



BTS GROUP HOLDINGS PCL  
ANNUAL REPORT 2017/18







His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun  
Rama X



**Long Live the King**

On behalf of Board of Directors, Managements  
and staff of BTS Group Holdings PCL



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# 1.0

## INTRODUCTION

In this section, we state our Vision, Mission, Values and our Strategy and Long-Term Goal. We also provide a brief overview of our businesses and include key figures from our performance.

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- 1.1** Our Ambition
- 1.2** BTS Group Overview
- 1.3** Key Figures





## VISION

To provide sustainable “**City Solutions**” that contribute to an improved way of life.



## VALUES

### DELIVERING CUSTOMER SATISFACTION

Our success is dependent on our ability to develop long-lasting customer relationships. This will be achieved by listening, understanding and anticipating our customers’ needs and delivering products or services that satisfy those needs. We are professional, accountable and transparent and always strive to be responsive.

### CREATING SHAREHOLDER VALUE

We strive to deliver accretion of shareholder value through earnings growth and improvement in operational effectiveness. Specifically, we aim to deliver long-term shareholder returns to our investors that outperform returns from investment alternatives with a similar risk profile.

### SUPPORTING SUSTAINABLE GROWTH

Our client base and shareholder value must be enhanced in a sustainable manner. We conduct our business upholding sustainable practices that reduce environmental impact compared to competing products and services.

### DEVELOPING COMMUNITIES

We are an integral part of the communities which we operate in. We provide “**City Solutions**” that enhance our customers’ sense of community. We contribute revenues and resources to work with local communities supporting education and children’s welfare and we promote the health and well-being of the Employees and their families.

## MISSION



We aim to provide a sustainable and leading set of “**City Solutions**” to urban communities across Asia, supporting critical needs in our four principal business areas: Mass Transit, Media, Property and Services.

## STRATEGY AND LONG-TERM GOALS



BTS Group companies aim to be the leader in developing and operating **Rail Mass Transit** in Thailand, reinforce our position as the leading **Out-of-Home (OOH) Media** player in the country and selectively expand our network across the ASEAN region, cautiously grow our **Property** business and lead Bangkok cashless society via smart purse **e-Payment** solutions.

We based our strategies on five foundations:

1. Experiences in rail mass transit,
2. Synergy across all four businesses with rail mass transit at our core,
3. Financial strength,
4. Innovation, and
5. Stakeholder satisfaction.

BTS Group will grow our four businesses in line with the urbanisation of Thailand, and provide the community with a unique and comprehensive range of “**City Solutions**” that significantly contributes to an improved way of life.

MASS TRANSIT

**TO CONNECT  
ACROSS  
BOUNDARIES**

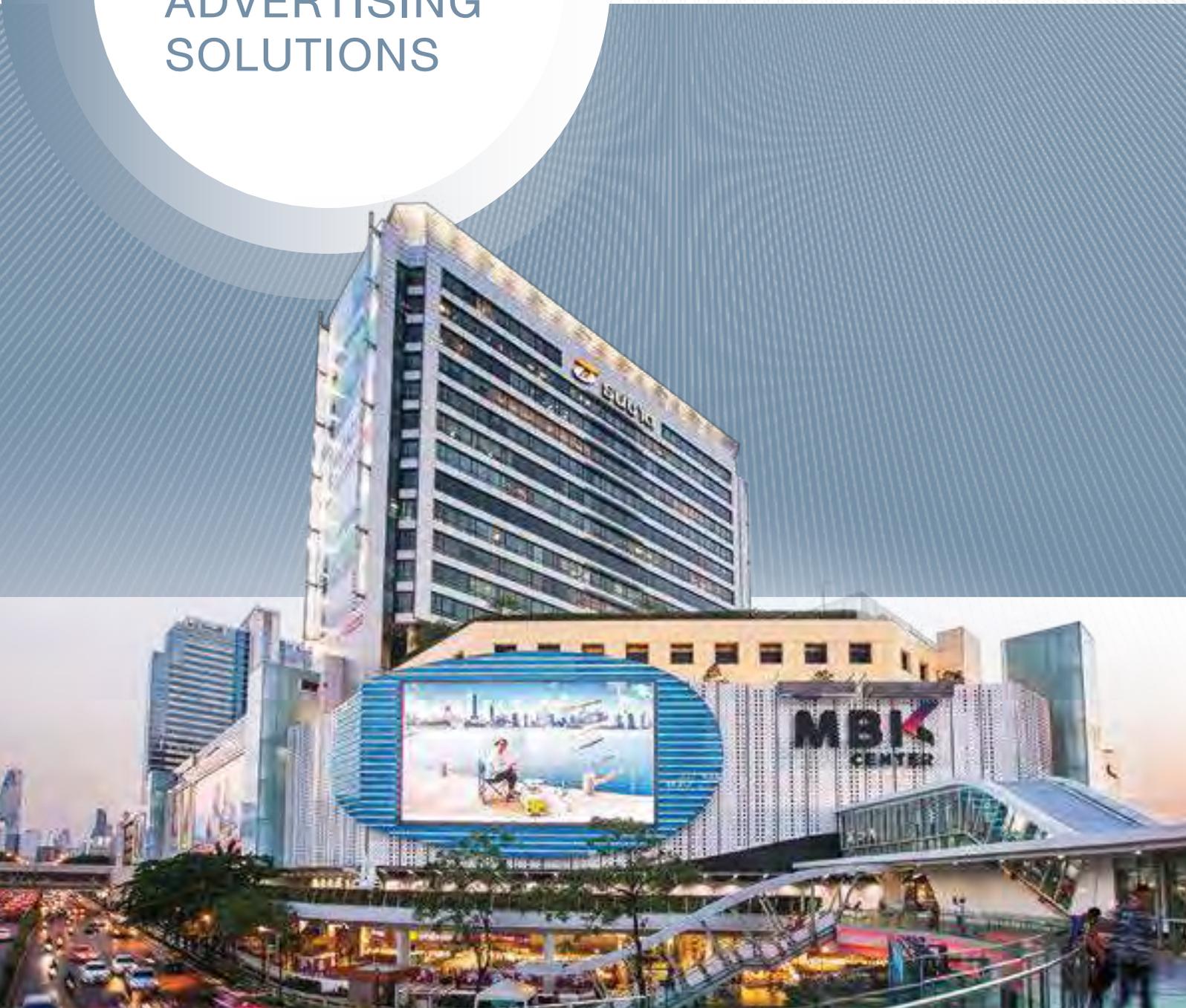


**MANIFESTING  
MASS TRANSIT PLANS  
INTO REALITY**



MEDIA

# 360-DEGREE ADVERTISING SOLUTIONS



**PIONEERING  
OFFLINE-TO-ONLINE (O2O)  
MEDIA SOLUTIONS**



PROPERTY

# AN ENERGISED GLOBAL CAPITAL ALLOCATOR



**UNCONSTRAINED,  
MULTI-FACETED AND  
SUSTAINABLE REAL ESTATE  
INVESTMENT APPROACH**



SERVICES

# INCUBATING BUSINESSES OF TOMORROW



# FACILITATING STRATEGIC EXPANSION



CORPORATE SOCIAL  
RESPONSIBILITY

# NEXT STATION HAPPINESS



1



Ban Lang Ai Mhi Border Patrol Police Learning Center, Cha-uaat District, Nakhon Si Thammarat Province.

2



Ban Thung Kabin Border Patrol Police School, Sra Kaew Province.

3



Ban Pila School, Pathum Rat District, Roi Et Province.

4



Ban Na Leung School, Na Haeo District, Leoi Province.

9



Wat Sri Kong Kha Ram School, Phra Samut Chedi District, Samutprakarn Province.

10



Ban Phu Khem School, Kaeng Krajan District, Petchaburi Province.

11



Ban Phu Don Koy Border Patrol Police Learning Centre, Pathum Ratchawongsa District, Amnatcharoen Province.

12



Bannabong School, Bo Kluea District, Nan Province.

13



Sriwara School, Pak Tho District, Ratchaburi Province.

# TRANSMITTING HAPPINESS AND DELIVERING SUSTAINABILITY THROUGH SHARING WITH SOCIETY

5



Lion Mahajak 1 Border Patrol Police School,  
Mae Taeng District, Chiang Mai province.

6



Wat Tanod School, Phasri Charoen District,  
Bangkok.

7



Ban Nong Dan School (Loko Branch),  
Kosamphi Nakhon District, Kampangetch Province.

8



Nong Bua Ban Yen Wittaya School, Khon Sawan District,  
Chaiyapoom Province.

14



Ban Pu Donn School, Baan Rai District,  
Uthai Thani Province.

15



Ban Sab Soke School, Phattana Nikhom District,  
Lopburi Province.

16



Ban Pa Kha Mai School (Ban Pa Whai Branch),  
Phob Pra District, Tak Province.

17



Ban Nongkwang School, Phichai District,  
Uttaradit Province.



**BTS Group Holdings PCL (BTSG)** is the preeminent mass-transit services provider in Thailand and a privately-owned conglomerate. Listed on the Stock Exchange of Thailand (SET), BTSG is a constituent member of the SET50 “Bluechip” Index and MSCI Asia Pacific Index and among the largest companies in Thailand. The company is also engaged in complementary businesses in Media, Property and Services.

MASS TRANSIT

MEDIA

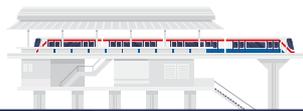
PROPERTY

SERVICES

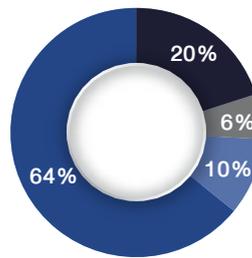
FY 2017/18

MASS TRANSIT

REVENUE (THB mn)



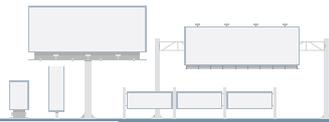
9,112



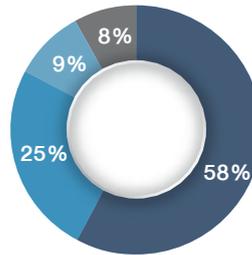
- Services revenue from train procurement and E&M works
- O&M revenue
- Net profit (loss) from BTSGIF
- Interest income from train procurement and E&M works

MEDIA

REVENUE (THB mn)



3,902



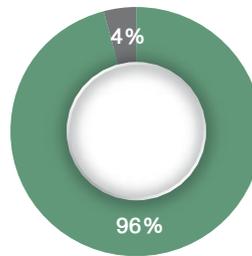
- BTS-related Media
- Outdoor Media
- Digital Services Business
- Office Buildings and Others

PROPERTY

REVENUE (THB mn)



639



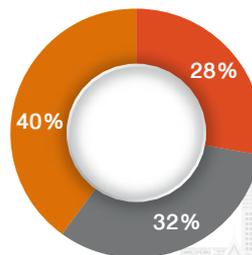
- Commercial Property & Others
- Residential Property

SERVICES

REVENUE (THB mn)



449



- HHT (Construction)
- BPS & Rabbit Rewards
- ChefMan Restaurant

**OPERATING REVENUE**  
(THB mn) **14,102**

**GROSS OPERATING PROFIT**  
(THB mn) **5,778**

**NET INCOME**  
(THB mn) **4,790**

## EMPLOYEES

MASS TRANSIT	2,372
MEDIA	495
PROPERTY	548
SERVICES	955
BTS GROUP HOLDINGS	148

**TOTAL EMPLOYEES** **4,518**

(as of 31 March 2018)

BTSG focuses primarily on the Mass Transit business which it operates via its majority-owned subsidiary, Bangkok Mass Transit System Public Co., Ltd. (BTSC). BTSC is the exclusive concessionaire and operator of the BTS SkyTrain Core Network, the Bus Rapid Transit system, the exclusive operator of certain extensions to the Core Network and future operator and majority joint venture partner of the Pink and Yellow monorail lines. In April 2013, BTSC sold its rights to the future net farebox revenues under its concession agreement with the Bangkok Metropolitan Administration to BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). In spite of this, it remains the exclusive concessionaire, the exclusive operator as well as the largest economic stakeholder in revenues of the Core Network through holding one-third of all units of BTSGIF via BTSG.

Subsequently, an additional 95.7km of new rail mass transit lines were secured; Northern and Southern Green Line extensions (from Bearing to Samut Prakarn and from Mo Chit to Khu Khot) in March 2017 as well as the Pink Line (from Khae Rai to Min Buri) and the Yellow Line (from Lad Prao to Sam Rong) in June 2017. BTS's Network coverage will increase by approximately 3 times the current network coverage (38.1km). In the next 3-4 years when all these lines become operational, Mass Transit revenue is expected to increase significantly.

For further details, please refer to Section 3.6.1: *Business and Industry Overview - Mass Transit*.

BTSG also engaged in the Media business, which it operates via its majority-owned subsidiary, VGI Global Media PCL (VGI). VGI is the leading Out-of-Home Media company in Thailand. It has an exclusive concession to manage advertising space on the core BTS stations. VGI has expanded to include broad touchpoints across the Out-of-Home (OOH) Media segment, such as managing advertising space in key offices and commercial buildings in Bangkok, street furniture, outdoor billboards, aviation and activation media. Accompanying this expansive, yet largely offline media inventory is VGI's online, mainly payments-based data platform, the "Rabbit" ecosystem. The "Rabbit" ecosystem has developed from an offline transit card (the "Rabbit Card") to become a versatile e-wallet including the Rabbit LinePay online payment channel within the dominant LINE messaging app. Both of these payment channels are being rapidly adopted by an expanding base of brick-and-mortar and online vendors. Through user engagement with the Rabbit ecosystem, psychographic metadata is generated, enabling VGI to offer omni-channel, Offline-to-Online (O2O) solutions that allow for more measurable and targeted advertising capabilities for VGI's customers.

For further details, please refer to Section 3.6.2: *Business and Industry Overview - Media*.

BTSG's overarching objective is to capture real estate opportunities predominantly in close proximity to - or directly connected with - future or existing mass transit lines to benefit from the "mass transit premium". Following the Entire Business Transfer of Unicorn Enterprises Company Limited (EBT of UE) to its listed associate company, U City Public Company Limited (U City), BTSG's direct activities in real estate are now limited to land acquisition and U City is now the designated property development and investment vehicle of BTSG.

U City is a global capital allocator, possessing a geographically and segmentally diversified real estate business. U City is one of Thailand's leading listed hospitality players with an international hotel and office presence in European countries, Asian and Middle Eastern countries under various ownership models, and a Eurasian hotel management platform with proprietary brands that allows for flexible strategic expansion. A key strategy for U City is its openness to direct or indirect partnerships with leading companies to realise synergies or to access expertise.

U City participates in residential property development through its assumption of BTSG's 50% stake in the BTS-Sansiri joint venture with Sansiri Public Company Limited (Sansiri) - a leading Thai developer - which targets developing condominiums near mass transit stations. U City also has a pipeline of projects under development including a seminally-located mixed-use building, "The Unicorn" and "Verso", an international school through a joint-venture with a leading education services provider in Hong Kong.

For further details, please refer to Section 3.6.3: *Business and Industry Overview - Property*.

BTSG's Services business provides strategic support for the rest of the BTS Group and is an incubator for future businesses. Within this segment are companies engaged in an assortment of businesses such as the "ChefMan" Chinese restaurant chain, the "Rabbit Rewards" loyalty programme, a software and systems developer and a construction contractor.

For further details, please refer to Section 3.6.4: *Business and Industry Overview - Services*.

# 1.3 KEY FIGURES



## STATEMENT OF COMPREHENSIVE INCOME

Operating revenue <sup>1</sup>	Operating EBITDA <sup>2</sup>
(THB mn) <b>14,102</b> FY 2017/18	(THB mn) <b>4,089</b> FY 2017/18
<b>8,606</b> FY 2016/17	<b>2,928</b> FY 2016/17
CHANGE <b>63.9%</b>	CHANGE <b>39.6%</b>
Recurring net profit <sup>3</sup>	Net profit after minority interest <sup>4</sup>
(THB mn) <b>2,515</b> FY 2017/18	(THB mn) <b>4,416</b> FY 2017/18
<b>1,417</b> FY 2016/17	<b>2,003</b> FY 2016/17
CHANGE <b>77.5%</b>	CHANGE <b>120.4%</b>



## PROFITABILITY AND RETURN

Gross operating profit margin	Operating EBITDA margin <sup>5</sup>
(%) <b>41.0</b> FY 2017/18	(%) <b>29.0</b> FY 2017/18
<b>51.9</b> FY 2016/17	<b>34.0</b> FY 2016/17
Recurring net profit margin <sup>6</sup>	Earnings per share
(%) <b>16.0</b> FY 2017/18	(THB) <b>0.37</b> FY 2017/18
<b>15.4</b> FY 2016/17	<b>0.17</b> FY 2016/17
	CHANGE <b>120.4%</b>



## CASH FLOW

CFO <sup>7</sup>	Capex <sup>8</sup>
(THB mn) <b>(9,929)</b> FY 2017/18	(THB mn) <b>1,495</b> FY 2017/18
<b>(4,082)</b> FY 2016/17	<b>1,392</b> FY 2016/17
CHANGE <b>(N.A.)</b>	CHANGE <b>7.4%</b>
Total dividend <sup>9</sup>	DSCR <sup>10</sup>
(THB mn) <b>4,876</b> FY 2017/18	(Times) <b>3.31x</b> FY 2017/18
<b>4,026</b> FY 2016/17	<b>4.55x</b> FY 2016/17
CHANGE <b>21.1%</b>	

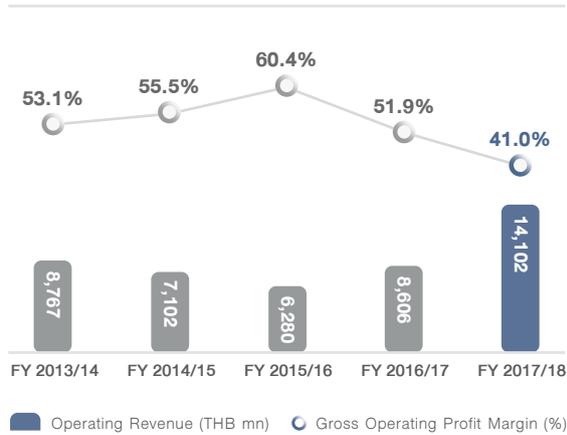


## STATEMENT OF FINANCIAL POSITION

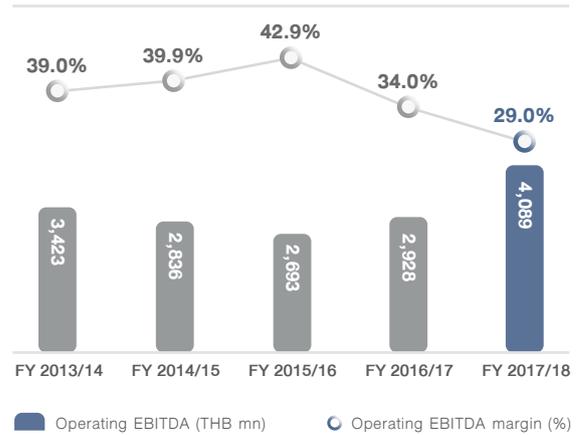
Cash and cash equivalents	Adjusted net debt <sup>11</sup> / equity
(THB mn) <b>9,458</b> FY 2017/18	(Times) <b>0.37x</b> FY 2017/18
<b>15,095</b> FY 2016/17	<b>0.13x</b> FY 2016/17
CHANGE <b>(37.3%)</b>	
Total assets	Total equity
(THB mn) <b>106,058</b> FY 2017/18	(THB mn) <b>46,355</b> FY 2017/18
<b>93,631</b> FY 2016/17	<b>45,182</b> FY 2016/17
CHANGE <b>13.3%</b>	CHANGE <b>2.6%</b>



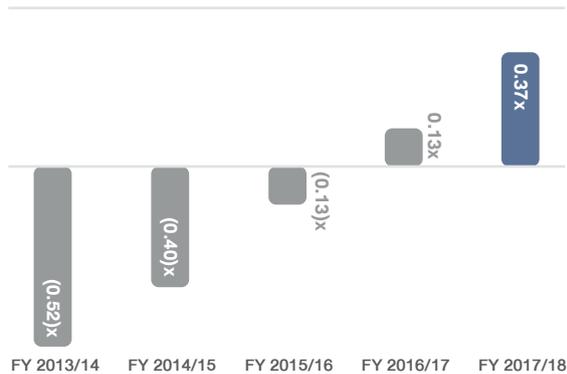
### OPERATING REVENUE<sup>1</sup> (THB mn) AND GROSS OPERATING PROFIT MARGIN (%)



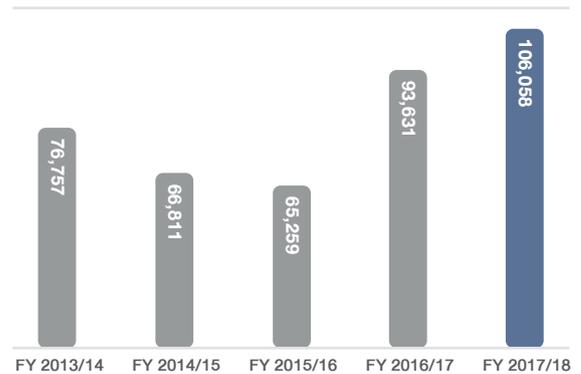
### OPERATING EBITDA<sup>2</sup> (THB mn) AND OPERATING EBITDA MARGIN<sup>5</sup> (%)



### ADJUSTED NET DEBT<sup>11</sup> TO EQUITY (X)



### TOTAL ASSETS (THB mn)



- Operating revenue from the operational performances from 4 BUs and share of net profit (loss) from BTSGIF, EXCLUDES non-mass transit interest income, and non-recurring items
- Operating EBITDA from the operational performances from 4 BUs, share of net profit (loss) from BTSGIF, EXCLUDES non-mass transit interest income and non-recurring items
- Recurring net profit = Recurring net profit after minority interest
- Net profit after minority interest = Net profit attributed to equity holders of the company (including non-recurring items)
- Operating EBITDA margin = Operating EBITDA / Total operating revenue
- Recurring net profit margin = Recurring net profit after minority interest / Total recurring revenue

- CFO = Net cashflow from operating activities after interest and tax, an investment in E&M works and train procurement for the Southern and Northern Green Line extensions and an advance payment for civil works and E&M works of the Pink and Yellow lines
- Capital expenditures exclude real estate development cost and E&M works and trains procurement related to new Green Line Extensions
- Subject to shareholders' approval, please see *Section 4.1 Capital Markets Review*
- DSCR = Debt service coverage ratio (Operating EBITDA / Finance cost)
- Adjusted net debt = interest bearing debt - cash and cash equivalent and liquid investment

**MASS TRANSIT**



**MEDIA**



**ACROSS ALL OF  
OUR 4 BUSINESS UNITS,  
WE ARE POISED TO MAKE  
PIVOTAL ADVANCES.**



**PROPERTY**



**SERVICES**



## 2.0

# HIGHLIGHTS FY 2017/18 & OUTLOOK

This section provides a key overview of events and the business target assessment of the past fiscal year as well as an overview of the year ahead. You will also find the Chairman's statement, Subcommittee's report and key financial highlights of the past 5 years.

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- 2.1** Message from the Chairman
- 2.2** Audit Committee Report
- 2.3** Executive Committee Report
- 2.4** Corporate Governance Committee Report
- 2.5** Nomination and Remuneration Committee Report
- 2.6** FY 2017/18 Important Events
- 2.7** FY 2017/18 Business Target Assessment
- 2.8** FY 2018/19 Business Outlook
- 2.9** Financial Highlights

“ Bangkok mass transit system and the country’s railway network will experience massive growth over the coming years. This is an essential ingredient of the government’s policy platform and a key part of the country’s sustainable development. Our mass transit business will be participating at the forefront of this clarion call. ”

### Dear Stakeholders,

2017 was an important milestone for BTS Group that had long been anticipated by shareholders, investors and patrons. We have stepped up our footprint in the **Mass Transit** business by securing three more mass transit lines and these will be a catalyst for a multi-year period of unprecedented growth when they become operational over the next 3-4 years. These new lines alone will treble our existing network of 38.1 kilometers. We expect to secure more lines within Bangkok and are also ready for new opportunities, being eager to participate in the upcoming bid for the high speed rail.

What makes our current business and future growth trajectory enviable is the strong earnings visibility and low counterparty risk from the growth in operating & maintenance revenues and the resilient nature of our mass transit business overall. This characteristic, our flexible financing channels, sufficient financing capacity as well as the consortium platform, enables us to take long-term, strategic maneuvers beyond our current scope to capture value across a wider spectrum of opportunities.

The government has made good their target to expediting the rollout of mass transit expansion and public-private partnership (PPP) participation in them. We can expect a number of new lines to be open for bidding in the future and in relatively quick succession. We expect to start full operation for the Pink and Yellow lines in the next 3-4 years. During the construction period, we will recognise considerable revenue during their progress. Upon the completion of the above lines and the staggered opening of the Green Line extensions,

Bangkok residents will experience more convenient and shorter travelling times from point to point. As a result of a more connected mass transit network, Bangkok’s livability will improve, business activity stimulated as well as more opportunities uncovered along areas in their proximity.

In the fiscal year under review, BTS Group total revenues reached THB 17.0bn, a 93% increase from THB 8.8bn in the previous year, predominantly as a result of higher operating revenue from the Mass Transit and Media businesses. Of particular note was revenues from our Mass Transit business, which saw a jump mainly from the recognition of revenues attributed to the pre-financing and installation services of electrical & mechanical systems as well as train procurement for the Green Line extensions and our Media business, which saw operating income increase from THB 3bn to THB 3.9bn - an impressive growth of 30%.

Within our **Media** business, VGI has successfully established a seamless ecosystem through an integrated Offline-to-Online (O2O) Solutions. With its new service suite, VGI is able to offer a 360-degree advertising solution for the clients, helping them reach their target audience throughout the entire customer journey. In order to ride on the fast moving pace of technology in reshaping consumers’ behaviour, VGI has been cultivating its O2O Solutions suite, through close collaboration with its Rabbit partners. The Rabbit ecosystem has been enhanced with the addition of Line Company (Thailand) Company Limited (LINE), Advanced Info Services (AIS) and Kerry Express (Thailand) – other industry leaders. With these partners,



**Mr. Keeree Kanjanapas**

Chairman / Chairman of the Executive Committee /  
Chairman of the Corporate Governance Committee

they will bring additional users into Rabbit LinePay's fold and encourage its adoption on a national level. In addition, our media's arm has ventured internationally, starting from Malaysia. We are currently managing Transit Advertising (in Kuala Lumpur's SBK Metro Line) as well as in Aviation and Out-of-Home Media through the investment in Meru Utama and Puncak Berlian associates in order to strengthen our out-of-home media position.

Our **Property** business has undergone transformative change. The Entire Business Transfer of Unicorn Enterprises, our former property's subsidiary, has rationalised our property development business into our listed associate company, U City. U City is no longer a generic property company but a reborn global property portfolio manager engaged in a multitude of real estate sectors. U City has been opportunistically acquiring assets, particularly in the hospitality sector where it now owns a considerable portfolio of hotels, a hotel management platform and proprietary brands. U City now has the wherewithal, partnerships and sufficient financial resources to undertake sustainable growth on all legs. U City is now stronger, more versatile and ready to seize a wider opportunity set. With its substantially enlarged portfolio and a number of appealing new projects in the pipeline, U City's shareholders will be rewarded and U City shall become a contributory factor to BTS Group's future growth.

Giving back to society and our community has always been firmly integrated into our corporate policy. We adhere to the highest corporate governance principles in conducting our business affairs, and place great

importance on our responsibilities towards the environment and society. Through our ongoing CSR programme "Next Station Happiness", we continue to renovate school buildings as well as provide basic necessities, medical assistance and scholarships to youth in remote areas nationwide. Our commitment to implement sustainability and good corporate governance have been recognised with a 5-star corporate governance rating for six consecutive years and are proud to have received the "Thailand Top Company Award 2018" and be a fully certified member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). Moreover, the Company was ranked as one of the top 100 listed companies that have demonstrated outstanding environmental, social and governance (ESG100) achievement in the year 2018. Internationally, we have been recognised as a member of the FTSE4 Good Emerging Market Index series, whose constituent companies in emerging countries demonstrate strong economic, social, environmental standing and good corporate governance practices.

In this eventful year, I would like to extend my deep gratitude to our shareholders, business partners, subsidiaries, financial institutions, and government agencies in supporting our objectives, principles and values of operating with integrity and responsibility in the best interests of our stakeholders. The dedication and professionalism of our directors, management and staff have played a key role in the success of our operations.

**To the Shareholders and the Board of Directors  
of BTS Group Holdings Public Company Limited,**

The Audit Committee of BTS Group Holdings Public Company Limited (“the Company”) consists of 4 Independent Directors, namely Lt. Gen. Phisal Thepsithar as the Chairman of the Audit Committee, Mr. Suchin Wanglee, Mr. Charoen Wattanasin and Mrs. Pichitra Mahaphon as the Members of the Audit Committee and Mr. Pipop Intaratut as the Secretary to the Audit Committee. The Audit Committee is appointed by the Board of Directors. The Committee is overseeing the company’s compliance with the principles of good corporate governance to ensure integrity and confidence to the investors, its shareholders and all other stakeholders.

In FY 2017/18, the Audit Committee conducted 5 meetings, by which each member has attended all of the Meetings, and reported the results of the meetings to the Board of Directors. The Audit Committee has performed the duties during the year FY 2017/18 as summarised below:

1. Reviewed the Company’s financial reports, including quarterly and annual financial statements with regards to their accuracy and adequacy of disclosure. The Audit Committee had meetings with the Company’s auditor and found no causes to believe that such financial reports were not accurate as referred to by the Generally Accepted Accounting Principles.
2. Reviewed and ensured that the Company has an appropriate and efficient internal control system and also management to monitor Anti-Fraud & Corruption situations. The internal audit office is under the oversight of the Audit Committee who evaluate the appropriateness and effectiveness of the internal control system and tools to achieve the goals of the Company.
3. Considered, reviewed and evaluated the Company’s risk assessment process on a quarterly basis as well as gave advice, suggestion and assistance on the operation of the Board of Directors and Executive Management in relation to risk management policy.
4. Reviewed the Company’s operations to be in compliance with the rules and regulations of the Securities and Exchange Commissions and the Stock Exchange of Thailand, and any regulations relating to the Company’s business. Conducted meetings with the Management and Head of related departments to ensure that the Company had proper and efficient operating and management procedures which is in accordance with the principles of good corporate governance.
5. Considered, selected and nominated independent persons to act as the Company’s auditor. The Audit Committee has proposed to the Board of Directors to appoint EY Office Limited as the Company’s Auditor for the fiscal year ended March 31, based on any of the following certified auditors: Mr. Narong Puntawong, Certified Public Accountant (Thailand) No. 3315, and/or Mr. Supachai Phanyawattano, Certified Public Accountant (Thailand) No.3930, and/or Miss Waraporn Prapasirikul, Certified Public Accountant (Thailand) No. 4579. The audit fee should not exceed THB 4.6 million. Such appointment and audit fee were approved by the Board of Directors and the General Meeting of Shareholders of the Company. In addition, the Audit Committee members also participated in a private meeting with the company’s Auditor without any Executive Management involvement to ensure that the auditors can independently performed their functions.
6. Considered and reviewed the connected transactions or the transactions that may lead to conflicts of interest between the Company with related person(s) or related



**Lt. Gen. Phisal Thepsithar**  
Chairman of the Audit Committee

company(ies) and to determine whether these agreed terms of business transactions were in accordance with market practice. The Company's auditors have expressed opinions on such transaction and disclosed in the financial statements and notes to the financial statements. The Audit Committee agreed with the auditor on such disclosure.

7. During the period between 1 April 2017 and 31 March 2018, the Audit Committee had a total of 5 meetings. Each member of Audit Committee attended the Audit Committee Meeting as follows:

Name	Title	Numbers of Attendances
Lt. Gen Phisal Thepsithar	Chairman of the Audit Committee	5/5
Mr. Suchin Wanglee	Audit Committee	5/5
Mr. Charoen Wattanasin	Audit Committee	5/5
Mrs. Pichitra Mahaphon	Audit Committee	5/5

8. Overall, the Audit Committee received full cooperation from the relevant units and officers in performing their duties and therefore, was able to function efficiently.

9. Prepared this Audit Committee Report and disclosed the Report signed by the Chairman of the Audit Committee in the Annual Report dated 2017/18.

10. All members of the Audit Committee attended training sessions, seminars and meetings regarding the roles and responsibilities of the Audit Committee as arranged by state agencies, the private sector, professional councils and/or the Thai institute of Directors in order to enhance their knowledge and understanding of complicated issues which is for the best interest of the Company.

11. Overall, the Audit Committee is of the opinion that the performance in accordance with the Audit Committee Charter can be independently exercised, achievable and in line with the principles of good corporate governance. With full cooperation and support of all parties in the Company, the Audit Committee has achieved its responsibilities with acceptable satisfaction.

### To the Shareholders of BTS Group Holdings Public Company Limited,

The Executive Committee of BTS Group Holdings Public Company Limited consists of seven directors namely Mr. Keeree Kanjanapas as the Chairman of the Executive Committee, and Dr. Anat Arbhabhira, Mr. Surapong Laoha-Unya, Mr. Kavin Kanjanapas, Mr. Rangsin Kritalug, Mr. Kong Chi Keung, and Mr. Chulchit Bunyaketu as the executive directors. Ms. Taraket Thawornpanich is the Secretary to the Executive Committee. The Board of Directors has appointed the Executive Committee to support the Company's management and business operation to be in compliance with the vision, mission, goal, policies, and business direction of the Company, as well as performing any other tasks as assigned by the Board of Directors to support the performance of the Board of Directors for the best interest of the Company and the shareholders.

In FY 2017/18, the Executive Committee held a total of 10 meetings which were in line with the specified rules of meeting. In accordance with the good corporate governance principle, the resolutions of the meeting were regularly reported to the Board of Directors for their acknowledgement. In this regard, the significant activities of the Executive Committee in FY 2017/18 can be summarised as follows:

1. Considered and determined the FY 2017/18 business policy, vision, mission, strategy, business plan, and goal for the Company's businesses and BTS Group's investment in Thailand and other countries in order to be in line and suitable with the current economics and competitive environment, and proposed the same to the Board of Directors for consideration and approval.
2. Considered, refined, and studied the feasibility, provided opinions, and approved the execution of transactions and projects that were viewed as reasonable and in the best interests of the Company and the shareholders, and proposed the same to the Board of Directors for their consideration and approval and/or reported the same to the Board of Directors for acknowledgement (as the case may be), as well as reviewed and monitored the projects' performance in order to achieve the highest level of efficiency and effectiveness.
3. Monitored the performance of the Company's core businesses comprising of Mass Transit Business, Media Business, Property Business, and Services Business on a regular basis, including taking into consideration the opinions of institutional investors and retail investors, and recommendations from analysts of securities companies through the information gathered by the Investor Relations Department.



A handwritten signature in black ink, appearing to be 'Keeree Kanjanapas'.

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

4. Managed the overall risks of BTS Group by monitoring the risk assessment results conducted by Risk Management Working Group, as well as considered and controlled key risks and any factors that may have a material impact on BTS Group to be in an acceptable level, and proposed the same to the Board of Directors for acknowledgement.
5. Considered, reviewed, and amended the Executive Committee's Charter to be in accordance with the Corporate Governance Code for Listed Companies 2017, and proposed the same to the Board of Directors for consideration and approval.
6. Considered and approved other transactions as assigned by the Board of Directors.
7. Evaluated the performance of the Executive Committee for the year 2017/18 and viewed that the Executive Committee was able to complete their duties as assigned and reported such evaluation result to the Board of Directors.
8. Prepared this Executive Committee Report and disclosed the same in the Annual Report 2017/18.

### To the Shareholders of BTS Group Holdings Public Company Limited,

The Corporate Governance Committee of BTS Group Holdings Public Company Limited consists of four members, divided into one independent director and three executive directors, namely Mr. Keeree Kanjanapas as the Chairman of the Corporate Governance Committee, and Dr. Anat Arbhabhirama, Mr. Rangsin Kritalug and Professor Charoen Wattanasin as the members of the Corporate Governance Committee. Ms. Taraket Thawornpanich is the Secretary to the Corporate Governance Committee. The Board of Directors has appointed the Corporate Governance Committee to support the Board of Directors' corporate governance functions as well as determining the policies and guidelines on good corporate governance, e.g., the Corporate Governance Policy, Business Ethics and Employees' Ethics, Corporate Social Responsibility (CSR) Policy, and Anti-Corruption and Bribery, etc. to be suitable with the Company's business operation and in accordance with the good corporate governance practices of both national and international standards.

In FY 2017/18, the Corporate Governance Committee held a total of two meetings, which were in line with the specified rules of meeting. In accordance with the good corporate governance principles, the resolutions of the meeting were regularly reported to the Board of Directors for their acknowledgement. In this regard, the significant activities of the Corporate Governance Committee in FY 2017/18 can be summarised as follows:

1. Acknowledged the 8 principles of the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission, applies those principles and prepared action plans as deemed appropriate to the nature of the Company's business, and proposed the same to the Board of Directors for consideration and approval.
2. Reviewed and amended the Corporate Governance Policy and Code of Business Conduct of the Company to be in line with the laws, the Principles of Good Corporate Governance of the Stock Exchange of Thailand, the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission and the Thai Institute of Directors (IOD). The Company's Corporate Governance Policy and Code of Business Conduct consists of five sections, i.e. Section 1: Vision, Mission, Values, Strategy and Long-term Goals, Section 2: Management Governance, Section 3: Corporate Governance, and Section 4: Corporate Governance. Proposed the same to the Board of Directors for consideration and approval, as well as monitoring the implementation of these policies.
3. Considered and reviewed the Anti-Corruption Measures of the Company to ensure that they are still appropriate and sufficient for the business operations of the Company and implementation within the organisation, proposed the same to the Board of Directors for consideration and approval. Arranged training sessions to the employees for acknowledgement



A stylized, handwritten signature in black ink, consisting of several fluid, connected strokes.

**Mr. Keeree Kanjanapas**

Chairman of the Corporate Governance Committee

and to create awareness on the Anti-Corruption Measures and Guidelines. At present, the Company is in the process of studying and preparing for the recertification of membership of the Thailand's Private Sector Collective Action Coalition Against Corruption from the Thailand's Private Sector Collective Action Coalition Against Corruption Council.

4. Reviewed and determined the policy and plan on Corporate Social Responsibility (CSR). The policy emphasises on operating the business for sustainable growth along with participating in social, community, and environmental development, with the focus on providing educational opportunities and aids to underprivileged children and poverty communities in the areas that are remote from transportation and difficult to access, in all regions of the country, including enhancing children's learning on energy saving, providing medical treatment for low-income people, and promoting good health to create strength and good quality of life in the community. In this regard, the Company has set up a CSR activity named "Next Station - Happiness by BTS Group", which is arranged every two months to provide happiness, goods and needs to those communities in the rural areas, and other CSR activities, i.e. "Sky Clinic", "Vegetarian Food Festival with Nuduan", "BTS Group supports the Thai Elephant Conservation Project", "The Developing Quality of Life for Underprivileged Student Project by the Office of Deputy Prime Minister", "Thai Farmers Rice Station", and "Next Station - Happiness by BTS Group Children's Camp" etc.

5. Considered, reviewed and provided opinions on the preparation of Sustainability Report 2017/18 to be in line with the sustainability development framework of the Global Reporting Initiative (GRI) to communicate BTS Group's policies and performances on Corporate Social Responsibility (CSR) through economic, social and environmental index.

6. Evaluated the performance of the Corporate Governance Committee for the year 2017/18 and viewed that the Corporate and Governance Committee was able to complete their duties as assigned and reported such evaluation result to the Board of Directors.

7. Prepared this Corporate Governance Committee's report and disclosed the same in the Annual Report 2017/18.

In light of the Company's determination and emphasis on the development of the Company's operation to be in accordance with the good corporate governance principles, the Company is ranked in the 5-star group or equivalent to "Excellent" for the sixth consecutive year from the assessment of the Corporate Governance Survey of Listed Companies conducted by the Thai Institute of Directors (IOD).

**To the Shareholders of BTS Group Holdings Public Company Limited,**

The Nomination and Remuneration Committee of BTS Group Holdings Public Company Limited consists of five directors, divided into three independent directors and two executive directors, namely Professor Lt. Gen. Phisal Thepsithar as the Chairman of the Nomination and Remuneration Committee, and Mr. Suchin Wanglee, Professor Charoen Wattanasin, Mr. Rangsin Kritalug, and Mr. Kong Chi Keung as the members of the Nomination and Remuneration Committee. Ms. Taraket Thawornpanich is the Secretary to the Nomination and Remuneration Committee. The Board of Directors has appointed the Nomination and Remuneration Committee to support the performance of the Board of Directors on the nomination of directors, determination of the remuneration of directors, the Chairman of the Executive Committee and the Chief Executive Officer, as well as preparing the director development plan in order to provide the directors the knowledge and understanding of the Company's business, the roles and duties of the directors and other significant developments. All of which are to assure the shareholders that the persons who hold the directorship position possess the qualifications in accordance with the laws, and have the knowledge, capability, and efficiency to work for the utmost benefits of the Company and the shareholders.

In FY 2017/18, the Nomination and Remuneration Committee held a total of two meetings which were in line with the specified rules of meeting. In accordance with the good corporate governance principle, the resolutions of the meeting were regularly reported to the Board of Directors for their acknowledgement. In this regard, the significant activities of the Nomination and Remuneration Committee in FY 2017/18 can be summarised as follows:

1. Considered the qualifications of the directors who would retire by rotation at the Annual General Meeting of Shareholders by considering the qualifications according to the laws and other criteria of the Company, as well as knowledge, capability, experience, and skills that would be beneficial to the Company's operations, and nominated those persons to the Board of Directors in order to propose the same to the Annual General Meeting of Shareholders to consider the re-election of such persons as directors of the Company for another term of office.
2. Provided the shareholders an opportunity to nominate candidates to be elected as directors of the Company for the 2018 Annual General Meeting of Shareholders in order to promote the practice of good corporate governance principles on the rights of shareholders.



*Phisal Thepsithar*

**Professor Lt. Gen. Phisal Thepsithar**  
Chairman of the Nomination and  
Remuneration Committee

3. Considered and determined the remuneration of the directors by taking into the account the Company's operating results, the size of the business, and the responsibilities of the directors in comparison with other companies listed on the Stock Exchange of Thailand with a similar market capitalisation and other listed companies within the same industry as the Company, as well as other details and proposed the same to the Board of Directors and the Annual General Meeting of Shareholders for consideration and approval.

4. Evaluated the performance of the Chairman of the Executive Committee and the Chief Executive Officer for the year 2017/18, including determining the remuneration of the Chairman of the Executive Committee and the Chief Executive Officer by taking into the account the indicators as well as the performance evaluation result and key success, and comparing with other companies listed on the Stock Exchange of Thailand, and proposed the same to the Board of Directors for consideration and approval.

5. Supervised and encouraged the Company's directors to attend training sessions/seminars in order to gain knowledge and better understanding of the rules and regulations in relation to the performance of duties of directors of listed companies, as well as

market trends and changes that may affect the business operations, for example, "The Audit Committee's Role in Compliance and Ethical Culture Oversight" and "Boardroom Success through Financing & Investment" seminars arranged by the Thai Institute of Directors Association, which were in accordance with the Company's director development plan and guideline determined by the Nomination and Remuneration Committee.

6. Considered, reviewed, and amended the Nomination and Remuneration Committee's Charter to be in accordance with the Corporate Governance Code for Listed Companies 2017, and proposed the same to the Board of Directors for consideration and approval.

7. Evaluated the performance of the Nomination and Remuneration Committee for the year 2017/18 and viewed that the Nomination and Remuneration Committee was able to complete their duties as assigned and reported such evaluation result to the Board of Directors.

8. Prepared this Nomination and Remuneration Committee Report and disclosed the same in the Annual Report 2017/18.

**BTS GROUP****25 JULY 2017**

Annual General Meeting of Shareholders 2017 of BTS Group Holdings Public Company Limited (BTSG or the Company) approved the increase of the Company's registered capital under a general mandate in the amount not exceeding THB 2,384mn (or approximately 5% of the Company's paid-up capital) or not exceeding 596,000,000 new ordinary shares to specific investors via private placement.

**26 DECEMBER 2017**

The Company issued THB 7,000mn senior unsecured debentures (rated "A / Stable" by TRIS Rating Co., Ltd) to institutional investors and high net worth investors. The debentures have been issued in four tranches due in 2020, 2022, 2027, and 2029 with an average coupon rate of 3.17%. The proceeds are mainly used to repay existing debts and/or investment and/or financing the working capital of the Company.

**8 JANUARY 2018**

The Board of Directors' Meeting approved the interim dividend payment of FY 2017/18 from the operating results of the six-month period (April 2017 - September 2017) and retained earnings at THB 0.165 per share or THB 1,954.0mn in total. Based on the share price as of 5 January 2018 at THB 8.25 (one day before BOD date), this is equivalent to a dividend yield of 4.0% on an annualised basis.

**16 MARCH 2018**

The Company simultaneously completed (i) the EBT of UE, our former wholly-owned subsidiary, to U City Public Company Limited (U City) and (ii) a subscription of 100,000,000,000 at THB 0.031 per share of U City's newly issued preferred shares and allocation of an accompanying 50,000,000,000 U-W4 warrants at no cost via a rights offering. As consideration for the EBT of UE, the Company received THB 5,050mn for U City's novation of UE's debt and 63,882,352,942 preferred shares at a price of THB 0.034 per share and accompanying 31,941,176,471 U-W3 warrants at no cost upon UE's liquidation. The remaining THB 5,024mn of debt to BTSG is payable by U City within 3 years. As of 31 March 2018, company holds a total of 364,540,308,154 shares in U City. This is divided into 200,657,955,212 ordinary shares and 163,882,352,942 preferred shares, equivalent to 38.97% of the total issued shares of U City.

**4 APRIL 2018\***

The Board of Directors approved the reduction of paid-up capital by writing-off the treasury stocks of 95,839,900 registered shares, which have been repurchased under the Company's past share repurchase programme. The remaining registered shares after the write-off were 16,417,974,357 ordinary shares, of which 11,844,529,054 were the total issued shares of the Company.

**28 MAY 2018\***

The Board of Directors' Meeting approved (i) the final dividend payment for FY 2017/18 up to THB 2,922.1mn or THB 0.185 per share<sup>1</sup>, taking the total annual dividend paid to THB 4,876.1mn, subject to shareholders' approval, based on the closing share price on 25 May 2018 at THB 9.50 (one day before BOD date), this is equivalent to a dividend yield of 3.95% and (ii) the issuance of new warrants (BTS-W4) up to 1,755mn units<sup>1</sup> at a ratio of 9:1 with exercise price of THB 10.50 subject to shareholders' approval.

**MASS TRANSIT****16 JUNE 2017**

Northern Bangkok Monorail Co., Ltd. (NBM) and Eastern Bangkok Monorail Co., Ltd. (EBM), our subsidiaries jointly held between the Company with 75%, Sino-Thai Engineering & Construction PCL (STEC) with 15% and Ratchaburi Electricity Generating Holding PCL (RATCH) with 10%, signed the concession contracts for the Pink Line (Khae Rai to Min Buri; 34.5km, 30 stations) and Yellow Line (Lad Prao to Samrong; 30.4km, 23 stations), totaling 64.9km, with the Mass Rapid Transit Authority of Thailand (MRTA).

**1 OCTOBER 2017**

According to the announcement of the fare adjustment on the Core Network made on 1 September 2017, fares of Single Journey Tickets (SJT), Rabbit monthly pass and Rabbit senior tickets in the Core Network have been increased, effective from 1 October 2017 onwards.

**10 OCTOBER 2017**

NBM and EBM signed the syndicated loan agreement between Bangkok Bank, Siam Commercial Bank and Krungthai Bank for up to THB 63.4bn for the financing of both Pink and Yellow lines. The loan term is 17 years and 3 months spread across 15 payments starting from the first operation date.

\* Important events after FY 2017/18

<sup>1</sup> Subject to shareholders' approval, the Board of Directors approved the final dividend of THB 0.185 per share or equivalent to the dividend payment in the amount of not exceeding THB 2,922.1mn and the issuance of new warrants (BTS-W4) up to 1,755mn units, calculated based on the assumption that BTS-W3 Warrants, BTS-WB Warrants and BTS-WC Warrants which are entitled to exercise are fully exercised, the number of shares with the right to receive dividend will total 15,790.0mn shares



## MEDIA

### 30 JUNE 2017

Master Ad Public Company Limited (MACO), VGI's listed subsidiary, successfully acquired 70% in Comass Company Limited (Comass) through its wholly-owned subsidiary, Eye On Ads Company Limited. With 19 years of experience in outdoor media advertising, Comass secured a strategic network of billboards, which are mostly located in the Central Business District of Bangkok and upcountry. Currently, Comass has 113 static billboards and 7 LED screens in strategic locations covering 23 provinces in Thailand.

### 26 JANUARY 2018

VGI, through VGI Global Media (Malaysia) Sdn Bhd (VGM), increased its exposure to the OOH business market in Malaysia by investing 25% in Puncak Berlian Sdn Bhd (PBSB). PBSB's advertising platform includes managing media at major airports, buses, cinema and billboards along highway.

### 5 MARCH 2018

Rabbit LinePay Company Limited (RLP), the operator of Rabbit LinePay and formerly 50:50 joint venture company between RabbitPay System Company Limited (RPS) (VGI's subsidiary), and Line Company (Thailand) Company Limited, issued additional shares to Advanced mPay Company Limited (mPay), a subsidiary of Advanced Info Service Public Company Limited, the leading mobile operator in Thailand and an additional joint venture partner in RLP. As a result, RLP is now a 33.33% held joint venture company by RPS with the remaining balance split evenly between the abovementioned joint venture partners. The inclusion of mPay is expected to greatly expand the scale of Rabbit LinePay's business and spur its adoption in Thailand.

### 20 MARCH 2018

VGI's Board of Directors approved MACO's acquisition of the remaining 42,000 shares, or equivalent to 30% of Multi Sign Company Limited (MTS) through its wholly-owned subsidiary, Green AD Company Limited, (Green AD) which previously held 70% of total shares in MTS. After the acquisition, Green AD will hold 100% of MTS' total shares. MTS is an outdoor media company with a total network of 862 billboards nationwide.

### 2 APRIL 2018\*

VGM successfully acquired 25% of Meru Utama Sdn Bhd (MUSB). MUSB engages in aviation media business at both KL International Airport and a low cost carrier terminal.

### 23 APRIL 2018\*

VGI signed the term sheet for the investment in 23% of shares in Kerry TH from KLN Logistics (Thailand) Limited, Gather Excellence Limited and Siam Chao Phraya Express Limited who held 100% of shares in Kerry Express (Thailand) Limited (Kerry TH). Kerry TH is the leading domestic express delivery services with more than 600,000 parcels a day.

## PROPERTY

### 3 MAY 2017

U City, our listed associated company, signed an agreement to invest in an additional office building on 6-14 Underwood Street, London, UK in the amount of approximately GBP 7.3mn or THB 328.6mn. The investment, which was completed in June 2017, is a complementary addition to its existing portfolio of recurring income properties and enlarges U City's footprint in London, following the acquisition of an office building at 33 Gracechurch Street in September 2016.

### 29 JUNE 2017

U City held the ground breaking ceremony of Phayathai Complex Project, the 120,000 sqm mixed-use high rise building, which includes retail space, grade A office space, 4 star hotel and premium serviced residence. The building is located adjacent to Phayathai BTS station and Phayathai Airport Rail Link station and is expected to be opened in 2021.

### 16 MARCH 2018

U City successfully completed the EBT of UE and a simultaneous capital increase through the issuance and offering of preferred shares via private placements and a rights offering. As a result, U City increased its paid-up capital by approximately THB 11,867mn. Henceforth, the majority of the Company's property business has been deconsolidated and is now recognised via Equity Method from U City, which shall become the designated property development and investment vehicle for the Company.

## SERVICES

### 6 OCTOBER 2017

The Company has completed the disposal of Chef Man Group Subsidiaries; (i) Man Kitchen Co., Ltd. (MK), (ii) Primary Kitchen Co., Ltd. (PK), (iii) KMJ 2016 Co., Ltd. (KMJ), (iv) Little Corner co., Ltd. (LC – held by MK) and (v) Man Food Products Co., Ltd. (MFP) to Man Food Holdings Co., Ltd. (MFH). The Company has entered into a joint venture agreement with Bangkok Ranch Public Company Limited (BR), a listed and leading purveyor of duck meat, and Mr. Wai Yin Man (Chef Man) to jointly invest and hold 41%, 41% and 18% in MFH, respectively. With the addition of BR's extensive food processing expertise, this will enable MFH to scale-up and integrate its business domestically and internationally.

“ **Mass Transit**-related revenue continues to unceasingly increase. Farebox revenues in the Core Network grew below our expectations due to certain moderating factors; chiefly the dual price increase on the core network and extension lines as well as the declaration of additional holidays and cancellation of events during the Royal Cremation period for the late King Bhumibol Adulyadej. The effects of the mourning period were also felt in our **Media** sector, which grew slightly below our expectations. Within our **Property** business, share of profit from BTS-SIRI Joint Venture exceeded our target due to faster than expected rate of transfers and accompanying recognition of gain on sale of land of The Line Jatujak - Mo Chit condominium. ”

## ○ MASS TRANSIT

The lower-than-expected ridership growth in the Core Network was mainly from price sensitivity of a dual increase of fares on the core network and extension lines as well as the mourning period, which led to a cancellation of events and more additional holidays declared in relation to the Royal Cremation period for the late King Bhumibol Adulyadej.

Average fare per trip increased to THB 28.3 from the increase in fares of Single Journey Tickets, Rabbit monthly pass and Rabbit senior tickets in the Core Network from 1 October 2017 onwards. However, the average fare was slightly below the target owing to people shifting ticket purchases to more economical ticket types.

Operation and Maintenance (O&M) revenue rose to THB 1,900mn, up 12.3%YoY. O&M revenue growth was attributed to the contractually agreed fee increase of the existing 30-year O&M contract as well as the additional revenue from the newly opened station “Samrong station (E15)” of the Southern Green Line extension (Bearing to Samut Prakarn) which began commencement in April 2017.

## ○ MEDIA

Media revenue reached THB 3,902mn, up 29.7% YoY. The growth was supported by the full year revenue recognition of Rabbit Group, organic growth across all our media segments. However, media revenue grew slightly below expectation mainly from a one-month moratorium on digital advertising and postponement of activities during royal cremation period.

Number of rabbit cards was below our target chiefly from the lower-than-expected ridership growth.

## ○ PROPERTY

Commercial property revenue was below target chiefly from the deconsolidation of hotels and an office building since 16 March 2018 following the successful completion of Property Restructuring via the entire business transfer of our former subsidiary, Unicorn Enterprise Company Limited (EBT of UE) to U City as well as softer performance of Thana City Golf and Sports Club.

Share of net profit from BTS-SIRI Joint Venture exceeded our target due to faster than expected rate of transfers and accompanying recognition of gain on sale of land of The Line Jatujak - Mo Chit condominium.

TARGET	RESULTS
3-5% Ridership growth (initial)	
2-4% Ridership growth (revised)	<b>1.3%</b> Below Target
1% Average fare increase (initial)	
2% Average fare increase (revised)	<b>1.4%</b> Below Target
10-12% O&M revenue growth	<b>12.3%</b> Target exceeded
THB 4,000mn Media Revenue	THB <b>3,902mn</b> Slight Below Target
9.2mn Rabbit Cards	<b>9mn</b> Below Target
THB 650mn Commercial Property Revenue	THB <b>616mn</b> Below Target
THB 200mn Share of net profit from BTS-SIRI JV	THB <b>254mn</b> Target exceeded

“ FY 2018/19 will be another flourishing year for the Company to expand our footprints. In **Mass Transit**, we expect substantial growth of revenue from the Pink and Yellow lines construction, E&M works and train procurement services for the Southern and Northern Green Line extensions, as well as O&M revenue from Green Line extensions. The Core Network ridership and average fare are expected to grow along with the network expansion. For **Media** business in FY 2018/19, VGI will focus further on leveraging access to Rabbit data which enabling VGI to offer 360-degree advertising solution for clients. In the **Property** business, after the completion of property restructuring, U City has become the dedicated property vehicle for BTS Group, and will diversify its business into the strategic locations going forward. ”

## MASS TRANSIT

Total Operation and Maintenance (O&M) Revenue is targeted to expand by 30% from the previous year, largely from the official launch of the entirety of the Green Line's 12.6-kilometre Southern extension (Bearing to Samutprakarn) in December 2018.

Core Network Ridership and average fare are expected to increase by 4-5% and 1.5-2%, respectively. Organic growth on the network will be further boosted by the aforesaid full commencement of the Green Line Southern extension. The full operation of this line will significantly supplement revenue and feed ridership into the core network in the last quarter of FY 2018/19.

We expect to recognise revenue from construction of the Pink (Min Buri to Khae Rai) and Yellow Lines (Lad Prao to Samrong) of THB 20-25bn in FY 2018/19. Additional income of THB 7-9bn is expected from the procurement of trains for the Green Line Extensions as well as Electrical and Mechanical (E&M) system installation services for the new Green Line Southern (Bearing to Samutprakarn) and Northern (Mo Chit to Khu Khot) extensions. We also expect to recognise interest income of THB 0.6-0.7bn related to the procurement of the abovementioned trains and the construction of the Pink and Yellow Line.

### TARGET

**30%**

O&M revenue growth

**4-5%**

Ridership growth

**1.5-2%**

Average fare Increase

**THB 20-25bn**

Construction revenue for Pink and Yellow Lines

**THB 7-9bn**

Revenue from E&M provision and train procurement for Green Line South and North extensions

**THB 0.6-0.7bn**

Interest income from train procurement for Green Line extensions and construction revenue for Pink and Yellow Lines

## MEDIA

VGI is well-positioned to benefit from sustained economic growth and synergies of Rabbit Group's O2O media solutions that are expected to drive price increases and occupancy of its media inventory. Media revenue, therefore, in FY 2018/19 is targeted to reach THB 4.4-4.6bn. VGI targets an EBITDA margin of 40-45% and net profit margin of 20-25%.

**THB 4.4-4.6bn**

Targeted Media Revenue

**40-45%**

EBITDA margin

**20-25%**

NPAT margin

## PROPERTY

The majority of our property businesses were transferred to our listed associate company, U City PCL (U City). Save for Thana City Golf & Sports Club and certain residential units for sale and rent that are expected to generate THB 350mn in total revenue, U City is the designated property development vehicle for BTS Group and its contribution to BTS Group shall be via Equity Method. U City expects to post revenue of THB 6-6.7bn in the year 2018 with EBITDA margin not less than 25%.

**THB 350mn**

BTS Group Property Revenue

**THB 6-6.7bn**

U City Property Revenue

**≥ 25%**

EBITDA margin (at U City Level)

	FY 2017/18	FY 2016/17	FY 2015/16	FY 2014/15	FY 2013/14
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**INCOME STATEMENT (THB mn)**

Operating revenue <sup>1</sup>	14,102	8,606	6,280	7,102	8,767
Total revenue <sup>2</sup>	17,915	9,982	10,069	9,490	24,892
Operating EBITDA <sup>3</sup>	4,089	2,928	2,693	2,836	3,423
EBIT	6,812	3,537	5,802	4,477	17,953
Net income	4,790	2,236	4,391	3,340	13,536
Net income attributable to equity holders of the parent	4,416	2,003	4,134	2,944	12,598

**BALANCE SHEET (THB mn)**

Total assets	106,058	93,631	65,259	66,811	76,757
Net debt	37,711	23,215	6,921	(5,556)	(2,013)
Adjusted net debt <sup>4</sup>	17,129	6,064	(6,012)	(20,755)	(31,106)
Shareholders' equity	46,355	45,182	46,901	52,012	59,542

**CASH FLOW (THB mn)**

Net cash from (used in) operating activities <sup>5</sup>	(9,929)	(4,082)	265	(71)	1,133
Capital expenditures <sup>6</sup>	(1,495)	(1,392)	(1,634)	(1,697)	(1,235)

**PER SHARE DATA (THB / Share)<sup>7</sup>**

Earnings per share	0.373	0.169	0.349	0.248	1.078
Dividend per share <sup>8</sup>	0.35	0.34	0.68	0.60	0.60
Book value per share	3.91	3.82	3.96	4.38	5.09

**KEY RATIOS**

Operating EBITDA margin <sup>3</sup> (%)	29.0%	34.0%	42.9%	39.9%	39.0%
EBIT margin (%)	38.0%	35.4%	57.6%	47.2%	75.8%
Adjusted net debt <sup>4</sup> to equity (times)	0.37	0.13	(0.13)	(0.40)	(0.52)
Interest coverage ratio <sup>3,9</sup> (times)	3.31	4.55	9.30	7.03	4.94
ROA (%)	4.8%	2.8%	6.7%	5.0%	17.6%
ROE (%)	10.5%	4.9%	8.9%	6.4%	22.7%

**SHARE INFORMATION (as of 31 March)**

Par value (THB / share)	4.00	4.00	4.00	4.00	4.00
Share price (THB)	8.35	8.45	8.95	9.15	8.40
Outstanding shares (Shares mn)	11,940	11,935	11,929	11,919	11,914
Market capitalisation (THB mn)	99,702	100,851	106,767	109,061	100,079

<sup>1</sup> Operating revenue from the operational performances from 4 BUs and share of net profit (loss) from BTSGIF EXCLUDES non-mass transit interest income, and non-recurring items

<sup>2</sup> Total revenues include share of income from investments in associates and joint venture as well as gross revenue under 'profit from discontinued operation'

<sup>3</sup> Operating EBITDA from the operational performances from 4 BUs, share of net profit (loss) from BTSGIF, EXCLUDES non-mass transit interest income and non-recurring items

<sup>4</sup> Adjusted net debt = interest bearing debt - cash and cash equivalent and liquid investment

<sup>5</sup> CFO = Net cashflow from operating activities after interest and tax, an investment in E&M works and train procurement for the Southern and Northern Green Line extensions and an advance payment for civil works and E&M works of the Pink and Yellow lines

<sup>6</sup> Capital expenditures exclude real estate development cost and E&M works and trains procurement related to new Green Line Extensions

<sup>7</sup> Calculated based on weighted average number of shares at par value of THB 4 per share

<sup>8</sup> Final dividend per share at THB 0.185 for FY 2017/18 is subjected to shareholders' approval on 23 July 2018

<sup>9</sup> Operating EBITDA / Finance cost



## **3.0**

# THE COMPANY AND OUR INDUSTRY

This section provides key information on our Company structure, history and leadership team. You will also find our Business & Industry Overview which includes highlights of each business, key milestones of the year as well as more information on competitive landscape of our business units.

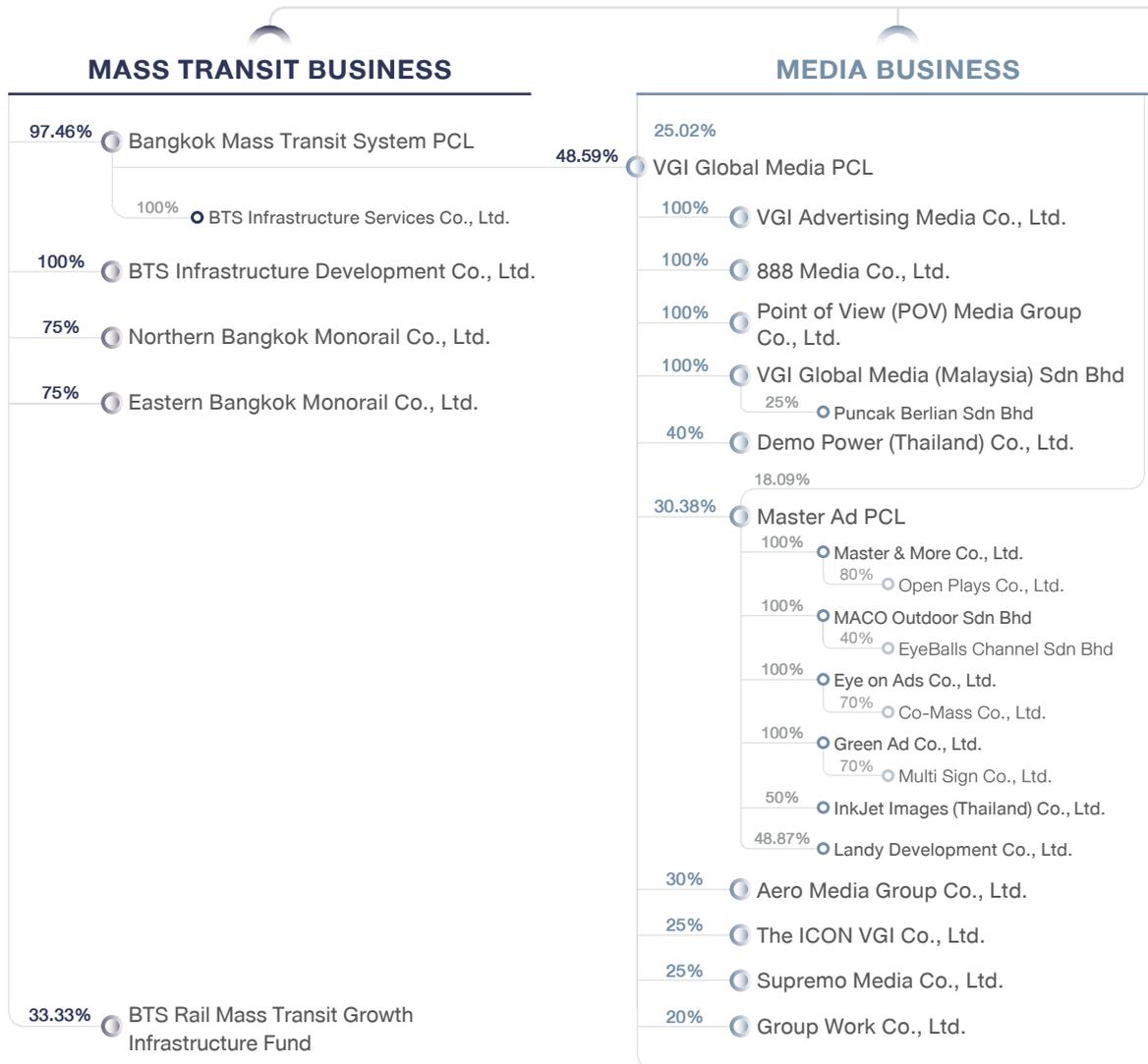
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- 3.1** Corporate Structure and Information
- 3.2** Our History
- 3.3** Our Board of Directors
- 3.4** Our Management
- 3.5** Organisation Chart
- 3.6** Business and Industry Overview
  - 3.6.1 Mass Transit
  - 3.6.2 Media
  - 3.6.3 Property
  - 3.6.4 Services
- 3.7** Subsidiaries, Associated Companies and Jointly Controlled Entities Information

# CORPORATE STRUCTURE AND INFORMATION

Business Organisation and Shareholdings Structure of BTS Group as of 31 March 2018

## BTS GROUP HOLDINGS PCL



## CORPORATE INFORMATION

BTS Group Holdings Public Company Limited

Year Established	1968
Equity First Trade Date	1 March 1991
Stock Code	BTS
Registered Capital*	THB 66,055,257,028
Registered Paid-up Capital*	THB 47,761,475,816
No. of Listed Shares*	11,940,368,954 ordinary shares
Par Value	THB 4.0 per share
Voting Right	One ordinary share per one vote
Preferred Share	-None-
No. of Listed Warrants (BTS-W3)*	3,944,551,464 units
No. of Unlisted Warrants (BTS-WB)*	893,839 units (ESOP)
No. of Unlisted Warrants (BTS-WC)*	16,000,000 units (ESOP)
No. of Unlisted Warrants (BTS-WD)*	16,000,000 units (ESOP)

\*As of 31 March 2018

### COMPANY REGISTERED ADDRESS

14<sup>th</sup>-15<sup>th</sup> Floor, TST Tower, 21 Soi Choei Phuang,  
Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900  
Registration No. 0107536000421

Website: [www.btsgroup.co.th](http://www.btsgroup.co.th)

### STOCK REGISTRAR

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

The Stock Exchange of Thailand Building, 93 Rachadapisek Road,  
Din Daeng, Bangkok 10400

Tel: +66 (0) 2009 9000

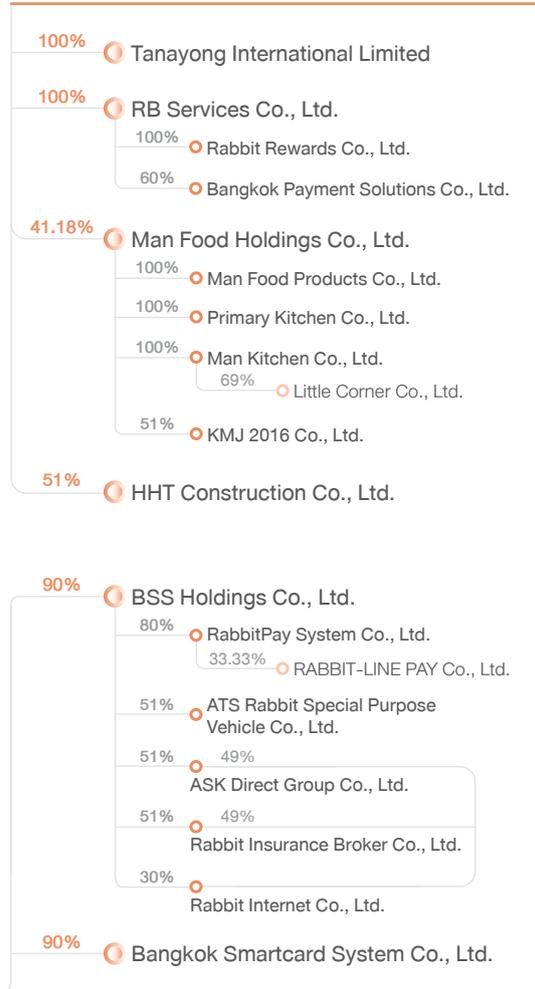
Fax: +66 (0) 2009 9991



## PROPERTY BUSINESS



## SERVICES BUSINESS



### KEY CONTACT DETAILS

#### Corporate Head Office

Tel: +66 (0) 2273 8511-5, +66 (0) 2273 8611-5  
 Fax: +66 (0) 2273 8610, +66 (0) 2273 8616

#### Company Secretary

Email: [CompanySecretary@btsgroup.co.th](mailto:CompanySecretary@btsgroup.co.th)  
 Te: +66 (0) 2273 8611-5 #1525, 1534  
 Fax: +66 (0) 2273 8610

#### Investor Relations

Email: [ir@btsgroup.co.th](mailto:ir@btsgroup.co.th)  
 Tel: +66 (0) 2273 8623, +66 (0) 2273 8631  
 +66 (0) 2273 8637  
 Fax: +66 (0) 2273 8610

#### Corporate Communications

Email: [corpcomm@btsgroup.co.th](mailto:corpcomm@btsgroup.co.th)  
 Tel: +66 (0) 2617 7300 #1832  
 Fax: +66 (0) 2617 7135

#### Auditor

EY OFFICE LIMITED  
 33<sup>rd</sup> Floor, Lake Rajada Office Complex,  
 193/136-137 Rajadapisek Road, Klongtoey,  
 Bangkok 10110  
 Tel: +66 (0) 2264 0777  
 Fax: +66 (0) 2264 0789-90  
 Miss Waraporn Prapasirikul, Certified Public  
 Accountant (Thailand) No. 4579

#### Legal Advisor

The Capital Law Office Limited  
 18<sup>th</sup> Floor, Smooth Life Tower,  
 44 North Sathorn Road, Silom, Bangrak,  
 Bangkok 10500  
 Tel: +66 (0) 2633 9088  
 Fax: +66 (0) 2633 9089

#### Linklaters (Thailand) Ltd.

20<sup>th</sup> Floor, Capital Tower All Seasons Place,  
 87/1 Wireless Road, Lumpini, Pathumwan,  
 Bangkok 10330  
 Tel: +66 (0) 2305 8000  
 Fax: +66 (0) 2305 8010

#### Weerawong, Chinnavat & Partners Ltd.

22<sup>nd</sup> Floor, Mercury Tower, 540 Ploenchit Road,  
 Lumpini, Pathumwan, Bangkok 10330  
 Tel: +66 (0) 2264 8000  
 Fax: +66 (0) 2657 2222

### 1968

March

Established as a limited company under the name Tanayong Company Limited (Tanayong) to operate in the field of Property Development.

### 1988

Launched its first Property Development project at 'Thana City', an integrated mixed-use 'satellite city' development located near Bangkok's Suvarnabhumi Airport.

### 1991

March

Tanayong was listed on the Stock Exchange of Thailand (SET) under the Property Development sub-index.

### 1992

Tanayong established a wholly-owned subsidiary, Bangkok Transit System Corporation Ltd. (BTSC), to sign the concession contract with the Bangkok Metropolitan Administration (BMA) to design, build and operate Bangkok's first mass transit system.

### 2006

Tanayong successfully exited from the business rehabilitation procedures and its shares resumed trading on the SET on 28 December 2006.

### 2006-2008

BTSC entered a court supervised business rehabilitation procedure, during which Tanayong's shareholding in BTSC got diluted to less than 1%. BTSC successfully exited business rehabilitation in 2008.

### 2009

May

Commencement of operations of the Silom Line extension (Saphan Taksin-Wongwian Yai) by BTSC under the Operation and Maintenance Services (O&M) Contract.

August

BTSC issued THB 12,000mn of senior unsecured debentures to domestic retail investors to refinance existing debt.

September

BTSC expanded into the Media business through the 100% acquisition of VGI.

### 1993

Tanayong registered for conversion into a public company under the name Tanayong Public Company Limited.

### 1997

Asian financial crisis hit the region. Tanayong and BTSC suffered under the weight of dollar-denominated debt as the Thai Baht depreciate against the US Dollar by more than 130% in less than 6 months.

### 1999

December

Commercial operation of the BTS SkyTrain commenced from Mo Chit to On Nut and National Stadium to Saphan Taksin, totaling of 23.5km.

### 2010

May

The Company acquired 94.6% of BTSC, returning Mass Transit to be the primary business of the Company. The acquisition was financed 51.6% (THB 20,655.7mn) by cash and 48.4% (THB 19,378.8mn) by new equity issuance. The Company also changed its name to BTS Group Holdings Public Company Limited and was re-categorised under the Transportation sub-index of SET.

BTSC began operation and maintenance of Bangkok's inaugural Bus Rapid Transit (BRT) system under the Bus Operation Agreement Contract and Station Management Agreement.

June - August

The Company successfully completed a rights offering to existing shareholders and private placement in order to raise funds to repay the BTSC acquisition loan.

## 2011

### January

The Company issued and offered THB 10,000mn of THB denominated, USD settled convertible bonds outside Thailand, the proceeds of which were used to fully repay the BTSC acquisition loan.

### August

Commencement of operations of Sukhumvit line extension (On Nut-Bearing) by BTSC under the O&M Contract.

## 2012

### May

BTSC signed a 30-year operating & maintenance (O&M) contract covering Green Line extensions (Saphan Taksin-Wongwian Yai-Bang Wa and On Nut-Bearing) under the purview of the Bangkok Metropolitan Administration (BMA) from 2012 to 2042. This O&M contract also covers the core network post concession expiration on 4 December 2029 to 2 May 2042.

### October

VGI Global Media Public Company Limited, a subsidiary of the Company, was successfully listed on the Thai Stock Exchange under the ticker symbol "VGI".

## 2014

### October

BTS Group and Sansiri Public Company Limited (SIRI) entered into the Strategic Alliance Framework Agreement to exclusively partner together on the development of residential projects for sale located within 500m of all rail mass transit stations.

## 2015

### March

Announcement of the reorganisation of the corporate structure (effective 1 April 2015) by adding an Advisory Board, as well as new positions of Chief Executive Officer (CEO) and Deputy Chief Executive Officer (Deputy CEO) to its organisational structure. The Board of Directors passed the resolution to appoint Mr. Kavin Kanjanapas and Mr. Kong Chi Keung, both existing Executive Directors, to the CEO and Deputy CEO positions, respectively.

### April

a disposal of all ordinary shares in two subsidiaries, "BTSA", the owner of Eastin Grand Hotel Sathorn Bangkok and land plots at Phaholyothin Road and "Kamkoong", the owner of land plots at Phayathai Road to U City Public Company Limited (U City) in exchange for 35.64% of the newly issued ordinary shares and warrants of U City.

## 2013

### January - February

BTSC and the BMA commenced trial operations of the Silom Line extension from Wongwian Yai (S8) to Pho Nimit (S9) and Talat Phlu (S10) in January and February 2013, respectively.

### April

BTSC concluded the sale of the future Net Farebox Revenue from the Core BTS SkyTrain network to BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). BTSC remains the operator and concessionaire of the Core BTS SkyTrain and the Group maintains a significant investment in the Core BTS SkyTrain network via a 33.3% holding of investment units of BTSGIF (the largest permitted holding under the Thai SEC regulations).

### December

BTSC and the BMA commenced full operations of the Silom line extension from Wongwian Yai (S8) to Bang Wa (S12) on 5 December 2013.

## 2017: March

BTSC has the operating & maintenance (O&M) contract conclusion with Krungthep Thanakom Co., Ltd. (KT); a wholly owned subsidiary of the BMA. The contract covers 30.8km of Green Line Northern and Southern extensions (Mo Chit-Saphan Mai-Khu Khot and Bearing-Samutprakarn).

### June

Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd. (our subsidiaries jointly held between the Company with 75%, Sino-Thai Engineering & Construction PCL (STEC) with 15% and Ratchaburi Electricity Generating Holding PCL (RATCH) with 10%) have entered into concession contracts with the Mass Rapid Transit Authority of Thailand (MRTA), for the Pink Line (Khae Rai to Min Buri; 34.5km, 30 stations) and Yellow Line (Lad Prao to Samrong; 30.4km, 23 stations), totaling 64.9km.

## 2018: March

BTS Group completed the entire business transfer of Unicorn Enterprise Company Limited, a former wholly-owned subsidiary of the Company, to U City. Henceforth, U City will become the dedicated property development vehicle for BTS Group.



1

**1 Mr. Keeree Kanjanapas**

- Chairman
- Chairman of the Executive Committee
- Chairman of the Corporate Governance Committee

2

**2 Dr. Paul Tong**

- Director

3

**3 Dr. Anat Arbhahirama**

- Executive Director
- Corporate Governance Committee Member

4

**4 Mr. Surapong Laoha-Unya**

- Executive Director

5

**5 Mr. Kavin Kanjanapas**

- Executive Director
- Chief Executive Officer

6

**6 Mr. Rangsin Kritalug**

- Executive Director
- Nomination and Remuneration Committee Member
- Corporate Governance Committee Member
- Chief Operating Officer

7

**7 Mr. Kong Chi Keung**

- Executive Director
- Nomination and Remuneration Committee Member
- Deputy Chief Executive Officer



8

**8 Prof. Lt. Gen. Phisal Thepsithar**

- Independent Director
- Chairman of the Audit Committee
- Chairman of the Nomination and Remuneration Committee

9

**9 Mr. Suchin Wanglee**

- Independent Director
- Audit Committee Member
- Nomination and Remuneration Committee Member

10

**10 Prof. Charoen Wattanasin**

- Independent Director
- Audit Committee Member
- Nomination and Remuneration Committee Member
- Corporate Governance Committee Member

11

**11 Mr. Cheong Ying Chew, Henry**

- Independent Director

12

**12 Mr. Chulchit Bunyaketu**

- Executive Director

13

**13 Dr. Karoon Chandrangsu**

- Director

14

**14 Mrs. Pichitra Mahaphon**

- Independent Director
- Audit Committee Member



1



2



3



4



5



6



7



8



9



10



11

#### 1 Mr. Keeree Kanjanapas

- Chairman
- Chairman of the Executive Committee
- Chairman of the Corporate Governance Committee

#### 2 Dr. Anat Arbhahirama

- Executive Director
- Corporate Governance Committee Member

#### 3 Mr. Surapong Laoha-Unya

- Executive Director

#### 4 Mr. Kavin Kanjanapas

- Executive Director
- Chief Executive Officer

#### 5 Mr. Rangsin Kritalug

- Executive Director
- Nomination and Remuneration Committee Member
- Corporate Governance Committee Member
- Chief Operating Officer

#### 6 Mr. Kong Chi Keung

- Executive Director
- Nomination and Remuneration Committee Member
- Deputy Chief Executive Officer

#### 7 Mr. Chulchit Bunyaketu

- Executive Director

#### 8 Mr. Surayut Thavikulwat

- Chief Financial Officer

#### 9 Mr. Daniel Ross

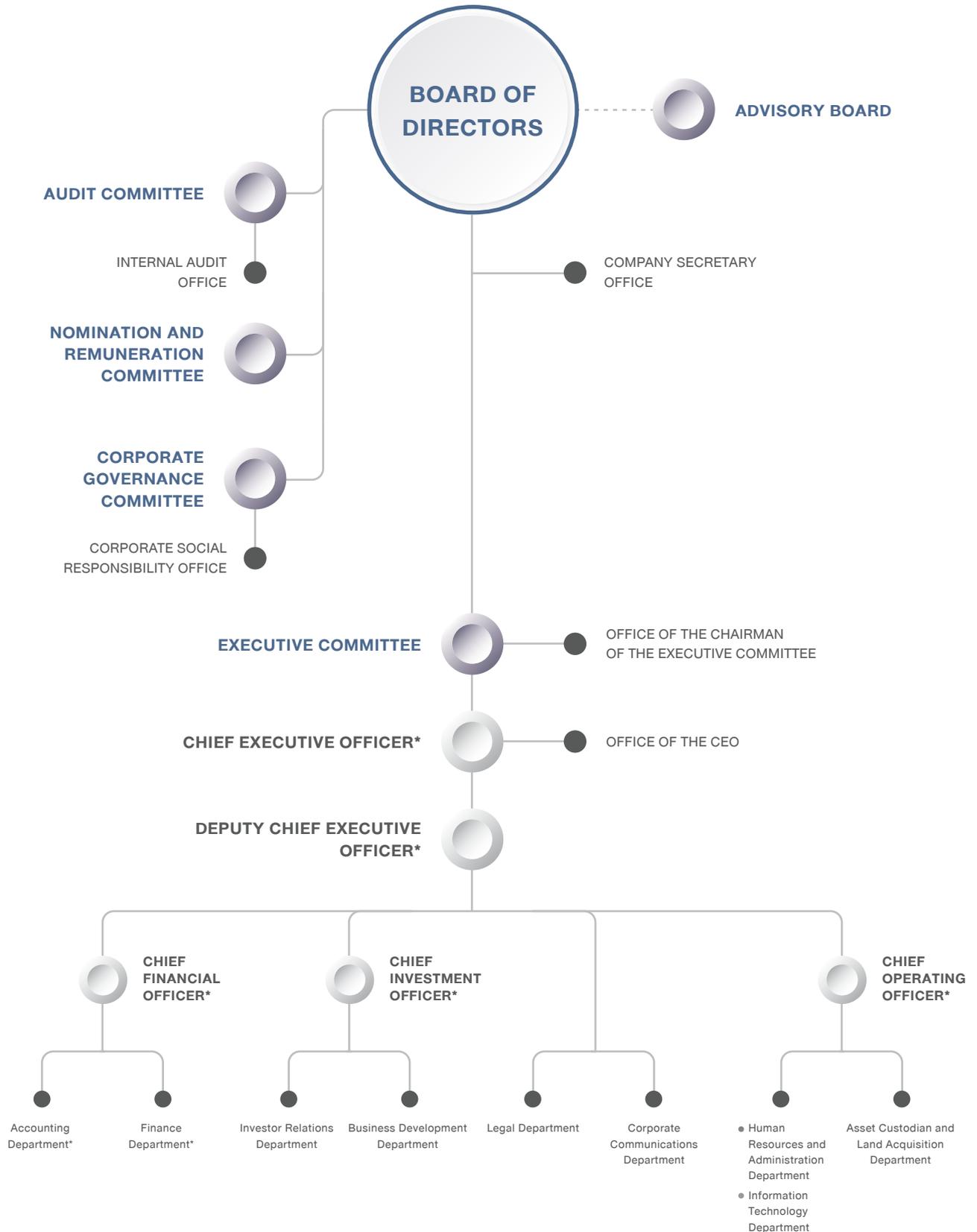
- Chief Investment Officer
- Head of Investor Relations

#### 10 Mrs. Duangkamol Chaichanakajorn

- Accounting Director

#### 11 Miss Chawadee Rungruang

- Financial Controller



\* The definition of executives under the Notification of the Capital Market Supervisory Board means the manager or the next four executives following the manager, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance departments.

### 3.6.1

## BUSINESS AND INDUSTRY OVERVIEW: MASS TRANSIT



“ We have reaffirmed the position in FY 2017/18 as Thailand’s leading rail mass transit system operator following the award of both the Pink and Yellow Line concessions as well as Northern and Southern Green Line extensions. We are ready to participate in all of the government’s rail projects by leveraging our experience and expertise through our competitiveness in terms of funding, technology and partners. ”

**Surapong Laoha-Unya,**

CEO of Mass Transit and Executive Director-BTSG

### KEY PERFORMANCE HIGHLIGHTS MASS TRANSIT

#### MASS TRANSIT REVENUE BY SEGMENT



FY 2017/18

FY 2016/17

(THB mn)	FY 2017/18	FY 2016/17	Change (%)
Operating revenue	9,112	4,237	115%
Gross operating profit	2,837	2,105	35%
Operating EBITDA	2,872	2,136	35%
Gross profit margin (%)	31.1%	49.7%	
Operating EBITDA margin (%)	31.5%	50.4%	

### FY 2017/18 KEY DEVELOPMENTS

- Significant revenue growth, up 115.2% YoY to THB 9,112mn mainly driven by the recognition of services revenue and interest income for the provision of E&M works and the train procurement service for the new Green Line Southern and the Northern extensions.
- Operating and maintenance (O&M) revenue rose by 12.3% YoY to THB 2,368mn chiefly from the operating fee of the existing green line extensions and the first station (BTS Samrong Station - E15), which commenced its operation on 3 April 2017.
- Northern Bangkok Monorail Co., Ltd (NBM) and Eastern Bangkok Monorail Co., Ltd. (EBM), Our Subsidiaries between the Company, STEC and RATCH, were successfully awarded concessions contracts for both the Pink and Yellow Lines (totalling 64.9km in length) with MRTA on 16 June 2017.
- Green Line Core Network ridership and average fare increased by 1.3% YoY to 241.2mn trips and 1.4% YoY to THB 28.3 per trip, respectively.



Bangkok Mass Transit System Public Company Limited (BTSC) recounted another notable year of revenue growth in FY 2017/18. Starting in March 2017, Krungthep Thanakom Company Limited (KT), a wholly-owned subsidiary of Bangkok Metropolitan (BMA), granted the 26-year Operation and Maintenance services agreement (O&M) of additional Green Line extensions to BTSC. This contract covers 30.8km and 25 stations in Northern-end (Mo Chit to Khu Khot; 18.2km, 16 stations) and Southern-end (Bearing to Samutprakarn; 12.6km, 9 stations). Following this, mass transit revenue reached THB 9,112mn, an increase of THB 4,237mn or 115% YoY chiefly driven by higher services revenue and interest income for provision of E&M works and train procurement service for the aforesaid Green Line extensions (increased by 286% YoY to THB 6.3bn) as well as the increase in O&M revenue (increasing by 12.3% YoY to THB 1,865mn).

Subsequently, BTS Group Holdings PCL (BTS), Sino-Thai Engineering and Construction PCL (STEC) and Ratchaburi Electricity Generating Holding PCL (RATCH) established 2 subsidiaries companies, Northern Bangkok Monorail Company Limited (NBM) and Eastern Bangkok Monorail Company Limited (EBM) with share proportion of 75%, 15% and 10%, respectively. These two companies were for the Pink line (Khae Rai to Min Buri; 34.5km, 30 stations) and Yellow line (Lad Prao to Samrong; 30.4km, 23 stations) concessions. NBM and EBM were successfully awarded the concessions and signed the concession agreement from MRTA on 16 June 2017. Afterwards, on 10 October 2017, NBM and EBM signed the syndicated loan agreement up to THB 64bn for the financing of both lines with three local banks; Bangkok Bank, Siam Commercial Bank and Krung Thai Bank. The loan term is 17 years and 3 months spread across 15 payments starting from the first operating date.

Regarding the concession contract of the first mass transit line in Bangkok – the BTS SkyTrain Core Network, which was granted from BMA since 1992, BTSC was responsible for the design, construction and operation. The Core Network has a combined track length of 23.5km (Mo Chit to On Nut and National Stadium to Saphan Taksin; 23 stations). The Commercial operation of the BTS SkyTrain commenced in December 1999. The existing concession contract expires on 4 December 2029. In April 2013, BTSC sold the rights in future Net Farebox Revenues from the BTS SkyTrain Core Network to the BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). The transaction enabled the Company to secure funding for the upcoming expansion of the mass transit network. Following the establishment of BTSGIF, BTSC remains the operator of the BTS SkyTrain Core Network. The Company continues to be a major unitholder, holding the maximum permitted 33.3% of investment units in BTSGIF. In FY 2017/18, the Core Network ridership slightly increased by 1.3% YoY to 241.2mn trips and average fare rose by 1.4% YoY to THB 28.3 per trip. The growth was driven by the organic growth, network expansion (from the newly opened of Samrong station), urbanisation and the development along mass transit stations.



## FY 2017/18 OPERATIONS PERFORMANCE

BTSC, as the sole operator of BTS network, continues to maintain high standards of safety and services throughout its operation. The key indicators for operations performance include service reliability, train reliability and ticket reliability. Service reliability measures the punctuality of passenger journeys, with the target of at least 99.5% of passenger trips will not be subject to delay of 5 minutes or more. The results achieved for FY 2017/18 were an average of 99.9%. Train reliability measures the distance travelled before a fault occurs. The target is set for

not less than 35,000 car-kilometres per fault and BTSC recorded 87,960 car-kilometres per fault in FY 2017/18, exceeding the target, although reliability did fall from FY 2016/17. Ticket reliability refers to the number of transactions before a fault occurs, which includes equipment failure as well as mishandling of tickets by passengers. The target is set at not less than 15,000 transactions before a failure, and ticket reliability in FY 2017/18 was recorded at 48,672 transactions per fault – a higher level than last year and considerably above target. (Figure 1)

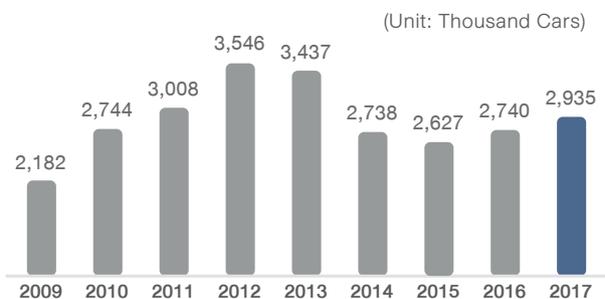
**FIGURE 1: OPERATIONS PERFORMANCE AGAINST TARGET**

Performance Indicators	Target	FY 2017/18	FY 2016/17
Service Reliability (Passenger Journey On Time)	Not less than 99.5% per delay of 5 minutes or greater	99.9%	99.9%
Train Reliability (car-km)	Not less than 35,000 car-km per fault	87,960	89,076
Ticket Reliability (transactions)	Not less than 15,000 transactions before a failure	48,672	37,905

## THAILAND MASS TRANSIT OVERVIEW

Thailand has made exceptional progress in social and economic development over the last 40 years, shifting from a low-income country to an upper-middle-income country in a generation<sup>1</sup>. As a densely populated city, Bangkok has increasingly witnessed heavy road congestion. According to research of INRIX Global Traffic Scorecard 2017<sup>2</sup>, Bangkok is ranked the 11<sup>th</sup> most congested city amongst 1,360 major cities in 5 continents across the globe. Further, Thailand boasts the longest idle time in the road traffic, equivalent to 56 hours per year. One of the factors exacerbating road traffic is the continuous increase of automobiles and stagnant road capacity. As reported from the Department of Land Transport, Thailand's new private vehicle registration grew at a CAGR of 3.8% during the past 8 years<sup>3</sup> (Figure 2).

**FIGURE 2: NUMBER OF NEW PRIVATE VEHICLE REGISTRATION FROM 2009-2017**



Source: Department of Land Transport



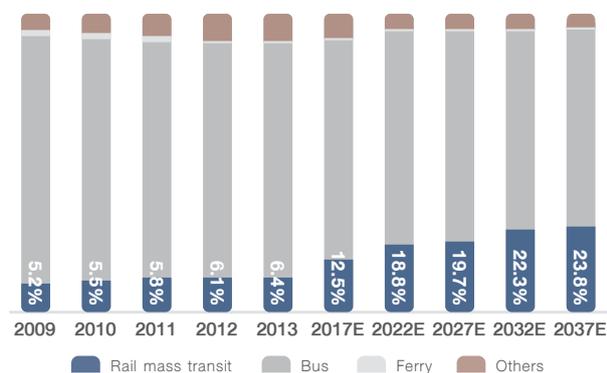
<sup>1</sup> World Bank

<sup>2</sup> INRIX Global Traffic Scorecard

<sup>3</sup> Department of Land Transport

The introduction of the BTS SkyTrain since December 1999 facilitated passengers shifting from road traffic to use more of rail mass transit. As seen that rail mass transit usage market share in Bangkok has been progressively growing and it is expected to rise further from 6.4% in 2013 to 23.8% in 2037 (Figure 3). The Office of Transport and Traffic Policy and Planning (OTP) forecasts that rail mass transit market share will progressively take market share from buses due to greater pervasion of the rail mass transit network in Bangkok.

**FIGURE 3: BANGKOK MASS TRANSIT MARKET SHARE (FORECAST 2017-2037)**

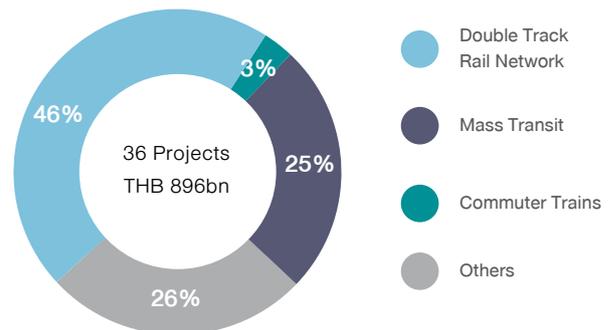


Source: Transport data and model integrated with multimodal transport and logistics (TDML II) of the Office of Transport and Traffic Policy and Planning

Currently, the government is moving the country by promoting Thailand 4.0 as a policy for Thailand's economic development. The main objective is not only to help lift the economy towards a "value-based economy" or "a-high income nation" through advanced and innovative industries, but also to develop infrastructure to alleviate capacity constraints, as illustrated by worsening road traffic congestion, raise efficiency and enhance quality of life. To that end, the Ministry of Transport (MOT) released a transport action plan in 2017, totalling 36 projects amounting to THB 896bn (or USD 25.6bn) (Figure 4).

As mass transit has been one of the key priorities schemes for the public sector, the by OTP formed the 20-year Mass Transit Master Plan (M-MAP) for the Bangkok Metropolitan area. M-MAP was drafted to develop mass rapid transit systems in Bangkok

**FIGURE 4: 2017 TRANSPORT ACTION PLAN**

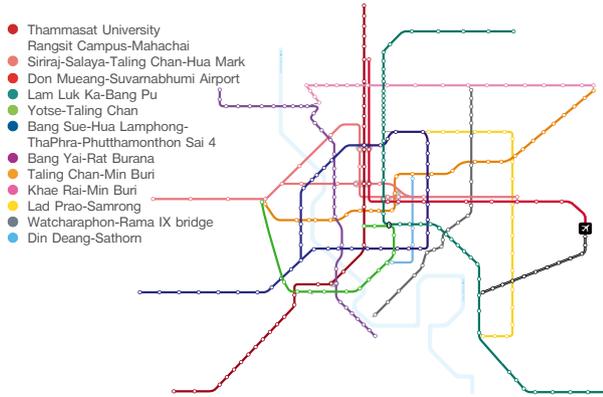


Source: Ministry of Transport (MOT)

Metropolitan Regions (Bangkok and 5 adjacent provinces, consisting of Nakhon Pathom, Pathumthani, Nonthaburi, Samutprakarn and Samut Sakhon) within a 20-year timeframe (from 2010-2029). The M-MAP has set forth 12 mass transit lines covering total network length of 515.2km and 312 stations (Figure 5 and 6). However, 10 out of 12 mass transit lines or 464km out of 515.2km, were under stimulus package following the Cabinet approval which will be prioritised to commence the official operations. Consequently, Figure 7 presents the track lengths progression which subject to the cabinet resolution on accelerating 10 mass transit lines.

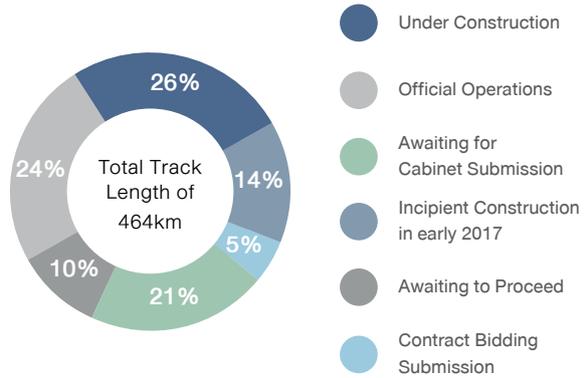
Recently, OTP agreed with Japan International Cooperation Agency (JICA) to mutually develop the 2<sup>nd</sup> Blueprint for Bangkok Mass Rapid Transit Master Plan (M-MAP2) for optimum interests, and to extend from the current rail mass transit network. As a result, the roadmap is targeted to include 4 additional mass transit lines which are Gold line Phase 1 (Krung Thonburi to Klong San; 1.7km), Grey line Phase 1 (Watcharaphon to Thong Lo; 16.3km), LRT (Bang Na to Suvarnabhumi Airport; 18.3km) and Brown line (Khae Rai to Lam Sa Li; 22km) in the new master plan. The M-MAP2 is expected to be launched in August 2018. The OTP operational plan for the M-MAP2 is now under feasibility study and is expected to be approved by the Cabinet in early 2020.

**FIGURE 5: BANGKOK RAIL MASS TRANSIT MASTER PLAN (M-MAP) (515.2KM)**



Sources: OTP and MRTA

**FIGURE 7: PROGRESSION IN 10 PROJECTS UNDER STIMULUS PACKAGE**



Sources: OTP (as of July 2017)

**FIGURE 6: 12 MASS RAPID TRANSIT PROJECTS UNDER THE GOVERNMENT'S POLICY**

Project	Route	Distance (km)
Dark Red	Thammasat University Rangsit Campus-Mahachai	80.5
Dark Green	Lam Luk Ka-Bang Pu	67.1
Blue	Bang Sue-Hua Lamphong-Tha Phra-Phuttamonthon Sai 4	55.0
Light Red	Siriraj-Salaya-Taling Chan-Hua Mark	58.5
Airport Rail Link	Don Mueang-Suvarnabhumi Airport	50.3
Purple	Bang Yai-Ratburana	42.8
Orange	Taling Chan-Min Buri	39.6
Pink	Khae Rai-Min Buri	34.5
Yellow	Lad Prao-Samrong	30.4
Grey	Watcharaphon-Rama IX Bridge	26.0
Light Green	Yotse-Taling Chan	21.0
Light Blue	Din Deang-Sathorn	9.5
<b>Total</b>		<b>515.2</b>

Sources: OTP and MRTA

## COMPARABLE MARKETS OVERVIEW

In 2017, the Bangkok Metropolitan Region had an official population of more than 10.8mn compared to 13.8mn in Tokyo, 7.4mn in Hong Kong and 5.8mn in Singapore. The urban mass transit pervasion for Bangkok remained the same as the previous year at 10.2km per million population as total population increased in lockstep with the network expansion, which saw opening of an additional 1.2km extension of the MRT Blue Line (Tao Poon station), on 11 August 2017. In comparison to regional peers, Bangkok is

lagging behind Tokyo, Singapore and Hong Kong, with pervasion of 42.0km, 39.4km and 35.0km per million population, respectively. Moreover, in 2013, the rail market share was 49% for Hongkong, 48% for Tokyo, 46% for Singapore and 6% in Bangkok<sup>4</sup>. It is clear that the development of Bangkok's mass transit system is urgently needed to cope with the severe road traffic congestion and address considerable under development compared to its regional peers (Figure 8).

**FIGURE 8: REGIONAL RAIL MASS TRANSIT DEVELOPMENT IN 2017**

	Population (mn)	Rail Mass Transit Length (km)	Urban Mass Transit Pervasion*	Rail Mass Transit Market Share
Hong Kong	7.4	259.1	35.0	49%
Tokyo	13.8	579.5	42.0	48%
Singapore	5.8	228.4	39.4	46%
Bangkok Metropolitan Region	10.8	110.8	10.3	6% <sup>4</sup>

Sources: Ministry of Interior, OTP, Tokyo Metropolitan Government, Tokyo Metro, Hong Kong's Census and Statistics Department, Hong Kong MTR Corporation, Singapore Land Transport Authority, SMRT Corporation Limited

Note: \* Pervasion is defined as rail mass transit length per million population.

<sup>4</sup> OTP information updated as of 2013, and forecasted that rail mass transit market share in Bangkok will cover 12.5% of total mass transits in 2017

## BANGKOK'S EXISTING RAIL MASS TRANSIT SYSTEM OVERVIEW

### BTS SKYTRAIN SYSTEM

The BTS SkyTrain is Thailand's first elevated electric railway system and is constructed above some of central Bangkok's major public roadways. It is operated by BTSC and opened for service on 5 December 1999. The network, which includes the Core Network and its subsequent extensions, comprises 35 stations across 2 separate lines with a combined track length of 38.1km. The Sukhumvit Line, or the Dark Green Line, currently consists of 23 stations and runs northwards and eastwards from central Bangkok, connecting Mo Chit and Samrong<sup>5</sup>. The Silom Line, or the Light Green Line, currently consists of 13 stations and runs southwards and westwards through one of Bangkok's central business districts, connecting National Stadium and Bang Wa. Both lines intersect at Siam station, which is the system's single shared interchange station. In FY 2017/18, BTS SkyTrain carried a total of 241.2mn passengers on the Core Mass Transit Network. Ridership has grown at 8.7% CAGR since inception. As of 31 March 2018, there were a total of 52-4 car trains (208 carriages) and additional 46 new 4-car trains (184 carriages) were recently procured in May 2016. The trains will address growing capacity requirements of the existing lines and the full launch of Northern and Southern Green Line extensions. The first batch of trains is expected to be delivered within FY 2018/19, with the final delivery expected within FY 2020/21.

<sup>5</sup> One station - Samrong or the first 1.8km of the Southern Green Line extension commenced operation on 3 April 2017.

### METROPOLITAN RAPID TRANSIT SYSTEM (MRT)

The MRT began as Bangkok's first underground mass transit railway system in Thailand and commenced operation on 3 July 2004. It is operated by Bangkok Expressway and Metro PCL (BEM). Currently, it now comprises of two lines totalling 43.0km in length: (i) the MRT Chaloem Ratchamongkhon Line (Blue Line), which runs 20.0km through 18 stations from Hua Lamphong to Bang Sue and (ii) MRT Chalong Ratchadham Line (Purple Line), which runs 23.0km through 16 stations from Bang Yai to Tao Poon. The current system is connected to the BTS SkyTrain at three stations: Sala Daeng, Asok and Mo Chit stations. On 11 August 2017, one station at Tao Poon or 1.2km under the MRT Blue Line extension Project began operation. The extension enables passengers to interchange between Purple Line and Blue Line extension (Tao Poon to Tha Phra, target operation in 2020) at Tao Poon station. In 2017, the MRT carried a total of 108.0mn passengers on the system<sup>6</sup>.

<sup>6</sup> Source: BEM (data from January to December)

## AIRPORT RAIL LINK

The Airport Rail Link (ARL) is a commuter rail transit line that connects Suvarnabhumi Airport to Phaya Thai station in central Bangkok. The line is 28.5km long and has 8 stations. It is owned and operated by State Railway of Thailand (SRT). The ARL commenced its operations on 23 August 2010. The ARL station is connected to the BTS Phaya Thai station.

## SRT LINE

The SRT Line is part of the Light Red Line under the authority of SRT that runs between Bang Sue to Taling Chan and covers a total route length of 15.3km with 4 stations. This line commenced trial operations from 8 September to 30 November 2012 by diesel rail cars and began providing temporary services on 5 December 2012. The line will commence full operations between Bang Sue and Rangsit station in 2021.

## BANGKOK RAPID TRANSIT (BRT)

The BRT is a project pioneered by the BMA to link the various Bangkok mass transit systems and provide an integrated public service for the city and its suburbs. It operates a bus service that is faster and more reliable than conventional buses, using a special lane reserved for the BRT on existing roads. The BRT has 12 stations, covering 15.0km, running from Chong Nonsi to Talad Pu. The BRT Sathorn station is connected to the BTS Chong Nonsi station.

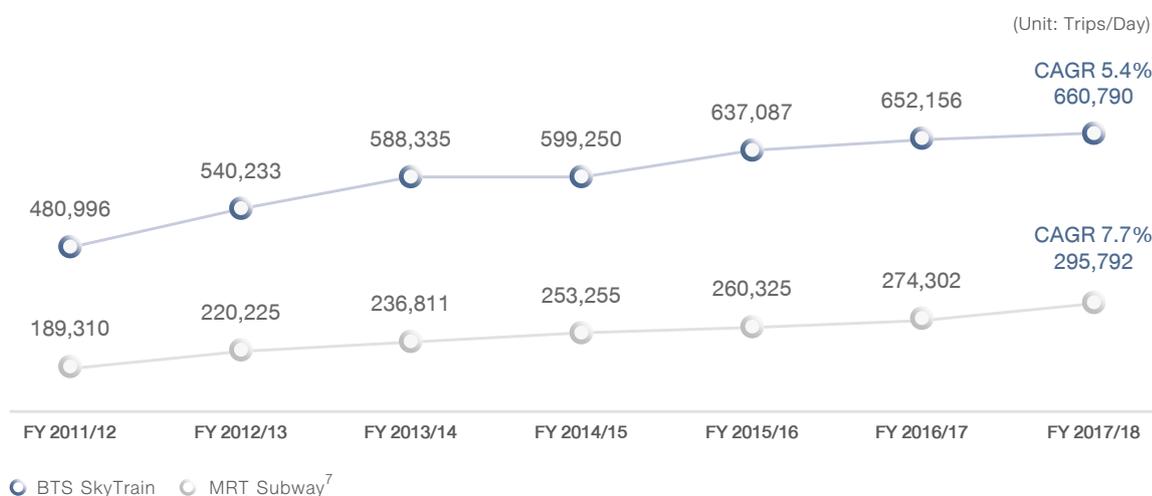
Whilst the expansion of the network will primarily benefit the public, ridership growth of the existing BTS SkyTrain, MRT Subway, Airport Rail Link and BRT can all expect to benefit as each line acts as feeders to each other. However, as the Core Network of the BTS SkyTrain sits at the centre of the network expansion and covers the key commercial and residential routes, the feeder effect should be proportionally higher.

**FIGURE 9: RIDERSHIP OF KEY MASS TRANSIT SYSTEMS IN BANGKOK**

(Unit: mn trips)	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
BTS SkyTrain (Core Network)	176.0	197.2	214.7	218.7	232.5	238.0	241.2
Growth	21.3%	12.0%	8.9%	1.9%	6.3%	2.4%	1.3%
MRT Subway <sup>7</sup>	69.1	80.6	86.4	92.4	95.0	100.1	108.0
Growth	6.4%	16.6%	7.2%	6.9%	2.8%	5.4%	7.8%

Sources: BTSC and BEM

**FIGURE 10: AVERAGE DAILY RIDERSHIP OF BTS SKYTRAIN (CORE NETWORK) AND MRT**



Sources: BTSC and BEM

<sup>7</sup> Data from January - December

## BTS NETWORK

### CORE NETWORK

BTSC is the sole concessionaire for the core network since 1999. The network comprises of Sukhumvit Line (Mo Chit to On Nut; 17km) and Silom Line (National Stadium to Saphan Taksin; 6.5km), totalling 23.5km, 23 stations. BTSC has awarded the public-private partnership (PPP) net cost concession for 30 years (1999 - 2029), from Bangkok Metropolitan Administration (BMA). Thereafter, in 2012, BTSC has been granted a 13-year Operating and Maintenance (O&M) agreement (2029-2042) from KT, a wholly owned subsidiary of BMA, to operate and maintain the Core Network for post-expiry of the net-cost concession. Later on in April 2013, BTSC sold its rights to future net farebox revenue from the Core Network under the net-cost concession to BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF), which BTSC remains the sole operator of the Core Network. BTSG holds the maximum permitted of 33% of total investment units in BTSGIF.

### GREEN LINE EXTENSION

The additional 12.8km extensions from our Core Network have been operating since 2009. It comprises of 2 extensions; the extension to the Silom Line (Saphan Taksin to Bang Wa; 7.5km) and extension to the Sukhumvit Line (On Nut to Bearing; 5.25km). Subsequently in 2012, KT has awarded BTSC a 30-year O&M agreement (2012-2042).

### SOUTHERN AND NORTHERN GREEN LINE EXTENSION

An additional 30.8km of Green Line extensions were secured in March 2017 under a 26-year O&M agreement (2017-2042). It consists of 2 extensions; the Southern and Northern Green Line extensions (from Bearing to Samutprakarn; 12.6km, and from Mo Chit to Khu Khot; 18.2km). Progress on the civil works construction for the Southern and Northern Green Line extensions are 100% and 63% completed, respectively<sup>8</sup>. On 3 April 2017, the first station of the Southern Green Line extension (Samrong, 1.8km) began operating. The full commencement of the 12.6km Southern-end and 18.2km of Northern-end of Green Line Extensions are targeted in December 2018 and July 2020, respectively.

<sup>8</sup> MRTA as of April 2018

### PINK AND YELLOW LINES

On 16 June 2017, Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd., our subsidiaries, have signed contracts with MRTA for the Pink Line (Khae Rai to Min Buri; 34.5km) and Yellow Line (Lad Prao to Samrong; 30.4km), totalling 64.9km and 53 stations. Our subsidiaries are established under the BSR JV consortium (BTS holding 75%, STEC 15% and RATCH 10%). The 30-year concession is PPP net-cost with a subsidy for 10 years period. Out of THB 96bn total project cost, the government will subsidise the repayment of the civil works of THB 47bn, equally paid back to the consortium over 10-year starting from the beginning of the operation. We are currently in site preparation and utilities relocation process. A Notice-to-proceed and construction of both main lines are expected in 2018. Therefore, both lines are estimated to fully operate by 2021.

## **BTS TARGETED LINES**

In the next 5 years, we are targeting an additional 82.9km of rail mass transit in the Greater Bangkok and will consider to bid for a 220km of High Speed Rail project. These additional kilometres are a combination of new lines and extension to existing lines under a variety of operating models.

### **WESTERN GREEN LINE**

An additional 7km extension (Bang Wa to Taling Chan) to our existing Light Green line is on the horizon. As this will be direct extension, we will be negotiating directly with the BMA on terms for an O&M contract under the government's "one regulator, one operator" approach. The government is responsible for investing in the civil and E&M works, but may avail itself to a financing structure similar to our facilitating the provisioning of E&M works on behalf of the BMA.

### **GOLD LINE (PHASE 1)**

The Gold Line Phase 1 (Krung Thon Buri to Klong San, 1.7km) has an interchange with the Western Green Line extension at Krung Thon Buri station and connects to ICONSIAM mixed-use development. Planned with an Automated People Mover (APM) system, the Gold line will be operated by KT, who will sub-contract the line to BTSC under O&M contract. Construction of the Gold Line was awarded to Italian-Thai Development PCL within a 30-month construction period. The construction is expected to begin in 2018.

### **LIGHT RAIL TRANSIT (LRT)**

The Light Rail Transit or LRT, is a light rail line (Bang Na to Suvarnabhumi, 18.3km) that interchanges with Sukhumvit extension line at Bang Na station. As a BMA project, past experience suggest that BMA will be responsible for civil and E&M works. BTS has offered land in front of Thana City without charge to the BMA for a train depot and station. As a result, BTSC benefits from a higher likelihood of being awarded an O&M contract and from the value uplift to existing developments and land bank at Thana City as well as greater connectivity to existing commercial property such as Thana City Golf & Sports Club.

### **GREY LINE (PHASE 1)**

The Grey line monorail is split into two phases owing to changes being made to the route and the necessary regulatory approval process required. Phase 1 (Watcharaphon to Thong Lo, 16.3km) interchanges with Core Network Sukhumvit Line at Thong Lo station, future Pink line at Phra Si Mahathat Temple station and future Yellow line at Chalong Rat station. BMA is the authorising body for this line, with past experience suggesting that BMA will be responsible for civil and E&M works. As this is an entirely new line, a bidding process is expected for O&M services. We believe we are now in a stronger position to win this contract, after the signing of contracts for the Pink and Yellow Line as a result of the increased number of linkages to this line.

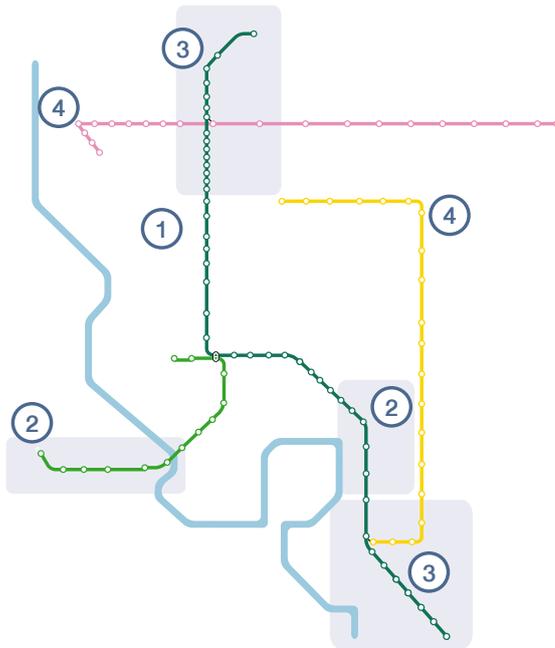
### **ORANGE LINE (EASTERN & WESTERN)**

Bidding for civil works construction of the Orange line has been split into East and West. The route is a mixture of underground and above ground. 6 civil works construction contracts for East have already been bid and awarded to CKST Joint Venture (CH Karnchang PCL and Sino-Thai Engineering & Construction PCL), Italian-Thai Development PCL and Unique Engineering & Construction PCL. Construction of the Orange (East) line has begun since June 2017 and is expected to be completed by 2023.

### **HIGH SPEED RAIL (HSR)**

The High Speed Rail or HSR project is a 220km high speed train with a maximum speed of 250km per hour. HSR connects 3 main international airports (Don Mueang to Suvarnabhumi to U-Tapao) and includes other 3 other routes, which are ARL Don Mueang to Phaya Thai extension, existing ARL Phaya Thai to Suvarnabhumi and Suvarnabhumi to U-Tapao. Concession contract is under PPP Net-Cost scheme, covering 50 years period. The concessionaire will be granted the right to develop leased land plots owned by SRT. On 27 March 2018, the cabinet approved the project as part of the transportation and logistics infrastructure development scheme prioritised by the government to serve the Eastern Economic Corridor (EEC). Terms of Reference was released in June 2018.

**BTS NETWORK: 132KM (112 STATIONS)**



- ① **CORE NETWORK**  
Mo Chit to On Nut and National Stadium to Saphan Taksin  
• 23.5km & 23 Stations  
• Concession Contract (1999-2029)  
• 13 years O&M Contract (2029-2042)

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- ② **ZONE 1: GREEN LINE EXTENSIONS**  
On Nut to Bearing and Saphan Taksin to Bang Wa  
• 12.8km & 11 Stations  
• 30 years O&M Contract (2012-2042)

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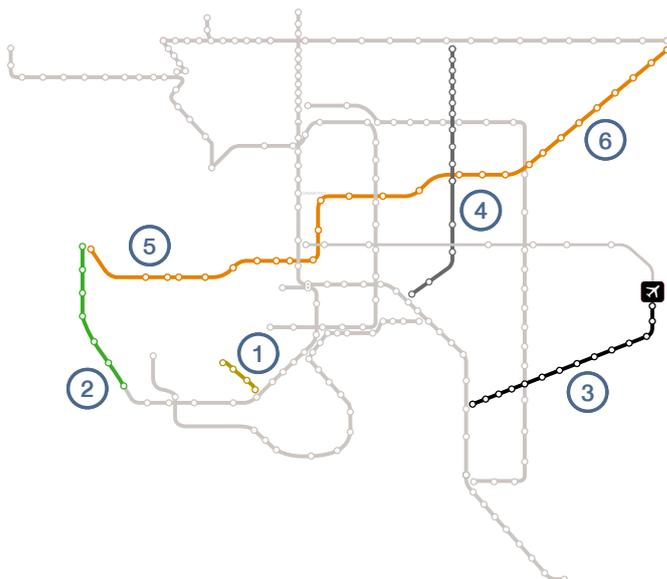
- ③ **ZONE 2: SOUTHERN AND NORTHERN GREEN LINE EXTENSIONS**  
Bearing to Samutprakarn and Mo Chit to Khu Khot  
• 30.8km & 25 Stations  
• 26 years O&M Contract (2017-2042)

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- ④ **PINK AND YELLOW LINES**  
Khae Rai to Min Buri and Lad Prao to Samrong  
• 64.9km & 53 Stations  
• 30 years PPP Net Cost Contract

\* The first station (E15, Samrong, 1.8km) of the Southern Green Line Extension from Bearing to Samutprakarn began operation on 3 April 2017. Full operation of the Southern part is targeted in 2018.

**BTS TARGETED LINES: 82.9KM (67 STATIONS)**



- ① **GOLD LINE (PHASE 1)**  
Krung Thon Buri-Klong San  
• 1.7km & 3 Stations

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- ② **WESTERN GREEN LINE EXTENSIONS**  
Bang Wa-Taling Chan  
• 7.0km & 6 Stations

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- ③ **LRT**  
Bang Na-Suvarnabhumi  
• 18.3km & 14 Stations

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- ④ **GREY LINE (PHASE 1)**  
Watcharaphon-Thong Lo  
• 16.3km & 15 Stations

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- ⑤ **WESTERN ORANGE LINE**  
Taling Chan-Thailand Cultural Centre  
• 17.0km & 12 Stations

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- ⑥ **EASTERN ORANGE LINE**  
Thailand Cultural Centre-Min Buri  
• 22.6km & 17 Stations

## 3.6.2

### BUSINESS AND INDUSTRY OVERVIEW: MEDIA



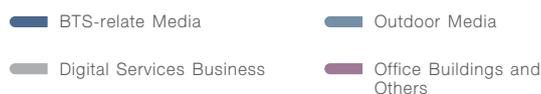
“ FY 2017/18 was marked by several strategic developments. VGI has successfully established itself as the unique market leader in Thailand, having an integrated offline Out-of-Home (OOH) and online digital platform. We have now positioned ourselves as the leader in offline-to-online (O2O) solutions with the capability to reach targeted audiences at every point of the customer journey. ”

**Kavin Kanjanapas,**

Chairman of the Executive Committee-VGI and Chief Executive Officer-BTSG

#### KEY PERFORMANCE HIGHLIGHTS MEDIA

##### MEDIA REVENUE BY SEGMENT



FY 2017/18



FY 2016/17



(THB mn)	FY 2017/18	FY 2016/17	Change (%)
Operating revenue	3,902	3,010	30%
Gross operating profit	2,668	1,967	36%
Operating EBITDA	1,976	1,407	40%
Gross profit margin (%)	68.4%	65.3%	
Operating EBITDA margin (%)	50.6%	46.7%	

#### FY 2017/18 KEY DEVELOPMENTS

- VGI acquires 90.0% of the shares in Bangkok Smartcard System Company Limited and BSS Holdings Company Limited (collectively known as Rabbit Group). Across Rabbit Group's multitude of digital assets - from its payment services, to its ad tech business – VGI is able to offer O2O Solutions to create an ecosystem of awareness, engagement and conversation through leveraging Rabbit group's data touchpoints on VGI's OOH media platform.
- VGI, through VGI Global Media (Malaysia) Sdn Bhd (VGM), increased its exposure to the OOH business market in Malaysia by investing in 25.0% of Puncak Berlian Sdn Bhd (PBSB). PBSB's advertising platform includes managing media at major airports, buses, cinemas and billboards located along highways.
- VGI enlarged its data touchpoint network with an additional partner in Rabbit LinePay, Advanced Info Service Public Company Limited (AIS), the number 1 mobile operator in Thailand. The transaction will aid Rabbit Group's endeavour to be the preeminent "Digital Payment Solutions" for Thai consumers and enhance VGI's O2O Solutions ecosystem.



## MEDIA STRATEGY

### THE LEADER IN O2O SOLUTIONS

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



### OFFLINE MEDIA

As communication channels become more fragmented, one-stop-shop media solutions are becoming more relevant. Consolidation is the key to VGI's success. VGI is the leader in Out-of-Home media in Thailand.

VGI's media portfolio covers all forms of OOH advertising such as Transit, Billboards, Street, Buildings and Airports. This business unit is expected to grow substantially in Thailand, particularly from mass transit network expansion, increased building supply, new licensing agreements and partnerships for billboards and street furniture, and the increasing popularity of low cost airlines. Furthermore, VGI is focusing on expanding our presence in key ASEAN markets, such as Malaysia and Indonesia as well as other countries in the region.

To ensure VGI retains its leadership in the OOH advertising industry, VGI intends to unlock greater value from its OOH media portfolio through the

digitalisation of high value OOH media assets in order to offer innovative premium products.

### DATA

Determining the right target audience can no longer be based on simple demographic terms. To know one's customers, it is crucial to fully grasp their interests, behaviour and decision-making processes. The superior quality of the data and depth of information VGI possesses, allows VGI to engage targeted audiences with the right advertising messages, at the right time and throughout their journey.

A key development to complement VGI's existing business portfolio, involves the expansion of the payment network of Rabbit Group through partnerships and strategic alliances. To enhance the performance of VGI's products and solutions, VGI constantly experiments and pivots the use of data with various targeting technologies, while attracting, developing and retaining the best talent.

### ONLINE MEDIA

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



## FY 2017/18 OVERVIEW OF THAI MEDIA INDUSTRY

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

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

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

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

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

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

### OUT-OF-HOME MEDIA

People are becoming more mobile and spending more time outside of their homes. Most of this time is spent commuting in their cars, on the street, on trains, buses, office buildings and shopping malls. In Bangkok, the commuting patterns have shifted towards an increased usage of rail mass transit, as it is more reliable and less time-consuming than road-based travel.

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

Mass transit media capacity is expected to grow substantially in the coming years from the Company’s secured and targeted future mass transit lines, and the anticipated growth in the required fleet of train carriages (further details in 3.6.1 Mass Transit section). The number of carriages is anticipated to quadruple from 208 in FY 2017/18 to 836 by FY 2021/22 and the expected number of stations, which VGI has secured media rights to, expands from 30 in FY 2017/18 to 147 in FY 2021/22. Consequently, OOH advertising is directly positioned to benefit from this growth and structural shift.

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

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

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

## DIGITAL AND ONLINE MEDIA

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

The digital landscape continues to grow rapidly. With the majority of consumers having internet access in some form and each consumer spending more time on the internet on average, are ever increasing growth opportunities for digital businesses.

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

## THE COMPETITIVE ENVIRONMENT

There are a few local key players in OOH Media in Thailand. The table below shows the key listed players based on 2017 revenues:

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

\* Operating revenue of Fiscal Year ends 31 March 2018 and excluded other income

\*\* Included gain on fair value changes in real estate of THB 293mn and gain on sales of investments of THB 34mn

Source: Company's source and SET

In the past 3-4 years, the trend for allocating advertising budgets has become increasingly fragmented across different media types since each has its own strengths and effectiveness in communicating messages to consumers, and the allocation across multiple media types often enhances the effectiveness of a single message. Advertising agencies and product owners therefore opt to employ a wide variety of media in their advertising mix that is suitable to their target groups and budget in order to create consistent brand and product recognition, expand the customer base, and reinforce brand loyalty. For this reason, competition in the media industry today is not merely to grab the market share from the same type of media but also to compete with all types of media in the industry. Furthermore, consumers in this generation have a tendency to multitask and as a result, using a single type of media as per earlier generations no longer matches this change in consumer behaviour. As a consequence, there is increasing acceptance in combining conventional media with digital and online media and in integrating innovative elements into these media to create an engaging and enjoyable experience for viewers.

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

### 3.6.3

## BUSINESS AND INDUSTRY OVERVIEW: PROPERTY



“ Following the successful Entire Business Transfer of Unicorn Enterprises Company Limited (EBT of UE), we have amalgamated the bulk of our property business under our listed associate, U City. As a result of this transaction, we’ve simultaneously recognised a gain of THB 1.9bn, realised a net cash increase from the novation of loans to UE of THB 2.0bn, eliminated the business conflict between U City and BTS Group and enhanced our future business from rationalisation and economies of scale. ”

**Rangsin Kritalug,**

Chief Operating Officer and Executive Director-BTSG

### KEY PERFORMANCE HIGHLIGHTS PROPERTY

#### PROPERTY REVENUE BY SEGMENT

Commercial Property & Others

Residential Property

FY 2017/18

96% 4%

FY 2016/17

94% 6%

(THB mn)	FY 2017/18	FY 2016/17	Change (%)
Operating revenue	639	617	4%
Gross operating profit	226	233	(3)%
Operating EBITDA	(4)	3	N.A.
Gross profit margin (%)	35.3%	37.7%	
Operating EBITDA margin (%)	(0.6)%	0.5%	

### FY 2017/18 KEY DEVELOPMENTS

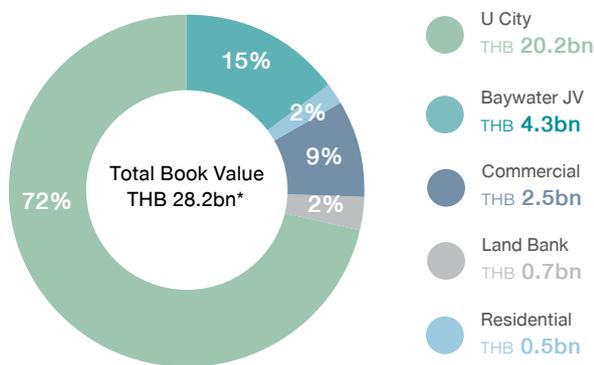
- 4 condominium projects under the BTS-SIRI JV were launched this year with total value of THB 17.0bn. The projects launched ranged in target market from mid-range to the ultra-luxury segment with prices from over THB 100k per sqm to approximately THB 310k per sqm.
- Total share of profit recorded from BTS-SIRI JV was THB 254mn from transfers of 704 units or 84% of The Line Jatujak-Mo Chit project and complete transfer of The Line Sukhumvit 71 project. Post EBT of UE (16 March 2018), BTS-SIRI JV contribution is reflected within “share of profit from associates”
- On 16 March 2018, we successfully conducted the EBT of UE for a total consideration of THB 12,246mn to U City (see below for details of assets transferred) and realised a gain on sale of assets of THB 1,880mn and net cash of THB 1,950mn. The transaction was settled via THB 5,050mn in cash and THB 2,172mn in U City preferred shares. The remaining THB 5,024mn is to be paid within 3 years with interest.



## FY 2017/18 KEY PERFORMANCE HIGHLIGHTS OF PROPERTY BUSINESS

Having transferred the bulk of BTS Group's property business to U City, certain assets remain directly held by the Group. These will continue to generate and contribute to BTS Group's revenue.

### SUMMARY OF BTS GROUP PROPERTY ASSETS



\* As of 31 march 2018

## PROPERTY STRATEGY

### U CITY BECOMES THE GLOBAL PROPERTY INVESTMENT VEHICLE FOR BTS GROUP

Our property business has become increasingly streamlined as a result of the EBT of UE. U City has become the dedicated vehicle for property development and investment, assuming the mantle of simultaneously capturing value from property development predominantly along mass transit lines within Thailand and possessing a manifold, global portfolio of income-generating assets. Altogether, U City's current businesses are in the hospitality, office and residential segments. The majority of BTS' property-related income will thus be recognised as a share of profit from U City (Equity Method).

Details	Total Area		Book Value*
	Total (rai)	Total (sqm)	THB mn
<b>Property Summary by Category</b>			
<b>Residential</b>	<b>96.8</b>	<b>154,850.2</b>	<b>496.3</b>
Houses	96.7	154,664.0	494.0
Condominiums	0.1	186.2	2.3
<b>Commercial</b>	<b>478.9</b>	<b>766,224.9</b>	<b>2,473.8</b>
Golf Course & Sports Club	475.1	760,094.0	2,326.4
Residential Apartments	3.8	6,130.9	147.4
<b>Land Bank</b>	<b>517.0</b>	<b>782,966.0</b>	<b>752.7</b>
Bangkok	53.8	41,812.0	15.6
Samutprakarn	308.6	493,708.0	684.7
Chiang Mai and Chiang Rai	21.9	35,040.0	11.0
Phuket	37.5	60,034.0	33.8
Other Provinces	95.2	152,372.0	7.6
<b>Bayswater JV</b>	<b>48.8</b>	<b>78,051.2</b>	<b>4,296.2</b>
Land Bank			
<b>U City</b>	<b>1,242.4</b>	<b>1,987,903.3</b>	<b>20,206.8</b>
Properties & Land Bank			
<b>Total</b>	<b>2,383.9</b>	<b>3,769,995.6</b>	<b>28,225.8</b>

\* Equity-stake adjusted



## U CITY'S GLOBAL PRESENCE

as of 31 March 2018

### PRESENCE IN 10 EUROPEAN COUNTRIES

**Total of 39 hotels and 2 office buildings**

- Austria
- Belarus
- Czech Republic
- France
- Germany
- Poland
- Romania
- Russia
- Slovakia
- United Kingdom



### PRESENCE IN 5 ASIAN & MIDDLE EASTERN COUNTRIES

**Total of 53 hotels, 1 office building, 12 condominium projects launched**

- Thailand
- Vietnam
- Indonesia
- India
- Oman

## BTS GROUP'S BENEFITS FROM THE EBT OF UE TO U CITY

1. The elimination of the business conflict between U City and UE, which both engages in similar businesses and in similar local areas
2. More efficient management and resource allocation from the centralisation of the business under one entity and the elimination of duplicative efforts
3. Greater economies of scale from an enlarged property portfolio such as having stronger negotiating power with Online Travel Agencies (OTA) on their fees and commissions, construction contractors and raw materials sourcing
4. Potential synergies that are as yet untapped, such as migrating Vienna House brands to Asia and Absolute Hotel Services (AHS) brands to Europe and cooperation between their distribution channels and loyalty programmes
5. Liberate BTS Group's capital for future investments through U City's novation and repayment of BTS Group's shareholder loans to UE. U City's business also becomes self-sustaining due to an enlarged base of cash flow-generative assets and following the simultaneously conducted capital raising. These steps eliminate the need for BTS Group to inject capital on a regular basis to grow its property business

## OVERVIEW OF ASSETS TRANSFERRED UNDER THE EBT OF UE TO U CITY

No.	Entities	Business Type	Registered Capital (THB mn)	Number of Shares	Par Value (THB/Share)	Shareholding
1	Ordinary Shares of Unison One Co., Ltd	Office building rental	340.0	3,400,000	100	100.0%
2	Ordinary Shares of Muangthong Assets Co., Ltd	Hotel	125.0	1,250,000	100	100.0%
3	Ordinary Shares of PrannaKiri Assets Co., Ltd	Land owner and property development	311.0	3,110,000	100	100.0%
4	Ordinary Shares of Siam Paging Communication Co., Ltd	Land owner and property development	5.0	50,000	100	100.0%
5	Ordinary Shares of Tanayong Food and Beverage Co., Ltd	Land owner and property development	1.0	10,000	100	100.0%
6	Ordinary Shares of BTS Land Co., Ltd	Land owner and property development	10.0	100,000	100	100.0%
7	Ordinary Shares of Nine Square Property Co., Ltd	Land owner and property development	10.0	100,000	100	100.0%
8	Ordinary Shares of Mak8 Co., Ltd	Land owner and property development	151.0	1,510,000	100	100.0%
9	Ordinary Shares of Tanayong Property Management Co., Ltd	Property management	1.0	10,000	100	100.0%
10	Ordinary Shares of Ratburana Property Co., Ltd	Land owner and property development	10.0	100,000	100	100.0%
11	Ordinary Shares of Thana City Golf and Sports Club Co., Ltd	Golf course and sports club	20.0	200,000	100	100.0%
12	Ordinary Shares of Tanayong Hong Kong Limited	Securities investment	HKD 10,000	10,000	HKD 1	100.0%
13	Ordinary Shares of Absolute Hotel Services Co., Ltd	Hotel management	25.0	1,250,000	100	50.0%
14	Ordinary Shares of Keystone Estate Co., Ltd	Land owner and property development	1,874.0	9,370,000	100	50.0%

No.	Entities	Business Type	Registered Capital (THB mn)	Number of Shares	Par Value (THB/Share)	Shareholding
15	Ordinary Shares of Keystone Management Co., Ltd	International school	500.0	2,500,000	100	50.0%
16	Ordinary Shares of BTS Sansiri Holding One	Land owner and property development	100.0	500,000	100	50.0%
17	Ordinary Shares of BTS Sansiri Holding Two	Land owner and property development	100.0	500,000	100	50.0%
18	Ordinary Shares of BTS Sansiri Holding Three	Land owner and property development	100.0	500,000	100	50.0%
19	Ordinary Shares of BTS Sansiri Holding Four	Land owner and property development	100.0	500,000	100	50.0%
20	Ordinary Shares of BTS Sansiri Holding Five	Land owner and property development	100.0	500,000	100	50.0%
21	Ordinary Shares of BTS Sansiri Holding Six	Land owner and property development	100.0	500,000	100	50.0%
22	Ordinary Shares of BTS Sansiri Holding Seven	Land owner and property development	100.0	500,000	100	50.0%
23	Ordinary Shares of BTS Sansiri Holding Eight	Land owner and property development	100.0	500,000	100	50.0%
24	Ordinary Shares of BTS Sansiri Holding Nine	Land owner and property development	100.0	500,000	100	50.0%
25	Ordinary Shares of Nuvo Line Agency Co., Ltd	Land owner and property development	100.0	500,000	100	50.0%
26	Ordinary Shares of BTS Sansiri Holding Eleven	Land owner and property development	100.0	500,000	100	50.0%
27	Ordinary Shares of BTS Sansiri Holding Twelve	Land owner and property development	100.0	500,000	100	50.0%
28	Ordinary Shares of BTS Sansiri Holding Fourteen	Land owner and property development	100.0	500,000	100	50.0%
29	Ordinary Shares of BTS Sansiri Holding Fifteen	Land owner and property development	100.0	500,000	100	50.0%

No.	Entities	Business Type	Registered Capital (THB mn)	Number of Shares	Par Value (THB/Share)	Shareholding
30	Ordinary Shares of BTS Sansiri Holding Sixteen	Land owner and property development	100.0	500,000	100	50.0%
31	Ordinary Shares of BTS Sansiri Holding Seventeen	Land owner and property development	100.0	500,000	100	50.0%
32	Ordinary Shares of BTS Sansiri Holding Eighteen	Land owner and property development	100.0	500,000	100	50.0%
33	Ordinary Shares of BTS Sansiri Holding Nineteen	Land owner and property development	100.0	500,000	100	50.0%
34	Ordinary Shares of BTS Sansiri Holding Twenty	Land owner and property development	100.0	500,000	100	50.0%
35	Ordinary Shares of BTS Sansiri Holding Twenty One	Land owner and property development	100.0	500,000	100	50.0%
36	Ordinary Shares of BTS Sansiri Holding Twenty Two	Land owner and property development	100.0	500,000	100	50.0%

## RESTRICTIONS AND CONDITIONS ON BTS GROUP'S PROPERTY BUSINESS TO PREVENT FUTURE CONFLICTS OF INTEREST BETWEEN THE COMPANY AND U CITY POST EBT OF UE:

Post-EBT of UE, the Company still holds some of the remaining property entities used in the property business directly or through its subsidiaries. Therefore, to manage conflicts of interest in the property development business between the Company and U City, so long as the Company is a shareholder of U City that directly or indirectly holds not less than 10 percent of the total issued shares of U City in aggregate, the Company shall grant U City the following 3 rights:

1. A right of first refusal to purchase or to lease land and/or buildings of the Company and/or its subsidiaries and to purchase shares in the Company's subsidiaries holding land and/or buildings (ROFR).

In the event that the Company or any of its subsidiaries wishes to (a) sell or lease out any land and/or buildings used in its property business, or (b) sell shares in any subsidiary holding land and/or buildings used in its property business, which are currently held by or will be acquired in the future, to a third party, the Company shall first offer, or shall cause its respective subsidiary to agree to first offer the right to purchase or to lease the respective land and/or buildings, or to purchase shares in such subsidiary (as the case may be), to U City and/or its subsidiaries, subject to conditions and at a price no less favourable than those offered by the Company or its respective subsidiary to a third party.

2. A Call option to purchase or to lease land and/or buildings and to purchase shares in any subsidiary holding land and/or buildings (the Call Option)

In the event that U City and/or any of its subsidiaries wishes to (a) purchase or to lease land and/or buildings used in the property business or (b) purchase shares in any subsidiary holding land and/or buildings used in the property business, which are currently held by or will be acquired in the future by the Company or its subsidiaries, the Company undertakes to sell or lease or to cause its respective subsidiary to sell or lease, such land and/or buildings or shares in such subsidiary (as the case may be) to U City and/or its subsidiaries, at a fair value appraised by an independent appraiser, whose name appears on the SEC's list, and whom the Company and U City jointly appoint, provided that U City must exercise the Call Option before the Company or its respective subsidiary obtain an offer to purchase land and/or buildings or an offer to purchase shares in the subsidiary holding land and/or buildings from a third party.

3. The right to be appointed as a property manager under a property management agreement and the right to be appointed as a real estate agent under a real estate agency agreement.

For the property projects, which are currently owned by the Company or its subsidiaries, which have not been transferred to U City in the EBT of UE, the Company shall appoint, or shall cause its respective subsidiary to appoint, U City and/or its subsidiaries as a property manager of the relevant projects whose terms and conditions will be agreed on an arm's length basis.

In addition, land and/or buildings, which are currently owned or will be acquired in the future by the Company or its subsidiaries, including property projects which are currently for sale or lease and are owned by the Company or its subsidiary, which have not been transferred to the Company in the EBT of UE, the Company shall appoint, or shall cause its respective subsidiary to appoint, U City and/or its subsidiaries as a real

estate agent to sell or lease such property by entering into a real estate agency agreement, whose terms and conditions will be agreed on an arm's length basis.

However, in the case that (a) U City refuses the aforementioned appointment as the property manager or real estate agent to sell or lease such property or (b) U City and/or its subsidiaries do not comply with the property management agreement, or the real estate agency agreement (as the case may be), giving rise to the Company and/or its respective subsidiary to terminate such agreement, the Company and/or its respective subsidiary shall have the right to manage and/or sell or lease such property on its own and/or to appoint a third party as a property manager or a real estate agent to sell or lease such property (as the case may be).

In addition the Company has set a policy for its property business where the Company will not engage in the property development business that competes with or overlaps, or may compete with or overlap with the property development business of U City and/or its subsidiaries. The Company will still be able to engage in:

- (a) Land trade business and investment in properties so long as it is not for the development of property projects; and
- (b) Investment in securities of any entities engaging in the property business in the proportion of not more than 10 percent of the total issued shares of such entity and the Company must not have control in such entity, excluding the Company's shareholdings in entities, which engage in the property business, that were acquired prior to the EBT of UE. Further details are as follows:

**RIGHTS TO BE GRANTED TO U CITY ON PROPERTY STILL RETAINED BY THE COMPANY OR ITS SUBSIDIARIES POST EBT OF UE**

		Size	Category	Type of Right
<b>Property for sale</b>				
1	Nouvelle Condominium	1 unit of 59 sqm	Condominium	Property management agreement / real estate agency agreement
2	Thana Place Condominium	2 units, totaling 128 sqm	Condominium	Property management agreement / real estate agency agreement
3	Prestige House II	38 plots, totaling 27 rai 1 ngan 15.9 square wa (43,664 sqm)	Housing development	Property management agreement / real estate agency agreement
4	Prestige House III	206 plots, totaling 59 rai 4.2 square wa (94,417 sqm)	Housing development	Property management agreement / real estate agency agreement
5	Townhouse Habitat	16 plots, totaling 1 rai 3 ngan 68.8 square wa (3,075 sqm)	Housing development	Property management agreement / real estate agency agreement
6	Par 1	61 plots, totaling 9 rai 77.0 square wa (14,708 sqm)	Housing development	Property management agreement / real estate agency agreement
<b>Vacant land pending development</b>				
7	Land located in Rimkok, Chiang Rai	4 plots, totaling 21 rai 3 ngan 60.0 square wa (35,040 sqm)	Land	ROFR / Call Option / property management agreement / real estate agency agreement
8	Land located in Kaeng Khoi, Saraburi	4 plots, totaling 95 rai 93.0 square wa (152,372 sqm)	Land	ROFR / Call Option / property management agreement / real estate agency agreement
9	Land located in Kohkaew, Phuket	4 plots, totaling 37 rai 2 ngan 8.5 square wa (60,034 sqm)	Land	ROFR / Call Option / property management agreement / real estate agency agreement
10	Land in front of the Thana City Project	3 plots, totaling 207 rai 1 ngan 80.6 square wa (331,922 sqm)	Land	ROFR / Call Option / property management agreement / real estate agency agreement
11	Land behind the Thana City Project	1 plots, totaling 7 rai 8.0 square wa (11,232 sqm)	Land	ROFR / Call Option / property management agreement / real estate agency agreement

## 2017 OVERVIEW OF THE THAI ECONOMY

GDP growth for 2017 was 3.9%. This was a marked improvement from the previous year's growth of 3.2%. Key factors for the growth were the surge in exports of 9.7%, growth in private consumption of 3.2% and private investment of 1.7% being partially offset by a decline in public investment of 1.2%. Economic expansion of major trading partners, particularly the USA, Eurozone countries, China and Japan drove broad demand for Thai manufactured and agricultural products.

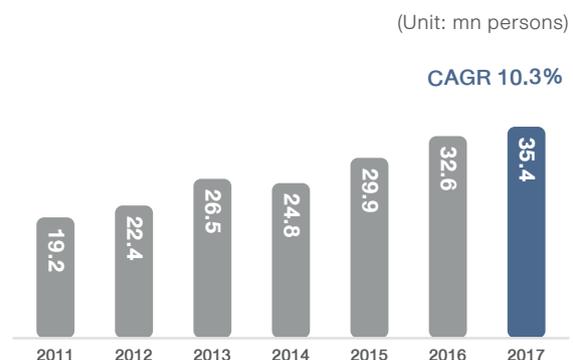
Headline inflation for the year remained benign at 0.7% but on an upward trajectory. The Bank of Thailand has maintained its policy rate unchanged throughout the year at 1.5%. The Baht continued to appreciate to the USD, up 3.9% to 33.93 Baht per USD. The strong Baht remains a concern for exporters and to a lesser extent the tourism sector as this makes Thai goods and services relatively more expensive in USD terms. The Baht owes its strength to the considerable current account surplus of 10.8% of GDP in 2017.

## 2017 OVERVIEW OF THE HOTEL BUSINESS IN THAILAND

According to data from the Ministry of Tourism and Sports, total international arrivals were 35.4mn, growing 8.8% from the previous year. Total tourism receipts amounted to THB 1.82tn, an increase of 11.7% from last year. The nationalities of tourists remains dominated by 3 countries: China, Malaysia and South Korea. Despite the year's 10-month mourning period leading up to His Majesty King Bhumibol Adulyadej's Cremation, where many people and corporates in respect to the late King and in sombre spirit, cancelled a number of celebratory events, weddings and the like, the tourism sector seems to continue to perform perennially well. In 2017 Thais undertook approximately 156.2mn trips and spent some THB 930bn within the country. The government's encouragement of domestic tourism has been a boon to hotel operators for the most part, where the majority of tourist spending is made.

Certain challenges remain in the industry. Tourism activity is highly concentrated. A handful of provinces - some 5% of the total according to the Tourism Authority of Thailand - have enjoyed the vast majority of interest, development and investment. Such concentrated development places a strain on the environment, the local infrastructure, inequity and distortions to local market conditions. Despite pushback from the government, hotel associations and other interest groups; online marketplaces for lodging such as 'Airbnb' remains a major supplier of rooms for the market at often very competitive prices. Hotels have responded with offering its guests more personalised services, technology, big data and conveniences. Online Travel Agencies (OTAs) dominate in the way people find, compare and book their lodging. Hotel operators need to bear considerable commissions expenses which often undermine their margins. Hotels have put considerable effort and investment in loyalty programmes, direct bookings or increasing their bargaining power to mitigate these costs. (Figure 1)

**FIGURE 1: INTERNATIONAL TOURIST ARRIVALS IN THAILAND**



Source: Department of Tourism

## 2017 OVERVIEW OF THAILAND CONDOMINIUM BUSINESS

According to Colliers Thailand, the number of condominium launches increased by 49.6% to over 58,424 units while average take-up rate fell slightly to 57%. Of that amount, 55.1% of total condominiums launched were priced between THB 50,000-100,000 per sqm – otherwise known as the 'Mid-level' segment. For almost all the remaining condominium launches, some 43.1% of total launches were in the 'Upper-end' segment or higher where prices go for

over THB 100,000 per sqm. Developers continue to focus on developing near mass transit stations where take-up rates are generally substantially higher despite higher prices for buyers (mass transit premium). Condominiums located within 200m or less enjoyed take-up rates of 82% (up from 75% last year) and 61% for condominiums located between 500m to 1,000m from mass transit stations.

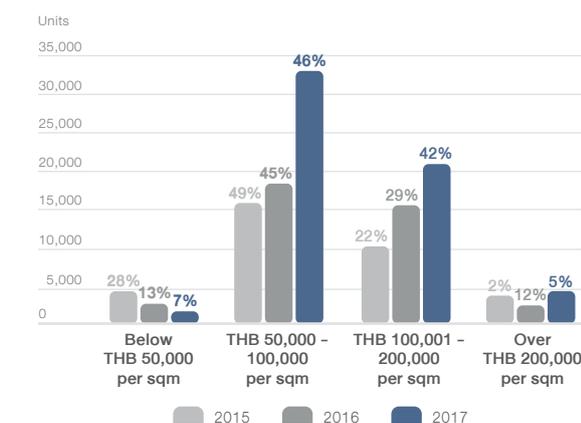
Overall land prices though, are still at historically elevated levels and still transacting at record prices, have slowed down somewhat in its upward march. According to CBRE, Banks have also been conservative on its lending and that may have had a significant impact on speculative land buying, thereby slowing down overall land price appreciation rate. Nevertheless demand for prime areas continues to be strong not only for condominiums but as developers increasingly look towards diversifying their revenue mix to including recurring income from office, retail and hotel developments. (Figure 2 and 3)

**FIGURE 2: TOTAL CONDOMINIUM LAUNCHES IN BANGKOK AND THEIR AVERAGE TAKE-UP RATES**



Source: Colliers International Thailand Research

**FIGURE 3: BREAKDOWN OF CONDOMINIUM LAUNCHES BY AVERAGE PRICE PER SQM**



Source: Colliers International Thailand Research

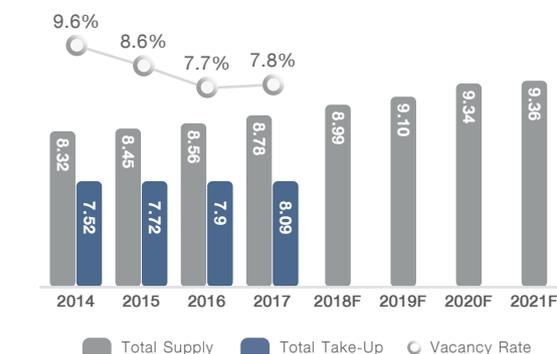
## 2017 OVERVIEW OF THAILAND OFFICE BUSINESS

According to CBRE Research, overall vacancy rate increased slightly to 7.8% at the end of 2017 from 7.7% at the end of the previous year. Total supply of office space stood at 8.8mn sqm, up 2.6% from the previous year as additional office buildings became operational, particularly in non-CBD areas. As a result of the steady demand and take-up for office space, office rental rates continued to appreciate with grade A office rents in CBD areas averaging THB 994 per sqm per month, up 4.3% from the previous year. The highest rental growth rates were achieved by grade A office rents in non-CBD areas at an average of THB 810 per sqm per month, up 5.2% from last year. A majority of new office space supply was located in these areas where strong demand for quality office space allowed landlords to retain strong asking power.

To date, CBRE expects 584,000 sqm in additional supply of office space to become operational by 2021. This represents an average 3-year supply growth of just below 194,700 sqm per year. CBRE expects naturalised demand to be sufficiently able to absorb the new supply, though there may be differences in local supply and demand conditions on a location-by-location basis. (Figure 4)

**FIGURE 4: TOTAL OFFICE SPACE SUPPLY, TAKE-UP AND VACANCY RATES**

(Unit: mn of sqm)



Source: CBRE

### 3.6.4

## BUSINESS AND INDUSTRY OVERVIEW: SERVICES

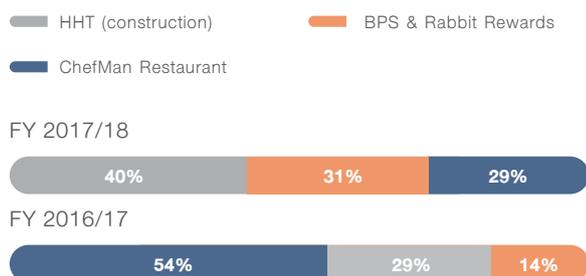


“ Our Services business supports our other businesses strategically. Over the year, Absolute Hotel Services (AHS), has been transferred to U City as part of the EBT of UE transaction, enabling synergies to percolate in U City’s hospitality business. The number of Rabbit Rewards members grew to 3.2mn in this year. We are poised to grow this loyalty programme further, strengthening its support to our Media Business. ”

**Kavin Kanjanapas,**  
Chief Executive Officer–BTSG

### KEY PERFORMANCE HIGHLIGHTS SERVICES

#### SERVICES REVENUE BY SEGMENT



(THB mn)	FY 2017/18	FY 2016/17	Change (%)
Operating revenue	449	743	(40)%
Gross operating profit	46	159	(71)%
Operating EBITDA	(76)	(97)	22%
Gross profit margin (%)	10.2%	21.5%	
Operating EBITDA margin (%)	(16.9)%	(13.1)%	

### FY 2017/18 KEY DEVELOPMENTS

- Carrot Rewards, completed its rebranding to Rabbit Rewards programme and grew to 3.2 million members from 2.7 million members in the previous year.
- AHS has acquired 12 new management contracts under “Eastin Grand Hotels”, “Eastin Hotels & Residences”, “Eastin Easy”, “Travelodge” and “U Hotels & Resorts” brands in Thailand, Vietnam, Indonesia and India in FY 2017/18.
- In August 2017, Man Food Holdings Co., Ltd. (MFH), the joint venture between the Company, Bangkok Ranch Public Company Limited (BR) - Thailand’s leading Integrated Duck Meat Producer and ChefMan was successfully established.



## **ABSOLUTE HOTEL SERVICES CO., LTD.**

Absolute Hotel Services Co., Ltd. (AHS) was founded a joint venture company between the Group and partners with experience in the hotel business. AHS is among the top 4 management companies based in Thailand based on number of keys under management and number of rooms under management together with Minor, Centara and Onyx. AHS continues to be the fastest growing Thai management company in terms of properties and keys under management. AHS also has the largest management portfolio of any Thai Management company in Vietnam and India. AHS's vision is to provide a unique range of complete hospitality services and consultancy on an a la carte basis with tailor-made client-, owner- and developer-centric solutions.

Following the successful completion of Property Restructuring via the entire business transfer of our former subsidiary, Unicorn Enterprise Company Limited (EBT of UE) to U City, AHS was transferred to U City since 16 March 2018. Henceforth, AHS will contribute Equity Method to U City. U City would benefit from synergies that would result from cooperation with Vienna House and the cross-migration of brands from Asia to Europe and vice versa.

## **BANGKOK PAYMENT SOLUTIONS**

Bangkok Payment Solutions Company Limited (BPS) was established on 30 April 2014 as a joint venture between VIX Group and BTSG. VIX Group is the technology development leader for Central Clearing House (CCH) and Automatic Fare Collection (AFC) services. BPS will be the vehicle for developing software and providing technology services, for an integrated mass transit and payment systems for Thailand.

BPS will have three main revenue streams; services revenue from payment solution projects (CCH and AFC development), recurring service and maintenance contracts as well as electronic data capture hardware device sales. In FY 2017/18, BPS recognised revenue from sales of fully-equipped EDC (Electronic Data Capture) machine as well as revenue from software development services.

## **CHEFMAN RESTAURANT**

ChefMan Restaurant (ChefMan) is a premium Chinese restaurant chain managed by Man Kitchen Company Limited that offers distinctly original Cantonese cuisine. ChefMan is committed to providing excellent food with high quality ingredients cooked by professional chefs. During FY 2017/18, ChefMan restaurant extended its distribution channel to cover more segments. As of 31 March 2018, ChefMan had 8 branches, divided into 3 dine-in branches, 2 Chairman by ChefMan, 1 M Krub restaurant, 1 Man Kitchen buffet and 1 take away.

In August 2017, Man Food Holdings Co., Ltd. (MFH), the joint venture between the Company, Bangkok Ranch Public Company Limited (BR) - Thailand's leading Integrated Duck Meat Producer and Mr. Wai Yin Man (ChefMan) was successfully established. MFH was set for operating restaurants and food service business. The addition of BR's extensive food processing expertise will enable MFH to scale-up its business domestically and internationally. We expect the synergy among all three parties will enable the company to grow extensively and potentially add many branches and outlets to increase its revenue in the future.

As part of the ChefMan restructuring, the company disposed of the following ChefMan Group Subsidiaries; (i) Man Kitchen Co., Ltd. (MK), (ii) Primary Kitchen Co., Ltd. (PK), (iii) KMJ 2016 Co., Ltd. (KMJ), (iv) Little Corner co., Ltd. (LC – held by MK) and (v) Man Food Products Co., Ltd. (MFP) to MFH. All of aforesaid subsidiaries were no longer consolidated in the BTSG's financial statements and henceforth treated as share of net profit/ (loss) from investment in Joint venture (MFH) instead.

## **RABBIT REWARDS**

Rabbit Rewards manages a loyalty and benefits programme for consumers who transact with the Rabbit Card and/or Rabbit LinePay. Rabbit Rewards members who register their accounts can earn points when commuting on the BTS SkyTrain and when making retail purchases across the retail partner network. These Points can subsequently be redeemed for vouchers across our retail partner network and additional Rabbit Rewards partners. Vouchers also include cash top-up on a member's Rabbit card as well as for various merchandise and gift certificates. The programme currently has 3.2 million registered members.

## SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES INFORMATION

As of 31 March 2018

Juristic Person	Type of Business	Address	Paid-up Capital (THB)	Total Shares / Issued Shares	Type	Shareholding (%)
<b>1. Mass Transit Business</b>						
<b>Bangkok Mass Transit System PCL</b>	Mass Transit Business	1000 BTS Building, Phahonyothin Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2617 7300 Fax: +66 (0) 2617 7133	4,016,783,413.25	16,067,133,653 shares (par value of Baht 0.25 per share)	Ordinary Shares	97.46
Remark: On 15 May 2018, the Company has additionally purchased 3,560,000 ordinary shares of Bangkok Mass Transit System PCL. As a result, the Company's shareholding in Bangkok Mass Transit System PCL, has been increased from 97.46% to 97.48%.						
<b>BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF)</b>	Investment in the net farebox revenue from the operation of the Core BTS SkyTrain System under the Concession Agreement, covering a combined track length of 23.5 km	175 Sathorn City Tower, 7 <sup>th</sup> , 21 <sup>st</sup> and 26 <sup>th</sup> Floor, South Sathorn Road, Thung Mahamek, Sathorn, Bangkok 10120 Tel: +66 (0) 2674 6488 # 8 Fax: +66 (0) 2679 5955	61,416,468,000	5,788,000,000 units (par value of Baht 10.611 per unit)	Investment Units	33.33
<b>BTS Infrastructure Services Co., Ltd.</b>	Mass Transit Business	1000 BTS Building, Phahonyothin Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2617 7300 Fax: +66 (0) 2617 7133	250,000	10,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00 (Held by Bangkok Mass Transit System PCL)
<b>BTS Infrastructure Development Co., Ltd.</b>	Providing consultancy service for architecture and engineering works	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8611-5 Fax: +66 (0) 2273 8616	250,000	10,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
<b>Northern Bangkok Monorail Co., Ltd.</b>	Mass Transit Business	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8611-5 Fax: +66 (0) 2273 8616	4,500,000,000	55,000,000 shares (par value of Baht 100 per share)	Ordinary Shares	75.00
<b>Eastern Bangkok Monorail Co., Ltd.</b>	Mass Transit Business	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8611-5 Fax: +66 (0) 2273 8616	4,500,000,000	55,000,000 shares (par value of Baht 100 per share)	Ordinary Shares	75.00
<b>2. Media Business</b>						
<b>VGI Global Media PCL</b>	Providing advertising network service in mass transit system (BTS SkyTrain), advertising media in office buildings and others	21 TST Tower, 9 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8884 Fax: +66 (0) 2273 8883	720,433,290	7,204,332,902 shares (par value of Baht 0.10 per share)	Ordinary Shares	73.61 (48.59 held by Bangkok Mass Transit System PCL and 25.02 held by the Company)
<b>VGI Advertising Media Co., Ltd.</b>	Providing advertising media service (ceased to operate due to the termination of agreement in Tesco Lotus.)	21 TST Tower, 9 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8884 Fax: +66 (0) 2273 8883	10,000,000	100,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00 (held by VGI Global Media PCL)



Juristic Person	Type of Business	Address	Paid-up Capital (THB)	Total Shares / Issued Shares	Type	Shareholding (%)
<b>888 Media Co., Ltd.</b>	Providing advertising media and production services	21 TST Tower, 9 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8884 Fax: +66 (0) 2273 8883	20,000,000	2,000,000 shares (par value of Baht 10 per share)	Ordinary Shares	100.00 (held by VGI Global Media PCL)
<b>Point of View (POV) Media Group Co., Ltd.</b>	Providing advertising media service in office buildings	21 TST Tower, 9 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8884 Fax: +66 (0) 2273 8883	10,000,000	1,000,000 shares (par value of Baht 10 per share)	Ordinary Shares	100.00 (held by VGI Global Media PCL)
<b>VGI Global Media (Malaysia) Sdn Bhd</b>	Providing advertising media services	Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia Tel: +60 3 7495 5000	MYR 29,154,175	29,154,175 shares (par value of MYR 1 per share)	Ordinary Shares	100.00 (held by VGI Global Media PCL)
<b>Puncak Berlian Sdn Bhd</b>	Providing out-of-home media services	Unit C508, Block C, Kelena Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia Tel: +60 3780 51817 Fax: +60 3780 41316	MYR 17,125,105	17,125,105 shares (par value of MYR 1 per share)	Ordinary Shares	25.00 (held by VGI Global Media (Malaysia) Sdn Bhd)
<b>Demo Power (Thailand) Co., Ltd.</b>	Providing product sampling services	1126/2 New Petchburi Road, Makkasan, Ratchthewi, Bangkok 10400 Tel: +66 (0) 2023 7077 Fax: +66 (0) 2250 7102	3,000,000	30,000 shares (par value of Baht 100 per share)	Ordinary Shares	40.00 (held by VGI Global Media PCL)
<b>Master Ad PCL</b>	Providing out-of-home media and production services	1, 4 <sup>th</sup> -6 <sup>th</sup> Floor, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900 Tel: +66 (0) 2938 3388 Fax: +66 (0) 2938 3489	343,891,036.60	3,438,910,366 shares (par value of Baht 0.10 per share)	Ordinary Shares	48.47 (30.38 held by VGI Global Media PCL and 18.09 held by the Company)
<b>Master &amp; More Co., Ltd.</b>	Providing advertising media and production services of small format billboard	1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2938 3388 Fax: +66 (0) 2938 3489	20,000,000	2,000,000 shares (par value of Baht 10 per share)	Ordinary Shares	100.00 (held by Master Ad PCL)
<b>Open Plays Co., Ltd.</b>	Providing advertising media and production services	1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2938 3388 Fax: +66 (0) 2938 3489	5,000,000	50,000 shares (par value of Baht 100 per share)	Ordinary Shares	80.00 (held by Master & More Co., Ltd.)
<b>MACO Outdoor Sdn Bhd</b>	Investment in the securities of other companies in Malaysia	52, 1 <sup>st</sup> Floor, Jalan SS 21/58, Damansara Utama, 47400 Petaling Jaya, Selangor, Malaysia	MYR 200,000	200,000 shares (par value of MYR 1 per share)	Ordinary Shares	100.00 (held by Master Ad PCL)

Juristic Person	Type of Business	Address	Paid-up Capital (THB)	Total Shares / Issued Shares	Type	Shareholding (%)
<b>Eyeballs Channel Sdn Bhd</b>	Providing out-of-home media and production services in Malaysia	G-1-11, Jalan PJU 1A/3 Taipan Damansara 47301, Petaling Jaya, Selangor, Malaysia	MYR 500,000	500,000 shares (par value of MYR 1 per share)	Ordinary Shares	40.00 (held by MACO Outdoor Sdn Bhd)
<b>Eye On Ads Co., Ltd.</b> (formerly known as MACO Rite Sign Co., Ltd. and changed its name on 28 October 2016)	Providing advertising media for billboards and digital	28/43-45 Viphavadi-Rangsit Road, Lat Yao, Chatuchak, Bangkok 10900 Tel: +66 (0) 2938 3388 Fax: +66 (0) 2938 3486-7	5,000,000	500,000 shares (par value of Baht 10 per share)	Ordinary Shares	100.00 (held by Master Ad PCL)
<b>Co-Mass Co., Ltd.</b>	Providing out-of-home media services	1, 4 <sup>th</sup> -6 <sup>th</sup> Floors, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2938 3388 Fax: +66 (0) 2938 3486-7	5,625,000	56,250 shares (par value of Baht 100 per share)	Ordinary Shares	70.00 (held by Eye On Ads Co., Ltd.)
<b>Green Ad Co., Ltd.</b>	Investment in the securities of other companies	1, 6 <sup>th</sup> Floor, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2938 3388 Fax: +66 (0) 2938 3489	444,599,600	100,000,000 shares (par value of Baht 5 per share)	Ordinary Shares	100.00 (held by Master Ad PCL)
<b>Multi Sign Co., Ltd.</b>	Providing out-of-home media and production services	34/13-14 Soi Borommarat chachonnani 123, Borommaratchachonnani Road, Sala Thammassop, Thawi Wattana, Bangkok 10170 Tel: +66 (0) 2441 1761-2 Fax: +66 (0) 2441 1763	14,000,000	140,000 shares (par value of Baht 100 per share)	Ordinary Shares	70.00 (held by Green Ad Co., Ltd.)
<b>InkJet Images (Thailand) Co., Ltd.</b>	Providing inkjet media production services	28/43-45 Viphavadi-Rangsit Road, Lat Yao, Chatuchak, Bangkok 10900 Tel: +66 (0) 2936 3366 Fax: +66 (0) 2936 3636	6,000,000	600,000 shares (par value of Baht 10 per share)	Ordinary Shares	50.00 (held by Master Ad PCL)
<b>Landy Development Co., Ltd.</b>	Providing office building rental services	1, 4 <sup>th</sup> -6 <sup>th</sup> Floors, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2938 3388	40,000,000	4,000,000 shares (par value of Baht 10 per share)	Ordinary Shares	48.87 (held by Master Ad PCL)
<b>Aero Media Group Co., Ltd.</b> (formerly known as LED Advance Co., Ltd. and changed its name on 1 October 2015)	Providing marketing services and media space within the airport areas	115/1-3 Sukhothai Grand Building, Sukhothai Road, Dusit, Bangkok 10300 Tel: +66 (0) 2697 9944 Fax: +66 (0) 2697 9945	85,700,000	85,700 shares (par value of Baht 1,000 per share)	Ordinary Shares	30.00 (held by VGI Global Media PCL)
<b>The ICON VGI Co., Ltd.</b>	Providing advertising media services	989 Siam Piwat Tower, 20 <sup>th</sup> Floor, Unit A 1, Rama 1 Road, Pathumwan, Bangkok 10330 Tel: +66 (0) 2658 1000 Fax: +66 (0) 2658 1020	1,000,000	10,000 shares (par value of Baht 100 per share)	Ordinary Shares	25.00 (held by VGI Global Media PCL)

Juristic Person	Type of Business	Address	Paid-up Capital (THB)	Total Shares / Issued Shares	Type	Shareholding (%)
<b>Supremo Media Co., Ltd.</b>	Providing advertising media services	989 Siam Piwat Tower, 20 <sup>th</sup> Floor, Rama 1 Road, Pathumwan, Bangkok 10330 Tel: +66 (0) 2658 1000 Fax: +66 (0) 2658 1020	1,000,000	10,000 shares (par value of Baht 100 per share)	Ordinary Shares	25.00 (held by VGI Global Media PCL)
<b>Group Work Co., Ltd.</b>	Leasing out the property area for temporary office space and/or workspaces	219/2, Asoke Towers, 2 <sup>nd</sup> Floor, Soi Asoke, Sukhumvit 21 Road, Khlong Toei Nue, Watthana, Bangkok 10330	6,250,000	62,500 shares (par value of Baht 100 per share)	Ordinary Shares	20.00 (held by VGI Global Media PCL)

### 3. Property Business

<b>U City PCL</b> (formerly known as Natural Park PCL and changed its name on 20 April 2015)	Land owner and property development	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8838 Fax: +66 (0) 2273 8868-9	935,429,212,116	561,371,695,976 ordinary shares and 374,057,516,140 preferred shares (par value of Baht 1 per share)	Ordinary Shares and Preferred Shares	38.97
<b>DNAL Co., Ltd.</b>	Cessation of business operation	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8833 Fax: +66 (0) 2273 8131	12,500,000	125,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
<b>Yongsu Co., Ltd.</b>	Cessation of business operation	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8511-5 Fax: +66 (0) 2273 8516	234,000,000	2,340,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
<b>Kingkaew Assets Co., Ltd.</b>	Property development	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8511-5 Fax: +66 (0) 2273 8516	10,000,000	100,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
<b>The Community One Co., Ltd.</b>	Property development	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8511-5 Fax: +66 (0) 2273 8516	10,000,000	100,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
<b>The Community Two Co., Ltd.</b>	Property development	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8511-5 Fax: +66 (0) 2273 8516	10,000,000	100,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
<b>Bayswater Co., Ltd.</b>	Land owner and property development	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8511-5 Fax: +66 (0) 2273 8516	10,000,000	100,000 shares (par value of Baht 100 per share)	Ordinary Shares	50.00

Juristic Person	Type of Business	Address	Paid-up Capital (THB)	Total Shares / Issued Shares	Type	Shareholding (%)
<b>4. Services Business</b>						
<b>Tanayong International Limited</b>	Cessation of business operation	Wilmington Trust Corporate Services (Cayman) Limited P.O. Box 32322 SM, 4 <sup>th</sup> Floor, Century Yard, Cricket Square, Elgin Avenue George Town, Cayman Islands	USD 1,000	1,000 shares (par value of USD 1 per share)	Ordinary Shares	100.00
<b>RB Services Co., Ltd.</b>	Investment in the securities of other companies	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2618 3799 Fax: +66 (0) 2618 3798	295,000,000	2,950,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
<b>Rabbit Rewards Co., Ltd.</b> (formerly known as Carrot Rewards Co., Ltd. and changed its name on 5 February 2016)	Operating loyalty and CRM Loyalty Programme services as well as network of Coupon Kiosks	21 TST Tower, 19 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2618 3799 Fax: +66 (0) 2618 3798	195,802,500	1,958,025 shares (par value of Baht 100 per share)	Ordinary Shares	100.00 (held by RB Services Co., Ltd.)
<b>Bangkok Payment Solutions Co., Ltd.</b>	Trade, import, export, and maintenance telecommunication devices, and relating equipment, including software development and technology services	21 TST Tower, 24 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2617 9880 Fax: +66 (0) 2617 9881	50,000,000	10,000,000 shares (par value of Baht 5 per share)	Ordinary Shares	60.00 (held by RB Services Co., Ltd.)
<b>Man Food Holdings Co., Ltd.</b>	Investment in restaurant and food business	21 TST Tower, 15 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8511-5 Fax: +66 (0) 2273 8516	329,800,000	3,298,000 shares (par value of Baht 100 per share)	Ordinary Shares	41.18
<b>Man Food Products Co., Ltd.</b>	Engaging in producing and selling of food	5, Soi Chaloe Phra Kiat, King Rama IX, Soi 9, Nong Bon, Prawet, Bangkok 10250 Tel: +66 (0) 63 724 8535	100,000,000	1,000,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00 (held by Man Food Holdings Co., Ltd.)
<b>Primary Kitchen Co., Ltd.</b>	Restaurant and food business	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8511-5 Fax: +66 (0) 2273 8516	83,844,013.68	900,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00 (held by Man Food Holdings Co., Ltd.)
<b>Man Kitchen Co., Ltd.</b>	Restaurant and food business	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8511-5 Fax: +66 (0) 2273 8516	114,080,000	2,482,800 shares (par value of Baht 100 per share)	Ordinary Shares	100.00 (held by Man Food Holdings Co., Ltd.)

Juristic Person	Type of Business	Address	Paid-up Capital (THB)	Total Shares / Issued Shares	Type	Shareholding (%)
<b>Little Corner Co., Ltd.</b>	Restaurant and food business	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8511-5 Fax: +66 (0) 2273 8516	60,000,000	600,000 shares (par value of Baht 100 per share)	Ordinary Shares	69.00 (held by Man Kitchen Co., Ltd.)
<b>KMJ 2016 Co., Ltd.</b>	Engaging in the restaurant, food and beverage businesses	87 The Jas Ramintra, Room No. A 220, Ladplakao Road, Anusawari, Bang Khen, Bangkok 10220	67,000,000	670,000 shares (par value of Baht 100 per share)	Ordinary Shares	51.00 (held by Man Food Holdings Co., Ltd.)
<b>HHT Construction Co., Ltd.</b>	Construction and construction management	21 TST Tower, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273 8733 Fax: +66 (0) 2273 8730	25,000,000	5,000,000 shares (par value of Baht 5 per share)	Ordinary Shares	51.00
<b>BSS Holdings Co., Ltd.</b>	Investment in the securities of other companies	21 TST Tower, 19 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2617 8338 Fax: +66 (0) 2617 8339	1,200,000,000	12,000,000 shares (par value of Baht 100 per share)	Ordinary Shares	90.00 (held by VGI Global Media PCL)
<b>RabbitPay System Co., Ltd.</b>	Investment in the securities of other companies	21 TST Tower, 19 <sup>th</sup> Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2617 8338 Fax: +66 (0) 2617 8339	800,000,000	8,000,000 shares (par value of Baht 100 per share)	Ordinary Shares	80.00 (held by BSS Holdings Co., Ltd.)
<b>RABBIT-LINE PAY Co., Ltd.</b> (formerly known as Line Biz Plus Co., Ltd. and changed its name on 25 May 2016)	Engaging in the business of accepting electronic and online payment as well as e-money services	127 Gaysorn Tower, Unit A and B, 18 <sup>th</sup> Floor, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330 Tel: +66 (0) 2022 8497	599,999,400	5,999,994 shares (par value of Baht 100 per share)	Ordinary Shares	33.33 (held by RabbitPay System Co., Ltd.)
<b>ATS Rabbit Special Purpose Vehicle Co., Ltd.</b>	A special purpose vehicle for securitisation under the Emergency Decree regarding Securitisation B.E. 2540 (1997)	388 Exchange Tower, 27 <sup>th</sup> Floor, Sukhumvit Road, Khlong Toei, Bangkok 10110 Tel: +66 (0) 2689 7000 Fax: +66 (0) 2689 7010	40,000	400 shares (par value of Baht 100 per share)	Preferred Shares and Ordinary Shares	51.00 (held by BSS Holdings Co., Ltd.)
<b>ASK Direct Group Co., Ltd.</b>	Providing sale of goods and all types of products by telesales and telemarketing services	1032/14, Krits Building, 2 <sup>nd</sup> Floor, Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120 Tel: +66 (0) 2022 1222	1,000,000	1,000 shares (par value of Baht 1,000 per share)	Ordinary Shares	51.00 (held by BSS Holdings Co., Ltd.) and 49.00 (held by Rabbit Internet Co., Ltd.)

Juristic Person	Type of Business	Address	Paid-up Capital (THB)	Total Shares / Issued Shares	Type	Shareholding (%)
<b>Rabbit Insurance Broker Co., Ltd.</b> (formerly known as ASK Broker Association Co., Ltd. and changed its name on 22 August 2016)	Providing non-life and life insurance broker services	1032/1-5, Krits Building, 2 <sup>nd</sup> Floor, Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120 Tel: +66 (0) 2022 1222	31,300,000	313,000 shares (par value of Baht 100 per share)	Ordinary Shares	51.00 (held by BSS Holdings Co., Ltd.) and 49.00 (held by Rabbit Internet Co., Ltd.)
<b>Rabbit Internet Co., Ltd.</b> (formerly known as ASK Hanuman Co., Ltd. and changed its name on 3 March 2016)	Providing web page system services and telemarketing services	1032/1-5, 14 Krits Building, 2 <sup>nd</sup> Floor, Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120 Tel: +66 (0) 2022 1222	4,002,000	4,002 shares (par value of Baht 1,000 per share)	Preferred Shares and Ordinary Shares	30.00 (held by BSS Holdings Co., Ltd.)
<b>Bangkok Smartcard System Co., Ltd.</b>	Providing E-money services	21 TST Tower, 19 <sup>th</sup> and 24 <sup>th</sup> Floors, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2617 8338 Fax: +66 (0) 2617 8339	400,000,000	4,000,000 shares (par value of Baht 100 per share)	Ordinary Shares	90.00 (held by VGI Global Media PCL)

#### Details of Juristic Person the Company holding 10% shares or more

<b>Changkianway Co., Ltd.</b>	Hotel and Restaurant	199/42 Changkian Road, Changkian, Muang, Chiangmai 50100 Tel : +66 (0) 5325 3199 Fax: +66 (0) 5325 3025	338,000,000	6,760 shares (par value of Baht 50,000 per share)	Ordinary Shares	15.15
<b>Community and Estate Management Co., Ltd.</b>	Real Estate Management	144/2 Serithai Road, Khlong Chan, Bang Kapi, Bangkok, 10240 Tel: +66 (0) 2733 1500 Fax: +66 (0) 2733 1500 # 30	20,000,000	2,000,000 shares (par value of Baht 10 per share)	Ordinary Shares	15.00
<b>Titanium Compass Sdn Bhd</b>	Providing advertising media services	Unit C508, Block C, Kelana Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia Tel: +60 3 7495 5000	MYR 1,000,000	1,000,000 shares (par value of MYR 1 per share)	Ordinary Shares	19.00 (held by VGI Global Media PCL)



## 4.0

# ANNUAL BUSINESS REVIEW

This section provides review of capital markets, risk management and Social, Community and Environmental Responsibility. You will also find our detailed management discussion & analysis of the financial performance of the Group.

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- 4.1** Capital Markets Review
  - 4.2** Risk Management Review
  - 4.3** Social, Community and Environmental Responsibility
  - 4.4** Management Discussion & Analysis
- 

**HISTORICAL SHARE PRICE ANALYSIS**

BTS share price fell by 1.2% from THB 8.45 to close at THB 8.35 as of 31 March 2018 after being influenced by several factors throughout the year. BTS share price underperformed when compared to the Stock Exchange of Thailand Index (SET Index), which increased from 1,575.1 to 1,776.3 points (up 12.8% YoY) and the SET Transportation Index (SETTRANS), which surged by almost 35.2% YoY. During the first five months (from April to August 2017), the SET's performance was range bound and BTS share price moved more or less in line with the SET Index. However, BTS subsequently underperformed the SET Index from September 2017 to the end of fiscal year. Bullish SET performance during 2H 2017/18 was spurred by a number of positive external and internal factors, for instance, greater confidence in economic growth globally and within Thailand. 2017 Thai GDP growth rate was recorded at 3.9% YoY chiefly thanks to a robust rebound in exports, an ebullient tourism sector, an accommodative overall interest rate environment, positive fund flows and continuing political stability. As of 31 March 2018, the Company's market capitalisation was THB 99.7bn (USD 3.2bn), a decrease of 1.1% YoY.

BTS share price was THB 8.50 per share at the beginning of the year. Through 1Q 2017/18, BTS share price fluctuated between a range of THB 8.25 to THB 8.70. During the first two months (April - May 2017), BTS share price gradually decreased and reach its quarter low at THB 8.25 on 29 May 2017 which was the announcement day of FY 2016/17 final dividend. Thereafter, during June 2017, BTS share price recovered, reaching THB 8.70 on 26 June 2017. The appreciation in share price during this month was mainly buoyed by the announcement of the signing of the concession contract for the MRT Pink (from Khae Rai to Min Buri, 34.5km, 30 stations) and Yellow Line (from Lad Prao to Samrong, 30.4km, 23 stations) Projects on 16 June 2017.

Between July and 28 August 2017, despite 1 August 2017 being an XD date for the FY 2016/17 final dividend, BTS share price moved sideways in a narrow range of THB 8.45 - 8.65. It consequently rebounded to reach its year high of THB 8.85 on 29 August 2017 in anticipation of the announcement of the fare increase in the Core Network (which was subsequently announced on 1 September 2017), before levelling off in September 2017.

During the third quarter, BTS share price started to slump again and bottomed out to its quarterly nadir of THB 8.20 (on three days; 29 November 2017, 4 December 2017 and 20 December 2017) and closed at THB 8.30 at the quarter-end. The announced restructuring of the property business via the Entire Business Transfer of Unicorn Enterprises Company Limited to U City PCL (U City) on 30 October 2017 as well as a potential delay of the issuance of Notice-to-Proceed for commencement of the construction works of the Pink and Yellow Line influenced BTS' stock during this period.



**BTS ANNUAL STOCK PERFORMANCE**



Source: www.setsmart.com

Note: SET Index and SETTRANS Index have been rebased in order to compare performance with BTS share price.

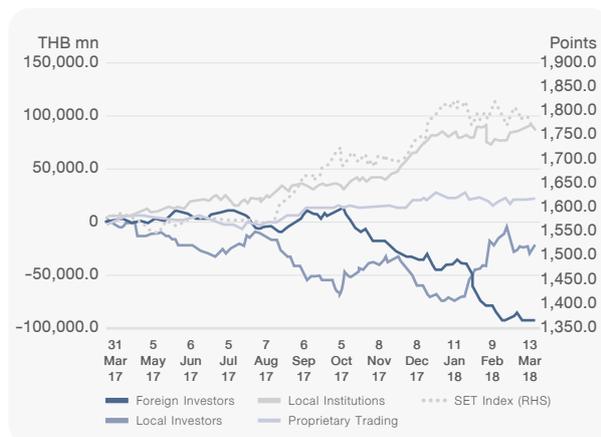


From mid-January 2018 to the end of fiscal year, BTS share price entered into a downtrend period and closed at THB 8.35 on 31 March 2018. However, during the quarter, BTS share price reached its quarter high at THB 8.45 on 16 January 2018, two days before the XD of FY 2017/18 interim dividend on 18 January 2018. After the ex-dividend date, BTS share price plunged below THB 8.00 for the first time in the fiscal year, hitting a year-end low of THB 7.85 on 2 February 2018. Subsequently, BTS share price gradually rebounded during February to March 2018 to close at THB 8.35 on 31 March 2018 despite the announced reduction of paid-up capital and the cancellation of the Company's repurchased shares on 26 March 2018.

## SET INDEX PERFORMANCE

The SET Index rose by 12.8% from the previous year. The YoY increase was mainly driven by buying activity from local institutions who were net buyers of THB 98.9bn worth of equities. On the other hand, across 12-month period, foreign and local investors continued to leave the Thai market, as net sellers of THB 117.2bn in equities. The SET Index underperformed other regional peers such as Vietnam's Vietnam Index (62.6%), the MSCI Far-East ex Japan Index (24.9%), Hong Kong's Hang Seng Index (24.8%), and Japan's Nikkei 225 Index (13.5%) over the equivalent time period.

### CUMULATIVE INVESTOR FLOW



Source: www.setsmart.com

### SET VERSUS REGIONAL PEERS



Source: www.setsmart.com, www.hsi.com.hk, indexs.nikkei.co.jp and www.straitstimes.com/stindex

Note: Regional indices have been rebased for performance comparison to the SET index

## SHARE PERFORMANCE AND LIQUIDITY

In FY 2017/18, the average traded volume of BTS shares fell by 16.2% from FY 2016/17 to 21.8mn shares and the average traded value was THB 182.6mn per day or USD 5.7mn (a decline of 20.7% from FY 2016/17).

Key Share Data	FY 2017/18	FY 2016/17	FY 2015/16	FY 2014/15	FY 2013/14
Share price (THB)					
Year-end	8.35	8.45	8.95	9.15	8.40
Year-high	8.85	9.80	10.30	10.50	9.35
Year-low	7.85	8.00	8.05	8.00	7.20
Average daily traded value (THB mn)	182.6	230.4	269.4	445.4	616.5
Average daily traded volume (mn shares)	21.8	26.0	28.8	47.6	72.2
Number of shares outstanding at year-end (mn)	11,940.4	11,935.0	11,929.3	11,919.3	11,914.2
Market capitalisation at year-end (THB mn)	99,702.3	100,850.4	106,767.7	109,061.1	100,079.5
Change (YoY)					
BTS TB	(1.2)%	(5.6)%	(2.2)%	8.9%	(10.6)%
SET Transportation Index	35.2%	2.1%	24.3%	20.7%	6.4%
SET Index	12.8%	11.9%	(6.5)%	9.4%	(11.8)%
Hong Kong (Hang Seng)	24.8%	16.1%	(16.6)%	12.4%	(0.7)%
Japan (Nikkei 225)	13.5%	12.8%	(12.7)%	29.5%	19.6%
Singapore (STI)	8.0%	11.8%	(17.6)%	8.1%	(3.6)%

## INDEX INCLUSION

**SET50 Index Constituent Member:** Since 14 December 2010, BTS was announced as a constituent of the SET50 Index. The SET50 Index comprises Thailand's largest 50 companies by market capitalisation which also conforms to certain turnover and free float conditions. Specifically, a SET50 Index stock shall possess a monthly turnover value of over 50% of the average turnover for the broader SET index and have a free-float of at least 20% of its paid-up capital. The SET re-assesses the Index constituents on a bi-annual basis (during June and December for revisions in the Index in July and January, respectively). As a result of the inclusion in the SET50 Index, the BTS potential shareholder base expanded. BTS stock automatically became eligible or obliged to hold BTS stock under their investment criteria. As a result, BTS stock liquidity was elevated from the start of January 2011.

**MSCI Thailand Mid Cap Constituent Member:** In November 2013, BTS was included as a constituent of MSCI Thailand Mid Cap Index (MXTHMC). To qualify for inclusion in the MSCI Indices, a company must first meet all the necessary criteria for the MSCI Global Investable Market Indices (MSCI GIMI), which comprises of market capitalisation size categories and free float-adjusted market capitalisation and liquidity requirements at the time of review. The appropriate size-segment for inclusion is then determined from the Investable Market Index (IMI). MSCI Mid Cap Indices cover all investable mid-cap securities, targeting approximately 15% of each market's free-float adjusted market capitalisation which is subject to minimum investment criteria and a universal minimum market capitalisation size range. The MSCI GIMI Indices are reviewed on a quarterly basis and the results are announced mid of February, May, August and November.

Sources: SET and MSCI

**FTSE4Good Emerging Market Index Constituent:** In December 2016, BTS was included as a constituent of the FTSE4Good Index Series and FTSE4Good Emerging Market Index series. Created by the global index provider FTSE Russell, “the FTSE4Good Index Series” is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. FTSE Russell additionally launched “the FTSE4Good Emerging Index in December 2016. This index is an extension to the FTSE4Good Index series, which is designed to measure the performance of companies in emerging countries representing strong ESG practices. The FTSE4Good indices are reviewed based on public data semi-annually in June and December.

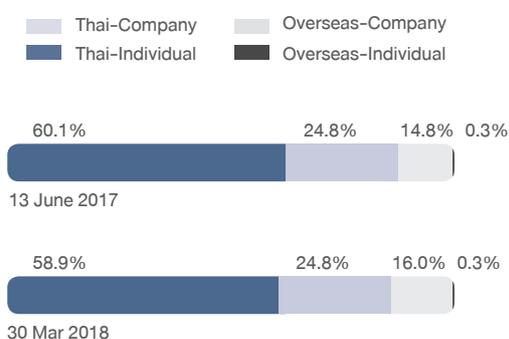
Source: FTSE Russell

## SHAREHOLDING STRUCTURE

As of 30 March 2018, the Company had 78,935 shareholders. The major shareholder is Mr. Keeree Kanjanapas Group, which owned 41.1% of 11,893.1mn issued shares (excluding repurchased shares). For more details of major shareholders, please see the *Top 10 Major Shareholders* table. Non-Thai shareholding represented 16.3% of total shares (15.1% in FY 2016/17). The Company’s free float shareholding stood at 57.4%\* of total paid-up capital.

\* Source: Stock Exchange of Thailand (SET) as of 13 June 2017

### SHAREHOLDING BY SHAREHOLDER TYPE



### TOP 10 MAJOR SHAREHOLDERS (as of 30 March 2018)

Name of Shareholders	No. of Shares	% of Total Shares
1. Mr. Keeree Kanjanapas's Group	4,868,397,239	41.1%
2. Thai NVDR Co., Ltd.	940,479,741	7.9%
3. Bangkok Bank Public Company Limited	545,466,733	4.6%
4. Social Security Office	297,017,100	2.5%
5. STATE STREET EUROPE LIMITED	145,973,699	1.2%
6. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	131,839,000	1.1%
7. CHASE NOMINEES LIMITED	111,101,095	0.9%
8. UOB KAY HIAN PRIVATE LIMITED	105,609,203	0.9%
9. Mr. Min Tieworn	67,000,000	0.6%
10. GIC PRIVATE LIMITED	65,986,235	0.6%

As at the book closure date of 30 March 2018, the Company had a total of 11,940,368,954 issued shares, 95,839,900 shares of which were the repurchased shares pursuant to the Company’s share repurchase programme for financial management purpose. The percentages shown above are calculated from a total of 11,839,114,412 shares having the voting rights (i.e. excluding repurchased shares).

Mr. Keeree Kanjanapas Group consisted of (1) Mr. Keeree Kanjanapas holding 2,986,164,652 shares in his own name, holding 350,000,000 shares through a custodian called UBS AG HONG KONG BRANCH, and holding 437,722,200 shares through a custodian called CREDIT SUISSE AG, SINGAPORE BRANCH and holding 100,000,000 shares through a custodian called THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED HONGKONG BRANCH; (2) Mr. Kavin Kanjanapas holding 602,459,295 shares; (3) Miss Sushan Kanjanapas holding 32,000,000 shares; (4) K2J Holding Co., Ltd. holding 360,000,000 shares; and (5) AMSFIELD HOLDINGS PTE. LTD. holding 51,092 shares.

Tanayong Food & Beverage Co., Ltd., a subsidiary of the Company, held 35,754,032 shares (0.30%) for and on behalf of the creditors pursuant to the Company’s business rehabilitation plan where these shares will be transferred to the creditors in the future.

For the details of the top 10 shareholders, please refer to <http://bts.listedcompany.com/shareholdings.html>

### SHAREHOLDER DISTRIBUTION (as of 30 March 2018)

Number of Shares Held (shares)	No. of Shareholders	% of Total Shareholders
> 15,000,001	46	0.1%
1,000,001 – 15,000,000	494	0.6%
500,001 – 1,000,000	551	0.7%
100,001 – 500,000	4,156	5.3%
50,001 – 100,000	4,488	5.7%
10,001 – 50,000	18,272	23.1%
5,001 – 10,000	10,990	13.9%
1,001 – 5,000	20,649	26.2%
1 – 1,000	19,289	24.4%
<b>Total</b>	<b>78,935</b>	<b>100%</b>

## CREDIT RATING AND OUTLOOK

Issue Rating / Outlook	
By TRIS	
BTS Group	A / Stable
BTSC	A / Stable
BTSC Debenture: THB 22,000mn Senior unsecured debenture	A / Stable
BTSG Debenture: THB 7,000mn Senior unsecured debenture	A / Stable

BTS Group and BTSC are rated “A / Stable” from TRIS Rating (TRIS). TRIS has assessed the Company and BTSC as having solid, stable cash flow and profitability in its mass transit and media operations. The ratings will add flexibility to the Company to tap debt financing sources at attractive rates.

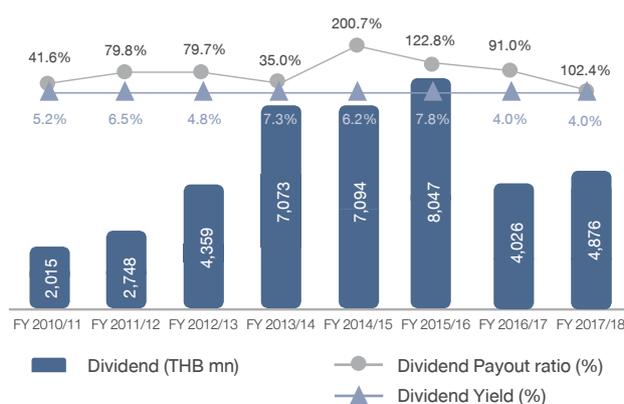
TRIS on 7 October 2016, re-affirmed BTSC’s initial rating at “A / Stable” outlook after the THB 22,000mn senior unsecured debenture issuance by BTSC. The bonds were issued in four tranches due in 2019, 2021, 2023, and 2026 with average coupon rate of 3.31%. The proceeds will mainly be used to purchase new rolling stocks and fund electrical and mechanical systems (E&M) for the Green Line North & South extensions. This BTSC’s debenture is rated “A / Stable” from TRIS.

Subsequently, on 26 December 2017, the Company issued THB 7,000mn senior unsecured debenture. The debentures were issued in four tranches due in 2020, 2022, 2027, and 2029 with average coupon rate of 3.17%. The proceeds will mainly be used for repayment of existing debts and/or investment and/or financing the working capital of the Company. This debenture and the Company were respectively rated and re-affirmed as “A / Stable” by TRIS on 8 December 2017.

## DIVIDEND POLICY

From FY 2016/17 onwards, the Company’s dividend policy reverts to ‘no less than 50% of the net income after tax in accordance with the Company’s financial statements (on a standalone basis). Given the required investments of the Company, BTS Group’s dividend payout in absolute terms declined. Nevertheless, the Company aims to pay a dividend that is competitive with the constituent companies of the SET50 Index.

In FY 2017/18, the Company paid interim dividend of THB 0.165 per share and has also proposed a final dividend of THB 0.185 per share to the shareholders’ meeting. Together, this translates into a dividend yield of approximately 3.95%. This compares favourably versus the SET50 average dividend yield of 2.82% as of 24 May 2018. For the latest dividend information, please refer to <http://bts.listedcompany.com/dividend.html>



\* FY 2017/18 final dividend is subject to shareholders’ approval at the shareholders’ meeting on 23 July 2018. Dividend yield is calculated using BTS closing share price one day before the date of Board of Directors’ meeting approving the relevant dividend payment.

## OTHER CAPITAL MARKETS ACTIVITY

### NEW EQUITY ISSUANCE

During the course of the fiscal year, the Company allocated a total of 5.41mn new ordinary shares as a result of the exercise of warrants BTS-WB.

**BTS-WB Warrants (BTS-WB):** 16.0mn units of BTS-WB were issued to the employees of the Company and its subsidiaries under BTS Group ESOP 2012 Scheme. The exercise ratio of BTS-WB is 1 unit of warrant for 1 ordinary share of the Company and the exercise price is THB 5.01 per share. BTS-WB has a term of 5 years from the issue date (11 June 2013). BTS-WB can be exercised quarterly on the last business day starting from the first quarter following 11 June 2015. The first exercise date will be on 30 June 2015 and the last exercise date will be on 11 June 2018. The ordinary shares reserved to accommodate the exercise of BTS-WB are 16.0mn shares. At present, the balance of the outstanding BTS-WB is 0.89mn units and the balance of ordinary shares reserved to accommodate the exercise of BTS-WB is 0.89mn shares.

**BTS-WC Warrants (BTS-WC):** 16.0mn units of BTS-WC were issued to the employees of the Company and its subsidiaries under BTS Group ESOP 2015 Scheme. The exercise ratio of BTS-WC is 1 unit of warrant for 1 ordinary share of the Company and the exercise price is THB 10.19 per share. BTS-WC has a term of 5 years from the issue date (30 May 2016). BTS-WC can be exercised quarterly on the last business day starting from 30 June 2018 and the last exercise date will be on 30 May 2021. 16.0mn ordinary shares were reserved to accommodate the exercise of BTS-WC.

**BTS-WD Warrants (BTS-WD):** 16.0mn units of BTS-WD were issued to the employees of the Company and its subsidiaries under BTS Group ESOP 2017 Scheme. The exercise ratio of BTS-WD is 1 unit of warrant for 1 ordinary share of the Company and the exercise price is THB 8.53 per share. BTS-WD has a term of 5 years from the issue date (26 February 2018). BTS-WD can be exercised quarterly on the last business day starting from the first quarter following 26 February 2020. The first exercise date will be on 31 March 2020 and the last exercise date will be on 26 February 2023. 16.0mn ordinary shares were reserved to accommodate the exercise of BTS-WD.

**BTS-W3 Warrants (BTS-W3):** The Company issued 3,944.6mn units of BTS-W3 at no cost to the Company's existing shareholders through a rights offering at the allocation ratio of 1 unit of warrant for every 3 existing ordinary shares. The exercise ratio of BTS-W3 is 1 unit of warrant for 1 ordinary share of the Company and the exercise price is THB 12 per share. 3,944.6mn ordinary shares were reserved to accommodate the exercise of BTS-W3. The issue is intended to be contingent capital funding in the case whereby the Company secures its targeted new mass transit contracts. BTS-W3 has a term of 5 years from the issuance date (1 November 2013). BTS-W3 can be exercised quarterly on the last business day after the 3<sup>rd</sup> anniversary from the issuance date. The first exercise date will be on 30 December 2016 and the last exercise date will be on 1 November 2018. At present, the balance of the outstanding BTS-W3 is 3,944.5mn units and the balance of ordinary shares reserved to accommodate the exercise of BTS-W3 is 3,944.5mn shares.

## INVESTOR RELATIONS

The Company places a high priority on a professional Investor Relations (IR) function. The aim of the IR function is to establish and maintain open, accurate, relevant and timely communications with existing and potential investors and shareholders, which is executed through several IR products such as Management Discussion and Analysis, quarterly IR Newsletters and company presentations. These materials are available publicly on the SET website, the Company's website as well as distributed to the investment community through e-mail. The IR function reports directly to the Chief Investment Officer and works closely with all members of the Group, including the finance functions and executive management of each business unit. The IR unit has both a 1-year and 3-year plan and provides updates to the Executive Committee or the Board of Directors on a regular basis.

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

Over the past few years, the Company has remained active in its investor facing activities with existing and potential shareholders as well as the brokerage community. In FY 2017/18, the Company met 157 institutional buy-side investors, of which 54 were domestic buy side (versus 38 in FY 2016/17) and 103 were overseas investors (versus 181 in FY 2016/17). Of these meetings, 115 times were one-on-one meetings (102 in FY 2016/17) and Top Management were in attendance at 100% of all these meetings (100% in FY 2016/17). Additionally, the Company has been active on its marketing efforts by attending 16 roadshows in FY 2017/18, divided into 7 overseas NDRs / conferences (9 in FY 2016/17) and 9 domestic NDRs / conferences (13 in FY 2016/17).

<b>Investor Relations Key Statistics</b>	<b>FY 2017/18 (times)</b>	<b>FY 2016/17 (times)</b>
Total institutional investors met	157	219
Total sell side met	14	32
Company visits through one-on-one meeting	115	102
International roadshows/conferences	7	9
Domestic roadshows/conferences	9	13
Analyst Earnings Review Meetings, Analyst Strategies Update Meetings, SET Opportunity Day	7	7
Number of Site Visits Hosted (Investor Day/ Site visit)	-	1

The Company continued to hold quarterly earnings review conferences (each within 3 business days following the release of financial statements) and the webcasts of these are available both on the Company's website within 24 hours from the meeting date as well as on the SET website. For FY 2018/19, the Company not only expects to maintain its communication efforts across all areas but also to increase certain IR activities. For example, the Company has plans to continue to take part in 'SET Opportunity Day' at least twice a year and continue to arrange site visits for the investment community.

In FY 2017/18, the Company hosted several investor-centric activities, including 4 quarterly earnings review meetings for analysts and fund managers (4 in FY 2016/17). Additionally, the Company also participated in 'SET Opportunity Day' hosted by The Stock Exchange of Thailand twice (2 in FY 2016/17) during the year in order to increase its exposure to retail investors.

The Company website represents one of the key communications channels with the investment community. The website is the definitive source of information on the Group and has been designed based on Best Corporate Governance Practices. Its contents include

live share price feeds, download versions of publications (including annual reports, Form 56-1, financial statements, MD&A, company presentations and IR newsletters), financial calendar and webcasts of analyst meetings. The Company also releases monthly ridership data for the BTS SkyTrain and provides an e-mail alert service such that investors can be automatically alerted when there are any new press releases or website updates. In FY 2017/18, the number of new visitors increased 15.4% YoY to 51,395 visitors.

Given that IR's main function deals with communication, public relations and timely disclosure of correct and complete information relating to BTS Group's business and performance, the Board of Directors therefore sets out the Investor Relations Code of Conduct as guidance for BTS Group's IR function to align with the ethics and the principles of good corporate governance with emphasis on the disclosure of information and strict compliance with the relevant laws and regulations, taking into account the interests of the shareholders and stakeholders. Please refer to *section 5.2: Corporate Governance* for more details about "Investor Relations Code of Conduct".

In November 2017, the Company was honoured with the 'Gold Award of The Asset Corporate Award 2017' for the first year by The Asset Magazine, which is Asia's leading issuer-and investor-focused financial monthly publication. This is the 3<sup>rd</sup> consecutive year that the Company received the Awards from The Asset; the Titanium awards were granted in 2015-16 and the upper Gold award was received in this year. This award was an assessment of financial performance, management, corporate governance, social and environmental responsibility and investor relations. The recognition for the award was based on the Company's questionnaire submission together with direct interview with investors.



Subsequently, in March 2018, the Company was recently honoured with the 'Thailand Top Company Awards 2018' - Logistics category, by Business Plus Publication, in cooperation with the University of the Thai Chamber of Commerce. Amongst 25 Listed companies, BTS Group was qualified as having outstanding business performance, good corporate governance, social responsibility as well as the adaptability in the digital edge.

As of 5 June 2018, the Company was covered by 19 research companies (collected data from April 2017 - May 2018), a decrease compared with the fiscal year 2016/17 (20 companies). The 19 research companies, namely Bualuang Securities, BNP Paribas Securities, CGS-CIMB Securities (Thailand) Co., Ltd., Credit Suisse, DBS Vickers Securities, Deutsche TISCO Investment Advisory, Finansia Syrus Securities, IV Global, J.P. Morgan, Kasikorn Securities, KGI Securities, KT ZMICO Securities, Macquarie Securities, Maybank KimEng Securities, Phatra Securities, Phillip Securities, RHB OSK Securities, SCB Securities and UOB covered BTS in FY 2016/17 and continued to maintain coverage of BTS in FY 2017/18. However, there are another 2 research companies; Trinity Securities and Asia Plus Securities updated their reports during February 2017. As such, their target prices are not included in the calculation of average consensus target price.

## ANALYST RECOMMENDATION SUMMARY



As of 5 June 2018, 16 of the 19 companies placed a buy or outperform recommendation on BTS, 2 placed a hold or neutral recommendation and 1 placed a sell recommendation with average consensus target price of THB 10.17 per share.

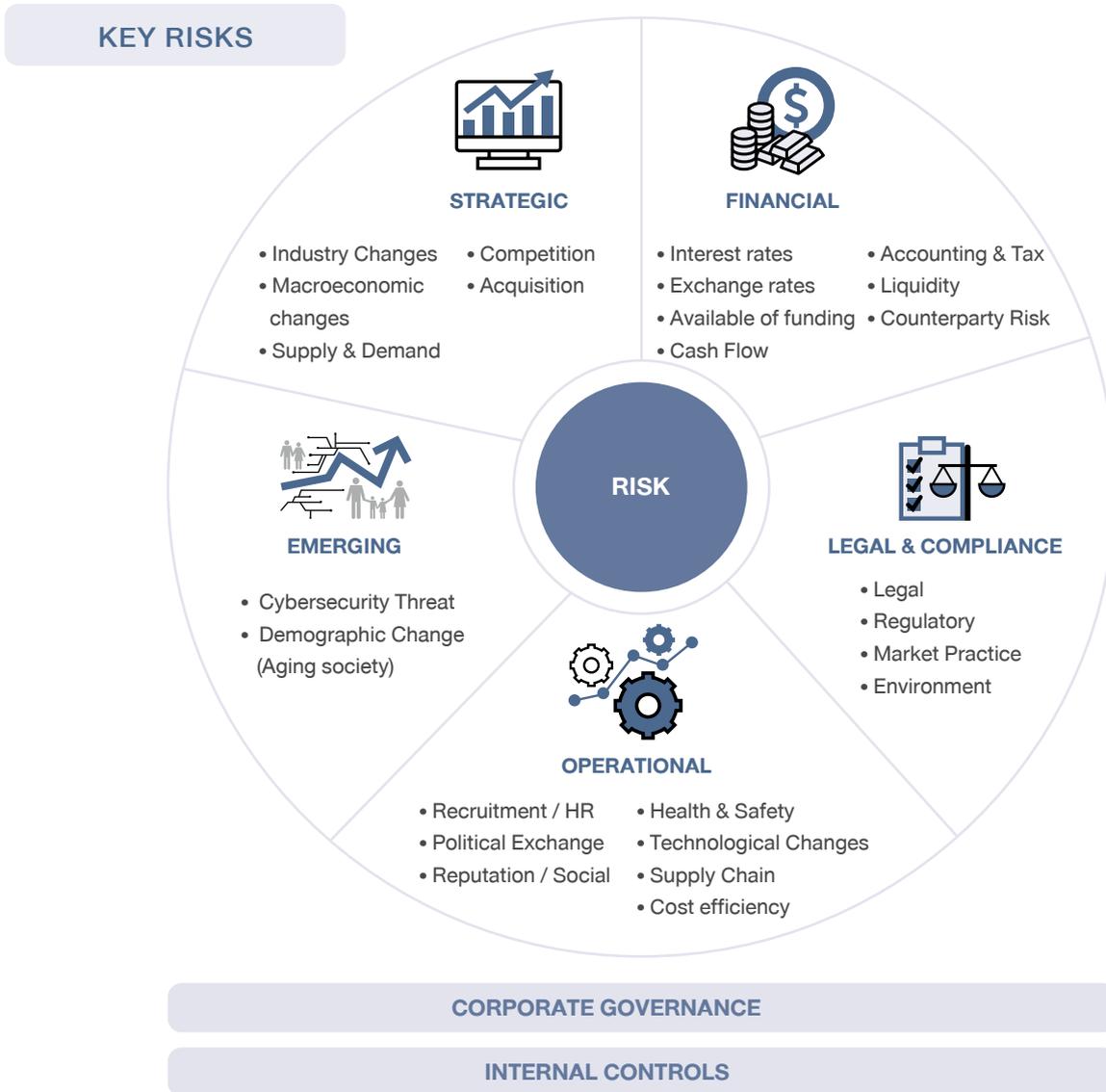
## INVESTOR RELATIONS CONTACT DETAILS

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

Head of Investor Relations	Daniel Ross (Chief Investment Officer / Head of Investor Relations)
Investor Relations	Sinatta Kiewkhong, Daniel Kastner, Noppasorn Wang, Sataporn Vongphaibul
Contact Telephone	+66 (0) 2273 8637, +66 (0) 2273 8623, +66 (0) 2273 8611-14 # 1539 +66 (0) 2273 8611-14 # 1540
Email	ir@btsgroup.co.th
Website	http://www.btsgroup.co.th
SET share symbol	BTS
SET warrant symbol	BTS-W3
Shareholder registrar	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Tel: +66 (0) 2009 9000 Fax: +66 (0) 2009 9991 SET Contact Centre: +66 (0) 2009 9999 Website: http://www.set.or.th/tsd E-mail: SETContactCenter@set.or.th

BTS Group established both a “top down” and “bottom up” approach to Risk Management with clear designated responsibilities across the Risk Management Framework. The Group has implemented its Risk Management Framework in accordance with the standards set out by risk management framework of the Committee of the Sponsoring Organisations of the Treadway Commission (COSO) and expanded on their earlier Internal Control Framework. Further details can be seen in *section 5: Corporate Governance* in this annual report.

The following section highlights some of the key risks which the Board of Directors considers may be a material threat at the current time but it is not meant to be a comprehensive list of risks to which the Company is exposed. For more details of risk factors, please refer to *Form 56-1* of the Company.





RISK CATEGORY	RISK	EXPLANATION	MITIGATION
 <b>STRATEGIC</b>	 Thai Economy	<p>Detrimental economic conditions such as slowing growth of Gross Domestic Product (GDP), high inflation rate and decreasing consumer purchasing power may erode the Group's earnings.</p>	<p>Affordable and good quality services can fortify the Group's growth against detrimental impact. Performance track record of SkyTrain Core Network shows evidence of 'recession resilience'.</p>
	 Market	<p>Our involvement in various market and customer segments including Mass Transit, Media, Property and Services exposes the Group to different conditions and characteristics such as demand/supply situation, degree of competition and government policy influence.</p>	<p>Risk management in place to cover individual business unit risk. Utilising synergies across the Group's various business units to enhance the Group's strengths such as building direct 'skybridge' connections from BTS stations to our properties to enhance convenience.</p>
 <b>OPERATIONAL</b>	 Investment	<p>Investing in opportunities or undertaking opportunistic acquisitions may require considerable capital resources and effort to develop the new business. For the equity component of the investment, shareholders could be exposed to dilution and investment return risk.</p>	<p>The Group considers new investment only in businesses related to its four core business units. Any new investment should both have projected internal rate of return (IRR) greater than our investment hurdle rate and provide business synergy to the Group.</p>
	 Operating Cost	<p>Major items such as personnel expense, real estate development costs, electricity costs and maintenance costs are exposed to increases that may squeeze operating profit margin. Given that the company is still a relatively small property player, it enjoys less economies of scale and purchasing power to help control raw material costs such as Steel.</p>	<p>Management monitors changes to operating costs. BTSC can adjust fares on SkyTrain Core Network based on certain increases in Consumer Price Index (CPI). Fluctuations in raw materials related to property business still represents only a small portion of the overall business.</p>
	 Business Interruption	<p>Business interruptions resulting from political turmoil, acts of terrorism or natural disasters amongst other things.</p>	<p>The Group has made insurance agreements that insure against business interruptions, property damage (including from terrorism and natural disasters subject to minimum deductibles).</p>

RISK CATEGORY	RISK	EXPLANATION	MITIGATION
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 <b>OPERATIONAL</b>	 <b>Human Resources</b>	<p>Our businesses require employees with specific skill sets that may be difficult to source in the market. Despite having a non-unionised workforce and having never experienced any collective work stoppages, there is no assurance that the Group will not experience disruptions due to disputes or problems in the future.</p>	<p>The Group has to provide an attractive remuneration package, including monetary and non-monetary components. In addition to salary benefits, the Group provides variable bonus payments, provident fund scheme and other welfare such as savings cooperative scheme and an Employee Stock Option (ESOP) plan.</p>
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 <b>OPERATIONAL</b>	 <b>Technology</b>	<p>Our operation requires reasonable investment in technology such as rolling stock, signalling system, automatic fare collection system and LCDs for the media business. Changes to technology may impact our investment and maintenance budget.</p>	<p>Decisions on new technology investment are based on total benefits that will arise in the future. In 2011, an upgrade to the Signalling System was completed, which not only increased the system's capacity by increasing train frequency, but increased flexibility and reduced ongoing maintenance cost and our dependence on any one provider.</p>
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 <b>OPERATIONAL</b>	 <b>Reputation</b>	<p>BTS brand is well-known by the market. We are exposed to reputation risk from customer dissatisfaction, particularly in our Mass Transit business.</p>	<p>The customer services department continuously analyses customer feedback and reports to management of customer satisfaction level.</p>
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 <b>FINANCIAL</b>	 <b>Liquidity</b>	<p>The Group's capability to manage its cash flow and meet its obligations such as servicing its interest expense and debt principal repayments within a certain period may be affected by an increase in working capital requirements, a reduction in revenue or a reduction in dividends from its subsidiary and associated companies. Any adverse effect would also impair the Group's ability to pay dividends to its shareholders.</p>	<p>The management closely monitors its working capital requirements and cash inflows and outflows using internal management data and the Group's financial projections whilst paying close attention to the cash conversion cycle (payables, receivables, etc) and key debt-related financial indicators (debt-service coverage ratio). The Group also have working capital credit line from banks to help manage cashflow mismatch.</p>
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 <b>FINANCIAL</b>	 <b>Credit</b>	<p>A downgrade of the Company's credit confidence may affect the Group's ability to access capital markets, raise funds or re-finance debt in the capital markets.</p>	<p>BTS Group and BTSC were awarded "A" ratings and a "Stable" Outlook by TRIS rating agency despite the issuance of THB 22bn debenture issued by BTSC in November 2016 and THB 7bn debenture by BTS Group in December 2017.</p>
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RISK CATEGORY	RISK	EXPLANATION	MITIGATION
	 <p>Interest Rate</p>	<p>A significant portion of our interest-bearing debt is in debentures, bank loans and bills of exchange that are linked to changes in interest rates. If interest rates were to increase, the Group's interest expense would increase for floating rate loan portion and vice versa. The Group also has interest rate risk exposure on our investments such as long-term debentures. The value of investment portfolio would decline if market interest rates increase. Moreover the Group may lose an opportunity to enjoy higher interest income if we already committed to long-term fixed income investments.</p>	<p>The Group manage interest rate risk by balancing fixed and float rate portion of the loan. The management always monitors global and domestic economic situations as well as interest rate trends in order to manage our interest rate exposure.</p>
 <p>FINANCIAL</p>	 <p>Foreign Exchange</p>	<p>Though the Group has minimal foreign currency risks because its operations are chiefly generated in THB, foreign currency denominated transactions such as the purchase of rolling stock and spare parts, which the Group procures directly from overseas suppliers, may be exposed to adverse changes in foreign currency rates.</p>	<p>The Group hedge almost all foreign currency liabilities by entering into FX forward agreements and investing overseas.</p>
	 <p>Excess Liquidity Management</p>	<p>The Group has significant amount of excess cash, which is earmarked for future investment projects. In order to manage the excess cash and preserve its value against inflation, The Group has initiated a prudent treasury management policy, which depends on several external factors such as interest rate, foreign exchange rate and return on investment, As is characteristic of long-term investment policies, certain periods may achieve gains exceeding or missing our target and so the Group faces risks related to principal loss and not meeting its expected absolute return target to mitigate value erosion from inflation.</p>	<p>The Group's treasury management diversify portfolio by investing in various financial assets and securities, mainly consisting of deposits, bill of exchange, money market instruments and investment-grade fixed-income securities in both local and foreign institutions and equity in local and foreign funds.</p>

**LEGAL & COMPLIANCE**



Agreement

Our Mass Transit revenues rely mainly on the Concession Agreement and Operating & Maintenance (O&M) Service Contracts. Despite the sale of Net Farebox Revenues (and the transfer of associated risk and reward under the contract to unit holders of BTSGIF), BTSC remains the legal concessionaire. Any termination or failure to extend said agreements and contracts may have a material impact to our future cash flows. In addition, if the Concession Agreement is terminated, it will be an event of default under the Net Revenue Purchase and Transfer Agreement, entitling BTSGIF a right to enforce the Company to repay the debts under the guarantee agreement by enforcing BTSC to pledge shares under the BTSC Share Pledge Agreement or by enforcing the Company to transfer BTSC shares to BTSGIF under the Agreement to Sell and Purchase BTSC shares.

Following the Asian financial crisis in 1997, BTSC went through business rehabilitation from its exposure to foreign currency debt. Despite this financial difficulty and owing to its technical expertise and strong relationship with government agencies, there were no issues regarding the termination of the Concession Agreement. The Group also collaborates with the BMA to design and operate many mass transit development projects such as the Core Network, the Extension line, the Dark Green North and South lines and the BRT system. We will continue to improve operating efficiency and maintain strong relationships with government agencies.



Environmental

Our business is subject to environmental regulations such as pollution controls and environmental impact assessments. The Group may face additional investment obligations or business process adjustment if there are tighter environmental requirements.

Our SkyTrain system is environmentally friendly, which produces significantly less carbon dioxide emission than road-based transit vehicles. An increase in ridership is also positive to the environment because our system benefits from economies of scale in terms of energy consumption and a lower per capita carbon footprint.



Cybersecurity Threat

As the businesses rely heavily on information technology, security breach can result in business's disruption and loss of data which can potentially impact company's reputation, stakeholders' trust, and may cause liabilities. The company has made many actions to protect and reduce negative impact to the company.

To cope with this risk, the company implements many security controls to assess and mitigate potential vulnerabilities of data breach, computer hacking, employee error, and more for example; firewall, Network Port Security, Wireless Link Encryption, Data Centre and Network Security Control Procedure comply with ISO/IEC 27001.

**EMERGING**



Demographic Change (Aging society)

Global demographic structure has been undergoing a constant change with future trend of increasing aging population. To mitigate risk of increasing demands, the company has provided adequate facilities for every group of passengers and developed the infrastructure to accommodate the passenger volume, elderly passengers as well as disabled passengers using BTS services.

Apart from treatment of regular customers, BTSC also provides necessary support and facilities to ensure that all customers have equal access to the BTS SkyTrain service, whether elderly passengers or those with disabilities. BTSC provides access for such customers, by designing the BTS station facilities for convenient access. Such facilities include wheelchair ramps, tactile floor surfaces and Braille buttons for the blind in elevators. Service panels in elevators and ticket vending machines are positioned to serve passengers in wheelchairs. In addition, BTSC has implemented training sessions for BTS station personnel, covering basic care and assistance for disabled passengers using BTS services.



The Company recognises its duties and responsibilities to stakeholders such as the community and society, as well as to the United Nation's Sustainability Development Goals (UNSDGs) as a public organisation. BTS Group aims to raise the quality of life and well-being of the community and society under its envisioned **"City Solutions Concept"** in order to grow sustainably. The Company provides opportunities and encourages employees at all levels to participate in this endeavour.

The Company operates its businesses in line with all aspects of its Corporate Social Responsibility Policy. The Company targets 3 aspects of sustainable development: Economic, Social and Environmental issues. Some examples include delivering "Happiness" and "Contributing" to schools in remote areas in order to help develop and expand educational opportunities; encouraging good health of people in community and society by organising access to health treatments to people in communities without charge; and minimising its impact to the environment through energy savings and environmental management policies.



The Company was awarded the 2018 Thailand Top Company Award, organised by the University of the Thai Chamber of Commerce, Business Plus Magazine, and ARIP Public Company Limited. The award recognises the Company's commitment to good corporate governance and social responsibility. Moreover, the Company was ranked as one of the top 100 listed companies by ThaiPat Institute, that have demonstrated outstanding environmental, social and governance (ESG) achievement in the year 2018, out of 683 listed companies surveyed. This showcases the Company's focus on and responsibility for the environment, society and governance to create sustainable development.

*For more information, please refer to the Sustainability Report 2017/18.*



### FY 2017/18 FINANCIAL HIGHLIGHTS

- **Operating Revenue increased significantly by 63.9% YoY to THB 14,102mn predominantly as a result of higher operating revenue from the Mass Transit and Media businesses**
- **Total Mass Transit revenue of THB 9,112mn, a significant increase of 115.1% YoY or THB 4,875mn**
- **Revenues from installation and construction services and train procurement service rose to THB 6,028mn, up 244.8% YoY** chiefly from the provision of Electrical & Mechanical (E&M) works and train procurement service for the Southern and Northern Green Line extensions
- **Mass Transit Operation & Maintenance (excluding interest income from train procurement and E&M provision) revenue increased 12.3% YoY to THB 1,865mn** from the contractually agreed increase in the operating fee of the existing green line extensions and one additional station (Samrong; E15) on the Southern Green Line extension
- **Annual ridership in the Core Network of 241.2mn trips, growing 1.3% YoY. Average fare of THB 28.3 per trip, increasing 1.4% YoY**
- **Media business revenue of THB 3,902mn in FY 2017/18, a 29.7% or THB 893mn increase YoY** from the solid performance of all Out-of-Home (OOH) Media business segments
- **Following the successful completion of Property Restructuring via the entire business transfer of our former subsidiary, Unicorn Enterprise Company Limited (EBT of UE) to U City, gain of THB 1,880mn was recognised**
- **Operating EBITDA was THB 4,089mn in FY 2017/18, growing by THB 1,161mn or 39.6%**
- **Recurring net profit (after MI) of THB 2,515mn, an increase of THB 1,098mn or 77.5% YoY** chiefly from the robust operating performance, higher interest and investment income, an increase in share of net profit from associates/JVs, being partially offset by higher finance cost
- **Reported net profit (after MI) surged to THB 4,416mn, increased by THB 2,412mn or 120.4% YoY**, predominantly from higher recurring profit and extraordinary gain mainly from the Property restructuring
- **Full year 2017/18 dividend to shareholders<sup>1</sup> of THB 4,876mn, equivalent to an annual dividend yield of 3.95%**

<sup>1</sup> Subject to shareholders' approval, the Board of Directors approved the final dividend of THB 0.185 per share or equivalent to the dividend payment in the amount of not exceeding THB 2,922.1mn and the issuance of new warrants (BTS-W4) up to 1,755mn units, calculated based on the assumption that BTS-W3 Warrants, BTS-WB Warrants and BTS-WC Warrants which are entitled to exercise are fully exercised, the number of shares with the right to receive dividend will total 15,790.0mn shares.

### BUSINESS IMPACT ANALYSIS

2017 Thailand's GDP grew 3.9% YoY. The growth rate picked up from the previous year's GDP growth of 3.2%, chiefly from several positive factors; including a rebound in exports, an ebullient tourism sector, an accommodative overall interest rate environment and continuing political stability.

For our **Mass Transit** business, farebox revenues in the Core Network rose by 2.8% YoY to THB 6.8bn in FY 2017/18, though at a lower-than expected rate (actual growth of 2.8% versus target of 4-6%). The YoY growth was primarily supported by the increase in ridership (up 1.3% YoY to 241.2mn trips) and the increase in average fare (up 1.4% YoY to THB 28.3 per trips). The lower-than-expected growth in annual farebox revenue was due to certain moderating factors; chiefly the dual price increase on the core network and

existing extension lines as well as the declaration of additional holidays and cancellation of events during the Royal Cremation period.

In FY 2017/18, our **Media** company, VGI hit a new revenue record of THB 3,902mn, increasing by 29.7% YoY, as a result of the full year consolidation of MACO and the strategic realignment to Offline-to-Online (O2O) Solutions services. However, media revenue grew slightly below expectation mainly from a one-month moratorium on digital advertising and postponement of activities during aforesaid royal cremation period. Throughout the year, VGI has successfully established a seamless and integrated media ecosystem through O2O Solutions. We expect our Media business to continue to grow considerably from mass transit network expansion as well as growing breadth and depth of VGI's O2O solutions services.

## ANNUAL PERFORMANCE

(Unit: THB mn)	FY 2017/18*	FY 2016/17*	% YoY
Operating revenues	14,102	8,606	63.9%
Other recurring revenues	1,580	602	162.4%
<b>Total recurring revenues</b>	<b>15,683</b>	<b>9,209</b>	70.3%
Operating costs	8,325	4,143	100.9%
Operating selling and administrative expenses	2,446	2,113	15.8%
<b>Operating EBITDA</b>	<b>4,089</b>	<b>2,928</b>	39.6%
Finance cost	1,236	644	92.0%
<b>Pre-tax recurring profit</b>	<b>3,676</b>	<b>2,307</b>	59.3%
Others	1,900	586	224.2%
<b>Earnings before tax</b>	<b>5,576</b>	<b>2,893</b>	92.7%
Corporate income tax	787	658	19.6%
Minority interests	374	232	61.2%
<b>Net recurring income (loss) to equity holders of the parent</b>	<b>2,515</b>	<b>1,417</b>	77.5%
<b>Net income (loss) to equity holders of the parent</b>	<b>4,416</b>	<b>2,003</b>	120.4%

\* includes performances from discontinued operation for the year

The Group reported total consolidated revenue from continued operation of THB 16,987mn in FY 2017/18. This represented an increase of 92.7% YoY or THB 8,171mn from THB 8,815mn in FY 2016/17. The revenue growth was chiefly attributed to (i) an increase in revenues from installation and construction services and train procurement service of THB 4,280mn - mostly from the provision of E&M works and the train procurement service for the Southern and Northern Green Line extensions, (ii) gain of THB 1,880mn on the EBT of UE to U City as a result of the property restructuring, (iii) growth in service income of THB 1,092mn mainly from higher revenue of our Mass Transit and Media businesses, (iv) an increase in interest income of THB 673mn mainly from (a) financial institutions, where as yet undeployed cash proceeds of the BTSC debenture (issued on 10 November 2016) was invested, (b) loans to related parties and (c) receivables under agreements with government authority mainly from the provision of E&M works and the train procurement service for the Southern and Northern Green Line extensions and (v) higher gain on sales and changes in value of investments of THB 311mn.

Total consolidated expenses from continued operation amounted to THB 10,612mn in FY 2017/18, an increase of THB 4,927mn or 86.7% YoY largely from (i) an increase in cost of installation and construction services and train procurement service of THB 3,882mn, which are largely costs related to the provision of E&M works and the train procurement service for the aforesaid Southern and Northern Green Line extensions, (ii) an increase in selling and administrative expenses of THB 464mn and (iii) higher cost of services of THB 391mn.

Reported share of net profit from associates/JVs (including share of profit in BTSGIF) was THB 180mn (compared to THB 632mn in FY 2016/17). The YoY decrease was mainly from an increase in share of net loss from U City. Per the EBT of UE to U City, our investment in BTS-SIRI JVs was transferred to U City, hence, the share of net profit from investment in BTS-SIRI JVs was reclassified from continued- to discontinued operation (for more details, please refer to *NFTS 16.2, 17.2 and 52*). Therefore, share of net profit from investment in BTS-SIRI JVs of THB 254mn (a net loss of THB 253mn in previous year) were recorded under discontinued operation.

Finance costs increased by 92.0% YoY or THB 592mn to THB 1,236mn primarily from interest expense of debentures and bills of exchange. As a result, recurring net profit increased by THB 1,098mn or 77.5% YoY to THB 2,515mn and profit attributable to the equity holders of the Company was THB 4,416mn, an increase of 120.4% YoY, predominantly from

the improvement in operating performances of the aforesaid business units, higher interest and investment income, an increase in share of net profit from associates/JVs, being partially offset by higher finance cost. The net profit margin attributable to the equity holders of the Company in FY 2017/18 was 24.6% (versus 20.1% in FY 2016/17).

## OPERATING REVENUE AND OPERATING GROSS PROFIT MARGIN BY BU

Operating Revenue <sup>2</sup> (THB mn)	FY 2017/18	% of Total <sup>2</sup>	FY 2016/17	% of Total <sup>2</sup>	% Change (YoY)	FY 2017/18 GP Margin <sup>7</sup>	FY 2016/17 GP Margin <sup>7</sup>
Mass Transit <sup>3</sup>	9,112	64.6%	4,237	49.2%	115.1%	31.1%	49.7%
Media <sup>4</sup>	3,902	27.7%	3,010	35.0%	29.7%	68.4%	65.3%
Property <sup>5</sup>	639	4.5%	617	7.2%	3.6%	35.3%	37.7%
Services <sup>6</sup>	449	3.2%	743	8.6%	(39.6)%	10.2%	21.4%
<b>TOTAL<sup>2</sup></b>	<b>14,102</b>	<b>100.0%</b>	<b>8,606</b>	<b>100.0%</b>	<b>63.9%</b>	<b>41.0%</b>	<b>51.9%</b>

<sup>2</sup> Operating revenue from the operational performance of 4 BUs excludes non-mass transit related interest income, dividend income and non-recurring items<sup>3</sup>

<sup>3</sup> Mass Transit revenue includes:

- Share of net profit (loss) from BTSGIF (included in 'Share of profit (loss) from investments in associates' in statement of comprehensive income)
- Service Income from Train & Bus Operation Management (included in 'Service income' under 'Revenues from provision of operating services') and Interest Income from Train Procurement as well as Interest Income under purchase and installation of operating system agreement
- Services Income from the provision of E&M works and the train procurement service

<sup>4</sup> Media revenue includes performances of VGI Group and Rabbit Group. Rabbit group (classified to be under Digital Services Business) comprises of BSS & BSSH and subsidiaries but excludes two companies which are Bangkok Payment Solutions Co., Ltd. (BPS) – under former subsidiary; BSSH and Rabbit Rewards Co., Ltd. (RR)<sup>5</sup>.

<sup>5</sup> Property includes Sales from Real Estate, Rental and Service Income, Revenue from group of Hotels and Service income related to Thana City Golf & Sports Club Co., Ltd.

<sup>6</sup> Services revenue includes revenue from Rabbit Rewards, BPS, HHT construction and ChefMan Restaurants (up to 3 August 2017).

<sup>7</sup> Operating gross profit calculated based on the operational performance of 4 BUs

<sup>8</sup> Operating EBITDA calculated based on the operational performance of 4 BUs excludes non-mass transit related interest income, dividend income, share of net profit (loss) from other associates (except from BTSGIF) and joint ventures and other non-recurring items

Total operating revenue<sup>2</sup> in FY 2017/18 reached THB 14,102mn which rose by 63.9% YoY or THB 5,496mn. Revenues from the Mass Transit, Media, Property and Services businesses accounted for 64.6%, 27.7%, 4.5% and 3.2% of total operating revenue, respectively. The sharp rise in operating revenue was largely as a result of higher Mass Transit and Media and Property operating revenues, which increased by 115.1%, 29.7% and 3.6% YoY respectively. The growth was primarily from a recognition of services revenue for the provision of E&M works and train procurement service for Southern and Northern Green Line extensions as well as higher OOH media revenue from full year consolidation of MACO by VGI, synergies from O2O solutions services and higher prices (organic growth). Nevertheless, the increase in operating revenue was partially offset by a 39.6% YoY or THB 294mn decrease in Services operating revenue to THB 449mn mostly from the deconsolidation of Chef Man Group's businesses.

Operating costs increased by 100.9% YoY to THB 8,325mn primarily from recognising costs for the provision of E&M works and train procurement service for the Southern and Northern Green Line extensions. As the increase in total operating revenue outweighed the increase in total operating costs, operating gross profit<sup>7</sup> grew 29.4% YoY to THB 5,778mn as well as operating EBITDA<sup>8</sup> which rose by THB 1,161mn or 39.6% YoY to THB 4,089mn. As services income for the provision of E&M works and train procurement have lower margins, operating gross profit margin decreased to 41.0% from 51.9% in prior year and operating EBITDA margin decreased to 29.0% in FY 2017/18 from 34.0% in FY 2016/17.

## SEGMENTAL PERFORMANCE

### MASS TRANSIT BUSINESS

Total Mass Transit revenue was THB 9,112mn, a significant growth of 115.1% YoY or THB 4,875mn, primarily due to (i) the recognition of services revenue and interest income for the provision of E&M works and the train procurement service for the Southern and Northern Green Line extensions, (ii) higher O&M revenue and (iii) an increase in net profit from share of investment in BTSGIF.

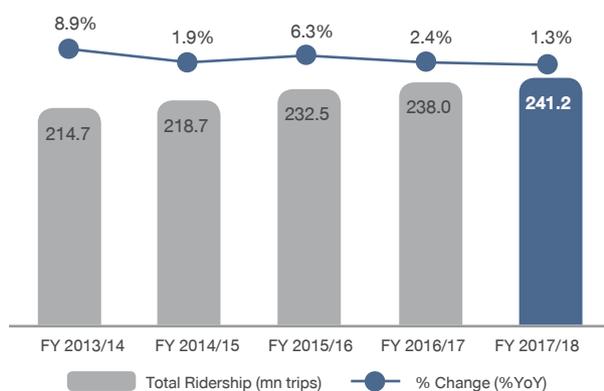
During FY 2017/18, the Company continued to recognise **services revenue from the provision of E&M works and the train procurement service** of THB 5.8bn (increasing from THB 1.4bn in prior year) for the aforesaid Southern and Northern Green Line extensions according to progress of work completion.

**O&M revenue** (excluding interest income from train procurement and E&M provision) rose by 12.3% or THB 204mn YoY to THB 1,865mn. The increase was mainly attributable to the contractually agreed increase in the operating fee of the existing Green Line – Sukhumvit extension and Silom extension together and the additional operating fee of Samrong station (the first station of Southern Green Line extension which was opened in April 2017). Interest income from the provision of E&M works and the procurement of train also rose from the previous year (up 169.6% YoY or THB 316mn) to THB 503mn mainly as a result of the aforementioned provision of services.

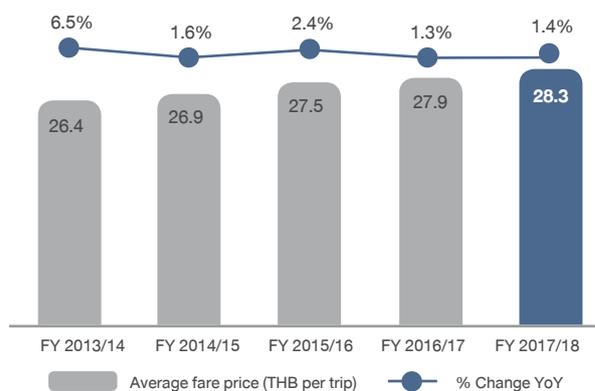
**Share of net profit from investment in BTSGIF** in FY 2017/18 increased by THB 4mn or 0.4% YoY to THB 949mn, which resulted from an improved underlying core network performance. Annual fare-box revenue continued to grow at 2.8% YoY to THB 6,821mn on the back of an increase in ridership (up 1.3% YoY to 241.2mn trips) and the increase in average fare (rose 1.4% YoY to THB 28.3 per trip).

The growth in mass transit revenue was also reflected in costs, which increased by THB 4,143mn to THB 6,274mn largely from the recognition of cost of services related to the provision of E&M works and train procurement service for the aforesaid Southern and Northern Green Line extensions. The operating EBITDA margin declined to 31.5% from 50.4% in previous year as a result of the higher contribution of the abovementioned services, which have a lower margin. Excluding the provision of E&M works and train procurement service, the operating EBITDA margin of the Mass Transit business stood at 67.1%.

#### HISTORICAL RIDERSHIP AND % GROWTH



#### HISTORICAL AVERAGE FARE AND % GROWTH



## MEDIA BUSINESS

Media Revenue (THB mn)	FY 2017/18	% of Total	FY 2016/17	% of Total	% Change (YoY)
<b>OOH media</b>	<b>3,559</b>	<b>91.2%</b>	<b>2,640</b>	<b>87.7%</b>	<b>34.8%</b>
Transit	2,262	58.0%	1,824	60.6%	24.0%
Outdoor	958	24.6%	549	18.2%	74.5%
Office & Other	339	8.7%	267	8.9%	27.0%
Digital Services	343	8.8%	370	12.3%	(7.0)%
<b>TOTAL</b>	<b>3,902</b>	<b>100.0%</b>	<b>3,010</b>	<b>100.0%</b>	<b>29.7%</b>

Total media revenue increased by 29.7% YoY or THB 893mn in FY 2017/18 from THB 3,010mn in the previous year to THB 3,902mn.

**OOH Media** includes Transit, Outdoor and Office Building and Other Media. OOH media contributed 91% of total Media revenue or THB 3,559mn. Revenue in OOH media segment rose by 34.8% YoY resulted from higher prices, synergies from the Digital Services segment, the launch of a new product – LED billboards – of within the Outdoor media segment as well as the full year consolidation of MACO.

**Digital Services Business** contributed 9% of total revenue or THB 343mn, decreasing by 7.0% YoY or THB 26mn. As a result of an increase in promotion and marketing activities and expenditures of Rabbit

LinePay during this year, we recognised a share of net loss from investment in Rabbit LinePay (our joint venture) of THB 122mn (versus THB 41mn in FY 2016/17).

Cost of Sales increased 18.3% YoY from THB 1,043mn to THB 1,234mn, primarily due to higher sales and the full year consolidation of MACO. As a result of higher sales, improved operational efficiency and cost management especially in Outdoor media business, operating EBITDA margin for our Media business in this year improved to 50.6% from 46.7% in the previous year.

## PROPERTY BUSINESS

On 16 March 2018, The Company completed the EBT of UE (our former wholly-owned subsidiary) to U City. Following this property restructuring, the majority of BTSG's Property business, including 3 hotels; U Sathorn, U Chiang Mai, U Inchantree Kanchanaburi, TST Tower office building, land and our 50% stake in the JV with Sansiri, were transferred to U City. All aforementioned property businesses were simultaneously deconsolidated from BTSG on 16 March 2018 and are subsequently recognised via equity method from U City. Following this transaction, BTSG recognised a gain of THB 1,880mn and received approximately THB 1,950mn in net cash.

Property operating revenue in this year was THB 639mn, increasing 3.6% YoY from THB 617mn in prior year. Operating costs increased by 7.5% YoY or THB 29mn to THB 413mn, whilst SG&A expenses rose by 6.7% YoY or THB 22mn to THB 344mn.

**Commercial Property** revenue rose by 5.4% YoY or THB 32mn to THB 616mn. The increase was mainly from the improving overall performance of our hotels and Thana City Golf & Sports Club. The Company recognised an increase in share of net loss from investment in U City, our associate, of THB 505mn (compared to a share of net loss of THB 179mn in the previous year), mainly from an impairment charge of Avani Khon Kaen Hotel and Convention Centre of THB 778mn, as well as non-recurring transaction-related expenses of the Vienna House acquisition.

**Residential Property** revenue reached THB 24mn in FY 2017/18, reduced by THB 10mn YoY from lower housing unit sales at Thana City. In FY 2017/18 before the EBT of UE to U City, we have transferred and recognised revenues of an additional 704 units or 84% of total units for our condominium project under BTS-SIRI Joint Venture: The Line Jatujak - Mo Chit (totaling 841 units and valued at THB 5.8bn). To date, 88% of units of the project have been transferred

as of 31 March 2018. The Company recognised a share of profit from investment in BTS-SIRI JVs of THB 254mn (compared to a net loss of THB 253mn in the previous year) largely as a result of revenue recognition of the aforesaid condominium. However, the share of profit from investment in BTS-SIRI JVs was recorded under discontinued operation following the EBT of UE to U City.

## SERVICES BUSINESS

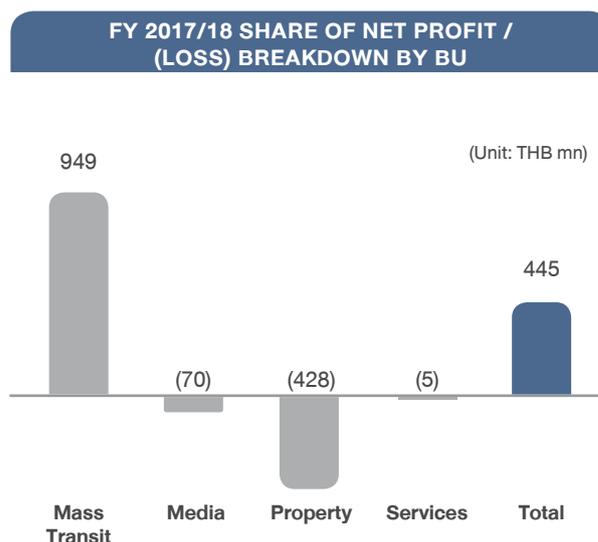
Services business revenue decreased by THB 294mn or 39.6% YoY to THB 449mn. The decline in revenue was largely due to the deconsolidation of ChefMan Group's businesses. Five of ChefMan Group's subsidiaries (MK, PK, KMJ, LC and MFP) were no longer consolidated in the BTSG's financial statements

and henceforth treated as share of net profit/ (loss) from investment in Joint venture instead. Operating costs decreased by 31.1% YoY or THB 181mn to THB 403mn and SG&A expenses amounted to THB 162mn, a decrease of THB 149mn or 47.8% YoY. This was in-line with the aforesaid reasons.

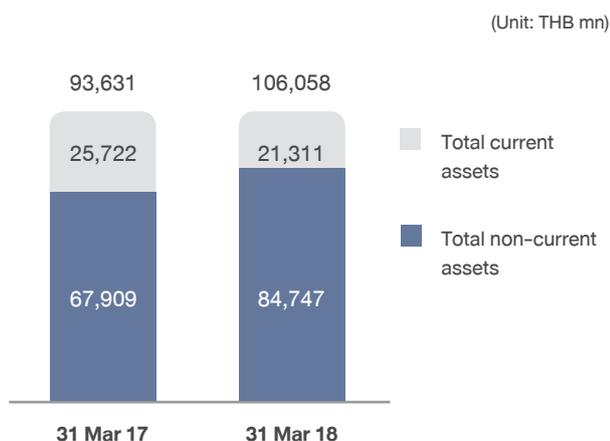
## SHARE OF INCOME / (LOSS) FROM INVESTMENTS IN JOINT VENTURES & ASSOCIATES\*

(THB mn)	FY 2017/18	FY 2016/17
<b>Share of income/ (loss) from investments in joint ventures</b>		
ATS (AEON-rabbit)	32	13
Bayswater	(190)	(118)
BTS-SIRI JV Projects	254	(253)
Rabbit LinePay	(122)	(41)
Others	(1)	(1)
<b>Share of income/ (loss) from investments in associates</b>	<b>473</b>	<b>787</b>
Absolute Hotel Services (AHS)	12	8
Aero Media	6	(3)
BTSGIF	949	945
MACO's associates	6	5
U City	(505)	(179)
Others	5	11

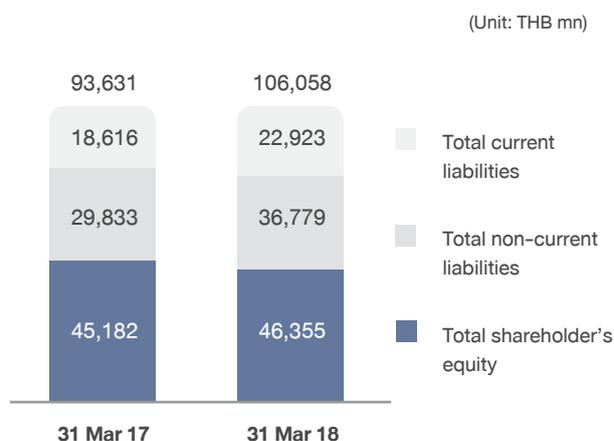
\* includes performances from discontinued operation for the year



## FINANCIAL POSITION



**Total assets** as of 31 March 2018 stood at THB 106,058mn, an increase of THB 12,427mn or 13.3% from 31 March 2017. The increase was primarily attributed to (i) an increase in advances to contractors and for acquisitions of assets total THB 7,619mn largely from an advance payment for civil works and E&M works of the Pink and Yellow lines of THB 7,876mn, (ii) an increase in unbilled receivable under agreements with government authorities of THB 3,433mn from the train procurement service as well as (iii) an increase in receivables under purchase and installation of operating system agreement of THB 2,969mn from the provision of E&M works for the Southern and Northern Green Line extensions, (iv) an increase investments in associates of THB 3,024mn largely stemmed from the Company increased its shareholding in U City from 35.64% to 38.97% following the property restructuring, (v) an increase in other long term investments of THB 2,427mn and (vi) an increase in investment in derivative instruments of THB 2,101mn. The increase, however, was partially offset with (vii) a decrease in cash & cash equivalents of THB 5,637mn (see cash movement in *Cash Flow* section) and (viii) a reduction in investments in joint ventures and property, plant and equipment (PP&E) of THB 1,422mn and THB 1,179mn, respectively, primarily from the deconsolidation of BTS-SIRI Joint Venture projects and certain PP&Es following the assets transferred to U City.



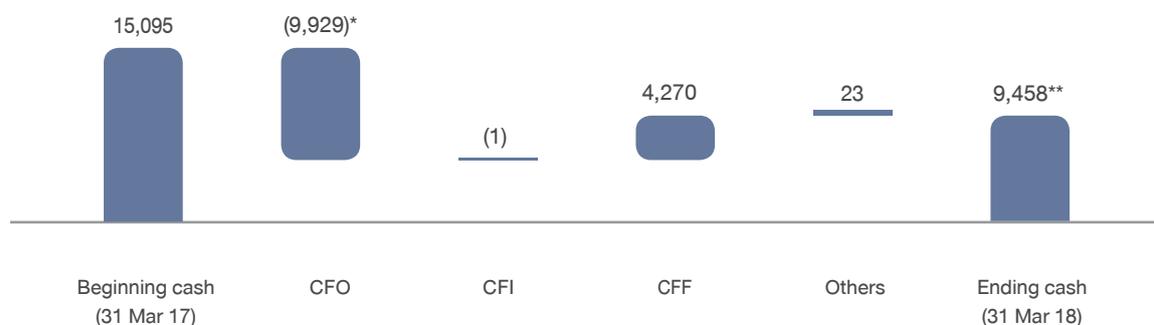
**Total liabilities** increased from 31 March 2017 by 23.2% or THB 11,254mn to stand at THB 59,702mn largely due to (i) an increase in long-term debentures due to the newly-issued THB 7,000mn debenture in December 2017, (ii) an increase in bills of exchange payable of THB 2,058mn, (iii) an increase in trade and other payables of THB 1,890mn.

**Total equity** increased from 31 March 2017 by THB 1,173mn or 2.6% YoY to THB 46,355mn, mainly from an increase in non-controlling interest of the subsidiaries of THB 2,715mn, which includes (i) increase of STEC and RATCH's stake (totaling 25%) in the issuing of ordinary shares in Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd. of THB 2.25bn under the consolidation the Pink Line and the Yellow Line projects and (ii) non-controlling interests of VGI of THB 705mn as a result of the issuance of new VGI's ordinary shares through a private placement in December 2017. The increase, however, was partially offset by a decrease in surplus from the changes in the ownership interests in subsidiaries of THB 2,065mn, which largely derived from the the Company increased shareholding in VGI and MACO. As of 31 March 2018, total issued and fully paid-up shares of BTS Group stood at 11,940.4mn shares. Return on equity for FY 2017/18 was 10.5%, which increased from 4.9% in FY 2016/17.

## CASH FLOW

### TWELVE MONTHS CASH FLOW SNAPSHOT

(Unit: THB mn)



\* After corporate income tax of THB 624mn, interest expenses of THB 707mn and investment in E&M works and train procurement for the Southern and Northern Green Line extensions of THB 6bn and an advance payment for civil works and E&M works of the Pink and Yellow lines of THB 8.2bn

\*\* Excluding liquid investments of THB 20.6bn

For the year ended 31 March 2018, **cash and cash equivalents** stood at THB 9,458mn, a decrease of 37.3% or THB 5,637mn. Cash used in operating activities was THB 8,598mn (versus cash used in operating activities of THB 3,371mn in FY 2016/17). This was derived from profit before tax of THB 5,576mn, being partially offset by (i) non-cash reconciling items of THB 2,235mn and (ii) changes in net working capital of THB 11,939mn (this includes investment in E&M works and trains procurement for the Southern and Northern Green Line extensions of THB 6bn and an advance payment for civil works and E&M works of the Pink and Yellow lines of THB 8.2bn). After deducting net cash paid for corporate income tax of THB 624mn (FY 2016/17: THB 747mn) and net cash paid for interest expenses of THB 707mn (versus THB 36mn in net cash received for interest income in FY 2016/17), **net cash used in operating activities** was THB 9,929mn.

**Net cash used in investing activities** was THB 1mn. The key components were (i) cash paid for purchases of investments in associates of THB 3,223mn mainly from the increase in stake in U City, (ii) net cash paid for acquisitions of investments in derivative instruments of THB 1,730mn, (iii) net cash paid for acquisitions

of current and other long-term investments of THB 1,242mn, (iv) net cash paid for purchases of property, plant and equipment of THB 1,063mn mainly for the Media and Property Businesses, (v) net cash received from repayment of long-term loans to related parties of THB 5,263mn largely as a result of the Company received U City's novation of UE's debt following the EBT of UE, (vi) dividend received of THB 1,836mn and (vii) interest income of THB 1,272mn.

**Net cash from financing activities** was THB 4,270mn. The key components were (i) an increase in long-term debentures of THB 7,000mn from BTS newly issued debenture in December 2017, (ii) cash received from non-controlling interests for (a) issuances of ordinary shares of subsidiaries of THB 2,250mn following the consolidation of Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd. and (b) proceeds from VGI newly issued ordinary shares (through private placement in December 2017) of THB 2,040mn, (iii) a net increase in bills of exchange payables of THB 1,756mn, (iv) dividend paid of THB 4,014mn, (v) net cash paid for purchases of investments in subsidiaries of THB 4,074mn mainly from the additional acquisition of VGI and MACO.

## KEY FINANCIAL RATIOS

	FY 2017/18*	FY 2016/17*	FY 2015/16
<b>Profitability ratios</b>			
Gross operating profit margin (%)	41.0%	51.9%	60.4%
Operating EBITDA margin (%) <sup>A</sup>	29.0%	34.0%	42.9%
Recurring pre-tax profit margin (%) <sup>B</sup>	23.4%	25.0%	36.2%
Net profit margin (%) <sup>C</sup>	24.6%	20.1%	39.4%
ROA (%) <sup>D</sup>	4.8%	2.8%	6.7%
ROE (%) <sup>E</sup>	10.5%	4.9%	8.9%
<b>Liquidity ratio</b>			
Current ratio (times)	0.93x	1.38x	0.81x
<b>Leverage ratios</b>			
Interest bearing debt to equity (times)	1.02x	0.85x	0.20x
Adjusted net debt <sup>F</sup> to equity (times)	0.37x	0.13x	(0.13)x
Adjusted net debt <sup>F</sup> to recurring operating EBITDA (times)	3.02x	1.72x	(1.93)x
Interest coverage (times) <sup>G</sup>	3.31x	4.55x	9.30x
<b>Per share ratios<sup>H</sup></b>			
Basic earnings per share (THB)	0.37	0.17	0.35
Book value per share (THB)	3.91	3.82	3.96

Note:

\* Includes performances from discontinued operation for the year

<sup>A</sup> Excludes non-operating items and interest income

<sup>B</sup> Calculated based on recurring pre-tax profit / total recurring revenue

<sup>C</sup> Calculated based on accounting net profit (after MI) / total accounting revenue including shares of income / (loss) from investments in associates and JVs and gross revenue under profit from discontinued operation for the period

<sup>D</sup> Calculated based on accounting net profit / total average assets

<sup>E</sup> Calculated based on accounting net profit / total average shareholders' equity

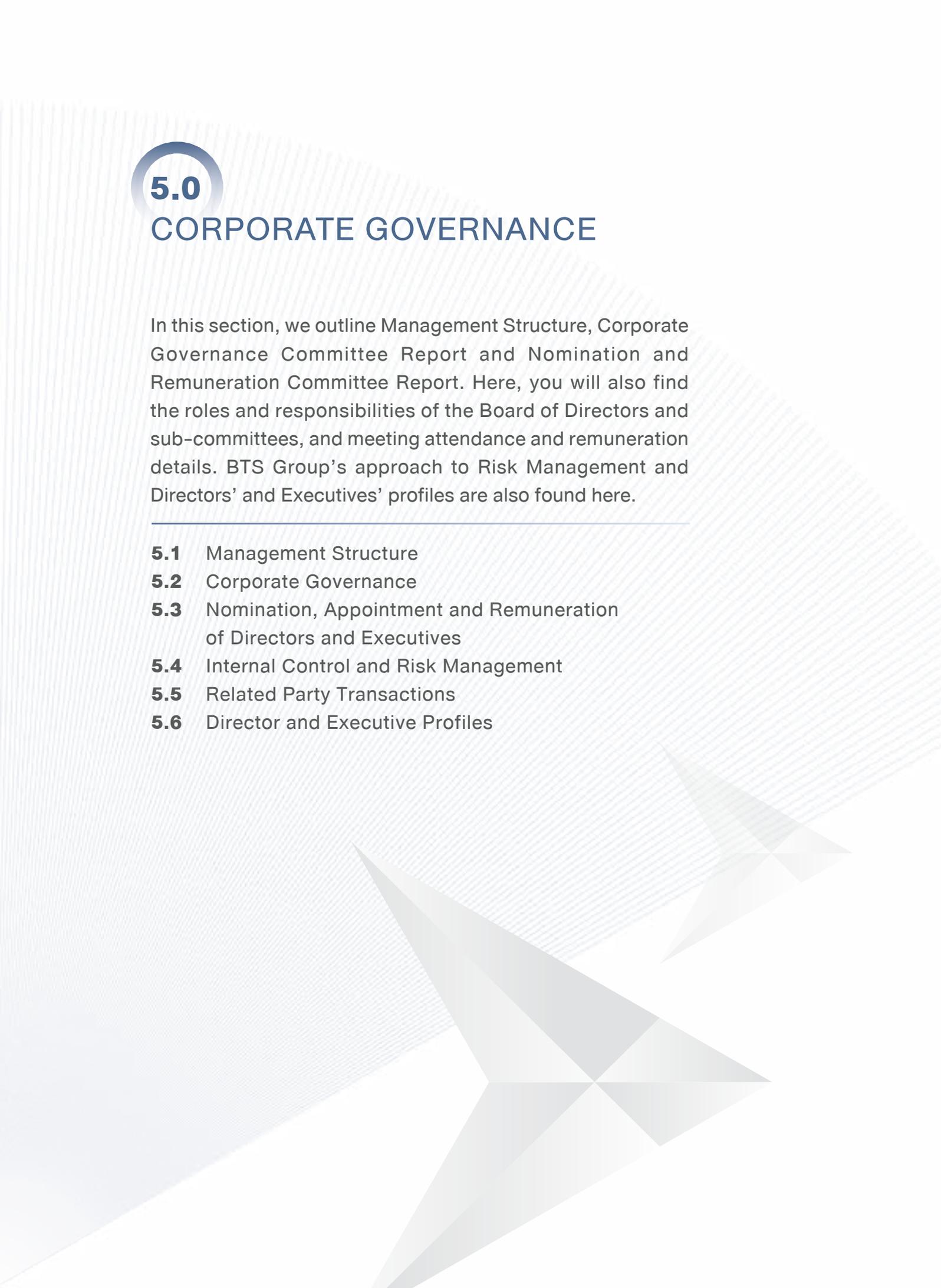
<sup>F</sup> Calculated based on interest bearing debt - cash and cash equivalent and liquid investment

<sup>G</sup> Calculated based on operating EBITDA / finance cost

<sup>H</sup> Calculated based on weighted average number of shares at par value of THB 4.0 per share

## BUSINESS OUTLOOK

Please refer to *section 2.8 FY 2018/19 Business Outlook*



## 5.0

# CORPORATE GOVERNANCE

In this section, we outline Management Structure, Corporate Governance Committee Report and Nomination and Remuneration Committee Report. Here, you will also find the roles and responsibilities of the Board of Directors and sub-committees, and meeting attendance and remuneration details. BTS Group's approach to Risk Management and Directors' and Executives' profiles are also found here.

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- 5.1** Management Structure
- 5.2** Corporate Governance
- 5.3** Nomination, Appointment and Remuneration of Directors and Executives
- 5.4** Internal Control and Risk Management
- 5.5** Related Party Transactions
- 5.6** Director and Executive Profiles

The Company's management structure as of 31 March 2018 is as shown in *Section 3.6: Organisation Chart*.

## BOARD OF DIRECTORS

The structure of the Board of Directors consists of members in the number that is suitable for the size and business strategy of the Company, but shall be no less than 5 members and at least half of the members shall have their residence in the Kingdom of Thailand. In addition, at least one-third (1/3) of the members shall be independent directors and in any case the independent directors shall not be less than 3 members. The Board of Directors will have more than 6 meetings in each fiscal year.

As of 31 March 2018, the Board of Directors consisted of 14 members, one of which is female (or equivalent to 7.14% of total directors) divided into:

- 7 members as executive directors (or equivalent to 50% of total directors); and
- 7 members as non-executive directors (or equivalent to 50% of total directors), 5 of which were independent directors (or equivalent to 35.71% of total directors) which is greater than 1/3 of the members.

List of Directors are as follows:

No.	Name of Directors	Position	Date of Registration as Directors	Number of years in office
1.	Mr. Keeree Kanjanapas	Chairman of the Board of Directors / Chairman of the Executive Committee / Chairman of the Corporate Governance Committee	2 June 1993	25 years
2.	Dr. Paul Tong	Director	20 February 2007	11 years
3.	Dr. Anat Arbhahirama	Executive Director / Corporate Governance Committee Member	7 May 1998	20 years
4.	Mr. Surapong Laoha-Unya	Executive Director	30 July 2010	8 years
5.	Mr. Kavin Kanjanapas	Executive Director / Chief Executive Officer	23 January 2007	11 years
6.	Mr. Rangsin Kritalug	Executive Director / Nomination and Remuneration Committee Member / Corporate Governance Committee Member / Chief Operating Officer	19 December 1997	21 years
7.	Mr. Kong Chi Keung	Executive Director / Nomination and Remuneration Committee Member / Deputy Chief Executive Officer	23 January 2007	11 years
8.	Professor Lt. Gen. Phisal Thepsithar	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	4 August 2000	18 years
9.	Mr. Suchin Wanglee	Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member	30 July 2010	8 years



No.	Name of Directors	Position	Date of Registration as Directors	Number of years in office
10.	Professor Charoen Wattanasin	Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member / Corporate Governance Committee Member	30 July 2010	8 years
11.	Mr. Cheong Ying Chew, Henry	Independent Director	30 July 2010	8 years
12.	Mr. Chulchit Bunyaketu	Executive Director	27 July 2015	3 years
13.	Dr. Karoon Chandrangsu	Director	27 July 2015	3 years
14.	Mrs. Pichitra Mahaphon	Independent Director / Audit Committee Member	1 April 2016	2 years
<b>Average years of office of all directors</b>				<b>11.21 years</b>

The Board of Directors possesses qualifications that are suitable for and consistent with the business strategy of the Company, as well as having diversified knowledge, capability, skills, experience and expertise beneficial to the Company's business operations as follows:

Directors' Name	Work Experience in relation to the Company's Business				Education and Expertise								
	Mass Transit Business	Media Business	Property Business	Services Business	Legal / Political Science / Public Administration	Accounting / Finance / Mathematic	Business Administration / Marketing / International Business	Engineering	Architecture	Medical / Public Health	Science / Environment / Natural Resources	Information Technology	Risk Management
1. Mr. Keeree Kanjanapas	✓	✓	✓	✓			✓						✓
2. Dr. Paul Tong	✓		✓	✓			✓	✓			✓		
3. Dr. Anat Arbhabhirama	✓	✓	✓	✓				✓					
4. Mr. Surapong Laoha-Unya	✓			✓			✓	✓					
5. Mr. Kavin Kanjanapas	✓	✓	✓	✓		✓	✓	✓				✓	✓
6. Mr. Rangsin Kritalug			✓	✓	✓	✓	✓	✓	✓	✓		✓	
7. Mr. Kong Chi Keung	✓	✓	✓	✓		✓	✓						
8. Professor Lt. Gen. Phisal Thepsithar	✓		✓		✓	✓	✓			✓	✓		✓
9. Mr. Suchin Wanglee			✓			✓	✓						✓
10. Professor Charoen Wattanasin					✓	✓	✓						✓
11. Mr. Cheong Ying Chew, Henry				✓		✓	✓					✓	✓
12. Mr. Chulchit Bunyaketu	✓	✓		✓	✓	✓	✓					✓	
13. Dr. Karoon Chandrangsu	✓		✓		✓			✓				✓	✓
14. Mrs. Pichitra Mahaphon	✓	✓	✓			✓							

The Company has 4 non-executive directors whose experiences are related to the mass transit business, i.e. Dr. Paul Tong, Professor Lt. Gen. Phisal Thepsithar, Dr. Karoon Chandrangsu, and Mrs. Pichitra Mahaphon. They have had experience, knowledge, and expertise from holding the directorship position in the company which engages in the mass transit business. The profiles of the members of the Board of Directors can be found in *Section 5.6: Director and Executive Profiles*.

**Directors Authorised to Sign on Behalf of the Company:** Any one director from the Group A directors signing jointly with any one director from the Group B directors, totaling 2 persons together with the Company's seal affixed.

- Group A consisting of Mr. Keeree Kanjanapas, Mr. Kavin Kanjanapas, and Mr. Surapong Laoha-Unya
- Group B consisting of Dr. Anat Arbhabhirama, Mr. Rangsin Kritalug, and Mr. Kong Chi Keung

## DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. To perform their duties in accordance with the laws, the objectives and the Articles of Association of the Company as well as the resolutions of the shareholders' meeting with honesty, responsibility, and due care for the utmost benefits of the Company and the shareholders;
2. To determine the Company's policy, vision, mission, values, strategy and goals, both in terms of monetary and non-monetary as well as supervising and monitoring the Management to ensure the implementation of those policies effectively and efficiently so as to create and maximise the sustainable value for the Company and the shareholders, to regularly consider, review, and determine the Company's policy, vision, mission, values, strategy and goals (1) annually for the short-term basis and (2) 3-5 years for the medium-to-long-term basis, and to monitor the implementation of the business strategy as well as reviewing the business strategy of the Company in the past fiscal year in order to set the business strategy of the next fiscal year;
3. To determine the Company's business plan and annual budget, as well as considering and reviewing the progress of the monthly and quarterly performance of the Company, in comparison with the business plan and budget, and to consider the trends for the next periods;
4. To determine the remuneration structure and welfare for the employees in all levels, and to ensure that an appropriate remuneration mechanism is in place and in accordance with the short-term and long-term performance of the Company, with the Nomination and Remuneration Committee acting as superintendent;
5. To supervise the Management to ensure that the accounting system, financial reports and accounting audit system are accountable, and to monitor the sufficient of cash flow liquidity, as well as ensuring that the Company has a good internal control system that is sufficient and appropriate;
6. To consider and approve the acquisition and disposal of assets, investment in new businesses and any matters as required by the laws, save for the matters that the resolutions of the shareholders' meeting are required under the laws;
7. To consider and/or provide an opinion on the connected transactions of the Company and its subsidiaries and to ensure the compliance with the laws, notifications, regulations and relevant rules;
8. To monitor and prevent a conflict of interests among the stakeholders of the Company;
9. To consider all the Company's affairs by taking into account the benefits of the shareholders and all groups of stakeholders equitably. The director shall report to the Company, without delay, if he has any conflict of interests in a contract to be entered into with the Company or an increase or decrease of his shareholding in the Company or its subsidiaries. Hence, for any transaction with the director or a person having a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, the director in conflict shall have no right to vote to approve such transaction;

10. To govern the business operations with business ethics and conducts as well as promoting the creation of corporate culture for all employees to adhere and perform their duties with ethics and integrity, and to regularly review the corporate governance policy and code of business conduct on an annual basis as well as evaluating the implementation of such policies at least once a year;
11. To establish the risk policy and framework, to review and evaluate the appropriateness of the policy and framework on an ongoing basis and to ensure that enterprise risk management policy and internal controls system are implemented in order to effectively achieve the objectives;
12. To establish a corporate social responsibility (CSR) policy and to monitor the implementation of such CSR policy;
13. To report the responsibilities of the Board of Directors in the preparation of the financial statements by disclosing such report along with the external auditor report in the Company's Annual Report, covering key issues under the Code of Best Practices for Directors of Listed Companies of the SET, as well as disclosing any material information in an accurate, complete, timely manner and correspond with the relevant regulations, standard, and guidelines;
14. To delegate one or more directors or other persons to perform any task on behalf of the Board of Directors. However, such delegation shall not be the authorisation or sub-authorisation that allows the director or any designated person, who has a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, to approve such transaction;
15. To evaluate the performance of the Board of Directors on an annual basis, both group evaluation and individual evaluation, in order to use as a guideline for the review of the Board of Directors' performance, as well as reviewing their duties and responsibilities in the Board of Directors' Charter on an annual basis;
16. To appoint sub-committees to assist and monitor the management system and the internal control system to ensure the compliance with the Company's policies, such as the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee, and to assign the annual performance evaluation and review the duties and responsibilities in the charter of all sub-committees;
17. To delegate the authorities, duties, and responsibilities to the Management in order to clearly separate the roles, duties and responsibilities between the Board of Directors and the Management as well as reviewing such separation of roles, duties and responsibilities, and to regularly monitor and evaluate the performance of the Management in order to maintain the balance of power, enhance the independence in performing duties and increase the operational efficiency;
18. To determine and review the business organisation chart and to appoint the Advisory Board which consists of a group of individual advisors who are knowledgeable and being the experts who can provide the strategic and useful advice to the business affairs of the Company and subsidiaries. The opinion or advice from the Advisory Board will be the opinion/advice from a person who is not involved in the business management of the Company and this would assist the Company to gain benefits from the viewpoint of a third party. Nonetheless, the advice, opinion or suggestion from the Advisory Board has no legal binding effect over the Company;
19. To prepare and review the succession plan in order to determine the succession process for the position of the Chairman of the Executive Committee, Chief Executive Officer and other senior executive positions; and
20. To appoint the Company Secretary to ensure that the Board of Directors and the Company comply with the laws and relevant regulations.

## ROLES AND DUTIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

1. The Chairman as the chief of the Board of Directors has the duties and responsibilities to supervise and monitor the due performance of the Board of Directors and other sub-committees to efficiently achieve the business objectives and plans, as well as to ensure that all directors contribute to the promotion of ethical culture and good corporate governance;
2. The Chairman is the person who calls the meetings of the Board of Directors. In calling a meeting, the Chairman or a person assigned by him shall send out the meeting invitation to all directors at least 7 days prior to the meeting date. However, in necessary and emergency case and in order to preserve the rights or benefits of the Company, the meeting invitation may be sent by other means within a shorter timeframe. Such invitation may be served by hand to each director, or transmitted by facsimile transmission to every director specifying the place, date and time of the meeting and the nature of the businesses to be transacted. In addition, the Chairman should allocate sufficient time for the Management to report all details thoroughly and encourage the directors to carefully discuss all significant matters, as well as freely exercising their independent judgment;
3. To act as the chairman at the meetings of the Board of Directors and to cast the casting vote in case of an equality of votes;
4. To act as the chairman at the shareholders' meetings of the Company and to conduct the meeting in compliance with the Company's Articles of Association and the meeting agenda and to cast the casting vote in case of an equality of votes; and
5. To perform other duties as specified by laws particularly as the duties of the Chairman.

## AUDIT COMMITTEE

The structure of the Audit Committee entirely consists of independent directors who possess the qualifications in accordance with the Definition of Independent Director of the Company, which is "more stringent" than the minimum requirements of the notifications of the Capital Market Supervisory Board. The Audit Committee shall consist of at least 3 members and at least one member must be knowledgeable and experienced in accounting in order to review the reliability of the financial statements. The Audit Committee holds a meeting on a quarterly basis and may call additional meetings as necessary and appropriate.

As of 31 March 2018, the Audit Committee consisted of 4 members.

No.	Name	Position
1.	Professor Lt. Gen. Phisal Thepsithar*	Chairman of the Audit Committee
2.	Mr. Suchin Wanglee	Audit Committee Member
3.	Professor Charoen Wattanasin	Audit Committee Member
4.	Mrs. Pichitra Mahaphon	Audit Committee Member

\* Professor Lt. Gen. Phisal Thepsithar is the member of the Audit Committee who has adequate expertise and experience to review the creditability of the Company's financial statements.

## DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

1. To review the Company's financial reporting process to ensure that it is accurate and in accordance with the generally accepted accounting principles and that there is adequate disclosure;
2. To review the Company's internal control system, internal audit system, and risk assessment policy to ensure their appropriateness and efficiency, to review the independence of the Internal Audit Office, and to approve, jointly with the Chief Executive Officer, the appointment, transfer and dismissal of the head of the Internal Audit Office or the head of any other units in charge of internal audit;
3. To review to ensure that the Company is in compliance with the securities and exchange laws, the regulations of the SET, and the laws relevant to the Company's businesses;

4. To consider, select, and nominate independent person(s) to be elected as the Company's external auditor(s), to terminate the Company's external auditor(s), to propose their remuneration, and to attend a meeting with the external auditor(s) without the Management at least once a year, and the external auditor(s) will be discharged in the following events:
  - (1) The external auditor(s) violates and/or fails to comply with Section 89/25 of the Securities and Exchange Act B.E. 2535 (1992) (as amended);
  - (2) The licence of the external auditor(s) is not valid under the professional accounting laws;
  - (3) The external auditor(s) commits a misconduct, violates or fails to comply with the rules and ethics of professional auditors in a material manner and is suspended from practicing or de-licensed under the professional accounting laws; or
  - (4) The Federation of Accounting Professions Committee considers the behaviour of the external auditor(s) to be damaging to the honour of the accounting profession.
5. To consider connected transactions or transactions that may lead to a conflict of interest to ensure that those transactions are in compliance with the laws and regulations of the SET, are justifiable, and are transacted in the best interest of the Company;
6. To prepare the Audit Committee's report and disclose the same in the Company's annual report where the Audit Committee's report must be signed by the Chairman of the Audit Committee and must consist of at least the following information:
  - (1) An opinion on the accuracy, the completeness, and the creditability of the Company's financial report;
  - (2) An opinion on the adequacy of the Company's internal control system;
  - (3) An opinion on the compliance with the securities and exchange laws, the regulations of the SET, or the laws relevant to the Company's businesses;
  - (4) An opinion on the suitability of the external auditor(s);
  - (5) An opinion on the transactions that may lead to a conflict of interest;
  - (6) The number of the Audit Committee's meetings, and the meeting attendance by each member;
  - (7) An opinion or overview observation the Audit Committee has obtained from performing duties under the scope of the Audit Committee Charter;
  - (8) Other transactions which, according to the Audit Committee's opinion, should be made known to the shareholders and general investors, and are in the scope of the duties and responsibilities assigned by the Board of Directors;
7. To review and provide an opinion on the internal audit plan and the performance of the Internal Audit Office where the Audit Committee has the authority to invite the relevant Management, executives, or employees to provide their opinions, attend meetings, or submit any relevant and necessary documents;
8. In performing the duties of the Audit Committee, if the Audit Committee discovers or suspects that there is any of the following transactions or acts which may materially affect the Company's financial conditions and operating results, the Audit Committee shall make an inspection and report to the Board of Directors for further rectification within the period that the Audit Committee deems appropriate:
  - (1) A transaction which causes a conflict of interest;
  - (2) Any fraud, irregularity, or material error in the internal control system;
  - (3) An infringement of the securities and exchange laws, the regulations of the SET, or the laws relevant to the Company's businesses;

If the Board of Directors or executives should fail to rectify within the period that the Audit Committee deems appropriate, any member of the Audit Committee may report such transaction or act to the SEC Office or the SET;

9. The Audit Committee is responsible for assessing the adequacy and effectiveness of the anti-fraudulent risk policy and the risk management measures in countering fraud. The main functions of risk management are as follows:
- (1) Review the internal audit plan of the Internal Audit Office to determine if the internal controls cover the implementation of Anti-Fraud & Corruption Policy and other related policies which may be exposed to fraudulent business practices;
  - (2) Acknowledge reports of fraudulent incidents during regular scheduled periods. Contents should provide detailed information on fraudulent risk management and fraudulent incidents. For serious fraudulent incidents, the report should cover results of the investigations, measures taken and penalties, if any;
  - (3) Consult with the external auditor in the event of a significant fraud;
10. To review and update the Audit Committee Charter and present the same to the Board of Directors for consideration and approval; and
11. To perform any other duties as assigned by the Board of Directors as the Audit Committee may agree.

## NOMINATION AND REMUNERATION COMMITTEE

The structure of the Nomination and Remuneration Committee consists of at least 3 directors but shall not exceed 5 directors. The majority members shall be independent directors. The Nomination and Remuneration Committee holds at least two meetings in each fiscal year and may call additional meetings as necessary and appropriate.

As of 31 March 2018, the Nomination and Remuneration Committee consisted of 5 members.

No.	Name	Position
1.	Professor Lt. Gen. Phisal Thepsithar	Chairman of the Nomination and Remuneration Committee
2.	Mr. Suchin Wanglee	Nomination and Remuneration Committee Member
3.	Professor Charoen Wattanasin	Nomination and Remuneration Committee Member
4.	Mr. Rangsin Kritalug	Nomination and Remuneration Committee Member
5.	Mr. Kong Chi Keung	Nomination and Remuneration Committee Member

## DUTIES AND RESPONSIBILITIES OF THE NOMINATION AND REMUNERATION COMMITTEE

1. To consider and provide an opinion on the Board of Directors' structure, such as the appropriate size and composition of the Board of Directors, taking into consideration the Company's size and business strategy in comparison with the current size and composition of the Board of Directors as well as to review the independency of each independent director, for the adjustment of the Board of Directors' structure to correspond with the Company's strategy;
2. To determine the criteria and process in selecting a person for the position of director, by considering:
  - Qualifications of a director which correspond with the Company's business strategy, structure, size and composition of the Board of Directors as determined by the Board of Directors, including the diversity in the structure (Board Diversity) and other qualifications being required and inadequate in the Board of Directors (Board Skill Matrix);
  - The appropriateness of their knowledge, experience, expertise and time availability as well as other requirements as stipulated by the laws or regulations of the government authorities;
3. To select a director who has qualifications in accordance with the specified qualifications:
  - If the directors retire by rotation, to recommend those persons to the Board of Directors for approval and to further propose to the

- shareholders' meeting for consideration and appointment;
- If there is a vacancy in the Board of Directors for any reasons other than the retirement by rotation, to propose a person/persons to the Board of Directors for consideration and appointment as a new director to replace the vacant position; and
  - If there is a need on the appointment of an additional director to correspond with the Board of Directors' structure, to recommend a person/persons to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and appointment;
4. To consider the structure, amount, form and criteria for all types of appropriate remuneration (monetary and non-monetary) for the Chairman of the Board of Directors, directors and members of the sub-committees, taking into account the remuneration of other companies in the same industry and other listed companies on the SET in the same range of market capitalisation. This is in order to motivate and maintain the valuable directors with the Company and to propose to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and approval;
  5. To select the senior executives (i.e. Chairman of the Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and other Chief Officer positions) who shall have at least the following qualifications:
    - Possessing all qualifications under the securities and exchange law, rules and regulations of the Company and relevant supervisory agencies and the good corporate governance of the Company; and
    - Possessing the qualifications which are appropriate and in accordance with the business strategy of the Company, as well as having vision for managing big-size organisation, leadership skill, appropriate knowledge, experience, expertise and ability to contribute and dedicate time for the Company's business affairs both in the domestic and international levels as the senior executives of the Company;
  6. To consider the performance evaluation criteria of the Chairman of the Executive Committee and the Chief Executive Officer and propose the result of such evaluation to the Board of Directors for approval, to propose the structure, amount and form of remuneration of the Chairman of the Executive Committee and the Chief Executive Officer, both short-term and long-term remuneration, in correspondence with the result of the performance evaluation to the Board of Directors for approval, as well as determining and governing the performance evaluation, remuneration mechanism and welfare for all employees pursuant to the remuneration structure as determined by the Board of Directors;
  7. To prepare the director development plan in order to develop the knowledge of the existing directors and the new directors as regards the business of the Company, the roles and duties of directors and other significant developments, including to determine the new director orientation guidelines;
  8. To consider the appropriateness and conditions in offering new shares, warrants or other securities to the directors and employees as a motivation for the directors and employees to perform and build the long-term value for the shareholders as well as to maintain the qualified personnel with the Company. Nonetheless, such remuneration shall be justified to the shareholders;
  9. To report their performance to the Board of Directors and/or at the shareholders' meeting;
  10. To conduct an evaluation of the performance of the Nomination and Remuneration Committee on an annual basis and report the evaluation result to the Board of Directors;
  11. To appoint the working group to assist the Nomination and Remuneration Committee in performing their duties as well as to appoint the independent expert consultants for providing advice and assistance for the performance of duties by the Nomination and Remuneration Committee; and

- To perform any other acts related to the nomination of directors and determination of remuneration as assigned by the Board of Directors and to perform any other acts as stipulated by the laws or regulations of the authorities.

## CORPORATE GOVERNANCE COMMITTEE

The structure of the Corporate Governance Committee consists of at least 4 directors but shall not exceed 6 directors. The Corporate Governance Committee holds at least two meetings in each fiscal year and may call additional meetings as necessary and appropriate.

As of 31 March 2018, the Corporate Governance Committee consisted of 4 members.

No.	Name	Position
1.	Mr. Keeree Kanjanapas	Chairman of the Corporate Governance Committee
2.	Dr. Anat Arbhahirama	Corporate Governance Committee Member
3.	Professor Charoen Wattanasin	Corporate Governance Committee Member
4.	Mr. Rangsini Kritalug	Corporate Governance Committee Member

## DUTIES AND RESPONSIBILITIES OF THE CORPORATE GOVERNANCE COMMITTEE

- To consider, determine, review, and update policies, manuals, and guidelines on good corporate governance, business ethics, and employees' ethics to be in line with the international standard practices, to propose the same for consideration and approval by the Board of Directors, and to monitor the implementation of such policies, manuals, and guidelines on good corporate governance, business ethics, and employees' ethics;
- To consider, determine, review, and update the corporate social responsibility (CSR) policy, to propose the same for consideration and approval by the Board of Directors, and to monitor the implementation of such CSR policy;
- To consider, determine, review, and update the policy and guideline on anti-corruption and bribery, to propose the same for consideration

and approval by the Board of Directors, and to monitor the implementation of the policy and guideline on anti-corruption and bribery;

- To report its performance of duties to the Board of Directors and/or the shareholders' meeting;
- To conduct an evaluation of the performance of the Corporate Governance Committee on an annual basis and report the evaluation results to the Board of Directors;
- To appoint working groups to assist the Corporate Governance Committee in performing its duties and to appoint independent expert consultants to provide advice, consultation, and assistance for the performance of duties by the Corporate Governance Committee; and
- To perform or undertake other tasks as the Board of Directors may assign and to perform any other acts as stipulated by the laws or regulations of the government authorities.

## EXECUTIVE COMMITTEE

The structure of the Executive Committee consists of at least 5 members where the members of the Executive Committee do not have to hold the position of directors of the Company. The Executive Committee schedules a meeting regularly as it deems appropriate.

As of 31 March 2018, the Executive Committee consisted of 7 members.

No.	Name	Position
1.	Mr. Keeree Kanjanapas	Chairman of the Executive Committee
2.	Dr. Anat Arbhahirama	Executive Director
3.	Mr. Surapong Laoha-Unya	Executive Director
4.	Mr. Kavin Kanjanapas	Executive Director and Chief Executive Officer
5.	Mr. Rangsini Kritalug	Executive Director and Chief Operating Officer
6.	Mr. Kong Chi Keung	Executive Director and Deputy Chief Executive Officer
7.	Mr. Chulchit Bunyaketu	Executive Director

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

1. To determine business policy, vision, mission, values, strategy and goals, both in terms of monetary and non-monetary, including the management structure, to correspond with the economy and competitive environment and to propose such to the Board of Directors for consideration and approval;
2. To prepare business plan, financial budget, and management authorities of the Company and to propose such to the Board of Directors for consideration and approval;
3. To govern, review and monitor the Company's performance result in compliance with the policy, mission, vision, values, strategy and goals, both in terms of monetary and non-monetary, as well as the approved business plan and financial budget on a quarterly basis in order to ensure that the Company's performance result is efficient and effective;
4. To consider and approve the Company's and subsidiaries' projects and report the project progress to the Board of Directors;
5. To manage the overall risk of the organisation, to evaluate such risk and plan the Company's risk management structure and to monitor and control key risks and any conditions that may have a material impact on the business operations of the Company and to report such to the Board of Directors;
6. To report their performance to the Board of Directors and/or at the shareholders' meeting;
7. To conduct an evaluation of the performance of the Executive Committee on an annual basis and report the evaluation result to the Board of Directors;
8. To appoint the working group to assist the Executive Committee in performing their duties as well as to appoint the independent expert consultants for providing advice and assistance for the performance of duties by the Executive Committee; and

9. To perform other tasks as assigned by the Board of Directors and to perform any other acts as stipulated by laws or regulations of the authorities.

## **DUTIES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER**

1. To be in charge of the day-to-day business operations of the Company, supervise and manage the works and operations of the Company to comply with the policy, vision, mission, values, strategy and goals, both in terms of monetary and non-monetary, as well as the business plan and financial budget as approved by the Board of Directors and/or the Executive Committee;
2. To employ, appoint, transfer, dismiss, and terminate employees in all levels, except (i) the appointment, transfer and dismissal of senior executives who hold the position of Deputy Chief Executive Officer and Chief Officer, which shall be approved by the Board of Directors and (ii) the appointment, transfer and dismissal of the Head of Internal Audit, which shall also be approved by the Audit Committee;
3. To determine the salary and remuneration, adjust the salary, bonus, reward and welfare of all employees of the Company, including the senior executives who hold the position of Deputy Chief Executive Officer and Chief Officer in correspondence with the remuneration mechanism and welfare as approved by the Nomination and Remuneration Committee;
4. To authorise the execution or termination of any contracts (which have not been included in the approved annual budget) between the Company or a subsidiary and any other third party where the aggregate value of each contract does not exceed the designated amount;
5. To consider and approve the intercompany loans among the Company and the subsidiaries;
6. To issue internal order, policy, announcement and memo of the Company in order to ensure that the operations of the Company are in compliance with the policy and the interest of the Company, including to maintain the organisational disciplinary;

7. To perform other tasks as assigned by the Board of Directors and/or the Executive Committee and to perform any other acts as stipulated by laws or regulations of the authorities;
8. To delegate one or more persons to perform any task on his behalf. However, such delegation shall not be the authorisation that allows any designated person, who has a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, to approve such transaction; and
9. If the Chief Executive Officer is not in the office or unavailable to perform his duties, the Deputy Chief Executive Officer shall act and perform the duties on his behalf in full respects and the Deputy Chief Executive Officer shall report or propose those approved matters to the Chief Executive Officer as soon as practicable.
- Nonetheless, the power of the Chief Executive Officer shall not allow him to approve a transaction that he or his related person(s) is in conflict of interests or conflict of any kinds with the Company or its subsidiaries.

**Summary of meeting attendance of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Executive Committee in FY 2017/18**

Name	Board of Directors (totaling 11 times)	Audit Committee (totaling 5 times)	Nomination and Remuneration Committee (totaling 2 times)	Corporate Governance Committee (totaling 2 times)	Executive Committee (totaling 10 times)
1. Mr. Keeree Kanjanapas	11/11	-	-	2/2	10/10
2. Dr. Paul Tong	9/11	-	-	-	-
3. Dr. Anat Arbhahirama	10/11	-	-	2/2	10/10
4. Mr. Surapong Laoha-Unya	10/11	-	-	-	10/10
5. Mr. Kavin Kanjanapas	11/11	-	-	-	7/10
6. Mr. Rangsin Kritalug	11/11	-	2/2	2/2	10/10
7. Mr. Kong Chi Keung	11/11	-	2/2	-	10/10
8. Professor Lt. Gen. Phisal Thepsithar	11/11	5/5	2/2	-	-
9. Mr. Suchin Wanglee	11/11	5/5	2/2	-	-
10. Professor Charoen Wattanasin	10/11	5/5	1/2	2/2	-
11. Mr. Cheong Ying Chew, Henry	9/11	-	-	-	-
12. Mr. Chulchit Bunyaketu	11/11	-	-	-	8/10
13. Dr. Karoon Chandrangu	11/11	-	-	-	-
14. Mrs. Pichitra Mahaphon	11/11	5/5	-	-	-
<b>Average of Meeting Attendance (%)</b>	<b>95.5</b>	<b>100.0</b>	<b>90.0</b>	<b>100.00</b>	<b>92.9</b>

In FY 2017/18, the Company convened a total of 11 Board of Directors' meetings. 95.5% of directors attended the meetings with each director attended more than 75% of the total number of meetings, which was in line with the Corporate Governance Policy and Code of Business Conduct of the Company that promotes and encourages each director to attend the Board of Directors' meetings at least 75% of the total number of meetings in each fiscal year.

The reason for the absence of the directors at the meetings was due to the necessity to attend other business, including oversea business. The directors who could not attend the meetings had informed the Chairman in advance of the meetings in order to inform the Board of Directors for their acknowledgement.

In FY 2017/18, the non-executive directors had one meeting without the attendance or participation of the Management.

## EXECUTIVES

As of 31 March 2018, there were 11 executives.

No.	Name	Position
1.	Mr. Keeree Kanjanapas	Chairman of the Executive Committee
2.	Dr. Anat Arbhahirama	Executive Director
3.	Mr. Surapong Laoha-Unya	Executive Director
4.	Mr. Kavin Kanjanapas	Executive Director and Chief Executive Officer
5.	Mr. Rangsin Kritalug	Executive Director and Chief Operating Officer
6.	Mr. Kong Chi Keung	Executive Director and Deputy Chief Executive Officer
7.	Mr. Chulchit Bunyaketu	Executive Director
8.	Mr. Surayut Thavikulwat	Chief Financial Officer
9.	Mr. Daniel Ross	Chief Investment Officer
10.	Mrs. Duangkamol Chaichanakajorn	Accounting Director
11.	Miss Chawadee Rungruang	Financial Controller

The profiles of the executives can be found in *Section 5.6: Director and Executive Profiles*.

## DUTIES AND RESPONSIBILITIES OF THE EXECUTIVES

1. To efficiently and effectively manage the business operations in accordance with the Company's policies, direction, strategy and operational structure;
2. To prepare the business plan, budget, and management authorities of the Company for the Executive Committee's approval;
3. To manage the Company's business operations to be in line with the business plan and the budget as approved by the Executive Committee with loyalty, honesty, and due care in the best interest of the Company and the shareholders;
4. To monitor the Company's performance results to ensure that they are in line with the approved business plan and annual budget;
5. To regularly report the Company's performance results to the Executive Committee;
6. To perform other tasks as assigned by the Executive Committee and/or the Board of Directors; and
7. To supervise general business operations as provided under the Company's rules and regulations.

## COMPANY SECRETARY

The Board of Directors determines the qualification of the person who holds the company secretary position, i.e. possessing educational background in law or accounting, and/or experiencing the training courses that are in relation to the company secretary's performance. The Company Secretary is responsible for monitoring the Company to comply with the relevant and applicable laws and regulations so as to conform to the principles of good corporate governance of listed companies as follows:

1. To organise the Board of Directors' meetings and shareholders' meetings in accordance with the applicable laws and regulations, including ensuring that such resolutions are fully complied with;

2. To prepare and keep a register of directors, invitations to the Board of Directors' meetings, minutes of the Board of Directors' meetings, invitations to the shareholders' meetings and minutes of the shareholders' meetings;
3. To ensure that information is disclosed in accordance with the regulations of the SET, the SEC, and other relevant authorities, as well as the principles of good corporate governance;
4. To keep the reports on conflicts of interest as reported by the directors or the executives and submit a copy of the report to the Chairman of the Board of Directors and the Chairman of the Audit Committee;
5. To keep a copy of the reports on the change of the securities holding of the directors or the executives;
6. To provide advice to the Directors as regards the laws and regulations in relation to good corporate governance and the maintenance of the status as a listed company in the SET, including the laws and regulations relevant to the Company's businesses; and
7. To perform any other acts as stipulated by the Capital Market Supervisory Board or as assigned by the Company's Board of Directors.

Ms. Taraket Thawornpanich holds the Company Secretary position since 1 October 2015 until present. The Company Secretary has completed training programmes organised by the IOD and also regularly enrolls in trainings or seminars organised by the SET and the SEC Office. The profile of the Company Secretary (as of 31 March 2018) is as follows:

**Ms. Taraket Thawornpanich**  
**Age 42**  
**Company Secretary**

**Education**

- Master of Laws (LL.M), Northwestern University School of Law and Certificate in Business Administration, Kellogg School of Management, U.S.A.
- Master of Laws (LL.M), Columbia Law School, U.S.A.
- Bachelor of Laws (LL.B) (Second Class Honours), Thammasat University
- Mini MBA, Chulalongkorn Business School
- Company Secretary Program (CSP), Thai Institute of Directors
- Effective Minutes Taking Program (EMT), Thai Institute of Directors
- Advances for Corporate Secretaries, Thai Listed Companies Association

**Working Experience for the 10-year period**

2015 - Present  
 Company Secretary  
 BTS Group Holdings PCL

**Other listed companies in Thailand**

2009 - 2015  
 Vice President, Corporate Secretary Department  
 Total Access Communication PCL

**Other companies**

2003 - 2009  
 Associate  
 Linklaters (Thailand) Ltd.

## REPORT ON SECURITIES HOLDING BY THE DIRECTORS AND EXECUTIVES

The Company has a policy to require the directors and executives of the Company, including their spouse and minor children (if any), to report any change in their holding of the Company's securities to the Board of

Directors' meeting on a quarterly basis. The directors and executives must provide a copy of their Report of Change in Securities Holding (*Form 59-2*) to the Company Secretary Office. The Company Secretary Office will prepare and present a summary of the same to the Board of Directors' meeting on a quarterly basis.

## SUMMARY OF CHANGES IN SECURITIES HOLDING OF DIRECTORS AND EXECUTIVES BETWEEN FY 2016/17 AND FY 2017/18

No.	Name	Number of Shares (BTS)		Number of Shares Increased (Decreased)	Number of BTS-W3 Warrants		Number of Warrants Increased (Decreased)
		31 Mar 2017	31 Mar 2018		31 Mar 2017	31 Mar 2018	
1.	Mr. Keeree Kanjanapas Spouse / Minor Children	3,891,164,652 0	3,873,886,852 0	(17,277,800) -	1,389,286,164 0	1,089,286,164 0	(300,000,000) -
2.	Dr. Paul Tong Spouse / Minor Children	29,176,501 1,600,000	29,176,501 1,600,000	- -	9,725,500 533,333	9,725,500 533,333	- -
3.	Dr. Anat Arbhabharama Spouse / Minor Children	0 0	0 0	- -	0 0	0 0	- -
4.	Mr. Surapong Laoha-Unya Spouse / Minor Children	5,552,627 0	5,552,627 0	- -	1,850,875 0	1,850,875 0	- -
5.	Mr. Kavin Kanjanapas Spouse / Minor Children	602,459,295 0	602,459,295 0	- -	819,765 0	819,765 0	- -
6.	Mr. Rangsin Kritalug Spouse / Minor Children	0 0	0 0	- -	0 0	0 0	- -
7.	Mr. Kong Chi Keung Spouse / Minor Children	3,200,000 0	3,200,000 0	- -	1,066,666 0	1,066,666 0	- -
8.	Professor Lt. Gen. Phisal Thepsithar Spouse / Minor Children	80,000 0	80,000 0	- -	26,666 0	26,666 0	- -
9.	Mr. Suchin Wanglee Spouse / Minor Children	4,417,166 3,262,857	4,417,166 3,262,857	- -	1,472,388 0	1,472,388 0	- -
10.	Professor Charoen Wattanasin Spouse / Minor Children	351,713 0	360,000 0	8,287 -	0 0	0 0	- -
11.	Mr. Cheong Ying Chew, Henry Spouse / Minor Children	0 0	0 0	- -	0 0	0 0	- -
12.	Mr. Chulchit Bunyaketu Spouse / Minor Children	2,200,000 100,000	2,200,000 100,000	- -	0 0	0 0	- -
13.	Dr. Karoon Chandrangsou Spouse / Minor Children	0 0	0 0	- -	0 0	0 0	- -
14.	Mrs. Pichitra Mahaphon Spouse / Minor Children	150,000 150,000	150,000 250,000	- 100,000	0 0	0 0	- -
15.	Mr. Surayut Thavikulwat Spouse / Minor Children	410,748 17,000	521,158 17,000	110,410 -	19,272 0	0 0	(19,272) -
16.	Mr. Daniel Ross Spouse / Minor Children	601,191 0	843,281 0	242,090 -	45,080 0	45,080 0	- -
17.	Mrs. Duangkamol Chaichanakajorn Spouse / Minor Children	720,041 0	824,201 0	104,160 -	55,084 0	55,084 0	- -
18.	Miss Chawadee Rungruang Spouse / Minor Children	387,557 -	517,772 -	130,215 -	0 -	0 -	- -

## PERSONNEL

### SUMMARY OF NUMBER OF EMPLOYEES, REMUNERATION, TRAINING HOURS AND LEAVES OF THE COMPANY'S AND SUBSIDIARIES' EMPLOYEES IN FY 2017/18

Company / Subsidiaries	Total Number of Employees as of 31 March 2017 (Persons)	Remuneration <sup>(1)</sup> FY 2017/18 (THB mn)	Average Training Hours Per Employee Per Year (Hours)	Average Days of Leave Per Year			
				Sick Leave <sup>(2)</sup> (Days)	Personal Leave (Days)	Annual Leave (Days)	Other Types of Leaves <sup>(3)</sup> (Times)
<b>1. Company</b>	148	259.81	5.7	2.5	1.0	5.8	1
<b>2. Mass Transit Business</b> (5 companies)	2,372	1,165.00	122.8	2.3	0.4	10.8	64
<b>3. Media Business</b> (16 companies)	495	530.36	23.1	4.4	1.7	6.0	7
<b>4. Property Business</b> (17 companies)	548	170.88	12.5	2.7	0.8	6.2	5
<b>5. Services Business</b> (18 companies)	955	405.76	1.6	3.6	0.4	6.8	16
<b>TOTAL</b>	<b>4,518</b>	<b>2,531.81</b>	<b>69.0</b>	<b>2.8</b>	<b>0.6</b>	<b>8.7</b>	<b>93</b>

<sup>(1)</sup> Monetary remuneration consists of salary, bonus, and provident fund contributions.

In addition to monetary remuneration, BTS Group has also given non-monetary remuneration to the employees, i.e., warrants to purchase the ordinary shares of the Company. In February 2018, the Company allocated 16.0 million units of BTS-WD warrants to the non-director employees of the Company and its subsidiaries totaling 166 employees. In FY 2017/18, the Company issued 5.4 million ordinary shares, at the par value of Baht 4 per share, to the employees of the Company and its subsidiaries for the exercise of BTS-WB warrants. This demonstrates that BTS Group provides the employees with both short term and long term monetary and non-monetary remuneration in line with the operation results of each company.

As of 31 March 2018, the outstanding units of BTS-WB, BTS-WC, and BTS-WD warrants held by the employees of the Company and its subsidiaries were 0.89 million units, 16.0 million units, and 16.0 million units, respectively. In this regard, BTS-WB warrants will expire on 11 June 2018.

<sup>(2)</sup> The sick leave rate resulting from sickness or accident caused by working was 0.02 day. No employee was in a severe accident, injured, or sick by working.

<sup>(3)</sup> Other types of leaves include maternity leave, sterilisation leave, military leave, and ordination leave.

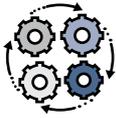
### EMPLOYEE WELFARE AND PERSONNEL SKILL DEVELOPMENT

The BTS Group provides other benefits and remuneration to the employees, for example, the establishment of a provident fund as a form of security for the employees and their family, the setting up of the BTS Group Savings and Credit Cooperative as an alternative for the employees to make their savings and investment and get credit support, the provision of housing loan welfare to support the employees to have security by owning their own residence, the support of other occasional monetary subsidies, the arrangement of life insurance, group health insurance and group personal accident insurance to provide convenience to the employees when there is a need for medical treatment, the issuance and offering of the warrants to purchase ordinary shares of the Company to the Employees of the Group under BTS Group Employees Stock Option (ESOP) schemes where the Employees in order to boost the morale of the Employees and to motivate the Employees to work together for the Group's future growth, the provision of measures and a budget to help the Employees

who have encountered a disaster or an emergency, and the provision of "Nuduan Chuan Kayan" (Let's Work Hard with Nuduan) project to encourage the Employees to maximise their full capacity at work, and to provide rewards to the Employees who are disciplined, committed, dedicated, creative, loyal, and devoted to the organisation, community, and society. In addition, since all employees are valuable resources of the Group who will propel the Group to achieve its goal and business plan, the Group therefore places an importance on personnel skill development and retention of qualified Employees. The personnel management guidelines cover the process starting from recruitment, career development, personal skill development by arranging both internal and external training sessions, clear and fair evaluation, equal treatment of employees, creating good quality of life at work, creating a good management system and teamwork, creating good working environment, fostering good relationships between the executives and the employees, and instilling conscience in the employees to be good members of the organisation and society instilling. (Please see additional details in *Form 56-1*).



CORPORATE GOVERNANCE



**GOOD BUSINESS STRUCTURE**

The Company engages in 4 core businesses, achieved through over 50 subsidiaries and associated companies with the strategy and business targets which align with the objectives and long-term goal of the Group.



**GOOD MANAGEMENT GOVERNANCE SYSTEM**

The Company's management governance system clearly defines the separation of power, duties and responsibilities of the key governing bodies, as well as creating a checks and balances mechanism, in order to ensure transparency and verifiability.



**GOOD CORPORATE GOVERNANCE SYSTEM**



- ✓ Corporate Governance Policy and Code of Business Conduct
- ✓ CSR Policy
- ✓ Enterprise Risk Management Policy
- ✓ Anti-Corruption Measures.

BTSG WAS ONE OF THE 110 COMPANIES THAT RECEIVED THE RESULT OF THE 2017 CORPORATE GOVERNANCE ASSESSMENT **IN THE "EXCELLENT" LEVEL AND WAS CATEGORISED IN THE 5-STAR GROUP**

*By Thai Institute of Directors (IOD)*

BTSG RECEIVED **98 OUT OF 100 SCORES** FOR THE QUALITY OF THE 2017 ANNUAL GENERAL MEETING OF SHAREHOLDERS *By Thai Investors Association (TIA)*

BTSG WAS ONE OF THE 13 COMPANIES THAT RECEIVED **THAILAND TOP COMPANY AWARD 2018**

*By the University of the Thai Chamber of Commerce, Business Plus Magazine, and ARIP Public Company Limited*

BTSG WAS RANKED AS **ONE OF THE TOP 100 LISTED COMPANIES** THAT HAVE DEMONSTRATED OUTSTANDING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) ACHIEVEMENT IN THE YEAR 2018, OUT OF 683 LISTED COMPANIES *By the ESG Rating Unit of the Thaipat Institute*

Please see the details on the structure, duties, and responsibilities of the Corporate Governance Committee in *Section 5.1: Management Structure*.

The Company has a business structure, management governance system, and corporate governance system in alignment with the principles of good corporate governance of the SET, the SEC and the recommendations of the Thai Institute of Directors, as well as promote the sustainable development of BTS Group as follows:

**Good Business Structure:** The Company engages in 4 core businesses, namely (1) mass transit business, (2) media business, (3) property business and (4) services business, through its subsidiaries and associated companies in accordance with the strategy and business targets which align with the objectives and long-term goal of the Group.

**Good Management Governance System:** The Company's management governance system clearly defines the separation of power, duties and responsibilities of the key governing bodies in their roles of (1) governance, (2) management and (3) operation within the Company, as well as creating a checks and balances mechanism, in order to ensure transparency and verifiability.

**Good Corporate Governance System:** is achieved through the Company's various policies, which promote and support good corporate governance, such as the Corporate Governance Policy and Code of Business Conduct, CSR Policy, Business Ethics Policy, Enterprise Risk Management Policy, and Anti-Corruption Measures.

The Board of Directors has an intention and is determined to operate the business of BTS Group with good corporate governance, taking also into consideration the corporate responsibility towards the society, communities and the environment, in order to create long-term value to the shareholders and all stakeholders and develop the organisation's sustainable growth, which in return will result in the promotion of a mutual support society.

As a result of the Company's continuing determination and priority to develop the Company's operation in accordance with the principles of good corporate governance, focusing on organisational development through good management and corporate governance systems in 5 areas, i.e., rights of shareholders, equitable treatment of shareholders, roles of stakeholders, disclosure and transparency, and board responsibilities, the Company received the following assessment results and awards in the previous year:

**Result of the Corporate Governance Report of Thai Listed Companies Conducted by Thai Institute of Directors (IOD):** The Company was one of the 110 companies that received the result of the 2017 corporate governance assessment in the "Excellent" level and was categorised in the 5-star group (assessment scores of 90%-100%) out of 620 listed companies that were assessed for corporate governance. This is the sixth consecutive year that the Company was ranked in the 5-star group since 2012, which is an affirmation that the Company has stood by its principles of good corporate governance for the sustainable development of the organisation.

**Result of the Annual General Meeting of Shareholders (AGM) Quality Assessment Conducted by Thai Investors Association (TIA):** This assessment aims to evaluate the quality of the annual general meeting of shareholders held by listed companies based on what the listed companies should do before the meeting, on the day of the meeting, and after the meeting. Because the Company has given importance and has striven to improve the quality of the organisation of the annual general meeting of shareholders continuously and regularly, the Company received 98 out of 100 scores for the quality of the 2017 Annual General Meeting of Shareholders.

**2018 Thailand Top Company Award conducted by the University of the Thai Chamber of Commerce, Business Plus Magazine, and ARIP Public Company Limited:** The Company was awarded the 2018 Thailand Top Company Award, out of a total of 13 companies that received the awards. This shows BTS Group's potential to operate its businesses with good governance and social responsibility which is a good model for sustainable development of the organisation.

**Listed Companies with Outstanding Achievement in Business Sustainability (ESG100) assessed by the ESG Rating Unit of the Thaipat Institute:** The Company was ranked as one of the top 100 listed companies that have demonstrated outstanding environmental, social and governance (ESG) achievement in the year 2018, out of 683 listed companies. This showcases the Company's focus on and responsibility for the environment, society and governance to create sustainable development.

**Corporate Governance Policy of the Company** covers the principles of good corporate governance, divided into 5 aspects, namely 1) Rights of Shareholders, 2) Equitable Treatment of Shareholders, 3) Roles of Stakeholders, 4) Disclosure and Transparency, and 5) Board Responsibilities.

## RIGHTS OF SHAREHOLDERS

The Company places emphasis on the rights of shareholders as the owners of the Company. All shareholders, whether retail investors or institutional investors, are encouraged to exercise their fundamental rights, e.g., trading or transferring of shares, sharing of profits, receiving adequate information, whether via the Company's website, the SET's website or through other channels, attending shareholders' meetings to acknowledge the Company's annual performance, and casting votes at the shareholders' meetings to approve significant matters as specified by laws, such as the appointment or removal of directors, the determination of directors' remuneration, the appointment of auditor and the determination of audit fee, the dividend payment or suspension of dividend payment, and the capital increase and the issuance of new securities, including making enquiries or comments on matters that the Board of Directors presents to or requests for approval at the shareholders' meetings.

**Shareholders' Meetings:** The Company must hold an annual general meeting of shareholders within 120 days from the end of the Company's fiscal year. Other shareholders' meetings, i.e., extraordinary general meetings of shareholders, are to be called when it is deemed necessary and appropriate. The Company has set up a Company Secretary Office to ensure that the shareholders' meetings are held as required by law and in accordance with the principles of good corporate governance. In the shareholders' meetings, the Company will arrange for a legal advisor to attend the meeting to provide legal advice and witness the vote count throughout the meeting and give the minority shareholders an opportunity to nominate a representative to witness the vote count. In the case where an agenda item of the meeting concerns a transaction that is complicated and significant to the decision making of the shareholders' meetings, the Company will also arrange for a financial advisor as well as a legal advisor to provide answers and explanations at the meeting. As for the annual general meeting of shareholders where financial statements will be considered for approval, the Company will arrange for its auditor to be present at such meeting every time. In addition, the Company encourages all directors, members of the sub-committees, senior executives and company secretary to attend the every shareholders' meeting, except in case of necessity or emergency.

**Invitations and Facilities for Shareholders:** To protect rights of all shareholders equally and do not restrict rights to access to shareholders' information and, either Thai shareholders or foreign shareholders, the Company prepares and provides the invitation to shareholders' meeting and supporting documents, both Thai and English version, and engages Thailand Securities Depository Co., Ltd., its securities registrar, to undertake the delivery of the invitation thereof to all shareholders. The invitation will provide adequate information regarding the place, date and time of the meeting, meeting agenda, objectives and rationale of each agenda item together with the opinion of the Board of Directors, number of votes required for each agenda item, and other supporting documents. This is to allow the shareholders to have sufficient time to study the documents beforehand. There will be no hidden agenda items or addition of other agenda items that are not stated in the invitation, except

for urgent matters. Besides, the Company will also publicise the invitation together with the supporting documents on the Company's website and allows the shareholders to submit their inquiries at least 30 days in advance, and make an announcement of the same in the newspaper for 3 consecutive days, at least 3 days prior to the meeting date.

Moreover, the Company will arrange the shareholders' meeting at the appropriate venue that can accommodate all shareholders, having a good security system and being conveniently accessible for shareholders. The Company uses the barcode system for the registration and vote count to enhance transparency and provide convenience to the shareholders. The registration opens at least two hours prior to the meeting. In addition, the Company arranges for its officers to welcome and provide convenience and also sets up an Investor Relations desk where investor relations officers who have the knowledge and expertise in giving information will answer shareholders' questions in relation to the Company's businesses. The Company also provides stamp duties for attendees by proxy. To provide convenience to the shareholders who are institutional investors and the shareholders who hold shares through custodians, the Company gives an opportunity to such shareholders to verify their names, information, and supporting documents before the meeting date to reduce the time and procedures for verifying information and documents on the meeting date.

**Procedures of the Shareholders' Meetings:** The Company has adopted the following procedures as its practices of good corporate governance. Prior to the commencement of the shareholders' meeting, the secretary to the meeting will introduce to the shareholder's meeting the members of the Board of Directors, the executives, and the Company's auditor and legal advisor, who are present. The secretary to the meeting will also inform the shareholders' meeting about the voting procedures and the vote count method in the meeting. After providing information in each agenda item, the chairman of the meeting will grant equal opportunities to all attendees to make their comments or enquiries relevant to the agenda item. The enquiries will be answered and adequate time will be given for discussion as appropriate. As for the agenda item on the appointment of directors, the shareholders will cast their votes to appoint each director individually.

In addition, in order to promote compliance with the principles of good corporate governance, a director who is due to retire by rotation and is nominated for election as director of the Company for another term will leave the meeting room temporarily during the consideration of such agenda item.

The Company arranges for minutes of meetings to be recorded correctly and completely so that the shareholders can inspect the same. Resolutions of the meeting are to be clearly recorded with details of the quorum; the list of present directors, executives, and advisors; the vote count method; the witness(es) to the vote count; the voting results, i.e., approvals, disapprovals, and abstentions. Furthermore, comments, suggestions, questions, and answers which are significant and relevant to each agenda item will be recorded in the minutes. The Company will report a summary on significant meeting resolutions through the SET's website within the meeting date or no later than 9.00 a.m. of the following business day. The minutes of the shareholders' meeting will be submitted to the SET within 14 days from the meeting date and publicised on the Company's website.

## EQUITABLE TREATMENT OF SHAREHOLDERS

The Company shall treat each and every shareholders equally, whether they are minority shareholders, major shareholders or institutional investors.

**Proposing Agenda Items and Nominating Director Candidates:** The Company provides the shareholders an opportunity to exercise their rights to propose agenda items and/or nominate candidates to be elected as directors in advance in order to promote equitable treatment of shareholders. The shareholders are entitled to propose agenda items and/or nominate candidates to be elected as directors at the annual general meeting of shareholders in accordance with the criteria publicised on the Company's website. The Company will make an announcement of the same through the SET's website. In 2016, the Company has amended the criteria on the qualifications of the shareholders who are entitled to propose agenda items and/or nominate candidates to be elected as directors at the Company's annual general meeting of shareholders in order to be in line with the guideline

of the SEC Office with effect from the 2017 Annual General Meeting of Shareholders onwards. In this regard, the shareholders who have the following qualifications are entitled to nominate candidates to be elected as directors at the annual general meeting of shareholders: (1) being the shareholder(s) of the Company, individually or collectively, holding shares not less than 5% of the total voting rights of the Company; or (2) being the shareholder(s) of the Company, individually or collectively, holding shares not less than 3% of the total voting rights of the Company; whereby the shareholders shall continuously hold such shares for at least 6 months from the date of acquisition to the date of nominating candidates to be elected as directors.

**Appointment of Proxies:** To protect the rights of the shareholders who cannot attend the shareholders' meeting in person, the Company encloses a proxy form (Form B) to the invitation together with the list of documents and evidence required for the appointment of a proxy. The shareholders may appoint his/her representative or the independent director of the Company as his/her proxy to attend the meeting and cast votes on his/her behalf. The Company will provide in the invitation at least the name of one independent director whom a shareholder can appoint as his/her proxy. In addition, the Company will also publish the invitation and the proxy forms (Form A, Form B and Form C) together with the details and procedures for the appointment of proxy on the Company's website.

**Access to Information:** The Company favours no particular group of shareholders. All disclosed information is accessible to the shareholders and the public equally through the Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th), or through Investor Relations at telephone no. +66 (0) 2273-8631, +66 (0) 2273-8623, and +66 (0) 2273-8637, fax no. +66 (0) 2273-8610 or email: [ir@btsgroup.co.th](mailto:ir@btsgroup.co.th)

The Company prohibits the directors, executives and employees of the Group, as well as other relevant persons who are in charge of or have access to inside information, from using inside information for the benefit of trading the securities of the Company, subsidiaries, and associated companies, and also forbid the disclosure of inside information to outsiders or non-relevant persons before disclosing the same through the SET pursuant to the criteria and procedures specified in the policy on the protection of inside information.

The Company has always abided by the principles of good corporate governance in protecting the shareholders'

rights and treating the shareholders equitably. Additional information for FY 2017/18 is as follows:

2017 Annual General Meeting of Shareholders	
Date	25 July 2017
Venue	Bangkok Convention Centre (BCC Hall), Central Plaza Ladprao
Period to propose agenda items and/or nominate candidates to be elected as directors	26 December 2016 – 31 March 2017 No shareholders proposed any agenda item or nominated candidate.
Date of publication of the invitation on the Company's website	21 June 2017
Date of dispatch of the invitation via registered post	3 July 2017
Date of announcement in the newspaper	12, 13, and 14 July 2017
Commencement of registration	11.30 a.m.
Meeting time	1.30 p.m. – 4.35 p.m.
Number of shareholders attending the meeting in person and by proxy at the beginning of the meeting (Quorum: at least 25 shareholders or proxies holding no less than 1/3 of the total issued shares)	2,012 shareholders collectively holding 51.25% of the total issued shares
Directors attending the meeting	13 persons * Mr. Cheong Ying Chew, Henry could not attend the meeting due to his attendance of a business overseas.
Witness to the vote count	Mr. Teerapath Apichatammarit, a representative from a minority shareholder attending the Meeting in person, and Miss Arninart Silanookit, a representative from the Capital Law Office Limited.
Date of reporting the results of the meeting's resolutions through the SET	25 July 2017 at 6.18 p.m.
Date of submission of a copy of the minutes to the SET (within 14 days from the meeting date)	8 August 2017

## ROLES OF STAKEHOLDERS

The Company pays close attention to the importance of the role and rights of all groups of stakeholders by ensuring that they are treated properly, equitably, and fairly. The Company believes that maintaining good relationships with all groups of stakeholders is significant for the long-term development and sustainable growth of the Group whereas policies have been set out in writing in the Corporate Governance Policy and Code of Business Conduct as guidelines for the Group's personnel, including directors, executives and employees of the Company to acknowledge and strictly adhere to.

## TREATMENT OF STAKEHOLDERS

**Shareholders:** The Company operates its business with transparency, correctness, and fairness. This is to develop stability and growth in the business while taking into account the rights of shareholders, the returns that outperform other investment alternatives with a similar risk profile for all shareholders, and the equitable treatment of shareholders – whether they are retail investors or institutional investors.

**Customers:** The BTS Group aims to build customers' satisfaction and confidence by focusing on the responsibilities and attention to customers' needs, which impact the business success. To achieve this, the Group continues to improve the quality and features of the products and services to meet the customers' needs and to maintain good relationships with the customers in the long run. The Group has conducted surveys on customers' satisfaction to listen to their comments or complaints and used the same as a guideline for the improvement of services and operations. The Group also provides trainings for the customer services personnel both before they begin their duties and thereafter to enhance their skills and knowledge constantly so that the customers can obtain the utmost benefit from the services.

BTS Group also places an importance on the safety of its customers. For example, in operating the mass transit business, BTSC has received various standard management certifications, e.g., ISO 9001 for Quality Management System, OHSAS 18001:2007 for Occupational Health and Safety Management System, and the Safety Management System (SMS) following the Best Practice Model (BPM) of Ricardo Rail, etc.

Moreover, BTS Group also takes into consideration opinions and suggestions of the customers through various channels that are conveniently accessible, e.g. hotline centre and online social media. BTS Group continues to review and analyse the root causes of the suggestions and complaints of the customers for further service improvement, increase of customer satisfaction, as well as maintaining standard of the services of the Group.

**Employees:** BTS Group believes that employees are the key factor and valuable resource in its business operations. The Group respects the internationally proclaimed human rights principles, and relevant laws and regulations, and treat all levels of employees equally and without discrimination. The Group also places importance on the wellness and occupational health, personal safety and property, and the working environment of its employees, as well as promoting good corporate culture and team work. All employees are equally provided with an opportunity for career growth. Valuing the potential of employees, BTS Group focuses on personnel development, offering continuous programmes of internal and external trainings to its employees. BTS Group also organises group activities, either among the employees or between the employees and the executives, in order to develop and build a good relationship in the organisation.

**Business Partners:** BTS Group values its business partners as key supporters of its operation. The BTS Group, therefore, treats all business partners on the basis of equality and fair competition. Besides, BTS Group places an emphasis on transparency and straightforwardness in doing business, selecting business partners equitably, and negotiating and concluding contracts with its business partners to allow both parties to receive fair consideration. BTS Group will treat its business partners in accordance with the contracts, as well as the Group's business ethics.

**Competitors:** BTS Group treats its competitors within the scope of law and good business ethics with emphasis on fair competition. BTS Group will not discredit or seek confidential information of its competitors in bad faith or an unfair manner but will operate its business honestly and professionally.

**Creditors:** BTS Group focuses on building creditors' confidence in the Group and strictly conforming to the conditions and agreements given to its creditors. BTS Group always pays all due loans and interests thereon in a timely manner and will not use the loans in any way that is contrary to the objectives of such loans. In addition, BTS Group will not hide any information that may cause damage to its creditors.

**Society, Community, and Environment:** With the vision to provide the community with sustainable "City Solutions" and the commitment to undertake the Sustainable Development Goals (SDGs) of the United Nations, BTS Group as a private sector organisation is aware of its roles, duties, and responsibilities towards the community and the society. BTS Group aims to improve the quality of life and well-being of the community and the society by focusing on the development in 3 areas, i.e. Public Health, Quality Education, and Environment and Ecosystem. This is not only to respond to the needs of the community and the society and the expectation of the relevant stakeholders, but also to encourage all of BTS Group's employees to contribute and recognise their duties and responsibilities towards the community and the society in a tangible way.

For the environment, BTS Group places emphasis on the efficient use of resources and the proper control and management of environmental impacts by operating through a standardised environmental management system, namely ISO 14001 and OHSAS 18001:2007, as well as strictly adhering to the rules and regulations on environment and safety.

Additional details can be found in *Sustainability Report 2017/18*, which is available on the Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th).

## POLICIES ON BUSINESS ETHICS

The Company has several policies in relation to BTS Group's business ethics. These policies promote the Group's good corporate governance as follows:

**Respect and Non-Violation of Human Rights:** BTS Group places importance on the respect of human rights, emphasising on the equality and equity without discriminating on the grounds of race, religion, national origin, gender, skin colour, age, physical ability,

sexual orientation, political opinion, social status, education or other status, as well as respecting the individuality and human dignity in accordance with the internationally proclaimed human rights, such as policies and guidelines on sustainable management of human resource that offer protection of human rights and labor rights based on the UN's "Protect, Respect and Remedy" Framework for Business and Human Rights 2011 and the framework under the OECD Guidelines for Multinational Enterprises.

BTS Group also realises that the respect and non-violation of human rights is one of the components for promoting the sustainable growth of the Group's business; hence, the inclusion of a policy on such matter under the Corporate Governance Policy and Code of Business Conduct, the communication of the same to all executives and employees to acknowledge and adhere to, and the publication of such document on the Intranet system and the Company's website. Throughout the entire operation of the Group's business, BTS Group has complied with the relevant laws on human rights, such as equal employment and treatment of male and female personnel, no use of child labor, and compliance with the law on employment of disabled individuals as the Group's personnel. Moreover, a policy on personnel employment has been set out in BTS Group's Personnel Employment Manual, which is in accordance with Section 15 of the Labour Protection Act B.E. 2541 (1998), which states that, "An employer shall treat male and female employees equally in their employment, except the case where the nature or condition of the work does not allow him/her to do so.", which is in line with Section 30 of the Constitution of the Kingdom of Thailand B.E. 2550 (2007), which states that, "Men and women shall enjoy equal rights."

BTS Group also takes into account equality considerations based on human rights principles in order not to discriminate against any person who receives the Group's services on grounds of his/her physical ability or health. For example, the personnel stationed at the BTS stations are instructed to provide service and assistance to disabled BTS riders in order to prevent the risk of danger happening to the disabled riders or other riders.

**Anti-Corruption:** On 22 January 2016, the Company had been awarded the certification of membership of Thailand's Private Sector Collective Action Coalition

Against Corruption (CAC), which shows BTS Group's strong intention to operate its business with honesty, integrity, transparency, and fairness, as well as adhering to good corporate governance principles under the international framework and practices and refusing to all forms of corruption. In addition, the Company has communicated the same intention to companies under BTS Group by encouraging and supporting these companies to manage and operate their businesses with transparency and against all forms of corruption. For example, VGI, a subsidiary in media business, has declared its intention and has been awarded the certification of membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 18 August 2017.

In order to provide explicit guidelines for the directors, executives and employees of the Company to operate and carry out their duties with "rightness" as the basis, in accordance with the Chairman's framework of "Do it Right", the Board of Directors has set out the **Anti-Corruption Measures** of the Company (which is reviewed on an annual basis) which consists of:

- (1) the anti-corruption policy and guidelines of practices which cover, sponsorship procedure, charitable contribution procedure, political contribution procedure, gift giving and receiving procedure, and hospitality and expense business;
- (2) the whistle blowing policy and protection measures; and
- (3) the Fraud Risk Management Procedure, which is a supplement of the Anti-Corruption Measures.

Additional details can be found in *Anti-Corruption Measures (Consolidated Version)*, which is available on the Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th).

The Company requires that the Board of Directors, the executives, and employees of the Company strictly follow the Company's Anti-Corruption Measures by avoiding involvement with all forms of corruption, whether directly or indirectly, and not being negligent of any corruption involving the Company.

#### Reporting and Whistleblowing Channels

The Company sets out 3 main channels for the Company's personnel and business partners to report any acts that are suspicious of corruption within the Company as follows:

- (1) Through “Nuduan Chaun Chee Chong” Chanel
  - Click the banner available on the Company's intranet system or email: [DoltRight@btsgroup.co.th](mailto:DoltRight@btsgroup.co.th)
  - Nuduan Chaun Chee Chong Hotline, which is an intake system operated by an unaffiliated service provider;
- (2) Through the employees' supervisors or lines of command
- (3) Through the Human Resources Department

In order to protect the rights of the complainants and respondents, the complainants or respondents may choose to remain anonymous. The Company will not disclose the names, addresses or any information that can identify the complainants or respondents, and will keep such information confidential. Only those who are responsible for conducting investigations on the complaints may have access to such information.

#### Training and Communication on Anti-corruption Policy

The Company places importance on the communication and dissemination of the Company's Anti-Corruption Measures in order to provide better understanding and knowledge in relation thereto to the relevant persons, both internally and externally. In FY 2017/18, the Company had arranged the following activities:

- Organised a training session on “Anti-Corruption Awareness and Anti-Corruption Policy of the Company” to the executives and employees of the Company on 27 December 2017;
- Organised training sessions on “Anti-Corruption Policy and other relevant Guidelines” in the orientation for new employees;
- Arranged trainings and seminar courses organised by external organisations for the executives and employees of the Company in order to develop and improve the Company's risk management and anti-corruption measures to be more concise and efficient;
- Published and communicated to the Company's personnel to provide better understanding on correct anti-corruption conducts and

practices via the Company's intranet system, posters and display screens;

- Sent written notification to new business partners (suppliers and contractors) regarding the Company's Anti-Corruption Measures and Policy, as well as introducing the reporting and whistleblowing channels; and
- Published the Company's Anti-Corruption Measures and other relevant matters on the Company's website for acknowledgement by the Company's stakeholders.

#### **Non-Infringement of Intellectual Property or Copyright:**

The BTS Group has established a policy against infringement of intellectual property or copyright, which the directors, executives and employees are required to follow strictly, and has organised inspections to prevent any infringement of copyright in the computer software.

#### **Use of Information Technology and Communications:**

The BTS Group places an importance on the use of information technology and communications and it has established the information security and safety standard to prevent and reduce the chance of significant or confidential information being leaked intentionally or negligently. Guidelines on the use of information technology and communications have been established based on the internationally accepted standard, e.g., the ISO 12207 standard, which was established by the Institute of Electrical and Electronics Engineers (IEEE), and Control Objectives for Information and Related Technology (COBIT), which was published by the IT Governance Institute.

Moreover, BTS Group also requires its information technology departments to keep the employees' traffic information as required by laws and notifications of the relevant authorities.

Additional details can be found in *Corporate Governance Policy and Code of Business Conduct*, which is available on the Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th)

**Complaint Channels:** The Company provides channels for all stakeholders to contact or express concerns or complaints directly to the Board of Directors through the Company Secretary Office:

Company Secretary Office:

Telephone: +66 (0) 2273 8611-5 # 1525, 1531

Fax: +66 (0) 2273 8610

Email: [CompanySecretary@btsgroup.co.th](mailto:CompanySecretary@btsgroup.co.th)

or by post to the Company Secretary Office at the Company's address.

or contact, express concerns or complaints to the Audit Committee through the Internal Audit Office:

Internal Audit Office:

Telephone: +66 (0) 2273 8611-5 # 1553

Fax: +66 (0) 2273 8616

Email: [InternalAudit@btsgroup.co.th](mailto:InternalAudit@btsgroup.co.th)

or by post to the Internal Audit Office at the Company's address.

In addition, the Company has launched the “**Nuduan Chuan Chee Chong Hotline**” campaign, which is an intake system operated by an unaffiliated service provider, as another reporting channel for any breach or a case of possible breach of the policies and guidelines under the Code of Business Conduct.

“Nuduan Chuan Chee Chong” Campaign:

Telephone: 1 800 292 777 or +66 (0) 2677 2800

Email: [tell@thailand-ethicsline.com](mailto:tell@thailand-ethicsline.com)

Post: P.O. Box 2712

Bangrak Post Office

Bangkok 10500

## DISCLOSURE AND TRANSPARENCY

The Company always discloses to all shareholders and stakeholders the information that is accurate, complete, in a timely manner, both in Thai and English languages, and correspond to relevant laws and regulations, as well as the international good corporate governance standard, through various information disclosure channels to demonstrate the Group's transparency in doing business.

**Financial and Non-Financial Disclosure:** The Board of Directors has a duty to disclose financial and non-financial information to all shareholders and stakeholders accurately, completely, accountably, and timely to ensure that the shareholders and stakeholders receive the information equally, including developing the Company's website and regularly and promptly updating information on the website to ensure that it is complete. The information disclosure will be prepared with due care, accuracy, and transparency and conveyed in simple and concise language.

**Investor Relations:** BTS Group places high importance on the Investor Relations (IR) Department. The duty of the IR Department is to establish and maintain accurate, complete, and timely communications with the existing and potential investors of the Company as well as the shareholders (Please see additional details in *Section 4.1: Capital Markets Review*). For enquiries by the shareholders and investors, please contact our Investor Relations Department at telephone nos. +66 (0) 2273 8631, +66 (0) 2273 8623, +66 (0) 2273 8637, or email: [ir@btsgroup.co.th](mailto:ir@btsgroup.co.th).

Given that IR's main function deals with communication, public relations and timely disclosure of correct and complete information relating to BTS Group's business and performance, the Board of Directors therefore sets out the Investor Relations Code of Conduct as guidance for BTS Group's IR function to align with the ethics and the principles of good corporate governance with emphasis on the disclosure of information and strict compliance with the relevant laws and regulations, taking into account the interests of the shareholders and stakeholders. In addition to compliance with the Company's Corporate Governance Policy and Code of Business Conduct, all directors, executives and employees involved in the IR function are required to strictly adhere to the Investor Relations Code of Conduct as follows:

1. Performing IR duties with knowledge and to the best of the ability, in a responsible and professional manner as well as with professional loyalty, and upholding righteousness and equal treatment without discrimination or favour to any particular persons;
2. Strictly complying with the applicable laws, rules and regulations of the relevant supervisory authorities, e.g. the SEC Office and the SET, as well as the Company's Articles of Association and relevant policies;
3. Prudently disclosing information, which is significant and necessary for investment decision-making, in an accurate, adequate, timely and fair manner to avoid misunderstanding or misinterpretation. Refraining from disclosing information regarded as trade secret or confidential information, which may prejudice BTS Group's competitiveness;
4. Providing opportunities to all related parties to access and inquire relevant information;

5. Not disclosing nor use BTS Group's inside information, which is not publicly available, for personal gain or undue gain of others;
6. Promptly and timely responding to queries raised by shareholders, investors, analysts and all stakeholders;
7. Refraining from organizing meetings or providing information to investors and analysts 15 days prior to the announcement of BTS Group's quarterly financial statements;
8. Refraining from trading the Company's securities during the blackout period as per the Company's policy on protection of inside information; and
9. Immediately reporting any non-compliance of the Investor Relations Code of Conduct and its impact to the head of IR, the Chief Executive Office and/or the Executive Committee (as the case may be) upon being aware of such non-compliance.

**Policy on Disclosure of Significant Information:** The Company has a policy to disclose significant information to the public, namely the Company's objectives; the financial position and business performance; the organisation chart; the business organisation and shareholding structure of the BTS Group; the names, profiles, and shareholding of the Board of Directors and the executives; the factors and policies on managing foreseeable risks related to the business operations and finance; the Corporate Governance Policy and Code of Business Conduct; the duties and responsibilities of the Board of Directors and subcommittees; the responsibilities of the Board of Directors to prepare the financial report and the report of subcommittees; information on the meetings attendance of the directors and the members of the subcommittees; the criteria for determining the remuneration of the Board of Directors and the executives, including the remuneration of each director; and other information having an impact on the Company's share price, investment decisions, or other rights and benefits of the shareholders pursuant to the notifications of the SET and relevant laws and regulations, including the disclosure of the Articles of Association, the Minutes of the Shareholders' Meetings, the Annual Registration Statement Disclosure Form (*Form 56-1*), the Annual Reports, and the Sustainability Reports prepared in line with the Global Reporting Initiative's framework

on sustainable development, the Enterprise Risk Management Policy, and the Company's Anti-Corruption Measures, through different disclosure channels and medium of the SET, as well as the Company's website, so that the investors and other relevant parties, e.g., the shareholders and those who are interested to invest in the Company's shares in the future, can use the same to support their investment decisions.

## BOARD RESPONSIBILITIES

The duties and responsibilities of the Board of Directors include the determination of the Company's policy, vision, mission, values, strategy and goals. In addition, the Board of Directors also supervises and assesses the management and operation with an objective to increase shareholder value in the long run. In order to achieve this, the Board of Directors must ensure that its duties are carried out in compliance with the laws, objectives, and the Company's Articles of Association. Moreover, the Board of Directors must be mindful of corporate governance, conflicts of interest, code of conduct, and business ethics.

The Board of Directors is determined and committed to build the Company and its subsidiaries as a leading organisation that is perceived at the international level as one of the most successful companies in Thailand with business variety, resilient management, and competent personnel. The Board of Directors has the necessary leadership, vision, and independence to make decisions and has the duties and responsibilities to oversee the business in the best interest of the shareholders. The Board of Directors has the duties and responsibilities to the Company's shareholders to govern and supervise the Management's business operations, where the duties of the Board of Directors and the Management are clearly separated.

In FY 2017/18, the Board of Directors' Meeting No. 3/2018 held on March 26, 2018, resolved to approve the strategy, the business plan and the consolidated annual budget of the Company. In this regard, the Board of Directors reviewed the vision, mission, values, strategy and long-term goals in the past fiscal year of 4 core businesses of the Company, namely, Mass Transit business, Media business, Property business, and Services business as well as comparing the performance of the past fiscal year with the target in order to determine the strategy, the business plan and the consolidated annual budget of the Company for the next fiscal year. In addition, the Board of Directors

places an importance to monitor the implementation of such strategy and business plan of the Company by taking into consideration the best interest of the Company and its shareholders.

**Composition of the Board of Directors and the**

**Subcommittees:** The Board of Directors shall consist of members in the number that is suitable for the size and business strategy of the Company, but shall be no less than 5 members. At least one-third (1/3) of the members shall be independent directors and in any case the independent directors shall not be less than 3 members. The Board of Directors has appointed subcommittees to supervise and monitor the business operations in accordance with the principles of good corporate governance, i.e., the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Executive Committee. The Audit Committee shall entirely consist of independent directors and shall not be less than 3 members whereas at least one member must be knowledgeable and experienced in reviewing the accountability of the financial statements. The Nomination and Remuneration Committee shall consist of at least 3 members but shall not exceed 5 members where the majority of the members shall be independent directors. The Corporate Governance Committee shall consist of at least 4 members but shall not exceed 6 members. The Executive Committee shall consist of not more than 5 members where the members of the Executive Committee do not have to hold the position of director of the Company. Moreover, the Board of Directors has appointed the Advisory Board as part of its organisation chart to have the role to provide useful advice and suggestions for the businesses of the Company and its subsidiaries.

**SEPARATION OF POWER, DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGEMENT**

The Company has a management structure that clearly defines the separation of power, duties and responsibilities of the Board of Directors and the Management. The Board of Directors, as the policy supervisor, has the duties to define the Company's vision, mission, values, strategy and long-term goals, including overseeing monitoring, and evaluating the performance of the Management. The Management, as the executives, has the duties to perform day-to-day operations to be efficient, effective and in compliance with the defined policies, vision, mission, values, strategy

and long-term goals and report its performance to the Board of Directors on a regular basis.

In addition, in order to support the performance of the Board of Directors, enhance the effectiveness of the management governance system and promote the balance of power between the Board of Directors and the Management pursuant to the good corporate governance principles for the utmost benefits of the Company and shareholders. The Board of Directors shall appoint one independent director to hold the position of lead independent director whose roles, duties and responsibilities are as follows:

1. To represent the independent directors to consult with the Chairman of the Board of Directors and the Management on matters that are relevant and significant to the business operations of the Company, as well as serving as an liaison between the independent directors and the Chairman of the Board of Directors and the Management;
2. To jointly consider and determine in advance the annual agenda items for the Board of Directors' meetings with the Chairman and the Chief Executive Officer;
3. To act as an liaison between the shareholders and the Board of Directors; and
4. To act as the Chairman at the meetings of the non-executive directors.

**Meetings of the Board of Directors and the**

**Subcommittees:** The Board of Directors will hold more than 6 meetings in each fiscal year pursuant to the annual meeting schedule set in advance. The Company promotes and encourages each director to attend the Board of Directors' meeting at least 75% of the total number of meetings in each fiscal year, except in case of necessity and emergency. The Company will provide the meeting materials to the directors in advance at least 5 business days prior to the meeting to allow the directors to have sufficient time to study the information beforehand. As regards the subcommittees, the Audit Committee will hold a meeting on a quarterly basis and may call additional meetings as necessary and appropriate while the Nomination and Remuneration Committee and the Corporate Governance Committee will hold at least two meetings in each fiscal year and may call additional meetings as necessary and appropriate. The Executive Committee will hold its meetings regularly as it deems

appropriate. In addition, the non-executive directors will hold a meeting at least once a year, without the attendance or participation from the executive directors or the Management in order to allow a discussion on any issues of concern.

**Development of Director Skills and Knowledge:** The Company encourages the directors to develop their personal skills and knowledge regularly and adequately. The Nomination and Remuneration Committee has developed the director development plan in order to enhance the knowledge of the directors to understand the business of the Company, the roles and duties of directors, and other significant developments, including encouraging the directors to enroll in various training programmes or seminars organised by the Thai Institute of Directors Association (IOD), the Capital Market Academy, and/or other agencies to allow them to enhance their work knowledge and performance as directors of listed companies, including but not limited to business strategy and management, finance and investment, corporate governance, nomination and remuneration, enterprise risk management, anti-corruption and sustainability development, etc. In addition, the Company has prepared the Director's Handbook, which contains all useful information for directors of listed companies, e.g., The Listed

Company Handbook, Director Fiduciary Duty Check List for Directors of Listed Companies, The Listed Company Director's Handbook, The Independent Director's Handbook, The Audit Committee's Handbook, Guidelines for Nomination Committees, Additional Guidelines for Remuneration Committees, Guidelines for New Director Orientation, The Principles of Good Corporate Governance for Listed Companies, Criteria of the Corporate Governance Survey of Thai Listed Companies by the Thai Institute of Directors Association (IOD), Rules on Acquisition or Disposal of Assets, Rules on Connected Transactions, and other relevant laws and regulations, including report forms and other documents for the directors, e.g., Report on Conflict of Interest of Directors and Executives, Form to Report on Names of Members and Scope of Work of the Audit Committee (*Form 24-1*), Certificate and Biography of Director / the Audit Committee Member (*Form 24-2*), Report of Securities Holding (*Form 59-1*), Report of Changes in Securities Holding (*Form 59-2*), and Information with Representation and Warranty of the Company's Director and Executive and Their Consent (*Form 35-E1*). These are regularly reviewed and amended so that the information therein is up to date.

In 2017 and 2018, directors who attended seminar programmes are as follows:

Name of Directors	Position	necessary for performance Seminar Programmes directors of
Mr. Rangsin Kritalug	Executive Director / Nomination and Remuneration Committee Member / Corporate Governance Committee Member	- Seminar Programme "Good IT Governance: Risk Management and Data Responsibility" organised by the SEC Office
Professor Lt. Gen. Phisal Thepsithar	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	- Seminar Programme "Nomination Committee Best Practice Guideline" organised by the Thai Institute of Directors
Professor Charoen Wattanasin	Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member / Corporate Governance Committee Member	- Seminar Programme "Nomination Committee Best Practice Guideline" organised by the Thai Institute of Directors
Dr. Karoon Chandrangsu	Director	- Certification Programme "Strategic Board Master Class (SBM) 2017" organised by the Thai Institute of Directors
Mrs. Pichitra Mahaphon	Independent Director / Audit Committee Member	- Certification Programme "Boardroom Success through Financing and Investment 2017" organised by the Thai Institute of Directors - Seminar Programme "Good IT Governance: Risk Management and Data Responsibility" organised by the SEC Office

## NEW DIRECTOR ORIENTATIONS

The Company organises new director orientations pursuant to the director development plan developed by the Nomination and the Remuneration Committee so that the new directors have knowledge and understanding of the Company's historical background, business organisation and shareholding structure of

BTS Group, organisation chart, types of business, business policy of the BTS Group, financial status and operating results, as well as the scope of duties and responsibilities of the Board of Directors and the subcommittees, including providing relevant information, e.g., the Annual Report, Annual Registration Statement Disclosure Form (*Form 56-1*), the Corporate Governance Policy and Code of Business Conduct.

## ASSESSMENT OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

The Board of Directors conducts an assessment of its annual performance through both group evaluation and individual evaluation. The purpose is to review the performance outcome, problems, and obstacles in the business operation in the past year so as to improve the work efficiency.

**Assessment of the Annual Performance of the Board of Directors (Group Evaluation):** The Board of Directors used the assessment criteria which cover 6 assessment subjects, i.e., 1) Structure and Characteristics of the Board of Directors, 2) Roles, Duties and Responsibilities of the Board of Directors, 3) the Board of Directors' Meetings, 4) Performance of Board of Directors' Duties, 5) Relationship with the Management, and 6) Personal Development of Directors and Executives. After each director completed the Self-Assessment Form of the Board of Directors (Group Evaluation), the Company Secretary Office would calculate the scores and provide a summary of the scores of the group assessment of the Board of Directors to the Board of Directors' meeting in order

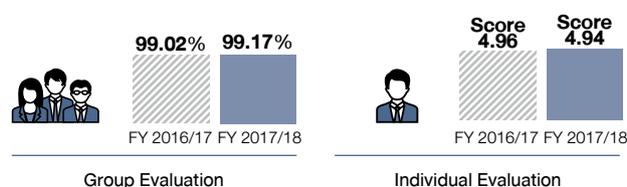
for them to jointly consider, find a solution to improve unsatisfactory scores and use it as a guideline for their performance in the next year, including considering and reviewing the comments and suggestions raised by each director in the past year whether or not such comments and suggestions had been complied with. In FY 2017/18, the average score result was 99.17%, an increase from the score of 99.02% in FY 2016/17 (90-100% means excellent, 76-89% means very good, 66-75% means good, 50-65% means fair, and below 50% means improvement needed).

**Assessment of the Annual Performance of the Board of Directors (Individual Evaluation):** The Board of Directors used the assessment criteria which covered the fiduciary duty to manage the Company's business operations in the best interest of the shareholders, the time allocation and preparation for attending the Board of Directors' meetings and the shareholders' meetings, the contribution of useful opinions, suggestions, or other guidelines to the Management, the independence of opinions, the value and support of continuous compliance with the principles of good corporate governance of listed companies, and the attendance of trainings and personal development programmes

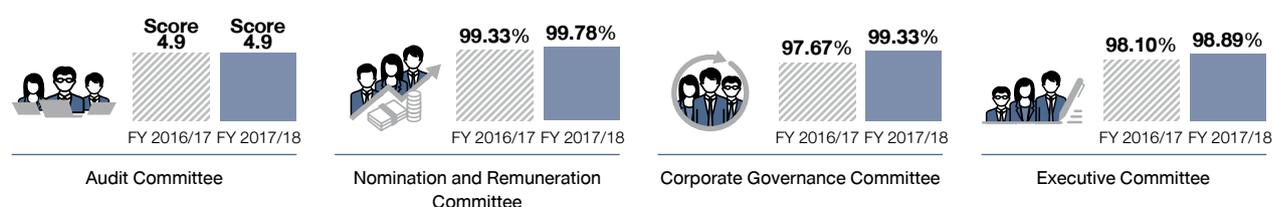


## ASSESSMENT OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

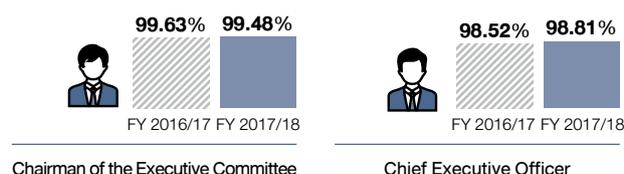
### THE BOARD OF DIRECTORS' PERFORMANCE ASSESSMENT RESULTS



### THE SUBCOMMITTEES' PERFORMANCE ASSESSMENT RESULTS



### THE CHAIRMAN OF THE EXECUTIVE COMMITTEE AND THE CHIEF EXECUTIVE OFFICERS' PERFORMANCE ASSESSMENT RESULTS



Note:

- 5 means very good, 4 means good, 3 means fair, 2 means lower than standard, and 1 means improvement needed.
- 90 - 100% means excellent, 76 - 89% means very good, 66 - 75% means good, 50 - 65% means fair, and below 50% means improvement needed.

listed companies. After each director completed the Self-Assessment Form of the Board of Directors (Individual Evaluation), the Company Secretary Office would calculate the scores and provide a summary of the scores of each director to the Board of Directors' meeting for acknowledgement. In FY 2017/18, the average score result was 4.94, a decrease from the score of 4.96 in FY 2016/17 (*5 means very good, 4 means good, 3 means fair, 2 means lower than standard, and 1 means improvement needed*).

## **ASSESSMENT OF THE PERFORMANCE OF THE SUBCOMMITTEES**

The Board of Directors assigns all subcommittees, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Executive Committee to assess their performance and report the assessment result to the Board of Directors on an annual basis.

**Assessment of the Annual Performance of the Audit Committee:** The Audit Committee used the assessment criteria which covered 6 assessment subjects, i.e., 1) Composition of the Audit Committee, 2) Independence of the Audit Committee Members, 3) Trainings and Source of Information, 4) Meetings, 5) Activities of the Audit Committee, and 6) Relationship with the Chief of the Internal Audit Office, the Company's Auditors, and the Management. After each member of the Audit Committee completed the Self-Assessment Form of the Audit Committee, the Internal Audit Office would calculate the scores and provide a summary of the scores to the Audit Committee's meeting in order for them to jointly consider, find a solution to improve unsatisfactory scores and use it as a guideline for their performance in the next year, including considering and reviewing the comments and suggestions raised by each member of the Audit Committee in the past year whether or not such comments and suggestions had been complied with. Thereafter, the result of the assessment would be proposed for consideration at the Board of Directors' meeting where the Board of Directors may provide comments or request the Audit Committee to improve in certain areas as appropriate. In FY 2017/18, the average score result was 4.9, which is equivalent to the score in FY 2016/17 (*5 means very good, 4 means good, 3 means fair, 2 means lower than standard, and 1 means improvement needed*).

**Assessment of the Annual Performance of the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Executive Committee:** The assessment criteria were used which covered 5 assessment subjects, i.e., 1) Structure and Qualification, 2) Performance of Duties, 3) Training / Source of Information, 4) Meetings and 5) Duties and Responsibilities. After the Self-Assessment Forms (Group Evaluation) of each subcommittee were completed, the Company Secretary Office would calculate the scores and provide a summary of the scores to the relevant subcommittee's meeting in order for them to jointly consider, find a solution to improve unsatisfactory scores and use it as a guideline their performance in the next year, including considering and reviewing the comments and suggestions raised by each member of the subcommittee in the past year whether or not such comments and suggestions had been complied with. Thereafter, the result of the assessment would be proposed for consideration at the Board of Directors' meeting where the Board of Directors may provide comments or request the relevant subcommittees to improve in certain areas as appropriate. In FY 2017/18, the average score result of the Nomination and Remuneration Committee was 99.78%, an increase from the score of 99.33% in FY 2016/17; the average score result of the Corporate Governance Committee was 99.33%, an increase from the score of 97.67% in FY 2016/17; and the average score result of the Executive Committee was 98.89%, an increase from the score of 98.10% in FY 2016/17 (*90-100% means excellent, 76-89% means very good, 66-75% means good, 50-65% means fair, and below 50% means improvement needed*).

**Annual Assessment of the Chairman of the Executive Committee and the Chief Executive Officer:** The Nomination and Remuneration Committee evaluated the performance of the Chairman of the Executive Committee and the Chief Executive Officer based on the evaluation criteria, which were separated into 3 sections, i.e. Section I: Key Business Success (where the success of activities and projects in the past year would be taken into account), Section II: Performance Measures, and Section III: Personal Development of the Chairman of the Executive Committee / Chief Executive Officer. In FY 2017/18, the average score result of the Chairman of the Executive Committee was 99.48%, a decrease from the score of 99.63% in FY 2016/17, and the average score result of the

Chief Executive Officer was 98.81%, a decrease from the score of 98.52% in FY 2016/17 (90-100% means excellent, 76-89% means very good, 66-75% means good, 50-65% means fair and below 50% means improvement needed).

## DIRECTORSHIP OF SENIOR EXECUTIVES IN NON-BTS GROUP COMPANIES

The Chairman of the Executive Committee and the Chief Executive Officer should not hold any directorship position in non-BTS Group companies, save for the exceptions stipulated by the Board of Directors. Furthermore, the Company has determined a policy on the number of directorship positions that a senior executive of the Company may hold in non-BTS Group companies to not exceed 5 companies, unless a consent has been obtained from the Chief Executive Officer.

**Succession Plan:** The Board of Directors places importance on having an effective and efficient management as well as the continuance of its business operations, which are essential factors to the sustainable growth of the organisation. Thus, the Company is required to prepare a succession plan for the positions of the Chairman of the Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and other senior executive positions, and to review the same from time to time in order to ensure that there will be competent senior executives for the succession of these key positions in the organisation.

## GOVERNING RELATIONSHIP WITH SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company, as the parent company, is responsible for governing and overseeing the business operations of the companies within the Group, sets out governing policies and standards, defines directions and business goals for the Group, as well as follow up on the implementation and compliance thereof on a regular basis. In this regard, the Board of Directors has the authority to define the overall directions, business model, strategies, business plans, and financial budgets, as well as resources allocation, which are applied to the Group on a consolidated basis. The Board of Directors also makes decisions on matters which are of major significance to the Group, for example, investment or divestment, asset acquisition or disposal, business joint venture or termination thereof.

The investment policies in the Company's subsidiaries and associated companies are as follows:

### Investment Policy in Subsidiaries

The Company has a policy to invest in businesses that support or align with the core businesses of the Group. Each subsidiary is strategically used to set the marketing position and specific business focus, as well as maximise operational efficiency and increase flexibility for growth.

The Company will define business policies, directions and business goals that the Company considers to be conducive to the achievement of the Group's corporate objectives and long-term goals for the subsidiaries through (i) the subsidiaries' general meeting of shareholders, where the Chief Executive Officer or any person authorised by the Company to attend such general meeting of shareholders shall vote in accordance with the instructions of the Company; and (ii) the subsidiaries' board of directors, by nominating the Company's executive directors or senior executives or any persons designated by the Board of Directors as the Company's representatives to take the positions in the subsidiaries' board of directors (or management), in order to set the strategies, business plans, and financial budgets, as well as follow up on the subsidiaries' performance. The Company's representatives shall be appointed by the Board of Directors or the Executive Committee (as the case may be), except in the case of small operating subsidiaries, the Board of Directors or the Executive Committee may authorise the Chief Executive Officer to appoint the Company's representatives to take the positions in the subsidiaries' board of directors (or management).

The Company's representative shall perform his or her duties in the capacity as the subsidiaries' director (or executive) in a responsible manner. The Company's representative shall oversee and monitor the subsidiaries' business operations to be in compliance with the relevant laws and regulations, as well as this Corporate Governance Policy and Code of Business Conduct and the Policy on Delegation of Authority, and exercise his or her discretion in decision-making of any matters for the interest of the subsidiaries and in line with the Group's policies. The Company's representative shall report the subsidiaries' financial status and performance, and propose any matters which are of major significance to the subsidiaries, to the Board of Directors or the Executive Committee (as the case may be) pursuant to the Policy on Delegation of Authority. Furthermore, the Company's representative

shall oversee that the subsidiaries' disclosure of any significant information are accurate and complete, manage any potential conflict of interest between the Company and the subsidiaries in an appropriate manner (at arm's length basis), and ensure that the internal control system is effective and adequate.

#### Investment Policy in Associated Companies

Unless there are appropriate or reasonable grounds to invest less than 25 percent, the Company's policy is to invest not less than 25 percent in associated companies with business partners and/or companies having expertise in a particular area in order to supplement the core businesses of the Group.

The Company shall review and monitor the associated companies' performance, as well as actively pursue the associated companies to comply with the principles of good corporate governance and business ethics that are in line with the Company or the international recognised standards. In this regard, the Company shall nominate the Company's executive directors or senior executives or any persons designated by the Board of Directors as the Company's representatives to take the positions in the associated companies' board of directors. The Company's representatives shall be appointed by the Chief Executive Officer, except in the case of associated companies in which the Company has a significant but non-controlling shareholding, the Board of Directors or the Executive Committee (as the case may be) shall appoint the Company's representatives to take the positions in such associated companies' board of directors. In addition, the Company may enter into a shareholders' agreement or any other agreements in order to define the management framework and the participation in the decision-making of any matters that are of major significance to the associated companies, as well as to ensure that the investments in such associated companies will generate returns and are for the best interest of the Group.

The Company's representative shall perform his or her duties in the capacity as the associated companies' director in a responsible manner for the interest of the associated companies and in line with the Group's policies. The Company's representative shall report the associated companies' financial status and performance, and propose any matters which are of major significance to the associated companies, to the Board of Directors or the Executive Committee (as the case may be) for consideration. The Company's representative shall manage any potential conflict of interest between the Company and the associated companies in an appropriate manner (at arm's length basis), and ensure that the resolutions of the board of directors' meetings are complete and duly documented, including any minority dissents or considerations.

## **OVERSIGHT OF THE USE OF INSIDE INFORMATION AND CONFLICTS OF INTERESTS**

### **Policy on the Protection of Inside Information**

The Company has established a policy on the protection of inside information by prohibiting the directors, executives, and employees of the Group, as well as their related persons, from using inside information for the benefit of trading the securities of the Company, subsidiaries, and associated companies, and also forbid the disclosure of inside information to outsiders or non-relevant persons before disclosing the same through the SET.

In order to provide a clear guideline and to be in line with the amendment of the Securities and Exchange Act B.E. 2535 (1992) (as amended), the Board of Directors has set out an additional guideline on the protection of inside information from misuse, which applies to the Company, subsidiaries and associated companies under BTS Group. Details are as follows:

<b>Subjected Persons</b>	<b>Prohibited Securities from Trading</b>		<b>Blackout Period</b>	
		<b>For the disclosure of financial statements</b>	<b>For any matters that may affect the securities price</b>	
<ul style="list-style-type: none"> <li>- The Company, subsidiaries, associated companies</li> <li>- Directors, executives, employees, and/or any relevant persons of the Company, subsidiaries, and associated companies who are in charge of or have access to inside information</li> </ul>	Securities of the Company, subsidiaries, and associated companies	One month prior to the date of the Board of Directors' meeting that is proposed to approve the financial statements until one business day after the disclosure of such financial statements through the disclosure portal of the SET	14 days prior to the date of the Board of Directors' meeting that is proposed to approve the matter that may affect the securities price until one business day after the disclosure of such matter through the disclosure portal of the SET	

The directors and executives of the Company (including their spouses and minor children) are required to report any change in their securities holding to the SEC Office within 3 business days from the date of such change. This is to comply with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) (as amended). In addition, the directors and executives shall also provide a copy of such report to the Company Secretary Office. The Company Secretary Office shall then consolidate, and present such report to the Board of Directors' meetings on a quarterly basis.

### **Conflicts of Interest**

The Board of Directors has established written policies and guidelines on related party transactions and potential conflicts of interest transactions as stipulated in the Corporate Governance Policy and Code of Business Conduct. The Company has a policy to adhere to the guidelines of the SET and the Securities and Exchange Act for the utmost benefit of the Company. It is the duties and responsibilities of the personnel at all levels to vigilantly resolve conflicts of interest with honesty, loyalty, sound judgment, and independence within the scope of good ethics. The Company also discloses full information in the best interest of the Company.

**Related Party Transactions and Potential Conflict of Interest Transactions:** Please see details in *Section 5.5: Related Party Transactions*.

### **Preparation of Conflict of Interest Reports by the Directors and the Executives:**

In order to prevent transactions that may create a conflict of interest with the Company and to comply with the relevant rules and announcements, the Company requires the directors and the executives to submit the Conflict of Interest Report Form in relation to themselves and their related persons to the Company in the following events:

1. The Report Form must be first submitted at the time of appointment as a new director or an executive of the Company;
2. The Report Form must be submitted on an annual basis at the beginning of each fiscal year (1 April of every fiscal year) in order to update the information; and
3. The Report Form must be submitted in case of any change of significant information capable of creating a conflict of interest during the fiscal year.

The Company Secretary shall keep and maintain the Report Forms submitted by the directors and executives and deliver a copy of the same to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven (7) business days from the date of receipt by the Company for further use in the verification and monitoring of conflicts of interest.

## **AUDITOR'S REMUNERATION**

### **Audit Fee**

The Company and its 51 subsidiaries paid audit fees for the fiscal year ended 31 March 2018 (and for the fiscal year ending December 31, 2018 for MACO and its subsidiaries) in the total amount of THB 24.16mn to EY Office Limited. In addition, two subsidiaries, i.e. VGI Global Media (Malaysia) Sdn Bhd, which was incorporated in Malaysia, paid audit fees for the fiscal year ended 31 March 2018 in the total amount of THB 0.01mn to Crowe Horwath, a local firm, and MACO outdoor Sdn Bhd, which was incorporated in Malaysia, paid audit fees for the fiscal year ended 31 December 2017 in the total amount of THB 0.04mn to Leslie Yap & Co., a local firm,

In this regard, the auditors did not have any relationship with or any interest (except for auditing) in the Company, subsidiaries, executives, major shareholders, or any related persons thereof which may result in the auditors being unable to perform their duties independently.

### **Non-Audit Fee**

The Company and its subsidiaries paid non-audit fees in the amount THB 2.68mn to EY Corporate Services Limited for the review of valuation and impairment of investment cost, the investment consultation service, and financial reporting standards.

## **COMPLIANCE WITH THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE**

In light of the SEC office and SET's campaign and encouragement for listed companies to consider the benefit of good corporate governance, the Company has placed an importance on the development of the Company's operation guidelines to be in line with the principles of good corporate governance. In this regard, the Board of Directors' Meeting No. 3/2018 held on 26 March 2018, has acknowledged the 2017 Corporate Governance Code for Listed Companies of the SEC Office (CG Code) and applied the CG Code's principles as well as the Principle of

Good Corporate Governance for Listed Companies 2012 of the SET by means that are suitable for the Company's business operation, which would lead to good operating results, reliability of shareholders and stakeholders and long-term sustainable value creation of the Company.

In FY 2017/18, the Company has complied with except for the following:

1. The Board of Directors should comprise of at least 5 members and not more than 12 members.

*Clarification:* At present, the Company has 14 directors who have knowledge, capability, skill, experience, and diversified expertise which are beneficial and necessary to the diverse business operations and suitable for the business size of the Company.

2. The Chairman of the Board of Directors should be an independent director.

*Clarification:* The Company does not specify that the Chairman should be an independent director because the 4 core businesses of the Company are complex, diverse and unique which require a leader who has capability, experience, and expertise as well as true knowledge and understanding of the business management. Even though the Chairman is not an independent director, the Company has set in place an adequate and appropriate internal control system, and an operation mechanism which has checks and balances, transparency, and can be verified. The Board of Directors adheres to their duties and performs their duties with due care and loyalty. The Board of Directors is also able to use their discretion independently in order to protect the benefit of the Company and the shareholders.

3. The Board of Directors should set a policy limiting the term of independent directors to not more than 9 years.

*Clarification:* The Board of Directors has not yet set the policy limiting the term of independent directors because the Board of Directors has considered and viewed that the business nature of the Company requires the independent directors who has knowledge, expertise and professional experience in specific areas. Moreover, the independent directors of the Company have

possessed the qualifications according to the Definition of Independent Directors of the Company and can perform their duties properly.

4. The Board of Directors should set a policy limiting the number of companies that each director can hold a directorship position to not more than 5 companies.

*Clarification:* The Board of Directors has not yet set the policy limiting the number of companies that each director can hold a directorship position because the Board of Directors has considered and viewed that according to the criteria on the nomination of directors of the Company, the Nomination and Remuneration Committee will consider the nominated persons from the knowledge, capability, expertise and appropriate experience, profile and qualification of not having any prohibited characteristics under the laws, independence, as well as the commitment in performing their duties. Therefore, the Board of Directors is of the opinion that the holding of a directorship position of more than 5 companies does not significantly affect the performance of the directors if the Company has the explicit, appropriate, and adequate criteria on the nomination of directors.

5. The Nomination Committee should entirely consist of independent directors.

*Clarification:* As of 31 March 2018, the Nomination and Remuneration Committee of the Company consists of 5 directors, divided into 3 independent directors and 2 executive directors. The number of the independent directors equals to 60% of the total members of the Nomination and Remuneration Committee. From the past performance of the Nomination and Remuneration Committee, all 5 members of the Nomination and Remuneration Committee have performed their duties independently in accordance with the duties and responsibilities as specified in the Nomination and Remuneration Committee's Charter, and are capable to agree or object without any intervention from the executives. Therefore, the Board of Directors has considered and viewed that the composition of the Nomination and Remuneration Committee is appropriate and sufficient.

## NOMINATION, APPOINTMENT AND REMUNERATION OF DIRECTORS AND EXECUTIVES

Additional details on the structure, duties, and responsibilities of the Nomination and Remuneration Committee can be found in *Section 5.1: Management Structure*.

### APPOINTMENT AND REMOVAL OF DIRECTORS

The appointment and removal of directors of the Company are in accordance with the criteria and procedures as stipulated in the laws and the Company's Articles of Association, which can be summarised as follows:

1. In every Annual General Meeting of Shareholders, at least one-third (1/3) of the directors shall retire by rotation. If the number of the directors who must retire by rotation is not divisible by three, the number of directors closest to one-third (1/3) of all directors shall retire. The directors who retire by rotation are eligible for re-election;
2. The election of the directors at the shareholders' meeting shall be in accordance with the following rules and procedures:
  - Each shareholder shall have one vote for one share;
  - Each shareholder shall use all of his or her votes to elect one or several persons as the director(s). However, he or she may not divide his or her votes among the candidates; and
  - The candidates who receive the most votes in descending order will be elected as the director(s) up to the number of the directors required to be elected at such meeting. In the event that the candidates have equal votes and their election would exceed the number of directors required to be elected at such meeting, the Chairman of the meeting shall have a casting vote;
3. Apart from retirement by rotation, the directors shall cease to hold office upon death, resignation, lack of qualifications or possession of prohibited characteristics according to the Public Limited Companies Act B.E. 2535 (1992) (as amended), removal by a resolution of the shareholders' meeting, or removal by a court's order;
4. In case of a vacancy in the membership of the Board of Directors for reasons other than retirement by rotation, the Board of Directors shall pass a resolution by affirmative votes of not less than three-quarters (3/4) of the number of the directors remaining in office to elect a person who has the qualifications and possesses no prohibited characteristics under the Public Limited Companies Act B.E. 2535 (1992) (as amended) as a substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months; and
5. The shareholders' meeting may pass a resolution to remove any director from his/her office prior to the expiration of his/her term by affirmative votes of not less than three-quarters (3/4) of the number of the shareholders attending the meeting, having the right to vote, and holding shares not less than one-half (1/2) of the total number of shares held by the shareholders attending the meeting and having the right to vote.

### NOMINATION OF NEW DIRECTORS

The Nomination and Remuneration Committee will be responsible for the nomination of new directors. The Nomination and Remuneration Committee will search for potential candidates and propose the same to the Board of Directors' or the shareholders' meeting (as the case may be) for consideration and appointment. The following matters will be taken into consideration as part of the selection criteria: the structure of the Board of Directors, which shall consist of members in the number that is suitable for the size and business strategy of the Company, the diversity in the structure of the Board of Directors (Board Diversity), including but not limited to, race, religion, national origin and gender, the appropriateness of the qualifications and skills of the director(s) that are necessary but lacking in the Board of Directors. The Board Skill Matrix will be used to identify the required qualifications.

## NOMINATION PROCEDURES

The Nomination and Remuneration Committee will select candidates for the position of director(s) of the Company from the recommendation of other directors, the nomination by the shareholders of the Company, the service of external professional search firms, or the directors' pools of various agencies, or other nomination procedures as the Nomination and Remuneration Committee considers appropriate.

## QUALIFICATIONS OF DIRECTORS

1. Must possess qualifications and must not have any prohibited characteristics under the public limited companies law, securities and exchange law, rules and regulations of the Company and the relevant supervisory agencies, and the Company's good corporate governance. In case of nomination of an independent director, such nominated person shall possess the qualifications as specified in the Company's Definition of Independent Director. In case of nomination of a member of the Audit Committee, such nominated person shall possess additional qualifications in accordance with the laws;
2. Must have knowledge, capability, skills, experience, and diversified expertise beneficial to the Company's businesses;
3. Must be independent, perform the director's duty with due care, be honest, be mentally and physically healthy, and be able to fully commit to work for the Company; and
4. Must have a good work profile and must not engage in a business or be a partner in a general partnership or be a partner having unlimited liability in a limited partnership or a director in other private or public company which carries on businesses of the same nature as and in competition with the Company's businesses, except the shareholders' meeting is advised before a resolution is passed to elect such person and other relevant laws are complied with.

## ADDITIONAL QUALIFICATIONS OF INDEPENDENT DIRECTORS

In case of nomination of an independent director, such nominated person shall possess the qualifications under the Definition of Independent Director of the Company, which is "more stringent" than the minimum requirement of the notifications of the Capital Market Supervisory Board as follows:

1. Must not hold more than 0.75% of the total number of shares having voting rights of the Company, its parent company, Subsidiary, associated company, major shareholder, or controlling person, and, for the purpose of calculation, the number of shares held by a related person of such independent director shall also be included (Remark: The Company's criterion on this matter is more stringent than the minimum requirement of the notifications of the Capital Market Supervisory Board, which limits a holding of not more than 1%.);
2. Must not be or have been an executive director, an employee, a member of staff, an advisor who receives a regular salary, or a controlling person of the Company, its parent company, subsidiary, associated company, subsidiary of the same level, major shareholder, or controlling person, unless such status has ceased for at least 2 years;
3. Must not be a person who is related by blood or law as the father, mother, spouse, sibling, and child, including being the spouse of a child, of any other Director, executive, major shareholder, controlling person, or any person who is to be nominated as a Director, an executive, or a controlling person of the Company or its subsidiary;
4. Must not have or have had any business relationship with the Company, its parent company, Subsidiary, associated company, major shareholder, or controlling person in the manner that may obstruct the exercise of his/her independent judgment, and must not be or have been a key shareholder or a controlling person of any entity having a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, unless such status has ceased for at least 2 years;

The “business relationship” as stated in the first paragraph shall include conducting ordinary business transactions, offering or taking on leases of any immovable properties, conducting transactions relating to assets or services, or granting or accepting any financial supports by way of offering or taking on loans, guarantees, asset-based collaterals, including any other similar actions, which result in the Company or the counterparty being indebted to the other party in the amount of 3% or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lesser, where the consideration of such indebtedness shall include any indebtedness taking place during a period of 1 year prior to the commencement date of the business relationship with such person;

5. Must not be or have been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, and must not be a key shareholder, a controlling person, or a partner of any audit firm of which the auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, is a member, unless such status has ceased for at least 2 years;
6. Must not be or have been a provider of any professional services, including a legal advisor or a financial advisor who receives or has received service fees in the amount of more than Baht 2 million per year from the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, and must not be a key shareholder, a controlling person, or a partner of such professional services provider, unless such status has ceased for at least 2 years;
7. Must not be a director who has been appointed as a representative of a director of the Company, a major shareholder, or a shareholder who is a related person of the major shareholder;
8. Must not engage in the business of the same nature as and in significant competition with the business of the Company or its subsidiaries, and must not be a key partner in a partnership, an executive director, an employee, a member of

staff, or an advisor who receives a regular salary, or hold more than 1% of the total number of shares having voting rights of a company that engages in the business of the same nature as and in significant competition with the business of the Company or its subsidiaries; and

9. Must not have any other characteristics that may obstruct his/her ability to give independent opinion on the Company’s operation.

After being appointed as an independent director, such independent director may be assigned by the Board of Directors to make a decision with regard to the business operations of the Company, its parent company, subsidiary, associated company, subsidiary of the same level, major shareholder or controlling person, provided that such decision shall be a collective decision.

#### **ADDITIONAL QUALIFICATIONS OF MEMBERS OF THE AUDIT COMMITTEE**

Apart from possessing the qualifications of independent directors, the members of the Audit Committee shall possess the following additional qualifications:

1. Must be appointed by the Board of Directors to be a member of the Audit Committee;
2. Must not be a director who has been assigned by the Board of Directors to make decisions in the business operations of the Company, the parent company, the subsidiaries, the associated companies, the subsidiaries of the same level, the major shareholders, or the controlling person of the Company and must not be a director of the parent company, the subsidiaries, or the subsidiaries of the same level that are listed companies;
3. Must be knowledgeable and experienced in performing his/her duty as a member of the Audit Committee where at least one member must be knowledgeable and experienced in reviewing the accountability of financial statements; and
4. Must have full and proper qualifications in accordance with the laws and regulations of the government authorities.

## NOMINATION AND NOMINATION PROCEDURES FOR CHIEF EXECUTIVE OFFICER

The Nomination and Remuneration Committee shall select a candidate for the position of Chief Executive Officer in accordance with the selection criteria of the Company, by taking into consideration the qualifications of the Deputy Chief Executive Officer and other Chief Officers within the organisation first. If there is no

qualified candidate in the organisation suitable for this position, the candidate shall be sought from the external source. Such qualified candidate shall be further proposed to the Board of Directors for their consideration and appointment.

## REMUNERATION OF DIRECTORS AND EXECUTIVES

### DIRECTORS' REMUNERATION

#### Monetary Remuneration

The Nomination and Remuneration Committee considers and determines the remuneration of the directors by taking into account the Company's operating results, the size of the business, and the responsibilities of the Board of Directors and making a comparison with the remuneration paid by other companies that are listed on the SET with a similar market capitalisation and other listed companies within the same industry, and further proposes the same to the Board of Directors' meeting and the shareholders' meeting

for consideration and approval on an annual basis. The 2017 Annual General Meeting of Shareholders held on 25 July 2017 considered and approved the increase of monthly remuneration for each position and the maintaining of the meeting allowance at the same rate as the previous year and the directors' bonus in consideration of the Board of Directors' performance in the fiscal year ended 31 March 2017 in a lump sum amount of THB 22.0mn where the directors shall allocate the same among themselves.

### DIRECTORS' REMUNERATION CRITERIA IN 2015 - 2017

#### Monthly Remuneration

	2015	2016	2017
Chairman of the Board of Directors	THB 60,000 / month	THB 60,000 / month	THB 80,000 / month
Directors	THB 30,000 / person / month	THB 30,000 / person / month	THB 40,000 / person / month
Chairman of the Audit Committee	THB 50,000 / month	THB 50,000 / month	THB 67,000 / month
Audit Committee Member	None	None	None
Other Subcommittees	None	None	None

## Meeting Allowance

	2015	2016	2017
Chairman of the Board of Directors	None	None	None
Directors	None	None	None
Chairman of the Audit Committee	Baht 20,000 / attendance	Baht 20,000 / attendance	Baht 20,000 / attendance
Audit Committee Member	Baht 20,000 / person / attendance	Baht 20,000 / person / attendance	Baht 20,000 / person / attendance
Other Subcommittees	None	None	None

## BREAKDOWN OF DIRECTORS' REMUNERATION IN FY 2017/18

Name	Monthly Remuneration (THB)	Meeting Allowance (THB)	Directors' Bonus (THB)	Total (THB)
1. Mr. Keeree Kanjanapas	880,000.00	-	2,931,726.08	3,811,726.08
2. Dr. Paul Tong	440,000.00	-	1,465,863.01	1,905,863.01
3. Dr. Anat Arbhabhira	440,000.00	-	1,465,863.01	1,905,863.01
4. Mr. Surapong Laoha-Unya	440,000.00	-	1,465,863.01	1,905,863.01
5. Mr. Kavin Kanjanapas	440,000.00	-	1,465,863.01	1,905,863.01
6. Mr. Rangsin Kritalug	440,000.00	-	1,465,863.01	1,905,863.01
7 Mr. Kong Chi Keung	440,000.00	-	1,465,863.01	1,905,863.01
8. Professor Lt. Gen. Phisal Thepsithar	736,000.00	100,000.00	1,465,863.01	2,301,863.01
9. Mr. Suchin Wanglee	440,000.00	100,000.00	1,465,863.01	2,005,863.01
10. Professor Charoen Wattanasin	440,000.00	100,000.00	1,465,863.01	2,005,863.01
11. Mr. Cheong Ying Chew, Henry	440,000.00	-	1,465,863.01	1,905,863.01
12. Mr. Chulchit Bunyaketu	440,000.00	-	1,465,863.01	1,905,863.01
13. Dr. Karoon Chandrangsu	440,000.00	-	1,465,863.01	1,905,863.01
14. Mrs. Pichitra Mahaphon	440,000.00	100,000.00	1,477,917.80	2,017,917.80
<b>TOTAL</b>	<b>6,896,000.00</b>	<b>400,000.00</b>	<b>22,000,000.00</b>	<b>29,296,000.00</b>

## DIRECTORS' REMUNERATION IN FY 2015/16 - 2017/18

	Persons	Remuneration (THB mn)
2017/18	14	29.3
2016/17	14	27.0
2015/16	15	27.6

## Non-monetary remuneration and other benefits

-None-

## EXECUTIVES' REMUNERATION

The Nomination and Remuneration Committee considers and determines the amount and form of the remuneration of the Chairman of the Executive Committee and the Chief Executive Officer on both short-term and long-term bases and proposes the

same to the Board of Directors for consideration and approval, taking into account various key performance indicators (KPI), including but not limited to the following indicators, and also a comparison with other listed companies on the SET.

Position	Key Performance Indicators
Chairman of the Executive Committee	<ul style="list-style-type: none"> <li>- Duties, Responsibilities and Results of the Annual Performance Assessment</li> <li>- Shareholders' Wealth</li> <li>- Corporate Governance</li> <li>- Social and Environmental Responsibilities</li> <li>- Corporate Image</li> </ul>
Chief Executive Officer	<ul style="list-style-type: none"> <li>- Duties, Responsibilities and Results of the Annual Performance Assessment</li> <li>- Financial Performance, e.g. earning growth, EBITDA margin, return on equity, return on assets</li> <li>- Relative Financial Metrics, e.g. credit rating</li> <li>- Operational Excellence</li> <li>- People Development and Employees Engagement</li> <li>- Social and Environmental Responsibilities</li> </ul>

In order to strengthen the alignment between the Chief Executive Officer and senior executives' compensation and long-term interest of shareholders, the Company may give short-term incentives to the Chief Executive Officer and senior executives in the form of deferred bonus, where the bonus will be paid 50% in the form of cash and 50% as existing ordinary shares of the Company. Such shares will be subject to selling restriction for a specified period of time. Additionally, the Company is in the process of establishing a long-term incentive plan for the Chief Executive Officer and senior executives in order to motivate them to focus their efforts to the sustainable success of the Group. The preliminary terms and conditions of the plan cover (1) a performance period of 3 years, (2) a vesting period of 2 years, and (3) a clawback policy, which will trigger when the performance does not reach the specified threshold, resulting in

a deduction of eligible vested value of the rewards. Performance indicators used to determine the size of rewards include, but not limited to, return on equity, return on assets, as well as credit rating comparing with the benchmarking companies.

As for the high-level executives, the Chief Executive Officer shall consider and determine the executives' remuneration individually based on their performance by using various indicators and propose the same to the Nomination and Remuneration Committee for their consideration and approval. The Company will provide short-term incentives through the promotion of salary and annual bonus in line with the economy and the Company's operating results and provide long-term incentives by allocating warrants as a motivation for the executives to contribute to the achievement and growth of the Company.

## Monetary Remuneration

Monetary remuneration of the executives comprises salary, bonus, and provident fund contributions. In FY 2017/18, the monetary remuneration of 8 executives was in the aggregate amount of THB 91.9mn.

### EXECUTIVES' REMUNERATION IN FY 2015/16 - 2017/18

	Persons	Remuneration* (THB mn)
2017/18	8	91.9
2016/17	8	84.4
2015/16	8	82.8

\* Excluding some executive directors who received only directors' remuneration but did not receive the executives' remuneration.

## Non-Monetary Remuneration

In February 2018, the Company allocated a total of 0.7mn units of BTS-WD warrants to the non-director executives of the Company. In FY 2017/18, the Company issued 1.5mn ordinary shares, at the par value of Baht 4 per share, to the non-director executives of the Company for the exercise BTS-WB warrants.

As of 31 March 2018, the outstanding units of BTS-WB, BTS-WC, and BTS-WD warrants held by the executives of the Company were 0.22mn units, 1.0mn units and 0.7mn units, respectively. In this regard, BTS-WB Warrants will expire on 11 June 2018.

## INTERNAL CONTROL

The Board of Directors is aware of the importance of having a good internal control system in order to ensure that the management and operational control of the Company is systematic and correspond to the objectives and long-term goals of the Group. The Management is responsible for setting the structure of the internal control system to cover the following aspects, namely Control Environment, Risk Management, Control Activities, Information & Communication, and Monitoring Activities, implementing this system to effectively achieve the objectives, as well as ensuring that the Company's internal control system is adequate and appropriate for the circumstances at any point in time with continuous improvement and development.

For FY 2017/18, the Board of Directors' Meeting held on 28 May 2018 acknowledged the evaluation results on the adequacy of the internal control system of the Audit Committee and agreed with the Audit Committee's opinion that the Company has adequate internal control system suitable for the business operation and has no material deficiency affecting the internal control system. In addition, the Company's auditor reviewed the internal control system that is relevant to the preparation and the presentation of the Company's financial statements in order to provide an opinion that the financial statements present correctly, in all material respects, the financial position, results of operation, and cash flows in accordance with the financial reporting standards.

## CONTROL ENVIRONMENT

The Company has clearly established the Company's vision, mission, strategy, business direction, and long-term goal and communicated these to all employees to use as guidelines in performing their functions. The Company has also established the organisation chart, the chain of command, the delegation of authority, and policies and procedures which are appropriate to the duties and responsibilities of each department, including policies relating to transactions which may be in conflict with the Company's interest. As such, the executives and employees can use those as guidelines for their

conduct and prevent transactions which may be in conflict with the best interest of the Company and the shareholders. Furthermore, the Company has established the Corporate Governance Policy and Code of Business Conduct of the Group for the directors, executives and employees of the BTS Group to use as guidelines in performing their duties with integrity and maintaining business ethics. The contents of the Corporate Governance Policy and Code of Business Conduct relate to the corporate governance policy, business ethics, and policies on the employees' remuneration, benefits, and career development, including policies on anti-corruption and bribery and responsibility for society, community, and environment. BTS Group has carried out several CSR activities in line with the sustainable development framework of the Global Reporting Initiative (GRI) through economic, environmental, and social indicators. BTS Group has also set out appropriate penalties in case these regulations or policies of the Group are violated.

## RISK MANAGEMENT

Risk management is an important component in the Company's business operations. The Company has a policy to manage both internal and external risk factors that affect the Group to the level that is appropriate, acceptable and no impact on the good corporate governance principles.

**Types of risks are divided into 5 categories**, namely, strategic risk, operational risk, financial risk, legal and compliance risk, and fraud risk. Risk management is a part of the annual business plan in order to ensure that the risk management measures are in accordance with the Group's objectives, strategy, direction, and goals.

The Company determines that all executives and employees of the Group are owners of the risks and have a duty to assess the risk of their units and the efficiency of the existing control policy, as well as presenting plans and procedures to mitigate the risks. **Risk Management Working Group**, which is comprised of the representatives from all business units of the Group, is responsible for consolidating risks of all



business units and conducting a risk assessment of the Group, including supporting the implementation of the risk management framework and reporting to the Executive Committee on a quarterly basis and to the Board of Directors on an annual basis. The **Risk Management Framework** consists of 5 procedures, namely, risk identification, risk evaluation, risk reporting, risk control, and risk monitoring. The **Executive Committee** is the core of the Group's risk management structure which is responsible for monitoring and controlling key risks and factors that may have a material impact on the Group. The **Board of Directors** provides top-down oversight and supervision of risks and has the responsibilities of 1) setting out the risk management policy and framework, 2) reviewing the appropriateness of the policy and framework on an ongoing basis, and 3) ensuring that enterprise risk management and internal control are implemented. In order to achieve this, the **Audit Committee** is tasked with evaluating the sufficiency of the enterprise risk management policy and providing advice to both the Board of Directors and the Management. The **Internal Audit Office** is responsible for reviewing the risk management process and independently evaluating the efficiency of the internal control system. Please see the *Enterprise Risk Management Policy* available on the Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th) for more information.

## CONTROL ACTIVITIES

The Company has a variety of written risk control measures, e.g., the scope of authority and threshold of approval in each level of management, policies and procedures on the approval of financial, procurement, and management transactions. The Company also implements the procurement management information system (ProMis) to control transactions relating to finance, procurement, and management, such as budget, purchase requisition (PR), and purchase order (PO). The role of the person who prepares the information and the person who approves the transaction will be separated and the authority of the approvers will be as delegated by ranking in the Chart of Delegation of Authority. This is to ensure effective cross-checking and monitoring. In addition, each department has prepared its own operational manuals and work instructions that are tailored to their job descriptions, duties, and responsibilities.

The Company does not have a policy to do business with its directors, executives, major shareholders or any related persons thereof, except where there is a necessary cause or it will support the Company's business, and it will be in the best interest of the Company and its shareholders in general. If there is such a transaction, the Company has established strict and clear measures governing the transactions with the directors, executives, major shareholders or their related persons which require that the transactions between the Company or its subsidiaries and the persons who may have a conflict of interest shall be in compliance with the relevant rules and regulations and must be made on reasonable terms or general commercial conditions or in line with the market price. In addition, the transactions shall be transacted at arm's length basis and the related party transactions shall be presented to the Audit Committee for review on a quarterly basis. For additional details on measures or procedures for approving related party transactions of the Company, policy and trend on related party transactions and policies relating to transactions which may be in conflict with the Company's interest, please see *Section 5.5: Related Party Transactions*.

## INFORMATION & COMMUNICATION

The Company organises its information system to cover the Company's performance at the organisational level, the financial reporting level, the business unit level, and the policy and regulation implementation level. This is to ensure that the Company has effective communication and provides the Board of Directors, executives, employees, shareholders, investors and all stakeholders with correct, accurate, and complete information. Furthermore, the Company also provides channels for employees and outsiders to make a complaint to the Board of Directors or the Audit Committee or the relevant business units through the Company Secretary Office (Email: [CompanySecretary@btsgroup.co.th](mailto:CompanySecretary@btsgroup.co.th)) or the Internal Audit Office (Email: [InternalAudit@btsgroup.co.th](mailto:InternalAudit@btsgroup.co.th)) or Investor Relations (Email: [ir@btsgroup.co.th](mailto:ir@btsgroup.co.th)). In addition, the Company has initiated the "Nuduan Chaun Chee Chong Hotline" campaign to receive reports of any breach or a case of possible breach of the policies and guidelines under the Code of Business Conduct at telephone no. 1 800 292 777 or +66 (0) 2677 2800 or Email: [tell@thailand-ethicsline.com](mailto:tell@thailand-ethicsline.com), which are complaint channels monitored by an independent third party.

## MONITORING ACTIVITIES

The Company reviews and improves the internal control system to correspond with the change of internal and external factors constantly. To achieve this, the Company monitors and evaluates the internal control system regularly in order to consider whether the performance results are in line with the determined business plan, budget, and business goal of the Company. Operational guidelines are also discussed and proposed so that the Company can make rectifications in a timely manner. If any significant error in the internal control system is found, the relevant person must immediately report the same to the Board of Directors and/or the Audit Committee to explain the cause, propose a solution, monitor the rectification, and report to the Board of Directors and/or the Audit Committee within the given period. In addition, the Company assigns the Internal Audit Office to review compliance with the internal control system regularly. To allow the internal auditors to perform their duties independently and without bias,

the Internal Audit Office is under direct supervision of the Audit Committee and reports to the Audit Committee directly.

## INTERNAL AUDIT OFFICE

The Internal Audit Office is an independent unit in the Company and reports directly to the Audit Committee. The Internal Audit Office has responsibilities to examine and evaluate the sufficiency of the Company's internal control system both financial and non-financial information, including reviewing compliance with the internal policies and providing recommendations in order to develop and improve the Company's operations. The objective is to ensure that the Company strictly abides by the laws and regulations, retains good corporate governance and good internal control, and achieves the operational objectives of the organisation.

The Internal Audit Office prepares an annual plan and a 3-year long-term plan based on the principles for the assessment of risks that affect the business operation and cover the operational process of the organisation. These plans are approved by the Audit Committee. The scope of work of the Internal Audit Office covers auditing, monitoring, controlling, examining, reviewing, and assessing the sufficiency and the effectiveness of the Company's internal control system, including the performance quality of the following:

- Reliability of the internal control system as well as compliance with the standards and finance and accounting policies to ensure that the accounting and financial information is accurate and reliable and that the adopted organisation structure plan, procedures, and measures are sufficient for protecting the assets from all kinds of frauds and errors;
- Reliability of the internal control system in terms of management and operation to ensure that they are consistent with the policies and plans and are in accordance with the requirements of the laws and regulations of the government and supervisory authorities, including the Company's regulations which cover activities such as operation management, procurement, marketing, administration, finance, accounting and human resources;

- Reliability of the internal control system as regards information and communication, review the structure of the Information Technology Department, access to information, access to programmes, data processing, system development, data backup, preparation of backup plans in case of emergency, authority of operation in the system, and production of documents from the system, including storage of documents, manuals, and computer system flowchart; and
- Reliability of the internal control system with regard to anti-corruption in order to be consistent with and correspond to the Company's anti-corruption measures, which shall support the Company's business operation to be conducted with integrity and in a sustainable manner. The measures cover a complaint receiving framework and a complaint management procedure in order to provide complaint channels for employees and other stakeholders. In this regard, a collaboration among relevant departments is established in order to find solutions, set up preventive measures and provide employees and other stakeholders with the complaint channel. The Internal Audit Office is one of the channels to receive complaints. A complaint receiving manual has been prepared for general complaints, material adverse impact complaints and corruption and bribery related complaints. The Internal Audit Office will monitor the progress on the handling of complaints and report the same to the Audit Committee.

The Internal Audit Office presents the audit report to the Audit Committee constantly on a quarterly basis and regularly monitors the progress of the corrective actions as per recommendations. The Internal Audit Office is independent from other departments and able to access the information and assets of the Company which are relevant to the audit functions. The Internal Audit Office has the authority to request information and explanation from the relevant person on the subject matter as assigned by the Audit Committee. In addition, the Internal Audit Office encourages all business units to conduct self-assessment on risks. This is to ensure that the internal control system is effective and efficient, the financial reporting is reliable,

and the operational performance is in accordance with the laws and regulations of the governmental agencies or the regulatory bodies as well as the Company's standards, policies, plans, rules, regulations and announcements. The internal control system is aimed to protect the Company's assets, to prevent the Company from any damage it may suffer from, and to create a mechanism of checks and balances among the business units so as to ensure reasonable reliability of the Company's operations to achieve the Company's goal.

In addition, the personnel of the Internal Audit Office are encouraged to develop their personal skills regularly by attending both internal and external training courses to enhance their knowledge and internal audit professional skills, as well as other skills necessary for performing their work.

## HEAD OF INTERNAL AUDIT

The Company has established the Internal Audit Office and Mr. Pipop Intaratut has held the position of Head of Internal Audit since 1 January 2011. Mr. Pipop Intaratut has experience on internal auditing in the business of the same nature as the Company's business and has enrolled in various internal audit training programmes organised by the Thai Institute of Directors (IOD), the Institute of Internal Auditors of Thailand (IIAT) as well as training programmes organised by other institutions. Furthermore, Mr. Pipop Intaratut has knowledge and good understanding in the Company's activities and operations. Therefore, the Audit Committee is of the opinion that Mr. Pipop Intaratut is qualified to perform his duties appropriately and sufficiently.

The appointment, transfer, or dismissal of the Company's Head of Internal Audit shall be jointly considered and approved by the Audit Committee and the Chief Executive Officer.

## DETAILS OF HEAD OF INTERNAL AUDIT AS OF 31 MARCH 2018

**Mr. Pipop Intaratut**  
**Age 47**  
**Internal Audit Director**

### Education

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

### Working Experience

2011 - Present Internal Audit Director  
 BTS Group Holdings PCL

### Other listed companies in Thailand

2012 - Present Internal Audit Director  
 VGI Global Media PCL

### Other companies

2005 - Present Internal Audit Director  
 Bangkok Mass Transit System PCL

### Other organisations

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

The connected transactions between the Company or its subsidiaries and persons who may have conflicts of interests are transactions that occurred in the past. The Audit Committee has reviewed these transactions as regards the appropriateness of the monitoring and collection process, the evaluation of the transaction status, and the evaluation of the debtors' debt servicing capability, as well as the appropriateness of the provisions for doubtful debts to cover losses that may occur. The outstanding amounts in FY 2017/18 and FY 2016/17 were as follows:

Persons who may have a conflict of interest	Company having a related party transaction	Relationship	Description of transaction	Transaction value in FY 2017/18 (THB mn)	Transaction value in FY 2016/17 (THB mn)	Necessity / Remarks
Hwa Kay Thai (Thailand) Co., Ltd.	Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd.	<ul style="list-style-type: none"> <li>- Hwa Kay Thai (Thailand) Co., Ltd. was a former subsidiary of the Company, but the Company transferred all of its shares in Hwa Kay Thai (Thailand) Co., Ltd. to the Company's creditors for debt settlement.</li> <li>- Miss Sushan Kanjanapas, daughter of Mr. Keeree Kanjanapas; Chairman, Chairman of the Executive Committee, and a major shareholder of the Company is the director and interested person, who has more than 10% control in Oriental Field Ltd., which holds 49% shares in Hwa Kay Thai (Thailand) Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>- Loan, of which THB 10.5mn is the principal and the rest is the interest thereon. Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd. are still charging the interest at the rate equivalent to their financial costs. However, Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd. have already made a provision for doubtful debts for the full amount.</li> <li>- In 1995, Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd., provided the loan to Hwa Kay Thai (Thailand) Co., Ltd. and charged an interest at the rate equivalent to their financial costs. The provision of the loan took place when Hwa Kay Thai (Thailand) Co., Ltd. was still a subsidiary of the Company. At such time, it was the practice of BTS Group to provide inter-company loans as part of the working capital management.</li> <li>- All shares in Hwa Kay Thai (Thailand) Co., Ltd. held by the Company were pledged as collateral for the Company's loan and subsequently, the Company transferred all of the shares to its creditors pursuant to the Company's business rehabilitation plan in 2006.</li> </ul>	-	47.5	This transaction occurred a long time ago. It is a normal transaction, of which the interest rate is equivalent to the borrowing cost of Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd.

Persons who may have a conflict of interest	Company having a related party transaction	Relationship	Description of transaction	Transaction value in FY 2017/18 (THB mn)	Transaction value in FY 2016/17 (THB mn)	Necessity / Remarks
			<ul style="list-style-type: none"> <li>- Both Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd. have undertaken to demand and collect their debts from Hwa Kay Thai (Thailand) Co., Ltd. In the past years, Hwa Kay Thai (Thailand) Co., Ltd. has repaid some of the debt. As of 15 March 2018, the total principal and accrued interests were in the amount of Baht 43.1mn.</li> <li>- On 16 March 2018, the Company has completed the entire business transfer transaction of Unicorn Enterprise Co., Ltd. to U City Public Company Limited. Unicorn Enterprise Co., Ltd. was the Company's subsidiary which engages in the property business through the holding of shares in other companies, which includes the ordinary shares of Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd. As a result of such transaction, Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd. ceased to be the subsidiaries of the Company.</li> </ul>			
EGV Co., Ltd.	The Company	- Mr. Keeree Kanjanapas, Chairman, Chairman of the Executive Committee, and a major shareholder of the Company, is a director and a major shareholder holding 40% shares in EGV Co., Ltd.	<ul style="list-style-type: none"> <li>- Loan, of which THB 4mn is the principal and the rest is the interest thereon. The Company is still charging the interest at the rate equivalent to its financial cost. However, the Company has already made a provision for doubtful debts for the full amount due to the fact that EGV Co., Ltd. ceased its operation and the Company views that the opportunity to receive repayment is low.</li> <li>- EGV Co., Ltd. is a company incorporated in 1994 for joint investment in Siam Infotainment Co., Ltd., currently known as ITV Public Company Limited</li> </ul>	12.0	11.9	This transaction occurred a long time ago. It is a normal transaction, of which the interest rate is equivalent to the Company's borrowing cost.

Persons who may have a conflict of interest	Company having a related party transaction	Relationship	Description of transaction	Transaction value in FY 2017/18 (THB mn)	Transaction value in FY 2016/17 (THB mn)	Necessity / Remarks
			<ul style="list-style-type: none"> <li>- In 1995, EGV Co., Ltd. borrowed money from the Company at the interest rate equivalent to the financial cost of the Company in order to invest in ITV Public Company Limited. EGV Co., Ltd. pledged all of its shares in ITV Public Company Limited as collateral for the Company's debt. Later in 2002, the Company entered into a business rehabilitation. The financial institution creditor, who was the pledgee of ITV Public Company Limited's shares, filed a petition for repayment of debt with the official receiver. The official receiver ordered that such financial institution creditor would receive only a part of the debt. Such financial institution creditor filed an objection against the official receiver's order with the Central Bankruptcy Court. In August 2016, the Supreme Court rendered a final judgement. At present, it is in the process of transferring assets and cash collateral in order to repay the debt to such creditor.</li> <li>- The financial institution has assigned all of its claims to another financial institution.</li> <li>- The only asset of EGV Co., Ltd. is its ITV Public Company Limited shares, which were pledged as collateral to the Company's financial institution creditor at no cost. Therefore, the Company will proceed to have EGV Co., Ltd. transfer these shares to the Company for debt settlement when the Company transfers assets and cash collateral to repay its debt to such financial institution creditor.</li> </ul>			

## MEASURES OR PROCEDURES FOR APPROVING RELATED PARTY TRANSACTIONS

All related party transactions must be approved by the Audit Committee and the Board of Directors or the shareholders' meeting, as the case may be, in accordance with the Notification of the Board of Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (as amended) and the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions (as amended), as well as laws on securities and exchange, regulations, notifications, orders or requirements of the SET relating to the execution of connected transactions or transactions which may create a conflict of interest or the relevant regulations that are applicable at such time (the "Relevant Rules and Regulations on Related Party Transactions").

## POLICY OR TENDENCY ON RELATED PARTY TRANSACTIONS

The Company may need to enter into related party transactions with connected person(s) or person(s) who may have a conflict of interest in the future. In such an event, the Company will determine the transaction terms and conditions to correspond with the general trading conditions and market price comparable to those offered to third parties. The Company will also comply with the Relevant Rules and Regulations on Related Party Transactions.

If there is any related party transaction between the Company or its subsidiary and a connected person or a person who may have a conflict of interest or a conflict of any kind, the Company will request the Audit Committee to review and give opinion on the necessity and appropriateness of such transaction. Moreover, if the Audit Committee does not have expertise to review such transaction, the Company will have an independent expert, independent financial advisor,

or the Company's auditor provide opinion on such transaction, so that the Board of Directors or the shareholders, as the case may be, can use such opinion to support their decision making. In case where the related party transaction is proposed for the shareholders' meeting's approval, the Company shall appoint an independent financial advisor to report and give opinion on the execution of such transaction to the shareholders. The Company will disclose the related party transactions in the remarks of the financial statements as audited by the Company's auditor, the Annual Registration Statement Disclosure Form (Form 56-1) and the Annual Report of the Company.

## POLICIES RELATING TO POTENTIAL CONFLICT OF INTEREST TRANSACTIONS

In order to prevent an occurrence of a transaction which may be in conflict with the best interest of the Company and the shareholders and to maintain good corporate governance, the Board of Directors has established a set of policies relating to transactions which may be in conflict with the Company's interest as follows:

- **Policy on doing a new business**

The Company shall present the details of such business plan to the Board of Directors or any person appointed by the Board of Directors and arrange for the same to be considered whereby the returns and benefits to the Company and its shareholders will have to be taken into account. Nevertheless, the Company has no policy to do business with its directors, executives, major shareholders, or any related persons thereof, except there is a necessary cause or it will support the businesses of the Company, and it will mainly be for the best interest of the Company and its shareholders in general. The Company shall also comply with the Relevant Rules and Regulations on Related Party Transactions.

- **Policy on holding shares in a company in which the Company invests**

As for investments, the Company has a policy to hold shares on its own, except there is a necessary cause or it will be for the best interest of the Company or its shareholders in general, which shall be brought up for consideration and approval by the Audit Committee and the Board of Directors, provided that any person who has an interest in the transaction shall not be present at the Board of Directors' meeting during the course of consideration of such transaction and shall have no right to vote.

- **Policy on lending money to a joint venture company**

Lending money is not the business of the Company. However, if it is necessary for the Company to lend money to its joint venture company to support the financing of the joint venture company in the form of a shareholders' loan, the Company will provide the loan in proportion to its investment, except there is a necessary and appropriate cause as per the Board of Directors' consideration and approval on a case by case basis. Nevertheless, the Company has no policy to lend money to its directors, executives, major shareholders, and/or any related persons thereof, or the business in which the Company has jointly invested with such persons, except the loan is provided in proportion to the investment or it will be for the best interest of the Company or its shareholders in general. The Company shall also comply with the Relevant Rules and Regulations on Related Party Transactions. In addition, even if the size of a transaction is smaller than that required to be disclosed, the Company shall report such transaction to the Audit Committee for acknowledgement.

- **Policy on preparing documents in writing**

The Company will prepare promissory notes, loan agreements and/or financial support agreements in writing with due care and shall keep all evidence properly, even if such loan is provided to companies within the Group.

- **Policy on entering into connected transactions with the same commercial terms as those a person of ordinary prudence would have entered into with an ordinary counterparty under the same circumstances**

The Board of Directors has approved, in principle, a policy on entering into connected transactions between the Company or its subsidiaries and directors, executives, or any related persons thereof, with general commercial conditions and/or market price, in accordance with the same commercial terms as those a person of ordinary prudence would have entered into with an ordinary counterparty under the same circumstances and with the power in commercial negotiation not being influenced by the person's status as the director, executive, or connected person as stipulated in Section 89/12 of the Securities and Exchange Act B.E. 2535 (1992) (as amended). As for connected transactions that do not have general commercial conditions and/or market price, the Company shall comply with the Relevant Rules and Regulations on Related Party Transactions.

## DIRECTOR AND EXECUTIVE PROFILES

As of 31 March 2018

**Mr. Keeree Kanjanapas**

Age 68

Chairman / Chairman of the Executive Committee / Chairman of the Corporate Governance Committee / Authorised Director

**Dr. Paul Tong**

Age 77

Director

Date of Registration as Director 2 June 1993  
(Date of registration for conversion into a public company)

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

**Shareholding in the Company (%)\*** 3,873,886,852 (32.71%)

**Family Relationship among the Executives**

Father of Mr. Kavin Kanjanapas

**Working Experience**

2006-Present	Chairman, BTS Group Holdings Pcl
2010-Present	Chairman of the Executive Committee, BTS Group Holdings Pcl
2012-Present	Chairman of the Corporate Governance Committee, BTS Group Holdings Pcl
1993-Present	Director, BTS Group Holdings Pcl
1993-2006	Managing Director, BTS Group Holdings Pcl

**Other listed companies in Thailand**

2017-Present	Chairman, U City Pcl
2012-Present	Chairman, VGI Global Media Pcl
<b>Other companies</b>	
2018-Present	Director, BTS Infrastructure Services Co., Ltd.
2017-Present	Director, BTS Infrastructure Development Co., Ltd.
2017-Present	Director, Eastern Bangkok Monorail Co., Ltd.
2017-Present	Director, Northern Bangkok Monorail Co., Ltd.
2017-Present	Director, RB Services Co., Ltd.
2015-Present	Chairman of the Executive Committee, Bangkok Mass Transit System Pcl
2010-Present	Chairman, Bangkok Mass Transit System Pcl
1996-Present	Director, Bangkok Mass Transit System Pcl
1996-2015	Chief Executive Officer, Bangkok Mass Transit System Pcl
2015-Present	Director, BSS Holdings Co., Ltd.
2010-Present	Director, Rabbit Rewards Co., Ltd.
2009-Present	Director, Bangkok Smartcard System Co., Ltd.
1994-Present	Director, Tanayong International Limited
2009-2018	Director, BTS Land Co., Ltd.
1993-2018	Director, PrannaKiri Assets Co., Ltd.
1992-2018	Director, Tanayong Food and Beverage Co., Ltd.
1991-2018	Director, Thana City Golf & Sports Club Co., Ltd.
1990-2018	Director, Siam Paging and Communication Co., Ltd.
1990-2018	Director, Tanayong Property Management Co., Ltd.
1988-2018	Director, Muangthong Assets Co., Ltd.
2009-2015	Director, Nuvo Line Agency Co., Ltd.
2010-2015	Director, Kamkoong Property Co., Ltd.
2010-2012	Director, Kampoo Property Co., Ltd.
2007-2012	Director, Kamala Beach Resort & Hotel Management Co., Ltd.

Date of Registration as Director 20 February 2007

- Education**
- PhD. Engineering, University of Manchester, UK
  - Master of Science in Engineering, University of Hong Kong, Hong Kong
  - Bachelor of Science in Engineering, University of Hong Kong, Hong Kong

**Shareholding in the Company (%)\*** 30,776,501 (0.26%)

**Family Relationship among the Executives -****Working Experience**

2007-Present	Director, BTS Group Holdings Pcl
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**Other listed companies in Thailand**

-None-

**Other companies**

2016-Present	Independent Non-Executive Director, FSE Engineering Holdings Limited
2006-Present	Director, Chongbang Holdings (International) Limited
2010-2015	Chairman, BTS Assets Co., Ltd.
2007-2013	Managing Director, Hip Hing Construction (China) Co., Ltd.
2008-2012	Director, Kamala Beach Resort & Hotel Management Co., Ltd.
2006-2011	Managing Director, Hip Hing Construction Co., Ltd.
2006-2011	Director, NW Project Management Limited
2006-2010	Chairman, Bangkok Mass Transit System Pcl
2005-2010	Director, Parsons Brinckerhoff International, Pte Ltd., Singapore



### Dr. Anat Arbhabhirama

Age 80

Executive Director /  
Corporate Governance Committee Member /  
Authorised Director



### Mr. Surapong Laoha-Unya

Age 56

Executive Director /  
Authorised Director

Date of Registration as Director 7 May 1998

#### Education

- Ph.D. Engineering (Civil Engineering), Colorado State University, USA
- Honorary Doctorate Degree in Engineering, Prince of Songkla University
- Honorary Doctorate Degree in Civil Engineering, Chulalongkorn University
- Master of Engineering (Hydraulic Engineering), Asian Institute of Technology
- Bachelor of Engineering (Civil Engineering), Chulalongkorn University
- Director Accreditation Program (DAP) Year 2011, Thai Institute of Directors

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

#### Family Relationship among the Executives -

#### Working Experience

2010-Present	Executive Director, BTS Group Holdings Pcl
2012-Present	Corporate Governance Committee Member, BTS Group Holdings Pcl
1998-Present	Director, BTS Group Holdings Pcl
1998-2009	Audit Committee Member / Independent Director, BTS Group Holdings Pcl

#### Other listed companies in Thailand

-None-

#### Other companies

2015-Present	Member of the Advisory Board / Member of the Executive Committee, Bangkok Mass Transit System Pcl
2008-2013	Director, Bangkok Mass Transit System Pcl
2009-2018	Director, BTS Land Co., Ltd.
2010-2015	Director, Kamkoong Property Co., Ltd.
2010-2012	Director, Kampoo Property Co., Ltd.
2009-2010	Director, BTS Assets Co., Ltd.

Date of Registration as Director 30 July 2010

#### Education

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

#### Shareholding in the Company (%)\* 5,552,627 (0.05%)

#### Family Relationship among the Executives -

#### Working Experience

2010-Present	Executive Director / Director, BTS Group Holdings Pcl
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#### Other listed companies in Thailand

2006-Present	Director, VGI Global Media Pcl
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#### Other companies

2018-Present	Director, BTS Infrastructure Services Co., Ltd.
2017-Present	Director, BTS Infrastructure Development Co., Ltd.
2017-Present	Director, Eastern Bangkok Monorail Co., Ltd.
2017-Present	Director, Northern Bangkok Monorail Co., Ltd.
2017-Present	Director, RB Services Co., Ltd.
2016-Present	Director, Rabbit Insurance Broker Co., Ltd.
2015-Present	Executive Director / Chief Executive Officer / Chief Operating Officer (acting) / Chief Administrative Officer (acting), Bangkok Mass Transit System Pcl
2006-Present	Director, Bangkok Mass Transit System Pcl
2006-2015	Chief Operating Officer, Bangkok Mass Transit System Pcl
2015-Present	Director, Rabbit Internet Co., Ltd.
2015-Present	Director, ASK Direct Group Co., Ltd.
2015-Present	Director, RabbitPay System Co., Ltd.
2015-Present	Director, BSS Holdings Co., Ltd.
2014-Present	Director, Bangkok Payment Solutions Co., Ltd.
2010-Present	Director, Rabbit Rewards Co., Ltd.
2009-Present	Executive Director / Director, Bangkok Smartcard System Co., Ltd.
2009-2018	Director, BTS Land Co., Ltd.
2010-2015	Director, Kamkoong Property Co., Ltd.
2009-2015	Director, Nuvo Line Agency Co., Ltd.
2010-2012	Director, Kampoo Property Co., Ltd.
2009-2010	Director, BTS Assets Co., Ltd.

#### Other organisations

2013-Present	Director, Profession Standard and Professional Qualification for Rail System and High Speed Rail
2010-Present	Advisory to the Academic Subcommittee of Traffic and Transportation Engineering Program, The Engineering Institute of Thailand under the Royal Patronage of H.M. the King



## Mr. Kavin Kanjanapas

Age 43

Executive Director /  
Chief Executive Officer /  
Authorised Director



## Mr. Rangsin Kritalug

Age 56

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

Date of Registration as Director 23 January 2007

### Education

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

Shareholding in the Company (%)\* 602,459,295 (5.09%)

### Family Relationship among the Executives

Son of Mr. Keeree Kanjanapas

### Working Experience

2015-Present Chief Executive Officer, BTS Group Holdings Pcl  
 2010-Present Executive Director, BTS Group Holdings Pcl  
 2007-Present Director, BTS Group Holdings Pcl  
 2007-2010 Managing Director, BTS Group Holdings Pcl

### Other listed companies in Thailand

2017-Present Director, U City Pcl  
 2012-Present Chairman of the Executive Committee, VGI Global Media Pcl  
 2003-Present Director, VGI Global Media Pcl  
 2017-2018 Independent Director, BEC World Pcl

### Other companies

2018-Present Director, BTS Infrastructure Services Co., Ltd.  
 2017-Present Director, Absolute Golf Services Co., Ltd.  
 2017-Present Director, Vienna House (Thailand) Co., Ltd.  
 2017-Present Director, Northern Bangkok Monorail Co., Ltd.  
 2017-Present Director, Eastern Bangkok Monorail Co., Ltd.  
 2017-Present Director, BTS Infrastructure Development Co., Ltd.  
 2017-Present Director, Man Food Holdings Co., Ltd.  
 2017-Present Director, BTS Assets Co., Ltd.  
 2010-2015 Executive Chairman / Director, BTS Assets Co., Ltd.  
 2017-Present Director, Kamkoong Property Co., Ltd.  
 2010-2015 Director, Kamkoong Property Co., Ltd.  
 2017-Present Director, Natural Park Ville Co., Ltd.  
 2017-Present Director, Natural Real Estate Co., Ltd.  
 2017-Present Director, Park Opera Co., Ltd.  
 2017-Present Director, Richee Property Management Co., Ltd.  
 2017-Present Director, Park Gourmet Co., Ltd.  
 2017-Present Director, Project Green Co., Ltd.  
 2017-Present Director, UNISON One Co., Ltd.  
 2017-Present Director, RB Services Co., Ltd.  
 2017-Present Director, Keystone Management Co., Ltd.  
 2016-Present Director, KMJ 2016 Co., Ltd.  
 2016-Present Director, Nine Square Property Co., Ltd.  
 2015-Present Director, Travelodge (Thailand) Co., Ltd.  
 2015-Present Director, The Community Two Co., Ltd.  
 2015-Present Director, The Community One Co., Ltd.  
 2015-Present Director, Kingkaew Assets Co., Ltd.  
 2015-Present Director, Ratburana Property Co., Ltd.  
 2015-Present Director, Keystone Estate Co., Ltd.  
 2015-Present Director, BSS Holdings Co., Ltd.  
 2015-Present Executive Director, Bangkok Smartcard System Co., Ltd.  
 2009-Present Director, Bangkok Smartcard System Co., Ltd.  
 2009-2015 Managing Director, Bangkok Smartcard System Co., Ltd.  
 2014-Present Director, Little Corner Co., Ltd.  
 2014-Present Director, Primary Kitchen Co., Ltd.  
 2014-Present Director, Mak8 Co., Ltd.  
 2013-Present Director, Man Kitchen Co., Ltd.  
 2010-Present Director, Tanayong Hong Kong Limited  
 2010-Present Director, Absolute Hotel Services Hong Kong Limited  
 2010-Present Director, Rabbit Rewards Co., Ltd.  
 2010-Present Director, BTS Land Co., Ltd.  
 2009-Present Director, Bangkok Mass Transit System Pcl  
 2009-Present Director, Point of View (POV) Media Group Co., Ltd.  
 2009-Present Director, VGI Advertising Media Co., Ltd.  
 2008-Present Director, Thana City Golf & Sports Club Co., Ltd.  
 2008-Present Director, Tanayong Property Management Co., Ltd.  
 2008-Present Director, Muangthong Assets Co., Ltd.  
 2008-Present Director, PrannaKiri Assets Co., Ltd.  
 2008-Present Director, Siam Paging and Communication Co., Ltd.  
 2008-Present Director, Tanayong Food and Beverage Co., Ltd.  
 2008-Present Director, Absolute Hotel Services Co., Ltd.  
 2015-2018 Director, Unicorn Enterprise Co., Ltd.  
 2010-2015 Director, VGI Advertising China Co., Ltd.  
 2010-2015 Director, 888 Media Co., Ltd.  
 2010-2015 Director, 999 Media Co., Ltd.  
 2009-2015 Director, Nuvo Line Agency Co., Ltd.  
 2009-2014 Director, Midas Global Media Co., Ltd.  
 2010-2012 Director, Kampoo Property Co., Ltd.  
 2007-2012 Director, Kamala Beach Resort & Hotel Management Co., Ltd.

Date of Registration as Director 19 December 1997

### Education

- MBA, Thammasat University
- Bachelor of Architecture, Silpakorn University
- Director Accreditation Program (DAP) Year 2003, Thai Institute of Directors
- Role of the Compensation Committee (RCC) Year 2011, Thai Institute of Directors
- Director Certification Program (DCP) Year 2011, Thai Institute of Directors
- Anti-Corruption for Executive Program Year 2012, Thai Institute of Directors
- Role of the Nomination and Governance Committee (RNG) Year 2012, Thai Institute of Directors

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

### Family Relationship among the Executives -

### Working Experience

2010-Present Executive Director / Chief Operating Officer, BTS Group Holdings Pcl  
 2009-Present Nomination and Remuneration Committee Member, BTS Group Holdings Pcl  
 2012-Present Corporate Governance Committee Member, BTS Group Holdings Pcl  
 2012-Present Director, BTS Group Holdings Pcl  
 1997-Present Deputy Managing Director, BTS Group Holdings Pcl  
 2006-2010

### Other listed companies in Thailand

-None-

### Other companies

2017-Present Director, Man Food Holdings Co., Ltd.  
 2016-Present Director, The Community Two Co., Ltd.  
 2016-Present Director, The Community One Co., Ltd.  
 2015-Present Director, Kingkaew Assets Co., Ltd.  
 2015-Present Director, Bayswater Co., Ltd.  
 2014-Present Director, Primary Kitchen Co., Ltd.  
 2014-Present Director, Little Corner Co., Ltd.  
 2013-Present Director, Man Kitchen Co., Ltd.  
 2007-Present Director, HHT Construction Co., Ltd.  
 2001-Present Director, DNAL Co., Ltd.  
 2001-Present Director, Yongsu Co., Ltd.  
 2017-2018 Director, UNISON One Co., Ltd.  
 2017-2018 Director, BTS Sansiri Holding Twenty Two Limited  
 2016-2018 Director, BTS Sansiri Holding Twenty One Limited  
 2016-2018 Director, BTS Sansiri Holding Twenty Limited  
 2016-2018 Director, BTS Sansiri Holding Nineteen Limited  
 2016-2018 Director, BTS Sansiri Holding Eighteen Limited  
 2016-2018 Director, BTS Sansiri Holding Seventeen Limited  
 2016-2018 Director, BTS Sansiri Holding Sixteen Limited  
 2016-2018 Director, BTS Sansiri Holding Fifteen Limited  
 2016-2018 Director, Nine Square Property Co., Ltd.  
 2016-2018 Director, BTS Sansiri Holding Fourteen Limited  
 2015-2018 Director, Ratburana Property Co., Ltd.  
 2015-2018 Director, Keystone Estate Co., Ltd.  
 2015-2018 Director, Unicorn Enterprise Co., Ltd.  
 2015-2018 Director, BTS Sansiri Holding Twelve Limited  
 2015-2018 Director, BTS Sansiri Holding Eleven Limited  
 2015-2018 Director, BTS Sansiri Holding Nine Limited  
 2015-2018 Director, BTS Sansiri Holding Eight Limited  
 2015-2018 Director, BTS Sansiri Holding Seven Limited  
 2015-2018 Director, BTS Sansiri Holding Six Limited  
 2015-2018 Director, BTS Sansiri Holding Five Limited  
 2015-2018 Director, BTS Sansiri Holding Four Limited  
 2015-2018 Director, BTS Sansiri Holding Three Limited  
 2014-2018 Director, BTS Sansiri Holding One Limited  
 2014-2018 Director, Mak8 Co., Ltd.  
 2011-2018 Director, BTS Land Co., Ltd.  
 2010-2018 Director, Nuvo Line Agency Co., Ltd.  
 2008-2018 Director, Siam Paging and Communication Co., Ltd.  
 2008-2018 Director, Absolute Hotel Services Co., Ltd.  
 2007-2018 Director, Muangthong Assets Co., Ltd.  
 2001-2018 Director, Tanayong Food and Beverage Co., Ltd.  
 2001-2018 Director, PrannaKiri Assets Co., Ltd.  
 2001-2018 Director, Tanayong Property Management Co., Ltd.  
 1998-2018 Director, Thana City Golf & Sports Club Co., Ltd.  
 2010-2015 Director, BTS Assets Co., Ltd.  
 2010-2015 Director, Kamkoong Property Co., Ltd.  
 2010-2012 Director, Kampoo Property Co., Ltd.  
 2007-2012 Director, Kamala Beach Resort & Hotel Management Co., Ltd.



### Mr. Kong Chi Keung

Age 43

Executive Director / Nomination and Remuneration Committee Member / Deputy Chief Executive Officer / Authorised Director

Date of Registration as Director 23 January 2007

#### Education

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

Shareholding in the Company (%)\* 3,200,000 (0.03%)

#### Family Relationship among the Executives -

#### Working Experience

2015-Present Deputy Chief Executive Officer, BTS Group Holdings Pcl  
 2010-Present Executive Director, BTS Group Holdings Pcl  
 2010-Present Nomination and Remuneration Committee Member, BTS Group Holdings Pcl  
 2007-Present Director, BTS Group Holdings Pcl  
 2008-2010 Deputy Managing Director, BTS Group Holdings Pcl

#### Other listed companies in Thailand

2017-Present Director, U City Pcl  
 2000-Present Director, VGI Global Media Pcl

#### Other companies

2018-Present Director, Thana City Golf & Sports Club Co., Ltd.  
 2018-Present Director, UNISON One Co., Ltd.  
 2018-Present Director, Muangthong Assets Co., Ltd.  
 2018-Present Director, PrannaKiri Assets Co., Ltd.  
 2018-Present Director, Siam Paging and Communication Co., Ltd.  
 2018-Present Director, Mak8 Co., Ltd.  
 2018-Present Director, Tanayong Food and Beverage Co., Ltd.  
 2018-Present Director, Tanayong Property Management Co., Ltd.  
 2018-Present Director, BTS Land Co., Ltd.  
 2017-Present Director, Park Gourmet Co., Ltd.  
 2017-Present Director, Project Green Co., Ltd.  
 2017-Present Director, Park Opera Co., Ltd.  
 2017-Present Director, Richee Property Management Co., Ltd.  
 2017-Present Director, Northern Bangkok Monorail Co., Ltd.  
 2017-Present Director, Eastern Bangkok Monorail Co., Ltd.  
 2017-Present Director, BTS Assets Co., Ltd.  
 2010-2015 Director, BTS Assets Co., Ltd.  
 2017-Present Director, Kamkoong Property Co., Ltd.  
 2017-Present Director, Natural Real Estate Co., Ltd.  
 2017-Present Director, Natural Park Ville Co., Ltd.  
 2016-Present Director, Rabbit Insurance Broker Co., Ltd.  
 2016-Present Director, RABBIT-LINE PAY Co., Ltd.  
 2016-Present Director, Nine Square Property Co., Ltd.  
 2016-Present Director, The Community Two Co., Ltd.  
 2016-Present Director, The Community One Co., Ltd.  
 2016-Present Director, Kingkaew Assets Co., Ltd.  
 2016-Present Director, Ratburana Property Co., Ltd.  
 2015-Present Director, ASK Direct Group Co., Ltd.  
 2015-Present Director, Rabbit Internet Co., Ltd.  
 2015-Present Director, ATS Rabbit Special Purpose Vehicle Co., Ltd.  
 2015-Present Member of Executive Committee, Bangkok Mass Transit System Pcl  
 2012-Present Chief Financial Officer, Bangkok Mass Transit System Pcl  
 2010-2013 Director, Bangkok Mass Transit System Pcl  
 2014-Present Director, Bangkok Payment Solutions Co., Ltd.  
 2010-Present Director, Tanayong Hong Kong Limited  
 2008-Present Director, Absolute Hotel Services Co., Ltd.  
 2017-2018 Director, Prime Area 38 Co., Ltd.  
 2017-2018 Director, BTS Sansiri Holding Twenty Two Limited  
 2017-2018 Director, BTS Sansiri Holding Twenty One Limited  
 2017-2018 Director, BTS Sansiri Holding Nineteen Limited  
 2016-2018 Director, BTS Sansiri Holding Twenty Limited  
 2016-2018 Director, BTS Sansiri Holding Eighteen Limited  
 2016-2018 Director, BTS Sansiri Holding Seventeen Limited  
 2016-2018 Director, BTS Sansiri Holding Sixteen Limited  
 2016-2018 Director, BTS Sansiri Holding Fifteen Limited  
 2016-2018 Director, Unicorn Enterprise Co., Ltd.  
 2016-2018 Director, BTS Sansiri Holding Fourteen Limited  
 2016-2018 Director, BTS Sansiri Holding Twelve Limited  
 2016-2018 Director, BTS Sansiri Holding Eleven Limited  
 2015-2018 Director, BTS Sansiri Holding Nine Limited  
 2015-2018 Director, BTS Sansiri Holding Eight Limited  
 2015-2018 Director, BTS Sansiri Holding Seven Limited  
 2015-2018 Director, BTS Sansiri Holding Six Limited  
 2015-2018 Director, BTS Sansiri Holding Five Limited  
 2015-2018 Director, BTS Sansiri Holding Four Limited  
 2015-2018 Director, BTS Sansiri Holding Three Limited  
 2015-2018 Director, BTS Sansiri Holding Two Limited  
 2015-2018 Director, BTS Sansiri Holding One Limited  
 2015-2018 Director, Nuvo Line Agency Co., Ltd.  
 2016-2017 Director, Keystone Estate Co., Ltd.  
 2010-2015 Director, VGI Advertising China Co., Ltd.



### Professor Lt. Gen. Phisal Thepsithar

Age 86

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

Date of Registration as Director 4 August 2000

#### Education

- Honorary Doctorate Degree in Dental Surgery, Khon Kaen University, Chulalongkorn University and Mahidol University
- Master of Business Administration, Thammasat University
- Higher Diploma (equivalent to Master's degree) in Accounting, Thammasat University
- Bachelor of Education (First Class Honor), in Educational Administration, Sukhothai Thammathirat University
- Bachelor of Law, Thammasat University
- Bachelor of Dental Surgery (Second Class Honor), University of Medical Science (currently known as Mahidol University)
- Bachelor of Accounting, Thammasat University
- Bachelor of Commerce, Thammasat University
- Director Certification Program (DCP) Year 2002, Thai Institute of Directors
- Audit Committee Program (ACP) Year 2009, Thai Institute of Directors
- Role of the Compensation Committee (RCC) Year 2014, Thai Institute of Directors
- Anti-Corruption: The Practical Guide (ACPG) Year 2015, Thai Institute of Directors

Shareholding in the Company (%)\* 80,000 (0.001%)

#### Family Relationship among the Executives -

#### Working Experience

2000-Present Chairman of the Audit Committee / Independent Director, BTS Group Holdings Pcl  
 2009-Present Chairman of the Nomination and Remuneration Committee, BTS Group Holdings Pcl

#### Other listed companies in Thailand

1999-Present Chairman of the Audit Committee / Independent Director, Rockworth Pcl  
 1999-2017 Chairman of the Audit Committee / Nomination and Remuneration Committee Member / Independent Director, President Rice Products Pcl  
 2005-2012 Independent Director, President Bakery Pcl

#### Other companies

2009-2010 Audit Committee Member / Independent Director, Bangkok Mass Transit System Pcl

#### Other organisations

2014-Present Chairman of Scientific Commission on the Standards of Dental Products, Thai Industrial Standards Institute, Ministry of Industry  
 2013-Present Director, Board of the Art of Healing, Ministry of Public Health  
 2009-Present Legal Advisor / Member of the Subcommittee on Excessive Expense Deduction of Service Units, National Health Security Office  
 2007-Present Awards and Outstanding Dentist Graduate, Judge, Mahidol Adulyadej, Prince of Songkla Foundation  
 2004-Present Chairman, Thai Dentist Against Tobacco Project  
 2004-2010, 2016-Present Director, Board of Sanatorium, Ministry of Public Health  
 2004-2010, 2016-Present Director, Board of National Health Security Office  
 2014-2016 Member of Audit Subcommittee, Board of National Health Security Office  
 2013-2016 Director, The Dental Council of Thailand  
 2015 Award and Outstanding Dentists, Judge, The Dental Council of Thailand  
 2013-2015 President, The Dental Association of Thailand  
 2004-2015 Chairman of the Board of Directors, Dental Public Health Foundation  
 2004-2010 Chairman of Appeal Case Screening Subcommittee, Board of National Health Security Office



## Mr. Suchin Wanglee

Age 82

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



## Professor Charoen Wattanasin

Age 81

Independent Director / Audit Committee  
Member / Nomination and Remuneration  
Committee Member / Corporate  
Governance Committee Member

Date of Registration as Director 30 July 2010

Date of Registration as Director 30 July 2010

### Education

- Bachelor Degree Electrical Engineering, Northrop Institute of Technology, USA
- Executive Course, Harvard University, USA
- Role of the Chairman Program (RCP) Year 2001, Thai Institute of Directors
- Top Executive Program (CMA 9) Year 2009, Capital Market Academy
- Top Executive Program in Commerce and Trade, Commerce Academy 2010
- The Urban Development & Administration Training Course for the Executive Administrator, Year 2011, Urban Green Development Institute
- Thailand Insurance Leadership Program, Year 2012, Office of Insurance Commission
- Director Accreditation Program (DAP) Year 2013, Thai Institute of Directors

**Shareholding in the Company (%)**\* 7,680,023 (0.06%)

### Family Relationship among the Executives -

#### Working Experience

2010-Present	Audit Committee Member / Independent Director, BTS Group Holdings Pcl
2010-Present	Nomination and Remuneration Committee Member, BTS Group Holdings Pcl

### Other listed companies in Thailand

2013-Present	Audit Committee Member, Sermsuk Pcl
2013-Present	Independent Director, Sermsuk Pcl
2012-Present	Chairman of the Compensation Committee, Sermsuk Pcl
2011-Present	Vice Chairman, Sermsuk Pcl
2010-Present	Director, Sermsuk Pcl
2010-Present	Vice Chairman, Thai Metal Drum MFG. Pcl
2010-Present	Chairman of the Remuneration and Nomination Committee, Thai Metal Drum MFG. Pcl
1989-Present	Director, Thai Metal Drum MFG. Pcl
2001-Present	Chairman, The Navakij Insurance Pcl
1993-Present	Director, The Navakij Insurance Pcl
1999-Present	Chairman, Thaire Life Assurance Pcl
1994-Present	Independent Director, Varopakorn Pcl
1978-2016	Chairman / Director, Thai Reinsurance Pcl
1969-2013	Independent Director, Thai-German Ceramics Industry Pcl

### Other companies

2017-Present	Chairman, C.E.S Co., Ltd.
2017-Present	Director, Poon Phol Co., Ltd.
2017-Present	Director, Pipatanasin Co., Ltd.
2014-Present	Advisor, The Falcon Insurance Pcl
2007-2014	Chairman, The Falcon Insurance Pcl
1970-2014	Director, The Falcon Insurance Pcl
2007-Present	Director, Aqua Infinite Co., Ltd.
2006-Present	Director, Wanglee Pattana Co., Ltd.
2005-Present	Director, Rajadamri Hotel Pcl
1991-Present	Chairman, Rangsit Plaza Co., Ltd.
1988-Present	Director, The Pet Co., Ltd.
1982-Present	Chairman, Sathorn Thani Co., Ltd.
1968-Present	Director, Wanglee Co., Ltd.
1990-2018	Director, Nuchapon Co., Ltd.
1988-2010	Director, Thai-Petchaboon Co., Ltd.

### Other organisations

1971-2010	Director, The General Insurance Association
1974-1976, 2001-2005, 2007-2009	Chairman, The General Insurance Association

### Education

- Business Administration, City of Liverpool College of Commerce, UK
- Management, B.I.M. London, UK
- Director Accreditation Program (DAP) Year 2011, Thai Institute of Directors
- Director Certification Program (DCP) Year 2011, Thai Institute of Directors
- Audit Committee Program (ACP) Year 2011, Thai Institute of Directors
- Role of the Nomination and Governance Committee (RNG) Year 2014, Thai Institute of Directors
- Anti-Corruption: The Practical Guide (ACPG) Year 2015, Thai Institute of Directors

**Shareholding in the Company (%)**\* 360,000 (0.003%)

### Family Relationship among the Executives -

#### Working Experience

2010-Present	Audit Committee Member / Independent Director, BTS Group Holdings Pcl
2010-Present	Nomination and Remuneration Committee Member, BTS Group Holdings Pcl
2012-Present	Corporate Governance Committee Member, BTS Group Holdings Pcl

### Other listed companies in Thailand

-None-

### Other companies

-None-

### Other organisations

2016-Present	Ethics Committee, The Olympic Council of Asia
2007-Present	Rules Committee, The Olympic Council of Asia
2005-Present	Hon. Life Vice President, Badminton World Federation
2004-Present	Councilor, South East Asian Games Federation
2003-Present	Vice President, National Olympic Committee of Thailand under the Royal Patronage of H.M. the King
1987-Present	Special Professorship of Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University
2002-2013	President, The Badminton Association of Thailand under The Royal Patronage of H.M. the King
2005	National Outstanding Achievement Award For Promotional of International Recognition (Athletics), The National Identity Office, The Office of the Permanent Secretary, Prime Minister Office
2000	Inductee-Hall of Fame, Badminton World Federation



## Mr. Cheong Ying Chew, Henry

Age 70

Independent Director

Date of Registration as Director 30 July 2010

### Education

- Master of Science in Operational Research and Management, Imperial College, University of London, UK
- Bachelor of Science (Mathematics), Chelsea College, University of London, UK

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

#### Family Relationship among the Executives -

#### Working Experience

2010-Present Independent Director, BTS Group Holdings Pcl

#### Other listed companies in Thailand

-None-

#### Other companies

2015-Present Independent Non-Executive Director, CK Property Holdings Limited

2015-Present Independent Non-Executive Director, Skyworth Digital Holdings Limited

2009-Present Independent Non-Executive Director, Hutchison Telecommunications Hong Kong Holdings Limited

2008-Present Independent Non-Executive Director, CNNC International Limited

2007-Present Independent Non-Executive Director, New World Department Store China Limited

2006-Present Independent Non-Executive Director, Greenland Hong Kong Holdings Limited

2000-Present Independent Non-Executive Director, TOM Group Limited

1997-Present Deputy Chairman / Executive Director, Worldsec Limited

1996-Present Independent Non-Executive Director, Cheung Kong Infrastructure Holdings Limited

2015 Independent Non-Executive Director, CK Hutchison Holdings Limited

2004-2015 Independent Non-Executive Director, Cheung Kong (Holdings) Limited

2010-2015 Independent Non-Executive Director, Kirin Group Holdings Limited (previously known as Creative Energy Solutions Holdings Limited)

2000-2012 Independent Non-Executive Director, Hong Kong Jewellery Holding Limited

**Other organisations**

2009-2015 Member, Securities and Futures Appeals Tribunal, Hong Kong

2009-2015 Member, Advisory Committee of the Securities and Futures Commission, Hong Kong



## Mr. Chulchit Bunyaketu

Age 75

Executive Director

Date of Registration as Director 27 July 2015

### Education

- M.A., Political Science, Kent State University, USA
- Advance Diploma, Public Administration, University of Exeter, UK
- Bachelor of Laws, Faculty of Political Science, Chulalongkorn University
- Diploma, National Defence College of Thailand, Joint State-Private Sector Course, Class 355
- Director Accreditation Program (DAP) Year 2005, Thai Institute of Directors

### Shareholding in the Company (%)\* 2,300,000 (0.02%)

#### Family Relationship among the Executives -

#### Working Experience

2016-Present Executive Director, BTS Group Holdings Pcl

2015-Present Director, BTS Group Holdings Pcl

**Other listed companies in Thailand**

2017-Present Chairman of the Remuneration Committee / Member of the Audit Committee, Total Access Communication Pcl

2006-Present Member of the Nomination Committee, Total Access Communication Pcl

2000-Present Independent Director, Total Access Communication Pcl

2013-2017 Member of the Corporate Governance Committee, Total Access Communication Pcl

2006-2017 Chairman of the Audit Committee, Total Access Communication Pcl

2014-Present Chairman / Independent Director, WP Energy Pcl

**Other companies**

2016-Present Advisor, King Power Group

2004-2016 Group Vice Chairman, King Power Group

2012-Present Chairman, Dtac Trinet Co., Ltd.

1992-2015 Chairman of the Audit Committee / Independent Director, Bangkok Mass Transit System Pcl

1998-2003 Managing Director, Thai Oil Co., Ltd.

1998-2003 Managing Director / Director, Thai Oil Power Co., Ltd.

1996 Chairman, Thai Paraxylene Co., Ltd.

1996 Director, Independent Power (Thailand) Co., Ltd.

**Other organisations**

2004 Honorary Advisor, Royal Thai Army Radio and Television Station

2004 Vice President, Thailand Polo Association

1996 Director, Population and Community Development Association

1996 Member of the Executive Committee, Royal Thai Army Radio and Television Channel 5

1996 Member of the Executive Committee, Bangkok Broadcasting Television Channel 7

1996 Director, Tawee Bunyaketu Foundation

1991 Vice President, Amateur Athletic Association of Thailand under His Majesty's Patronage

1967 Government Officer, Department of Technical and Economic Cooperation, Ministry of National Development



## Dr. Karoon Chandrangu

Age 68

Director



## Mrs. Pichitra Mahaphon

Age 67

Independent Director /  
Audit Committee Member

Date of Registration as Director 27 July 2015

Date of Registration as Director 1 April 2016

### Education

- Ph.D., Ohio State University, Columbus, Ohio, USA
- M.S. (Civil Engineering), Ohio State University, Columbus, Ohio, USA
- B.Eng. (Hons), Chulalongkorn University
- License for Professional Practice, Senior Professional Engineer, Civil Engineering (Reg. No. WorYor.1023)
- Director Certification Program (DCP) Year 2005, Thai Institute of Directors
- Finance for Non-Finance Director (FN) Year 2005, Thai Institute of Directors
- Strategic Board Master Class (SBM) Year 2017, Thai Institute of Directors

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

#### Family Relationship among the Executives -

#### Working Experience

2015-Present Director, BTS Group Holdings Pcl

#### Other listed companies in Thailand

2007-Present Director, Richy Place 2002 Pcl

2003-Present Audit Committee Member / Independent Director, Quality Construction Products Pcl

#### Other companies

1992-Present Chairman, K.C.S. & Associates Co., Ltd.

1982-Present Executive Director, K.C.S. Consulting Engineers Co., Ltd.

1996-2001 Chief Operating Officer / Director, Bangkok Mass Transit System Pcl

#### Other organisations

2012-2015 First Vice President, Council of Engineers, Engineering Act B.E. 2542

2006-2015 Director, Council of Engineers, Engineering Act B.E. 2542

2007-2010 Chairman, Etiquette Committee, Council of Engineers, Engineering Act B.E. 2542

2006-2007 President, Engineering Institute of Thailand under H.M. the King's Patronage (EIT)

1992-1996 Deputy Governor (Public Works Department), Bangkok Metropolitan Administration

1977-1992 Vice Dean / Head of Civil Engineering Department, Faculty of Engineering, Chulalongkorn University

### Education

- BA, University of Oregon, USA
- MAI, the Appraisal Institute, Chicago, USA
- RICS, The Royal Institute of Chartered Surveyors
- Director Accreditation Program (DAP) Year 2013, Thai Institute of Directors
- Advanced Audit Committee Program (AAP) Year 2013, Thai Institute of Directors
- Risk Management Program for Corporate Leaders (RCL), Year 2015, Thai Institute of Directors
- Anti-Corruption: The Practical Guide (ACPG) Year 2016, Thai Institute of Directors
- Boardroom Success through Financing and Investment (BFI) Year 2017, Thai Institute of Directors

### Shareholding in the Company (%)\* 400,000 (0.003%)

#### Family Relationship among the Executives -

#### Working Experience

2016-Present Audit Committee Member / Independent Director, BTS Group Holdings Pcl

#### Other listed companies in Thailand

2016-2018 Chairman of the Audit Committee / Independent Director, Nation Multimedia Group Pcl

#### Other companies

2014-2015 Chairman of the Audit Committee / Independent Director, Bangkok Mass Transit System Pcl

2009-2014 Audit Committee Member / Independent Director, Bangkok Mass Transit System Pcl

2008-2016 Principal / Partner, Advance Advisory Co., Ltd.

2006-2008 Managing Director, Pullman Bangkok King Power Hotel

2000-2003 Executive Director, Arthur Andersen / KPMG

1998-2000 Regional Director, Cushman & Wakefield (Thailand) Ltd.

1994-1998 Vice President, Eastwest Bank, USA (listed bank in USA)

1991-1994 Vice President, Bank of America, USA (listed bank in USA)

1986-1991 Associate Director, Laventhol & Horwath, USA (Big Eight Accounting firm)



## Mr. Surayut Thavikulwat

Age 46

Chief Financial Officer



## Mr. Daniel Ross

Age 42

Chief Investment Officer /  
Head of Investor Relations

### Education

- MBA, Ross School of Business, University of Michigan – Ann Arbor, USA
- BA, Chulalongkorn University
- TLCA Executive Development Program (EDP 7) Year 2011, Thai Listed Companies Association
- Bhumipalung Pandin Program (PPP 1) Year 2012, Chulalongkorn University
- How to Develop a Risk Management Plan (HRP) Year 2014, Thai Institute of Directors
- Director Certification Program (DCP) Year 2016, Thai Institute of Directors

**Shareholding in the Company (%)**\* 538,158 (0.005%)

### Family Relationship among the Executives -

#### Working Experience

2011-Present Chief Financial Officer, BTS Group Holdings Pcl

#### Other listed companies in Thailand

2015-2017 Director, U City Pcl  
 2010-2011 Chief Financial Officer, Unique Mining Services Pcl  
 1998-2010 SVP, Head of Strategic Planning & Budgeting, Bangkok Bank Pcl

#### Other companies

2017-2018 Director, Keystone Management Co., Ltd.  
 2015-2017 Director, BTS Assets Co., Ltd.  
 2015-2017 Director, Kamkoong Property Co., Ltd.  
 2015-2017 Director, Natural Park Ville Co., Ltd.  
 2015-2017 Director, Natural Real Estate Co., Ltd.  
 2015-2017 Director, Park Opera Co., Ltd.  
 2015-2017 Director, Richee Property Management Co., Ltd.  
 2015-2017 Director, Park Gourmet Co., Ltd.  
 1994-1996 Senior Auditor, EY Office Limited

#### Other organisations

2014-Present President of Thai Investor Relations Club, Thai Listed Companies Association  
 2013-2014 Director of Thai Investor Relations Club, Thai Listed Companies Association  
 2014-2017 Director of Accounting Profession in Managerial Accounting Committee, Federation of Accounting Professions under the Royal Patronage of H.M. the King

### Education

- Bachelor of Science in Mathematics (First Class Honors) King's College, University of London, UK
- Director Certification Program (DCP) Year 2009, Thai Institute of Directors
- TLCA Executive Development Program (EDP 14) Year 2014, Thai Listed Companies Association

**Shareholding in the Company (%)**\* 843,281 (0.007%)

### Family Relationship among the Executives -

#### Working Experience

2015-Present Chief Investment Officer, BTS Group Holdings Pcl  
 2009-Present Head of Investor Relations, BTS Group Holdings Pcl  
 2009-2015 Financial Director, BTS Group Holdings Pcl

#### Other listed companies in Thailand

2015-2017 Director, U City Pcl

#### Other companies

2017-Present Director, Underwood Street Limited  
 2017-Present Director, VHE Cracow Sp. Z.o.o.  
 2017-Present Director, Recoop Tour a.s.  
 2017-Present Director, UBX Plzen s.r.o.  
 2017-Present Director, UBX Plzen Real Estate s.r.o.  
 2017-Present Director, Andels Lodz Sp. Z.o.o.  
 2017-Present Director, Amber Baltic Sp. Z.o.o.  
 2017-Present Director, UBX Katowice Sp. Z.o.o.  
 2017-Present Director, Hotel Management Angelo Katowice Sp. Z.o.o.  
 2017-Present Director, UBX Krakow Sp. Z.o.o.  
 2017-Present Director, Comtel Focus S.A.  
 2017-Present Director, Vienna International Hotel Management AG  
 2017-Present Director, Vienna House Cluster Deutschland GmbH  
 2017-Present Director, VHE Damstadt Hotelbetriebs GmbH  
 2017-Present Director, Andel's Berlin Hotelbetriebs GmbH  
 2017-Present Director, VHE Berlin Hotelbetriebs GmbH  
 2017-Present Director, VH Dresden Hotelbetriebs GmbH  
 2017-Present Director, VHE Leipzig Hotelbetriebs GmbH  
 2017-Present Director, VH Kronberg Hotelbetriebs GmbH  
 2017-Present Director, Vienna International Asset GmbH  
 2017-Present Director, VH Warsaw Hotel Sp. Z.o.o.  
 2017-Present Director, Vienna House Real Estate GmbH  
 2017-Present Director, Vienna House Capital GmbH  
 2016-Present Director, Travelodge Co., Ltd.  
 2016-Present Director, Absolute Hotel Services Co., Ltd.  
 2016-Present Director, Absolute Hotel Services Hong Kong Limited  
 2016-Present Director, Absolute Hotel Services Hong Indochina Limited  
 2016-Present Director, Thirty Three Gracechurch 2 Limited  
 2016-Present Director, Thirty Three Gracechurch 1 Limited  
 2017-2018 Director, Keystone Management Co., Ltd.  
 2015-2017 Director, Natural Park Ville Co., Ltd.  
 2015-2017 Director, Natural Real Estate Co., Ltd.  
 2015-2017 Director, Park Opera Co., Ltd.  
 2015-2017 Director, Richee Property Management Co., Ltd.  
 2015-2017 Director, Park Gourmet Co., Ltd.  
 2015-2017 Director, Project Green Co., Ltd.  
 2015-2017 Director, Prime Area 38 Co., Ltd.  
 2015-2017 Director, BTS Assets Co., Ltd.  
 2015-2017 Director, Kamkoong Property Co., Ltd.  
 2008-2010 Audit Committee Member / Independent Director, SFG Pcl  
 2007-2009 Director and Project Management Committee Member, AP Pacific Star Co., Ltd. (Ratchada)  
 2007-2009 Director and Project Management Committee Member, AP Pacific Star Co., Ltd. (Sathorn)  
 2006-2009 Vice President / Head of Investments, Pacific Star International (Thailand) Co., Ltd.  
 2002-2006 Associate Director, Mullis Partners  
 1999-2001 Credit Analyst, Global Markets, JPMorganChase, London

#### Other organisations

2002 Business Relations Associate, Stock Exchange of Thailand



**Mrs. Duangkamol  
Chaichanakajorn**

Age 58

Accounting Director



**Ms. Chawadee  
Rungruang**

Age 41

Financial Controller

**Education**

- MBA, Thammasat University
- BA, Thammasat University

**Shareholding in the Company (%)**\* 824,201 (0.007%)

**Family Relationship among the Executives -**

**Working Experience**

2001-Present      Accounting Director, BTS Group Holdings Pcl

**Other listed companies in Thailand**

-None-

**Other companies**

-None-

**Education**

- MBA, Chulalongkorn University
- BA, Chulalongkorn University
- TLCA Executive Development Program  
Year 2013 (EDP 12),  
Thai Listed Companies Association

**Shareholding in the Company (%)**\* 517,772 (0.004%)

**Family Relationship among the Executives -**

**Working Experience**

2011-Present      Financial Controller, BTS Group Holdings Pcl

**Other listed companies in Thailand**

2003-2010      Assistant Corporate Controller,  
Central Plaza Hotel Pcl

**Other companies**

1998-2003      Senior Auditor, EY Office Limited

\* % of a total of 11,844,529,054 shares having the voting rights, including shares held by their spouse and minor children

## INFORMATION ON THE POSITION OF DIRECTORS AND EXECUTIVES IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

(As of 31 March 2018)

Companies	Directors and Executives																	
	1. Mr. Keeree Kanjanapas	2. Dr. Paul Tong	3. Dr. Anat Arbhahirama	4. Mr. Surapong Lachar-Unya	5. Mr. Kavin Kanjanapas	6. Mr. Rangsri Krittalug	7. Mr. Kong Chi Keung	8. Professor Lt. Gen. Phisal Thepsithar	9. Mr. Suchin Wanglee	10. Professor Charoen Wattanasin	11. Mr. Cheong Ying Chew, Henry	12. Mr. Chulehit Bunyaketu	13. Dr. Karoon Chandrangsou	14. Mrs. Pichitra Mahaphon	15. Mr. Surayut Thavikulwat	16. Mr. Daniel Ross	17. Mrs. Duangkamol Chaichanaekjorn	18. Miss Chawadee Rungruang
BTS Group Holdings Pcl	A,B,E,G	G	E,G	E,G	C,E,G	E,G	D,E,G	G,H,I,J	G,I,J	G,I,J	G,J	E,G	G	G,I,J	K	K	K	K
Bangkok Mass Transit System Pcl	A,B,E		F	C,E,G	G		F,K											
BTS Infrastructure Services Co., Ltd.	G			G	G													
BTS Infrastructure Development Co., Ltd.	G			G	G													
Northern Bangkok Monorail Co., Ltd.	G			G	G		G											
Eastern Bangkok Monorail Co., Ltd.	G			G	G		G											
BTS Rail Mass Transit Growth Infrastructure Fund																		
VGI Global Media Pcl	A,G			G	B,E,G		G											
VGI Advertising Media Co., Ltd.					G													
888 Media Co., Ltd.																		
Point of View (POV) Media Group Co., Ltd.					G													
VGI Global Media (Malaysia) Sdn Bhd																		
Puncak Berlian Sdn Bhd																		
Demo Power (Thailand) Co., Ltd.																		
Master Ad Pcl																		
Master & More Co., Ltd.																		
Open Plays Co., Ltd.																		
MACO Outdoor Sdn Bhd																		
Eyeballs Channel Sdn Bhd																		
Eye On Ads Co., Ltd.																		
Co-Mass Co., Ltd.																		
Green Ad Co., Ltd.																		
Multi Sign Co., Ltd.																		
InkJet Images (Thailand) Co., Ltd.																		
Landy Development Co., Ltd.																		
Aero Media Group Co., Ltd.																		
The ICON VGI Co., Ltd.																		
Supremo Media Co., Ltd.																		
Group Work Co., Ltd.																		
Kingkaew Assets Co., Ltd.					G	G	G											
DNAL Co., Ltd.						G												
Yongsu Co., Ltd.						G												
The Community One Co., Ltd.					G	G	G											
The Community Two Co., Ltd.					G	G	G											
Bayswater Co., Ltd.						G												
U City Pcl.	A,G				G		G											
Thanayong International Limited	G																	
Man Food Holdings Co., Ltd.					G	G												
Man Food Products Co., Ltd.																		
Primary Kitchen Co., Ltd.					G	G												
Man Kitchen Co., Ltd.					G	G												
Little Corner Co., Ltd.					G	G												
KMJ 2016 Co., Ltd.					G													

Companies	Directors and Executives																	
	1. Mr. Keeree Kanjanapas	2. Dr. Paul Tong	3. Dr. Anant Arbhahirama	4. Mr. Surapong Laoha-Unya	5. Mr. Kavin Kanjanapas	6. Mr. Rangsin Kritalug	7. Mr. Kong Chi Keung	8. Professor Lt. Gen. Phisal Thepsithar	9. Mr. Suchin Wanglee	10. Professor Charoen Wattanasin	11. Mr. Cheong Ying Chew, Henry	12. Mr. Chulchit Bunyaketu	13. Dr. Karoon Chandangsu	14. Mrs. Pichitra Mahaphon	15. Mr. Surayut Thawikulwat	16. Mr. Daniel Ross	17. Mrs. Duangkamol Chaichanakajorn	18. Miss Chawadee Rungruang
RB Services Co., Ltd.	G			G	G													
Rabbit Rewards Co., Ltd.	G			G	G													
Bangkok Payment Solutions Co., Ltd.				G			G											
HHT Construction Co., Ltd.						G												
Bangkok Smartcard System Co., Ltd.	G			E,G	E,G													
BSS Holdings Co., Ltd.	G			G	G													
RabbitPay System Co., Ltd.				G														
RABBIT-LINE PAY Co., Ltd.							G											
ATS Rabbit Special Purpose Vehicle Co., Ltd.							G											
Rabbit Internet Co., Ltd.				G			G											
ASK Direct Group Co., Ltd.				G			G											
Rabbit Insurance Broker Co., Ltd.				G			G											

The Company  
 A = Chairman  
 F = Member of Executive Committee  
 K = Executive

Subsidiaries  
 B = Chairman of Executive Committee  
 G = Director

Associated Companies  
 C = Chief Executive Officer  
 H = Chairman of Audit Committee

Jointly Controlled Entities  
 D = Deputy Chief Executive Officer  
 I = Audit Committee  
 E = Executive Director  
 J = Independent Director

## DETAILS OF DIRECTORS IN THE SUBSIDIARIES AS OF 31 MARCH 2018

As of 31 March 2018, the Company has totally 35 subsidiaries. Bangkok Mass Transit System Pcl. and VGI Global Media Pcl. Ltd. are 2 core subsidiaries as each of their revenue is more than 10% of the total operating revenue in FY 2017/18. The directors of these 2 subsidiaries are as follows:

Companies	Directors														
	1. Mr. Keeree Kanjanapas	2. Mr. Surapong Laoha-Unya	3. Mr. Chitchanok Kemavuthanon	4. Mrs. Voravan Tarapoom	5. Mr. Anan Santichewasatian	6. Mr. Kavin Kanjanapas	7. Mr. Wasin Wattananaworakijkul	8. Mr. Sudhipongse Phuaphanprasert	9. Mr. Manoo Ordeedolcheest	10. Mr. Kong Chi Keung	11. Mr. Marut Arthaikulvatee	12. Mr. Chan Kin Tak	13. Assoc. Prof. Jaruporn Vinyanant	14. Mrs. Maneeponn Sirwatanawong	15. Mr. Kiet Srichomkwan
Bangkok Mass Transit System Pcl	A	A	B	A	B	A	A	A	B						
VGI Global Media Pcl	A	A				A				A	A	A	B	B	B

A = Director      B = Independent Director



## **6.0**

# FINANCIAL REPORT

In this section we provide information on the financial position of the Company including the Audited Financial Statements. You will also find the Directors' Responsibility Report and Independent Auditor's Report. The Management Discussion and Analysis can be found in Section 4.4

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- 6.1** Directors' Responsibility Report
- 6.2** Independent Auditor's Report
- 6.3** Audited Financial Statements
- 6.4** Notes to the Consolidated Financial Statements

### Report on the Responsibilities of the Board of Directors for the Financial Report

The Board of Directors of BTS Group Holdings Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with generally accepted accounting standards (GAAP) in Thailand under the Accounting Profession Act B.E. 2547, and the presented in compliance with stipulations under Accounting Act B.E. 2543. The Board is aware of the accounting policies and believes that these are appropriate and have been consistently applied. The notes to the financial statements disclose details of useful and material financial information supported by reasonable and prudent judgments and estimations where necessary. The Company's external auditor has audited the financial statements and expressed an unqualified opinion in the auditor's report.

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

The Board is also responsible for overseeing that an effective system of corporate governance, including risk management, internal controls and compliance is put in place in order to have reasonable assurance that the financial records of the Company are accurate and complete. The Board evaluates the adequacy of the internal controls system on an annual basis.

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

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



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



**Mr. Kavin Kanjanapas**  
Executive Director



## To the Shareholders of BTS Group Holdings Public Company Limited,

### OPINION

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BTS Group Holdings Public Company Limited and its subsidiaries and of BTS Group Holdings Public Company Limited as at 31 March 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### BASIS FOR OPINION

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

### EMPHASIS OF MATTERS

I draw attention to the following matters:

- a) Note 51 to the financial statements regarding the entire business transfer of a subsidiary that is awaiting approval from the Revenue Department, whereby the consideration for this transfer was received in the form of newly issued preferred shares and newly issued warrants to purchase the ordinary shares of an associate, and a gain on the entire business transfer of subsidiary of Baht 1,880 million (Separate financial statements: Baht 2,107 million) was recorded.
- b) Note 15.2.5 to the financial statements regarding the acquisition of an investment in a subsidiary (Co-Mass Company Limited), whereby a subsidiary (Eye On Ads Company Limited) (acquirer) is in the process of measuring the fair value at the acquisition date of the identifiable assets acquired, liabilities assumed and goodwill.
- c) Note 59.8 d) to the financial statements regarding litigation relating to the land that a jointly controlled entity purchased through an auction.

My opinion is not modified in respect of these matters.

## KEY AUDIT MATTERS

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

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

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

### **ENTIRE BUSINESS TRANSFER TRANSACTION**

As described in Note 51 to the financial statements, in March 2018, the Company, Unicorn Enterprise Company Limited ("Unicorn") and U City Public Company Limited ("U City") entered into the entire business transfer transaction, whereby Unicorn received the consideration for this transfer in the form of newly issued preferred shares and newly issued warrants to purchase the ordinary shares of U City. The Company recognised a gain on the entire business transfer of subsidiary of Baht 1,880 million (Separate financial statements: Baht 2,107 million). I have focused on this transaction since it is material to the financial statements as a whole, and the management needed to exercise substantial judgement to assess the fair value of preferred shares and warrants for recording of the entire business transfer.

I reviewed the terms and conditions of the entire business transfer agreements, inquired with the management as to the nature and objectives of the transaction and considered the approach and assumptions that the management used in determining the fair value of preferred shares and warrants received through inquiry with the management, performing an analytical review of relevant information and involving internal expert to assist in the assessment of this information. In addition, I examined the recognition of assets received and the derecognition of assets and liabilities transferred, and reviewed the disclosures related to the entire business transfer transaction in the notes to financial statements.

### **DIVIDEND INCOME AND INTEREST INCOME**

During the year, the Company recognised dividend income and interest income amounting to Baht 2,698 million and Baht 672 million, respectively, in the statement of comprehensive income. Since these transactions were significant, I attached importance to the recognition of dividend income and interest income in accordance with the Company's accounting policy, as stated in Note 4.1 to the financial statements.

I examined the recognition of dividend income and interest income by gaining an understanding of the Company's internal controls with respect to the recognition of these transactions and examining sample supporting documents for the transactions occurring during the year, as well as testing calculations related to the transactions, in order to determine whether recognition is in accordance with the Company's accounting policy.

## **INVESTMENTS**

As at 31 March 2018, the Company and its subsidiaries had investments in subsidiaries, joint ventures and associates totaling Baht 24,007 million (Separate financial statements: Baht 80,185 million), and current investments, investment in derivative instruments and other long-term investments totaling Baht 23,844 million (Separate financial statements: Baht 8,672 million), as discussed in Notes 8, 9, 15, 16, 17 and 18 to the financial statements. These investments were significant to the statement of financial position. In addition, during the year, the Company and its subsidiaries had gains on sales and changes in the fair value of investments amounting to Baht 668 million (Separate financial statements: Baht 498 million), gain on sale and change in status of investments amounting to Baht 251 million and share of profit from investments under the equity method amounting to Baht 445 million (presented in continued and discontinued operations), which were significant to the statement of comprehensive income. The management also had to exercise significant judgement with respect to recognition of impairment of such investments.

I examined the investments by assessing and testing the internal controls with respect to the investments by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also examined supporting documents, on a sampling basis, for the purchase and sale transactions, tested the calculation of gains and losses from sales of investments and the measurement of the value of various investments, and examined the classification of the investments to determine their compliance with the Company's accounting policies. In addition, I examined the recognitions of gain on sale and change in status of investments and share of profit (loss) from investments under the equity method to determine its compliance with financial reporting standards. Moreover, I gained an understanding of the management's consideration of impairment of investments and reviewed the assumptions and methods used by the management in calculating the recoverable amount of investments.

### ***SERVICE CONCESSION ARRANGEMENTS OF SUBSIDIARIES (BANGKOK MASS TRANSIT SYSTEM PUBLIC COMPANY LIMITED, NORTHERN BANGKOK MONORAIL COMPANY LIMITED AND EASTERN BANGKOK MONORAIL COMPANY LIMITED)***

The subsidiaries have agreements relating to the operation of an elevated train service for the public, including the design and construction of civil works, the procurement of electronic and mechanical systems and related equipment and the provision of operation and maintenance services, as discussed in Notes 1.2, 12 and 13 to the financial statements. As at 31 March 2018, the subsidiaries had significant items in the consolidated financial statements relating to these agreements, including unbilled receivables under agreements with government authorities amounting to Baht 7,741 million, receivable, interest receivable and accrued income under the purchase and installation of operating system agreement amounting to Baht 3,728 million and work in progress - elevated train projects amounting to Baht 290 million. Moreover, during the year, the subsidiaries had revenues relating to these agreements totaling Baht 8,157 million, consisting of revenues from provision of operating services, revenues from installation services and train procurement service and related interest income. The management had to exercise significant judgement with respect to analysis of the contents of the agreements and the recording of the accounting transactions in accordance with the scope of Thai Financial Reporting Standard Interpretations 12 Service Concession Arrangements, including the process of measurement and the determination of appropriate timing of recognition of revenues.

I and the subsidiaries' auditor examined the recording of transactions under the agreements relating to the operation of an elevated train service for the public. I gained an understanding of and assessed the work that auditor performed to gain an understanding of the process of management's consideration of the service concession arrangements to determine whether the management understood the agreements, and management's exercise of judgement in analysing the contents of the agreements and the recording of the transactions in accordance with the scope of Thai Financial Reporting Standard Interpretations 12 *Service Concession Arrangements*. We also examined the recognition of revenues from installation services and train procurement service by reading the agreements to consider the conditions relating to revenue recognition, made enquiry of responsible executives, gained an understanding of the subsidiaries' process of making cost estimates for projects, and checked estimates of project costs to the project budgets. We checked actual costs against supporting documents, tested the calculation of the percentage of completion based on actual costs incurred and compared the percentage of completion as evaluated by the counter parties or independent experts to the percentage of completion based on actual costs incurred. In addition, we tested the calculation of related interest income using the effective interest rate method, with reference to the cost of funds of the Group. We also examined the recognition of revenues from provision of operation and maintenance services to determine whether it was compliant with the agreements.

#### ***ALLOCATION OF TRANSACTIONS RELATING TO SALE OF NET FUTURE FARE BOX REVENUES OF SUBSIDIARY (BANGKOK MASS TRANSIT SYSTEM PUBLIC COMPANY LIMITED)***

In 2013, the subsidiary sold the rights to collect future fare box revenues to BTS Rail Mass Transit Growth Infrastructure Fund ("BTSGIF"), and the basis of recognition of the relevant transactions from an accounting and tax perspective is discussed in Note 1.2 a) to the financial statements. During the year, the subsidiary had significant transactions relating to the above transaction, consisting of allocations of assets, liabilities, revenues and expenses to BTSGIF ("Allocation transactions relating to sale of net future fare box revenues"). As discussed in Note 5 to the financial statements, in making these allocations the management needed to apply significant judgement to determine the basis and assumptions for recognition of the transactions in compliance with the terms and conditions stipulated in the agreements made with BTSGIF.

I examined the allocation transactions relating to the sale of net future fare box revenues by assessing and testing the internal controls with respect to the transactions by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I also tested allocation transactions relating to the sale of net future fare box revenues and sent a confirmation request to BTSGIF for the balance of net future fare box revenue remittance, consisting of the outstanding inter-company balance and the amount of fare box revenue remitted during the year.

#### ***GOODWILL OF SUBSIDIARY (VGI GLOBAL MEDIA PUBLIC COMPANY LIMITED)***

As at 31 March 2018, the subsidiary had goodwill at a carrying value of Baht 1,487 million in the consolidated statement of financial position. The assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate.

The subsidiary's auditor performed an audit of this matter. I gained an understanding of and assessed the auditor's work to obtain sufficient and appropriate audit evidence to assess the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process. Moreover, we tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets in the future, by comparing those assumptions with information from both internal and external sources of the Group and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimation the cash flow projections. We also evaluated the discount rate applied by the management of the subsidiary, through analysis of the weighted average cost of capital of the subsidiary, tested the calculation of the recoverable amount of the assets using the selected financial model and considered the impact of changes in key assumptions on those recoverable amounts, especially changes in the discount rate and long-term revenue growth rates.

## **OTHER INFORMATION**

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

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

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

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

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

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

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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



**Waraporn Prapasirikul**

Certified Public Accountant (Thailand) No. 4579

EY Office Limited

Bangkok: 28 May 2018

## STATEMENT OF FINANCIAL POSITION

BTS Group Holdings Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	9,457,708,540	15,094,507,172	1,997,595,677	1,775,464,755
Current investments	8	5,671,560,192	6,238,764,620	834,012,441	580,000,218
Investments in derivative instruments	9	2,224,490,595	123,585,426	-	-
Bank account for advances from cardholders	10	442,549,224	375,228,953	-	-
Trade and other receivables	11	1,824,737,248	2,128,038,196	465,448,705	1,156,872,705
Unbilled receivables under agreements with government authorities	12	99,740,223	97,093,367	-	-
Accrued income		395,751,297	375,363,436	-	-
Short-term loan to related party	6	-	-	-	-
Current portion of long-term loans to related parties	6	14,734,902	91,402,480	-	-
Current portion of loans to a cooperative	19	-	12,000,000	-	-
Real estate development costs	14	645,973,026	663,770,895	645,973,026	663,770,895
Advances to contractors		10,079,089	26,844,663	-	-
Prepaid expenses		164,931,443	156,739,937	10,740,966	9,831,867
Other current assets		358,373,239	338,679,183	17,158,190	1,501,327
<b>Total current assets</b>		<b>21,310,629,018</b>	<b>25,722,018,328</b>	<b>3,970,929,005</b>	<b>4,187,441,767</b>

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



(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
<b>Non-current assets</b>					
Restricted deposits	59.7 b)	18,438,036	130,589,746	-	30,000,000
Cash deposited as collateral for debt settlement	31	50,560,781	50,560,781	50,560,781	50,560,781
Loans to related parties - net of current portion	6	9,550,286,044	9,225,535,061	9,784,497,000	13,772,594,679
Loans to a cooperative - net of current portion	19	71,000,000	59,000,000	-	-
Investments in subsidiaries	15	-	-	44,771,938,167	33,707,463,903
Investments in joint ventures	16	976,405,000	2,398,259,548	186,800,000	-
Investments in associates	17	23,030,566,167	20,006,847,907	35,226,596,756	29,937,464,416
Other long-term investments	18	15,948,377,120	13,520,948,111	7,838,350,695	7,527,740,114
Project costs - media	20	2,138,658,695	2,262,158,424	-	-
Work in progress - elevated train projects	4.8	290,403,348	-	-	-
Reusable spare parts	21	149,715,031	89,757,909	-	-
Land and projects awaiting development		134,365,627	1,067,134,580	-	-
Investment properties	22	680,985,899	799,852,327	601,908,862	1,699,206,844
Property, plant and equipment	23	5,136,088,931	6,314,599,942	3,421,177,765	435,583,836
Leasehold rights	24	5,549,244	10,101,889	5,549,244	5,944,994
Intangible assets	25	629,316,563	707,511,425	7,283,960	510,306
Advances to contractors and for acquisitions of asset	59.1 e), f), g)	10,705,464,930	3,086,947,335	321,465,176	-
Accrued income	34	862,036,522	506,110,669	-	-
Rights of claim from acquisition of debts per rehabilitation plan	27	-	255,514,861	-	-
Unbilled receivables under agreements with government authorities	12	7,640,947,369	4,207,689,884	-	-
Receivable, interest receivable and accrued income under purchase and installation of operating system agreement	13	3,728,001,750	759,403,274	-	-
Goodwill	26	1,486,844,341	1,486,844,341	-	-
Estimated amount by which costs of the acquisition of investment in a subsidiary exceed identifiable net assets of the acquiree	15.2.5	281,611,877	-	-	-
Prepaid expenses		910,878,536	505,783,327	-	-
Withholding tax deducted at source		70,237,121	292,552,160	762,600	247,225,895
Deferred tax assets	50	40,249,226	50,156,875	-	201,302,018
Other non-current assets		209,952,100	114,987,082	16,361,851	12,703,817
<b>Total non-current assets</b>		<b>84,746,940,258</b>	<b>67,908,847,458</b>	<b>102,233,252,857</b>	<b>87,628,301,603</b>
<b>Total assets</b>		<b>106,057,569,276</b>	<b>93,630,865,786</b>	<b>106,204,181,862</b>	<b>91,815,743,370</b>

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

# STATEMENT OF FINANCIAL POSITION (CONTINUED)

BTS Group Holdings Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	28	1,230,000,000	778,000,000	1,000,000,000	-
Bills of exchange payables	29	15,432,088,322	13,374,278,158	15,432,088,322	13,374,278,158
Trade and other payables	30	4,489,620,022	2,599,872,172	1,768,888,449	1,031,231,158
Advances received from cardholders	10	430,246,805	374,921,300	-	-
Short-term loans from related parties	6	3,500,000	3,500,000	16,534,500,000	16,500,000,000
Current portion of creditors per rehabilitation plan	31	-	73,855,316	-	73,855,316
Current portion of long-term loans	32	44,000,000	245,893,326	-	-
Unearned revenues		164,945,926	108,341,919	-	-
Fare box revenues awaiting transfer		77,787,996	76,853,964	-	-
Income tax payable		412,243,105	327,778,196	-	-
Short-term provisions	35	73,267,995	83,940,932	-	-
Other current liabilities		565,583,370	568,567,735	26,963,941	24,033,393
<b>Total current liabilities</b>		<b>22,923,283,541</b>	<b>18,615,803,018</b>	<b>34,762,440,712</b>	<b>31,003,398,025</b>
<b>Non-current liabilities</b>					
Unearned revenues		511,222,453	565,675,958	-	-
Creditors per rehabilitation plan - net of current portion	31	1,425,059	1,437,212	1,425,059	1,437,212
Long-term loans - net of current portion	32	1,489,000,000	1,933,000,000	-	-
Long-term debentures	33	28,973,781,298	21,978,428,153	6,991,270,313	-
Retention payable		175,874,034	141,158,400	10,853,790	26,842,009
Provision for transaction under equity method of investments in joint ventures	16	374,353,666	646,684,513	-	-
Provision for long-term employee benefits	34	1,046,898,728	860,911,537	85,817,185	70,070,555
Long-term provisions	35	1,408,434,459	1,334,113,556	-	-
Deferred tax liabilities	50	2,251,775,576	2,239,453,119	278,012,202	-
Other non-current liabilities		546,434,253	132,116,810	42,751,848	6,155,863
<b>Total non-current liabilities</b>		<b>36,779,199,526</b>	<b>29,832,979,258</b>	<b>7,410,130,397</b>	<b>104,505,639</b>
<b>Total liabilities</b>		<b>59,702,483,067</b>	<b>48,448,782,276</b>	<b>42,172,571,109</b>	<b>31,107,903,664</b>

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

# STATEMENT OF FINANCIAL POSITION (CONTINUED)

BTS Group Holdings Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
<b>Shareholders' equity</b>					
Share capital	36				
Registered					
16,513,814,257 ordinary shares of Baht 4 each (2017: 15,928,911,087 ordinary shares of Baht 4 each)		66,055,257,028	63,715,644,348	66,055,257,028	63,715,644,348
Issued and fully paid					
11,940,368,954 ordinary shares of Baht 4 each (2017: 11,934,954,312 ordinary shares of Baht 4 each)		47,761,475,816	47,739,817,248	47,761,475,816	47,739,817,248
Share premium	36	1,873,035,113	1,853,722,168	1,873,035,113	1,853,722,168
Deficit on business combination under common control	38	(3,371,978,137)	(3,371,978,137)	(3,610,099,027)	(3,657,783,711)
Surplus from business restructuring under common control	39	-	-	-	656,733,583
Adjustment of asset value as a result of business restructuring under common control	40	-	-	-	(479,140,100)
Surplus (deficit) from the changes in the ownership interests in subsidiaries	41	(1,633,739,973)	430,816,662	-	-
Surplus on sales of warrants of the subsidiary	42	494,317,120	494,317,120	-	-
Treasury shares	44	(925,479,618)	(925,479,618)	(925,479,618)	(925,479,618)
Retained earnings					
Appropriated - statutory reserve	45.1	2,622,962,135	2,384,922,325	2,622,962,135	2,384,922,325
Appropriated - treasury share reserve	44	925,479,618	925,479,618	925,479,618	925,479,618
Unappropriated (deficit)	45.2	(9,416,392,467)	(9,495,196,342)	12,597,520,476	11,454,944,325
Other components of shareholders' equity		2,275,643,728	2,110,656,092	2,786,716,240	754,623,868
Equity attributable to owners of the Company		40,605,323,335	42,147,077,136	64,031,610,753	60,707,839,706
Non-controlling interest of the subsidiaries		5,749,762,874	3,035,006,374	-	-
<b>Total shareholders' equity</b>		<b>46,355,086,209</b>	<b>45,182,083,510</b>	<b>64,031,610,753</b>	<b>60,707,839,706</b>
<b>Total liabilities and shareholders' equity</b>		<b>106,057,569,276</b>	<b>93,630,865,786</b>	<b>106,204,181,862</b>	<b>91,815,743,370</b>

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

## STATEMENT OF COMPREHENSIVE INCOME

BTS Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 March 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Continued operation</b>					
<b>Profit or loss:</b>					
<b>Revenues</b>					
Service income	46	6,119,153,705	5,027,284,149	163,984,375	145,769,603
Revenues from installation and construction services and train procurement service		6,028,106,395	1,748,348,005	-	-
Revenues from sales of real estate		23,504,000	33,169,500	23,504,000	120,055,500
Other income					
Dividend income		145,766,888	271,322,892	2,698,068,458	3,953,964,858
Interest income	47	1,434,408,692	761,209,190	671,696,148	565,033,482
Gain on sales and changes in value of investments		667,885,025	357,195,742	497,838,379	620,655,957
Gain on the entire business transfer of subsidiary	51	1,879,963,907	-	2,107,163,138	-
Gain on sales and change in status of investments	15.2.2, 16.1.1	251,094,083	207,437,995	7,644,000	-
Gain on change in the ownership interests in a joint venture	16.1.3	63,459,788	-	-	-
Gain on debt settlement of creditors per rehabilitation plan	31	-	149,381,616	-	176,285,870
Others		373,337,068	259,998,428	385,504,310	256,154,765
<b>Total revenues</b>		<b>16,986,679,551</b>	<b>8,815,347,517</b>	<b>6,555,402,808</b>	<b>5,837,920,035</b>
<b>Expenses</b>					
Cost of services		2,646,040,603	2,255,380,723	163,571,568	155,376,066
Cost of installation and construction services and train procurement services		5,420,706,562	1,538,806,996	-	-
Cost of sales of real estate		17,797,868	23,531,633	17,797,868	50,365,038
Selling expenses		447,922,605	316,189,637	2,259,390	3,051,244
Administrative expenses		1,833,244,206	1,500,805,252	613,970,508	600,045,089
Other expenses	48	246,784,719	50,543,387	168,820,940	1,161,267
<b>Total expenses</b>		<b>10,612,496,563</b>	<b>5,685,257,628</b>	<b>966,420,274</b>	<b>809,998,704</b>

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit before share of profit (loss) from investments in joint ventures and associates, finance cost and income tax</b>		6,374,182,988	3,130,089,889	5,588,982,534	5,027,921,331
Share of loss from investments in joint ventures	16.2	(281,653,936)	(147,389,965)	-	-
Share of profit from investments in associates	17.2	461,357,727	779,714,980	-	-
<b>Profit before finance cost and income tax</b>		6,553,886,779	3,762,414,904	5,588,982,534	5,027,921,331
Finance cost		(1,236,003,483)	(643,652,575)	(823,131,722)	(592,733,740)
<b>Profit before income tax</b>		5,317,883,296	3,118,762,329	4,765,850,812	4,435,187,591
Income tax	50	(776,016,335)	(646,357,102)	(5,054,625)	(11,361,188)
<b>Profit from continued operation for the year</b>		4,541,866,961	2,472,405,227	4,760,796,187	4,423,826,403
<b>Discontinued operation</b>					
Profit (loss) from discontinued operation for the year	52	247,941,932	(236,681,352)	-	-
<b>Profit for the year</b>		4,789,808,893	2,235,723,875	4,760,796,187	4,423,826,403
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		120,711,220	119,391	-	-
Exchange differences on translation of financial statements in foreign currencies of associate		54,692,532	(89,069,868)	-	-
Effect of cash flow hedges - net of income tax		(303,001,840)	(171,663,604)	-	-
Gain on changes in value of available-for-sale investments - net of income tax		271,341,828	227,024,637	220,091,881	268,912,566
Share of loss on changes in value of available-for-sale investments of associate		(89,253,286)	(45,804,485)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		54,490,454	(79,393,929)	220,091,881	268,912,566
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Revaluation surplus on assets - net of income tax		19,586,635	-	1,816,687,952	-
Actuarial loss - net of income tax		(61,983,997)	-	(10,498,310)	-
Share of actuarial loss of associate		(2,199,001)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(44,596,363)	-	1,806,189,642	-
<b>Other comprehensive income for the year</b>		9,894,091	(79,393,929)	2,026,281,523	268,912,566
<b>Total comprehensive income for the year</b>		4,799,702,984	2,156,329,946	6,787,077,710	4,692,738,969

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

# STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

BTS Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 March 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company					
Profit from continued operation		4,160,679,527	2,228,404,031	4,760,796,187	4,423,826,403
Profit (loss) from discontinued operation		255,031,045	(224,923,782)	-	-
		<u>4,415,710,572</u>	<u>2,003,480,249</u>	<u>4,760,796,187</u>	<u>4,423,826,403</u>
Non-controlling interests of the subsidiaries					
Profit from continued operation		381,187,434	244,001,196		
Loss from discontinued operation		(7,089,113)	(11,757,570)		
		<u>374,098,321</u>	<u>232,243,626</u>		
		<u>4,789,808,893</u>	<u>2,235,723,875</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company					
Profit from continued operation		4,284,130,037	2,154,434,304	6,787,077,710	4,692,738,969
Profit (loss) from discontinued operation		255,031,045	(224,923,782)	-	-
		<u>4,539,161,082</u>	<u>1,929,510,522</u>	<u>6,787,077,710</u>	<u>4,692,738,969</u>
Non-controlling interests of the subsidiaries					
Profit from continued operation		267,631,015	238,576,994		
Loss from discontinued operation		(7,089,113)	(11,757,570)		
		<u>260,541,902</u>	<u>226,819,424</u>		
		<u>4,799,702,984</u>	<u>2,156,329,946</u>		
<b>Earnings per share</b>					
	53				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.3728</u>	<u>0.1692</u>	<u>0.4020</u>	<u>0.3737</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.3728</u>	<u>0.1692</u>	<u>0.4020</u>	<u>0.3736</u>
<b>Earnings per share from continued operation</b>					
	53				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.3513</u>	<u>0.1882</u>	<u>0.4020</u>	<u>0.3737</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.3513</u>	<u>0.1882</u>	<u>0.4020</u>	<u>0.3736</u>

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

## CASH FLOW STATEMENT

BTS Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 March 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before tax from continued operation	5,317,883,296	3,118,762,329	4,765,850,812	4,435,187,591
Profit (loss) before tax from discontinued operation	258,510,212	(225,483,486)	-	-
Profit before tax	5,576,393,508	2,893,278,843	4,765,850,812	4,435,187,591
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	758,418,609	577,410,387	87,634,056	80,450,753
Unrealised loss (gain) on exchange	428,386,712	21,005,616	(31,643,728)	(25,847,768)
Share of loss from investments in joint ventures	27,638,509	400,253,375	-	-
Share of profit from investments in associates	(473,059,164)	(787,434,229)	-	-
Unearned revenue recognition	(36,883,863)	(36,883,863)	-	-
Provision for long-term employee benefits	73,665,910	51,171,284	7,259,502	7,896,445
Loss on provisions	50,970,992	40,248,456	-	-
Amortisation of premium on cross currency swap agreements	-	(437,722)	-	(437,722)
Reversal of allowance for doubtful account	(2,566,959)	(18,026,835)	(5,542,436)	(6,236,819)
Gain on sales and changes in value of investments	(667,885,025)	(395,626,381)	(497,838,379)	(620,655,957)
Gain on the entire business transfer of subsidiary	(1,879,963,907)	-	(2,107,163,138)	-
Gain on sales and change in status of investments	(251,094,083)	(207,437,995)	(7,644,000)	-
Gain on change in status of joint ventures	(63,459,788)	-	-	-
Gain on debt settlement of creditors per rehabilitation plan	-	(149,381,616)	-	(176,285,870)
Revenue from investment in foreign party	(96,695,845)	(85,608,404)	(96,695,845)	(85,608,404)
Allowance for impairment loss of investments	160,032,128	7,890,866	167,992,128	-
Loss (gain) on sales of assets	(819,678)	3,458,290	(2,434,620)	(2,293,363)
Allowance for impairment loss of assets	23,667,828	-	-	-
Gain on transfer of rights in land purchase	-	(5,914,383)	-	-
Dividend income	(145,766,888)	(271,322,892)	(2,698,068,458)	(3,953,964,858)
Share-based payment transaction	9,156,696	10,729,083	2,167,189	2,230,025
Interest income	(1,436,125,527)	(763,775,179)	(671,696,148)	(565,033,482)
Interest expenses	1,287,001,314	642,043,742	823,131,722	592,733,740
Profit (loss) from operating activities before changes in operating assets and liabilities	3,341,011,479	1,925,640,443	(264,691,343)	(317,865,689)

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

# CASH FLOW STATEMENT (CONTINUED)

BTS Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 March 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Decrease (increase) in operating assets				
Bank account for advance from cardholders	(67,320,271)	(90,443,255)	-	-
Trade and other receivables	317,927,677	(435,648,736)	28,301,708	(29,863,472)
Unbilled receivables under agreements with government authorities	(3,183,314,665)	(631,697,716)	-	-
Receivable and accrued income under purchase and installation of operating system agreement	(2,849,020,388)	(712,060,131)	-	-
Work in progress - elevated train projects	(290,403,348)	-	-	-
Accrued income	(259,997,936)	(123,095,888)	-	-
Real estate development costs	17,797,870	(178,634,962)	17,797,870	(178,634,962)
Advances to contractors	(7,335,865,756)	(3,005,269,441)	-	7,381,907
Other current assets	(202,329,331)	(153,396,992)	(13,098,135)	(2,995,737)
Other non-current assets	(229,779,492)	(261,013,466)	(3,658,034)	480,594
Increase (decrease) in operating liabilities				
Trade and other payables	1,743,220,844	221,010,831	(24,787,692)	25,088,684
Advances received from cardholders	55,325,504	94,252,228	-	-
Retention payable	58,286,034	4,582,189	(15,988,219)	8,303,496
Unearned income	39,034,365	(27,391,099)	-	-
Fare box revenues awaiting transfer	(11,044,968)	30,794,236	-	-
Provision for long-term employee benefits	(23,860,372)	(34,697,466)	(4,635,760)	(5,047,677)
Provisions	(80,885,722)	(69,114,346)	-	-
Other current liabilities	363,227,094	75,675,876	(14,584,712)	(10,398,862)
Cash used in operating activities	(8,597,991,382)	(3,370,507,695)	(295,344,317)	(503,551,718)
Cash paid for interest expenses	(832,198,568)	(91,298,687)	(15,628,405)	(63,728,967)
Cash received for interest income	125,122,487	127,618,902	-	-
Cash paid for corporate income tax	(877,445,446)	(747,458,812)	(39,742,804)	(12,101,262)
Cash return from corporate income tax	253,865,755	-	246,905,069	-
<b>Net cash used in operating activities</b>	<b>(9,928,647,154)</b>	<b>(4,081,646,292)</b>	<b>(103,810,457)</b>	<b>(579,381,947)</b>

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

# CASH FLOW STATEMENT (CONTINUED)

BTS Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 March 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted deposits	(551,333)	1,153,653,164	-	1,153,680,000
Increase in short-term loans to related parties	-	-	-	(10,200,000)
Cash received from repayment of short-term loans to related parties	-	14,317,951	-	10,200,000
Increase in long-term loans to related parties	(2,534,483,000)	(9,018,440,832)	(8,961,939,808)	(20,023,905,844)
Cash received from repayment of long-term loans to related parties	7,797,859,163	5,873,798,620	13,431,812,555	16,041,943,741
Increase in long-term loan to a cooperative	-	(59,000,000)	-	-
Interest income	1,272,246,239	518,145,860	755,021,573	537,987,780
Dividend received	1,836,484,802	1,727,066,823	3,406,822,474	3,264,401,030
Cash paid for acquisitions of current and other long-term investments	(56,976,032,592)	(53,365,259,755)	(13,108,096,812)	(10,436,910,091)
Cash received from sales of current and other long-term investments	55,733,705,191	48,310,872,760	13,069,682,648	10,755,014,039
Cash paid for acquisitions of investments in derivative instruments	(1,887,165,236)	-	-	-
Cash received from sales of investments in derivative instruments	156,878,907	-	-	-
Net cash paid for purchases of investments in subsidiaries	(314,814,627)	(466,258,815)	(13,454,681,967)	(608,321,016)
Cash paid to settle payables from acquisition of investment in subsidiaries	-	-	(94,784,189)	-
Cash of subsidiaries under entire business transfer	(401,067,508)	-	-	-
Net cash received from sales of investments in subsidiaries	296,002,088	627,471,827	2,789,939,582	2,995,562,010
Cash paid for purchases of investments in joint ventures	(369,550,000)	(1,214,212,100)	(186,800,000)	-
Cash paid for purchases of investments in associates	(3,223,423,116)	(492,424,890)	(3,115,630,783)	-
Cash received from return of capital of subsidiaries, joint venture and associate	-	123,456,000	83,703,986	123,456,000
Cash received from investment in foreign party	92,383,636	97,999,300	92,383,636	97,999,300
Advance paid for purchases of assets	(310,886,265)	(34,674,917)	(321,465,176)	-
Cash received from transfer of rights in land purchase	-	89,721,575	-	-
Cash paid for purchases of land and projects awaiting development	(2,955,630)	(493,181,681)	-	-
Cash paid for purchases of property, plant and equipment	(1,077,566,618)	(904,315,934)	(14,307,402)	(75,760,544)
Cash received from sales of property, plant and equipment	14,964,469	5,261,635	211,168	143,598
Cash paid for purchases of investment properties	(20,742,499)	-	(245,319,121)	(113,353,541)
Cash received from sales of investment properties	-	12,978,000	478,000,000	12,978,000
Cash paid for purchases of intangible assets	(82,507,398)	(46,052,304)	(7,352,517)	(321,289)
<b>Net cash from (used in) investing activities</b>	<b>(1,221,327)</b>	<b>(7,539,077,713)</b>	<b>(5,402,800,153)</b>	<b>3,724,593,173</b>

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

# CASH FLOW STATEMENT (CONTINUED)

BTS Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 March 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flow financing activities</b>				
Increase in short-term loans from financial institutions	13,575,000,000	10,301,732,240	12,550,000,000	8,741,732,240
Cash paid for short-term loans from financial institutions	(13,123,000,000)	(12,973,732,240)	(11,550,000,000)	(12,251,732,240)
Increase in bills of exchange payables	67,401,214,289	41,553,261,595	67,401,214,289	41,553,261,595
Cash paid for bills of exchange payables	(65,645,000,000)	(31,280,000,000)	(65,645,000,000)	(31,280,000,000)
Increase in long-term loans from financial institutions	-	2,000,000,000	-	-
Cash paid for long-term loans from financial institutions	(645,893,326)	(1,399,874,000)	-	(1,056,600,000)
Increase in short-term loans from related parties	-	3,499,464	106,500,000	28,000,000
Cash paid for short-term loans from related parties	-	(35,941,585)	(72,000,000)	(1,561,500,000)
Cash paid for payable under finance lease agreement	(7,244,250)	-	-	-
Cash paid to creditors per rehabilitation plan	(74,216,336)	-	(74,216,336)	-
Increase in long-term debentures	7,000,000,000	22,000,000,000	7,000,000,000	-
Cash paid for debenture issuing costs	(9,127,100)	(23,163,008)	(1,637,100)	-
Cash paid for loan costs	(276,830,247)	-	-	-
Cash paid for long-term debentures	-	(1,348,450,000)	-	-
Cash paid for purchases of investments in subsidiaries	(6,397,528,495)	(368,190,044)	-	-
Cash paid to payables of purchases of investments	(314,534,189)	-	-	-
Cash received from sales of investments in subsidiaries	2,637,958,871	1,649,788,526	-	-
Dividend paid	(4,014,263,851)	(5,951,434,908)	(4,014,263,851)	(5,951,434,908)
Dividend paid by subsidiaries to non-controlling interests of subsidiaries	(272,482,740)	(275,963,890)	-	-
Cash received from exercised warrants	189,080,737	28,129,521	27,127,356	28,052,171
Cash paid for decrease issued share capital of subsidiary to non-controlling interests	(15,516,000)	-	-	-
Cash received from non-controlling interests for issuance of ordinary shares of subsidiaries	4,290,000,000	480,167,394	-	-
Cash paid for costs of the issuances of additional ordinary shares	(27,751,521)	-	-	-
<b>Net cash from (used in) financing activities</b>	<b>4,269,865,842</b>	<b>24,359,829,065</b>	<b>5,727,724,358</b>	<b>(1,750,221,142)</b>
Increase (decrease) in translation adjustment	(1,489,880)	119,391	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,661,492,519)</b>	<b>12,739,224,451</b>	<b>221,113,748</b>	<b>1,394,990,084</b>
Effect of exchange rate for cash and cash equivalents	24,693,887	(6,949,933)	1,017,174	(879,680)
Cash and cash equivalents at beginning of the year	15,094,507,172	2,362,232,654	1,775,464,755	381,354,351
<b>Cash and cash equivalents at end of the year</b>	<b>9,457,708,540</b>	<b>15,094,507,172</b>	<b>1,997,595,677</b>	<b>1,775,464,755</b>

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

# CASH FLOW STATEMENT (CONTINUED)

BTS Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 March 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Supplemental cash flow information</b>				
Non-cash transactions				
Transfer intangible assets to equipment	28,932,681	-	-	-
Transfer deposits and rights of claim from acquisition of debts per rehabilitation plan to investment properties	300,514,860	-	-	-
Transfer investment properties to property, plant and equipment	-	-	822,092,058	9,829,020
Payable of acquisition of equipment	22,938,009	64,210,438	113,566,398	-
Receivable of sales of building and equipment	234,100,000	-	234,100,000	-
Payable of acquisition of investments	368,956,098	422,128,885	309,821,266	206,629,885
Receivable of sales of investments	48,163,867	201,405,608	35,315,706	201,405,608
Transfer liability under the loan agreement of non-controlling interests of a subsidiary to non-controlling interests of the subsidiary when loans were provided to the subsidiary	29,220,918	61,699,206	-	-
Receivable of assignment of long-term loan	80,493,750	-	-	-
Receivable from exercised warrants	65,327,682	-	-	-
Increase of investment in associate from entire business transfer of subsidiary	2,172,000,000	-	2,172,000,000	-
Transfer loans, to related parties and interest receivables to subsidiary to loan and interest receivables to associate	10,074,360,694	-	10,074,360,694	-

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

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

BTS Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 March 2018

	Consolidated financial								
	Equity attributable to								
	Issued and paid-up share capital	Share premium	Deficit on business combination under common control	Surplus (deficit) from the change in the ownership interests in subsidiaries	Surplus on sales of warrants of the subsidiary	Treasury shares	Retained earnings		Deficit
							Appropriated		
						Statutory reserve	Treasury share reserve		
<b>Balance as at 1 April 2016</b>	47,717,396,744	1,834,603,129	(3,371,978,137)	(59,586,583)	494,317,120	(925,479,618)	2,163,731,005	925,479,618	(5,515,711,502)
Profit for the year	-	-	-	-	-	-	-	-	2,003,480,249
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	2,003,480,249
Exercised warrants (Note 36)	22,420,504	19,119,039	-	-	-	-	-	-	-
Purchases and sales of investments in subsidiaries and issuances of ordinary shares of the subsidiaries without loss of control	-	-	-	706,138,960	-	-	-	-	-
Transfer of surplus from the changes in the ownership interests in subsidiaries to retained earnings	-	-	-	(215,813,065)	-	-	-	-	215,813,065
Exercised warrants of the subsidiary by non-controlling interests of the subsidiary	-	-	-	77,350	-	-	-	-	-
Issuances of ordinary shares of subsidiaries	-	-	-	-	-	-	-	-	-
Change in non-controlling interests of the subsidiaries as a result of change in status of investment and purchase of investment in subsidiary	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests of the subsidiary as a result of transfer of liability under loan agreement (Note 15.2.8)	-	-	-	-	-	-	-	-	-
Dividend paid by subsidiaries to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-
Dividend paid (Note 57)	-	-	-	-	-	-	-	-	(5,977,586,834)
Share-based payment transaction	-	-	-	-	-	-	-	-	-
Retained earnings transferred to statutory reserve (Note 45.1)	-	-	-	-	-	-	221,191,320	-	(221,191,320)
<b>Balance as at 31 March 2017</b>	<b>47,739,817,248</b>	<b>1,853,722,168</b>	<b>(3,371,978,137)</b>	<b>430,816,662</b>	<b>494,317,120</b>	<b>(925,479,618)</b>	<b>2,384,922,325</b>	<b>925,479,618</b>	<b>(9,495,196,342)</b>

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



(Unit: Baht)

statements

owners of the Company

Other comprehensive income				Other components of equity					Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Translation adjustment of financial statements in foreign currency	Revaluation surplus on assets	Effect of cash flow hedges	Deficit on changes in value of investments	Surplus on debenture conversion	Capital reserve on consolidation	Share premium on sales of company's shares held by subsidiaries	Capital reserve for share-based payment transaction	Total other components of shareholders' equity			
(121,697,622)	1,797,101,317	-	(881,050,426)	1,356,596,955	2,685,013	8,525,682	25,223,189	2,187,384,108	45,450,155,884	1,450,799,593	46,900,955,477
-	-	-	-	-	-	-	-	-	2,003,480,249	232,243,626	2,235,723,875
(88,950,477)	-	(167,303,349)	182,284,099	-	-	-	-	(73,969,727)	(73,969,727)	(5,424,202)	(79,393,929)
(88,950,477)	-	(167,303,349)	182,284,099	-	-	-	-	(73,969,727)	1,929,510,522	226,819,424	2,156,329,946
-	-	-	-	-	-	-	(13,487,372)	(13,487,372)	28,052,171	-	28,052,171
-	-	-	-	-	-	-	-	-	706,138,960	917,945,783	1,624,084,743
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	77,350	-	77,350
-	-	-	-	-	-	-	-	-	-	39,890,000	39,890,000
-	-	-	-	-	-	-	-	-	-	639,692,687	639,692,687
-	-	-	-	-	-	-	-	-	-	61,699,206	61,699,206
-	-	-	-	-	-	-	-	-	-	(301,840,319)	(301,840,319)
-	-	-	-	-	-	-	-	-	(5,977,586,834)	-	(5,977,586,834)
-	-	-	-	-	-	-	10,729,083	10,729,083	10,729,083	-	10,729,083
-	-	-	-	-	-	-	-	-	-	-	-
(210,648,099)	1,797,101,317	(167,303,349)	(698,766,327)	1,356,596,955	2,685,013	8,525,682	22,464,900	2,110,656,092	42,147,077,136	3,035,006,374	45,182,083,510

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

BTS Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 March 2018

	Consolidated financial								
	Equity attributable to								
	Issued and paid-up share capital	Share premium	Deficit on business combination under common control	Surplus (deficit) from the change in the ownership interests in subsidiaries	Surplus on sales of warrants of the subsidiary	Treasury shares	Retained earnings Appropriated		Deficit
							Statutory reserve	Treasury share reserve	
<b>Balance as at 31 March 2017</b>	47,739,817,248	1,853,722,168	(3,371,978,137)	430,816,662	494,317,120	(925,479,618)	2,384,922,325	925,479,618	(9,495,196,342)
Profit for the year	-	-	-	-	-	-	-	-	4,415,710,572
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(57,435,282)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	-	4,358,275,290
Exercised warrants (Note 36)	21,658,568	19,312,945	-	-	-	-	-	-	-
Purchases of investments in subsidiaries (Note 15.2.1, 15.2.2 and 15.2.8)	-	-	-	(5,664,739,988)	-	-	-	-	-
Sale of investment in subsidiary without loss of control (Note 15.2.1 and 15.2.2)	-	-	-	2,189,136,699	-	-	-	-	-
Sale of investment in subsidiary with loss of control	-	-	-	(5,914,436)	-	-	-	-	5,914,436
Transfer of surplus from the changes in the ownership interests in subsidiaries to retained earnings	-	-	-	32,141,237	-	-	-	-	(20,930,542)
Issuance of ordinary shares of subsidiary (Note 15.1.2 and 15.2.1)	-	-	-	1,307,130,650	-	-	-	-	-
Exercised warrants to purchase newly issued ordinary shares of subsidiary (Note 15.2.1 and 15.2.2)	-	-	-	77,689,203	-	-	-	-	-
Decrease in non-controlling interests of subsidiary as a result of capital reduction (Note 16.1.1)	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests of subsidiary from acquisition of investment in subsidiary (Note 15.2.5)	-	-	-	-	-	-	-	-	-
Increase in non-controlling interests of the subsidiary as a result of transfer of liability under loan agreement (Note 15.2.8)	-	-	-	-	-	-	-	-	-
Dividend paid by subsidiaries to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-
Dividend paid (Note 57)	-	-	-	-	-	-	-	-	(4,026,415,499)
Share-based payment transaction	-	-	-	-	-	-	-	-	-
Retained earnings transferred to statutory reserve (Note 45.1)	-	-	-	-	-	-	238,039,810	-	(238,039,810)
<b>Balance as at 31 March 2018</b>	47,761,475,816	1,873,035,113	(3,371,978,137)	(1,633,739,973)	494,317,120	(925,479,618)	2,622,962,135	925,479,618	(9,416,392,467)

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

(Unit: Baht)

## statements

## owners of the Company

Other comprehensive income				Other components of equity					Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Translation adjustment of financial statements in foreign currency	Revaluation surplus on assets	Effect of cash flow hedges	Deficit on changes in value of investments	Surplus on debenture conversion	Capital reserve on consolidation	Share premium on sales of company's shares held by subsidiaries	Capital reserve for share-based payment transaction	Total other components of shareholders' equity			
(210,648,099)	1,797,101,317	(167,303,349)	(698,766,327)	1,356,596,955	2,685,013	8,525,682	22,464,900	2,110,656,092	42,147,077,136	3,035,006,374	45,182,083,510
-	-	-	-	-	-	-	-	-	4,415,710,572	374,098,321	4,789,808,893
175,403,752	19,586,635	(194,891,388)	180,786,793	-	-	-	-	180,885,792	123,450,510	(113,556,419)	9,894,091
175,403,752	19,586,635	(194,891,388)	180,786,793	-	-	-	-	180,885,792	4,539,161,082	260,541,902	4,799,702,984
-	-	-	-	-	-	-	(13,844,157)	(13,844,157)	27,127,356	-	27,127,356
-	-	-	-	-	-	-	-	-	(5,664,739,988)	(814,196,128)	(6,478,936,116)
-	-	-	-	-	-	-	-	-	2,189,136,699	407,468,240	2,596,604,939
-	-	-	-	-	-	-	-	-	-	(61,244,430)	(61,244,430)
-	-	-	-	-	(2,685,013)	(8,525,682)	-	(11,210,695)	-	-	-
-	-	-	-	-	-	-	-	-	1,307,130,650	2,955,117,829	4,262,248,479
-	-	-	-	-	-	-	-	-	77,689,203	149,592,124	227,281,327
-	-	-	-	-	-	-	-	-	-	(15,516,000)	(15,516,000)
-	-	-	-	-	-	-	-	-	-	22,880,624	22,880,624
-	-	-	-	-	-	-	-	-	-	29,220,918	29,220,918
-	-	-	-	-	-	-	-	-	-	(219,108,579)	(219,108,579)
-	-	-	-	-	-	-	-	-	(4,026,415,499)	-	(4,026,415,499)
-	-	-	-	-	-	-	9,156,696	9,156,696	9,156,696	-	9,156,696
-	-	-	-	-	-	-	-	-	-	-	-
(35,244,347)	1,816,687,952	(362,194,737)	(517,979,534)	1,356,596,955	-	-	17,777,439	2,275,643,728	40,605,323,335	5,749,762,874	46,355,086,209

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

BTS Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 March 2018

	Seperated financial					
	Issued and paid-up share capital	Share premium	Deficit on business combination under common control	Surplus from business restructuring under common control	Adjustment of asset value as a result of business restructuring under common control	Treasury shares
<b>Balance as at 1 April 2016</b>	47,717,396,744	1,834,603,129	(3,715,435,231)	656,733,583	(479,140,100)	(925,479,618)
Profit for the year	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Exercised warrants (Note 36)	22,420,504	19,119,039	-	-	-	-
Sale of investments in subsidiaries without loss of control	-	-	57,651,520	-	-	-
Dividend paid (Note 57)	-	-	-	-	-	-
Share-based payment transaction	-	-	-	-	-	-
Retained earnings transferred to statutory reserve (Note 45.1)	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	47,739,817,248	1,853,722,168	(3,657,783,711)	656,733,583	(479,140,100)	(925,479,618)
<b>Balance as at 1 April 2017</b>	47,739,817,248	1,853,722,168	(3,657,783,711)	656,733,583	(479,140,100)	(925,479,618)
Profit for the year	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Exercised warrants (Note 36)	21,658,568	19,312,945	-	-	-	-
Sales of investments in subsidiaries without loss of control	-	-	47,684,684	-	-	-
Entire business transfer of subsidiary (Note 51)	-	-	-	(656,733,583)	479,140,100	-
Dividend paid (Note 57)	-	-	-	-	-	-
Share-based payment transaction	-	-	-	-	-	-
Retained earnings transferred to statutory reserve (Note 45.1)	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	47,761,475,816	1,873,035,113	(3,610,099,027)	-	-	(925,479,618)

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

(Unit: Baht)

## statements

Retained earnings			Other components of equity					Total shareholders' equity
Appropriated		Unappropriated	Other comprehensive income		Surplus on debenture conversion	Capital reserve for share-based payment transaction	Total other components of shareholders' equity	
Statutory reserve	Treasury share reserve		Revaluation surplus on assets	Deficit on changes in value of investments				
2,163,731,005	925,479,618	13,229,896,076	-	(893,350,553)	1,356,596,955	25,223,189	488,469,591	
-	-	4,423,826,403	-	-	-	-	-	4,423,826,403
-	-	-	-	268,912,566	-	-	268,912,566	268,912,566
-	-	4,423,826,403	-	268,912,566	-	-	268,912,566	4,692,738,969
-	-	-	-	-	-	(13,487,372)	(13,487,372)	28,052,171
-	-	-	-	-	-	-	-	57,651,520
-	-	(5,977,586,834)	-	-	-	-	-	(5,977,586,834)
-	-	-	-	-	-	10,729,083	10,729,083	10,729,083
221,191,320	-	(221,191,320)	-	-	-	-	-	-
2,384,922,325	925,479,618	11,454,944,325	-	(624,437,987)	1,356,596,955	22,464,900	754,623,868	60,707,839,706
-	-	-	-	-	-	-	-	-
2,384,922,325	925,479,618	11,454,944,325	-	(624,437,987)	1,356,596,955	22,464,900	754,623,868	60,707,839,706
-	-	4,760,796,187	-	-	-	-	-	4,760,796,187
-	-	(10,498,310)	1,816,687,952	220,091,881	-	-	2,036,779,833	2,026,281,523
-	-	4,750,297,877	1,816,687,952	220,091,881	-	-	2,036,779,833	6,787,077,710
-	-	-	-	-	-	(13,844,157)	(13,844,157)	27,127,356
-	-	-	-	-	-	-	-	47,684,684
-	-	656,733,583	-	-	-	-	-	479,140,100
-	-	(4,026,415,499)	-	-	-	-	-	(4,026,415,499)
-	-	-	-	-	-	9,156,696	9,156,696	9,156,696
238,039,810	-	(238,039,810)	-	-	-	-	-	-
2,622,962,135	925,479,618	12,597,520,476	1,816,687,952	(404,346,106)	1,356,596,955	17,777,439	2,786,716,240	64,031,610,753

For the year ended 31 March 2018

## 1. GENERAL INFORMATION

### 1.1 CORPORATE INFORMATION

BTS Group Holdings Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is the group of Keeree Kanjanapas. The Group is principally engaged in the mass transit business, property business, media business and service business. The registered office of the Company is at 21 Soi Choei Phuang, Viphavadi-Rangsit Road, Jompol, Jatujak, Bangkok.

### 1.2 ADDITIONAL INFORMATION OF THE MASS TRANSIT BUSINESS

The mass transit business operated by the subsidiaries (Bangkok Mass Transit System Public Company Limited (“BTSC”), Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited) which the significant operations are as follows:

- a) The operation of an elevated mass transit system in prime business areas in Bangkok over two routes (“the Core BTS Sky Train System”), which covers a distance of 23.5 km, comprising the 17 km of the Sukhumvit line from Mo Chit to On Nut stations, and the 6.5 km of the Silom line from National Stadium to Taksin Bridge stations, under the concession agreement dated 9 April 1992 and the amendment to the concession agreement between the Bangkok Metropolitan Administration (“BMA”) and the subsidiary, for 30 years after commissioning under the concession granted by BMA. The commercial operations commenced on 5 December 1999. The concession stipulates that the civil works are to be structured on a build-transfer-operate basis whereby the subsidiary will transfer legal title of the assets to BMA as they are brought into service. The electrical and mechanical works are to be transferred to BMA on a build-operate-transfer basis at the expiry of the concession.

On 17 April 2013, the subsidiary and BTS Rail Mass Transit Growth Infrastructure Fund (“BTSGIF”) entered into the Net Revenue Purchase and Transfer Agreement in relation to the Bangkok Mass Transit System Concession Agreement, covering the remainder of the concession. From an accounting perspective, the subsidiary carefully and thoroughly considered these transactions and concluded that the sale of the rights to collect future fare box revenues was a true sale of an intangible asset (project cost). As a result, the subsidiary derecognised project cost and the related accounts from its books and recognised a gain on sale of future net fare box revenues in the financial statements for the year ended 31 March 2014. The agreement stipulates that the subsidiary continues to be the operator of the train services, overseen by BTSGIF, while decision-making authority as the owner belongs to BTSGIF. The subsidiary submits cash receipts of net fare box revenues to BTSGIF, as a middleman responsible only for the collection of fare box revenue. The subsidiary receives fees as the operator under the conditions as stipulated in the agreement.

However, from a tax perspective, the sale of future net fare box revenues was treated as borrowing from BTSGIF. The subsidiary remains the owner of the intangible asset (project cost) and fare box revenues and expenses still belong to the subsidiary. The subsidiary calculates corporate income tax based on taxable revenues and expenses determined in accordance with tax legislation.



- b) The provision of operation and maintenance services for the extension to the Core BTS Sky Train System under the Operation and Maintenance for Bangkok Mass Transit System Agreement dated 3 May 2012 made with Krungthep Thanakom Company Limited (“Krungthep Thanakom”) (established by the Bangkok Metropolitan Authority) and the amendment to the agreement, for 30 years from 8 May 2012 to 2 May 2042. The subsidiary is to receive a compensation under conditions as stipulated in the agreement, throughout the concession period.
- c) The provision of operation and maintenance services for the Green Line under the Operating and Maintenance Agreement for the Green Line (Mo Chit - Saphan Mai - Khu Khot and Bearing - Samutprakan) dated 1 August 2016 made with Krungthep Thanakom and the amendment to the agreement, for 26 years from 1 August 2016 to 2 May 2042. The subsidiary is to receive a compensation under conditions as stipulated in the agreement, throughout the concession period.
- d) The operation of MRT Pink Line Project (Khae Rai - Min Buri) (“MRT Pink Line Project”) and the MRT Yellow Line Project (Lad Prao - Samrong) (“MRT Yellow Line Project”) under the concession agreements dated 16 June 2017 between the Mass Rapid Transit Authority of Thailand (“MRTA”) and the subsidiaries. Under such agreements, the operating period is divided into 2 phases. The first phase concerns the design and construction of civil works and, the procurement of electronic and mechanical systems and related equipment which covers a period of 3 years and 3 months, beginning from the date of issuance the Notice to Proceed by MRTA (currently, MRTA has not issued the Notice to Proceed). The second phase concerns the operation and maintenance services for a period of 30 years, beginning from the date of receipt of the Commissioning Certificate from MRTA. The subsidiaries are responsible for all investment payments for operating costs. In this regard, the subsidiaries are to receive the subsidy from MRTA amounting to Baht 4,755 million in each year for a period of 10 years, beginning from the date of receipt of the Commissioning Certificate from MRTA, and have rights to collect the fare box revenues and other related revenues throughout the concession period. The subsidiaries are to pay MRTA the remuneration totaled Baht 500 million in 11<sup>th</sup> year to 30<sup>th</sup> year and compensate MRTA in the form of revenue sharing at the rates and conditions as stipulated in the agreements.

## 2. BASIS OF PREPARATION

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of the Company and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
<b>Subsidiaries directly owned by the Company</b>				
Bangkok Mass Transit System Plc. (“BTSC”)	Mass transit business	Thailand	97.46	97.46
Unicorn Enterprise Co., Ltd.	In process of liquidation	Thailand	100	100
RB Services Co., Ltd.	Investment in the securities of other companies	Thailand	100	100
Dnal Co., Ltd.	Dormancy	Thailand	100	-
Yongsu Co., Ltd.	Dormancy	Thailand	100	-
Kingkaew Assets Co., Ltd.	Property development	Thailand	100	-
The Community One Co., Ltd.	Property development	Thailand	100	-
The Community Two Co., Ltd.	Property development	Thailand	100	-
HHT Construction Co., Ltd.	Construction services	Thailand	51	-
Northern Bangkok Monorail Co., Ltd.	Mass transit business	Thailand	75	-
Eastern Bangkok Monorail Co., Ltd.	Mass transit business	Thailand	75	-
BTS Infrastructure Development Co., Ltd.	Consultancy service for architecture and engineering works	Thailand	99.97	-
Tanayong International Ltd.	Dormancy	Cayman Island	-	100
Tanayong Hong Kong Ltd.	Investment in securities	Hong Kong	-	100
Man Kitchen Co., Ltd.	Restaurant and related businesses	Thailand	-	70
Primary Kitchen Co., Ltd.	Restaurant and related businesses	Thailand	-	100
KMJ 2016 Co., Ltd.	Restaurant and related businesses	Thailand	-	51
Man Food Products Co., Ltd.	Producing and selling food	Thailand	-	100
<b>Subsidiaries indirectly owned by the Company</b>				
<b>Held by BTSC</b>				
VGI Global Media Plc. (24.98% held by the Company (2017: 20.57%))	Managing and providing of advertising service and the rental of space	Thailand	48.53	51
BTS Infrastructure Services Co., Ltd.	Providing operating and maintenance services for Mass Transit system	Thailand	99.97	-
<b>Held by VGI Global Media Plc.</b>				
Master Ad Plc. (18.09% held by the Company (2017: none))	Advertising, leasing of property and the purchase/sale of electronic billboards	Thailand	30.38	33.68
VGI Advertising Media Co., Ltd.	Managing and providing of the advertising spaces in department stores	Thailand	100	100
888 Media Co., Ltd.	Managing and providing of the advertising spaces in department stores	Thailand	100	100
Point of View (POV) Media Group Co., Ltd.	Managing and providing of the advertising space	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
VGI Global Media (Malaysia) Sdn Bhd	Advertising media	Malaysia	100	100
BSS Holdings Co., Ltd.	Investment in the securities of other companies and managing and providing of the advertising spaces	Thailand	90	90
Bangkok Smartcard System Co., Ltd.	Provision of electronic payment services and managing and providing of the advertising spaces	Thailand	90	90
<b>Held by Master Ad Plc.</b>				
Master and More Co., Ltd.	Production and provision of outdoor advertising media services	Thailand	100	100
Eye On Ads Co., Ltd.	Production and sales of tri-vision equipment	Thailand	100	100
Green Ad Co., Ltd.	Provision of advertising services through the supply of tree wall-panel	Thailand	100	100
Inkjet Images (Thailand) Co., Ltd.	Production of advertising media and billboards	Thailand	50	50
Maco Outdoor Sdn Bhd	Holding company	Malaysia	100	100
<b>Held by Master and More Co., Ltd.</b>				
Open Play Co., Ltd.	Provision of outdoor advertising media services	Thailand	80	80
<b>Held by Green Ad Co., Ltd.</b>				
Multi Sign Co., Ltd.	Production and provision of outdoor advertising media services	Thailand	70	70
<b>Held by Eye On Ads Co., Ltd.</b>				
Co-Mass Co., Ltd.	Production and provision of outdoor advertising media services	Thailand	70	-
<b>Held by BSS Holdings Co., Ltd.</b>				
RabbitPay System Co., Ltd.	Provision of electronic money, electronic payment services through any devices or networks, bill payment service, and investment in the securities of other companies	Thailand	80	80
Rabbit Internet Co., Ltd.	Provision of a web portal service and design services and arrangement of various e-commerce-related activities, including online marketing services	Thailand	30	25
ASK Direct Group Co., Ltd. <sup>1</sup>	Provision of direct sales services for all types of product via telesales	Thailand	51	51
Rabbit Insurance Broker Co., Ltd. <sup>1</sup>	Provision of online insurance price comparison	Thailand	51	51
<sup>1</sup> 49% held by Rabbit Internet Co., Ltd.				
<b>Held by RB Services Co., Ltd.</b>				
Bangkok Payment Solutions Co., Ltd.	Developing software and providing technology services, including technology associated with Thailand's mass transit and payment systems	Thailand	60	60
Rabbit Rewards Co., Ltd.	CRM Loyalty Programme and Coupon Kiosks	Thailand	100	100
<b>Held by Man Kitchen Co., Ltd.</b>				
Little Corner Co., Ltd.	Restaurant and related businesses	Thailand	-	69

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
Held by Unicorn Enterprise Co., Ltd.				
Dnal Co., Ltd.	Office rental	Thailand	-	100
Muangthong Assets Co., Ltd.	Hotel	Thailand	-	100
PrannaKiri Assets Co., Ltd.	Property development	Thailand	-	100
Yongsu Co., Ltd.	Dormancy	Thailand	-	100
Tanayong Food and Beverage Co., Ltd.	Property development	Thailand	-	100
Thana City Golf & Sports Club Co., Ltd.	Management of golf course and club house	Thailand	-	100
Siam Paging and Communication Co., Ltd.	Property development	Thailand	-	100
Tanayong Property Management Co., Ltd.	Building management	Thailand	-	100
HHT Construction Co., Ltd.	Construction services	Thailand	-	51
BTS Land Co., Ltd.	Trademark development for property development and service businesses	Thailand	-	100
Mak8 Co., Ltd.	Property development	Thailand	-	100
Ratburana Property Co., Ltd.	Property development	Thailand	-	100
Kingkaew Assets Co., Ltd.	Property development	Thailand	-	100
The Community One Co., Ltd.	Property development	Thailand	-	100
The Community Two Co., Ltd.	Property development	Thailand	-	100
Nine Square Property Co., Ltd.	Property development	Thailand	-	100
UNISON One Co., Ltd.	Office rental	Thailand	-	-

- b) The Company and its subsidiaries are deemed to have control over an investee or subsidiaries if they have rights, or are exposed, to variable returns from their involvement with the investee, and they have the ability to direct the activities that affect the amount of their returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of an overseas subsidiary are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses are translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, joint venture and associates under the cost method.

### 3. NEW FINANCIAL REPORTING STANDARDS

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. However, one standard involves changes to key principles, which are summarised below.

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

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

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

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

In addition, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

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

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

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 REVENUE RECOGNITION

#### **Service income**

##### Advertising income

Advertising income is recognised when services have been rendered, taking into account the stage of completion. The service charge depends on the area, the service charge per area and the period of service stipulated in the contracts.

##### Revenues from provision of operating services

Income from providing of operating services is recognised when services have been rendered taking into account the stage of completion, excluding value added tax. Service rate charged is in accordance with rates as stipulated in the contract.

##### Revenues from provision of space

Space rental income is income from the rental of advertising space and retail space. Space rental income is recognised on a straight-line basis over the lease term. The rental charge depends on the area rented, the rental rate charged per area, and the rental period stipulated in the contract.

##### Revenues from hotel and restaurant operations

Revenues from hotel and restaurants operations mainly comprise of room sales, food and beverage sales, and represent the invoiced value (excluding value added tax) of goods delivered and services rendered after deducting discounts and service charges.

##### Other service income

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

Service revenue is recognised when services have been rendered taking into account the stage of completion, excluding value added tax.

Revenues from utility services are recognised when services have been rendered and represent the invoiced value (excluding value added tax) of services rendered after deducting discounts and service charges reference to the term of the contract.

Rental income in conjunction with apartments and condominiums is recognised as revenue on an accrual basis.

#### **Revenues from installation and construction services and train procurement services**

Revenues from installation and construction services and train procurement services are recognised on a percentage of completion basis. The percentage of completion is measured based on comparison of actual costs incurred up to the end of the period and total anticipated costs to be incurred to completion. The recognised revenue which is not yet due per the contracts has been presented under the caption of "Accrued income" in the statement of financial position.

### **Revenues from sales of real estate**

Revenues from sales of land, land and houses and condominium units are recognised in full when significant risks and rewards are transferred to the buyer.

### **Other income**

Management income is recognised when services have been rendered, with reference to the term of the contract, excluding value added tax.

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

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

## **4.2 EXPENSES**

### **Cost of installation and construction services**

The cost of installation and construction comprises the costs of materials, labor, subcontractors' charges, consultation, services and other expenses, which are recognised on an accrual basis.

Provision for anticipated losses on installation and construction projects is made in the accounts in full when the possibility of loss is ascertained.

### **Cost of train procurement services**

The cost of train procurement services comprises the costs of trains, related equipment and other expenses, which are recognised on an accrual basis.

### **Cost of sales of real estate**

Cost of sales of real estate, which is determined by attributing the total anticipated real estate development costs after recognition of the costs incurred to date to the units already sold on the basis of salable area, is recognised as costs in profit or loss.

## **4.3 CASH AND CASH EQUIVALENTS**

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

## **4.4 ACCOUNTS RECEIVABLE**

- a) Accounts receivable are stated at the net realisable value.
- b) Unbilled receivables under agreements with government authorities are presented and measured at amortised cost. Interest is calculated using the effective interest method to be recognised in the profit or loss.

Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

## **4.5 REAL ESTATE DEVELOPMENT COSTS**

Real estate development costs are valued at the lower of cost and net realisable value.

Real estate development costs consist of the costs of land, land development, project management fees, design, construction and related interest.

## 4.6 INVESTMENTS

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

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association or yield rate of government bond adjusted by an appropriate risk factor, as the case may be. The fair value of unit trusts is determined from their net asset value.

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

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

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

## 4.7 PROJECT COSTS - MEDIA

Project costs - media are stated at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Amortisation of project costs - media is calculated by reference to cost, at a proportion of actual ridership and projected ridership over the future period.

Amortisation is included in determining income.

## 4.8 ELEVATED TRAIN PROJECT COSTS

Elevated train project costs ("Project costs") are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). The subsidiaries have capitalised all expenditures and other related expenses as project costs depending on the conditions of service concession arrangement.

Project costs include management and consultant fees, design costs, civil works, interest and other financing expenses.

Currently, the subsidiaries record project costs under "Work in progress - elevated train projects agreements" in the statement of financial position and have not amortised the work in progress.

## 4.9 SPARE PARTS AND AMORTISATION

Spare parts are consisted as follows:

- a) Consumable spare parts are valued at the lower of cost (weighted average method) and net realisable value and are charged through profit or loss whenever actually consumed.
- b) Reusable spare parts are stated at cost less accumulated amortisation. Amortisation of reusable spare parts is calculated by reference to their costs on the straight-line basis over the period of the operation and maintenance agreements and is recorded in profit or loss.

## 4.10 INVESTMENT PROPERTIES

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Golf course and construction for rent	5 - 30 years or period of lease
Buildings and hotel for rent	period of lease

Depreciation of the investment properties is included in determining income.

No depreciation is provided on land awaiting sales and investment properties in progress.

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

## 4.11 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Land is stated at revalued amount and buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company and its subsidiaries' assets, the increase is recognised in the statements of other comprehensive income and credited directly to equity under the heading of "Revaluation surplus on assets". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company and its subsidiaries' assets, the decrease is recognised as an expense in profit or loss. However, a revaluation decrease is to be charged directly against the related "Revaluation surplus on assets" to the extent that the decrease does not exceed the amount held in the "Revaluation surplus on assets" in respect of those same assets.

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

Buildings and improvements	5 - 20 years or period of lease
Golf course development costs	5 - 30 years
Machinery and equipment	2 - 10 years and remaining period of concession
Furniture and office equipment	2 - 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and assets under installation.

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

#### 4.12 LEASEHOLD RIGHTS AND AMORTISATION

Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation of leasehold rights is calculated by reference to their cost on a straight-line basis over the leasehold period.

Amortisation is included in determining income.

#### 4.13 INTANGIBLE ASSETS

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

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

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

	<u>Useful lives</u>
Intangible assets acquired through business combination	3 years - 7 years 7 months and remaining contract period
Computer software	3 - 5 years

No amortisation is provided on computer software under development.

#### 4.14 GOODWILL

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

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

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

#### **4.15 BUSINESS COMBINATIONS UNDER COMMON CONTROL**

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

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

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

#### **4.16 BORROWING COSTS**

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

#### **4.17 IMPAIRMENT OF ASSETS**

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

An impairment loss is recognised in profit or loss.

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

## 4.18 PROVISIONS

### General

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

### Major maintenance or restoration of elevated train projects under service concession

The subsidiary has contractual obligations to maintain or restore the elevated train projects under service concession to a specified level of service ability. The obligations are recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

## 4.19 EMPLOYEE BENEFITS

### **Short-term employee benefits**

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

### **Post-employment benefits and other long-term employee benefits**

#### *Defined contribution plans*

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

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

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefit plan, namely long service awards.

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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

#### **4.20 TREASURY SHARE**

Treasury share is stated at cost and presented in statement of financial position as a reduction from shareholders' equity. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury share, losses on disposal of treasury share are determined by reference to its carrying amount and are taken to premium on treasury share and retained earnings, consecutively.

#### **4.21 EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS**

The Company recognises the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

#### **4.22 LONG-TERM LEASES**

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

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

#### **4.23 RELATED PARTY TRANSACTIONS**

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

They also include shareholders, joint ventures, associated companies, and enterprises or individuals who have significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company and its subsidiaries' operations, including their family members.

#### **4.24 FOREIGN CURRENCIES**

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange agreements or cross currency swap agreements, which are translated at the contracted rates.

Translation differences on investments in debt securities and other monetary financial assets measured at fair value are included in gains and losses on exchange. Translation differences on non-monetary items such as investments in equity securities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale investments in equity securities are included in the fair value gain or loss in other comprehensive income.

Gains and losses on exchange are included in determining income.

#### 4.25 SERVICE CONCESSION ARRANGEMENTS

The subsidiaries provide services to operate elevated train projects for public service including the design and construction of civil works, the procurement of electronic and mechanical systems and related equipment and the operation and maintenance services under service concession agreements for specified periods of time. The subsidiaries are paid for their services as stipulated in the agreements, and the arrangements are governed by the agreements that sets out performance standards. Such arrangements are a public-to-private service concession arrangements.

The subsidiaries recognise the consideration received or receivable at its fair value as rights to financial assets (unbilled receivables under agreements with government authorities) or to intangible assets (elevated train project costs), depending on the conditions of service concession arrangements.

The subsidiaries recognise the consideration received or receivable for their provision of elevated train operations as a financial asset to the extent that they have an unconditional contractual right to receive cash or another financial asset for the services from or at the direction of the grantor.

The subsidiaries shall recognise an intangible asset to the extent that they receive a right to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

If the subsidiaries are paid for the construction services partly by a financial asset and partly by an intangible asset, it is necessary to account separately for each component of the subsidiaries' consideration. The consideration received or receivable for both components shall be recognised initially at fair value.

Borrowing costs attributable to the arrangements shall be recognised as an expense in the period in which they are incurred unless the subsidiaries have a contractual right to receive an intangible asset (a right to charge users of the public service). In this case, borrowing costs attributable to the arrangements shall be capitalised during the construction phase of the arrangements.

#### 4.26 INCOME TAX

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

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

## 4.27 DERIVATIVES

### **Gross currency swap agreement/Forward exchange agreement**

Receivables and payables arising from cross currency swap agreement/ forward exchange agreement are initially recognised and measured at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value, which has been calculated using the quoted market rates, at the end of reporting period. Gains or losses resulting from changes in its fair value are recognised in profit or loss. However, where transactions qualify for hedge accounting, recognition of any resultant gain or loss from changes in the fair value depends on the nature of the item being hedged.

### **Interest rate swap contracts**

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

## 4.28 HEDGE ACCOUNTING - CASH FLOW HEDGES OF FIRM COMMITMENT OF TRAIN AND RELATED EQUIPMENT ACQUISITION AGREEMENTS

The subsidiaries applies hedge accounting when the risk that has been hedged can be clearly identified and the effectiveness of the hedge can be measured. Gains or losses arising from changes in the fair value of hedging instruments or derivatives that effectively hedge exposure to fluctuations in cash flows that are either attributable to a particular risk associated with a recognised financial asset or financial liability, or to a highly probable forecast transaction, are recognised directly in other comprehensive income and transferred to be recognised in profit or loss when the hedged cash flow transaction occurs. However, if the hedge instrument is not effective, any gain or loss from a change in the fair value of the derivative financial instrument is recognised immediately to profit or loss.

## 4.29 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

## 5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

The management of the Company and its subsidiaries determined that the Company and its subsidiaries have control over Master Ad Public Company Limited (“MACO”) and Inkjet Images (Thailand) Company Limited (“Inkjet”), even though the Company and its subsidiaries hold 48.47% (18.09% held by the Company) and 50% of shares and voting rights, respectively. This is because the Company and its subsidiaries are major shareholders with the power to direct significant activities of such companies. Furthermore, the other shareholders of MACO are only minor shareholders. As a result, MACO and Inkjet are deemed to be subsidiaries of the Group and have to be included in the consolidated financial statements from the date on which the Company and its subsidiaries assumed control.

In addition, the subsidiary’s management determined that BSS Holdings Company Limited (“BSSH”) has control over Rabbit Internet Company Limited (“RI”), even though BSSH holds 30% of shares and voting rights. This is because the subsidiary has the power to direct the policies, management or operations of RI through RI’s Board of Directors, and the rights to variable returns from RI. As a result, RI is deemed to be a subsidiary of the Group and has to be included in the consolidated financial statements from the date on which the subsidiary assumed control.

### LEASES

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

### FAIR VALUE OF FINANCIAL INSTRUMENTS

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

### ALLOWANCE FOR DOUBTFUL ACCOUNTS

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

### IMPAIRMENT OF INVESTMENTS

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

## **PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION/ PROJECT COSTS - MEDIA AND AMORTISATION**

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

In determining amortisation of project costs - media, the management is required to make estimates of ridership over the future period and to review the estimate when there are any changes.

The Company and its subsidiaries measure land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment and project costs - media for impairment on a periodical basis in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## **GOODWILL AND INTANGIBLE ASSETS**

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

## **DEFERRED TAX ASSETS**

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

## **POST-EMPLOYMENT BENEFITS UNDER DEFINED BENEFIT PLANS AND OTHER LONG-TERM EMPLOYEE BENEFITS**

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

## **PROVISIONS**

The subsidiaries determined the provisions using various assumptions relevant to each provision. Estimates are reviewed whenever circumstances change.

## **SERVICE CONCESSION ARRANGEMENTS**

In recording transactions under service concession arrangements, the management had to exercise significant judgement with respect to analysis of the contents of the agreements and the recording of the accounting transactions in accordance with the scope of Thai Financial Reporting Standard Interpretations 12 *Service Concession Arrangements* including the process of measurement and the determination of appropriate timing of recognition of revenues from construction and installation services, and train procurement services.

Under service concession arrangements, the subsidiaries estimate costs of construction, installation service and train procurement service based on details and conditions stipulated in the agreements taking into account the volume and value of works to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of services. Estimates are to be reviewed by the subsidiaries regularly and whenever actual costs differ significantly from the figures used in the original estimates.

## ALLOCATION OF ASSETS AND LIABILITIES AND REVENUES AND EXPENSES TO BTSGIF

The subsidiary allocated assets, liabilities, revenues and expenses in order to submit net fare box revenues to BTSGIF. In making these allocations, the management needs to apply judgement, bases, information and various assumptions, regarding matters such as route length and the expenses reimbursable from BTSGIF. The allocations are reviewed whenever new transactions occur and circumstances change. In addition, the bases, information and various assumptions have to be verified and approved by BTSGIF.

## LITIGATIONS

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believe that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## 6. RELATED PARTY TRANSACTIONS

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

(Unit: Million Baht)

	For the years ended 31 March				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2018	2017	2018	2017	
<b>Transactions with subsidiaries</b>					
(Eliminated from the consolidated financial statements)					
Sales of land and investments	-	-	-	1,440	Contract price
Interest income	-	-	533	431	At cost of funds plus margin
Management income	-	-	39	47	Contract price
Utility income	-	-	9	11	Contract price
Revenue from guarantee	-	-	51	54	Contract price
Rental income	-	-	57	56	Contract price
Purchases of fixed assets and investment properties	-	-	190	22	Contract price
Management fee	-	-	25	42	Contract price
Rental expenses	-	-	13	12	Contract price
Interest expenses	-	-	447	393	At cost of funds plus margin

(Unit: Million Baht)

## For the years ended 31 March

	Consolidated financial statements		Separate financial statements		Pricing policy
	2018	2017	2018	2017	
<b>Transactions with jointly controlled entities and associates</b>					
Service income	166	80	-	-	Contract price
Interest income	489	392	77	-	At cost of funds plus margin
Revenue from construction service	104	-	-	-	Contract price
Rental income	8	5	-	-	Contract price
Other income	4	8	-	-	Contract price
Management fee	34	35	-	-	Contract price
Special business tax paid	65	60	-	-	Contract price
Other expenses	12	10	-	-	Contract price
Shortfall in revenues being lower than the minimum guaranteed amounts paid	-	28	-	-	Contract price
Net fare box revenues transferred	4,696	4,576	-	-	Contract price
<b>Transactions with related parties</b>					
Interest income	2	5	39	115	At cost of funds plus margin
Service income	55	43	-	-	Contract price
Revenue from construction services	102	222	-	-	Contract price
Rental income	5	-	5	-	Contract price
Purchases of fixed assets and investment properties	14	14	2	-	Contract price
Management fee	14	13	17	17	Contract price
Rental expenses	4	5	1	-	Contract price
Other expenses	34	-	4	-	Market price

As at 31 March 2018 and 2017, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Trade and other receivables - related parties (Note 11)</b>				
Subsidiary companies	-	-	20,166	887,069
Jointly controlled entities and associated companies	187,989	155,435	66,655	-
Related companies (associate as shareholder/ shareholders of related companies/co-director)	283,355	17,979	239,716	1,840
Total trade and other receivables - related parties	471,344	173,414	326,537	888,909
<b>Accrued income - related parties</b>				
Jointly controlled entities and associated companies	616,629	506,788	-	-
Related companies (shareholders of subsidiary, jointly controlled entity and related company)	24,617	23,390	-	-
Total accrued income - related parties	641,246	530,178	-	-
<b>Prepaid expenses - related parties</b>				
Associated company	13,209	13,892	-	-
Related company (shareholder of subsidiary)	6,354	5,401	-	-
Total prepaid expenses - related parties	19,563	19,293	-	-
<b>Investments in debt securities - related parties</b>				
Jointly controlled entities	1,800,261	1,304,473	1,240,570	774,473
Total investments in debt securities - related parties	1,800,261	1,304,473	1,240,570	774,473
<b>Retention receivable - related parties</b>				
Related company (associate as a shareholder/ co-director/shareholder of subsidiary)	44,666	11,036	-	-
Total retention receivable - related parties	44,666	11,036	-	-
<b>Advances to contractors and for asset acquisitions - related parties</b>				
Subsidiary company	-	-	102,960	-
Related company (shareholder of subsidiaries)	5,915,668	-	-	-
Total advances to contractors and for asset acquisitions - related parties	5,915,668	-	102,960	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Trade and other payables - related parties (Note 30)</b>				
Subsidiary companies	-	-	1,117,701	614,862
Jointly controlled entities and associated companies	59,306	46,709	136	281
Related companies (associate as shareholder/ shareholder of related company)	23,735	20,679	9,592	309
Total trade and other payables - related parties	83,041	67,388	1,127,429	615,452
<b>Unearned revenues - related parties</b>				
Jointly controlled entity and associated company	438,086	467,970	-	-
Related companies (co-director)	44,856	25,025	-	-
Total unearned revenues - related parties	482,942	492,995	-	-
<b>Retention payable - related party</b>				
Subsidiary company	-	-	16,704	16,304
Total retention payable - related party	-	-	16,704	16,304
<b>Provision - related party (Note 35)</b>				
Associated company	1,231,934	1,202,938	-	-
Total provision - related party	1,231,934	1,202,938	-	-

## LOANS TO RELATED PARTIES AND LOANS FROM RELATED PARTIES

As at 31 March 2018 and 2017, the balances of loans between the Company and those related parties and the movements are as follows:

(Unit: Thousand Baht)

Short-term loan to related party	Related by	Consolidated and separate financial statements			
		Balance as at 31 March 2017	Increase during the year	Decrease during the year	Balance as at 31 March 2018
EGV Co., Ltd.	Related company	4,018	-	-	4,018
Less: Allowance for doubtful debt		(4,018)	-	-	(4,018)
Net		-	-	-	-

(Unit: Thousand Baht)

Long-term loans to related parties	Related by	Consolidated financial statements			
		Balance as at 31 March 2017	Increase during the year	Decrease during the year	Balance as at 31 March 2018
BTS Sansiri Holding One Ltd.	Jointly controlled entity	331,000	392,000	(723,000)	-
BTS Sansiri Holding Two Ltd.	Jointly controlled entity	126,688	11,000	(137,688)	-
BTS Sansiri Holding Four Ltd.	Jointly controlled entity	828,000	259,000	(1,087,000)	-
BTS Sansiri Holding Five Ltd.	Jointly controlled entity	28,000	11,000	(39,000)	-
BTS Sansiri Holding Six Ltd.	Jointly controlled entity	1,015,000	219,000	(1,234,000)	-
BTS Sansiri Holding Seven Ltd.	Jointly controlled entity	90,000	127,000	(217,000)	-
BTS Sansiri Holding Eight Ltd.	Jointly controlled entity	279,000	67,000	(346,000)	-
BTS Sansiri Holding Nine Ltd.	Jointly controlled entity	130,000	23,000	(153,000)	-
BTS Sansiri Holding Eleven Ltd.	Jointly controlled entity	133,000	213,000	(346,000)	-
BTS Sansiri Holding Twelve Ltd.	Jointly controlled entity	550,000	216,000	(766,000)	-
BTS Sansiri Holding Fourteen Ltd.	Jointly controlled entity	25,000	79,000	(104,000)	-
BTS Sansiri Holding Fifteen Ltd.	Jointly controlled entity	341,000	102,000	(443,000)	-
BTS Sansiri Holding Sixteen Ltd.	Jointly controlled entity	427,500	104,500	(532,000)	-
BTS Sansiri Holding Seventeen Ltd.	Jointly controlled entity	-	25,000	(25,000)	-
BTS Sansiri Holding Nineteen Ltd.	Jointly controlled entity	114,000	100,000	(214,000)	-
BTS Sansiri Holding Twenty One Ltd.	Jointly controlled entity	285,000	94,000	(379,000)	-
BTS Sansiri Holding Twenty Two Ltd.	Jointly controlled entity	39,000	99,000	(138,000)	-
Nuvo Line Agency Co., Ltd.	Jointly controlled entity	251,500	87,000	(338,500)	-
ATS Rabbit Special Purpose Vehicle Co., Ltd.	Jointly controlled entity	45,263	25,894	-	71,157
Bayswater Co., Ltd.	Jointly controlled entity	4,171,000	280,000	-	4,451,000
U City Plc.	Associated company	-	9,829,541	(4,805,541)	5,024,000
Eyeballs Channel Sdn Bhd	Associated company	26,492	89	(7,717)	18,864
Hwa Kay Thai (Thailand) Co., Ltd.	Related company	15,300	-	(15,300)	-
Midas Global Media Co., Ltd.	Related company	80,494	-	(80,494)	-
		9,332,237	12,364,024	(12,131,240)	9,565,021
Less: Allowance for doubtful debt		(15,300)	-	15,300	-
		9,316,937	12,364,024	(12,115,940)	9,565,021
Less: Current portion		(91,402)	(11,544)	88,211	(14,735)
Net		9,225,535	12,352,480	(12,027,729)	9,550,286

(Unit: Thousand Baht)

Long-term loans to related parties	Related by	Separate financial statements			
		Balance as at 31 March 2017	Increase during the year	Decrease during the year	Balance as at 31 March 2018
Tanayong International Ltd.	Subsidiary company	441,126	60	(441,186)	-
Tanayong Hong Kong Ltd.	Subsidiary company	3,868	50	(3,918)	-
Unicorn Enterprise Co., Ltd.	Subsidiary company	13,955,461	4,131,332	(18,086,793)	-
RB Services Co., Ltd.	Subsidiary company	10,000	70,000	(80,000)	-
Yongsu Co., Ltd.	Subsidiary company	-	7,280	-	7,280
Kingkaew Assets Co., Ltd.	Subsidiary company	-	9,872	-	9,872
The Community One Co., Ltd.	Subsidiary company	-	112,975	-	112,975
The Community Two Co., Ltd.	Subsidiary company	-	179,370	-	179,370
U City Plc.	Associated company	-	9,829,541	(4,805,541)	5,024,000
Bayswater Co., Ltd.	Jointly controlled entity	-	4,451,000	-	4,451,000
		14,410,455	18,791,480	(23,417,438)	9,784,497
Less: Allowance for doubtful debts		(637,861)	(110)	637,971	-
Net		13,772,594	18,791,370	(22,779,467)	9,784,497

(Unit: Thousand Baht)

Short-term loans from related parties	Related by	Consolidated financial statements			
		Balance as at 31 March 2017	Increase during the year	Decrease during the year	Balance as at 31 March 2018
Inteltion Co., Ltd.	Shareholder of subsidiary company	3,500	-	-	3,500
Total		3,500	-	-	3,500

(Unit: Thousand Baht)

Short-term loans from related parties	Related by	Separate financial statements			
		Balance as at 31 March 2017	Increase during the year	Decrease during the year	Balance as at 31 March 2018
Bangkok Mass Transit System Plc.	Subsidiary company	16,500,000	-	-	16,500,000
Dnal Co., Ltd.	Subsidiary company	-	106,500	(72,000)	34,500
Total		16,500,000	106,500	(72,000)	16,534,500

## DIRECTORS' AND MANAGEMENT'S BENEFITS

During the years ended 31 March 2018 and 2017, the Company and its subsidiaries had employee benefit expenses to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	427	416	120	111
Post-employment benefits and other long-term employee benefits	31	19	5	6
Share-based payment	3	2	2	1
<b>Total</b>	<b>461</b>	<b>437</b>	<b>127</b>	<b>118</b>

## GUARANTEE OBLIGATIONS WITH RELATED PARTIES

The Company has outstanding guarantee obligations with its related parties, as described in Note 59.7 c) and e) to the financial statements.

## 7. CASH AND CASH EQUIVALENTS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	56,044	44,096	1,250	184
Current deposits and saving deposits	5,740,369	5,073,977	1,904,267	1,775,277
Fixed deposits with maturity date due not more than 3 months	3,569,221	9,955,122	4	4
Certificates of deposits	92,075	21,312	92,075	-
<b>Total</b>	<b>9,457,709</b>	<b>15,094,507</b>	<b>1,997,596</b>	<b>1,775,465</b>

As at 31 March 2018, cash and cash equivalents carried interests between 0.01 and 2.08% per annum (2017: between -0.60 and 3.00% per annum) (Separate financial statements: between 0.01 and 1.84% per annum (2017: between 0.01 and 1.40% per annum)).

Under the conditions stipulated in the credit facility agreements of the subsidiaries, the subsidiaries have pledged their bank accounts amounting to Baht 618 million with a commercial bank to secure the subsidiaries' loan and transferred rights to debit or withdraw from the deposit accounts to make loan repayments and related financial fee payments to the bank.

## 8. CURRENT INVESTMENTS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Fixed deposits and certificates of deposits with maturity date due more than 3 months</b>	421,210	1,611,649	38,335	154,285
<b>Held to maturity securities</b>				
Foreign government and government agency bonds <sup>(1)</sup>	1,783,832	1,908,574	-	-
Domestic private debt securities	2,396,697	1,770,000	-	-
	4,180,529	3,678,574	-	-
<b>Investments in trading securities</b>				
Unit trust in fixed income funds	262,782	441,922	1,586	-
Unit trust in equity fund	18,105	-	18,105	-
Domestic equity securities	772,817	427,689	772,817	427,689
Foreign equity security	16,666	-	16,666	-
	1,070,370	869,611	809,174	427,689
Allowance for change in value	(549)	8,643	(13,497)	(1,974)
	1,069,821	878,254	795,677	425,715
<b>Investments in available for sale securities</b>				
Unit trust in fixed income funds	-	70,033	-	-
Allowance for change in value	-	255	-	-
	-	70,288	-	-
<b>Total</b>	<b>5,671,560</b>	<b>6,238,765</b>	<b>834,012</b>	<b>580,000</b>

<sup>(1)</sup> Issued by foreign governments, government agencies or corporates owned by foreign governments and government agencies.

The Company and its subsidiaries had sale and purchase transactions of investments in trading securities and available for sale securities. The details were as follows:

(Unit: Million Baht)

	For the years ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Purchases of investments	45,156	40,359	9,953	7,599
Sales of investments	44,989	40,860	9,580	7,426

The Company and its subsidiaries recognised gain on investments in trading securities and available for sale securities in the profit or loss. The details were as follows:

(Unit: Million Baht)

	For the years ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Gain on sales	252	153	142	87
Unrealised loss on change in value	(10)	(18)	(11)	(13)
Total	242	135	131	74

## 9. INVESTMENTS IN DERIVATIVE INSTRUMENTS

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Derivative instruments	1,858,542	129,983
Allowance for change in value	365,949	(6,398)
Total	2,224,491	123,585

The subsidiary had sale and purchase transactions of investments in derivative instruments. The details were as follows:

(Unit: Million Baht)

	For the years ended 31 March	
	Consolidated financial statements	
	2018	2017
Purchases of investments	1,887	-
Sales of investments	159	-

The subsidiary recognised gain (loss) on investments in derivative instruments in the profit or loss. The details were as follows:

(Unit: Million Baht)

	For the years ended 31 March	
	Consolidated financial statements	
	2018	2017
Gain on sales	11	-
Unrealised gain (loss) on change in value	373	(4)
Total	384	(4)

## 10. BANK ACCOUNT FOR ADVANCES RECEIVED FROM CARDHOLDERS / ADVANCES RECEIVED FROM CARDHOLDERS

In order to comply with the Notification of the Bank of Thailand applicable to electronic card businesses, a subsidiary (Bangkok Smartcard System Co., Ltd.) has to deposit cash received in advance from cardholders with a financial institution in an amount not less than the outstanding balance of the advance receipts at the end of each day. These funds cannot be used for any purposes other than making payment to goods or service providers on behalf of the cardholder.

## 11. TRADE AND OTHER RECEIVABLES

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Trade receivables - related parties</b>				
Not yet due	63,411	2,092	-	-
Past due				
Up to 3 months	32,146	1,959	-	-
3 - 6 months	2,995	12,104	-	-
Total trade receivables - related parties	98,552	16,155	-	-
<b>Trade receivables - unrelated parties</b>				
Not yet due	779,325	733,692	-	-
Past due				
Up to 3 months	161,640	569,030	-	-
3 - 6 months	15,914	199,862	-	-
6 - 12 months	1,579	2,152	-	-
Over 12 months	60,987	68,061	-	-
Total	1,019,445	1,572,797	-	-
Less: Allowance for doubtful debts	(65,441)	(64,051)	-	-
Net	954,004	1,508,746	-	-
Cheques awaiting deposit	454	712	-	-
Total trade receivables - unrelated parties - net	954,458	1,509,458	-	-
Total trade receivables - net	1,053,010	1,525,613	-	-
<b>Other receivables</b>				
Interest receivables - related parties	68,157	115,150	70,820	156,149
Interest receivables	87,077	105,247	5,534	2,969
Dividend receivables - related parties	28,813	32,335	-	706,172
Dividend receivables	2,716	5,207	2,625	5,206
Other receivables - related parties	275,822	9,774	255,717	26,588
Other receivables	260,978	133,306	95,437	58,383
Receivables from sales of investments	48,164	201,406	35,316	201,406
Total other receivables	771,727	602,425	465,449	1,156,873
Total trade and other receivables - net	1,824,737	2,128,038	465,449	1,156,873

## 12. UNBILLED RECEIVABLES UNDER AGREEMENTS WITH GOVERNMENT AUTHORITIES

The receivables are due as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Less than 1 year	99,740	97,093
1 - 5 years	1,271,541	953,346
Over 5 years	6,369,406	3,254,344
Total	7,740,687	4,304,783

The receivables consist of the followings:

- a) A receivable from the provision of train procurement services for extension line - Silom and Sukhumvit, and the core line after the expiry of the existing concession, in accordance with an arrangement under the Operating and Maintenance of Bangkok Mass Transit System Agreement dated 3 May 2012, and the amendment to that agreement, with a term of 30 years from 8 May 2012 to 2 May 2042 between Krungthep Thanakom Company Limited ("Krungthep Thanakom") and a subsidiary. The subsidiary is to procure a number of trains for a specified period and will receive a monthly fixed payment under conditions as stipulated in the agreement. Krungthep Thanakom has a call option to purchase the trains at the end of the agreement at the rates stipulated in the agreement.
- b) A receivable from the provision of train procurement services for the Green Line under the Operating and Maintenance Agreement for the Green Line (Mo Chit - Saphan Mai - Khu Khot and Bearing - Samutprakan) dated 1 August 2016 between Krungthep Thanakom and a subsidiary, and the amendment to that agreement, with a term of 26 years from 1 August 2016 to 2 May 2042. The subsidiary is to procure a number of trains for a specified period and will receive a monthly fixed payment under conditions as stipulated in the agreement. Krungthep Thanakom has an option to make payment within a 4 year period after payment is due and can extend this period by another 2 years, with interest to be charged at the rate stipulated in the agreement as from the date the option exercised.
- c) A receivable from the design and construction of civil works for the MRT Pink Line Project and the MRT Yellow Line Project under the concession agreements dated 16 June 2017 between the Mass Rapid Transit Authority of Thailand ("MRTA") and the subsidiaries. The subsidiaries are to design and construct civil works for a specified period and will receive an annual fixed payment for 10 years, beginning from the date of receipt of the Commissioning Certificate from MRTA under conditions as stipulated in the agreements.

The subsidiaries have obligations to perform major maintenance or restoration of the elevated train projects, and these are recorded under the provision account, as described in Note 35 to the financial statements.

The unbilled receivables under agreements with government authorities is subject to interest at rates of 0.58%, 3.60%, 5.00% and 6.12% per annum (2017: 0.58%, 3.60% and 6.12% per annum). During the year, the subsidiary had revenues from train procurement services amounting to Baht 3,306 million (2017: Baht 754 million).

### 13. RECEIVABLE, INTEREST RECEIVABLE AND ACCRUED INCOME UNDER PURCHASE AND INSTALLATION OF OPERATING SYSTEM AGREEMENT

On 28 June 2016, a subsidiary entered into the purchase and installation of operating system (Electric and Mechanic) agreement for the Green Line (Mo Chit - Saphan Mai - Khu Khot and Bearing - Samutprakan) with Krungthep Thanakom Company Limited (“Krungthep Thanakom”). The agreement stipulates that Krungthep Thanakom has an option to make payment within a 4 year period after payment is due and can extend this period by another 2 years, with interest to be charged at the rate stipulated in the agreement as from the date the option is exercised. Krungthep Thanakom has exercised the payment option and the subsidiary has charged interest at the rate stipulated in the agreement as from the date the option was exercised and recorded this in its accounts.

The balances of the accounts are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Receivable	4,661,902	1,275,621
Accrued income	1,091,942	379,888
Interest receivable	147,055	27,477
Less: Advances per agreement	(2,172,897)	(923,583)
Net	3,728,002	759,403

During the year, the subsidiary recognised revenues from installation service amounting to Baht 2,482 million (2017: Baht 665 million).

### 14. REAL ESTATE DEVELOPMENT COSTS

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2018	2017
Land and construction development	647,245	665,043
Less: Reduce cost to net realisable value	(1,272)	(1,272)
Real estate development costs - net	645,973	663,771

## 15. INVESTMENTS IN SUBSIDIARIES

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost		Dividend income	
	2018	2017	2018	2017	2018	2017
Bangkok Mass Transit System Plc. ("BTSC")	4,016,783	4,016,783	29,937,253	29,937,253	939,563	2,270,611
VGI Global Media Plc. (48.53% held by BTSC (2017: 51%))	720,433	686,433	9,997,720	6,961,980	94,984	135,474
Master Ad Plc. (30.38% held by VGI (2017: 33.68%))	343,891	-	1,280,274	-	6,815	-
Unicorn Enterprise Co., Ltd.	10,000	10,000	10,000	10,000	-	-
RB Services Co., Ltd.	295,000	135,000	295,000	135,000	-	-
Dnal Co., Ltd. <sup>(1)</sup>	12,500	-	41,600	-	-	-
Yongsu Co., Ltd. <sup>(1)</sup>	234,000	-	6,900	-	-	-
Kingkaew Assets Co., Ltd. <sup>(1)</sup>	10,000	-	10,000	-	-	-
The Community One Co., Ltd. <sup>(1)</sup>	10,000	-	10,000	-	-	-
The Community Two Co., Ltd. <sup>(1)</sup>	10,000	-	10,000	-	-	-
HHT Construction Co., Ltd. <sup>(1)</sup>	25,000	-	51,000	-	-	-
Northern Bangkok Monorail Co., Ltd.	4,500,000	-	3,375,000	-	-	-
Eastern Bangkok Monorail Co., Ltd.	4,500,000	-	3,375,000	-	-	-
BTS Infrastructure Development Co., Ltd.	250	-	250	-	-	-
Tanayong International Ltd.	-	25	-	25	-	-
Tanayong Hong Kong Ltd.	-	42	-	42	-	-
Man Kitchen Co., Ltd. <sup>(2)</sup>	-	165,800	-	116,060	16,296	-
Primary Kitchen Co., Ltd. <sup>(2)</sup>	-	93,844	-	93,844	-	-
KMJ 2016 Co., Ltd. <sup>(2)</sup>	-	61,000	-	31,110	-	-
Man Food Products Co., Ltd. <sup>(2)</sup>	-	80,000	-	80,000	-	-
Total			48,399,997	37,365,314		
Less: Deficit on business combination under common control			(3,610,099)	(3,657,784)		
			44,789,898	33,707,530		
Less: Provision for loss on diminution in value			(17,960)	(66)		
Net			44,771,938	33,707,464		

<sup>(1)</sup> Acquisition of investments from Unicorn Enterprise Co., Ltd. as described in Note 51 to the financial statements.

<sup>(2)</sup> Loss of control as described in Note 16.1.1 to the financial statements.

Details of investments in subsidiaries that have material non-controlling interests were as follows:

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
	(%)	(%)						
Bangkok Mass Transit System Plc.	2.54	2.54	672	609	59	43	24	59
VGI Global Media Plc. <sup>(1)</sup>	26.49	28.43	1,348	716	220	238	122	184
Master Ad Plc. <sup>(2)</sup>	51.53	66.32	916	964	146	39	57	34

<sup>(1)</sup> 24.98% (2017: 20.57%) held by the Company and 48.53% (2017: 51%) held by BTSC

<sup>(2)</sup> 18.09% (2017: Nil) held by the Company and 30.38% (2017: 33.68%) held by VGI

Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling were as follows:

#### Summarised information about financial position

(Unit: Million Baht)

	Bangkok Mass Transit System Plc.		VGI Global Media Plc.		Master Ad Plc.	
	2018	2017	2018	2017	2018	2017
Current assets	33,822	38,663	3,705	2,613	657	826
Non-current assets	31,818	22,879	5,911	5,372	1,366	860
Current liabilities	(5,151)	(5,180)	(2,048)	(2,808)	(438)	(454)
Non-current liabilities	(30,060)	(30,046)	(1,651)	(2,072)	(38)	(38)

#### Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 March

	Bangkok Mass Transit System Plc.		VGI Global Media Plc.		Master Ad Plc.	
	2018	2017	2018	2017	2018	2017
Revenue	13,680	7,602	4,080	3,358	1,053	643
Profit	2,823	2,016	929	768	244	68
Other comprehensive income	144	(213)	(14)	1	(5)	1
Total comprehensive income	2,967	1,803	915	769	239	69

## Summarised information about cash flow

(Unit: Million Baht)

For the years ended 31 March

	Bangkok Mass Transit System Plc.		VGI Global Media Plc.		Master Ad Plc.	
	2018	2017	2018	2017	2018	2017
Cash flow from (used in) operating activities	(1,592)	(3,542)	1,272	957	293	147
Cash flow used in investing activities	(3,596)	(6,694)	(1,657)	(3,687)	(445)	(276)
Cash flow from (used in) financing activities	(1,134)	21,577	345	2,215	58	363
Increase (decrease) in translation adjustment	(2)	1	(1)	4	-	5
Net increase (decrease) in cash and cash equivalents	(6,324)	11,342	(41)	(511)	(94)	239

## 15.1 SUBSIDIARIES DIRECTLY OWNED BY THE COMPANY

### 15.1.1 Bangkok Mass Transit System Public Company Limited (“BTSC”)

All of BTSC’s ordinary shares (excluding the ordinary shares of VGI Global Media Public Company Limited held by BTSC, and benefits and rights which are not related to the net revenue of the Core BTS Sky Train System) have been pledged with BTS Rail Mass Transit Growth Infrastructure Fund to secure its obligations under the Sponsor Support and Guarantee Agreement.

### 15.1.2 Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited

On 7 November 2016, the Company, Sino-Thai Engineering & Construction Public Company Limited (“STEC”) and Ratchaburi Electricity Generating Holding Public Company Limited (“RATCH”) jointly submitted the proposals under the name of “BSR Joint Venture” to the Mass Rapid Transit Authority of Thailand (“MRTA”) for the MRT Pink Line Project (Khae Rai - Min Buri) (“MRT Pink Line Project”) and the MRT Yellow Line Project (Lad Prao - Samrong) (“MRT Yellow Line Project”). Subsequently, MRTA has issued letters announcing that the bid submitted by BSR Joint Venture was the best proposed for the MRT Pink Line Project and MRT Yellow Line Project.

Subsequently, on 12 June 2017, the Company, STEC and RATCH established two companies named “Northern Bangkok Monorail Company Limited” and “Eastern Bangkok Monorail Company Limited”, with registered share capital of Baht 3,500 million (35,000,000 ordinary shares with a par value of Baht 100 each) for each company, in which the Company, STEC, and RATCH hold 75%, 15%, and 10% of shares, respectively. In this regard, these two companies are subsidiaries of the Company.

On 16 June 2017, Northern Bangkok Monorail Company Limited entered into the concession contract for the MRT Pink Line Project, including the provisions regarding the extension of the MRT Pink Line Project, and Eastern Bangkok Monorail Company Limited entered into the concession contract for the MRT Yellow Line Project, including the provisions regarding the extension of the MRT Yellow Line Project with the MRTA. In order to proceed in accordance with the provisions regarding the extension of the MRT Pink Line Project and the extension of the MRT Yellow Line Project, the MRTA, Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited agree to fully comply with the processes and procedures as

required by the relevant laws.

On 13 December 2017, the Extraordinary General Meeting of shareholders of Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited passed a resolution to approve a Baht 2,000 million increase in their registered capital for each subsidiary, from the existing registered capital of Baht 3,500 million to Baht 5,500 million, by issuing 20,000,000 new ordinary shares with a par value of Baht 100 each and to allocate the newly issued shares to the existing shareholders in proportion to their shareholdings. Each subsidiary called up a 50% of the par value, amounting to Baht 1,000 million, in February and March 2018. The Company made the payments for the share capital.

### **15.1.3 BTS Infrastructure Development Company Limited**

On 30 November 2017, the Company established BTS Infrastructure Development Company Limited to engage in the consultancy service for architecture and engineering works, with a registered share capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each) (25% called up), with the Company to hold a 99.97% interest. This company registered its incorporation on 30 November 2017.

### **15.1.4 RB Services Company Limited**

On 28 September 2017, the Extraordinary General Meeting of shareholders of a subsidiary passed a resolution to approve a Baht 160 million increase in its registered capital, from the existing registered capital of Baht 135 million to Baht 295 million, by issuing 1.6 million new ordinary shares with a par value of Baht 100 each. The Company acquired all additional ordinary shares of the subsidiary, and as a result, its shareholding in the subsidiary is unchanged at 100%.

### **15.1.5 Tanayong International Limited**

Tanayong International Limited incorporated in Cayman Islands, registered its dissolution; therefore, the Company derecognised the net asset value of the subsidiaries from the consolidated financial statements and reversed the exchange differences on translation of financial statement in foreign currency and recorded in profit or loss in the consolidated financial statements.

## **15.2 SUBSIDIARIES INDIRECTLY OWNED BY THE COMPANY**

### **15.2.1 VGI Global Media Public Company Limited (“VGI”) (Held by the Company and BTSC)**

#### **Transactions for the year ended 31 March 2017**

##### *Purchase and sale transactions of investment in the subsidiary*

The Company purchased 90.3 million ordinary shares of the subsidiary at prices of Baht 4.46 - 5.20 per share and 9.8 million warrants at prices of Baht 0.35 - 0.41 per warrant for a total of Baht 456 million. The Company recorded deficit from the changes in the ownership interests in a subsidiary from purchase of ordinary shares amounting to Baht 427 million under the shareholders' equity in the consolidated statements of financial position.

The Company sold 277.4 million ordinary shares of the subsidiary at prices of Baht 4.63 - 6.18 per share for a total of Baht 1,498 million. The Company recorded surplus from the changes in the ownership interests in a subsidiary from sale of ordinary shares amounting to Baht 1,404 million under the shareholders' equity in the consolidated statements of financial position. The Company also reversed the surplus on business combination under common control of approximately Baht 58 million under shareholders' equity in the separate statements of financial position and recorded gain on sales of investments in subsidiary amounting to Baht

153 million in the separate profit or loss.

Purchases of ordinary shares of BSS Holdings Company Limited (“BSSH”) and Bangkok Smartcard System Company Limited (“BSS”)

On 21 March 2017, VGI acquired 90% of the ordinary shares of BSSH from the Company and 90% of the ordinary shares of BSS from BTSC, in accordance with resolution passed by the Extraordinary General Meeting of VGI's shareholders on 7 November 2016, as detailed below.

- 1) VGI acquired 3.6 million ordinary shares in BSS with a par value of Baht 100 each, representing 90% of all issued shares of BSS, from BTSC, at a price of Baht 184.39 per share, or for a total of Baht 663,804,000.
- 2) VGI acquired 10.8 million ordinary shares of BSSH with a par value of Baht 100 each, representing 90% of all issued shares of BSSH, from the Company, at a price of Baht 119.69 per share, or for a total of Baht 1,292,652,000.

In addition, the Company sold the remaining 1.2 million shares in BSSH with a par value of Baht 100 each, representing 10% of all issued shares of BSSH, to Bangkok Bank Public Company Limited at a price of Baht 144 million.

Moreover, if the Company has to sell all or some of the shares of Rabbit Rewards Company Limited (“RR”), which is a provider of CRM loyalty programme and coupon kiosks, to another party in the future, the Company agrees to offer VGI first right of refusal to purchase RR's shares, under conditions and at a price to be agreed between the counterparties in the future.

The Company recorded gains from sales of investment in BSSH totaling to Baht 236 million in the profit or loss in the separate financial statements.

As a result of the sales of investments in BSSH and BSS, the Group's shareholding in BSSH and BSS decreased to 63.25% and 63.25% (held through VGI), respectively. The Company recorded the effects of the changes in its shareholding in BSSH and BSS, amounting to Baht 350 million, under the heading of “Deficit from changes in the ownership interests in subsidiaries” under shareholders' equity in the consolidated statements of financial position.

**Transactions for the year ended 31 March 2018**

Share capital

On 6 July 2017, the Annual General Meeting of VGI's shareholders passed the following significant resolutions.

- a) Approved a resolution to cancel the increase in the registered share capital not more than Baht 34 million (340,000,000 ordinary shares with a par value of Baht 0.1 each) under a general mandate and allocation to private placement offerings, in accordance with a resolution of the Extraordinary General Meeting on 7 November 2016.
- b) Approved a resolution to decrease the registered share capital by Baht 34 million from Baht 891,990,523 (8,919,905,230 ordinary shares with a par value of Baht 0.1 each) to Baht 857,990,523 (8,579,905,230 ordinary shares with a par value of Baht 0.1 each), through the cancellation of 340,000,000 unissued ordinary shares with a par value of Baht 0.1 each.
- c) Approved a resolution to increase the registered share capital by Baht 34 million, from Baht 857,990,523 (8,579,905,230 ordinary shares with a par value of Baht 0.1 each) to Baht 891,990,523 (8,919,905,230 ordinary shares with a par value of Baht 0.1 each), through the issue of 340,000,000 additional ordinary shares with a par value of Baht 0.1 each under a general mandate.

- d) Approved a resolution to allocate not more than 340,000,000 additional ordinary shares with a par value of Baht 0.1 each issued under the general mandate to be offered through private placements. The investors are not to be related parties.

Subsequently, on 30 October 2017, the Board of Directors meeting of VGI passed the following significant resolutions.

- a) Approved a resolution to allocate not more than 340 million additional ordinary shares with a par value of Baht 0.1 each issued under the general mandate to be offered through private placements, in accordance with a resolution of the 2017 Annual General Meeting of the VGI's shareholders on 6 July 2017. In addition, the meeting determined a framework for an offering price that is not less than 90% of the weighted average price of ordinary shares in trading on the Stock Exchange of Thailand over the 7 consecutive business days preceding the date that the VGI's Board of Directors meeting considered a resolution to determine the framework for an offering price, and determined a framework for an additional ordinary share subscription and payment period within 30 April 2018. The additional ordinary share subscription and payment dates are to be not more than the 3 business days immediately following the final offering price determination date.
- b) Approved a resolution to assign an authority to the Executive Committee to proceed procedures essential and relevant to the VGI's additional ordinary share allocation and offering, such as determinations of the final offering price, additional ordinary share subscription and payment dates and other details related to the additional ordinary share allocation and offering.
- c) Approved a resolution to engage a placing agent, which is an international financial institution, for distributing the VGI's additional ordinary shares to foreign investors, and underwriters, for distributing VGI's additional ordinary shares to domestic investors. The investors are to be institutional investors or not more than 50 specific investors over a twelve-month period and are not to be the related parties.

On 13 December 2017, VGI allocated 340 million additional ordinary shares with a par value of Baht 0.1 each issued under a general mandate to be offered through private placements, at an offering price of Baht 6 per share. The accounting records are detailed below.

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>
Cash received from issuances of additional ordinary shares of subsidiary	2,040,000
Less: Costs of the issuances of additional ordinary shares of subsidiary	(27,752)
	<hr/> 2,012,248
Less: Non-controlling interests of subsidiary adjusted	(705,118)
Surplus from the change in the ownership interests in a subsidiary	<hr/> <hr/> 1,307,130

### Purchase transactions of investment in the subsidiary

The Company purchased 720 million ordinary shares of the subsidiary at prices of Baht 4.90 - 7.85 per share and 11.6 million warrants at prices of Baht 0.37 - 0.40 per warrant. The accounting records are detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash paid for purchases of investment in subsidiary	4,763,718
Less: Non-controlling interests of subsidiary adjusted	(445,975)
Deficit from the change in the ownership interests in subsidiary	4,317,743

### Sale transactions of investment in the subsidiary

The Company sold 330 million ordinary shares of the subsidiary (at prices of Baht 6.20 - 7.05 per share). The accounting records are detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cash received from sales of ordinary shares	2,098,151	2,098,151
Less: Cost of investments in subsidiary	-	(1,727,979)
	2,098,151	370,172
Less: Related tax on consolidated financial statements	(32,311)	-
	2,065,840	370,172
Less: Non-controlling interests of subsidiary	(237,323)	-
Surplus from the changes in the ownership interests in subsidiary / Gain on sales of investment in subsidiary	1,828,517	370,172

### Warrants

On 30 March 2018, the warrant holders exercised warrants to acquire 9,332,526 ordinary shares with a par value of Baht 0.1 each, at an exercise price of Baht 7 per share, or for a total of Baht 65 million. The accounting records are detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements
Exercised warrants	65,328
Less: Non-controlling interests of subsidiary adjusted	(22,813)
Surplus from changes in ownership interests in subsidiary	42,515

As a result of purchases and sales of ordinary shares and warrants and exercised warrants, the Company's shareholding in the subsidiary increased from 20.57% to 24.98% (48.53% held by BTSC).

BTSC pledged all ordinary shares of VGI with the Company in accordance with an agreement relating to the Net Revenue Purchase and Transfer Agreement.

## 15.2.2 Master Ad Public Company Limited (“MACO”) (held by the Company and VGI)

### Transactions for the year ended 31 March 2017

On 31 May 2016 (the acquisition date), in accordance with a resolution passed by the Extraordinary General Meeting of VGI’s shareholders on 30 May 2016, VGI acquired 375 million additional shares of MACO at a price of Baht 1.1 per share, or for a total of Baht 412.5 million, from existing shareholders, through the big lot board of the Stock Exchange of Thailand. Following the acquisition of additional shares, then together with the 750,967,400 shares of MACO already held by VGI, VGI held 37.42% of all issued shares. VGI’s management determined that VGI has control over MACO, even though VGI’s holding of shares and voting rights was less than half of all shares and voting rights. Consequently, MACO is deemed to be a subsidiary of VGI from the date on which VGI assumed control. On the acquisition date, the classification of the investment therefore changed from investment in an associate to investment in a subsidiary. The fair value at the acquisition date of the existing interests in MACO held before the acquisition date was Baht 825 million and a gain of Baht 207 million from measuring the existing interests at their fair value was recognised as a separate item under the caption of “Gain on change in status of investment” in the statement of income. In addition, during the year ended 31 March 2017, VGI completed the process of measuring the fair value at the acquisition date of the identifiable assets acquired, the liabilities assumed, non-controlling interests in the subsidiary, and goodwill. VGI, therefore, recorded goodwill amounting to approximately Baht 880 million in its accounts.

On 21 September 2016, the Extraordinary General Meeting of MACO’s shareholders passed a resolution to approve the increase in its registered share capital of Baht 33.4 million, from Baht 376,121,187.50 (3,761,211,875 ordinary shares of Baht 0.1 each) to Baht 409,521,187.50 (4,095,211,875 ordinary shares of Baht 0.1 each) by issuing 334 million additional ordinary shares with a par value of Baht 0.1 each, to be offered to Ashmore OOH Media Limited incorporated and domiciled in Hong Kong by way of private placement at a price of Baht 1.28 per share, or for a total of Baht 427.52 million, in order to fund additional investment in out of home media business, including the acquisition of MTS’s shares. MACO registered the corresponding increase in its registered share capital with the Ministry of Commerce on 30 September 2016, and issued 334 million additional shares and received payment on 25 October 2016.

As a result of the increase in MACO’s share capital and VGI’s acquisitions and sales of MACO’s shares through the Stock Exchange of Thailand, VGI’s shareholding in MACO decreased from 37.42% to 33.68% of all issued shares of MACO.

As a result of these events, the Company recorded surplus from changes in the ownership interest in a subsidiary of Baht 79 million under shareholders’ equity in the consolidated statements of financial position.

### Transactions for the year ended 31 March 2018

#### Purchase transactions of investment in the subsidiary

The Company and VGI purchased 859 million ordinary shares of the subsidiary at prices of Baht 1.36 - 2.28 per share and 4 million ordinary shares at an average price of Baht 1.96, respectively. The accounting records are detailed below.

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>
Cash paid for purchases of investment in subsidiary	1,683,219
Less: Non-controlling interests of subsidiary adjusted	(360,547)
Deficit from the change in the ownership interests in subsidiary	<u>1,322,672</u>

### Sale transactions of investment in the subsidiary

The Company and VGI sold 237 million ordinary shares of the subsidiary (at prices of Baht 1.54 - 2.16 per share) and 100 million ordinary shares of the subsidiary (at a price of Baht 1.5381 per share), respectively. In addition, VGI sold 28 million warrants to purchase the newly issued ordinary shares of the subsidiary at a price of Baht 0.0636 per warrant. The accounting records are detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cash received from sales of ordinary shares and warrants to purchase the newly issued ordinary shares of subsidiary	539,808	384,195
Less: Cost of investments in subsidiary	-	(395,123)
	539,808	(10,928)
Less: Related tax on consolidated financial statements	(9,044)	-
	530,764	(10,928)
Less: Non-controlling interests of subsidiary	(170,146)	-
Surplus from the changes in the ownership interests in subsidiary / Loss on sales of investment in subsidiary	360,618	(10,928)

Subsequently, on 3 October 2017, VGI acquired 14,742,900 warrants to purchase newly issued ordinary shares of MACO at a price of Baht 0.03 per warrant. On 17 October 2017, VGI then submitted an application to exercise warrants to purchase 14,742,900 newly issued ordinary shares of MACO with a par value of Baht 0.1 each, at an exercise price of Baht 2 per share. The warrants to purchase the newly issued ordinary shares of MACO (MACO-W1) expired on 2 November 2017, which coincides with the final exercise date. The warrant holders exercised its warrants to acquire 95,940,866 ordinary shares with a par value of Baht 0.1 each, at an exercise price of Baht 2 per share. The accounting records are detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash received from exercised warrants to purchase the newly issued ordinary shares of subsidiary	191,882
Less: Cash paid from purchase and exercise of warrants to purchase the newly issued ordinary shares of subsidiary	(29,928)
	161,954
Less: Non-controlling interests of subsidiary adjusted	(126,779)
Surplus from the changes in the ownership interests in subsidiary	35,175

As a result of purchase and sales of ordinary shares and warrants, and warrants exercised of the subsidiary, the Company's shareholding in the subsidiary is 18.09% and VGI's shareholding in the subsidiary decreased from 33.68% to 30.38%.

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

- To decrease MACO's registered share capital by Baht 65,630,151, from Baht 409,521,188 (4,095,211,875 ordinary shares with a par value of Baht 0.1 each) to Baht 343,891,037 (3,438,910,366 ordinary shares with a par value of Baht 0.1 each) due to the termination of 656,301,509 unexercised warrants (MACO-W1), for which 656,301,509 ordinary shares with a par value of Baht 0.1 each remain unissued, following the warrants' expiration on 2 November 2017 and delisting from the Stock Exchange of Thailand on 3 November 2017.

- b) To increase MACO's registered share capital by Baht 34,389,104, from Baht 343,891,037 (3,438,910,366 ordinary shares with a par value of Baht 0.1 each) to Baht 378,280,140 (3,782,801,403 ordinary shares with a par value of Baht 0.1 each), through the issue of 343,891,037 additional ordinary shares with a par value of Baht 0.1 each under a general mandate.
- c) To allocate not more than 343,891,037 additional ordinary shares with a par value of Baht 0.1 each issued under a general mandate to private placements with investors who are not related parties.
- d) To pay a dividend at a rate of Baht 0.018 per share, or a total of Baht 61,900,387 to the shareholders, in respect of the profit for the period from 1 July 2017 to 31 December 2017.

### 15.2.3 VGI Global Media (Malaysia) Sdn Bhd ("VGM") (held by VGI)

On 14 March 2017, VGI received the transfer of 2 ordinary shares of VGM which registered its incorporation in Malaysia, at a price of MYR 1 per share, for a total of MYR 2, or equivalent to Baht 16.07, from VGI's representative, who established the company with a registered share capital of MYR 1 million (1 million ordinary shares with a par value of MYR 1 each). VGI paid for 999,998 ordinary shares, at a price of MYR 1 per share, for a total of MYR 999,998, or equivalent to Baht 8 million, on 5 April 2017 in accordance with a resolution passed by the Executive Committee Meeting on 19 December 2016. In addition, during the current period, VGI paid for additional amounts of VGM's ordinary shares as follows:

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

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

In addition, on 30 March 2018, VGM entered into a conditional share purchase and sale agreement with existing shareholders who are 2 individuals ("the Sellers") for the acquisition of 276,100 ordinary shares with a par value of MYR 1 each of Meru Utama Sdn Bhd ("MUSB"), which is principally engaged in the provision of advertising media in airports in Malaysia, representing 25.1% of all issued shares of MUSB, at a cost of not more than MYR 5.5 million, in accordance with a resolution passed by VGI's Executive Committee Meeting on 23 February 2018. The acquisition is to be made within May 2018.

### 15.2.4 Green Ad Company Limited ("Green Ad") (held by MACO)

A meeting of the Board of Directors of MACO on 5 March 2018 and a meeting of the Board of Executive Directors of MACO on 20 March 2018 passed a resolution to approve Green Ad's acquisition of an additional 42,000 ordinary shares of Multi Sign Company Limited ("MTS") from its existing shareholders ("the Sellers") at a cost of not more than Baht 202.6 million, which represents 30% of all ordinary shares of MTS. The acquisition is to be made in accordance with the terms and conditions stipulated in a share purchase agreement that is to be made within May 2018, whereby the acquisition price is divided into 2 parts as follows:

- 1) A preliminary purchase price of Baht 162.6 million to be paid on the date of the share purchase agreement.
- 2) An additional purchase price of no more than Baht 40 million, which may be reduced depending on the conditions stipulated in the share purchase agreement.

#### 15.2.5 Eye On Ads Company Limited (“Eye On Ads”) (held by MACO)

On 30 June 2017 (the acquisition date), Eye On Ads (a subsidiary of MACO) acquired 39,375 ordinary shares with a par value of Baht 100 each of Co-Mass Company Limited (“Co-Mass”), from an existing shareholder (“the Seller”), which is an unrelated company, at an acquisition price of Baht 335 million, in accordance with resolutions passed by VGI’s Board of Directors meeting and MACO’s Board of Directors meeting on 16 May 2017. Co-Mass is a limited company incorporated and domiciled in Thailand and principally engaged in the provision of out of home advertising media. The investment represents 70% of all issued shares of Co-Mass, and the acquisition price is that agreed between MACO and the Seller, in accordance with the terms and conditions stipulated in a share purchase and sale agreement dated 23 May 2017 between Eye On Ads and the Seller. On 23 January 2017, 29 June 2017 and the acquisition date, Eye On Ads made payments totaling Baht 245 million to the Seller. The balance of the acquisition price, amounting to Baht 90 million, was paid on 31 July 2017.

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

(Unit: Thousand Baht)

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

### 15.2.6 UNISON One Company Limited (held by Unicorn Enterprise Company Limited (“Unicorn”))

On 14 September 2017, the subsidiary established UNISON One Company Limited to engage in property leasing business, with a registered share capital of Baht 340 million (3,400,000 ordinary shares with a par value of Baht 100 each) (100% called up), with the subsidiary to hold an 100% interest.

Subsequently, on 16 March 2018, the investment in UNISON One Company Limited was transferred to U City Public Company Limited under the entire business transfer agreement as described in Note 51 to the financial statements.

### 15.2.7 BTS Infrastructure Services Company Limited (held by BTSC)

On 10 January 2018, a subsidiary established BTS Infrastructure Services Company Limited to engage in providing operating and maintenance services for Mass Transit system, with a registered share capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each) (25% called up), with the subsidiary to hold 99.97% interest.

### 15.2.8 Rabbit Internet Company Limited (“RI”), ASK Direct Group Company Limited and Rabbit Insurance Broker Company Limited (“RIB”) (RI Group) (held by BSSH)

On 4 August 2017, BSSH entered into the Share Sale and Purchase Agreement to exercise its call option, as an existing shareholder, to subscribe to RI's shares, as stipulated in the Investment Agreement between BSSH, RI and the existing shareholders of RI dated 23 November 2015, and in accordance with the resolution of the VGI's Board of Directors meeting on 16 May 2017. On 8 August 2017, BSSH received 200 ordinary shares of RI from the existing shareholders, at a price of Baht 160,000 per share, or for a total of Baht 32 million. As a result, BSSH's shareholding in RI increased by 5%, from 25% to 30% of all issued shares of RI, as detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash paid for purchase of investment in a subsidiary	32,000
Less: Non-controlling interests of the subsidiary adjusted	(7,673)
Deficit from the change in the ownership interests in the subsidiary	24,327

On 15 August 2017, the Extraordinary General Meeting of RIB's shareholders passed a resolution to increase its registered share capital, from Baht 4.3 million (33,200 ordinary shares and 9,800 preference shares with a par value of Baht 100 each) to Baht 31.3 million (303,200 ordinary shares and 9,800 preference shares with a par value of Baht 100 each). BSSH and RI (RIB's existing shareholders) acquired the newly issued ordinary shares of RIB in proportion to their shareholdings (rights offering). RIB registered the corresponding increase in its share capital with the Ministry of Commerce on 15 August 2017.

As at 31 March 2018, BSSH transferred Baht 29 million of liability under the loan agreement of non-controlling interests, in proportion to the loans to RI, as non-controlling interests in shareholders' equity in the consolidated statement of financial position (2017: Baht 62 million).

## 16. INVESTMENTS IN JOINT VENTURES

### 16.1 DETAILS OF INVESTMENTS IN JOINT VENTURES

Investments in joint ventures were as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2018	2017	2018	2017
Man Food Holdings Co., Ltd.	321,778	-	181,800	-
Bayswater Co., Ltd. <sup>(3)</sup>	-	-	5,000	-
ATS Rabbit Special Purpose Vehicle Co., Ltd.	22	22	-	-
Rabbit-LINE Pay Co., Ltd.	650,693	709,332	-	-
The ICON VGI Co., Ltd.	234	250	-	-
Titanium Compass Sdn Bhd	-	-	-	-
Supremo Media Co., Ltd.	3,678	-	-	-
BTS Sansiri Holding Two Ltd. <sup>(1)(2)</sup>	-	23,263	-	-
BTS Sansiri Holding Three Ltd. <sup>(1)(2)</sup>	-	166,353	-	-
BTS Sansiri Holding Four Ltd. <sup>(1)(2)</sup>	-	6,208	-	-
BTS Sansiri Holding Five Ltd. <sup>(1)(2)</sup>	-	43,119	-	-
BTS Sansiri Holding Six Ltd. <sup>(1)(2)</sup>	-	37,819	-	-
BTS Sansiri Holding Fourteen Ltd. <sup>(1)(2)</sup>	-	43,957	-	-
BTS Sansiri Holding Fifteen Ltd. <sup>(1)(2)</sup>	-	40,483	-	-
BTS Sansiri Holding Sixteen Ltd. <sup>(1)(2)</sup>	-	3,045	-	-
BTS Sansiri Holding Seventeen Ltd. <sup>(1)(2)</sup>	-	49,806	-	-
BTS Sansiri Holding Eighteen Ltd. <sup>(1)(2)</sup>	-	49,015	-	-
BTS Sansiri Holding Nineteen Ltd. <sup>(1)(2)</sup>	-	49,273	-	-
BTS Sansiri Holding Twenty Ltd. <sup>(1)(2)</sup>	-	48,927	-	-
BTS Sansiri Holding Twenty One Ltd. <sup>(1)(2)</sup>	-	46,215	-	-
BTS Sansiri Holding Twenty Two Ltd. <sup>(1)(2)</sup>	-	49,830	-	-
Nuvo Line Agency Co., Ltd. <sup>(1)(2)</sup>	-	55,308	-	-
Keystone Estate Co., Ltd. <sup>(2)</sup>	-	913,699	-	-
Keystone Management Co., Ltd. <sup>(2)</sup>	-	62,336	-	-
<b>Total</b>	<b>976,405</b>	<b>2,398,260</b>	<b>186,800</b>	<b>-</b>

<sup>(1)</sup> Jointly controlled entities between Unicorn Enterprise Co., Ltd. and Sansiri Plc.

<sup>(2)</sup> Transfer of investments to U City Plc. under the entire business transfer agreement as described in Note 51 to the financial statements

<sup>(3)</sup> Acquisition of investments from Unicorn Enterprise Co., Ltd. as described in Note 51 to the financial statements

Investments under equity method presented under “Provision for transaction under equity method of investments in joint ventures” were detailed as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	2018	2017
BTS Sansiri Holding One Ltd. <sup>(1)</sup>	-	387,500
BTS Sansiri Holding Seven Ltd. <sup>(1)</sup>	-	1,280
BTS Sansiri Holding Eight Ltd. <sup>(1)</sup>	-	10,994
BTS Sansiri Holding Nine Ltd. <sup>(1)</sup>	-	39,927
BTS Sansiri Holding Eleven Ltd. <sup>(1)</sup>	-	5,165
BTS Sansiri Holding Twelve Ltd. <sup>(1)</sup>	-	16,985
Bayswater Co., Ltd.	374,354	184,834
<b>Total</b>	<b>374,354</b>	<b>646,685</b>

<sup>(1)</sup> Jointly controlled entities between Unicorn Enterprise Co., Ltd. and Sansiri Plc. which were transferred to U City Plc. under the entire business transfer agreement as described in Note 51 to the financial statements

Company's name	Nature of business	Shareholding percentage			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		(%)	(%)	(%)	(%)
Man Food Holdings Co., Ltd.	Restaurants and food service	41.18	-	41.18	-
Bayswater Co., Ltd.	Property development	50	50	50	-
ATS Rabbit Special Purpose Vehicle Co., Ltd.	Special purpose vehicle for the securitisation project	51	51	-	-
Rabbit-LINE Pay Co., Ltd.	Accepting electronic and online payments	33.33	50	-	-
The ICON VGI Co., Ltd.	Management of advertising media in the mass rapid transit system project	25	25	-	-
Titanium Compass Sdn Bhd	Advertising media in the mass rapid transit system, in Malaysia	19	19	-	-
Supremo Media Co., Ltd.	Advertising media management	25	-	-	-
Jointly controlled entities between Unicorn Enterprise Co., Ltd. and Sansiri Plc.	Residential projects for sale	-	50	-	-
Keystone Estate Co., Ltd.	Property development	-	50	-	-
Keystone Management Co., Ltd.	International school	-	50	-	-

The negative investment value based on equity method was presented under the heading of “Provision for transaction under equity method of investments in joint ventures” in the consolidated statement of financial position. The negative investment value was resulted from elimination of gain on related party transactions in proportion to the subsidiary's shareholding in jointly controlled entities.

### 16.1.1 Man Food Holdings Company Limited (“MFH”)

On 8 June 2017, the Company entered into a joint venture agreement with Bangkok Ranch Public Company Limited (“BR”) and Mr. Wai Yin Man (“ChefMan”) for the purpose of establishment of Man Food Holdings Company Limited (“MFH”) to undertake and carry out the restaurants and food service business. On 28 June 2017, the Company established MFH, with a registered share capital of Baht 194 million (1,940,000 ordinary shares with a par value of Baht 100 each) (25% called up), with the Company to hold a 70% interest and ChefMan to hold a 30% interest. The Company paid for shares amounting to Baht 79.95 million.

Subsequently, MFH called up a further 75% of share capital and the Company made a payment of Baht 101.85 million for the share capital on 20 July 2017. In addition, the Company has proceeded with its corporate restructuring by selling shares held by the Company in 3 subsidiaries to MFH, with details as follows:

- (1) Sale of all shares held by the Company, in the amount of 1,737,960 shares with a par value of Baht 100 each, which is equivalent to 70% of the total shares, in Man Kitchen Company Limited (“MK”) at the purchase price of Baht 87.5 million (However, before the restructuring, on 26 April 2017, the Extraordinary General Meeting of shareholders of MK passed a resolution to decrease its registered and issued share capital by Baht 52 million, from Baht 300 million to Baht 248 million, by decreasing number of ordinary shares from 3,000,000 ordinary shares with a par value of Baht 100 each to 2,482,800 ordinary shares with a par value of Baht 100 each).
- (2) Sale of all shares held by the Company, in the amount of 900,000 shares with a par value of Baht 100 each, which is equivalent to 100% of the total shares, in Primary Kitchen Company Limited (“PK”) at the purchase price of Baht 83.8 million (However, before the restructuring, on 26 April 2017, the Extraordinary General Meeting of shareholders of PK passed a resolution to decrease its registered and issued share capital by Baht 10 million, from Baht 100 million to Baht 90 million by decreasing number of ordinary shares from 1,000,000 ordinary shares with a par value of Baht 100 each to 900,000 ordinary shares with a par value of Baht 100 each).
- (3) Sale of all shares held by the Company, in the amount of 311,100 shares with a par value of Baht 100 each, which is equivalent to 51% of the total shares, in KMJ 2016 Company Limited (“KMJ”) at the purchase price of Baht 31.1 million.

In addition, MFH acquired 744,840 ordinary shares with a par value of Baht 100 each, which is equivalent to 30% of the total shares in MK from ChefMan at the purchase price of Baht 37.5 million.

On 4 August 2017, MFH proceeded with the increase of its registered capital of Baht 135.8 million by issuing 1,358,000 new shares with a par value of Baht 100 each, totaling Baht 329 million, to BR. In this regard, the Company and ChefMan waived their rights to subscribe the newly issued shares. Therefore, the registered capital of MFH was Baht 329.8 million and the shareholding percentage of the Company, BR and ChefMan after the increase of capital was 41.18%, 41.18% and 17.64%, respectively.

After the completion of the restructuring and the increase of capital as mentioned above, the subsidiaries (MK, PK and KMJ, including Little Corner Company Limited (“LC”), a subsidiary in which the Company holds 69% shares through MK) changed their status from subsidiaries to jointly controlled entities, held by the Company, BR and ChefMan under MFH.

The Company recorded the sales of investments in subsidiaries in the separate financial statements and, in accordance with the substance of the transactions restructuring shareholdings within the Group and the joint investment, the Company recorded its investment in MFH and its subsidiaries at a fair value as at 4 August 2017 in the consolidated financial statements. It also derecognised its investments in these subsidiaries as at 4 August 2017 from the separate financial statements and derecognised the net assets values of the subsidiaries as at 4 August 2017 from the consolidated financial statements. Details were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Selling price of investments in subsidiaries	202,454	202,454
Fair value of investment in MFH	329,000	-
Less: Book value of investments in subsidiaries	-	(194,810)
Net assets of subsidiaries per books	(98,560)	-
Book value of investment in MFH	(181,800)	-
Gains on sales and change in status of investments	251,094	7,644

The Company's management estimated that the assets and liabilities of MFH and its subsidiaries as at 4 August 2017 and 31 July 2017 were not materially different. The Company has therefore assumed that 31 July 2017 was the date that their status changed from subsidiaries to jointly controlled entities, held by the Company, BR and ChefMan under MFH, and began recognising share of loss from investment in joint venture as from 1 August 2017.

Details of the book values of net assets of the subsidiaries as at 31 July 2017 are as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	11,337
Trade and other receivables	11,498
Prepaid expenses	7,054
Other current assets	21,058
Property, plant and equipment	141,887
Intangible assets	3,836
Other non-current assets	14,222
Trade and other payables	(35,180)
Income tax payable	(2,223)
Other current liabilities	(2,552)
Provision for long-term employee benefits	(11,133)
Non-controlling interest of the subsidiaries	(61,244)
Net assets value	98,560

The Company is in the process of assessing the fair values of the identifiable assets and liabilities of the jointly controlled entity.

Subsequently, on 6 October 2017, the Company sold all 1,000,000 ordinary shares with a par value of Baht 100 per share, representing 100% shares in Man Food Products Company Limited (“MFP”) to MFH at the selling price of Baht 105 million. During the year, the Company recognised gain on sale of such investment amounting to approximately Baht 3 million (Separate financial statements: Baht 5 million) in the profit or loss.

The operating results of MK, PK, KMJ, LC and MFP (collectively referred to as “Restaurant businesses”) were separately presented under the heading of “Loss from discontinued operations for the year” in the consolidated profit or loss for the year ended 31 March 2018, with those of the year ended 31 March 2017 presented for comparative purposes as described in Note 52 to the financial statements.

Under the condition of joint venture agreement, in the event that MFH requires any additional funding for business operation, the Company and BR mutually agree to proceed with an increase of capital in MFH, in the amount of not exceeding Baht 58.2 million, by issuing 582,000 new shares with a par value of Baht 100 each. The Company and BR shall subscribe such new shares in the same proportion at the price stipulated in the agreement. Therefore, after such increase of capital, the shareholding percentage in MFH of the Company, BR and ChefMan will be 42.5%, 42.5% and 15%, respectively.

#### 16.1.2 Keystone Management Company Limited (held by Unicorn)

On 17 January 2018, Unicorn purchased 1,875,000 newly issued ordinary shares with a par value of Baht 100 each, totaling Baht 188 million of Keystone Management Company Limited. The existing shareholder subscribed the new shares in the same proportion with Unicorn, as a result, Unicorn’s shareholding in such company is unchanged at 50%.

#### 16.1.3 Rabbit-LINE Pay Company Limited (“RLP”) (held by RabbitPay System Company Limited (“RPS”))

During the current year, RPS has completed the process of measuring the fair value as at 25 April 2016 (the acquisition date) of the assets and liabilities of RLP. The values of the assets and liabilities of RLP at the acquisition date were summarised below.

(Unit: Thousand Baht)

	Fair value	Book value
Cash and cash equivalents	901,522	901,522
Trade and other receivables	3,722	3,722
Other current assets	3,900	3,900
Equipment	7,866	7,866
Intangible assets	55,766	-
Other non-current assets	877	877
Trade and other payables	(9,207)	(9,207)
Other current liabilities	(14,869)	(14,869)
Deferred tax liabilities	(11,153)	-
Other non-current liabilities	(1,327)	(1,327)
Net asset value	937,097	892,484
Shareholding percentage (percent)	50	
Share of net assets	468,548	
Goodwill	281,451	
Cash paid for purchase investment in joint venture	749,999	

On 26 February 2018, RLP entered into a share purchase agreement with Advanced mPAY Company Limited (“mPAY”) and the existing shareholders of RLP. The agreement stipulates an increase of Baht 199,999,600 (1,999,996 ordinary shares with a par value of Baht 100 each) in RLP’s registered share capital, from Baht 399,999,800 (3,999,998 ordinary shares with a par value of Baht 100 each) to Baht 599,999,400 (5,999,994 ordinary shares with a par value of Baht 100 each), and mPAY’s subscription of all additional ordinary shares of RLP (after mPAY receives 2 shares of RLP from the existing shareholders), at an offering price of Baht 393.75 per share, or for a total of Baht 787 million. The transactions were completed on 5 March 2018. As a result, RPS’s shareholding in RLP decreased from 50% to 33.33% of all issued shares of RLP. RPS recorded the gain of Baht 63 million from the change in ownership interests in the joint venture as a separate item in profit or loss in the consolidated statement income for the current year.

#### 16.1.4 Supremo Media Company Limited (“Supremo Media”) (held by VGI)

On 3 January 2018, VGI and Supremo Company Limited (“Supremo”), which is principally engaged in the provision of advertising and public relations services, and is incorporated and domiciled in Thailand, made a joint investment to incorporate Supremo Media in Thailand, to operate advertising media management business, with a registered share capital of Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each). VGI acquired 2,500 ordinary shares of Supremo Media, at a price of Baht 100 per share, or for a total of Baht 250,000 in accordance with a resolution passed by VGI’s Executive Committee Meeting on 2 May 2017 and a joint venture’s shareholder agreement dated 28 August 2017. As a result, VGI and Supremo held 25% and 75%, respectively, of all issued shares of such company. However, the agreement stipulates that VGI and Supremo jointly control Supremo Media.

## 16.2 SHARE OF PROFIT (LOSS)

During the year, the Company and its subsidiaries recognised their share of profit (loss) from investments in the joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Jointly controlled entities	2018	2017
Man Food Holdings Co., Ltd.	(5,308)	-
Bayswater Co., Ltd.	(189,520)	(117,902)
BTS Sansiri Holding One Ltd. <sup>(1)</sup>	630,889	(16,213)
BTS Sansiri Holding Two Ltd. <sup>(1)</sup>	(13,372)	(13,548)
BTS Sansiri Holding Three Ltd. <sup>(1)</sup>	8,313	178,628
BTS Sansiri Holding Four Ltd. <sup>(1)</sup>	(22,736)	(40,187)
BTS Sansiri Holding Five Ltd. <sup>(1)</sup>	(4,447)	(4,190)
BTS Sansiri Holding Six Ltd. <sup>(1)</sup>	(26,136)	(8,352)
BTS Sansiri Holding Seven Ltd. <sup>(1)</sup>	(16,913)	(50,857)
BTS Sansiri Holding Eight Ltd. <sup>(1)</sup>	(26,878)	(5,977)
BTS Sansiri Holding Nine Ltd. <sup>(1)</sup>	(11,553)	(89,537)
BTS Sansiri Holding Eleven Ltd. <sup>(1)</sup>	(46,751)	(54,505)
BTS Sansiri Holding Twelve Ltd. <sup>(1)</sup>	(20,699)	(66,290)
BTS Sansiri Holding Fourteen Ltd. <sup>(1)</sup>	(44,987)	(5,769)
BTS Sansiri Holding Fifteen Ltd. <sup>(1)</sup>	(16,318)	(9,517)
BTS Sansiri Holding Sixteen Ltd. <sup>(1)</sup>	(13,019)	(46,955)

(Unit: Thousand Baht)

Jointly controlled entities	Consolidated financial statements	
	2018	2017
BTS Sansiri Holding Seventeen Ltd. <sup>(1)</sup>	(183)	(194)
BTS Sansiri Holding Eighteen Ltd. <sup>(1)</sup>	(312)	(985)
BTS Sansiri Holding Nineteen Ltd. <sup>(1)</sup>	(84,890)	(727)
BTS Sansiri Holding Twenty Ltd. <sup>(1)</sup>	(3,015)	(1,073)
BTS Sansiri Holding Twenty One Ltd. <sup>(1)</sup>	(3,864)	(3,785)
BTS Sansiri Holding Twenty Two Ltd. <sup>(1)</sup>	(1,845)	(170)
Nuvo Line Agency Co., Ltd. <sup>(1)</sup>	(27,731)	(12,496)
Keystone Estate Co., Ltd. <sup>(1)</sup>	1,709	-
Keystone Management Co., Ltd. <sup>(1)</sup>	(1,246)	(164)
ATS Rabbit Special Purpose Vehicle Co., Ltd.	31,861	12,885
Rabbit-LINE Pay Co., Ltd.	(122,098)	(40,668)
The ICON VGI Co., Ltd.	(16)	-
Titanium Compass Sdn Bhd	-	(1,705)
Supremo Media Co., Ltd.	3,427	-
Total	(27,638)	(400,253)
Discontinued operations (Note 52)	(254,016)	252,863
Net	(281,654)	(147,390)

<sup>(1)</sup> Transfer of investments to U City Plc. under the entire business transfer agreement as described in Note 51 to the financial statements and record of share of profit (loss) from investments in joint ventures under discontinued operations

### 16.3 DIVIDEND RECEIVED AND RETURN OF CAPITAL

Dividend received from the joint venture was as follows:

(Unit: Thousand Baht)

Company's name	For the year ended 31 March	
	Consolidated financial statements	
	2018	2017
BTS Sansiri Holding Three Ltd.	100,000	-
ATS Rabbit Special Purpose Vehicle Co., Ltd.	31,861	21,413
Total	131,861	21,413

Return of capital from the joint venture was as follows:

(Unit: Thousand Baht)

Company's name	For the year ended 31 March	
	Consolidated financial statements	
	2018	2017
Nuvo Line Agency Co., Ltd.	-	137,500
Total	-	137,500

## 16.4 SUMMARISED FINANCIAL INFORMATION ABOUT MATERIAL JOINT VENTURES

### Summarised information about financial position

(Unit: Million Baht)

	Man Food Holdings		Bayswater		Jointly controlled entities between Unicorn and SIRI		Keystone Estate		Rabbit-LINE Pay	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Cash and cash equivalents	240	-	10	9	-	1,644	-	319	1,021	159
Current assets	59	-	1	-	-	19,701	-	-	514	688
Land and projects under development	-	-	8,686	8,382	-	5,160	-	1,504	-	-
Non-current assets	207	-	-	-	-	-	-	-	54	10
Current liabilities	(69)	-	(133)	(128)	-	(5,310)	-	-	(217)	(45)
Long-term loans	-	-	(8,902)	(8,342)	-	(20,064)	-	-	-	-
Other non-current liabilities	(14)	-	-	-	-	-	-	-	(4)	(2)
Non-controlling interests	6	-	-	-	-	-	-	-	-	-
<b>Net assets</b>	<b>429</b>	<b>-</b>	<b>(338)</b>	<b>(79)</b>	<b>-</b>	<b>1,131</b>	<b>-</b>	<b>1,823</b>	<b>1,368</b>	<b>810</b>
Shareholding percentage (%)	41.18	-	50	50	-	50	-	50	33.33	50
<b>Share of net assets</b>	<b>177</b>	<b>-</b>	<b>(169)</b>	<b>(40)</b>	<b>-</b>	<b>566</b>	<b>-</b>	<b>912</b>	<b>456</b>	<b>405</b>
Elimination of inter-transactions under equity method	(2)	-	(206)	(145)	-	(315)	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-	188	282
Intangible assets acquired through purchase of investment in joint venture	-	-	-	-	-	-	-	-	7	22
Fair value adjustment of assets acquired assumed	-	-	-	-	-	-	-	2	-	-
Estimated amount by which cost of the acquisition of investment in a joint venture exceed identifiable net assets of the acquiree	147	-	-	-	-	-	-	-	-	-
<b>Carrying amounts of joint ventures based on equity method</b>	<b>322</b>	<b>-</b>	<b>(375)</b>	<b>(185)</b>	<b>-</b>	<b>251</b>	<b>-</b>	<b>914</b>	<b>651</b>	<b>709</b>

### Summarised information about profit or Loss

(Unit: Million Baht)

	Man Food Holdings		Bayswater		Jointly controlled entities between Unicorn and SIRI		Keystone Estate		Rabbit-LINE Pay	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue	291	-	-	-	5,109	1,736	4	-	78	29
Profit (loss)	(13)	-	(258)	(20)	79	(445)	3	(41)	(232)	(81)

## 17. INVESTMENTS IN ASSOCIATES

### 17.1 DETAILS OF ASSOCIATES

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
			Carrying amounts based on equity method		Cost			
			2018	2017	2018	2017	2018	2017
BTS Rail Mass Transit Infrastructure Fund	Investment in infrastructure businesses	Thailand	33.33	33.33	11,638,840	12,242,684	20,468,619	20,468,619
U City Plc.	Property development	Thailand	38.97	35.64	10,625,635	7,113,266	14,757,978	9,468,845
Absolute Hotel Services Co., Ltd. <sup>(1)</sup>	Hotel management	Thailand	-	50.00	-	9,475	-	-
Absolute Hotel Services Hong Kong Ltd. <sup>(1)</sup>	Hotel management	Hong Kong	-	50.00	-	-	-	-
Aero Media Group Co., Ltd.	Advertising media in domestic airports	Thailand	30.00	28.00	189,218	183,417	-	-
Demo Power (Thailand) Co., Ltd.	Arrangement of marketing activities, including distribution of samples and carrying out product demonstrations to promote sales	Thailand	40.00	40.00	420,419	420,476	-	-
Groupwork Co., Ltd.	Real estate rental business for office space and co-working space, including space inside the BTS skytrain system	Thailand	20.00	-	1,176	-	-	-
Puncak Berlian Sdn Bhd	The out of house media company in Malaysia	Malaysia	25.00	-	111,491	-	-	-
Landy Development Co., Ltd.	Provision of office building rental service	Thailand	48.87	48.87	39,931	36,327	-	-
Eyeballs Channel Sdn Bhd	Provision of outdoor advertising media service in Malaysia	Malaysia	40.00	40.00	3,856	1,203	-	-
<b>Total</b>					<b>23,030,566</b>	<b>20,006,848</b>	<b>35,226,597</b>	<b>29,937,464</b>

<sup>(1)</sup> Transfer of investments to U City Plc. under the entire business transfer agreement as described in Note 51 to the financial statements

### 17.1.1 BTS Rail Mass Transit Growth Infrastructure Fund (“BTSGIF”) (held by the Company)

Investment in BTSGIF under equity/cost method was detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2018	2017	2018	2017
Cost	20,833,200	20,833,200	20,833,200	20,833,200
Add (less): Gain on sale of future net fare box revenues in proportion to the Company's investment	(6,748,791)	(6,748,791)	-	-
Accumulated share of profit	6,665,757	5,125,256	-	-
Adjustment under equity method	(2,483,282)	(1,891,782)	-	-
Accumulated dividend income	(6,263,463)	(4,710,618)	-	-
Accumulated return of capital	(364,581)	(364,581)	(364,581)	(364,581)
Net	11,638,840	12,242,684	20,468,619	20,468,619

### 17.1.2 U City Public Company Limited (“U City”) (held by the Company)

Investment in U City under equity/cost method was detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2018	2017	2018	2017
Cost	14,757,978	9,468,845	14,757,978	9,468,845
Add (less):				
h Deferred gain on swap of investments in proportion to the Company's investment	(1,915,184)	(1,915,184)	-	-
Deferred gain on the entire business transfer of subsidiary (Note 51)	(1,235,485)	-	-	-
Accumulated share of loss	(695,626)	(259,854)	-	-
Accumulated share of other comprehensive income	(154,299)	(117,539)	-	-
Adjustment under equity method	(131,749)	(63,002)	-	-
Net	10,625,635	7,113,266	14,757,978	9,468,845

In January 2018, U City issued and offered 26,384,191,176 newly issued preferred shares via private placement to a financial institution at a price of Baht 0.034 per share, or a total of Baht 897 million, and allocated 13,192,095,588 units of the warrants to purchase U City's ordinary shares No. 3 ("U-W3") (1 unit of warrant can be exercised to purchase 1 ordinary share of U City at a price of Baht 0.05 per share and the warrants are non-listed securities that cannot be traded on the Stock Exchange of Thailand).

Subsequently, in March 2018, U City issued and offered the newly issued preferred shares to the existing shareholders via a rights offering at the ratio of 5 existing ordinary shares and/or existing preferred shares to 4 newly issued preferred shares at the offering price of Baht 0.031 per share and allocated of the warrants to purchase U City's ordinary shares No. 4 ("U-W4") to the shareholders who had subscribed for and had been allocated the newly issued preferred shares at the ratio of 2 newly issued preferred shares to 1 unit. In this regard, the Company purchased 100,000,000,000 newly issued preferred shares of U City at a total of Baht 3,100 million. The Company was allocated the newly issued preferred shares for which it had subscribed for 50,000,000,000 units of the U-W4 warrants (1 unit of warrant can be exercised to purchase 1 ordinary share of U City at a price of Baht 0.06 per share and the warrants are listed securities that can be traded on the Stock Exchange of Thailand).

As described in Note 51 to the financial statements, after the completion of the entire business transfer transaction, Unicorn transferred 63,882,352,942 preferred shares of U City and 31,941,176,471 units of warrants to purchase U City's ordinary shares No. 3 ("U-W3") to the Company in accordance with to the entire business transfer agreement. The Company recorded the additional investment in U City at a fair value of preferred shares and warrants of U City received, calculated by the Company's management (based on opinion report of the Independent Financial Advisor), at a price of Baht 2,172 million.

Moreover, during the current year, the Company purchased 571 million ordinary shares of U City at prices of Baht 0.03 per share for a total of Baht 17 million.

On 31 March 2018, the Company holds a total of 364,540,308,154 shares in U City, divided into 200,657,955,212 ordinary shares (equivalent to 35.74% of total issued ordinary shares of U City) and 163,882,352,942 preferred shares (equivalent to 43.81% of total issued preferred shares of U City), equivalent to 38.97% of the total issued shares of U City and holds 100,043,438,606 units of the U-W2 warrants, 31,941,176,471 units of the U-W3 warrants and 50,000,000,000 units of the U-W4 warrants.

The Company is currently in the process of measuring the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed.

### **17.1.3 Aero Media Group Company Limited ("AERO") (held by VGI)**

On 4 April 2017, the Extraordinary General Meeting of AERO's shareholders passed a special resolution to decrease its issued and paid up share capital from Baht 91.78 million (91,780 ordinary shares of Baht 1,000 each) to Baht 85.70 million (85,700 ordinary shares of Baht 1,000 each), through the cancellation of 6,080 ordinary shares held by another shareholder with a par value of Baht 1,000 each. AERO registered the corresponding decrease in its share capital with the Ministry of Commerce on 5 April 2017. As a result, the shareholding of VGI increased from 28% to 30% of all issued shares of AERO.

#### 17.1.4 Demo Power (Thailand) Company Limited (“DPT”) (held by VGI)

During the current year, VGI completed its process of measuring the fair value as at 23 November 2016 (the acquisition date) of DPT’s assets and liabilities. The values of DPT’s assets and liabilities at the acquisition date were summarised below.

(Unit: Thousand Baht)

	Fair value	Book value
Cash and cash equivalents	61,566	61,566
Trade and other receivables	521,417	521,417
Other current assets	121,208	121,208
Property, plant and equipment	41,081	29,232
Intangible assets	188,051	-
Other non-current assets	103,665	103,665
Trade and other payables	(381,157)	(381,157)
Other current liabilities	(74,610)	(74,610)
Deferred tax liabilities	(39,980)	-
Other non-current liabilities	(63,911)	(63,911)
Net assets	477,330	317,410
Shareholding percentage (percent)	40	
Share of net assets	190,932	
Goodwill	221,568	
Cash paid for purchase of investment in an associate	412,500	

#### 17.1.5 Groupwork Company Limited (“Werks”) (held by VGI)

On 5 February 2018, VGI entered into a conditional share subscription agreement to subscribe to 12,500 additional ordinary shares, representing 20% of all shares, of Werks, at an investment value of not more than Baht 1.25 million. The share subscription payment were made on 6 February 2018 and Werks registered the corresponding increase in its registered share capital with the Ministry of Commerce on 7 February 2018 (the acquisition date).

VGI’s management made estimates of the assets and liabilities of Werks as at 31 March 2018 and the acquisition date and determined that they were not significantly different. In addition, their fair values as at the acquisition date are not expected to be materially different from the carrying values presented in the statements of financial position. The carrying values of Werks’ assets and liabilities as at the acquisition date are summarised below.

(Unit: Thousand Baht)

Cash and cash equivalents	1,491
Leasehold improvement and equipment	3,737
Others	(13)
Net assets	5,215
Shareholding percentage (percent)	20
Share of net assets	1,043
Amount by which cost of the acquisition of investment in the associate exceeds net assets of the acquiree	207
Cash paid for purchase of investment in an associate	1,250

#### 17.1.6 Puncak Berlian Sdn Bhd (“PBSB”) (held by VGI Global Media (Malaysia) Sdn Bhd (“VGM”))

On 16 November 2017, VGI’s Executive Committee Meeting passed a resolution to approve VGM’s acquisition of 4,281,277 ordinary shares with a par value of MYR 1 each of Puncak Berlian Sdn Bhd (“PBSB”), representing 25% of all issued shares of PBSB, from Redberry Sdn Bhd (“RSB”), the existing shareholder, at an initial price of MYR 13,154,175. VGM entered into a conditional share purchase and sale agreement with RSB and paid MYR 13,154,175, or equivalent to Baht 106 million, for the shares to RSB, on 16 November 2017 and 28 December 2017, respectively. Subsequently, on 26 January 2018 (the acquisition date), RSB transferred 4,281,277 shares of PBSB to VGM.

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

(Unit: Thousand Baht)

Cash and cash equivalents	52,414
Trade and other receivables	345,663
Property, plant and equipment	130,657
Goodwill	56,795
Other intangible assets	1,058
Deferred tax assets	7,555
Other assets	26,119
Short-term loans from financial institutions	(33,261)
Trade and other payables	(339,748)
Other liabilities	(74,576)
Net assets	172,676

VGI’s and the subsidiary’s management is currently in the process of determining the fair value of the assets and liabilities of PBSB at the acquisition date.

## 17.2 SHARE OF COMPREHENSIVE INCOME

During the year, the Company and its subsidiaries have summarised their share of comprehensive income from investments in associates in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Associates	Consolidated financial statements			
	Share of profit (loss)		Share of other comprehensive income	
	2018	2017	2018	2017
BTS Rail Mass Transit Growth Infrastructure Fund	949,001	944,981	-	-
U City Public Co., Ltd.	(504,519)	(178,902)	(36,828)	(134,874)
Absolute Hotel Services Co., Ltd. <sup>(1)</sup>	11,701	7,719	-	-
Master Ad Public Co., Ltd.	-	4,105	-	-
Aero Media Group Co., Ltd.	5,801	(2,999)	-	-
Demo Power (Thailand) Co., Ltd.	(57)	7,976	-	-
Groupwork Co., Ltd.	(73)	-	-	-
Puncak Berlian Sdn Bhd	4,949	-	-	-
Landy Development Co., Ltd.	3,604	3,156	-	-
Eyeballs Channel Sdn Bhd	2,652	1,398	-	-
Total	473,059	787,434	(36,828)	(134,874)
Discontinued operations (Note 52)	(11,701)	(7,719)	-	-
Net	461,358	779,715	(36,828)	(134,874)

<sup>1)</sup> Transfer of investments to U City Plc. under the entire business transfer agreement as described in Note 51 to the financial statements and record of share of profit from investment in associate under discontinued operations

Share of profit (loss) from investments in Aero, DPT, Werks and PBSB was determined based on the financial statements prepared by management.

## 17.3 DIVIDENDS RECEIVED AND RETURN OF CAPITAL

Dividends received from the associates were as follows:

(Unit: Thousand Baht)

Company's name	For the years ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
BTS Rail Mass Transit Growth Infrastructure Fund	1,552,845	1,412,028	1,552,845	1,412,028
Absolute Hotel Services Co., Ltd.	-	15,500	-	-
Master Ad Plc.	-	22,529	-	-
Total	1,552,845	1,450,057	1,552,845	1,412,028

Return of capital from the associate was as follows:

(Unit: Thousand Baht)

Company's name	For the years ended 31 March	
	Consolidated and separate financial statements	
	2018	2017
BTS Rail Mass Transit Growth Infrastructure Fund	-	123,456
Total	-	123,456

#### 17.4 FAIR VALUE OF THE INVESTMENTS IN THE ASSOCIATES

Fair value based on the latest bid price of the investments in the associates, which are listed on the Stock Exchange of Thailand as at 31 March 2018 and 2017 was as follows:

(Unit: Million Baht)

Company's name	2018	2017
BTS Rail Mass Transit Growth Infrastructure Fund	22,955	21,605
U City Plc. <sup>(1)</sup>	7,291	4,002

<sup>(1)</sup> Excluding fair value of warrants which are not listed on the Stock Exchange of Thailand.

#### 17.5 SUMMARISED FINANCIAL INFORMATION ABOUT MATERIAL ASSOCIATES

Summarised information about financial position

(Unit: Million Baht)

	BTS Rail Mass Transit Growth Infrastructure Fund		U City Plc.	
	2018	2017	2018	2017
Current assets	-	-	9,755	4,496
Non-current assets	66,681	67,042	47,111	20,623
Current liabilities	-	-	(3,159)	(3,930)
Non-current liabilities	(93)	(16)	(24,232)	(2,384)
Non-controlling interests	-	-	(124)	-
<b>Net assets</b>	<b>66,588</b>	<b>67,026</b>	<b>29,351</b>	<b>18,805</b>
Shareholding percentage (percent)	33.33	33.33	38.97	35.64
<b>Share of net assets</b>	<b>22,196</b>	<b>22,342</b>	<b>11,438</b>	<b>6,702</b>
Accumulated net unrealised gain on investments	(1,322)	(1,456)	-	-
Fair value adjustment of assets acquired and liabilities assumed	-	-	(8)	60
Goodwill	-	-	2,266	2,266
Estimated amount by which cost of the acquisition of investment in an associate exceed identifiable net assets of the acquiree	-	-	80	-
Elimination of inter-transactions under equity method	(9,235)	(8,644)	(3,150)	(1,915)
<b>Carrying amounts of associates base on equity method</b>	<b>11,639</b>	<b>12,242</b>	<b>10,626</b>	<b>7,113</b>

Note: Assets and liabilities of BTS Rail Mass Transit Growth Infrastructure Fund presented under non-current assets and non-current liabilities.

## Summarised information about comprehensive income

(Unit: Million Baht)

	BTS Rail Mass Transit Growth Infrastructure Fund		U City Plc.	
	2018	2017	2018	2017
Revenue	4,712	4,594	5,476	1,305
Profit (loss)	4,622	4,483	(1,213)	(275)
Other comprehensive income	-	-	(101)	(378)
Total comprehensive income	4,622	4,483	(1,314)	(653)

## 18. OTHER LONG-TERM INVESTMENTS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Certificate of deposit with maturity date due more than 1 year</b>	3,248,722	-	-	-
<b>Held-to-maturity securities</b>				
Foreign government and government agency bonds <sup>(1)</sup>	2,029,260	2,931,699	-	-
Domestic private debt securities	3,040,605	2,724,523	1,290,570	874,473
	5,069,865	5,656,222	1,290,570	874,473
<b>Investments in available for sale securities</b>				
Domestic equity securities	3,278,532	4,615,184	3,090,261	4,255,456
Foreign equity securities	2,281,410	1,885,404	1,401,153	1,005,147
	5,559,942	6,500,588	4,491,414	5,260,603
Less: Allowance for change in value	(491,952)	(831,184)	(505,433)	(780,549)
Allowance for impairment	(657,237)	(497,205)	(657,237)	(497,205)
	4,410,753	5,172,199	3,328,744	3,982,849
<b>Other investments</b>				
Domestic equity securities	123,575	153,575	123,575	123,575
Foreign equity securities	3,099,253	2,550,634	3,099,253	2,550,634
	3,222,828	2,704,209	3,222,828	2,674,209
Less: Allowance for impairment	(3,791)	(11,682)	(3,791)	(3,791)
	3,219,037	2,692,527	3,219,037	2,670,418
<b>Total</b>	<b>15,948,377</b>	<b>13,520,948</b>	<b>7,838,351</b>	<b>7,527,740</b>

<sup>(1)</sup> Issued by foreign governments, government agencies or corporates owned by foreign governments and government agencies.

Foreign equity securities were detailed as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2018	2017
Investment funds	2,076,146	1,527,527
Participant vehicles	1,023,107	1,023,107
Total	3,099,253	2,550,634

During the year, the Company had revenues from participant vehicles amounting to Baht 97 million (2017: Baht 85 million).

In addition, the Company and its subsidiaries sold available for sale investments and recognised gains on the sales in the profit or loss. The details were as follows:

(Unit: Million Baht)

	For the years ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Sales of investments	3,093	3,202	2,921	1,919
Gain on sales	11	226	7	158

On 30 June 2017, VGI entered into a share purchase and sale agreement with an unrelated individual (“the Buyer”), in order to sell all of its investment in Midas Global Media Company Limited (“Midas”), at a price of Baht 22 million. On the agreement date, VGI received an advance of Baht 10 million for the shares and it received the balance of Baht 12 million on 20 December 2017. In addition, in accordance with the conditions of the agreement, on 20 December 2017, VGI entered into a loan assignment agreement with the Buyer, to assign its long-term loan to Midas to the Buyer, at a price of Baht 80 million. Payment was to be made in three annual installments, with the first two installments amounting to Baht 27 million each and a final installment of Baht 26 million, and payment was to be completed by 30 June 2020. VGI transferred the shares and assigned the long-term loan to Midas to the Buyer on 22 December 2017 and 25 December 2017, respectively.

However, on 31 August 2017, Midas filed a lawsuit against VGI, claiming damages amounting to approximately Baht 230 million for a breach of the agreement made between VGI and Midas. Subsequently, on 31 January 2018, Midas filed a petition to amend the previously claimed damages, requesting additional damages amounting to approximately Baht 995 million. In addition, on 14 February 2018, Midas filed another lawsuit against VGI and MACO, claiming damages amounting to approximately Baht 24 million resulting from transactions relating to a service agreement to provide billboard advertising time slots at 4 locations. Currently, these cases are being considered by the Civil Court. VGI’s and MACO’s management believes that such events will not have any significant impact on VGI and MACO because the management is confident that VGI did not breach the agreement with Midas and VGI and MACO did not take any actions that caused damages to Midas, and is therefore not liable for damages.

## 19. LOANS TO A COOPERATIVE

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2018	2017
Long-term loans	71,000	71,000
Less: Current portion	-	(12,000)
Long-term loans - net of current portion	71,000	59,000

These loans represent loans to BTS Group cooperative, of which Baht 12 million are interest-free and are to be repaid within June 2022 and Baht 59 million are subject to interest at a rate of 2.75% per annum and are to be repaid within August 2026.

## 20. PROJECT COSTS - MEDIA

(Unit: Thousand Baht)

	Consolidated financial statements
<b>Cost</b>	
1 April 2016	2,371,456
31 March 2017	2,371,456
31 March 2018	2,371,456
<b>Accumulated amortisation</b>	
1 April 2016	74,071
Amortisation for the year	35,227
31 March 2017	109,298
Amortisation for the year	123,499
31 March 2018	232,797
<b>Net book value</b>	
31 March 2017	2,262,158
31 March 2018	2,138,659
<b>Amortisation included in cost of services</b>	
2017	35,227
2018	123,499

Project costs - media represent the portion of costs of rights that relate to media that were allocated from the intangible asset (generating fare box revenues and advertising revenues to a subsidiary) derecognised from the books of account since the rights to receive future net fare box revenues were sold to BTSGIF.

## 21. REUSABLE SPARE PARTS

As at the dates of the statements of financial position, the balances of reusable spare parts were comprised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Reusable spare parts	179,005	113,637
Less: Accumulated amortisation / write-off	(29,290)	(23,879)
Reusable spare parts - net	149,715	89,758
Amortisation included in cost of services	5,627	7,967

## 22. INVESTMENT PROPERTIES

The net book value of investment properties as at 31 March 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	Land awaiting sales	Buildings for rent	Total	Land awaiting sales	Buildings and Hotel for rent	Golf course and construction for rent	Total
31 March 2018:							
Cost	906,517	382,976	1,289,493	808,169	382,976	-	1,191,145
Less: Accumulated depreciation	-	(197,653)	(197,653)	-	(197,653)	-	(197,653)
Less: Allowance for impairment	(372,928)	(37,927)	(410,855)	(353,657)	(37,927)	-	(391,584)
Net book value	533,589	147,396	680,985	454,512	147,396	-	601,908
31 March 2017:							
Cost	1,070,540	269,898	1,340,438	808,169	972,034	1,491,649	3,271,852
Less: Accumulated depreciation	-	(133,886)	(133,886)	-	(230,490)	(776,565)	(1,007,055)
Less: Allowance for impairment	(372,928)	(33,772)	(406,700)	(353,657)	(41,817)	(170,116)	(565,590)
Net book value	697,612	102,240	799,852	454,512	699,727	544,968	1,699,207

A reconciliation of the net book value of investment properties for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	799,852	733,950	1,699,207	1,645,630
Acquisition	20,742	-	245,318	110,300
Transfer in	59,020	21,688	-	13,527
Disposals - net book value	-	(11,097)	(462,190)	(11,096)
Depreciation charged	(20,562)	(9,609)	(58,335)	(59,154)
Acquisition of subsidiary during the year	-	64,920	-	-
Transfer of ownership and redemption from mortgage of secured assets (Note 27)	255,515	-	-	-
Transfer deposit	45,000	-	-	-
Transfer out under the entire business transfer transaction (Note 51)	(478,582)	-	-	-
Changes in classification of property (Note 23)	-	-	(822,092)	-
Net book value at end of year	680,985	799,852	601,908	1,699,207

The fair value of the investment properties as at 31 March 2018 and 2017 stated below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land awaiting sales	2,906,092	2,868,992	2,802,172	2,596,172
Buildings and hotels for rent	188,000	198,000	188,000	888,000
Golf course and construction for rent	-	-	-	1,243,000

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The basis of the appraisal was as follows:

- Land awaiting sales has been determined using market approach.
- Buildings and hotels for rent has been determined using the income approach.
- Golf course and construction for rent has been determined using the income approach.

The main assumptions used in the valuation are yield rate, inflation rate and long-term growth rates.

## 23. PROPERTY, PLANT AND EQUIPMENT

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land (revalued)	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	
<b>Cost</b>								
1 April 2016	103,830	1,705,064	534,381	2,020,390	653,968	138,507	632,519	5,788,659
Additions	32,250	81,660	-	109,199	28,794	6,739	658,372	917,014
Acquisition of subsidiaries	-	13,799	-	477,482	51,520	20,773	13,519	577,093
Disposals	-	(9,281)	-	(72,321)	(13,657)	(6,523)	(313)	(102,095)
Transfer in (out)	1,668	79,794	120,232	258,738	17,445	229	(501,941)	(23,835)
31 March 2017	137,748	1,871,036	654,613	2,793,488	738,070	159,725	802,156	7,156,836
Additions	-	28,061	25	23,238	38,107	38,374	908,488	1,036,293
Acquisition of subsidiaries	-	-	-	107,370	6,097	14,002	3,279	130,748
Disposals	-	(207,804)	-	(44,587)	(44,734)	(23,607)	(1,252)	(321,984)
Sales of subsidiaries / Transfer out under the entire business transfer transaction	(82,250)	(970,778)	-	(134,976)	(69,873)	(7,121)	(522,957)	(1,787,955)
Transfer in (out)	-	320,714	336	303,872	65,904	833	(762,705)	(71,046)
31 March 2018	55,498	1,041,229	654,974	3,048,405	733,571	182,206	427,009	6,142,892
<b>Accumulated depreciation</b>								
1 April 2016	-	545,617	288,344	678,577	500,958	110,805	-	2,124,301
Depreciation for the year	-	67,851	6,841	260,418	60,927	12,508	-	408,545
Acquisition of subsidiaries	-	4,535	-	341,378	44,457	13,078	-	403,448
Depreciation on disposals	-	(4,654)	-	(61,941)	(12,780)	(5,133)	-	(84,508)
31 March 2017	-	613,349	295,185	1,218,432	593,562	131,258	-	2,851,786
Depreciation for the year	-	61,713	8,692	333,519	61,511	15,976	-	481,411
Acquisition of subsidiaries	-	-	-	70,810	5,411	11,615	-	87,836
Depreciation on disposals	-	(4,760)	-	(35,303)	(39,570)	(19,695)	-	(99,328)
Sales of subsidiaries / Transfer out under the entire business transfer transaction	-	(129,417)	-	(84,428)	(45,901)	(6,216)	-	(265,962)
Transfer in (out)	-	(14,284)	-	(1,027)	(4,087)	263	-	(19,135)
31 March 2018	-	526,601	303,877	1,502,003	570,926	133,201	-	3,036,608

(Unit: Thousand Baht)

Consolidated financial statements								
Land (revalued)	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total	
<b>Revaluation surplus on assets</b>								
1 April 2016	2,246,377	-	-	-	-	-	2,246,377	
31 March 2017	2,246,377	-	-	-	-	-	2,246,377	
Increase during the year	24,483	-	-	-	-	-	24,483	
31 March 2018	2,270,860	-	-	-	-	-	2,270,860	
<b>Allowance for impairment</b>								
1 April 2016	-	12,405	208,426	15,996	-	-	236,827	
31 March 2017	-	12,405	208,426	15,996	-	-	236,827	
31 March 2018	-	12,405	208,426	15,996	-	4,228	241,055	
<b>Net book value</b>								
31 March 2017	2,384,125	1,245,282	151,002	1,559,060	144,508	28,467	802,156	6,314,600
31 March 2018	2,326,358	502,223	142,671	1,530,406	162,645	49,005	422,781	5,136,089

(Unit: Thousand Baht)

Separate financial statement								
Land (revalued)	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total	
<b>Cost</b>								
1 April 2016	-	43,690	-	40,166	112,929	99,063	362,610	658,458
Additions	-	456	-	-	6,042	-	21,071	27,569
Transfer in (out)	-	-	-	9,829	-	-	(161)	9,668
Disposals	-	(2,847)	-	-	(1,261)	-	-	(4,108)
31 March 2017	-	41,299	-	49,995	117,710	99,063	383,520	691,587
Additions	-	3,928	24	13,119	38,227	40,048	32,523	127,869
Transfer in (out)	55,498	1,165,493	654,950	-	3,864	-	(73,201)	1,806,604
Disposals	-	(208,737)	-	(1,702)	(2,000)	(1,160)	-	(213,599)
31 March 2018	55,498	1,001,983	654,974	61,412	157,801	137,951	342,842	2,412,461
<b>Accumulated depreciation</b>								
1 April 2016	-	36,584	-	40,001	77,554	85,317	-	239,456
Depreciation for the year	-	889	-	569	12,605	6,591	-	20,654
Depreciation on disposals	-	(2,847)	-	-	(1,260)	-	-	(4,107)
31 March 2017	-	34,626	-	40,570	88,899	91,908	-	256,003
Depreciation for the year	-	5,933	747	718	13,918	7,008	-	28,324
Depreciation on disposals	-	(1,830)	-	(1,702)	(2,000)	(1,160)	-	(6,692)
Depreciation on transfers	-	460,547	303,130	-	-	-	-	763,677
31 March 2018	-	499,276	303,877	39,586	100,817	97,756	-	1,041,312

(Unit: Thousand Baht)

	Separate financial statements							Total
	Land (revalued)	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	
<b>Revaluation surplus on assets</b>								
1 April 2016	-	-	-	-	-	-	-	-
31 March 2017	-	-	-	-	-	-	-	-
Increase during the year	2,270,860	-	-	-	-	-	-	2,270,860
31 March 2018	2,270,860	-	-	-	-	-	-	2,270,860
<b>Allowance for impairment</b>								
1 April 2016	-	-	-	-	-	-	-	-
31 March 2017	-	-	-	-	-	-	-	-
Transfer in	-	12,405	208,426	-	-	-	-	220,831
31 March 2018	-	12,405	208,426	-	-	-	-	220,831
<b>Net book value</b>								
31 March 2017	-	6,673	-	9,425	28,811	7,155	383,520	435,584
31 March 2018	2,326,358	490,302	142,671	21,826	56,984	40,195	342,842	3,421,178

Depreciation expenses for the year recorded in profit or loss are detailed below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Costs of services	353	284	9	7
Administrative expenses	128	125	19	14
Total	481	409	28	21

The Company has mortgaged land and construction with net book value in consolidated financial statements as at 31 March 2018 of Baht 3,025 million (2017: Baht 2,820 million) as collateral for credit and guarantee facilities from a financial institution.

As at 31 March 2018, certain assets have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,655 million (2017: Baht 1,525 million) (Separate financial statements: Baht 709 million (2017: Baht 182 million)).

In March 2018, the Company entered into the long-term sublease agreements with two related companies for certain areas (bare shell condition) of the building that is located on land that the Company has leased from the Treasury Department. The sublease expires on the same date as the land lease agreements with the Treasury Department, which is November 2044 and June 2045 and the Company charged a total of approximately Baht 712 million. The management treated this transaction as finance lease; therefore, the Company derecognised

these building and leasehold rights from the financial statements and recognised gain from such transaction amounting to Baht 2 million in the profit or loss for the current year.

In March 2018, the Company reclassified golf course and construction for rent from investment properties to property-in-use with net book value of Baht 822 million in the separate financial statements. After the reclassification of properties, the Company arranged for an independent professional appraiser to appraise the fair value of the land; as a result, the Company recorded differences arising from the revaluation in other comprehensive income amounting to Baht 24 million and Baht 2,271 million in the consolidated and separate financial statements, respectively.

## 24. LEASEHOLD RIGHTS

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
1 April 2016	33,494	26,004
31 March 2017	33,494	26,004
Sales of subsidiary	(7,490)	-
31 March 2018	26,004	26,004
<b>Accumulated amortisation</b>		
1 April 2016	22,613	19,663
Amortisation for the year	779	396
31 March 2017	23,392	20,059
Amortisation for the year	763	396
Amortisation on disposals	(3,700)	-
31 March 2018	20,455	20,455
<b>Net book value</b>		
31 March 2017	10,102	5,945
31 March 2018	5,549	5,549
<b>Amortisation included in administrative expenses</b>		
2017	779	396
2018	763	396

## 25. INTANGIBLE ASSETS

(Unit: Thousand Baht)

	Consolidated financial statements			
	Intangible assets acquired through business combination	Computer software	Computer software under development	Total
<b>Cost:</b>				
1 April 2016	14,337	565,707	45,608	625,652
Additions	-	10,212	37,736	47,948
Disposals	-	(545)	-	(545)
Transfer in (out)	-	17,901	20,364	38,265
Acquisitions of subsidiaries	377,614	10,806	-	388,420
31 March 2017	391,951	604,081	103,708	1,099,740
Additions	-	4,913	77,594	82,507
Disposals	-	(3,790)	-	(3,790)
Transfer in (out)	-	56,124	(83,947)	(27,823)
Sales of subsidiaries / Transfer out under the entire business transfer transaction	-	(17,728)	-	(17,728)
31 March 2018	391,951	643,600	97,355	1,132,906
<b>Accumulated amortisation:</b>				
1 April 2016	1,584	265,781	-	267,365
Amortisation for the year	50,624	64,651	-	115,275
Amortisation on disposal	-	(404)	-	(404)
Depreciation for transfer	-	29	-	29
Acquisitions of subsidiaries	-	9,963	-	9,963
31 March 2017	52,208	340,020	-	392,228
Amortisation for the year	56,470	70,085	-	126,555
Depreciation on disposals	-	(3,740)	-	(3,740)
Depreciation for transfer	-	235	-	235
Sales of subsidiaries / Transfer out under the entire business transfer transaction	-	(11,688)	-	(11,688)
31 March 2018	108,678	394,912	-	503,590
<b>Net book value</b>				
31 March 2017	339,743	264,061	103,708	707,512
31 March 2018	283,273	248,688	97,355	629,316

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	Computer software under development	Total
<b>Cost:</b>			
1 April 2016	8,147	-	8,147
Additions	321	-	321
Disposals	(49)	-	(49)
Transfer in (out)	161	-	161
31 March 2017	8,580	-	8,580
Additions	1,907	4,572	6,479
Disposals	-	-	-
Transfer in (out)	874	-	874
31 March 2018	11,361	4,572	15,933
<b>Accumulated amortisation:</b>			
1 April 2016	7,881	-	7,881
Amortisation for the year	238	-	238
Amortisation on disposal	(49)	-	(49)
31 March 2017	8,070	-	8,070
Amortisation for the year	579	-	579
31 March 2018	8,649	-	8,649
<b>Net book value</b>			
31 March 2017	510	-	510
31 March 2018	2,712	4,572	7,284

Amortisation expenses for the year recorded in profit or loss are detailed below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Costs of services	40	40	-	-
Administrative expenses	87	75	1	-
Total	127	115	1	-

## Intangible assets acquired through business combination

Details of intangible assets acquired through business combination are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Cost		Useful lives
	2018	2017	
Customer list	9,145	9,145	3 years
Internally-developed software	5,192	5,192	3 years
Customer relationship	369,260	369,260	6 years 3 months and 7 years 7 months
Backlog	8,354	8,354	Remaining contract period
Total	391,951	391,951	

## 26. GOODWILL

The subsidiaries allocated goodwill acquired through business combinations to the cash generating units (CGUs) for annual impairment testing as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Point of View (POV) Media Group Company Limited	78,656	78,656
Master Ad Public Company Limited	880,175	880,175
Multi Sign Company Limited	370,382	370,382
RI Group	157,631	157,631
Total	1,486,844	1,486,844

The reconciliation of the net book value of goodwill for the years ended 31 March 2018 and 2017 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Net book value at beginning of year	1,486,844	236,287
Increase from acquisition of investments in subsidiaries	-	1,250,557
Net book value at end of year	1,486,844	1,486,844

The subsidiary determined the recoverable amounts of the CGUs based on fair value less cost to sell or value-in-use by preparing projections of the cash flows that are expected to be generated from that group of assets in the future, with reference to financial projections approved by the management. These cash flow projections cover a period of 5 years. It was determined that the recoverable amount of the CGUs is more than net carrying amount. The management of subsidiaries believed that the allowance for impairment of investments in subsidiaries is sufficient in the current situation and did not identify indications of impairment of goodwill.

## 27. RIGHTS OF CLAIM FROM ACQUISITION OF DEBTS PER REHABILITATION PLAN

In order to comply with the rehabilitation plan, in 2009 the Company held an open auction of assets mortgaged as collateral with a group of creditors per the rehabilitation plan and a company successfully bid to purchase all of these assets.

In 2011, a subsidiary purchased rights of claim from a group of creditors and made payment totaling Baht 816 million for these rights. The subsidiary recorded this transaction under the heading of “Rights of claim from acquisition of debts per rehabilitation plan” in the consolidated statement of financial position. Subsequently, in 2012 and 2013, there were gradual transfers of ownership and redemption from mortgage of certain secured assets. The subsidiary, as a creditor holding rights of claim over debts and other rights under the rehabilitation plan, received proportionate settlement of debt, leaving a balance of “Rights of claim from acquisition of debts per rehabilitation plan” of Baht 256 million in the consolidated statement of financial position as at 31 March 2017.

Subsequently, in September 2017, the subsidiary, as a creditor holding rights of claim over debts and other rights under the Company’s rehabilitation plan, received the transfers of ownership and redemption from mortgage of last secured asset (investment property), leaving no balance of “Rights of claim from acquisition of debts per rehabilitation plan” in the consolidated statement of financial position as at 31 March 2018.

## 28. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

The short-term loans from financial institutions are subject to interest at the rates of 1.56% and 2.20% per annum (2017: 2.08% and 2.10% per annum) and due at call and in April and June 2018.

## 29. BILLS OF EXCHANGE PAYABLES

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 April 2017	13,374,278
Add: Increase	67,715,000
Less: Repayment	(65,645,000)
Add: Amortisation of prepaid interest expenses	301,596
Less: Prepaid interest expenses	(313,786)
Balance as at 31 March 2018	15,432,088

Bills of exchange carried interests between 1.65 and 1.81% per annum (2017: between 1.70 and 1.85% per annum), not collateralised and mature during April to September 2018.

In April 2018 and up to 28 May 2018, the Company issued bills of exchange with a total value of Baht 4,830 million, and redeemed bills of exchange amounting to Baht 7,210 million.

### 30. TRADE AND OTHER PAYABLES

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables - related parties	4,515	10,673	-	-
Trade payables	1,881,361	475,987	-	-
Other payables - related parties	75,205	53,003	77,835	13,453
Other payables	472,079	155,207	22,155	22,745
Payables from acquisitions of investments	368,978	424,047	309,821	206,630
Accrued interest expenses - related parties	-	23	1,048,280	601,106
Accrued interest expenses	343,987	284,969	58,422	-
Deposit payable	15	30,000	-	30,000
Accrued expenses - related parties	3,321	3,689	1,314	893
Accrued expenses	850,673	759,902	123,637	41,132
Accrued costs of construction	128,337	-	-	-
Dividend payable	361,149	402,372	127,424	115,272
Total trade and other payables	4,489,620	2,599,872	1,768,888	1,031,231

### 31. CREDITORS PER REHABILITATION PLAN

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2018	2017
Creditors per rehabilitation plan	1,425	75,292
Less: Current portion	-	(73,855)
Creditors per rehabilitation plan - net of current portion	1,425	1,437

Movement of the creditors per rehabilitation plan account during the year ended 31 March 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 April 2017	75,292
Record interest from court's order	361
Decrease from debt settlement	(74,216)
Reversal	(12)
Balance as at 31 March 2018	1,425

On 24 August 2016, the Central Bankruptcy Court read the Supreme Court's order regarding the debt settlement entitlement of a creditor per the rehabilitation plan and the case was deemed to be finalised. The Company was required to repay debts to the creditor as specified in the rehabilitation plan. The Company deposited assets at the Deposit of Property Office, Legal Execution Department for debt settlement. In addition, the Company deposited cash with the Central Bankruptcy Court as a guarantee of debt settlement with the creditor. Therefore, the Company recorded the transfer of assets awaiting transfer under rehabilitation plan, investments in subsidiaries awaiting transfer under rehabilitation plan and cash deposited as collateral for debt settlement to settle the debt with the creditor. The Company recorded net gains on the transactions, under the heading of "Gain on debt settlement with creditors per rehabilitation plan" in profit and loss in the consolidated financial statements for year ended 31 March 2017 amounting to Baht 149 million (Separate financial statements: Baht 176 million).

On 15 February 2017, the Central Bankruptcy Court read the Supreme Court's order regarding the debt settlement entitlement of another creditor per the rehabilitation plan and the case was deemed to be finalised. The Company was required to repay debts to the creditor amounting to Baht 49 million, together with interest at a rate of 7.5% per annum, for a total of Baht 74 million. The Company has made the repayment on 9 May 2017.

## 32. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit: Thousand Baht)

Loan	Interest rate	Repayment schedule	Consolidated financial statements	
			2018	2017
1	Three-month Bangkok Inter-bank Offered Rate (3M BIBOR) plus a certain margin specified in the agreement	Annual installments as from March 2018 to March 2020	-	300,000
2	6M THBFIX plus a certain margin specified in the agreement	Annual installments as from February 2021 to February 2022	700,000	700,000
3	Three-month Mizuho Bank's Bangkok Inter-bank Offered Rate (3M Mizuho BIBOR) plus a certain margin specified in the agreement	Annual installments as from March 2018 to March 2020	-	300,000
4	Zenginkyo Tokyo Interbank Offered Rate (ZTIBOR) plus a certain margin specified in the agreement	Annual installments as from March 2021 to March 2022	700,000	700,000
5	Minimum Loan Rate (MLR) minus a certain spread specified in the agreement	Monthly installments as from November 2015 to October 2021	133,000	173,000
6	Minimum Loan Rate (MLR) minus a certain spread specified in the agreement	Monthly installments as from June 2015 to September 2017	-	5,893
Total			1,533,000	2,178,893
Less: Current portion			(44,000)	(245,893)
Long-term loans from financial institutions - net of current portion			1,489,000	1,933,000

A subsidiary's loan is guaranteed by another subsidiary.

The loan agreements contain several covenants which, among other things, require the subsidiary to maintain a certain interest bearing debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements, and maintain incurrence of additional indebtedness, the major shareholder structure and management structure, and the combined direct and indirect shareholdings in the Company, its subsidiary and individuals stipulated in the agreements.

In addition, on 10 October 2017, the subsidiaries (Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited) entered into the credit facilities agreements with three commercial banks totaling Baht 63,360 million for the MRT Pink and Yellow Line Projects. The subsidiaries had commitments to pay the commitment fees at a rate as specified in such agreements. At present, the subsidiaries have not drawn down such loans.

As at 31 March 2018, the credit facilities of the Company and subsidiaries which have not been drawn down amounted to Baht 91,080 million, USD 60 million and Euro 57 million (2017: Baht 30,520 million, USD 60 million and Euro 67 million).

### 33. LONG-TERM DEBENTURES

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Debentures No. 1/2017#1	1,500,000	-	1,500,000	-
Debentures No. 1/2017#2	1,500,000	-	1,500,000	-
Debentures No. 1/2017#3	2,000,000	-	2,000,000	-
Debentures No. 1/2017#4	2,000,000	-	2,000,000	-
Debentures No. 1/2016#1	5,500,000	5,500,000	-	-
Debentures No. 1/2016#2	2,200,000	2,200,000	-	-
Debentures No. 1/2016#3	4,100,000	4,100,000	-	-
Debentures No. 1/2016#4	10,200,000	10,200,000	-	-
Total debentures	29,000,000	22,000,000	7,000,000	-
Less: Issuing costs	(26,219)	(21,572)	(8,730)	-
Total debentures - net of issuing costs	28,973,781	21,978,428	6,991,270	-

The Company and a subsidiary (BTSC) issued and offered the debentures, which were unsubordinated and unsecured debentures without debentureholders' representative to institutional investors and high net worth investors with the details as follows.

Debentures	Issued by	Unit	Unit par	Total value	Issue date	Term	Maturity Date	Coupon rate
			(Baht)	(Baht)				(% per annum)
Debentures No. 1/2017#1	The Company	1,500,000	1,000	1,500,000,000	26 December 2017	3 years	26 December 2020	2.24
Debentures No. 1/2017#2	The Company	1,500,000	1,000	1,500,000,000	26 December 2017	5 years	26 December 2022	2.64
Debentures No. 1/2017#3	The Company	2,000,000	1,000	2,000,000,000	26 December 2017	10 years	26 December 2027	3.65
Debentures No. 1/2017#4	The Company	2,000,000	1,000	2,000,000,000	26 December 2017	12 years	26 December 2029	3.78
Debentures No. 1/2016#1	BTSC	5,500,000	1,000	5,500,000,000	10 November 2016	3 years	10 November 2019	2.46
Debentures No. 1/2016#2	BTSC	2,200,000	1,000	2,200,000,000	10 November 2016	5 years	10 November 2021	2.85
Debentures No. 1/2016#3	BTSC	4,100,000	1,000	4,100,000,000	10 November 2016	7 years	10 November 2023	3.30
Debentures No. 1/2016#4*	BTSC	10,200,000	1,000	10,200,000,000	10 November 2016	10 years	10 November 2026	3.87

\* The subsidiary has a call option to fully or partially redeem the debentures before the maturity date, effective from 10 November 2021. Details of this are stipulated in the agreement.

The debenture agreements contain several covenants which, among other things, require the Company and its subsidiary to maintain interest bearing debt-to-equity ratio at the rate prescribed in the agreements.

### 34. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at 31 March 2018 and 2017, which is compensations on employees' retirement and other long-term benefits, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance at beginning of year	860,912	782,395	70,070	67,222
Current service cost	75,291	71,435	5,944	6,375
Interest cost	20,634	18,625	1,315	1,521
Past service cost and settlement loss	13,037	-	-	-
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	23,769	-	1,862	-
Financial assumptions changes	23,428	-	1,504	-
Experience adjustments	108,601	-	9,757	-
Benefits paid during the year	(23,093)	(34,697)	(1,740)	(5,048)
	1,102,579	837,758	88,712	70,070
Increase from acquisitions of subsidiaries	170	24,360	-	-
Transfer to related company	(767)	-	(2,895)	-
Decrease from sale of investment in subsidiary / the entire business transfer transaction	(55,083)	-	-	-
Reversal	-	(1,206)	-	-
Balance at end of year	1,046,899	860,912	85,817	70,070

The Net Revenue Purchase and Transfer Agreement stipulates that a subsidiary (BTSC) can claim costs related to short-term and long-term employee benefits of employees, which represents compensation payable to employees when they retire from BTSGIF, since BTSGIF will be responsible for the short-term and long-term employee benefits of employees who retire during the remaining period of the Core Mass Transit System. Therefore, the subsidiary recorded these transactions as assets, presenting them as accrued income in the statement of financial position, in accordance with bases and assumptions that were determined by the subsidiary's management. The subsidiary's management believes that these bases and assumptions are appropriate under the current circumstances. The details are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2018	2017
Balance as at beginning of year	506,111	447,691
Increase - Recognised in profit or loss	42,326 <sup>(1)</sup>	62,309 <sup>(1)</sup>
- Recognised in other comprehensive income	78,206	-
Payment from BTSGIF	(11,816)	(3,889)
Balance as at end of year	614,827	506,111

<sup>(1)</sup> Including short-term benefits of Baht 7 million (2017: Baht 24 million)

Long-term employee benefits that can be claimed from BTSGIF in the future (presented net of long-term employee benefit expenses in profit or loss) amounted to Baht 35 million (2017: Baht 38 million).

Long-term employee benefit expenses included in the profit or loss were as follows:

(Unit: Thousand Baht)

	For the years ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost of services	56,462	49,369	-	-
Administrative expenses	52,500	40,691	7,259	7,896

The Company and its subsidiaries expect to pay Baht 23 million of long-term employee benefits during the next year (Separate financial statements: Baht 3 million) (2017: Baht 27 million (Separate financial statements: Baht 16 million)).

As at 31 March 2018, the weighted average duration of the liabilities for long-term employee benefit is 16 - 26 years (Separate financial statements: 19 years) (2017: 16 - 31 years (Separate financial statements: 19 years)).

Significant actuarial assumptions are summarised below:

(Unit: % per annum)

	For the years ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	3.1 - 3.4	2.4 - 4.3	3.2	2.4
Salary increase rate	3.5 - 10.0	5.0 - 10.0	6.0 - 7.0	5.0 - 6.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 March 2018 and 2017 are summarised below:

(Unit: Million Baht)

	As at 31 March 2018			
	Consolidated financial statements		Separate financial statements	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(116)	137	(8)	9
Salary increase rate	132	(114)	9	(8)

(Unit: Million Baht)

	As at 31 March 2017			
	Consolidated financial statements		Separate financial statements	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(108)	130	(6)	7
Salary increase rate	124	(106)	7	(6)

## 35. PROVISIONS

(Unit: Thousand Baht)

	Consolidated financial statements			
	Special business tax	Major maintenance or restoration of elevated train projects under service concession	Damage loss	Total
Balance as at 1 April 2016	1,171,299	212,370	-	1,383,669
Increase during the year	91,482	47,972	28,230	167,684
Decrease during the year	(59,843)	(9,271)	(28,230)	(97,344)
Revision of provision	-	(35,954)	-	(35,954)
Balance as at 31 March 2017	1,202,938	215,117	-	1,418,055
Increase during the year	93,563	50,971	-	144,534
Decrease during the year	(64,567)	(16,319)	-	(80,886)
Balance as at 31 March 2018	1,231,934	249,769	-	1,481,703
As at 31 March 2018				
Current	58,883	14,385	-	73,268
Non-current	1,173,051	235,384	-	1,408,435
	1,231,934	249,769	-	1,481,703
As at 31 March 2017				
Current	67,503	16,438	-	83,941
Non-current	1,135,435	198,679	-	1,334,114
	1,202,938	215,117	-	1,418,055

### Special Business Tax of BTS Rail Mass Transit Growth Infrastructure Fund (“BTSGIF”)

A subsidiary (BTSC) recognised a provision for future special business tax liabilities of BTSGIF over the remaining period of the Core Bangkok Mass Transit System, since under the Net Revenue Purchase and Transfer Agreement, the subsidiary is responsible for this tax. In calculating the provision for special business tax, the subsidiary referred to projections of future revenues prepared by an independent valuer and amortisation of BTSGIF’s investment in rights to receive fare box revenue of the Core Bangkok Mass Transit System of BTSGIF, discounted to present value. The subsidiary’s management believes that the assumptions are appropriate under the current circumstances.

### Major maintenance or restoration of elevated train projects under service concession

The subsidiary (BTSC) recognises a provision for its contractual obligation to perform major maintenance or restoration on elevated train projects under the service concession. The subsidiary’s management believes that the assumptions are appropriate under the current circumstances.

Loss on provisions presented in profit or loss was detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Loss on provision for major maintenance or restoration of elevated trains under service concession	50,971	12,018
Loss on provision for shortfall in revenues being lower than the minimum guaranteed amounts	-	28,230
Total loss on provisions	50,971	40,248

## **36. SHARE CAPITAL / SHARE PREMIUM**

As at 31 March 2017, the Company’s issued and fully paid share capital has increased from Baht 47,717,396,744 (11,929,349,186 ordinary shares with a par value of Baht 4 each) to Baht 47,739,817,248 (11,934,954,312 ordinary shares with a par value of Baht 4 each) as a result of the exercises of the warrants (BTS-WA) to ordinary shares amounting to Baht 2,803,748 (700,937 ordinary shares with a par value of Baht 4 each), the warrants (BTS-WB) to ordinary shares amounting to Baht 19,316,756 (4,829,189 ordinary shares with a par value of Baht 4 each) and the warrants (BTS-W3) to ordinary shares amounting to Baht 300,000 (75,000 ordinary shares with a par value of Baht 4 each), resulting in an increase in total share premium to Baht 1,853,722,168 (including adjustment to transfer amounting to Baht 13,487,372 of capital reserve for share-based payment transaction to share premium).

The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 7 July 2016 and 10 January 2017.

On 25 July 2017, the Annual General Meeting of the shareholders of the Company passed the following significant resolutions:

- a) Decrease its registered share capital from Baht 63,715,644,348 to Baht 63,607,257,028 by cancellation of 27,096,830 unissued ordinary shares with a par value of Baht 4 each.

- b) Increase its registered share capital from Baht 63,607,257,028 to Baht 66,055,257,028 by issuing 612,000,000 ordinary shares with a par value of Baht 4 each to accommodate the exercise of the warrants to be issued and offered to the employees of the Company and its subsidiaries under the BTS Group ESOP 2017 Scheme (BTS-WD) of up to 16,000,000 ordinary shares and to accommodate the offer by private placement pursuant to the plan for the increase of the Company's registered capital under a general mandate of up to 596,000,000 ordinary shares.
- c) Allocate additional ordinary shares as described in b).

The Company registered the decrease and increase in its registered capital with the Ministry of Commerce on 2 August 2017 and 3 August 2017, respectively

As at 31 March 2018, the Company's issued and fully paid share capital has increased from Baht 47,739,817,248 (11,934,954,312 ordinary shares with a par value of Baht 4 each) to Baht 47,761,475,816 (11,940,368,954 ordinary shares with a par value of Baht 4 each) as a result of the exercises of the warrants (BTS-WB) to ordinary shares amounting to Baht 21,658,568 (5,414,642 ordinary shares with a value of Baht 4 each), resulting in an increase in total share premium to Baht 1,873,035,113 (including adjustment to transfer amounting to Baht 13,844,157 of capital reserve for share-based payment transaction to share premium).

The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 7 July 2017.

### 37. WARRANTS

The warrants are detailed as follows:

	BTS-W3 Units	BTS-WA Units	BTS-WB Units	BTS-WC Units	BTS-WD Units
Outstanding as at 31 March 2016	3,944,626,464	6,225,750	11,137,670	-	-
Issued during the year	-	-	-	16,000,000	-
Exercised during the year	(75,000)	(4,222,600)	(4,829,189)	-	-
Expired during the year	-	(2,003,150)	-	-	-
Outstanding as at 31 March 2017	3,944,551,464	-	6,308,481	16,000,000	-
Issued during the year	-	-	-	-	16,000,000
Exercised during the year	-	-	(5,414,642)	-	-
Outstanding as at 31 March 2018	3,944,551,464	-	893,839	16,000,000	16,000,000

#### Warrants to purchase new ordinary shares of the Company issued to the Company's existing shareholders (BTS-W3)

On 11 October 2013, the Extraordinary Meeting of the Company's shareholders passed a resolution to issue the warrants to purchase new ordinary shares of the Company issued to the Company's existing shareholders (BTS-W3) in a ratio of 1 warrant for every 3 existing ordinary shares, without specifying the offer price. Details are as follows:

Date of grant	1 November 2013
Number granted (Units)	3,944,626,464
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of a 3-year period from the issued date
Exercise price per 1 ordinary share	12 Baht
Exercise ratio (warrant to ordinary share)	1:1

Warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WB)

On 26 July 2012, the Annual General Meeting of the Company's shareholders passed a resolution to approve the issue of warrants to employees of the Company and its subsidiaries No. 2 under the BTS Group ESOP 2012 Scheme (BTS-WB), at no cost. Details of the warrants are below.

Date of grant	11 June 2013
Number granted (Units)	16,000,000
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of 2 to 4 year periods from the issued date
Exercise price per 1 ordinary share	5.01 Baht
Exercise ratio (warrant to ordinary shares)	1:1

The estimated fair value of each warrant granted is Baht 2.56. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 7.90, exercise price of Baht 5.01, expected volatility of 27.348%, expected dividend yield of 5%, contractual life of five years, and a risk-free interest rate of 2.90 - 3.37%.

Warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WC)

On 24 July 2015, the Annual General Meeting of the shareholders of the Company passed a resolution to approve the issue of warrants to employees of the Company and its subsidiaries under the BTS Group ESOP 2015 Scheme (BTS-WC), at no cost. Details of the warrants are below.

Date of grant	30 May 2016
Number granted (Units)	16,000,000
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of 2 to 4 year periods from the issued date
Exercise price per 1 ordinary share	Baht 10.19
Exercise ratio (warrant to ordinary shares)	1:1

The estimated fair value of each warrant granted is Baht 1.34. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 9.07, exercise price of Baht 10.19, expected volatility of 37.73%, expected dividend yield of 8.55%, contractual life of five years, and a risk-free interest rate of 2.03%.

Warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WD)

On 25 July 2017, the Annual General Meeting of the shareholders of the Company passed a resolution to approve the issue of warrants to employees of the Company and its subsidiaries under the BTS Group ESOP 2017 Scheme (BTS-WD), at no cost. Details of the warrants are below.

Date of grant	26 February 2018
Number granted (Units)	16,000,000
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of 2 to 4 year periods from the issued date
Exercise price per 1 ordinary share	Baht 8.53
Exercise ratio (warrant to ordinary shares)	1:1

The estimated fair value of each warrant granted is Baht 1.47. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 8.20, exercise price of Baht 8.53, expected volatility of 29.92%, expected dividend yield of 4.15%, contractual life of five years, and a risk-free interest rate of 1.97%.

### **38. DEFICIT ON BUSINESS COMBINATION UNDER COMMON CONTROL**

Deficit on business combination under common control consisted of the following:

- a) Differences between the cost of a business combination under common control and the equity interest of the Company in the net book value of a subsidiary (BTSC) on the acquisition date in the consolidated and separate financial statements.
- b) Differences between considerations paid from purchase of investment and cost of investment under common control in the separate financial statements.

### **39. SURPLUS FROM BUSINESS RESTRUCTURING UNDER COMMON CONTROL**

A meeting of the Board of Directors of the Company on 9 November 2015 passed resolution to approve the restructuring of the property business unit. In December 2015, the Company transferred certain plots of land, and its investments in subsidiaries, associates and jointly controlled entities to a subsidiary (Unicorn), and also novated loans to related companies together with interest receivables to the subsidiary.

Surplus from business restructuring under common control represents the difference between the selling price of the assets and the value of the loans and interest receivables transferred to the subsidiary, the book values as at transaction date of the assets and loans and interest receivables net of transaction costs.

On 16 March 2018, the Company entered into the entire business transfer of Unicorn as described in Note 51 to the financial statements. All above assets were transferred to U City; therefore, the Company adjusted the surplus from business restructuring under common control to the unappropriated retained earnings.

### **40. ADJUSTMENT OF ASSET VALUE AS A RESULT OF BUSINESS RESTRUCTURING UNDER COMMON CONTROL**

To reflect the value of the existing assets before business restructuring under common control, as described in Note 38 to the financial statements, the Company presented the loans to Unicorn at a value equivalent to the net book values of the land, investments and loans and interest receivables before business restructuring under common control. The Company recorded the adjustment under the heading of "Adjustment of asset value as a result of business restructuring under common control" under shareholders' equity in the separate financial statements.

On 16 March 2018, the Company entered into the entire business transfer of Unicorn as described in Note 51 to the financial statements. Loans to Unicorn are novated to loans to U City; therefore, the Company reversed the adjustment of asset value as a result of business restructuring under common control to adjust the valuation of loans to U City.

### **41. SURPLUS (DEFICIT) FROM THE CHANGES IN THE OWNERSHIP INTERESTS IN SUBSIDIARIES**

The Company and its subsidiaries will record surplus from the changes in the ownership interests in subsidiaries in the shareholders' equity in the consolidated statements of financial position.

Surplus from changes in ownership interests in subsidiaries was calculated based on the differences between the considerations paid or received as a result of changes in ownership interests in the subsidiaries and the

equity interests of non-controlling interests of the subsidiaries at the net book value of the subsidiaries on the changing date. Non-controlling interests of the subsidiaries are valued at the value of the identifiable net assets of the subsidiaries based on the percentage shareholdings of non-controlling interests.

## **42. SURPLUS FROM SALES OF WARRANTS OF THE SUBSIDIARY**

Surplus from sales of warrants of the subsidiary represents the considerations received as a result of sales of warrants of the subsidiary constituting a change in the Company's ownership interest in the subsidiary without loss of control.

## **43. REVALUATION SURPLUS ON ASSETS**

This represents surplus arising from revaluation of land which can neither be offset against deficit nor used for dividend payment.

## **44. TREASURY SHARES / APPROPRIATED RETAINED EARNINGS FOR TREASURY SHARES**

On 8 August 2014, the Board of Directors of the Company passed a resolution to approve a programme to repurchase up to 600 million shares (par value of Baht 4 each), or 5% of the total number of shares in issue, with a budget of Baht 6,000 million, for liquidity surplus management purposes. The shares are to be repurchased on the Stock Exchange of Thailand within the period of 6 months, starting from 25 August 2014 to 24 February 2015, and can be resold within the period of 6 months after completing the repurchase. The Company had purchased back 95.8 million ordinary shares, for a total of approximately Baht 925.4 million or 0.8% of the total number of shares in issue.

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public company limited may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduces its paid-up share capital by an amount equal to the value of the treasury shares which it could not sell. The Company appropriated the full required amount of retained earnings to a reserve for the treasury shares.

On 24 February 2018, the resale period of the treasury shares under the share repurchase programme has ended and the Company has not sold any repurchased shares. Subsequently, on 26 March 2018, the Board of Directors of the Company resolved to approve the Company's reduction of paid-up capital in the amount of Baht 383,359,600 by writing off 95.8 million registered shares, at a par value of Baht 4 per share, which have been repurchased and remained unsold under the share repurchase programme for financial management purpose. The Company registered the decrease in its registered and paid-up capital with the Ministry of Commerce on 4 April 2018.

## **45. STATUTORY RESERVE AND UNAPPROPRIATED RETAINED EARNINGS**

### **45.1 STATUTORY RESERVE**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

## 45.2 UNAPPROPRIATED RETAINED EARNINGS (DEFICIT)

Reconciliations between unappropriated retained earnings (deficit) reported in the separate financial statements and the consolidated financial statements as at 31 March 2018 are detailed below.

(Unit: Million Baht)

<b>Unappropriated retained earnings reported in the separate financial statements</b>	12,598
Significant elimination of profit in the consolidated financial statements	
- Deferred gain from sale of future net fare box revenues to BTSGIF	(6,749)
- Deferred gain from sales of investments and the entire business transfer of subsidiary to U City	(3,151)
- Elimination of gain from sales of investments in VGI without loss of control	(4,274)
Adjustment of equity method of investments in U City and BTSGIF	(2,615)
Dividend received from BTSC's retained earnings as at the acquisition date which was not recognised in the consolidated financial statements	(5,911)
Others	686
<b>Deficit reported in the consolidated financial statements</b>	<b>(9,416)</b>

## 46. SERVICE INCOME

Details of service income are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Advertising income	2,792,092	2,069,064	-	-
Revenues from provision of operating services	1,865,529	1,697,901	-	-
Revenues from provision of spaces	494,530	394,607	71,417	67,800
Other service income	967,003	865,712	92,567	77,969
Total	<b>6,119,154</b>	<b>5,027,284</b>	<b>163,984</b>	<b>145,769</b>

## 47. INTEREST INCOME

Details of interest income are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Interest income under concession agreements	382,774	157,924	-	-
Interest income under finance lease agreement	13	1,111	-	-
Interest income under purchase and installation of operating system agreement	120,089	26,891	-	-
Interest income from unrelated parties	440,397	178,676	22,936	18,604
Interest income from related parties	491,136	396,607	648,760	546,429
Total	<b>1,434,409</b>	<b>761,209</b>	<b>671,696</b>	<b>565,033</b>

## 48. OTHER EXPENSES

Details of other expenses are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Allowance for doubtful accounts	12,114	-	829	1,161
Allowance for impairment loss of assets	23,668	2,404	-	-
Allowance for impairment loss of investment	160,032	7,891	167,992	-
Loss on provisions	50,971	40,248	-	-
<b>Total</b>	<b>246,785</b>	<b>50,543</b>	<b>168,821</b>	<b>1,161</b>

## 49. EXPENSES BY NATURE

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Continued operation:</b>				
Salaries, wages and other benefits	1,611,335	1,319,784	312,004	261,351
Depreciation and amortisation	693,800	498,117	87,634	80,451
Consultation, project management and professional fee	169,430	170,292	82,887	137,451
Allowance for impairment loss of assets	23,668	2,404	-	-
Allowance for impairment loss of investment	160,032	7,891	167,992	-
Loss on provisions	50,971	40,248	-	-
Premise tax and other taxes	105,759	101,080	24,207	33,154
Rental expenses from operating lease agreements	233,520	75,494	50,864	46,439
Repair and maintenance expenses	236,093	218,524	13,671	13,661
Utility expenses	143,920	150,627	23,844	22,228
Advertising and promotional expenses	255,828	243,269	649	506
Concession fee	124,931	155,142	-	-
Costs of advertising services	184,397	162,444	-	-
Real estate development during the year	-	229,000	-	229,000
Change in real estate development costs	(17,798)	(205,468)	(17,798)	(178,635)
Contract works for installation and construction services and train procurement services	5,418,028	1,537,004	-	-
Finance cost	1,286,908	643,186	823,132	592,734
<b>Discontinued operation:</b>				
Salaries, wages and other benefits	238,114	337,844	-	-
Depreciation and amortisation	64,619	79,293	-	-
Consultation, project management and professional fee	32,269	44,728	-	-
Premise tax and other taxes	29,551	22,316	-	-
Rental expenses from operating lease agreements	69,465	70,394	-	-
Repair and maintenance expenses	13,331	9,157	-	-
Utility expenses	49,748	57,630	-	-

## 50. INCOME TAX

Income tax expenses for the years ended 31 March 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Current income tax charge <sup>(1)</sup>	832,901	782,627	32,311	11,339
Adjustment in respect of income tax of previous year	-	714	-	714
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(46,317)	(125,786)	(27,256)	(692)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>786,584 <sup>(2)</sup></b>	<b>657,555 <sup>(2)</sup></b>	<b>5,055</b>	<b>11,361</b>

<sup>(1)</sup> From a tax perspective, the sale of future net fare box revenues of the subsidiary (BTSC), as described in Note 1.2 a) to the financial statements, was treated as borrowing from BTSGIF and so in calculating corporate income tax, the subsidiary calculated interest expense based on the difference between the net fare box revenues submitted to BTSGIF and the amortisation of BTSGIF's investment in rights to receive fare box revenue of the Core Bangkok Mass Transit System of BTSGIF (calculated based on projections of numbers of passengers in the report prepared by an independent valuer).

<sup>(2)</sup> Baht 776 million under continued operation and Baht 11 million under discontinued operation (2017: Baht 646 million and Baht 11 million, respectively).

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 March 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax relating to:				
Gain on change in value of available-for-sale investments	67,910	56,756	55,023	67,228
Gain from revaluation surplus on land	4,897	-	454,172	-
Loss from actuarial loss	(15,609)	-	(2,625)	-
	<b>57,198</b>	<b>56,756</b>	<b>506,570</b>	<b>67,228</b>

Reconciliations between accounting profit and income tax expenses are detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit before income tax expenses from continued operation	5,317,883	3,118,762	4,765,851	4,435,188
Profit (loss) before income tax expenses from discontinued operation	258,510	(225,483)	-	-
Accounting profit before income tax expenses	5,576,393	2,893,279	4,765,851	4,435,188
Applicable tax rate at 20%	1,115,279	578,656	953,170	887,038
Tax effect of:				
Unrecognised deferred tax on temporary differences	7,420	78,673	2,005	2,050
Utilisation of previously unrecognised deferred tax on temporary differences	(9,859)	(74,184)	(1,020)	(62,007)
Non-deductible expenses	17,194	27,900	3,358	9,605
Deductible expenses	(13,845)	(2,301)	(367)	(102)
Non-taxable income	(393,294)	(114,097)	(954,387)	(825,277)
Taxable income	-	5,999	2,290	158
Adjustments in respect of deferred tax assets	4,220	(7,396)	-	-
Effect of eliminated entries on consolidated financial statements	70,355	155,586	-	-
Others	(10,886)	8,719	6	(104)
Income tax expenses	786,584	657,555	5,055	11,361

The tax rate enacted at the end of the reporting period of the Company and its subsidiaries is 20% (2017: 20%)

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	11,382	11,096	1,360	1,484
Allowance for impairment of asset	129,874	133,222	-	-
Allowance for impairment of investments	131,447	99,441	133,039	99,441
Unrealised loss on changes in value of investments	26,644	171,774	103,786	156,504
Provision for long-term employee benefits	208,743	171,475	15,417	11,920
Transactions under concession and finance lease agreements	-	13,645	-	-
Unused tax loss	3,504	22,483	-	-
Others	39,421	20,798	254	371
Total	551,015	643,934	253,856	269,720
<b>Deferred tax liabilities</b>				
Revaluation surplus on land	454,172	449,275	454,172	-
Prepaid duty stamp	58,608	61,104	-	-
Transactions relating to sale of future net fare box revenues	2,009,165	2,173,732	-	-
Differences of forward and closing exchange rates	14,215	6,415	14,215	6,415
Differences of tax and accounting from depreciated calculation of assets	57,819	57,915	57,819	57,915
Fair value adjustment of assets and liabilities as at business combination date	62,817	73,868	-	-
Transactions under concession agreements	93,020	-	-	-
Others	12,725	10,921	5,662	4,088
Total	2,762,541	2,833,230	531,868	68,418
Net	(2,211,526)	(2,189,296)	(278,012)	201,302
Presented as				
Deferred tax assets - net	40,249	50,157	-	201,302
Deferred tax liabilities - net	(2,251,775)	(2,239,453)	(278,012)	-
Net	(2,211,526)	(2,189,296)	(278,012)	201,302

As at 31 March 2018, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,514 million (2017: Baht 3,006 million) (Separate financial statements: Baht 679 million (2017: Baht 2,329 million)), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe they may not utilise the deferred tax asset or their future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of the subsidiaries amounting to Baht 833 million (2017: Baht 770 million) will expire by 2023.

## 51. ENTIRE BUSINESS TRANSFER OF UNICORN ENTERPRISE COMPANY LIMITED (“UNICORN”)

The Board of Directors meetings of the Company, held on 30 October 2017 and 4 December 2017, passed the resolution to approve the entire business transfer of Unicorn, a subsidiary in which the Company holds 100% of its total shares, to U City Public Company Limited (“U City”), an associated company of the Company. On 30 November 2017 and 29 December 2017, the Company has proceeded with the internal restructuring of the Company’s group before entering into the entire business transfer transaction of Unicorn. The Company acquired all ordinary shares held by Unicorn in 6 subsidiaries and 1 joint venture from Unicorn, with details as follows:

- (a) 500,000 ordinary shares with a par value of Baht 100 each, which is equivalent to 100% of the total shares, in Dnal Company Limited at the price of Baht 79 million.
- (b) 2,340,000 ordinary shares with a par value of Baht 100 each, which is equivalent to 100% of the total shares, in Yongsu Company Limited at the price of Baht 7 million.
- (c) 100,000 ordinary shares with a par value of Baht 100 each, which is equivalent to 100% of the total shares, in Kingkaew Assets Company Limited at the price of Baht 10 million.
- (d) 100,000 ordinary shares with a par value of Baht 100 each, which is equivalent to 100% of the total shares, in The Community One Company Limited at the price of Baht 10 million.
- (e) 100,000 ordinary shares with a par value of Baht 100 each, which is equivalent to 100% of the total shares, in The Community Two Company Limited at the price of Baht 10 million.
- (f) 2,550,000 ordinary shares with a par value of Baht 5 each, which is equivalent to 51% of the total shares, in HHT Construction Company Limited at the price of Baht 51 million.
- (g) 50,000 ordinary shares with a par value of Baht 100 each, which is equivalent to 50% of the total shares, in Bayswater Company Limited at the price of Baht 5 million.

Unicorn transferred the rights under all promissory notes between Unicorn (as the creditor) and the above mentioned companies (as the debtors) to the Company, including interest thereon, totaling Baht 4,760 million. In addition, on 9 March 2018, the Company sold all ordinary shares in Tanayong Hong Kong Limited (a subsidiary) to Unicorn in accordance with a condition precedent stipulated in the entire business transfer agreement.

Subsequently, on 16 March 2018 (the entire business transfer date), the Company, Unicorn and U City entered into the entire business transfer transaction under the Entire Business Transfer Agreement dated 30 October 2017 and the Amendment Agreement in relation to the Entire Business Transfer Agreement dated 4 December 2017. U City accepted the transfer of all assets and liabilities of Unicorn as of the entire business transfer date which comprised the following:

- (1) all assets of Unicorn, including the investments in subsidiaries, joint ventures and associates (“the Unicorn Group”), the loans to and interest receivable from the Unicorn Group, cash and other assets; and
- (2) all liabilities of Unicorn, including loans from and interest payable to the Company and other liabilities.

In this regard, U City paid the consideration for such entire business transfer to Unicorn by the following:

- (1) Issuance of 63,882,352,942 newly issued preferred shares, with a par value of Baht 1 per share, at an offering price of Baht 0.034 per share, and 31,941,176,471 units of warrants to purchase U City’s ordinary shares No. 3 (“U-W3”) at no cost, totaling Baht 2,172 million, to Unicorn. In this regard, Unicorn transferred the ownership of such preferred shares and warrants to the Company; and

- (2) Acceptance of all of Unicorn's loans owed to the Company, together with interest thereon, which totaled Baht 10,074 million. In this regard, the Company entered into the loan agreement with U City which carries interest at the rate of Minimum Loan Rate (MLR) minus a certain spread specified in the agreement and is due at end of the 3-year period.

At present, the entire business transfer transaction is in the process of approval from the Revenue Department. However, the Company and Unicorn requested legal opinion from an independent legal advisor which was of the opinion considered that the Company and Unicorn has complied with regulations relating to entire business transfer announced by the Revenue Department; therefore, taxes related to entire business transfer transaction will be exempted under the regulations.

The Company recorded the fair value of preferred shares and warrants of U City which was calculated by the Company's management (based on opinion report of the Independent Financial Advisor), and recognised the gain related to the entire business transfer under the caption of "Gain on the entire business transfer of subsidiary" in the profit or loss with following details:

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Fair value of U City's preferred shares and warrants	2,172	2,172
Loans to and interest receivable from U City <sup>(1)</sup>	10,074	10,074
Less: Book value of investment in Unicorn	-	(10)
Net assets of the Unicorn Group	(9,076)	-
Loans to and interest receivable from Unicorn	-	(10,074)
Gain on the entire business transfer of subsidiary	3,170	2,162
Less: Deferred gain on the entire business transfer of subsidiary <sup>(2)</sup>	(1,235)	-
Transaction costs	(55)	(55)
Gain on the entire business transfer of subsidiary - net	1,880	2,107

<sup>(1)</sup> Consist of loans amounting to Baht 9,830 million and interest receivable amounting to Baht 244 million.

<sup>(2)</sup> Gain on the entire business transfer subsidiary was eliminated in proportion to the Company's 38.96% shareholding in U City as of the entire business transfer date.

Details of the book values of net assets of the Unicorn Group as at 16 March 2018 are as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	401,068
Current investment	2,500
Trade and other receivables	108,735
Other current assets	53,553
Loans to related companies	4,241,752
Investments in joint ventures and associates	1,849,789
Restricted deposits	82,703
Land and projects awaiting development	935,724
Investment properties	478,582
Property, plant and equipment	1,295,504
Leasehold rights	3,790
Intangible assets	978
Deferred tax assets	9,804
Other non-current assets	63,102
Trade and other payables	(64,167)
Income tax payable	(2,350)
Other current liabilities	(54,395)
Retention payable	(23,570)
Provision for transaction under equity method of investments in joint ventures	(260,293)
Provision for long-term employee benefits	(43,950)
Other non-current liabilities	(2,783)
Net asset value	9,076,076

The operating results of Unicorn Group (collectively referred to as “Property businesses”) were separately presented under the heading of “Profit (loss) from discontinued operations for the year” in the consolidated profit or loss for the year ended 31 March 2018, with those of the year ended 31 March 2017 presented for comparative purposes as described in Note 52 to the financial statements.

Moreover, on 16 March 2018, the Extraordinary General Meeting of shareholders of Unicorn passed a special resolution to approve its dissolution. Unicorn registered its dissolution with the Ministry of Commerce on 16 March 2018. At present, Unicorn is in the process of liquidation.

To prevent conflicts of interest in the property development business between the Company and U City after entering into the entire business transfer transaction, the Company agrees to grant U City the three rights under the terms and conditions as stipulated in the agreement i.e. (1) right of first refusal to purchase or to take on lease of land and/or buildings used in the property business of the Company and its subsidiaries and to purchase shares in the subsidiaries holding land and/or buildings used in the property business, at the price not less favourable than those offered to the third party (2) call option to purchase or to take on lease of land and/or buildings and right to purchase shares in any subsidiary holding land and/or buildings at a fair value, and (3) right to be appointed as a property manager under a property management agreement and right to be appointed as a real estate agent under a real estate agency agreement based on terms and conditions in the normal course of business.

## 52. DISCONTINUED OPERATIONS

Discontinued operations for the years ended 31 March 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Restaurant businesses (Note 16.1.1)	Property businesses (Note 51)	Total	Restaurant businesses (Note 16.1.1)	Property businesses (Note 51)	Total
<b>Statements of comprehensive income</b>						
<b>Revenues</b>						
Service income	127,674	336,776	464,450	400,951	312,282	713,233
Interest income	-	1,717	1,717	369	2,197	2,566
Other income	3,912	13,065	16,977	11,565	52,573	64,138
<b>Total revenues</b>	<b>131,586</b>	<b>351,558</b>	<b>483,144</b>	<b>412,885</b>	<b>367,052</b>	<b>779,937</b>
<b>Expenses</b>						
Cost of services	75,746	206,702	282,448	257,961	152,706	410,667
Selling expenses	33,195	6,125	39,320	111,476	6,979	118,455
Administrative expenses	43,073	125,510	168,583	96,208	134,946	231,154
<b>Total expenses</b>	<b>152,014</b>	<b>338,337</b>	<b>490,351</b>	<b>465,645</b>	<b>294,631</b>	<b>760,276</b>
<b>Profit (loss) before share of profit (loss) from investments in joint ventures and associates and income tax from discontinued operations</b>	<b>(20,428)</b>	<b>13,221</b>	<b>(7,207)</b>	<b>(52,760)</b>	<b>72,421</b>	<b>19,661</b>
Share of profit (loss) from investments in joint ventures	-	254,016	254,016	-	(252,863)	(252,863)
Share of profit from investments in associates	-	11,701	11,701	-	7,719	7,719
<b>Profit (loss) before income tax from discontinued operations</b>	<b>(20,428)</b>	<b>278,938</b>	<b>258,510</b>	<b>(52,760)</b>	<b>(172,723)</b>	<b>(225,483)</b>
Income tax	-	(10,568)	(10,568)	(3,012)	(8,186)	(11,198)
<b>Profit (loss) for the year from discontinued operations</b>	<b>(20,428)</b>	<b>268,370</b>	<b>247,942</b>	<b>(55,772)</b>	<b>(180,909)</b>	<b>(236,681)</b>

Significant cash flow information from the discontinued operations of property businesses for the years ended 31 March 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Cash flows from (used in) investing activities	370,158	(3,500,016)

The Company did not present cash flows from the discontinued operations of restaurant businesses since they are not material to the consolidated financial statements.

Details of earnings per share of the discontinued operation are as below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Basic earnings (loss) per share (Baht)	0.0215	(0.0190)
Diluted earnings (loss) per share (Baht)	0.0215	(0.0190)

### 53. EARNINGS PER SHARE

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

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

Details of calculation of earnings per share for the years ended 31 March 2018 and 2017 are as below.

#### Consolidated financial statements

	Profit		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	4,415,711	2,003,480	11,843,194	11,837,816	0.3728	0.1692
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-WA)	-	-	-	257		
Warrants (BTS-WB)	-	-	898	3,138		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	4,415,711	2,003,480	11,844,092	11,841,211	0.3728	0.1692

#### Separate financial statements

	Profit		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	4,760,796	4,423,826	11,843,194	11,837,816	0.4020	0.3737
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-WA)	-	-	-	257		
Warrants (BTS-WB)	-	-	898	3,138		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	4,760,796	4,423,826	11,844,092	11,841,211	0.4020	0.3736

Details of calculation of earnings per share from continued operation for the years ended 31 March 2018 and 2017 are as below.

Consolidated financial statements						
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	4,160,680	2,228,404	11,843,194	11,837,816	0.3513	0.1882
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-WA)	-	-	-	257		
Warrants (BTS-WB)	-	-	898	3,138		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	4,160,680	2,228,404	11,844,092	11,841,211	0.3513	0.1882

Separate financial statements						
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	4,760,796	4,423,826	11,843,194	11,837,816	0.4020	0.3737
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-WA)	-	-	-	257		
Warrants (BTS-WB)	-	-	898	3,138		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	4,760,796	4,423,826	11,844,092	11,841,211	0.4020	0.3736

The exercise price of the warrants (BTS-W3, BTS-WC and BTS-WD) are higher than the average market price of the Company's ordinary shares for the years ended 31 March 2018 and 2017. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share in the consolidated and separate financial statements for the years ended 31 March 2018 and 2017.

## 54. PROMOTIONAL PRIVILEGES

### Bangkok Payment Solutions Company Limited

A subsidiary (Bangkok Payment Solutions Company Limited) has received promotional privileges from the Board of Investment for the software development, pursuant to the investment promotion certificate No. 58-2513-1-00-2-0 issued on 24 November 2015. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 5 years from the date the promoted operations begin generating revenues (15 December 2015).

The subsidiary's revenues of promoted operations and non-promoted operations for the year ended 31 March 2018 amounted to Baht 39 million and Baht 109 million, respectively (2017: revenues of promoted operations and non-promoted operations amounting to Baht 52 million and Baht 74 million, respectively).

## 55. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Executive Chairman.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have four reportable segments as follows:

- 1) Mass transit segment, which is the provision of service as operator of the Core BTS Sky Train System, service under the operating and maintenance service agreement of extension to the Core BTS Sky Train System and of the Green Line (Mo Chit - Saphan Mai - Khu Khot and Bearing - Samutprakan), installation services for BTS Sky Train System, service under the operating and bus procurement (BRT) agreement and related other services.
- 2) Media segment, which provides advertising services on Bangkok Mass Transit System (BTS), outdoor advertising and other advertising.
- 3) Property segment, the remaining portion after enter into the entire business transfer to U city which the Company granted U city the three rights as described in Note 51 to the financial statements.
- 4) Service segment, which is the provision of services of Rabbit Card and other services not included in the other major segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 March 2018 and 2017.

(Unit: Million Baht)

	For the years ended 31 March											
	Mass Transit segment		Media segment		Property segment		Service segment		Elimination		Consolidated Financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	7,768	3,247	3,127	2,341	24	33	1,252	1,188	-	-	12,171	6,809
Inter-segment revenues	330	242	362	175	-	-	618	610	(1,310)	(1,027)	-	-
<b>Total revenues</b>	<b>8,098</b>	<b>3,489</b>	<b>3,489</b>	<b>2,516</b>	<b>24</b>	<b>33</b>	<b>1,870</b>	<b>1,798</b>	<b>(1,310)</b>	<b>(1,027)</b>	<b>12,171</b>	<b>6,809</b>
Net segment profit (including net interest income under agreements with government authorities)	1,765	1,138	2,251	1,536	6	10	434	488	-	-	4,456	3,172
Unallocated revenues and expenses:												
Dividend income											146	271
Interest income											931	574
Gain on sales and changes in value of investments											668	357
Gain on the entire business transfer of subsidiary											1,880	-
Gain on sales and change in status of investments											251	207
Gain on change in the ownership interests in a joint venture											63	-
Gain on debt settlement of creditors per rehabilitation plan											-	149
Other income											375	261
Selling expenses											(448)	(316)
Administrative expenses											(1,833)	(1,501)
Other expenses											(247)	(51)
Share of loss from investments in joint ventures											(282)	(147)
Share of profit from investments in associates											461	780
Finance cost											(1,103)	(638)
Income tax											(776)	(646)
Loss from discontinued operations											248	(237)
<b>Profit for the year</b>											<b>4,790</b>	<b>2,235</b>
Non-controlling interests of the subsidiaries											(374)	(232)
<b>Profit attributable to equity holders of the Company</b>											<b>4,416</b>	<b>2,003</b>

## Geographic information

The Company and its subsidiaries mainly operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

For the year ended 31 March 2018, the Company and its subsidiaries have revenues from government authorities amounting to Baht 7,662 million (2017: Baht 3,142 million) arising from mass transit segment and revenues from top 10 major customers in total amount of Baht 1,660 million, arising from media segment (2017: Baht 1,618 million).

## 56. PROVIDENT FUND

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by BBL Asset Management Company Limited, and SCB Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules. During the year ended 31 March 2018, the Company and its subsidiaries recognised the contributions as expenses amounting to Baht 60 million (2017: Baht 56 million) (Separate financial statements: Baht 6 million (2017: Baht 5 million)) (Baht 23 million (2017: Baht 24 million) claimed from BTSGIF).

## 57. DIVIDENDS

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2015/2016	Annual General Meeting of the shareholders on 22 July 2016	4,024	0.34
Interim dividends for 2016/2017	Board of Directors' meeting on 9 January 2017	1,953	0.165
Total for the year ended 31 March 2017		<u>5,977</u>	
Final dividends for 2016/2017	Annual General Meeting of the shareholders on 25 July 2017	2,073	0.175
Interim dividends for 2017/2018	Board of Directors' meeting on 8 January 2018	1,954	0.165
Total for the year ended 31 March 2018		<u>4,027</u>	

## 58. CONTRACTS IN PROGRESS

As at 31 March 2018, the aggregate amount of installation and construction services cost incurred and recognised profits or losses to date for contracts of installation and construction services of the subsidiaries was approximately Baht 3,654 million (2017: Baht 1,026 million), and gross amounts due from customers for contracts of installation and construction services were approximately Baht 1,117 million (2017: Baht 430 million), and gross amounts due to customers for contracts in progress were approximately Baht 48 million (2017: Baht 28 million).

## 59. COMMITMENTS AND CONTINGENT LIABILITIES

As at the date of the statements of financial position, the Company and its subsidiaries had commitments and contingent liabilities as follows:

## 59.1 CAPITAL COMMITMENTS

- a) The Company and its subsidiary (HHT Construction Company Limited) had outstanding commitments of approximately Baht 114 million and HKD 2 million (2017: Baht 339 million and HKD 2 million) in respect of agreements of consultation, design and construction projects.
- b) The Company had outstanding commitments with a subsidiary (HHT Construction Company Limited) approximately Baht 274 million (2017: Baht 779 million) in respect of renovation and development of golf course.
- c) The Company had outstanding commitments of USD 2 million (2017: USD 19 million) in respect of overseas investments.
- d) A subsidiary (BTSC) had capital commitments totaling Baht 375 million (2017: Baht 10 million) in respect of improvements of BTS Sky Train System.
- e) A subsidiary (BTSC) had commitments totaling EUR 109 million, SGD 1 million, USD 2 million and Baht 82 million (2017: EUR 146 million and Baht 402 million) in respect of the acquisitions of 46 4-car trains and related equipment, and spare parts for 22 4-car trains, for which agreements have already been concluded (under the agreements concerning the purchases of the trains and related equipment, the subsidiary paid advances amounting to EUR 71 million, equivalent to Baht 2,739 million, USD 1 million, equivalent to Baht 46 million, and Baht 491 million (2017: EUR 72 million, equivalent to Baht 2,777 million, and Baht 274 million) (As at 31 March 2018, the subsidiary presented an outstanding balance of advances for acquisitions of assets of Baht 1,438 million (2017: Baht 2,384 million), which was the balance net of the amounts recognised as installation costs and the amounts allocated to be charged to BTS Rail Mass Transit Growth Infrastructure Fund)).  
  
In addition, under the operation and maintenance contract for a mass transit system in Bangkok, dated 3 May 2012, the subsidiary also has future commitments in respect of acquisitions of elevated trains, totaling 70 cars. The trains must be in operation by 2030.
- f) A subsidiary (BTSC) had commitments amounting to Baht 336 million (2017: Baht 336 million) in respect of the acquisitions of 3 2-car trains for the Gold Line Monorail Mass Rapid Transit System Project (under the agreement concerning the purchase of the trains, the subsidiary paid advance amounting to Baht 37 million (2017: Baht 37 million)).
- g) The subsidiaries (Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited) had commitments totaling EUR 415 million and Baht 56,953 million (2017: Nil) in respect of the design and construction of civil works, the procurement of electronic and mechanical systems and related equipment and the other related services for the MRT Pink Line Project and the MRT Yellow Line Project (Under these agreements, the subsidiaries paid advances amounting to EUR 36 million, equivalent to Baht 1,418 million, and Baht 6,458 million (2017: Nil)).
- h) The subsidiaries had capital commitments of Baht 184 million (2017: Baht 108 million), relating to the acquisition of equipment and computer software, the installation of ticketing systems and information management system, the development of website, the acquisitions of leasehold rights and billboards.

Obligations as described in d) and e) will be allocated for collection from BTS Rail Mass Transit Growth Infrastructure Fund in accordance with bases and assumptions determined by BTSC's management. BTSC's management believes that these bases and assumptions are appropriate under the current circumstances.

## 59.2 OPERATING LEASE COMMITMENTS

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, motor vehicles and equipment.

The Company and its subsidiaries have future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payable:				
Up to 1 year	125	149	35	45
Over 1 and up to 5 years	287	241	111	108
Over 5 years	208	282	137	195

Under the conditions of the lease agreements for advertising space, the subsidiaries are committed to pay rental on a monthly basis. One-month deposits were made and will be refunded when the agreements are terminated with the consent of the lessor. The agreements are renewable for every 3 years with rental adjustment made based on current market conditions.

Certain obligations will be allocated for collection from BTS Rail Mass Transit Growth Infrastructure Fund in accordance with bases and assumptions determined by BTSC's management. BTSC's management believes that these bases and assumptions are appropriate under the current circumstances.

## 59.3 SERVICE CONTRACT COMMITMENTS

- A subsidiary (BTSC) had commitments of approximately Baht 176 million (2017: Baht 10 million) relating to its operations under the agreements of the Bus Rapid Transit (BRT) project - Chong Nonsi to Sa-pan Krung Thep Line (Chong Nonsi - Ratchaphruek).
- A subsidiary (BTSC) had commitments under service agreements with contractors relating to the procurement and installation of electronic and mechanical systems for the Mass Transit System - Green Line (Mo Chit - Saphan Mai - Khu Khot and Bearing - Samutprakan).
- A subsidiary (BTSC) had commitments of approximately Baht 26 million (2017: Baht 26 million) under service agreements with the subsidiaries (Bangkok Payment Solutions Company Limited and Bangkok Smartcard System Company Limited) relating to compliance with the Establishment Central Clearing House Project (CCH) Agreement.
- A subsidiary (BTSC) had commitments amounting to approximately Baht 371 million (2017: Baht 371 million) under service agreements with a contractor for the design and construction of Suksawittaya Station (S4), relating to a memorandum of agreement for the construction of S4 station between the subsidiary, BTSGIF and another company dated 10 August 2016. The subsidiary is responsible for procurement and is the counterparty with the contractor, while BTSGIF and the other company are responsible for construction costs totaling not more than Baht 650 million.

- e) The Company and its subsidiaries had committed to pay fees totaling Baht 1,051 million in the future (2017: Baht 340 million) (Separate financial statements: Baht 2 million (2017: Baht 15 million)) relating to service agreements.

Certain obligations as described in d) and e) will be allocated for collection from BTS Rail Mass Transit Growth Infrastructure Fund in accordance with bases and assumptions determined by BTSC's management. BTSC's management believes that these bases and assumptions are appropriate under the current circumstances.

#### **59.4 COMMITMENTS UNDER MAINTENANCE CONTRACT**

- a) A fifteen-year maintenance contract, the subsidiary has capital commitments in respect of the cost of maintenance and spares supply service fees in relation to the project over a period of 15 years. The amount to be paid for the first year is approximately Baht 253 million and EUR 3 million, while in subsequent years the amount to be paid will be adjusted upwards with reference to the consumer price index. The contract is effective from 1 January 2015.
- b) A maintenance contract for 22 of the 46 4-car trains, the subsidiary has capital commitments in respect of the cost of maintenance and spares supply service fees in relation to the project over a period of 16 years. Charges for the first 16 months are approximately Baht 67 million and the annual maintenance fees to be paid for the first year are approximately Baht 73 million and EUR 1.3 million, while in future years, the amount to be paid will be adjusted upwards with reference to the consumer price index. The subsidiary has not yet begun making payment of this cost.
- c) A maintenance and wheel replacement contract for 12 4-car trains in which the total contract amount is approximately Baht 108 million. As at 31 March 2018, the subsidiary had committed to pay service fees of Baht 64 million.

The obligations will be allocated for collection from BTS Rail Mass Transit Growth Infrastructure Fund in accordance with bases and assumptions determined by BTSC's management. BTSC's management believes that these bases and assumptions are appropriate under the current circumstances.

#### **59.5 LONG-TERM CONTRACT COMMITMENTS**

- a) The Company entered into a service agreement with a related party (Thana City Golf & Sports Club Company Limited), which is to furnish the Company with golf course service business management-related services. The Company is to pay service fees at a rate as stipulated in the agreement.
- b) The Company entered into a management agreement with a related party (Tanayong Property Management Company Limited), which is to furnish the Company with systems management services. Under the conditions of the agreement, the Company is to pay service fees at the rate specified in the agreement.
- c) A subsidiary (BTSC) had outstanding commitments under the concession agreements of the Bangkok Mass Transit System project for extension line - Silom (S7-S8) and Sukhumvit (E10-E14), for a period of 15 years as from the year 2015 to the year 2029. Compensation which is payable throughout the terms of the agreements expected to be risen every three years in accordance with the passenger growth rate, but at least 10%. The amount to be paid for the 1-3 year is approximately Baht 79 million.
- d) A subsidiary (BTSC) had commitments under an agreement granting rights to operate the Bus Rapid Transit (BRT) project, whereby the subsidiary is to pay fees to Krungthep Thanakom Company Limited under conditions stipulated in the agreement.

- e) The subsidiaries (Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited) had commitments under the Operating and Maintenance Agreements and Project Management Agreements for the MRT Pink Line Project and the MRT Yellow Line Project with a subsidiary (BTSC). The subsidiaries are to pay service fees at a rate as stipulated in the agreements.
- f) A subsidiary (BTSC) had commitments in respect of its performance in accordance with the Operating and Maintenance Agreement and Project Management Agreement for the MRT Pink Line Project and the MRT Yellow Line Project that the subsidiary and another company (BTS Infrastructure Development Limited) signed.
- g) A subsidiary (VGI Global Media Public Company Limited) had outstanding commitments as stipulated in the agreements as follows:
- 1) Concession agreements for the installation and management of advertising media in buildings with a related company and unrelated companies, whereby it is to install, and manage the provision of advertising through, LCD screens in these buildings
  - 2) Concession agreements for the management and provision of advertising space, and other related agreements

The subsidiary had outstanding commitments with respect to minimum guarantees under concession agreements. Fees are payable as follows.

(Unit: Million Baht)

	2018	2017
Fees payable:		
Up to 1 year	48	58
Over 1 and up to 5 years	82	99

These amounts will be adjusted in accordance with actual performance, based on certain rates stipulated in the agreements.

In addition, the subsidiary entered into an agreement with an associate (Demo Power (Thailand) Company Limited) ("DPT"), transferring to DPT the rights to use space at BTS stations for carrying on marketing activities. Under the conditions of the agreement, the subsidiary is to receive compensation on the basis of the actual revenue generated, at rates stipulated in the agreement.

## 59.6 OTHER COMMITMENTS

- a) The Company and its subsidiary (BTSC) had commitments in respect of compliance with the Net Revenue Purchase and Transfer Agreement and other agreements relating to infrastructure fund transaction.
- b) The Company had commitments in respect of compliance with the Securities Borrowing and Lending Agreements that the Company had already entered into with the security companies.
- c) A subsidiary (BTSC) has commitments in respect of its performance in accordance with the Purchase and Installation of Operating System (Electric and Mechanic) Agreement for the Green Line (Mo Chit - Sahpan Mai - Khu Khot and Bearing - Samutprakan) dated 28 June 2016 that the subsidiary and Krungthep Thanacom Company Limited signed.

- d) A subsidiary (BTSC) has commitments in respect of its performance in accordance with the Operating and Maintenance Agreement for the Green Line Project (Mo Chit - Saphan Mai - Khu Khot and Bearing - Samutprakan) dated 1 August 2016 that the subsidiary and Krungthep Thanacom Company Limited signed.
- e) The subsidiaries (Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited) had commitments in respect of their performance in accordance with the concession contracts for the MRT Pink Line Project and the MRT Yellow Line Project, which they signed with the Mass Rapid Transit Authority of Thailand on 16 June 2017.

## 59.7 GUARANTEES

- a) There is a bank guarantee of Baht 23 million (2017: Baht 23 million) issued by a bank on behalf of the Company to the Ministry of Finance for construction of a building on state-owned land.
- b) A subsidiary (BTSC) had outstanding bank guarantees issued by a bank on behalf of the subsidiary amounting to Baht 58 million (2017: Baht 57 million) to guarantee electricity use and Baht 105 million (2017: Baht 100 million) to guarantee compliance with the Purchase and Installation of Operating System (Electric and Mechanic) Agreement for the Green Line (Mo Chit - Saphan Mai - Khu Khot and Bearing - Samutprakan) and for the Gold Line (Krung Thonburi - Khlong San - Prajadhipok). In addition, there was an outstanding bank guarantee of Baht 40 million (2017: Baht 40 million) issued by a bank on behalf of the subsidiary to guarantee compliance with Contract for Establishment of Central Clearing House Project (CCH) and common ticket. A current investment of Baht 14 million has been pledged as collateral.

BTS Rail Mass Transit Growth Infrastructure Fund will be responsible for the bank guarantees amounting to Baht 38 million (2017: Baht 38 million) issued by a bank on behalf of the subsidiary to the Metropolitan Electricity Authority to guarantee electricity use.

- c) The subsidiaries (Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited) had outstanding bank guarantees that were issued by the bank on behalf of the subsidiaries, amounting to Baht 5,000 million (2017: Nil) to guarantee compliance with the concession contracts for the MRT Pink and Yellow Line Projects. The Company provided guarantees for the bank guarantee in proportion to its shareholdings in the subsidiaries.
- d) The Company and its subsidiaries had additional bank guarantees issued by banks as required in their normal operations of approximately Baht 249 million (Separate financial statements: Baht 49 million) (2017: Baht 338 million (Separate financial statements: Baht 52 million)).
- e) The Company provided a guarantee on BTSC's compliance to BTS Rail Mass Transit Growth Infrastructure Fund as described in Sponsor Support and Guarantee Agreement.

## 59.8 LITIGATIONS

- a) Creditors under the business rehabilitation plan of a subsidiary (BTSC) have filed petitions with the Central Bankruptcy Court with respect to their claims totaling approximately Baht 307 million, of which the official receiver ordered BTSC to pay approximately Baht 21 million. Subsequently, on 3 May 2017, the Central Bankruptcy Court read the Supreme Court's order regarding the debt settlement entitlement of the creditors, and the case was deemed to be finalised, with BTSC required to pay debt totaling Baht 118 million together with interest at a rate of 7.5% per annum (a subsidiary (VGI) is responsible for paying approximately Baht 63 million). However, the business rehabilitation plan stipulates that the creditor will receive settlement without interest. BTSC and VGI recorded the liability (excluding interest) in their accounts. During the current year, BTSC paid the fees for the letter of guarantee case (for the year 1997-2006) with interest, totaling Baht 21 million. Currently, BTSC is in negotiations regarding the remaining debt, which is the use of state owned land and building rental fee, and the same debt as that in the arbitration case as mentioned in b).

- b) A subsidiary (BTSC) was sued in an arbitration case by Bangkok Metropolitan Administration for payment of Baht 132 million for the use of state owned land and building rental together with penalties and surcharges on the outstanding amount at a rate of 18% per annum and fees for a letter of guarantee (for the year 2006-2015) totaling approximately Baht 12 million, together with interest at a rate of 7.5% per annum. BTSC argued that it had no obligation to pay these expenses because, under its concession agreement, BTSC has the right to use the land of the Bangkok Mass Transit System without liability to pay any rental, fees or other expenses incurred. The Arbitration Institute issued an order to temporarily dispose of the case to await the Supreme Court's order described in a) because it involved the same debt. However, BTSC recorded the liability (excluding interest) in their accounts. Subsequently, on 3 May 2017, the Supreme Court decided the case. During the current year, BTSC paid the fees for the letter of guarantee case with interest, totaling Baht 21 million as described in a) and the creditor withdrew the claim from the arbitration process. The remaining cases are the use of state owned land and building rental. The arbitration institute set a hearing date on 24 September 2018. BTSC's management believes that this will not have any significant impact because the Central Bankruptcy Court has finalised the case and the cases involved the same debt.
- c) A subsidiary (BTSC) was sued together with Bangkok Metropolitan Administration and the Bangkok Governor in an administrative case seeking to have elevators and facilities for people with disabilities installed at 23 elevated train stations and on elevated trains. The Administrative Court of First Instance dismissed the case since, in their opinion, when the Concession Agreement was concluded there were no laws requiring that the defendants build elevators and facilities for people with disabilities. Subsequently, the plaintiffs appealed to the Supreme Administrative Court and on 21 January 2015, the Supreme Administrative Court issued an order reversing the decision of the Administrative Court of First Instance and ordering the Bangkok Governor, on behalf of the Bangkok Metropolitan Administration, to provide elevators and facilities for people with disabilities at 23 elevated train stations and on trains and ordered BTSC to cooperate. In December 2017, Bangkok Metropolitan Administration has installed and operated the elevators and facilities for people with disabilities at all 23 stations.
- d) During the year 2015, a jointly controlled company (Bayswater Co., Ltd.) purchased land for a price of Baht 7,350 million through an auction organised by the Official Receiver. However, there were lawsuits relating to this land, as follows:
- 1) During the year 2015, a company who was the debtor under a bankruptcy action and the original landowner (not related to the Company and its subsidiaries) petitioned the Central Bankruptcy Court ("the Court") seeking an order to cease the auction of assets of the debtor and to auction all land as a single lot ("main case"). The Court dismissed the petition on the grounds that there was no legal basis to permit the petition. Subsequently, the debtor lodged an appeal of the Court's order with the Supreme Court, and the Supreme Court dismissed the petition of the debtor. Therefore, the cases were finalised.
  - 2) During the year 2015, the debtor filed petitions asking the Court to order the Official Receiver to accept an application for a composition of debt for processing in accordance with the law, and to order the postponement or cessation of the auction. The Court dismissed the petitions. The debtor then lodged an appeal with the Supreme Court and subsequently, in the year 2017, the Supreme Court dismissed the petitions. Therefore, the cases were finalised.
  - 3) During the year 2015, the debtor and two of its unsecured creditors filed petitions asking the Court to order the cancelation of the auction of assets and to cease legal execution while the petitions to cancel the auction of assets were being considered. The Supreme Court issued an order to temporarily dispose of the case to await the Supreme Court's decision in the main case. However, since the Supreme Court has already issued a judgement in the main case in 1), the Official Receiver is in the process of bringing the case before the Central Bankruptcy Court for reconsideration.

- 4) During the year 2017, the jointly controlled company was sued in civil cases by individuals petitioning the Court to issue an order to have the jointly controlled company register easement granting a right of way or an order declaring the disputed way a public way. The cases are currently being considered by the Civil Court.

The Company and the jointly controlled company believe that no significant losses will result from these cases.

- e) As described in Note 18 to the financial statements, subsidiaries were filed complaints from a company. Currently, these are being considered by the Court. The subsidiaries' management believes that such event will not have any significant impact because the subsidiaries did not breach the agreement made with plaintiff and did not made anything resulting in plaintiff's damages therefore have no responsibility for damages.

## 60. FAIR VALUE HIERARCHY

As at 31 March 2018 and 2017, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated Financial Statements				
As at 31 March 2018				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Held for trade investments				
Unit trust in fixed income funds	-	276	-	276
Unit trust in equity fund	-	22	-	22
Equity instruments	772	-	-	772
Derivative warrants	-	2,224	-	2,224
Available-for-sale investments				
Equity instruments	2,752	1,658	-	4,410
Derivatives				
Forward exchange agreements	-	77	-	77
<b>Liabilities measured at fair value</b>				
Derivatives				
Forward exchange agreements	-	492	-	492
<b>Assets for which fair value are disclosed</b>				
Coupon deposit	-	3,276 <sup>(1)</sup>	-	3,276
Held to maturity securities				
Foreign government and state-owned enterprise bonds	-	3,819	-	3,819
Domestic private debt securities	-	3,075	-	3,075
Investment properties	-	-	3,094	3,094
Investments in listed associates	30,246	-	-	30,246
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	29,337	-	29,337
Derivatives				
Cross currency and interest rate swap agreement	-	50	-	50
Interest rate swap agreement	-	404	-	404

<sup>(1)</sup>Including fair value of forward exchange agreement

(Unit: Million Baht)

## Consolidated Financial Statements

	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Held for trade investments				
Unit trust in fixed income funds	-	453	-	453
Equity instruments	426	-	-	426
Derivative warrants	-	123	-	123
Available-for-sale investments				
Unit trust in fixed income funds	-	70	-	70
Equity instruments	3,830	1,342	-	5,172
Derivatives				
Forward exchange agreements	-	61	-	61
<b>Assets for which fair value are disclosed</b>				
Held to maturity securities				
Foreign government and state-owned enterprise bonds	-	4,827	-	4,827
Domestic private debt securities	-	2,744	-	2,744
Investment properties	-	-	3,067	3,067
Investments in listed associates	25,607	-	-	25,607
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	21,919	-	21,919
Derivatives				
Cross currency and interest rate swap agreement	-	6	-	6
Interest rate swap agreement	-	3	-	3

(Unit: Million Baht)

## Separate Financial Statements

	As at 31 March 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Held for trade investments				
Unit trust in fixed income funds	-	2	-	2
Unit trust in equity fund	-	22	-	22
Equity instruments	772	-	-	772
Available-for-sale investments				
Equity instruments	2,568	761	-	3,329
Derivatives				
Forward exchange agreements	-	71	-	71
<b>Assets for which fair value are disclosed</b>				
Held to maturity securities				
Domestic private debt securities	-	1,325	-	1,325
Investment properties	-	-	2,990	2,990
Investments in listed associates	30,246	-	-	30,246
<b>Liabilities for which fair value are disclosed</b>				
Debenture	-	7,050	-	7,050

(Unit: Million Baht)

## Separate Financial Statements

	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Held for trade investments				
Equity instruments	426	-	-	426
Available-for-sale investments				
Equity instruments	3,480	503	-	3,983
Derivatives				
Forward exchange agreements	-	44	-	44
<b>Assets for which fair value are disclosed</b>				
Held to maturity securities				
Domestic private debt securities	-	891	-	891
Investment properties	-	-	4,727	4,727
Investments in listed associates	25,607	-	-	25,607

## 61. FINANCIAL INSTRUMENTS

### 61.1 FINANCIAL RISK MANAGEMENT

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally consist of the following:

<u>Financial assets</u>	<u>Financial liabilities</u>
- Cash and cash equivalents	- Short-term loans from financial institutions
- Current investments	- Bills of exchange payables
- Investments in derivative instruments	- Trade and other payables
- Bank account for advances from cardholders	- Advance received from cardholders
- Trade and other receivables	- Short-term loans
- Unbilled receivables under agreements with government authorities	- Long-term loans
- Receivable under purchase and installation of operating system agreement	- Long-term debentures
- Short-term loans	
- Accrued income	
- Long-term loans	
- Other long-term investments	
- Advances to contractors and for asset acquisitions	

The financial risks associated with these financial instruments and how they are managed described as follows:

#### Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of accounts receivable and loans as stated in the statement of financial position.

## Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to their cash at bank, investments, loans, unbilled receivables under agreements with government authorities and receivable under purchase and installation of operating system agreement, bills of exchange and debentures. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 March 2018 and 2017 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the re-priced date (if this occurs before the maturity date).

(Unit: Million Baht)

	As at 31 March 2018						Interest rate (% p.a.)
	Consolidated financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	3,661	-	-	5,741	56	9,458	0.01 to 2.08
Current investments	4,602	-	-	-	1,070	5,672	0.85 to 5.10
Investments in derivative instruments	-	-	-	-	2,224	2,224	-
Bank account for advances from cardholders	-	-	-	443	-	443	0.50 to 1.70
Trade and other receivables	-	-	-	-	1,825	1,825	-
Unbilled receivables under agreements with government authorities	100	1,271	6,369	-	-	7,740	0.58 to 6.12
Receivable under purchase and installation of operating system agreement	-	3,581	-	-	147	3,728	5.20
Accrued income	-	-	-	-	1,258	1,258	-
Long-term loans to related parties	15	9,479	71	-	-	9,565	3.50 to 12.00
Other long-term investments	-	7,028	1,291	-	7,629	15,948	1.86 to 10.75
Advances to contractors and for asset acquisitions	-	-	-	-	2,571	2,571	-
<b>Financial liabilities</b>							
Short-term loans from financial institutions	1,230	-	-	-	-	1,230	1.56 to 2.20
Bills of exchange payables	15,432	-	-	-	-	15,432	1.65 to 1.81
Trade and other payables	-	-	-	-	4,490	4,490	-
Advance received from cardholders	-	-	-	-	430	430	-
Short-term loan from related party	4	-	-	-	-	4	6.50
Long-term loans from financial institutions	-	-	-	1,533	-	1,533	Note 32
Long-term debentures	-	10,691	18,282	-	-	28,973	2.24 to 3.87

(Unit: Million Baht)

As at 31 March 2017

	Consolidated financial statements						Interest rate (% p.a.)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	9,977	-	-	5,074	44	15,095	-0.60 to 3.00
Current investments	5,360	-	-	-	878	6,238	0.85 to 5.10
Investments in derivative instruments	-	-	-	-	124	124	-
Bank account for advances from cardholders	-	-	-	375	-	375	0.50 to 1.65
Trade and other receivables	-	-	-	-	2,128	2,128	-
Unbilled receivables under agreements with government authorities	97	953	3,254	-	-	4,304	0.58 to 6.12
Receivable under purchase and installation of operating system agreement	-	731	-	-	28	759	5.20
Accrued income	-	-	-	-	881	881	-
Long-term loans to related parties	92	9,180	45	-	-	9,317	MLR - 0.5, 3.85 to 12.00
Other long-term investments	-	4,682	974	-	7,865	13,521	2.71 to 10.75
Advances to contractors and for asset acquisitions	-	-	-	-	3,040	3,040	-
<b>Financial liabilities</b>							
Short-term loans from financial institutions	778	-	-	-	-	778	2.08 to 2.10
Bills of exchange payables	13,374	-	-	-	-	13,374	1.70 to 1.85
Trade and other payables	-	-	-	-	2,600	2,600	-
Advance received from cardholders	-	-	-	-	375	375	-
Short-term loan from related party	4	-	-	-	-	4	6.50
Long-term loans from financial institutions	-	-	-	2,179	-	2,179	Note 32
Long-term debentures	-	7,693	14,285	-	-	21,978	2.46 to 3.87

(Unit: Million Baht)

## As at 31 March 2018

## Separate financial statement

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years				

(% p.a.)

**Financial assets**

Cash and cash equivalents	92	-	-	1,905	1	1,998	0.01 to 1.84
Current investments	38	-	-	-	796	834	1.98
Trade and other receivables	-	-	-	-	465	465	-
Long-term loans to related parties	-	9,784	-	-	-	9,784	3.50 to 5.75
Other long-term investments	-	-	1,291	-	6,547	7,838	3.50 to 4.00

**Financial liabilities**

Short-term loans from financial institutions	1,000	-	-	-	-	1,000	1.56
Bills of exchange payables	15,432	-	-	-	-	15,432	1.65 to 1.81
Trade and other payables	-	-	-	-	1,769	1,769	-
Short-term loan from related party	35	-	-	16,500	-	16,535	1.00 to 2.71
Long-term debentures	-	2,996	3,995	-	-	6,991	2.24 to 3.78

(Unit: Million Baht)

## As at 31 March 2017

## Separate financial statement

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years				

(% p.a.)

**Financial assets**

Cash and cash equivalents	-	-	-	1,775	-	1,775	0.01 to 1.40
Current investments	154	-	-	-	426	580	1.25 to 1.70
Trade and other receivables	-	-	-	-	1,157	1,157	-
Long-term loans to related parties	-	13,773	-	-	-	13,773	MLR - 0.5, 3.50 to 5.65
Other long-term investments	-	-	875	-	6,653	7,528	4.00 to 4.375

**Financial liabilities**

Bills of exchange payables	13,374	-	-	-	-	13,374	1.70 to 1.85
Trade and other payables	-	-	-	-	1,031	1,031	-
Short-term loan from related party	-	-	-	16,500	-	16,500	2.03 to 2.71

The subsidiaries entered into the interest rate swap agreements with local commercial banks to manage risk associated with the financial liabilities carrying floating interest. The details of the interest rate swap agreements outstanding as at 31 March 2018 and 2017 are as follows:

2018				
Contract date	Contractual maturity date	Notional amount	Interest to pay	Interest to receive
21 March 2017	28 February 2022	Baht 700 million	Fixed rate specified in the agreement	6M THBFIX plus a certain margin specified in the agreement
5 January 2018 to 30 March 2018	31 December 2024 to 31 December 2034	Baht 40,500 million	Fixed rate specified in the agreements	6M THBFIX plus a certain margin specified in the agreements

2017				
Contract date	Contractual maturity date	Notional amount	Interest to pay	Interest to receive
21 March 2017	28 February 2022	Baht 700 million	Fixed rate specified in the agreement	6M THBFIX plus a certain margin specified in the agreement

### Foreign currency risk

As at 31 March 2018 and 2017, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated financial statements				Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities		Financial assets		Financial liabilities			
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	225	171	-	-	119	109	-	-	31.2318	34.4501
EUR	164	170	27	1	-	-	-	-	38.4394	36.7904
SGD	-	-	-	1	-	-	-	-	23.8223	24.6540
JPY	-	-	2,273	2,273	-	-	-	-	0.2939	0.3077

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from cash at banks, investments, the purchase transactions of spare parts and equipment and loans that are denominated in foreign currencies. The Company and its subsidiary seek to reduce this risk by entering into forward exchange agreements and cross currency and interest rate swap agreement.

The Company and its subsidiaries have entered into forward exchange agreements as follows:

				2018		
				Amount	Forward rate	Maturity date
<b>Forward contracts to "Buy"</b>						
<u>The subsidiaries</u>						
EUR/THB		EUR 415 million		40.20 - 40.56 THB/EUR		July 2018 - July 2021
<b>Forward contracts to "Sell"</b>						
<u>The Company</u>						
USD/THB		USD 54 million		31.91 - 32.97 THB/USD		April 2018 - September 2018
<u>The subsidiary</u>						
USD/THB		USD 100 million		33.33 THB/USD		August 2019
EUR/THB		EUR 36 million		40.41 THB/EUR		July 2018 - July 2021

				2017		
				Amount	Forward rate	Maturity date
<b>Forward contracts to "Sell"</b>						
<u>The Company</u>						
USD/THB		USD 54 million		35.09 - 35.31 THB/USD		April - June 2017
<u>The subsidiary</u>						
USD/THB		USD 30 million		35.01 THB/USD		April 2017

In addition, as at 31 March 2018 and 2017, the subsidiary had entered into cross currency and interest rate swap agreements as follows:

Contract date	Contractual maturity date	Amount to pay		Amount to receive	
		Notional amount	Interest rate	Notional amount	Interest rate
21 March 2017	23 March 2022	Baht 700 million	Fixed rate specified in the agreement	Amount in foreign currency stipulated in the agreement	ZTIBOR plus a certain margin specified in the agreement

## 61.2 FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash at banks, accounts receivable, accrued income, loans, investments and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- b) For equity securities and warrants, their fair value is generally derived from quoted market prices.
- c) The fair value of investments in preferred shares classified as equity instruments has been determined using bid prices from reliable financial service provider.
- d) The fair value of investments in unit trust in equity and fixed income funds has been determined using net asset value at the reporting date.
- e) The fair value of investments in debt instruments and certificates of deposits has been determined by using the yield curve as announced by the Thai Bond Market Association or using prices from reliable financial service provider.
- f) The fair value of derivative warrants has been determined by using a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as underlying price, exercise price and interest rate.
- g) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- h) For fixed rate debentures, their fair value is determined by using the prices as announced by the Thai Bond Market Association.
- i) For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Company had considered to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

## 62. CAPITAL MANAGEMENT

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at 31 March 2018, the Group's debt-to-equity ratio was 1.29:1 (2017: 1.07:1) and the Company's was 0.66:1 (2017: 0.51:1).

### 63. EVENTS AFTER THE REPORTING PERIOD

Significant subsequent events are detailed below.

63.1 On 23 April 2018, VGI executed a term sheet (“the Term Sheet”) with the existing shareholders of Kerry Express (Thailand) Limited (“KERRY”) for VGI’s acquisition of 23% of all shares (“KERRY Sale Shares”) of KERRY, which is a limited company incorporated in Thailand and is principally engaged in the provision of domestic express delivery services in Thailand, at a price of Baht 5,900,611,083. This price is subject to change in accordance with the conditions stipulated in the Term Sheet.

In accordance with the Term Sheet, VGI shall offer VGI’s newly issued ordinary shares (“VGI New Shares”) to the existing shareholders through a private placement. The purchase price (“the Purchase Price of Sale Shares”) shall be paid in cash by VGI. On the date that the existing shareholders receive the Purchase Price of Sale Shares from VGI (“the Subscription Date”), the existing shareholders undertake that they collectively or any one or two of them shall subscribe to VGI New Shares at a price per share equal to 95% of the base price (“the Subscription Price of VGI New Shares”). In this regard, base price means the volume weighted average price of VGI’s ordinary shares traded on the Stock Exchange of Thailand during the 7 consecutive business days prior to the date on which a meeting of VGI’s Board of Directors resolves to propose the offering of VGI New Shares to a meeting of VGI’s shareholders for approval. The number of VGI New Shares to be issued and allotted to the existing shareholders shall be equivalent to 15% of the Purchase Price of Sale Shares divided by the Subscription Price of VGI New Shares. However, VGI’s newly issued ordinary shares will not be offered upon an occurrence of any of the following events:

- a) the volume weighted average price of VGI’s ordinary shares traded on the Stock Exchange of Thailand during the 7 consecutive business days prior to the Subscription Date (“the Closing Price”) is down more than 10% of the base price, or
- b) the Closing Price is up more than 5.5% of the base price.

Moreover, the transaction is subject to the conditions precedent and other terms and conditions to be specified in the share sale and purchase agreement for the KERRY Sale Shares and the subscription agreement for the VGI New Shares that will be entered into by the relevant parties.

Subsequently, on 17 May 2018, VGI’s Board of Directors meeting passed resolutions to approve the acquisition of KERRY Sale Shares and the offering and allotment of 121,578,525 VGI New Shares, at a price of Baht 7.28 per share, to the existing shareholders, under the above conditions, and approved to propose them to a meeting of VGI’s shareholders for approval. In addition, the Board of Directors meeting passed the following significant resolutions.

- a) To propose to a meeting of shareholders for consideration a resolution to declare a final dividend for 2018 of Baht 0.054 per share, or a total of not more than Baht 482 million, in respect of the profit for the six-month period ended 31 March 2018.
- b) To propose to a meeting of shareholders for consideration a resolution to issue up to 1,808,296,751 warrants to purchase newly issued ordinary shares of VGI (VGI-W2), to be allocated to the existing shareholders of VGI on a pro rata basis (rights offering), at no cost. Details are as follows:

Allocation ratio	1 warrant to 5 existing ordinary shares
Term of warrants	4 years from the issuance date
Exercisable date for the first time	The last business day of the first quarter after the issuance date
Exercise ratio	1 warrant per 1 ordinary share
Exercise price	Baht 10 per share

- c) To propose to a meeting of shareholders for consideration a resolution to increase VGI's registered share capital by not more than Baht 36,068,327 through the issue of 360,683,271 additional ordinary shares with a par value of Baht 0.1 each under a general mandate, to be offered through private placements.
- d) To propose to a meeting of shareholders for consideration a resolution to increase VGI's registered share capital by Baht 229,055,854.70, from Baht 891,990,523 (8,919,905,230 ordinary shares with a par value of Baht 0.1 each) to Baht 1,121,046,377.70 (11,210,463,777 ordinary shares with a par value of Baht 0.1 each), through the issue of 2,290,558,547 additional ordinary shares with a par value of Baht 0.1 each.
- e) To propose to a meeting of shareholders for consideration a resolution to allocate 2,290,558,547 additional ordinary shares with a par value of Baht 0.1 each as follows:
  - 1) To allocate 121,578,525 additional ordinary shares with a par value of Baht 0.1 each to the existing shareholders of KERRY, at an offering price of Baht 7.28 each.
  - 2) To allocate 1,808,296,751 additional ordinary shares with a par value of Baht 0.1 each to accommodate the exercise of warrants (VGI-W2).
  - 3) To allocate 360,683,271 additional ordinary shares with a par value of Baht 0.1 each issued under a general mandate to private placement offerings.

63.2 On 28 May 2018, the Board of Directors of the Company passed the following significant resolutions:

- a) Pay dividends of Baht 4,876 million in respect of its operating results for the year ended 31 March 2018. The Company has paid interim dividends totaling approximately Baht 1,954 million. The outstanding dividend of Baht 2,922 million will be paid to the shareholders.
- b) Approve the extension period for the allocation of newly issued ordinary shares of the Company to specific investors (Private Placement) pursuant to the plan for the increase of the Company's registered capital under a general mandate as described in Note 36 to the financial statements.
- c) To propose to a meeting of shareholders for consideration a resolution to issue up to 1,755,034,187 warrants to purchase newly issued ordinary shares of the Company (BTS-W4), to be allocated to the existing shareholders of the Company on a pro rata basis (rights offering), at no cost. Details are as follows:

Allocation ratio	1 warrant to 9 existing ordinary shares
Term of warrants	1 year from the issuance date
Exercisable date for the first time	The last business day of the first quarter after the issuance date
Exercise ratio	1 warrant per 1 ordinary share
Exercise price	Baht 10.50 per share

63.3 On 17 May 2018, MACO's Board of Directors meeting passed the following significant resolutions.

- a) To propose to a meeting of shareholders for consideration a resolution to approve the partial share purchase of VGM, in the proportion of 75% of its total shares, from VGI at a total purchase price of Baht 360 million.

- b) To propose to a meeting of shareholders for consideration a resolution to reduce MACO's registered share capital of Baht 34,389,103.60 from the registered share capital of Baht 378,280,140.20 to Baht 343,891,036.60 by canceling 343,891,036.60 ordinary shares with a par value of Baht 0.1 each.
- c) To propose to a meeting of shareholders for consideration a resolution to issue up to 1,375,564,146 warrants to purchase newly issued ordinary shares No.2 of MACO (MACO-W2), to be allocated to the existing shareholders of MACO on a pro rata basis (rights offering), at no cost. Details are as follows:

Allocation ratio	1 warrant to 2 existing ordinary shares
Term of warrants	3 years from the issuance date
Exercisable date for the first time	The last business day of the first quarter after the second year from the issuance date
Exercise ratio	1 warrant per 1 ordinary share
Exercise price	Baht 2.10 per share

- d) To propose to a meeting of shareholders for consideration a resolution to increase MACO's registered share capital by Baht 240,723,725.50 through the issue of 2,407,237,255 additional ordinary shares with a par value of Baht 0.1 each.
- e) To propose to a meeting of shareholders for consideration a resolution to allocate 2,407,237,255 additional ordinary shares with a par value of Baht 0.1 each as follows:
- 1) To allocate 343,891,036 additional ordinary shares with a par value of Baht 0.1 each under a general mandate to private placements.
  - 2) To allocate 687,782,073 additional ordinary shares with a par value of Baht 0.1 each to the existing shareholders on a pro rata basis (rights offering), at an allocation ratio of 5 existing ordinary shares to 1 newly issued ordinary share at offering price Baht 2 per share, totaling to Baht 1,375,564,146, together with the issuance and allocation of the MACO-W2 warrants of up to 1,375,564,146 units.
  - 3) To allocate 1,375,564,146 additional ordinary shares with a par value of Baht 0.1 each to accommodate the exercise of warrants (MACO-W2).

## 64. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 28 May 2018.

# GLOSSARY OF TERMS



## TERMS

Unless the context otherwise requires, terms defined shall have the following meanings:

Terms	Definitions
"2013/14"	The fiscal year from 1 April 2013 to 31 March 2014
"2014/15"	The fiscal year from 1 April 2014 to 31 March 2015
"2015/16"	The fiscal year from 1 April 2015 to 31 March 2016
"2016/17"	The fiscal year from 1 April 2016 to 31 March 2017
"2017/18"	The fiscal year from 1 April 2017 to 31 March 2018
"2018/19"	The fiscal year from 1 April 2018 to 31 March 2019
"1Q 17/18"	The first quarter of fiscal year 2017/18
"2Q 17/18"	The second quarter of fiscal year 2017/18
"3Q 17/18"	The third quarter of fiscal year 2017/18
"4Q 17/18"	The fourth quarter of fiscal year 2017/18
"AHS"	Absolute Hotel Services Group
"ARL"	Airport Rail Link
"BEM"	Bangkok Expressway and Metro Public Company Limited
"BMA"	Bangkok Metropolitan Administration
"BMCL"	Bangkok Metro Public Company Limited
"BPS"	Bangkok Payment Solutions Company Limited
"BRT"	Bus Rapid Transit
"BSS"	Bangkok Smartcard System Co., Ltd.
"BTS Assets"	BTS Assets Co., Ltd.
"BTSC"	Bangkok Mass Transit System Public Company Limited
"BTSGIF" or "the Fund"	BTS Rail Mass Transit Growth Infrastructure Fund
"BTS Group" or "Group"	The Company and its subsidiaries
"BTS SkyTrain"	The Sukhumvit and the Silom Line, including the Sukhumvit Line Extension and the Silom Line
"Civil Works"	Civil Works such as columns, elevated highways, depot buildings and any other constructions
"Company" or "BTSG"	BTS Group Holdings Public Company Limited
"Concession Agreement"	Bangkok Mass Transit System Concession Agreement between BMA and BTSC for the operation of the Core Network
"Core Network"	The original mass transit line in Bangkok comprising two lines, the Sukhumvit Line and the Silom Line (collectively, the "Green Line"), covering 23 stations with a combined track length of 23.5 km
"EBIT"	Earnings before interest and taxes
"EBITDA"	Earnings before interest, taxes, depreciation and amortisation
"Electrical and Mechanical Works" or "E&M"	Electrical and Mechanical Works include electric trains, trackwork, power supply equipment, computer controlling systems, signaling systems, fare collection systems and communication systems
"Ex-Com"	Executive Committee
"Form 56-1"	2017/18 Annual Registration Statement
"HHT"	HHT Construction Co., Ltd.
"IF"	Infrastructure Fund
"IOD"	Thai Institute of Directors Association

Terms	Definitions
<b>“Krungthep Thanakom”</b>	Krungthep Thanakom Co., Ltd., which is a company established by the BMA
<b>“M-Map”</b>	Mass Rapid Transit Master Plan of the Bangkok Metropolitan Region prepared by OTP
<b>“MRT” or “MRT Subway”</b>	M.R.T. Chaloem Ratchamongkhon Subway Line
<b>“MRTA”</b>	Mass Rapid Transit Authority of Thailand
<b>“Net Revenue Purchase and Transfer Agreement”</b>	The purchase and transfer of net revenue agreement entered into between BTSC and BTSGIF for the transfer and sale of the future net farebox revenue that BTSC will receive from the Core Network to BTSGIF
<b>“Northern Green Line Extension”</b>	The Northern Green Line extension is 18.2 km in length from Mo Chit station to Khu Khot station, comprising 16 stations.
<b>“O&amp;M”</b>	Operation and maintenance
<b>“OTP”</b>	Office of Transport and Traffic Policy and Planning under the Ministry of Transport
<b>“Pink Line”</b>	The Northern Bangkok Monorail mass transit line from Khae Rai station to Min Buri station, covering 30 stations with a combined track length of 34.5 km
<b>“QoQ”</b>	Quarter-over-quarter
<b>“Rabbit Rewards”</b>	Rabbit Rewards Co., Ltd.
<b>“SEC Office”</b>	The Office of the Securities and Exchange Commission
<b>“SET”</b>	Stock Exchange of Thailand
<b>“Silom Line”</b>	Consists of 7 stations (including Siam station) and runs westwards and southwards for 6.5 km, connecting National Stadium and Taksin Bridge
<b>“Silom Line Extension”</b>	The Silom line extension is 7.5 km in length across the Chao Phraya River from Saphan Taksin station to Bang Wa station, comprising 6 stations. This extension line is divided into 2 projects: <ul style="list-style-type: none"> <li>• The first project (Saphan Taksin - Wongwian Yai) is the 2.2 km extension of the Silom line, comprising Krung Thon Buri station and Wongwian Yai station which commenced operations in 2009.</li> <li>• The second project (Wongwian Yai - Bang Wa) is the 5.3 km extension of the Silom Line, comprising 4 stations from Wongwian Yai station to Bang Wa station which commenced operations on 5 December 2013.</li> </ul>
<b>“Southern Green Line Extension”</b>	The Southern Green Line extension is 12.6 km in length from Bearing station to Samutprakarn station, comprising 9 stations.
<b>“SRT”</b>	State Railway of Thailand
<b>“Sukhumvit Line”</b>	Consists of 17 stations (including Siam station) and traverses Bangkok running northwards and eastwards for 17 km, connecting Mo Chit and On Nut
<b>“Sukhumvit Line Extension”</b>	The 5.25 km extension of the Sukhumvit line, comprising 5 BTS stations (from Bang Chak station to Bearing Station)
<b>Tanayong</b>	Tanayong Public Company Limited (former name of BTS Group Holdings Public Company Limited)
<b>“Yellow Line”</b>	The Eastern Bangkok Monorail mass transit line from Lad Prao station to Samrong station, covering 23 stations with a combined track length of 30.4km
<b>“VGI”</b>	VGI Global Media Public Company Limited
<b>“VGI Group”</b>	VGI and its subsidiaries
<b>“YoY”</b>	Year-over-year





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