,403 |
| Total | | 51,249 | 58,403 | 213,476 | 85,519 |
| Less allowance for doubtful accounts | | (33,589) | (447) | (175,726) | (447) |
| Net | | 17,660 | 57,956 | 37,750 | 85,072 |

In 2017, the Group and the Company recorded allowance for doubtful accounts for other current receivables with related parties amounting to Baht 33.14 million and Baht 175.29 million, respectively by assessed the current status and the recoverability of outstanding receivables with related parties.

9 Inventories

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------|--|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Finished goods | 4,952 | 8,704 | 4,952 | 8,704 |
| Work in progress | 3,828 | 7,507 | 3,567 | 7,507 |
| Total | 8,780 | 16,211 | 8,519 | 16,211 |
| Inventories recognised as an expense in ‘costs of sales of goods and rendering of services’: | | | | |
| - Costs of sales of goods | 518,685 | 603,733 | 192,572 | 223,510 |
| - Reversal of write-down | (108) | (149) | (108) | (149) |
| Net total | 513,577 | 603,584 | 192,464 | 223,361 |

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Notes to the financial statements
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10 Investments in subsidiaries

| | Separate financial statements | |
|--------------------------|--|----------------|
| | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | |
| At 1 January | 810,250 | 510,250 |
| Addition | - | 300,000 |
| Allowance for impairment | (800,000) | - |
| Disposals | (10,250) | - |
| At 31 December | - | 810,250 |

Addition

At the extraordinary meeting of the shareholders of a subsidiary ("NBC Next Vision Co., Ltd.") held on 8 September 2016, the shareholders of the 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. The Company invested in ordinary shares of the subsidiary amounting to Baht 300 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 21 September 2016.

Return of investments

At the extraordinary meeting of the shareholders of a subsidiary ("NBC Nextmedia Co., Ltd.") held on 27 September 2016, the shareholders of the subsidiary approved the extraordinary resolution of the liquidation. The subsidiary registered the liquidation with the Ministry of Commerce on 28 September 2016 and completed to liquidate on 23 June 2017. The Company received payment made out of the accumulated profits in the proportionate interest of shareholding of the subsidiary amounting to Baht 10.44 million and recognised gain on return of such investment of Baht 0.44 million in the separate statements of comprehensive income for the year ended 31 December 2017.

At the extraordinary meeting of the shareholders of a subsidiary ("NBC Next Screen Co., Ltd.") held on 26 December 2016, the shareholders of the subsidiary approved the extraordinary resolution of the liquidation. The subsidiary registered the liquidation with the Ministry of Commerce on 27 December 2016 and completed to liquidate on 12 December 2017. The Company received payment made out of the accumulated profits in the proportionate interest of shareholding of the subsidiary amounting to Baht 3.91 million and recognised gain on return of such investment of Baht 3.66 million in the separate statements of comprehensive income for the year ended 31 December 2017.

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Impairment testing

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

Key assumptions used in the estimation of recoverable amount are presented in note 14.

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 along with sensitivity of key assumptions effect to the recoverable amount.

For the year ended 31 December 2017, the Company recognised an impairment loss on investment in NBC Next Vision Co., Ltd., a subsidiary, amounting to Baht 800 million in the separate financial statements as the carrying amount of such investment was determined to be higher than its recoverable amount. The recoverable amount of investment in subsidiary was based on the equity value of the subsidiary determined by discounted future cash flows and discount rate which is calculated by weighted average cost of capital (see note 14 for further details of the impairment loss).

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
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Investments in subsidiaries as at 31 December 2017 and 2016, and dividend income from those investments for the years then ended, were as follows:

| Name of subsidiaries | Type of business | Ownership interest | | Paid-up capital | | Separate financial statements | | | | At cost - net | | Dividend income | |
|--|--|--------------------|-------|-----------------|---------|-------------------------------|--------------------|---------|------|---------------|---------|-----------------|------|
| | | 2017 | 2016 | 2017 | 2016 | Cost | Impairment | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | | (%) | | | | | (in thousand Baht) | | | | | | |
| NBC Nextmedia Co., Ltd. (liquidated and completed liquidation on 23 June 2017) | New media advertising | - | 99.99 | - | 10,000 | - | 10,000 | - | - | - | 10,000 | - | - |
| NBC Next Screen Co., Ltd. (liquidated and completed liquidation on 12 December 2017) | Production of TV programme and advertisements through TV media | - | 99.99 | - | 250 | - | 250 | - | - | - | 250 | - | - |
| NBC Next Vision Co., Ltd. | Production of TV programme and advertisements through TV media | 99.99 | 99.99 | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 | - | - | 800,000 | - | - |
| Total | | | | | | 800,000 | 810,250 | 800,000 | - | - | 810,250 | - | - |

All subsidiaries were incorporated in Thailand. None of the Company's subsidiaries is publicly listed and consequently does not have published price quotations.

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11 Investment property

| | Consolidated financial statements / Separate financial statements Condominium and improvements (in thousand Baht) |
|--|--|
| <i>Cost</i> | |
| At 1 January 2016 | - |
| At 31 December 2016 and 1 January 2017 | 11,138 |
| At 31 December 2017 | 11,138 |
| <i>Depreciation and impairment loss</i> | |
| At 1 January 2016 | - |
| Depreciation charge for the year | 187 |
| At 31 December 2016 and 1 January 2017 | 187 |
| Depreciation charge for the year | 557 |
| Impairment loss | 1,945 |
| At 31 December 2017 | 2,689 |
| <i>Net book value</i> | |
| At 1 January 2016 | - |
| At 31 December 2016 and 1 January 2017 | 10,951 |
| At 31 December 2017 | 8,449 |

The fair value of investment properties as at 31 December 2017 of Baht 8.45 million was determined by independent professional valuers, at open market value on an existing use basis. The fair value measurement for investment properties has been categorised as a Level 3 fair value.

During the year 2016, the Company received barter condominium and improvements from rendering of services totalling Baht 11.14 million. The Company believes that the fair value of investment property is not different from the acquisition date, therefore, the Company did not determine the fair value by external independent property valuer as at 31 December 2016.

Measurement of fair value

Fair value hierarchy

The fair value of investment property 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 independent valuers provide the fair value of the Company'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.

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Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, 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 increase (decrease). |

Nation Broadcasting Corporation Public Company Limited and its Subsidiaries

Notes to the financial statements

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12 Plant and equipment

| | Consolidated financial statements / Separate financial statements | | | | | |
|---|---|------------------------|---------------------|--|---------------|---------------------------|
| | Building | Leasehold improvements | Operating equipment | Furniture, fixtures and office equipment (in thousand Baht) | Vehicles | Assets under installation |
| Cost | | | | | | Total |
| At 1 January 2016 | - | 39,210 | 280,003 | 6,327 | 9,808 | 335,478 |
| Additions | 10,823 | 306 | 3,886 | 20 | 7,964 | 26,476 |
| Transfers | - | 167 | 480 | - | - | - |
| Disposals / written-off | - | - | (499) | (27) | - | (526) |
| At 31 December 2016 and 1 January 2017 | 10,823 | 39,683 | 283,870 | 6,320 | 17,772 | 361,428 |
| Additions | - | 4,467 | 6,201 | 432 | - | 11,100 |
| Transfer | - | - | 2,960 | - | - | - |
| Disposals / written-off | - | (18,799) | (11,148) | (232) | (1,866) | (32,045) |
| At 31 December 2017 | 10,823 | 25,351 | 281,883 | 6,520 | 15,906 | 340,483 |
| Depreciation | | | | | | |
| At 1 January 2016 | - | 16,930 | 146,103 | 3,705 | 3,392 | 170,130 |
| Depreciation charge for the year | 408 | 6,243 | 36,407 | 722 | 2,675 | 46,455 |
| Disposals / written-off | - | - | (332) | (27) | - | (359) |
| At 31 December 2016 and 1 January 2017 | 408 | 23,173 | 182,178 | 4,400 | 6,067 | 216,226 |
| Depreciation charge for the year | 541 | 7,202 | 34,980 | 964 | 3,325 | 47,012 |
| Disposals / written-off | - | (8,825) | (10,489) | (230) | (1,685) | (21,229) |
| At 31 December 2017 | 949 | 21,550 | 206,669 | 5,134 | 7,707 | 242,009 |
| Net book value | | | | | | |
| At 1 January 2016 | - | 22,280 | 133,900 | 2,622 | 6,416 | 165,348 |
| At 31 December 2016 and 1 January 2017 | 10,415 | 16,510 | 101,692 | 1,920 | 11,705 | 145,202 |
| At 31 December 2017 | 9,874 | 3,801 | 75,214 | 1,386 | 8,199 | 98,474 |

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The gross amount of the Group's and Company's fully depreciated building and equipment that were still in use as at 31 December 2017 amounted to Baht 136.71 million and Baht 136.71 million, respectively. (2016: Baht 125.06 million and Baht 125.06 million, respectively).

13 Intangible assets

| Consolidated financial statement | | | | | |
|---|------|---|------------|------------------------|---------------|
| | Note | Computer programmes and software licences | Trademark | Right for broadcasting | Total |
| (in thousand Baht) | | | | | |
| Cost | | | | | |
| At 1 January 2016 | | 8,124 | 700 | 10,500 | 19,324 |
| Additions | | 376 | - | 21,990 | 22,366 |
| At 31 December 2016 and 1 January 2017 | | 8,500 | 700 | 32,490 | 41,690 |
| Additions | | 45 | - | 2,448 | 2,493 |
| Written-off | | - | - | (10,500) | (10,500) |
| At 31 December 2017 | | 8,545 | 700 | 24,438 | 33,683 |
| Amortisation and impairment loss | | | | | |
| At 1 January 2016 | | 5,592 | 49 | 3,063 | 8,704 |
| Amortisation for the year | | 1,136 | 49 | 10,503 | 11,688 |
| At 31 December 2016 and 1 January 2017 | | 6,728 | 98 | 13,566 | 20,392 |
| Amortisation for the year | | 829 | 49 | 12,277 | 13,155 |
| Written-off | | - | - | (10,500) | (10,500) |
| Impairment loss | 14 | - | - | 6,660 | 6,660 |
| At 31 December 2017 | | 7,557 | 147 | 22,003 | 29,707 |
| Net book value | | | | | |
| At 1 January 2016 | | 2,532 | 651 | 7,437 | 10,620 |
| At 31 December 2016 and 1 January 2017 | | 1,772 | 602 | 18,924 | 21,298 |
| At 31 December 2017 | | 988 | 553 | 2,435 | 3,976 |

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| | Separate financial statement Computer programmes and software licences (in thousand Baht) |
|---|---|
| <i>Cost</i> | |
| At 1 January 2016 | 7,924 |
| Additions | 176 |
| At 31 December 2016 and 1 January 2017 | 8,100 |
| Additions | 45 |
| At 31 December 2017 | 8,145 |
| <i>Amortisation</i> | |
| At 1 January 2016 | 5,541 |
| Amortisation for the year | 935 |
| At 31 December 2016 and 1 January 2017 | 6,476 |
| Amortisation for the year | 682 |
| At 31 December 2017 | 7,158 |
| <i>Net book value</i> | |
| At 1 January 2016 | 2,383 |
| At 31 December 2016 and 1 January 2017 | 1,624 |
| At 31 December 2017 | 987 |

Impairment testing

Management of the subsidiary performed impairment test of carrying amount of the right for broadcasting related to the licence. The recoverable amount was based on its value in use, determined by discounted future cash flows to be generated from the continuing use of the right for broadcasting until expiration date of the licence based on its business plan and discount rate which is calculated by weighted average cost of capital (see note 14 for further details of the impairment loss).

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14 Digital television licence

| | Consolidated financial statements (in thousand Baht) |
|--|---|
| <i>Cost</i> | |
| At 1 January 2016 | 1,185,211 |
| At 31 December 2016 and 1 January 2017 | 1,185,211 |
| At 31 December 2017 | 1,185,211 |
| <i>Amortisation and impairment losses</i> | |
| At 1 January 2016 | 133,007 |
| Amortisation for the year | 79,014 |
| At 31 December 2016 and 1 January 2017 | 212,021 |
| Amortisation for the year | 66,959 |
| Impairment losses | 560,740 |
| At 31 December 2017 | 839,720 |
| <i>Net book value</i> | |
| At 1 January 2016 | 1,052,204 |
| At 31 December 2016 and 1 January 2017 | 973,190 |
| At 31 December 2017 | 345,491 |

A subsidiary (“NBC Next Vision Co., Ltd.”), was the winner of the auction for commercial digital terrestrial television licence (“licence”) at national level for a news channel category at a bid price of Baht 1,338 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 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 Nation Broadcasting and Telecommunications Commission (“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 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 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 received the commercial digital terrestrial television licence at national level for a period of 15 years, commencing from 25 April 2014 to 24 April 2029.

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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 received the official letter from NBTC which approves the 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 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) | 221.8 |
| 2 nd instalment (within 30 days from the maturity 1 year from receiving the licence) | 177.8 |
| 3 rd instalment (within 30 days from the maturity 2 years from receiving the licence) | 245.6 |
| 4 th instalment (within 30 days from the maturity 3 years from receiving the licence) | 122.8 |
| 5 th instalment (within 30 days from the maturity 4 years from receiving the licence) | 122.8 |
| 6 th instalment (within 30 days from the maturity 5 years from receiving the licence) | 111.8 |
| 7 th instalment (within 30 days from the maturity 6 years from receiving the licence) | 111.8 |
| 8 th instalment (within 30 days from the maturity 7 years from receiving the licence) | 111.8 |
| 9 th instalment (within 30 days from the maturity 8 years from receiving the licence) | 111.8 |
| Total | <u>1,338.0</u> |

Impairment testing

Management of the subsidiary performed impairment test of carrying amount of assets related to the licence. 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 the licence 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 were as follows:

| Key assumptions | Consolidated financial statements |
|------------------------|--|
| | 2017 2016 |
| | (%) |
| Discount rate | 12.64 9.51 |
| Terminal growth rate | 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'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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Based on the impairment test, the carrying amount was determined to be higher than its recoverable amount. Therefore, the Group recognised impairment loss in the consolidated financial statements for the periods ended 31 December as follows:

| | | Consolidated financial statements | |
|----------------------------|-------------|--|----------|
| | <i>Note</i> | 2017 | 2016 |
| | | <i>(in thousand Baht)</i> | |
| Impairment losses | | | |
| Digital television licence | | 560,740 | - |
| Intangible assets | 13 | 6,660 | - |
| Total | | 567,400 | - |

15 Deferred tax

Deferred tax assets as at 31 December were as follows:

| | Consolidated financial statements | | | |
|--------------------------------|--|---------------|--------------------|----------|
| | Assets | | Liabilities | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Total | 22,783 | 50,474 | - | - |
| Set off of tax | - | - | - | - |
| Net deferred tax assets | 22,783 | 50,474 | - | - |

| | Separate financial statements | | | |
|--------------------------------|--------------------------------------|---------------|--------------------|----------|
| | Assets | | Liabilities | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Total | 4,961 | 29,898 | - | - |
| Set off of tax | - | - | - | - |
| Net deferred tax assets | 4,961 | 29,898 | - | - |

Movements in total deferred tax assets during the year were as follows:

| | Consolidated financial statements | | | |
|----------------------------|--|---------------------------|---|------------------------------------|
| | (Charged) / Credited to: | | | |
| | At 1 January 2017 | Profit or loss | Other comprehensive income | At 31 December 2017 |
| | <i>(in thousand Baht)</i> | | | |
| Deferred tax assets | | | | |
| Trade accounts receivable | 583 | 130 | - | 713 |
| Marketable security | 14,584 | - | (14,584) | - |
| Inventories | 49 | (22) | - | 27 |
| Provisions | 8,444 | (1,731) | - | 6,713 |
| Digital television licence | 16,824 | (1,494) | - | 15,330 |
| Loss carry forward | 9,990 | (9,990) | - | - |
| Total | 50,474 | (13,107) | (14,584) | 22,783 |

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Consolidated financial statements

(Charged) / Credited to:

| | At 1 January 2016 | Profit or loss | Other comprehensive income | At 31 December 2016 |
|----------------------------|-------------------------|-------------------|----------------------------------|---------------------------|
| | | | | |
| <i>Deferred tax assets</i> | | | | |
| Trade accounts receivable | 925 | (342) | - | 583 |
| Marketable security | 11,788 | - | 2,796 | 14,584 |
| Inventories | 79 | (30) | - | 49 |
| Provisions | 5,847 | 612 | 1,985 | 8,444 |
| Digital television licence | 11,916 | 4,908 | - | 16,824 |
| Loss carry forward | 24,837 | (14,847) | - | 9,990 |
| Total | 55,392 | (9,699) | 4,781 | 50,474 |

Separate financial statements

(Charged) / Credited to:

| | At 1 January 2017 | Profit or loss | Other comprehensive income | At 31 December 2017 |
|----------------------------|-------------------------|-------------------|----------------------------------|---------------------------|
| | | | | |
| <i>Deferred tax assets</i> | | | | |
| Trade accounts receivable | 515 | 189 | - | 704 |
| Marketable security | 14,584 | - | (14,584) | - |
| Inventories | 49 | (22) | - | 27 |
| Provisions | 4,760 | (530) | - | 4,230 |
| Loss carry forward | 9,990 | (9,990) | - | - |
| Total | 29,898 | (10,353) | (14,584) | 4,961 |

Separate financial statements

(Charged) / Credited to:

| | At 1 January 2016 | Profit or loss | Other comprehensive income | At 31 December 2016 |
|----------------------------|-------------------------|-------------------|----------------------------------|---------------------------|
| | | | | |
| <i>Deferred tax assets</i> | | | | |
| Trade accounts receivable | 855 | (340) | - | 515 |
| Marketable security | 11,788 | - | 2,796 | 14,584 |
| Inventories | 79 | (30) | - | 49 |
| Provisions | 3,999 | (45) | 806 | 4,760 |
| Loss carry forward | - | 9,990 | - | 9,990 |
| Total | 16,721 | 9,575 | 3,602 | 29,898 |

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Deferred tax assets have not been recognised in respect of the following items:

| | Consolidated | | Separate | |
|----------------------------|-----------------------------|---------------|-----------------------------|----------|
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Trade accounts receivable | 6,220 | - | 6,025 | - |
| Other current receivables | 6,628 | - | 35,056 | - |
| Long-term investment | 16,722 | - | 16,722 | - |
| Investment in subsidiary | - | - | 160,000 | - |
| Investment property | 389 | - | 389 | - |
| Intangible assets | 1,332 | - | - | - |
| Digital television licence | 112,148 | - | - | - |
| Loss carry forward | 113,003 | 64,152 | 13,470 | - |
| Total | 256,442 | 64,152 | 231,662 | - |

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 can utilise the benefits therefrom.

16 Other non-current assets

| | Consolidated | | Separate | |
|------------------------------------|-----------------------------|---------------|-----------------------------|--------------|
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Deposits | 2,497 | 7,146 | 434 | 3,457 |
| Withholding tax deducted at source | 29,307 | 12,889 | 15,126 | - |
| Others | 3,947 | 2,502 | 2,793 | 2,501 |
| Total | 35,751 | 22,537 | 18,353 | 5,958 |

17 Trade accounts payable

| | | Consolidated | | Separate | |
|-----------------|-------------|-----------------------------|---------------|-----------------------------|----------------|
| | | financial statements | | financial statements | |
| | <i>Note</i> | 2017 | 2016 | 2017 | 2016 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 4 | 2,781 | 4,364 | 130,367 | 234,635 |
| Other parties | | 2,016 | 20,029 | 1,241 | 14,315 |
| Total | | 4,797 | 24,393 | 131,608 | 248,950 |

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18 Other current payables

| | | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|-------------|--|---------------|--|---------------|
| | <i>Note</i> | 2017 | 2016 | 2017 | 2016 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 4 | 4,746 | 7,814 | 12,216 | 17,183 |
| <i>Others</i> | | | | | |
| Payables for purchase of assets | | 342 | 1,052 | 342 | 1,052 |
| Other payables | | 4,205 | 7,228 | 2,923 | 4,411 |
| | | 4,547 | 8,280 | 3,265 | 5,463 |
| Total | | 9,293 | 16,094 | 15,481 | 22,646 |

19 Accrued expenses

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------------|--|---------------|--|---------------|
| | <i>Note</i> | 2017 | 2016 | 2017 | 2016 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 4 | 274 | 562 | 2,013 | 531 |
| <i>Others</i> | | | | | |
| Accrued rebate | | 14,946 | 11,457 | 14,946 | 11,457 |
| Accrued revenues sharing | | 10,048 | 16,869 | 10,048 | 16,869 |
| Accrued annual broadcasting or television licence fees | | 6,563 | 3,162 | - | - |
| Others | | 20,655 | 25,906 | 8,728 | 19,920 |
| | | 52,212 | 57,394 | 33,722 | 48,246 |
| Total | | 52,486 | 57,956 | 35,735 | 48,777 |

20 Digital television licence payable

Digital television licence payable to NBTC as at 31 December were as follows:

| | | Consolidated financial statements | | | | |
|---|----------------|--|----------------|--|--------------------|---------------------------------|
| | | 2017 | | 2016 | | |
| | | Future payments | Interest | Present value of payments <i>(in thousand Baht)</i> | Future payments | Interest |
| | | | | | | Present value of payments |
| Within one year | 122,800 | 9,829 | 112,971 | 245,600 | 24,163 | 221,437 |
| After one year but within five years | 447,200 | 16,737 | 430,463 | 447,200 | 17,174 | 430,026 |
| Total | 570,000 | 26,566 | 543,434 | 692,800 | 41,337 | 651,463 |

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Change of digital television licence payable as at 31 December were as follows:

| | <i>Note</i> | Consolidated financial statements | |
|---------------------------------------|-------------|--|----------------|
| | | 2017 | 2016 |
| | | <i>(in thousand Baht)</i> | |
| Present value at 1 January | | 651,463 | 862,336 |
| Payment of digital television licence | | (122,800) | (245,600) |
| Interest expense | 30 | 14,771 | 34,727 |
| Present value at 31 December | | 543,434 | 651,463 |

21 Non-current provisions for employee benefit

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--------------------------------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Statement of financial position | | | | |
| Non-current provisions for: | | | | |
| Defined benefit plan | <u>29,952</u> | <u>39,272</u> | <u>17,536</u> | <u>20,849</u> |
| Year ended 31 December | | | | |
| Statement of comprehensive income: | | | | |
| Recognised in profit or loss: | | | | |
| Defined benefit plan | <u>(10,632)</u> | <u>(858)</u> | <u>(4,350)</u> | <u>(1,305)</u> |
| Recognised in comprehensive income: | | | | |
| Actuarial losses recognised in the year | - | 9,925 | - | 4,029 |
| Cumulative actuarial losses recognised | <u>28,922</u> | <u>28,922</u> | <u>23,027</u> | <u>23,027</u> |

Defined 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 expose the Group to actuarial risks, such as longevity risk and interest rate risk.

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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 | 39,272 | 27,366 | 20,849 | 18,125 |
| Include in profit or loss: | | | | |
| Current service cost | 2,514 | 3,002 | 1,178 | 1,515 |
| Interest on obligation | 886 | 1,081 | 491 | 643 |
| Curtailment gain | (14,032) | (4,941) | (6,199) | (3,463) |
| | (10,632) | (858) | (4,530) | (1,305) |
| Include in other comprehensive income: | | | | |
| Actuarial loss | - | 9,925 | - | 4,029 |
| | - | 9,925 | - | 4,029 |
| Others | | | | |
| Transfers in | 1,312 | 2,839 | 1,217 | - |
| | 1,312 | 2,839 | 1,217 | - |
| At 31 December | 29,952 | 39,272 | 17,536 | 20,849 |

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 | - | (2,390) | - | (1,499) |
| Financial assumptions | - | 4,332 | - | 2,067 |
| Experience adjustment | - | 7,983 | - | 3,461 |
| Total | - | 9,925 | - | 4,029 |

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 | 2.9 | 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) | (2,599) | 3,022 | (1,230) | 1,411 |
| Future salary growth (1% movement) | 3,585 | (3,113) | 1,744 | (1,539) |
| Mortality improvement (1% movement) | 161 | (180) | 73 | (81) |
| At 31 December 2016 | | | | |
| Discount rate (1% movement) | (3,803) | 4,405 | (1,595) | 1,823 |
| Future salary growth (1% movement) | 5,221 | (4,548) | 2,260 | (2,000) |
| Mortality improvement (1% movement) | 238 | (265) | 90 | (100) |

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.

22 Share capital

| | Par value per share <i>(in Baht)</i> | 2017 | | 2016 | |
|----------------------------------|--|---|----------------|----------------|----------------|
| | | Number | Baht | Number | Baht |
| | | <i>(thousand shares / in thousand Baht)</i> | | | |
| <i>Authorised</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 1 | 720,344 | 720,344 | 720,344 | 720,344 |
| At 31 December | | | | | |
| - ordinary shares | 1 | <u>720,344</u> | <u>720,344</u> | <u>720,344</u> | <u>720,344</u> |
| <i>Issued and paid-up</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 1 | 535,437 | 535,437 | 535,437 | 535,437 |
| At 31 December | | | | | |
| - ordinary shares | 1 | <u>535,437</u> | <u>535,437</u> | <u>535,437</u> | <u>535,437</u> |

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.

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23 Warrants

NBC-WB

At the annual general meeting of the shareholders of the Company held on 24 April 2013, the shareholders 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 |

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 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.

The Company had made a reversal of expenses for share-based payment transactions for the year ended 31 December 2017 of Baht 0.55 million and Baht 0.55 million in the consolidated and separate financial statements, respectively (*2016: expense for share-based payment transactions amounting to Baht 1.05 million and Baht 1.05 million, respectively*).

Movement during the year ended 31 December of the warrants were as follows:

| | Consolidated financial statements/ Separate financial statements | | | |
|------------------------------------|---|---|-----------------------|--------------------------|
| | 2017 | | 2016 | |
| | Number of warrants | Grant date fair value (in thousand units / thousand Baht) | Number of warrants | Grant date fair value |
| At 1 January | 2,273 | 2,796 | 1,419 | 1,746 |
| Issued warrants during the year | 1,557 | 1,608 | 1,665 | 1,723 |
| Forfeited warrants during the year | (2,000) | (2,153) | (811) | (673) |
| At 31 December | 1,830 | 2,251 | 2,273 | 2,796 |

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NBC-WI

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 |
|---|---------------------------------------|-----------------------|--|----------------------------------|--------------------------------|
| 177 | - | - | 177 | 3 | 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 |
|---|---------------------------------------|-----------------------|--|----------------------------------|--------------------------------|
| 177 | - | - | 177 | 3 | 5 years from the grant date |

At the annual general meeting of the shareholders of the Company held on 24 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 2 existing ordinary share, without the offering price and approved an increase in the registered share capital from Baht 178.50 million (divided into 178,500,000 ordinary shares at Baht 1 per share) to Baht 720.34 million (divided into 720,343,962 ordinary shares at Baht 1 per share) by issuing of not exceeding 541,843,962 ordinary shares at Baht 1 per share to reserve for the increase in share capital and exercise of warrants as referred above.

24 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 component of equity

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

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25 Segment information

The Group has three 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 TV advertising media
- Segment 2 Radio advertising media
- Segment 3 New media advertising

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

| | TV advertising media | | Radio advertising media | | New media advertising | | Total | |
|--|----------------------|----------------|-------------------------|---------------|-----------------------|---------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | | | | | | | | |
| External revenue | 398,266 | 411,654 | 13,741 | 22,907 | 109,321 | 84,230 | 521,328 | 518,791 |
| Other income | 17,432 | 17,571 | 204 | - | 128 | 162 | 17,764 | 17,733 |
| Total segment revenue | 415,698 | 429,225 | 13,945 | 22,907 | 109,449 | 84,392 | 539,092 | 536,524 |
| Segment profit (loss) before income tax | (911,409) | (275,229) | (12,775) | (2,966) | 21,052 | 12,886 | (903,132) | (265,309) |
| Interest income | 2,460 | 13,272 | - | - | - | 143 | 2,460 | 13,415 |
| Depreciation | (47,081) | (45,848) | (56) | (157) | (432) | (637) | (47,569) | (46,642) |
| Amortisation | (12,474) | (10,753) | - | - | (681) | (935) | (13,155) | (11,688) |
| Amortisation of digital television licence | (66,959) | (79,014) | - | - | - | - | (66,959) | (79,014) |
| Capital expenditures | 13,205 | 48,622 | - | 44 | 388 | 176 | 13,593 | 48,842 |
| Segment assets as at 31 December | 688,998 | 1,737,167 | 3,663 | 11,191 | 28,695 | 56,658 | 721,356 | 1,805,016 |
| Segment liabilities as at 31 December | 641,464 | 791,508 | 701 | 4,613 | 16,326 | 36,991 | 658,491 | 833,112 |

External revenue
Other income

Total segment revenue

Segment profit (loss) before income tax

Interest income
Depreciation
Amortisation
Amortisation of digital television licence

Capital expenditures
Segment assets as at
31 December
Segment liabilities as at
31 December

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Reconciliations of reportable segment assets and liabilities

| | 2017 | 2016 |
|---|---------------------------|------------------|
| | <i>(in thousand Baht)</i> | |
| Assets | | |
| Total assets for reportable segments | 721,356 | 1,805,016 |
| Other unallocated amounts | 77,167 | 38,865 |
| Consolidated total assets | 798,523 | 1,843,881 |
| Liabilities | | |
| Total liabilities for reportable segments | 658,491 | 833,112 |
| Other unallocated amounts | 18,350 | 30,640 |
| Consolidated total liabilities | 676,841 | 863,752 |

Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located, in foreign countries.

26 Distribution costs

| | Consolidated | | Separate | |
|--------------|-----------------------------|---------------|-----------------------------|---------------|
| | financial statements | | financial statements | |
| | 2017 | 2016 | 2017 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Personnel | 15,852 | 16,445 | 15,852 | 16,445 |
| Marketing | 28,525 | 35,748 | 26,418 | 30,346 |
| Others | 694 | 2,108 | 694 | 2,108 |
| Total | 45,071 | 54,301 | 42,964 | 48,899 |

27 Administrative expenses

| | | Consolidated | | Separate | |
|--|------|-----------------------------|----------------|-----------------------------|---------------|
| | | financial statements | | financial statements | |
| | Note | 2017 | 2016 | 2017 | 2016 |
| | | <i>(in thousand Baht)</i> | | | |
| Personnel | | 79,259 | 36,256 | 42,126 | 26,043 |
| Management compensation | 4 | 11,746 | 21,128 | 11,746 | 21,128 |
| Administrative | | 28,777 | 34,012 | 17,770 | 31,669 |
| Office expenses | | 10,608 | 11,132 | 10,608 | 11,123 |
| (Reversal of) bad and doubtful debts expenses | | 65,391 | (623) | 206,529 | (614) |
| Loss on written-off of assets | | 11,601 | 166 | 11,331 | 166 |
| Others | | 2,616 | 1,555 | 2,836 | 1,501 |
| Total | | 209,998 | 103,626 | 302,946 | 91,016 |

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28 Employee benefit expenses

| | | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|-------------|--|----------------|--|---------------|
| | <i>Note</i> | 2017 | 2016 | 2017 | 2016 |
| | | <i>(in thousand Baht)</i> | | | |
| Wages and salaries | | 136,939 | 180,154 | 47,370 | 66,872 |
| Defined contribution plan | | 7,281 | 9,582 | 2,815 | 4,053 |
| Defined benefit plan | 21 | (11,518) | (1,939) | (5,021) | (1,948) |
| Share-based payment transactions | 23 | (545) | 1,050 | (545) | 1,050 |
| Voluntary resignation plan | | 69,082 | 16,928 | 32,179 | 7,913 |
| Others | | 31,016 | 41,542 | 7,464 | 12,024 |
| Total | | 232,255 | 247,317 | 84,262 | 89,964 |

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 plan as at 31 December 2017 amounted to Baht 69.08 million and Baht 32.18 million, respectively (2016: Baht 16.93 million and Baht 7.91 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 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.

29 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 |
| | | <i>(in thousand Baht)</i> | | | |
| Cost of production and programmes | | 240,932 | 254,815 | 123,104 | 134,451 |
| Employee benefit expenses | 28 | 232,255 | 247,317 | 84,262 | 89,964 |
| Depreciation and amortisation | 11, 12, 13, 14 | 127,682 | 137,344 | 48,251 | 47,577 |
| (Reversal of) bad and doubtful debts expenses | 27 | 65,391 | (623) | 206,529 | (614) |
| Travelling expenses | | 11,433 | 14,812 | 1,051 | 1,109 |
| Sharing service expenses | | 19,923 | 24,423 | 10,452 | 15,859 |
| Marketing expenses | 26 | 28,525 | 35,748 | 26,418 | 30,346 |
| Office expenses | | 30,702 | 46,298 | 27,092 | 43,433 |
| Others | | 11,803 | 1,377 | 11,214 | 1,151 |
| Total cost of sales of goods and rendering of services, distribution costs and administrative expenses | | 768,646 | 761,511 | 538,373 | 363,276 |

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30 Finance costs

| | | Consolidated financial statements | | Separate financial statements | |
|--|-------------|--|---------------|--|------------|
| | <i>Note</i> | 2017 | 2016 | 2017 | 2016 |
| | | <i>(in thousand Baht)</i> | | | |
| Interest expense from digital television licence payable | 20 | 14,771 | 34,727 | - | - |
| Other finance costs | | 5,849 | 5,595 | 693 | 848 |
| Total | | 20,620 | 40,322 | 693 | 848 |

31 Income tax expense

Income tax recognised in profit or loss

| | | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|-------------|--|---------------|--|----------------|
| | <i>Note</i> | 2017 | 2016 | 2017 | 2016 |
| | | <i>(in thousand Baht)</i> | | | |
| Current tax expense | | | | | |
| Current year | | - | 454 | - | - |
| | | - | 454 | - | - |
| Deferred tax expense | 15 | | | | |
| Movements in temporary differences | | 13,107 | 9,699 | 10,353 | (9,575) |
| Total income tax expense | | 13,107 | 10,153 | 10,353 | (9,575) |

Income tax recognised in other comprehensive income

| Consolidated financial statements | | | | | | |
|--|---------------|---------------------------|---------------|-----------------|--------------|-----------------|
| | 2017 | | 2016 | | | |
| | Tax | | Tax | | | |
| | (expense) | | (expense) | | | |
| | benefit | | benefit | | | |
| | Before tax | Net of tax | Before tax | Net of tax | | |
| | | <i>(in thousand Baht)</i> | | | | |
| Available-for-sale financial assets | 72,921 | (14,584) | 58,337 | (13,981) | 2,796 | (11,185) |
| Defined benefit plan actuarial losses | - | - | - | (9,925) | 1,985 | (7,940) |
| Total | 72,921 | (14,584) | 58,337 | (23,906) | 4,781 | (19,125) |

| Separate financial statements | | | | | | |
|---------------------------------------|---------------|---------------------------|---------------|-----------------|--------------|-----------------|
| | 2017 | | 2016 | | | |
| | Tax | | Tax | | | |
| | (expense) | | (expense) | | | |
| | benefit | | benefit | | | |
| | Before tax | Net of tax | Before tax | Net of tax | | |
| | | <i>(in thousand Baht)</i> | | | | |
| Available-for-sale financial assets | 72,921 | (14,584) | 58,337 | (13,981) | 2,796 | (11,185) |
| Defined benefit plan actuarial losses | - | - | - | (4,029) | 806 | (3,223) |
| Total | 72,921 | (14,584) | 58,337 | (18,010) | 3,602 | (14,408) |

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Reconciliation of effective tax rate

| | Consolidated financial statements | | | |
|---|--|-------------------------------|---------------------|-------------------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | <i>Rate (%)</i> | <i>(in thousand Baht)</i> | <i>Rate (%)</i> | <i>(in thousand Baht)</i> |
| Loss before income tax expense | | (903,132) | | (265,309) |
| Income tax using the Thai corporation tax rate | 20 | (180,626) | 20 | (53,062) |
| Expenses not deductible for tax purposes | | 1,443 | | 366 |
| Temporary differences for which no deferred tax assets was recognised | | 143,439 | | - |
| Losses for which no deferred tax assets was recognised | | 48,851 | | 38,580 |
| Reversal from previously recognised deferred tax expenses | | - | | 24,837 |
| Others | | - | | (568) |
| Total | 2 | 13,107 | 4 | 10,153 |

| | Separate financial statements | | | |
|---|--------------------------------------|-------------------------------|---------------------|-------------------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | <i>Rate (%)</i> | <i>(in thousand Baht)</i> | <i>Rate (%)</i> | <i>(in thousand Baht)</i> |
| Loss before income tax expense | | (1,116,676) | | (49,703) |
| Income tax using the Thai corporation tax rate | 20 | (223,335) | 20 | (9,941) |
| Expenses not deductible for tax purposes | | 2,026 | | 366 |
| Temporary differences for which no deferred tax assets was recognised | | 218,192 | | - |
| Current year losses for which no deferred tax assets was recognised | | 13,470 | | - |
| Total | 1 | 10,353 | (19) | (9,575) |

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 2016.

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32 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 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>(916,238)</u> | <u>(275,463)</u> | <u>(1,127,028)</u> | <u>(40,129)</u> |
| Number of ordinary shares outstanding | <u>535,437</u> | <u>535,437</u> | <u>535,437</u> | <u>535,437</u> |
| Loss per share (basic) (in Baht) | <u>(1.71)</u> | <u>(0.51)</u> | <u>(2.10)</u> | <u>(0.07)</u> |

Diluted loss per share

The Group and the Company did not assume the conversion of the warrants (NBC-W1) and the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NBC-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 and 2016.

33 Dividends

At the annual general meeting of the shareholders of the Company held on 26 April 2016, the shareholders 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.

34 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.

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.

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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 are mainly fixed. The Group's primarily exposed to interest rate risk from digital television licence payable (see Note 20).

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies.

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 amount 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 statement | | | |
|---|-----------------|----------------------------------|---------|---------|--------|
| | Carrying amount | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| (in thousand Baht) | | | | | |
| 31 December 2017 | | | | | |
| Financial assets measured at fair value | | | | | |
| Debt security held for trading (Private fund) | 18,990 | - | 18,990 | - | 18,990 |
| Equity security available for sale | 7,401 | 7,401 | - | - | 7,401 |
| 31 December 2016 | | | | | |
| Financial assets measured at fair value | | | | | |
| Debt security held for trading | 71,048 | - | 71,048 | - | 71,048 |
| Equity security available for sale | 18,092 | 18,092 | - | - | 18,092 |
| | | Separate financial statement | | | |
| | Carrying amount | Fair value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| (in thousand Baht) | | | | | |
| 31 December 2017 | | | | | |
| Financial assets measured at fair value | | | | | |
| Debt security held for trading (Private fund) | 18,990 | - | 18,990 | - | 18,990 |
| Equity security available for sale | 7,401 | 7,401 | - | - | 7,401 |
| 31 December 2016 | | | | | |
| Financial assets measured at fair value | | | | | |
| Debt security held for trading | 71,048 | - | 71,048 | - | 71,048 |
| Equity security available for sale | 18,092 | 18,092 | - | - | 18,092 |

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows 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. |

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35 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 | 82,085 | 91,384 | 7,648 | 15,238 |
| After one year but within five years | 296,460 | 322,715 | 43,954 | 47,989 |
| After five years | 312,678 | 405,354 | 5,854 | 41,886 |
| Total | <u>691,223</u> | <u>819,453</u> | <u>57,456</u> | <u>105,113</u> |
| <i>Other commitment</i> | | | | |
| Bank guarantees | <u>572,206</u> | <u>744,706</u> | <u>2,206</u> | <u>3,410</u> |

- a) The Company entered into lease and service agreements for its office premises and facilities with a local company for a period of 3 years, expiring on 30 November 2020 with an option for renewal. The Company agreed to pay rental and service fees at the rate specified in the agreements.
- b) A 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 subsidiary agreed to pay a fee at the rate specified in the agreement.
- c) A subsidiary entered into service agreements covering television broadcasting satellite services with two local companies for periods ranging from 3 years and 3 months to 5 years and 11 months, expiring in various periods up to 31 March 2020. The subsidiary committed to pay the fees for such television broadcasting totaling USD 2.08 million.
- d) A subsidiary entered into a Standard Definition Terrestrial Digital Television Network Services agreement with Thai Royal Army for a period of 14 years and 5 months, commencing from 16 January 2014 to 31 May 2028. The subsidiary committed to pay a licence fee for such channel totalling Baht 784.74 million.
- e) The Company 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 Company agreed to pay rental and service fees at the rate specified in the agreements. The Company terminated the agreements on 1 May 2017.
- f) The Company 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 Company 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 the other provision of the agreement remain unchanged.

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36 Reclassification of accounts

Certain accounts in the 2016 financial statements 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> | | | | | | |
| Plant and equipment | 142,242 | 2,960 | 145,202 | 142,242 | 2,960 | 145,202 |
| Intangible assets | 24,258 | (2,960) | 21,298 | 4,584 | (2,960) | 1,624 |
| Other current payables | 50,699 | (34,604) | 16,095 | 56,517 | (33,871) | 22,646 |
| Deferred income | - | 34,604 | 34,604 | - | 33,871 | 33,871 |
| | | <u>-</u> | | | <u>-</u> | |

Other Reference Persons

Security Registrar (Common Share)

Thailand Securities Depository Company Limited

93 Rachadapisek Road, Din Daeng, Bangkok 10400

Tel : (02) 2009-9000

Fax: (02) 2009-9991

Certified Public Accountant

1. Ms. Patamavan Vadhanakul

Registration No. 9832 and/or

2. Mr.Veerachai Ratanajaratkul

Registration No. 4323 and/or

3. Ms. Vannaporn Jongperadechanon

Registration No. 4098

KPMG Phoomchai Audit Company Limited

1 Empire Tower, 50-51 Floor, South Sathorn Road.,
Yannawa, Sathorn, Bangkok 10120

Tel: (66) 2677-2000

Fax: (66) 2677-2222

Audit Fee

1. The audit fee of the Company and subsidiaries for
the year 2017 is Bt 850,000

2. Non-audit fee

-None-

Legal Consultants

1. Pow & Associates Law Office Limited

140/40A, Silom Road, Kwaeng Suriyawongse,
Khet Bangrak, Bangkok 10500

Tel : (66) 2634-4995-7

Fax : (66) 2238-2574, (66) 2634-4998

2. Dherakupt International Law Office Ltd.

900 Tonson Tower 12 Floor, Ploenchit Road,
Lumpini, Pathumwan, Bangkok 10330

Tel : (66) 2252-1588

Fax : (66) 2257-0440

Investor Relations

Nation Broadcasting Corporation Public Company
Limited

1858/51-62, 12,13 Floor, Bangna-Trad Road, Bangna ,
Bangkok 10260

Tel : (66) 2338-3333

Fax : (66) 2338-3904

Email:investor@nbc.co.th

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



Nation Broadcasting Corporation Public Company Limited

1858/51-62, 12th, 13th Floor, Bangna-Trad Road, Bangna, Bangkok 10260
Tel. (66) 2338-3645 Fax. (66) 2338-3973

www.nbc.co.th