



**NATION**  
**MULTIMEDIA GROUP**  
PUBLIC COMPANY LIMITED  
ANNUAL REPORT  
**2016**



The Multimedia group that reaches every household

## Vision Statement

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

## Mission Statement

Credibility :	Credibility in business operation and news reporting
Integrity :	Honesty to media profession and perform business ethically
Synergy :	Recognize the value of multimedia and synergy of various parties, both internally and externally, to provide utmost interests for customers, shareholders and employees
Customer Focus :	To provide excellent services to maximize customer satisfaction
Innovation :	Innovation in product, marketing, sales, service and management system

## Core Values

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## General Information

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

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

1. **Thai-language News Business Unit** - Production of Krungthep Turakij Thai language daily newspaper together with related businesses including news websites, training programmes, seminars, special events, news via mobile, and digital newspaper (I-Newspaper). Operated by Krungthep Turakij Media Company Limited. (KTM)
2. **General News Business Unit** - Production of Thai-language newspaper Kom Chad Luek and Nation Weekender. Operated by Kom Chad Luek Media Company Limited (KMM).
3. **English-language News Business Unit** - Production of The Nation newspaper, training and seminar business and communication skills. Operated by Nation News Network Company Limited (NNN).
4. **Broadcasting Business Unit**
  - Bangkok Business Broadcasting Company Limited (BBB), a subsidiary of NMG and owner of the general SD digital TV channel NOW (Channel NOW26) presenting variety news and entertainment for the new generation covering economy, stocks, investment and how to succeed, as well as lifestyle programs on culture, sports, environment, family and more, to serve the needs of the modern urban dweller.
  - Nation Broadcasting Corporation Public Company Limited (NBC) founder and operator of a full-cycle TV broadcasting business including program production, procurement and sale of air time for news and entertainment programs, production of radio programs, and New Media. NBC Next Vision Company Limited (a subsidiary of NBC) is the owner of the SD News digital TV channel under the name Nation TV (Channel 22).

5. **Edutainment & International Business Unit** - Production and distribution of print media for children and educational purposes, including production of publications under Nation Books, Nation Junior, advertising representative and distributor of foreign publications, etc. Operated by Nation International Edutainment Public Company Limited (NINE).

6. **Printing Business Unit** - Printing service business. Operated by WPS (Thailand) Company Limited (WPS).

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

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

## **Registered Capital**

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

## **Paid-up Capital**

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

## **Chiang Mai Branch**

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

## **Khon Kaen Branch**

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

## **Hat Yai Branch**

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

# Summary of Financial Data and Investments

(Unit : in Million Baht)

1. Data from Consolidated Financial Statements	2016	2015	2014
Revenue from Sales and Rendering of Services	2,097.39	3,014.59	2,827.71
Total Income	2,182.06	3,165.04	2,943.69
Gross Profit Margin	96.93	804.68	862.90
Profit (Loss) Before Interest, Taxes, Depreciation and Amortisation	(405.96)	623.42	629.10
Net Profit (Loss)	(1,241.03)	26.96	15.62
Total Assets	7,076.23	8,237.22	8,206.14
Total Equity	3,008.07	4,354.35	3,761.70

2. Financial Ratios	2016	2015	2014
Total Debts to Equity (Times)	1.35	0.89	1.18
Gross Profit Margin (%)	4.62%	26.69%	30.52%
Net Profit (Loss) on Total Income (%)	-56.87%	0.85%	0.53%
Return on Equity (%)	-41.14%	0.91%	0.48%
Return on Total Assets (%)	-16.21%	0.33%	0.23%
Earnings (losses) per Share (Baht)	(0.271)	0.010	0.005
Book Value per Share (Baht)	0.74	1.07	1.13

## Dividend Policy

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

Investments in direct and indirect Subsidiaries of Nation Multimedia Group PCL. as of 31 December 2016		
	Registered Capital (Million Baht)	Percentage of Investments
<b>PUBLISHING BUSINESS</b>		
Nation International Edutainment PCL.	259.25	72.35
Nation Global Edutainment Co., Ltd. (Invested by Nation International Edutainment PCL.)	97	71.97
Nation News Network Co., Ltd.	100	99.99
Kom Chad Luek Media Co., Ltd.	25	99.99
Krungthep Turakij Media Co., Ltd.	25	99.99
<b>PRINTING SERVICES BUSINESS</b>		
WPS (Thailand) Co., Ltd.	500	84.50
<b>BROADCASTING BUSINESS</b>		
Bangkok Business Broadcasting Co., Ltd.	1,500	99.90
Nation Broadcasting Corporation PCL.	720.34	71.45
NBC Next Vision Co., Ltd. (Invested by Nation Broadcasting Corporation PCL.)	800	71.45
NBC Nextmedia Co., Ltd. (Invested by Nation Broadcasting Corporation PCL.)	20	71.45
NBC Next Screen Co., Ltd. (Invested by Nation Broadcasting Corporation PCL.)	1	71.45
Nation Kids Co., Ltd. (Invested by Nation International Edutainment PCL.)	1	72.35
<b>LOGISTIC SERVICES BUSINESS</b>		
NML Co., Ltd.	50	99.99
<b>EDUCATION BUSINESS</b>		
Nation U Co., Ltd	340	90
Nation University (Held licenses by Nation U Co., Ltd.)	-	90
Investments in Associated Company of Nation Multimedia Group PCL. as of 31 December 2016		
	Registered Capital (Million Baht)	Percentage Of Investments
Yomiuri-Nation Information Service Limited	4	45



## Adopting a proactive strategy in the digital era



The multimedia strategy followed by Nation Group over the past three years and more has laid solid business foundations, enabling the group to move forward with confidence into the digital age and stay ahead of the trends and changes taking place in the media landscape. The group maintains its commitment to presenting information that is educational and entertaining, inspiring and of the utmost quality.

2016 was a year in which the group's digital television business progressed dynamically. Both of the group's digital television stations - Nation TV and NOW26 - developed firmly as the country's leading news and documentary/variety channels. Audiences have increased consistently while broadcast coverage has expanded across all regions of the country. NOW26 in particular has become one of the top ten most popular television channels in the country.

Nation Group's improved business plan for its print publications including *Krungthep Turakij*, *Kom Chad Luek* and *The Nation*, as well as increased focus on online media, ensured that readership continued to make successive gains, in spite of an array of challenges facing the industry as a whole and intense competition from digital media. This enabled all three publications to maintain their market share and retain their credibility and journalistic quality, as they have done consistently over the previous four decades.

Although the media business remained the core activity of Nation Group in 2016, the organization is actively expanding its role in other areas in an effort to enhance its image and to undertake more activities for the benefit of society. These include jointly organizing seminars and other events with business partners in this country and overseas, programs for our viewers and readers, such as the nationwide "Nation Bike" healthy-living campaign, activities on nationally important days, like Children's Day and Chinese New Year, and participation in sporting events such as the Division 2 Football activities organized by NOW26.

While 2016 may have been a year characterized by change and challenge, especially for business and the economy, the management and staff of Nation Group dedicated themselves to working resolutely and selflessly together, representative of a new generation of responsible media professionals committed to generating optimal returns for the group's shareholders and working for the overall benefit of Thai society.



A handwritten signature in blue ink, located in the lower-left corner of the page. The signature is stylized and appears to read 'Thepchai Yong'.

Mr.Thepchai Yong  
*Chairman*

# Board of Directors



Mr. Supawat Sa-ngun-ngam  
Director

Mr. Supoth Piansiri  
Director and Executive Director

Mr. Vithoon Pungprasert  
Director

Ms. Narawadee Vanichvatana  
Independent Director and  
Member of The Audit Committee

Mr. Suphaphong Sukhasapha  
Independent Director and Member  
of The Audit Committee

Mr. Sirichai Chananam  
Director and Executive Director

Ms. Nutvara Seangwarin  
Director

Mr. Thepchai Sae Yong  
Chairman of the Board of Directors,  
Chief Executive Officer

Ms. Pichitra Mahaphon  
Independent Director and  
Chairman of The Audit Committee

# The Audit Committee



Mr.Suphaphong Sukhasapha  
Independent Director and Member  
of The Audit Committee



Ms.Pichitra Mahaphon  
Independent Director and  
Chairman of The Audit Committee



Ms. Narawadee Vanichvatana  
Independent Director and  
Member of The Audit Committee

# Executive Board



Mr. Sirichai Chananam  
Director, Executive Director



Mr. Thepchai Sae Yong  
Chairman of the Board of Directors,  
Chief Executive Officer



Mr. Supoth Piansiri  
Director, Executive Director

# Board of Directors



**Mr. Thepchai Sae Yong**

Chairman of the Board of Directors,  
Chief Executive Officer

**Age** 61 years

**Qualification** Assumption Commercial College (ACC)

**Training Course (s)**

**Thai Institute of Directors**

- Directors Certification Program (DCP#177)

**Thailand Energy Academy**

- Program executives Energy Science (TEA#5)

**No. of Shares Held as at December 30, 2016**

- Mr. Thepchai Sae Yong 10,000,000 shares (0.25%)
- Spouse - shares
- Minor child - shares

**Relationship with NMG's Executive**

- N/A

**Experience**

- 2016 - Present Chairman of the Board of Directors and Chief Executive Officer  
Nation Multimedia Group Plc.
- 2012 - Present Group Editor-in-Chief  
Nation Multimedia Group Plc.
- 2013 - 2014 Directors  
Nation Multimedia Group Plc.

**Director of other listed companies**

- 2016 - Present Chairman of the Board of Directors  
Nation Broadcasting Corporation Plc.
- 2016 - Present Directors  
Nation International Edutainment Plc.
- 2013 - 2016 Directors  
Nation Broadcasting Corporation Plc.

**Director of other non - listed companies**

- 2012 - Present Directors  
Nation News Network Co., Ltd.

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 2 Year 2 Month**

- Appointed as a director since October 15, 2013

**The Meeting Attendance / Meeting held (Frequency)**

- Board of Directors 3/3
- Annual General Meeting of Shareholders N/A
- Extraordinary General Meeting of Shareholders N/A

# Board of Directors



**Ms. Pichitra Mahaphon**

**Independent Director and  
Chairman of The Audit Committee**

**Age** 65 years

**Qualification** MAI, the Appraisal Institute, Chicago, USA  
Bachelor of Arts, Oregon State University, USA

**Training Course(s)**

**Thai Institute of Directors**

- Anti-Corruption-The Practical Guide (ACPG#2016)
- Risk Management Program for Corporate Leaders (RCL#2015)
- Director Accreditation Program (DAP# 2013)
- Advanced Audit Committee Program (AACP# 2013)

**KPMG Phoomchai Audit Ltd.**

- New Auditor's Report : What's in it for you? No.54/2016
- Audit Committee Forum Stay on course : Impairment of assets No.55/2016

**No. of Shares Held as at December 30, 2016**

- |                       |          |
|-----------------------|----------|
| • Ms.Pichitra Mahapho | - shares |
| • Spouse              | - shares |
| • Minor child         | - shares |

**Relationship with NMG's Executive**

- N/A

**Experience**

- 2016 - Present Independent Director and Chairman of The Audit Committee  
Nation Multimedia Group Plc.

**Director of other listed companies**

- 2016 - Present Independent Director and Member of The Audit Committee  
BTS Group holding Plc.
- 2014 - 2015 Independent Director and Chairman of The Audit Committee  
Bangkok Mass Transit System Plc.
- 2009 - 2014 Independent Director and Member

of The Audit Committee  
Bangkok Mass Transit System Plc.

**Director of other non - listed company**

- 2008 - 2016 Executive Director, partner  
Advance Advisory Co., Ltd.
- 2005 - 2008 President  
King Power Pullman Bangkok Hotel
- 2002 - 2005 Executive Director  
KPMG Phoomchai Audit Ltd.
- 1998 - 2002 Regional Director  
Cushman & Wakefield Thailand
- 1995 - 1998 Vice President  
East West Bank, Los Angeles
- 1992 - 1995 Vice President  
Bank of America, Los Angeles
- 1986 - 1992 Associate, Laventhol & Horwath, Los Angeles

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 8 Months**

- Appointed as a director since April 27, 2016

**The Meeting Attendance / Meeting held (Frequency)**

- |   |      |
|---|------|
| • Board of Directors                            | 8/10 |
| • Audit Committee                               | 3/4  |
| • Annual General Meeting of Shareholders        | N/A  |
| • Extraordinary General Meeting of Shareholders | 1/1  |

# Board of Directors



**Ms. Narawadee Vanichvatana**

**Independent Director and  
Member of The Audit Committee**

**Age** 57 years

**Qualification** Master of Science in Accounting,  
Kent State University, Ohio, USA  
**Bachelor of Degree in Accounting (Auditing)**  
( 2<sup>nd</sup> class honors)  
Faculty of Commerce and Accountancy,  
Thammasat University

**Training Course (s)**

**KPMG Phoomchai Audit Ltd.**

- Audit Committee Forum Stay on course :  
Impairment of assets No.55/2016

**Federation of accounting profession**

- Internal auditing control course, 2014

**No. of Shares Held as at December 30, 2016**

- Ms. Narawadee Vanichvatana - shares
- Spouse - shares
- Minor child - shares

**Relationship with NMG's Executive**

- N/A

**Experience**

- 2016 - Present Independent Director and Member  
of The Audit Committee  
Nation Multimedia Group Plc.

**Director of other listed company**

- N/A

**Director of other non - listed company**

- 1999 - Present External Audit Manager, D & V Audit Office.
- 1994 - 1998 Accounting Manager  
Sima-Thani Co.,Ltd.
- 1989 - 1993 Accounting Manager  
RCL Plc.
- 1982 - 1986 Senior Vice President Audit  
SGV na thalang office Co.,Ltd. (KPMG)

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 1 Months**

- Appointed as a director since November 7, 2016

**The Meeting Attendance / Meeting held (Frequency)**

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

# Board of Directors



**Mr. Suphaphong Sukhasapha**

Independent Director and  
Member of The Audit Committee

**Age** 56 years

**Qualification** Master degree in finance & Marketing,  
Northwestern University  
Master degree of Accounting  
Faculty of Commerce and Accountancy,  
Thammasat University  
Bachelor degree of Accounting  
Faculty of Commerce and Accountancy,  
Thammasat University

**Training Course**

**Thai Institute of Directors**

- Director Accreditation Program (DAP# 2004)

**No. of Shares Held as at December 30, 2016**

- Mr. Suphaphong Sukhasapha - shares
- Spouse - shares
- Minor child - shares

**Relationship with NMG's Executive**

- N/A

**Experience**

- 2016 - Present Independent Director and Member of The Audit Committee  
Nation Multimedia Group Plc.

**Director of other listed company**

- 2016 - Present Management  
Vejthani Hospital Plc.
- 2009 - 2011 Director and Executive Director  
Professional Waste Technology (1999) Plc.
- 2004 - 2009 Independent Director and Member of The Audit Committee  
Solution Corner (1998) Plc.

**Director of other non - listed company**

- 2014 - 2016 Independent Director and Member of The Audit Committee  
OPEN SERVE Co., Ltd.
- 2005 - 2016 Director and Executive Director  
Conextivity Co., Ltd.

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 1 Month**

- Appointed as a director since November 7, 2016

**The Meeting Attendance / Meeting held (Frequency)**

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

# Board of Directors



**Mr.Vithoon Pungprasert**

## Directors

**Age** 62 years

**Qualification Master of Public Administration**

Bachelor of Public Administration Program in Public Administration M.PA.

National Institute of Development Administration (NIDA)

**Bachelor of Public Administration**

Bachelor of Public Administration Program in Public Administration B.PA.

Ramkhamhaeng University

**Training Course**

Chulalongkorn University

(Faculty of Commerce and Accountancy)

- Modern Managers Program : MMP

**No. of Shares Held as at December 30, 2016**

- |                          |         |        |         |
|--------------------------|---------|--------|---------|
| • Mr.Vithoon Pungprasert | 150,000 | shares | (0.00%) |
| • Spouse                 | -       | shares |         |
| • Minor child            | -       | shares |         |

**Relationship with NMG's Executive**

- N/A

**Experience**

- |                  |                              |
|------------------|------------------------------|
| • 2016 - Present | Directors                    |
|                  | Nation Multimedia Group Plc. |

**Director of other listed company**

- N/A

**Director of other non - listed company**

- 2010 - 2016 Executive Vice President  
of General News Business Unit  
Kom Chad Luek Media Co.,Ltd.

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 1 Month**

- Appointed as a director since November 7, 2016

**The Meeting Attendance / Meeting held (Frequency)**

- |   |     |
|---|-----|
| • Board of Directors                            | 3/3 |
| • Annual General Meeting of Shareholders        | N/A |
| • Extraordinary General Meeting of Shareholders | N/A |

# Board of Directors



**Mr. Supoth Piansiri**

Director and Executive Director

**Age** 48 years  
**Qualification** Bachelor of Accounting (Auditing) 2<sup>nd</sup> class honors,  
 University of the Thai Chamber of Commerce

**Training Course (s)**

**Affiliate Pac Rim Group**

- The 7 Habits of Highly Effective People

**Faculty of Commerce and Accountancy, Chulalongkorn University**

- Strategy Management Program # 1/2011

**Thai Institute of Directors**

- Directors Certification Program (DCP) # 150/2011

**Federation of Accounting Professions of Thailand**

- CFO Current Issues for 2015

**Nation multimedia group Plc.**

- Update Thai Accounting Standards (TAS) 12,  
 Income Taxes (Revolution of 2014)
- Preparation of Cash Flow (practice)

**Federation of Accounting Professions of Thailand**

- Understanding the TFRS9, TAS32, TFRS7, TFRIC16 and TFRIC19.  
 No.2/2016

**No. of Shares Held as at December 30, 2016**

- Mr. Supoth Piansiri 650,000 shares (0.02%)
- Spouse - shares
- Minor child - shares

**Relationship with NMG's Executive**

- N/A

**Experience**

- 2016 - Present Director  
 Nation Multimedia Group Plc.
- 2012 - Present Senior Vice President - Accounting  
 Nation Multimedia Group Plc.

**Director of other listed companies**

- 2016 - Present Director  
 Nation Broadcasting Corporation Plc.
- 2016 - Present Director  
 Nation International Edutainment Plc.

**Director of other non - listed companies**

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

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 1 Month**

- Appointed as a director since November 7, 2016

**The Meeting Attendance / Meeting held (Frequency)**

- Board of Directors 3/3
- Annual General Meeting of Shareholders N/A
- Extraordinary General Meeting of Shareholders N/A

# Board of Directors



**Ms. Nutvara Seangwarin**

**Director**

**Age** 49 years

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

**Training Course (s)**

Thai Institute of Directors

- Directors Certification Program (DCP # 148/2011)

Thai Listed Companies Association,

The Stock Exchange of Thailand (TLCA)

- Executive Development Program (EDP # 11)

King Prajadhipok's Institute

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

Commerce Academy

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

**No. of Shares Held as at December 30, 2016**

- |                          |         |        |         |
|--------------------------|---------|--------|---------|
| • Ms. Nutvara Seangwarin | 300,000 | shares | (0.01%) |
| • Spouse                 | -       | shares |         |
| • Minor child            | -       | shares |         |

**Relationship with NMG's Executive**

- N/A

**Experience**

- 2016 - Present Director  
Nation Multimedia Group Plc.
- 2012 - Present Executive Vice President - Marketing  
Nation Multimedia Group Plc.

**Director of other listed company**

- 2016 - Present Director  
Nation International Edutainment Plc.

**Director of other non - listed company**

- 2012 - Present Director  
Krungthep Turakij Media Co., Ltd.

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 1 Month**

- Appointed as a director since November 7, 2016

**The Meeting Attendance / Meeting held (Frequency)**

- |   |     |
|---|-----|
| • Board of Directors                            | 3/3 |
| • Annual General Meeting of Shareholders        | N/A |
| • Extraordinary General Meeting of Shareholders | N/A |

# Board of Directors



**Mr. Sirichai Chananam**

Director and Executive Director

**Age** 47 years

**Qualification** Master degree of Accounting

Faculty of Commerce and Accountancy,  
Chulalongkorn University

**Bachelor degree of Accounting**

Faculty of Commerce and Accountancy,  
Thammasart University

**No. of Shares Held as at December 30, 2016**

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

**Relationship with NMG's Executive**

- N/A

**Experience**

- 2016 - Present Director  
Nation Multimedia Group Plc.
- 2015 - Present Assistant Senior Vice President - Accounting  
Nation Multimedia Group Plc.

**Director of other listed company**

- N/A

**Director of other non - listed companies**

- Director Compass Audit Co., Ltd.
- Director Peare-Non Cable Net Co., Ltd.

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 1 Month**

- Appointed as a director since November 7, 2016

**The Meeting Attendance / Meeting held (Frequency)**

- Board of Directors 3/3
- Annual General Meeting of Shareholders N/A
- Extraordinary General Meeting of Shareholders N/A

# Board of Directors



**Mr. Supawat Sa-ngun-ngam**

Director

**Age** 43 years

**Qualification** Master of Business Administration Program  
Faculty of Business Administrative, Nation University  
Bachelor degree of Accounting  
Faculty of Accountancy, Bangkok University

**No. of Shares Held as at December 30, 2016**

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

**Relationship with NMG's Executive**

- N/A

**Experience**

- 2016 - Present Director  
Nation Multimedia Group Plc.

**Director of other listed company**

- Dec 23, 2016 - Present Director, Managing Director (MD)  
Nation Broadcasting Corporation Plc.
- 2016 - Present Senior Vice President Support section  
Nation Broadcasting Corporation Plc.
- 2012 - 2014 Assistant Senior Vice President  
Accounting  
Nation Broadcasting Corporation Plc.

**Director of other non - listed company**

- N/A

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 1 Month**

- Appointed as a director since November 7, 2016

**The Meeting Attendance / Meeting held (Frequency)**

- Board of Directors 3/3
- Annual General Meeting of Shareholders N/A
- Extraordinary General Meeting of Shareholders N/A

# Management Team



Ms.Benjawan Phaochindamuk  
Executive Vice President  
- Krungthep Trukij Unit  
and Now Channel

Ms.Mathaya Osathanond  
Senior Vice President - finance/  
Corporate Secretary

Ms.Ratchanok Kusonmanin  
Senior Vice President - Sale

Ms.Wichitra Sirivarakul  
Senior Vice President - Sale

Mr.Pong-In Rakariyatham  
Nation University President

Mr.Somsakul Phaochindamuk  
Executive Vice President  
- Now Channel

# Management Team



**Mr.Pong-In Rakariyatham**

**Nation University President**

**Age** 64 years

**Qualification** Ph.D (Remote Sensing),  
Paul Sabatier University, France, 1984  
Post.Grad.Dipl.in Photogrammetry.  
ITC, Enschede, The Netherlands, 1978  
B.Sc. (Geography), Ching Mai University,  
Thailand, 1976  
B.Eng. (civil), Ching Mai University,  
Thailand, 1973

**Training Course (s)**

- Office of the Higher Education Commission
  - University Senior Executive Development (Group.7)
- Ministry of Information and Communication Technology
  - CIO - 16 ( Chief Information Officer - 16)
- National Institute of Development Administration
  - Social Science Research Methodology, 1976

**No. of Shares Held as at December 30, 2016**

- |                            |         |        |         |
|----------------------------|---------|--------|---------|
| • Mr.Pong-In Rakariyathamn | 300,000 | shares | (0.01%) |
| • Spouse                   | -       | shares |         |
| • Minor child              | -       | shares |         |

**Relationship with NMG's Executive**

- N/A

**Experience**

- 2011 - Present President  
Nation University

# Management Team



**Ms.Mathaya Osathanond**

**Senior Vice President - Finance/  
Corporate Secretary**

**Age** 47 years

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

**Training Course (s)**

Thai Institute of Directors Association

- Directors Certification Program (DCP # 150)

Federation of Accounting Professions of Thailand

- CFO Current Issues

**No. of Shares Held as at December 30, 2016**

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

**Relationship with NMG's Executive**

- N/A

**Experience**

- |                  |   |
|------------------|---|
| • 2013 - Present | Corporate Secretary<br>Nation Multimedia Group Plc.             |
| • 2012 - Present | Senior Vice President - Finance<br>Nation Multimedia Group Plc. |
| • 2011 - Present | Director<br>Nation Global Edutainment Co., Ltd.                 |
| • 2008 - Present | Director<br>Nation News Network Co., Ltd.                       |
| • 2006 - 2016    | Director<br>Nation Edutainment Co., Ltd.                        |

# Management Team



**Ms.Ratchanok Kusonmanin**

**Senior Vice President - Sale**

**Age** 45 years

**Qualification** Master Degree of Business Administration  
University of Wisconsin-Milwaukee  
Bachelor degree of Economics  
Faculty of Economics (International business) ,  
Chulalongkorn University

**Training Course(s)**

**Nation Multimedia Group Plc.**

- Media Executive Leadership Program
- Multimedia Sale Skill Development

**Nation University**

- Digital Marketing Mini-M.B.A.

**omega Talent**

- Rebranding AEC Market

**No. of Shares Held as at December 30, 2016**

- Ms.Ratchanok Kusonmanin - shares
- Spouse - shares
- Minor child - shares

**Relationship with NMG's Executive**

- N/A

**Experience**

- 1999 - Present Senior Vice President - Sale  
Nation Multimedia Group Plc.

## Management Team



**Ms. Wichittra Sirivarakul**

**Senior Vice President - Sale**

**Age** 50 years

**Qualification** Bachelor degree of Communication Arts  
Faculty of Communication Arts, Bangkok University

**Training Course (s)**

**Nation Multimedia Group Plc.**

- Media Executive Leadership Program
- Multimedia Sale Skill Development

**Nation University**

- Digital Marketing Mini-M.B.A.

**No. of Shares Held as at December 30, 2016**

- Ms. Wichittra Sirivarakul - shares
- Spouse - shares
- Minor child - shares

**Relationship with NMG's Executive**

- N/A

**Experience**

- 1994 - Present Senior Vice President - Sale  
Nation Multimedia Group Plc.

# Management Team



**Ms. Benjawan Phaochindamuk**

**Executive Vice President - Krungthep Trukij Unit  
and Now Channel**

**Age** 51 years

**Qualification** Benjamarachalai School Under the Royal Patronage  
Faculty of Economics, Thammasat University

**Training Course**

**MINI-CISA**

- The Securities Analysts Association (SAA)

**No. of Shares Held as at December 30, 2016**

- Ms. Benjawan Phaochindamuk - shares
- Spouse - shares
- Minor child - shares

**Relationship with NMG's Executive**

- spouse of Mr. Somsakul Phaochindamuk

**Experience**

- 1989 - Present Executive Vice President  
Nation Multimedia Group Plc.

# Management Team



**Mr.Somsakul Phaochindamuk**

**Executive Vice President - Now Channel**

**Age** 52 years

**Qualification** Ramkhamhang University (B.A.)  
Mahidol University (M.A.)

**Training Course**

- N/A

**No. of Shares Held as at December 30, 2016**

- Mr.Somsakul Phaochindamuk - shares
- Spouse - shares
- Minor child - shares

**Relationship with NMG's Executive**

- spouse of Ms.Benjawan Phaochindamuk

**Experience**

- 1999 - Present Executive Vice President  
Nation Multimedia Group Plc.

## Executive Editor



**Ms. Chalao Kanchana**

Executive Editor - krungthep Turakij  
Newspaper



**Mr. Bundit Chantasrikum**

Executive Editor - New Nation & Executive  
Editor - Now26 Channel



**Ms. Jintana Panyaarvudh**

Executive Editor - The Nation  
Newspaper



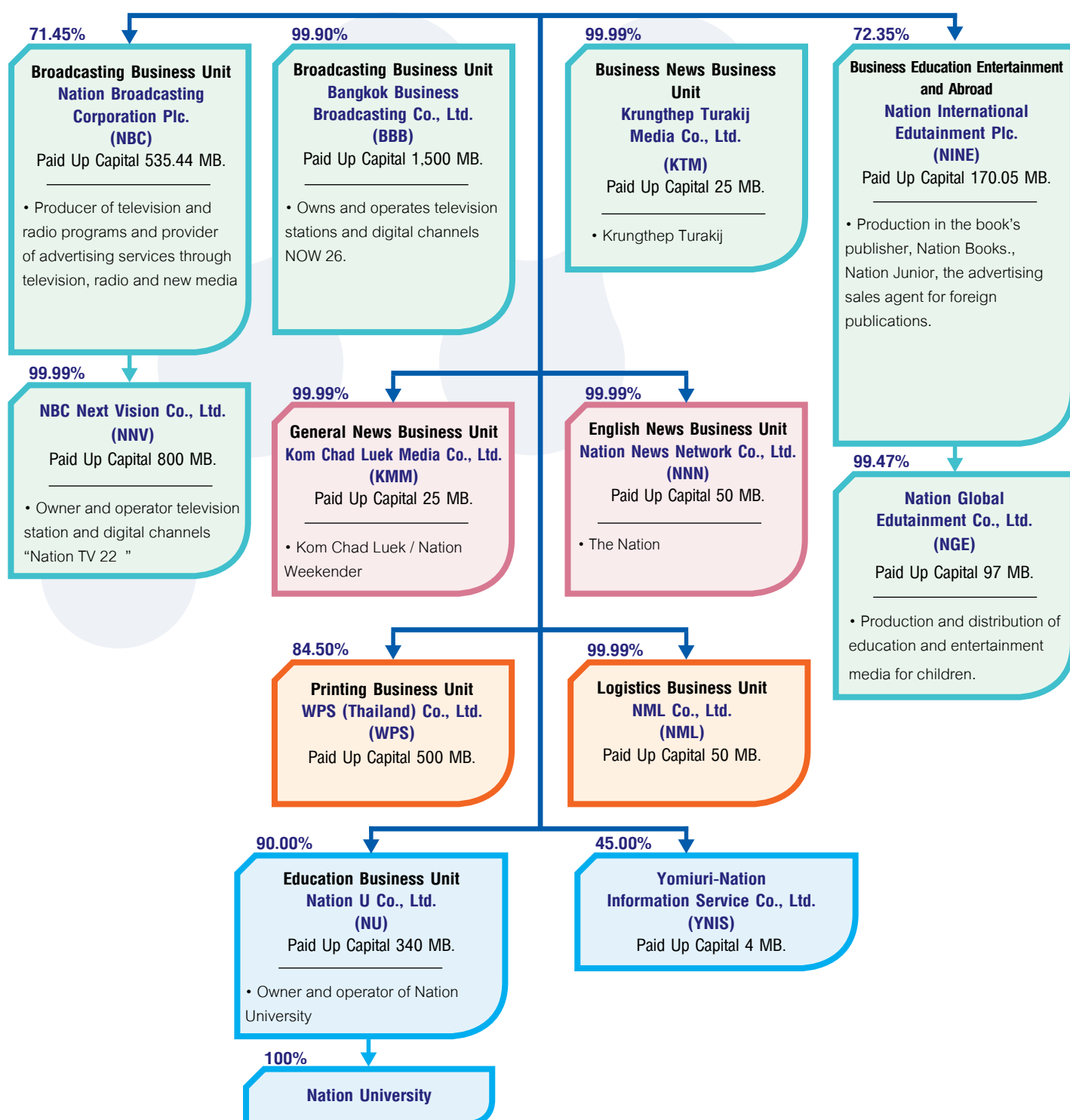
**Mr. Banyong Intana**

Executive Editor - Kom Chad Luek  
Newspaper



## Business Group Structure 2016

### Nation Multimedia Group Plc.



# Business Network



## 1. Thai-language Business News Unit

### ■ Krungthep Media Company Limited (KTM)



Although 2016 was another poor year politically and economically, Krungthep Turakij maintained its widespread public acceptance and recognition as Thailand's leading provider of comprehensive business and economic news. Krungthep Turakij Media Co., Ltd.'s core business is its daily newspaper "Krungthep Turakij" which has retained the trust of the Thai public throughout the 29 years since its inception. With its strong foundation in economic and business news coverage, Krungthep Turakij has expanded into television broadcasting with the country's first 24-hour business news station "Krungthep Turakij TV" and is now opening a new era of expansion in digital television with the "NOW26 Channel", a free urban lifestyle television channel that offers a broad variety of educational, entertaining and creative content. The new channel answers the lifestyle needs of the new generation, entrepreneurs and executives, urbanites and members of Gen C – today's ageless digital society – who demand news and information that is varied, contemporary, fresh and in step with the latest technologies and trends.

The company's core business is Krungthep Turakij, a business daily newspaper which marked its 30th anniversary on October 6, 2016. The newspaper continues to enjoy strong performance, despite a gradual decline in the print media sector as a whole, based upon its strong foundations of uncompromising journalistic standards, trustworthiness, depth and breadth of news, and its widespread public acceptance. The newspaper is particularly recognized for its expertise in economic and business news coverage, produced by its professional and experienced editorial team. This expertise enables the newspaper to pass on the full scope of its business experience to its readers, as well as covering lighter topics such as music, entertainment, society, environment, etc., which cater to the interests of the new generation.



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

At the same time, KTM has developed new and innovative forms of presentation. Readers can now access news and information via all platforms, whether digital television, Internet or online social media, ensuring that Krungthep Turakij retains its No. 1 position as the nation's top business daily and maintains the trust engendered in it by the business community.

The newspaper also has a role as an "intermediary", linking businesses with the social sector to create sustainable growth alongside Thailand's business circles, through various formats such as events and seminars. Together with the NOW26 digital television channel and strengths in other platforms, Krungthep Turakij is able to fully respond to consumer demand in the digital era.



## ■ [www.bangkokbiznews.com](http://www.bangkokbiznews.com)

A leading business news website attracting no less than 10 million views per month. The website presents fast, accurate and timely business news, with analyses from experts in various fields and a variety of sections including business, finance-investment, property, and automotive. The website offers Stock Watch, which monitors stock price movements and Stock Quotes, letting users check as many as four stock prices in a portfolio simultaneously.

## ■ i-Newspaper

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

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

## ■ Events and Special Activities

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

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



## 2. General Thai News Business Unit

### ■ Kom Chad Luek Media Company Limited (KMM)

Producer and distributor of “Kom Chad Luek” a Thai language daily offering readers a “new choice” with news presented by a highly experienced editorial team and leading columnists in various fields with an aim to provide a “creative difference” in news and pictures as well as to emphasize socially responsible content that is appropriate for all family readers.

On July 4, 2014, Kom Chad Luek newspaper received an honorary award from the National Press Council for its editorial calling for political reform and an end to the violence plaguing the country. The award reflects the newspaper's strong commitment to social wellbeing.

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

Producer and distributor of “Nation Weekender,” a weekly news magazine offering incisive, in-depth and different analyses of current affairs that has become widely trusted and respected for its high standard and quality of news presentation among readers. Nation Weekender provides impartial, accurate and in-depth news in an innovative and creative presentation with well-known columnists to answer the needs of readers in every target group.





### 3. English News Business Unit

#### ■ Nation News Network Company Limited (NNN)



Nation News Network Co., Ltd. (NNN) is the publisher of the English-language daily newspaper The Nation. The past year's activities have served to deepen the coverage of Asean, especially Myanmar where there is strong readership interest.

Apart from two daily pages devoted exclusive to news and features from Asean and engaging Asian countries including Japan, China, South Korea, India, etc.,

China Daily Asia Weekly and a once every two-month supplement on Russia known as "Russia Beyond the Headlines".

The Nation has also made advances into digital technology with the launch of a set of e-Papers in collaboration with members of Asia News Network including Malaysia's The Star, Indonesia's Jakarta Post, Philippine Daily Inquirer, and Myanmar's Eleven Media. The service is available on all digital platforms with all digital versions of the five newspapers available for the price of "one subscription" (US\$115 per year).

The paper collaborated with Asia News Network member papers in Indonesia, Malaysia, Sri Lanka, India, Bangladesh, Myanmar and Singapore on a special editorial to commemorate the 10<sup>th</sup> anniversary of the Asian Tsunami. The issue was published in print, digital and web versions.

NNN has spearheaded cross-regional web advertising among members of Asia News Network in collaboration with technology partner Knorex. The so called "iBanner" rich media advertising covered more than eight Asian countries with initial customers coming from Thailand, Singapore, Hong Kong and Malaysia.





## 4. Broadcasting Business Unit

### 4.1 NOW 26 Digital TV Channel

#### ■ Bangkok Business Broadcasting Co.Ltd.

##### 1. Nature of Business

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

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

*NOW 26's programs are categorized into four groups:*

##### 1. Documentary programs:

In 2016, NOW26 announced its marketing stance as the leading Thai documentary channel, joining forces with leading international documentary producers, such as National Geographic from the USA, BBC from the UK, ARTE and France Com from France, NHK from Japan, and many more nature documentary production studios from around the world.

NOW26 has also collaborated with Thai documentary producers such as the jungle photographer group and producer of the World Heritage documentaries Mr.Pongpol Adireksarn to produce the Reung Lao Kham Lok documentary; Jackumentary Co., Ltd. to produce the Full Frame and Moradok Sud Kob Lok documentaries; and Green Asia Co., Ltd. to produce the Pinaikam Thammachart documentary. All of these Thai-made documentaries have gained popularity and praise for their quality, entertainment value, excitement and beauty, and rival documentaries produced by the top international producers.

##### 2. News programs:

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





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### 3. Sports programs:

NOW26 presented broadcasts of many major sports competitions both in Thailand and from overseas in 2016 including the Dakar 2016 rally, Giro d'Italia 2016, Tour de France 2016 and La Vuelta 2016. Domestically, NOW26 joined hands with sports associations such as Football League Division 2, presenting live broadcasts of regional football fixtures throughout the year, as well as Thai boxing program "The Hero", produced with Kom Chad Luek, which has achieved very high viewer ratings, especially among audiences outside Bangkok.



### 4. Entertainment programs:

NOW26 offers popular variety shows and international television series including Chicago Fire, Homeland, 24, Dr. Who, The Good Wife, and Downton Abbey. In 2016, the channel launched adventure reality shows Khon Pajon Prai and Human Planet produced by the BBC and National Geographic and targeted at excitement and adventure-oriented viewers. The channel also broadcast tourism variety shows aimed at new-generation independent travelers. Programs include Majide Japan X, Arikato Go I Must, Lok Bai Mai, Aroy Hoh and Paza Bazaar.



### Target Groups of Television Media Business

NOW 26 has two target groups as follows

#### 1. Target customers which are categorized into two groups:

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

- Product owners, which are companies with the capacity to create their own advertising and public relations plans. This customer group will contact the company directly to buy advertising time.



## 2. Target audience

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

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

## 2. Related Businesses

Thanks to its strength in content and capable personnel, the company has expanded to a number of related businesses by leveraging its program content and hot social issues to create various activities. Aside from better serving customer demand and boosting revenue for the company, these businesses also help bolster the company's reputation and image, enabling it to reach a wider audience group and target customers. At present, the company's related businesses cover:

**2.1 Seminars** - organized with the cooperation of the company's partners to expand the coverage of hot issues and interesting news topics. The seminars serve as a forum where all sectors of society can join forces to brainstorm solutions to economic and social problems. In 2016, the company held a number of seminars, for example, Thailand Economic Outlook 2017: Towards Sustainability, 2 Degrees: Thailand Agenda looking at global warming, Property Investment Trends '16 seminar, etc.

**2.2 Special activities** - social, recreational, academic and entertainment activities were organized throughout the year 2015, such as the NOW26 Sufficiency Market, to facilitate sales of rice and community products for farmers as well as products from the royal projects, an exhibition "In Remembrance of our Great King" at the NOW@Siam studio, the 26Club search for Bryde's Whale in the upper Gulf of Thailand for 20 NOW26 viewers, etc.

## Market and Competition

### 1. Industrial conditions and competition

In 2016, the television business witnessed fierce competition among operators of the 24 digital TV channels and traditional analog channels, which are still being broadcast in parallel. There was also competition between subscription-based TV, cable TV and satellite TV. Overall, advertising for the year 2016 recorded a drop of 11% from the previous year.

According to Nielsen Company (Thailand), overall media advertising expenditure for 2016 was 107,896 million baht, a drop of 11% from the previous year. Analog television accounted for the largest share of 47,121 million baht, a decrease of 17.92% from 2015, followed by digital television with 20,393 million baht, a slight drop of 2.57% from 2015, newspaper advertising with 9,843 million baht, a decrease of 20.12%, and finally satellite and cable television with 3,495 million baht, a major decrease of 42.28% from the previous year.



#### Television advertising in 2016

Type	Value (Bt million)	Change from 2015 (%)
Analog	47,121	17.92 %
Digital	20,393	2.57 %
Cable & satellite	3,495	42.28 %

■ Source: Nielsen Company (Thailand)

Media that experienced an increase in advertising revenues from the previous year included cinema advertising of 5,445 million baht, an increase of 6.08%, out-of-home advertising of 5,665 million baht, an increase of 35.02%, mass transit media advertising (including BTS and MRT) of 5,311 million baht, an increase of 18.39%, point-of-sale advertising of 700 million baht, an increase of 8.53%, and online advertising of 1,731 million baht, an increase of 63.61% from the previous year. Online media advertising experienced the greatest growth among all media types in 2016 and this category together with out-of-home advertising are expected to record the greatest growth in the coming year and become second in rank among all media types.

The business operations of digital TV are still at the pioneering stage, with operators competing fiercely to win public acceptance. Some operators have been unable to manage their businesses efficiently, prompting them to cease operations. The remaining operators need to manage their costs and expenses prudently, while improving their program content in order to meet viewer and customer demands, gain wider acceptance, expand audience bases and attract larger advertising budgets.

In 2017, the economy is expected to gradually recover following the impacts of the government's stimulus measures and an easing in the domestic political situation. Advertising budgets should also recover with the advertising industry as a whole expected to record growth in the region of 3-5%.

## 2. Business operation strategies

Since its official broadcasts commenced three years ago in April 2014, NOW 26 has received an active response from its target audiences, most of whom were fans of the former Krungthep Turakij TV who were themselves interested in economic and investment issues. In 2015, the channel adjusted its content, with the addition of a wider variety of programs including entertainment, documentaries, series, reality shows and sports, particularly "Thai Boxing," which is broadcast live on Sundays at 19.45 hrs. This has allowed the channel to successfully expand its audience base to reach upcountry viewers in many regions, in addition to its existing viewers in Bangkok.

Besides Thai boxing, NOW26 has adopted a clear marketing stance as the leading documentary channel under the Thai slogan "World-class Documentary Viewing". Most importantly, the channel is continuing to build recognition and familiarity among audiences in the Bangkok conurbation and provincial areas. At the present time, documentary programs constitute the channel's primary content offering, consistently building the channel's viewer base.

These strategies have enabled NOW26 to climb the digital television viewer ratings, from 22<sup>nd</sup> place to 15<sup>th</sup> and then 10<sup>th</sup> by the end of 2016. This improvement in ratings can be largely attributed to the popularity of Thai boxing programs and documentaries.

## Business plan to achieve sustainable growth

### 1. World-class documentary and entertainment programs

Committed to continuously improving its programs both in terms of style and content, in 2015, NOW 26 presented more choices of documentaries from top studios around the world, such as the BBC and National Geographic Studio in order to broaden viewers' perspectives and bring improved entertainment to them. Highlight documentaries include Life Below Zero, produced by National Geographic, showing the everyday struggles of living under harsh freezing conditions; and Human Planet, a co-production of BBC & Discovery, depicting the incredible ability of people to survive in 80 extreme environments around the world.

In addition, the Channel featured "Paris-Dakar," a rally which currently traverses deserts in South America; Top Gear, featuring automobile tests, which is one of the world's most popular TV programs; MasterChef US, Master Chef Korea and Master Chef China, which are well-known competitive cooking reality shows; and "The Champ," a reality show displaying the national identity of Thai Boxing, with world boxing champions such as Samart Payakarun, Khaosai Galaxy, Somrak Khamsing and Charoenthong Kiatbanchong acting as co-presenters.

### 2. Joining forces with partners to co-produce a variety of programs

Apart from winning support from business partners and sponsors in the form of advertizing spots and tie-ins, NOW 26 has teamed up with its partners to produce branded content programs, while offering integrated media services so that the programs will effectively reach its partners' target groups. NOW 26's co-production programs include CEO Upclose, sponsored by Toyota Motor Thailand, presenting visions and strategies of company CEOs, who have supervised businesses in Thailand and many other countries, and Ku Hoo Nak Long Thun and stock investment analysis, which are hosted by Kavee Chukitkasem and Padoemphob Songkroh and in partnership with KBank.

### 3. Expanding platforms beyond Home TV

Today's advanced technologies enable audiences to enjoy TV programs conveniently through platforms such as smart phones, computers, notebooks and tablets, in addition to conventional home TV. In order to reach greater numbers of viewers, NOW 26 has continuously expanded its platforms by joining forces with many new business partners to broadcast its programs.

Viewers can watch NOW 26 via Smart TV, using a set-top box with antenna, a satellite dish or cable TV of all systems, or through a smart phone, tablet or notebook. They can also watch NOW 26's programs from a large LCD screen in front of NOW@SIAM and via <http://www.now26.tv>.

### 4. Attracting viewers via social media

In 2016, NOW26 planned to work more closely with audiences using its expanded online team, understanding and communicating directly with viewers, particularly the new-generation segment. A variety of online tools are used to foster communication, including Facebook, Youtube, Instagram and Twitter using a clear strategy to expand the base of fans and followers, analyze target groups of social media users, and respond to suggestions and issues with new developments and improvements.

At the beginning of 2016, The NOW26 Facebook page recorded around 170,000 followers. The latest figures from December 2016 revealed total Facebook followers in excess of 400,000, an increase of more than 100% in the space of one year.

## CSR activities

NOW26, as a leading communications and media organization, offers content that is fundamentally beneficial to viewers and society at large. However, the channel also organizes a range of activities to directly benefit society which are designed to foster better understanding among people, including issues concerning business, society, ethics and natural resource conservation.



## 4.2 Nation TV 22

### ■ NBC Next Vision Company Limited


#### TV Business

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

#### *Products and services of TV media business*

##### 1) TV station the company operates

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

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



## 2) TV Programs co-produced with free TV stations

The company co-produces news and knowledge programs with free TV channels and receives advertising sale sharing and PR of the company's products and services. In 2016, the company has two TV programs co-produced with free TV on channels as follows:

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

## 3) Relating Businesses

In 2016, the company continued to implement its business policy and take advantage of existing business; data content, qualified personnel, availability of equipment, and the company's reputation to expand the business into related businesses. To provide maximum benefit to the company, popular television content, news or events that are of interest to society are taken to create different products or activities to meet the needs of consumers, increase the income of the company, as well as strengthen the reputation and beneficial image of the company to be more extensively known among audiences and potential customers. The products, services, or activities has been operated by the company following.

Product or Service Provided	Format
Organizing special activities	<ul style="list-style-type: none"><li>• National-level seminar on 10 Special Economic Zones, a Golden Opportunity for the AEC to enhance trade and investment and drive the economy.</li><li>• Nation Bike Thailand 2016, encouraging cyclists nationwide to transform Thailand into a country for cycling. Now in its third year.</li></ul>

## Radio Broadcasting Business

### Products and services of radio broadcasting business

The company together with its business partners, has produced programmes to broadcast on radio station for 25 years with revenue generated from advertising. In 2016, the NBC is a co-producer of programmes and news broadcasted on two FM radio stations and one AM radio station.

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

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

**AM 1107 KHz.** (Kasetsart University Radio Station) focuses on producing the short news, in the beginning, hour in the summarized news and significant news, and related particular news that is beneficial to the public and local communities.



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Radio Station	Airtime/ Radius	Content	Target Audience
F.M. 90.5 MHz	<p>Monday - Friday 07.30 - 12.00 a.m. 13.00 - 17.00 p.m. 19.30 - 20.00 p.m.</p> <p>Saturday 05.00 - 06.00 a.m. 19.30 - 20.00 p.m.</p> <p>Radius: Bangkok and its vicinity, Ayutthaya, Ratchaburi, Phetchaburi, SuphanBuri, Chachoengsao, SamutSongkhram.</p>	<ul style="list-style-type: none"> <li>Report the interesting event movement; including political, economic, social, marketing, and international, in-depth analysis of news, interviews with key people in the news.</li> <li>Report newsbreak and events of interest.</li> <li>Report business newsbreak of interest at the middle hour</li> <li>Summarize sports news from around the world.</li> <li>Talk about physical and mental health and secrets of self-care, beauty, foods and the interesting event movement in society</li> <li>Emceed by the Nation TV radio station in its affiliates and specialists. Businessmen, executives, workers, students and the general public aged 25 years up</li> </ul>	Businessmen, executives, workers, students and the general public aged 25 years up
F.M.102.0 MHz	<p>Monday - Sunday 08.00 a.m. - 23.00 p.m. Bangkok and its vicinity</p>	<ul style="list-style-type: none"> <li>News and knowledge in the fashion of lifestyle variety that is beneficial to daily life of the people</li> <li>Emceed by the Nation TV radio station moderator, editors in the affiliates and specialists.</li> </ul>	Working groups aged 25 years up
KasetsartUniversity Radio Station A.M. 1107 KHz	Daily / on-air at the beginning hour Nationwide	Report newsbreak of the interesting significant events	General public who is interested in news

### Channel and Nation Radio Programmes

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

- Broadcast on the Internet - listens via the website. [www.nationradio.co.th](http://www.nationradio.co.th), and via other websites linked, i.e. [www.sanook.com](http://www.sanook.com)
- Broadcast on Mobile Phone, Smart Phone, Window Phone and through social media such as Twitter, Facebook [www.twitter.com/NTRadio\\_NBC](https://www.twitter.com/NTRadio_NBC) , [www.facebook.com/radio.nbc](https://www.facebook.com/radio.nbc).

### New Media Business

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

#### Products and services: new media business

##### 1.) Website Business

The company develops websites to present its products and services. All of which contain news, knowledge and information updates. The company also gains income from selling advertisement on websites. In 2016, the company's websites include the following.

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

- [www.pantip.com](http://www.pantip.com) : The biggest resources website in Thailand
- [www.exteen.com](http://www.exteen.com) : Blog that exposes the public to take part in the presentation of information, including the preparation of the ad campaign on other website for those clients who want to advertise; the company serves as agent in the liaison to the respective ad campaign.
- Facebook, Youtube, Instagram: conducting ad campaigns for customers through online media aforesaid.
- Manage Influencer: administration of Online Influencer in the presentation of products to other products.

## 2.) News on Mobile Phone Business

The company uses news content from the company's television and radio stations as well as that of business partners to provide the services to meet with consumers' needs and modern lifestyles which accept news through new media increasingly. In 2016, the company provides content through mobile devices, for example mobile phone, smart phone, and tablet as follow.

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

In 2016, SMS service of the company and its alliances are as follows.

### SMS Service

Service	Format	Rate Charged
Nation Update	Important news and news issues occurred timely from the Nation Channel	49 Baht/Month
The Nation News	English news from The Nation	49 Baht/Month
ThaiVisa	English news from ThaiVisa and The Nation Newspapers	49 Baht/Month
Bangkok Business Urgent News	News and update news on economics and finance from Bangkok Business Newspapers	49 Baht/Month
Kom Chad Luek Urgent News	Important news and news issues occurred timely from the Kom Chad Luek Newspapers	29 Baht/Month
Nation Oil Alert	Update on oil price; rising-falling immediately when changes occur.	1 Baht/SMS
Enjoy English with NJ	Knowledge on English language	29 Baht/Month
Horo Daily	"Daily horoscopes with fortuneteller Tok Taek A4" from Kom Chad Luek Newspapers	3 Baht/SMS

## 5. Business Entertainment and International

■ Nation International Edutainment Public Co., Ltd.



### 5.1 Book Business

#### 5.1.1. Pocket Books

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

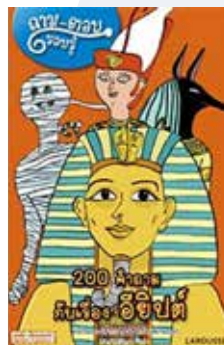
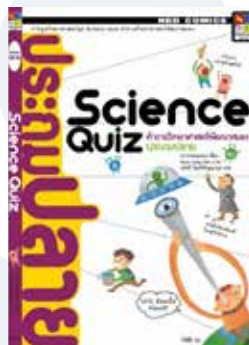
Website: [www.nine.co.th](http://www.nine.co.th), [www.facebook.com/NationBooksFanPage](https://www.facebook.com/NationBooksFanPage)



#### 5.1.2. Comics and books for youth

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

Website: [www.nine.co.th](http://www.nine.co.th), [www.facebook.com/NationKids](https://www.facebook.com/NationKids)





### 5.1.3. Comics and books for Thai

NED has engaged in the production and distribution of printed materials for youth for education and entertainment to the main target group of youth under the age of 18 years. They have largely been licensed from European countries, America, and Australia; for instances, focusing on the popular comic books that have been licensed from leading publishers both locally and regionally in Asia countries, including Japan, Korea, as well as youth's comics and literature from various companies such as Shueisha Inc., Shogakukan Kodansha, and Futabasha and so on.

The comic books and juvenile literature produced by the NED that has been highly popular among readers include "Naruto" "Bleach" "Bakuman", "Blue Exorcist", and Thai comics, "The Book of Avatar" and so on.

Website: [www.nine.co.th](http://www.nine.co.th), [www.facebook.com/nedcomics](https://www.facebook.com/nedcomics)



## 5.2 Digital Business

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

NSTORE



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

#### *Business as distributor of foreign publications and related services*

The Nation Group operates as a distributor of the leading international publications and related services through its own entity. There are a total of 236 available copies, including foreign newspapers and magazines as well as a distributor of membership sales; most of which are adaptive to modern world and can be tracked by means of both the printed materials and online, and advertising sales agent for the “Yomiuri Shimbun” newspapers, published in Thailand, undertaking of printing “Yomiuri Shimbun” newspapers, including shipment to several newspapers and magazines. All of these service rendered by the Company has been carried out in “One Stop Service” module to facilitate the owners of the publications, liaison, and arisen problem-solving.

### **5.3 Education Business**

#### *Learning English Media*

“Nation Junior” is an English monthly magazine that satisfies the needs of adolescents for over 20 long years and it becomes like a trusted friend of a teenager and makes English a breeze in everyday life. With a compact design and worth knowledge and entertainment of the quality columns the come in double covers on the same book, the front cover contains 80% in English covering the IQ EQ Education and lifestyle while the back cover contains 20% in Thai covering the intensive preparation for university entrance exams in seven core subjects of English, Thai, Social Studies, Math, Basic Science, Chemistry, Biology and Physics (alternatively by subject).



A special edition of the National Junior, two volumes “NJ Special Admission” are produced by the month of October of every year; the content involves a recapitulation of the lessons and exams, instructed by the leading faculties for a review of the GAT / PAT, O-NET, and seven ordinary courses exams. The tutorial is available via broadband onto the participating schools across the country. The review can be also made through online websites throughout the year.

Website: [www.njspellingbee.net](http://www.njspellingbee.net)



## 6. Printing Business Unit

### ■ WPS (Thailand) Company Limited (WPS)

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



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

## 7. Logistics Business Unit

### ■ NML Company Limited. (NML)



#### Delivery and Distribution Services

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

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



#### NML's Services

##### 1. Express Delivery (next day & 1-3 days)

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

##### 2. Home delivery

From 2013 onwards, NML was able to provide B2C delivery services - from manufacturer/product distributor/product owner directly to consumer for all districts of Bangkok and surrounding areas as well as important districts nationwide, such as Mae Rim, Hang Dong, Sarapee, San Sai and Sankhampaeng of Chiang Mai; Muang district of Khon Kaen; Banglamung and Sriracha of Chonburi; Hua Hin of Prachuab Khiri Khan; Koh Chang of Trat; Muang district of Phuket; and Muang district and Hat Yai of Songkhla.

Nonetheless, in 2017, NML aims to consolidate its network and expand its service coverage to include more provincial capitals and major towns, from a coverage of more than 2.5 million households in 2016. For more than 20 years, NML has provided delivery services for Nation Group print products directly to customers and sales agents. During that time, NML has been able to develop all aspects of its communications systems to keep abreast of developments and progress within the industry, for example in the receipt of deliveries, control over the volume of deliveries, as well as receiving and expediting orders in order to facilitate deliveries and especially the system of expediting orders. This system is capable of handling more than 10,000 order lists daily with more than 890,000 print copies daily.

Since 2013, NML has utilized its experience and communications systems to offer storage and distribution services for retail outlets/ distributors in both traditional and modern-trade formats covering business districts in all regions of the country. These systems are able to monitor and coordinate all the company's drivers to ensure that deliveries reach their destinations quickly and correctly, and can be traced back at any time. The company has also facilitated shipment tracking via its website as an additional service for customers.

### 3. Leaflet & Direct mail

NML has been entrusted by customers in Bangkok and its surrounding areas for more than 10 years in the direct delivery of their printed products to consumers.

As a member of Nation Group, NML provides home delivery services to a large customer base of newspaper and magazine subscribers. With more than 40 years' experience in this business segment, NML has developed a strong team covering Bangkok and surrounding areas. The company has also continuously undertaken surveys, building up a strong database of information, and invested in GIS mapping software to ensure accuracy of information in order to precisely answer the needs of customers and to define customer segments such as housing estates, condominiums, areas with high or moderate purchasing power, or to pinpoint key areas for the direct mailing of advertising leaflets. In 2017 NML aims to expand its network of services to all parts of the country to meet the demand for distribution of print materials and customer information across the widest area of coverage possible.

NML has extensive experience in the distribution of printed materials to Thailand's neighbouring countries, both by air and overland, and is confident that from 2017 onwards the company will further develop and expand its business to reach greater potential in future.



## 8. Education Business

### ■ Nation U Co., Ltd. (NU)



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

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

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

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

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



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

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

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## Research

• Nation University (NTU) has collaborated with a number of foreign educational institutes to promote joint academic and research developments. In 2016, NTU joined hands with Japan’s Fukui University to organize the 3<sup>rd</sup> NTU/FUT Joint Symposium of 2016 at Nation University from December 3-6, 2016. Hosted by NTU, the Symposium highlighted presentation of academic research conducted by lecturers from both universities.



• Research project of rice product strategies of Lampang Group for “Jae Son Mineral Water” brand, exhibition on the encoding of Jae Son Mineral Water and model market of Jae Son Mineral Water, presented at Muang Pan district of Lampang province on April 27, 2016.

## Skills Development Activities

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

- Orientation ceremony for new students for the academic year 2016
- Selection of student clubs to play a role in the development of student activities and sustainable improvement in the quality of life of students on campus.
- The establishment of student clubs within the university to create opportunities for students to get involved in activities in line

with their talents and interests, and to enhance their academic and professional knowledge and personal characteristics through social interaction.

- The establishment of a Co-operative Education project with the Siam Commercial Bank (SCB). SCB recruited university candidates for training at the bank and held a certificate presentation ceremony for those completing the training at the Mini Theater, Siam Commercial Bank head office on December 26, 2016.

- English Camp, to improve English language skills for new students.
- English Speaking Day, to improve English language skills for students and university personnel.
- Annual activities - sports day, honouring teachers, paying respects to teachers in the water festival.
- Hood-wearing ceremony to symbolize graduation and celebrate graduation day
- Symposium on public health development held by third-year students of the Faculty of Health Science's Public Health Department on April 11, 2016. The symposium centered around conservation of plants and herbal genetics conservation, with Dr.Piyarat Parinyapongcharoensap serving as a key speaker.



- Seminar with professional executives held by the Faculty of Business Administration, Bangna Campus, with Mr.Theerasarn Sahassapas serving as a key speaker for the “Introduction of Digital Marketing” seminar on February 12, 2016. A survey on the seminar was also conducted via the QR Code system.



- Viewing and discussion project. The project allowed audiences to enjoy the movie “Spotlight” and then receive in-depth analyses of the movie by Mr.Suthichai Yoon at the Lido cinema in Bangkok, and film critic Mr.Nantakwang Sirisuntorn at the SF Cinema, Central Lampang on February 15, 2016.





## ANNUAL REPORT 2016

- “Full of Media 2” (Seu Tem Loei2) seminar, launched as part of a project to enhance student skills of the Faculty of Communication Arts, Bangna Campus, on April 27, 2016 at The Style By Toyota building, Siam Square One.



- CSR volunteer project to promote student knowledge development together with moral and ethical principles, for application in academic and daily life.

- - Campaign to conserve perennial plants within the campus established by first-year students of the Lampang Campus. The campaign saw the students taking a survey of perennial plants and placing name plates on the plants in following the initiative of HRH Princess Maha Chakri Sirindhorn.



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

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



- GPA of 3.00-3.24 receive a 20% reduction in tuition fees
- GPA of 3.25-3.49 receive a 50% reduction in tuition fees
- GPA of 3.50-4.00 receive a 100% reduction in tuition fees

\* Students that have received educational scholarships covering 100 percent of their course are eligible to apply for Master's degree scholarships at Nation University, in accordance with the university's conditions.

Scholarships for students with good grades: (Scholarship program of the Secondary Education Office - Office of the Higher Education Commission receive a 20% reduction for the full course of study).

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

#### Personnel Scholarship

The recipient must be a person or a child within the organization and have an MOU and a document confirming personnel status to study at university. Recipients receive a 20 percent reduction for the entire duration of the course.

#### Scholarships for graduates

Receive 20 percent of course fees for the duration of the course for a second bachelor's degree course or a master's degree course.

#### Scholarships in honour of HRH Princess Maha Chakri Sirindhorn to mark her 60<sup>th</sup> birthday anniversary

NTU, together with Kasikornbank, presented 60 scholarships for the academic year 2016 to children in Nan province of the 2<sup>nd</sup> batch on August 9, 2016.

#### Nation Multimedia Group 46<sup>th</sup> Anniversary Scholarships, 2016

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

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

Currently, Nation University offers both undergraduate and graduate courses from its campuses at Lampang and Bangna. In the 2016 academic year, students studying undergraduate and graduate levels at both Lampang and Bangna campuses totalled 1,077 students





## ANNUAL REPORT 2016

### **Nation University currently offers the following courses:**

#### **Nation University - Lampang Campus**

##### **Bachelor's Level**

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

##### **Master's Level**

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

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#### **Nation University - Nation Bangna Campus**

##### **Bachelor's Level**

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

##### **Master's Level**

- ◆ Faculty of Business Administration (MBA)
  - Business Administration

## CSR Projects of Nation University

1. Nation University, Lampang Campus held a cycling activity to celebrate National Children's Day at Phrabat School, Muang District, Lampang Province on January 8, 2016.



2. Lecturers and students from Nation University, Bangna Campus's Faculty of Communication Arts provided academic support for a project of joint cooperation to promote tourist attractions and training on photography to help promote tourist attractions. Events were held at Tung Yee Peng, Lanta Island, Krabi Province from February 12-14, 2016.



3. Nation University joined forces with the Royal Initiatives Discovery Institute to conserve and improve the Mae Jang check dam at Mae Ta District of Lampang Province on March 22, 2016. The activity was funded by the Thai Health Promotion Fund.



4. Nation University personnel teamed up to develop a check dam in order to revive the Mon Phraya Chae forest park on March 25, 2016. The activity also aimed to raise students' awareness on the conservation of forests and their public consciousness, as well as help reduce the problem of wildfires.



5. Nation University played host to the 4<sup>th</sup> speech delivery and essay contest on virtue, morality and ethics in the accounting profession on May 23, 2016.



6. Nation University, Lampang Campus's Faculty of Communication Arts and Faculty of Social Sciences and Humanities jointly organized training on media planning and production for promoting communities. The event took place on June 20, 2016 at the Ban Dong Tambon Administration Office, Mae Moh District, Lampang Province to help elevate the capacity of the local community.



7. Nation University, Lampang Campus initiated a project to enhance the skills of volunteers who will take care of patients with chronic diseases at Ban Ta Si, Ban Dong Sub-District, Mae Moh District, Lampang Province on July 1, 2016.



8. Nation University, Bangna Campus's Junior Investor Club launched a CSR campaign to reforest Bangpoo mangroves with 46 saplings to mark the 46<sup>th</sup> anniversary of Nation Multimedia Group PCL on July 1, 2016. The newly-planted 46 saplings is part of the project to conserve mangrove forests with 840,000 saplings in honor of Her Majesty Queen Sirikit



9. Nation University, Lam pang Campus held a seminar where guidance teachers discussed how to improve basic education management on September 20, 2016. The seminar is part of the education quality improvement and local development project, established by the Office of Higher Education Commission's higher education institutes network in the upper north.



10 . Nation University has marked the Kathin traditional ceremony by organizing the annual "Pluke Fai, Pan Fai, Sai Boon, Julkathin, Tin Lanna" project. The event took place on October 22, 2016.



11. Nation University organized the "Nation joins forces to fight cold weather" project at Ban Manee Pruek School, Ngob Sub-District, Tung Chang District, Nan Province, from December 15-22, 2016.



# Industry and Competition Overview



## Overall Economy ■■■■■

Overall, the Thai economy in 2016 expanded at a rate of 3.30 percent compared to 2.80 percent in 2015, but this is still considered below potential. The export sector, the main contributor to growth, did not recover significantly in spite of encouraging figures at the ends of the year indicating a turnaround. One of the main factors contributing to Thai economic growth in 2016 was government investment and expenditure, especially from major infrastructure developments such as water management and road transport projects, particularly those under the action plan for high-speed transportation. Other contributing factors included growth in farm income, an easing of the drought situation and improved agricultural prices. Private investment picked up compared to the previous year while the number of foreign tourist arrivals expanded, especially from China and Russia, which is expected to stimulate further growth in the tourism sector.

Nonetheless, the Thai economy continues to face uncertainties and events at the end of 2016 brought about a slump in advertising revenues. Overall, spending on advertising in 2016 totalled 107,896 million baht, a 12 percent fall from 122,175 million baht in 2015 (source: Nielsen).

### Comparative advertising budget of all media 2015-2016

(Unit : in million baht)

MEDIA	Y2016	SOV%	Y2015	SOV%	DIFF	% Change
Analog TV	47,121	44%	57,412	47%	(10,290)	-18%
Digital TV	20,393	19%	20,931	17%	(538)	-3%
Cab/Sat TV	3,495	3%	6,055	5%	(2,560)	-42%
Newspapers	9,843	9%	12,323	10%	(2,480)	-20%
Outdoor	5,665	5%	4,190	3%	1,475	35%
Cinema	5,445	5%	5,133	4%	312	6%
Transit	5,311	5%	4,486	4%	825	18%
Radio	5,262	5%	5,675	5%	(413)	-7%
Magazines	2,929	3%	4,268	3%	(1,339)	-31%
Internet	1,731	2%	1,058	1%	673	64%
In-Store	700	1%	645	1%	55	9%
Grand Total	107,896	100%	122,175	100%	(14,280)	-12%

Note: Excluded section or house ads

Television media remain the main target of advertising expenditure despite an overall drop from the previous year. The fall was especially significant in cable and satellite television, with spending on digital TV advertising rising continuously. Emerging industries such as manufacturers of foods and pet products are increasingly using digital TV advertising to promote their products. Digital television took the spotlight in 2016 with new digital channels taking the opportunity to present more creative programs and content to target groups. Audiences are increasingly turning to digital television with its greater choice of channels and content.

Print media witnessed the greatest changes, with advertising expenditure falling 31 percent in magazines and 20 percent in newspapers. Free sheet publications bounced back in popularity and in variety, with some publications also organizing events, reflecting the fierce competition to provide creative and differentiated content.

The economic outlook for Thailand in 2017 is anticipated to grow at a rate of around 3.40 percent, according to figures from the Fiscal Policy Office. This growth is expected to be driven by increasing public investment, especially in major infrastructure projects such as the dual-track railway and metropolitan mass transit projects due to be launched in 2017. These will help build business-sector confidence and stimulate private investment in related schemes. Export of services is also anticipated to expand with increasing numbers of foreign tourist arrivals to the country.

## Nature of Business

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

1. **Thai-language business news publications:** Managed by Krungthep Turakij Media Co., Ltd., producer and distributor of "Krungthep Turakij" business daily. Target customers include business people, young-generation executives, academics, government officials, marketing executives, university students and moderately educated to well-educated readers.
2. **Thai-language general news publications:** Managed by Kom Chad Luek Media Co., Ltd., producer and distributor of "Kom Chad Luek" mass-circulation daily, and "The Nation Weekender" weekly news analysis magazine. Target customers are general news readers.
3. **English-language news publications, seminars and communications training:** Managed by Nation News Network Co., Ltd., producer and distributor of "The Nation" daily newspaper and "Nation Junior" magazine. Target customers include Thais who follow the political and economic scene, young-generation readers and foreign residents in Thailand.

In addition, Nation Multimedia Group Public Company Limited has entered into partnership with Eleven Media Group of Myanmar to establish a joint venture company "Eleven-Nation Media Co., Ltd." in Yangon, Myanmar. The company holds a 49 percent share to operate media and other related businesses. It aims to expand its business in Myanmar by publishing and distributing an English-language daily newspaper in the country.

4. **Edutainment and foreign-related businesses:** Managed by Nation International Edutainment Public Company Limited (NINE) and its four subsidiaries: Nation Edutainment Co., Ltd., Nation Global Edutainment Co., Ltd., Nation Kids Co., Ltd. and Nine Be Bright Co., Ltd. Business operations include:
  - Production of copyright pocket books from both domestic and international sources, for instance, "Becoming Steve Jobs", "Hard Choices" by Hillary Rodham Clinton, "Alex Ferguson: My Autobiography", "Einstein: His Life and Universe", human resource management and the auspicious sacred calendar 2015 by Joey Yap.
  - Advertising sales agent and distributor for foreign publications in Thailand and the ASEAN region including foreign newspapers, such as The Wall Street Journal Asia and The Yomiuri Shimbun, as well as a range of popular international foreign magazines such as Fortune, Time Magazine, Forbes Asia, Bloomberg Business Week, etc.

- Production, import and distribution of educational and entertainment publications for children such as Nation Junior magazine, as well as media to improve children's communication skills from both domestic and international sources.

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

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

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

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

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

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

Now26 is a standard definition (SD) variety channel which differentiates itself from other variety channels by offering quality and entertaining programs that are also educational. These include documentaries produced by the world's top studios, foreign film series, foreign and domestic sports programs such as Tour de France 2016, La Vuelta 2016, Giro d'Italia and innovative programs such as Kom Chad Luek Seuk Muay Thai, etc.

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

**7. Logistics Business:** Managed by NML Co., Ltd. as the logistics provider for print products, such as newspapers and all other print products of Nation Group. The company's main duty is to distribute the Group's newspapers, including Kom Chad Luek, Krungthep Turakij, The Nation, The Wall Street Journal Asia and The Yomiuri Shimbun in Bangkok and surrounding areas, and all provinces nationwide, as well as providing a competitive range of logistics services for external customers.

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

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

## Competition in the Publishing Business

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

“**Krungthep Turakij**” remains a leader in the business daily newspaper segment, consistently increasing its sales and currently holding a 56% market share.

“**Kom Chad Luek**”, the general daily newspaper retains the third largest advertising market share after “**Thai Rath**” and “**Daily News**” with a 25% market share.

“**The Nation**” English-language newspaper has only one competitor: “**The Bangkok Post**”. “**The Nation**” holds approximately 28% of the market share in advertising.

“**Nation Books**” is facing increasingly strong competition from a growing number of pocket book publishers in the market. Quality and variety of content remain key factors in determining readers’ choices. Nation Books’ main competitors include Amarin Printing, Nanmee Books, Matichon and a book.

The edutainment products/comics for children segment continues to expand, although new edutainment publishers are entering the market. This sector shows a tendency to expand as the new generation, with higher levels of education, is willing to invest more in the education of their children. The company’s competitors vary according to each product. Disney licensed books face competition from Aksara Pipat, while the Japanese comic books compete directly with products from Vibulkit and Siam Sport Publishing.

## Directions and Trends of Print Media

In 2017, the pulp and paper industry and the print industry are likely to expand, in line with the country’s anticipated economic growth. However, production of printing and writing paper is likely to fall as printed media continue to face competition from digital media.

Print media are expected to experience a decline in 2017 with falling advertising revenues, especially magazines. Industry players need to adjust to the changing technological trends, especially the consumer trend towards mobile phones and online media. The print media segment has consequently adjusted itself as a “**Content Provider**” to provide content for other media platforms.

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

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

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

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

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

# Risk Factors



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

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

## 1 Business operation risk

### 1.1 Risk from advertising industry situation

The major revenue of NMG comes from advertising sales while the cost structure is largely fixed costs. The performance of the company is therefore dependent on the advertising industry while advertising costs are largely dependent on economic conditions. The advertising industry also reflects the overall economic situation. If the economy slows consumers will tend to delay their purchases which will affect producers of goods and services who in turn will consider their advertising spending more carefully. They are more likely to utilize media channels which most accurately reach their target groups. To minimize the impact from the instability of economic conditions, NMG has framed all the strategic plans of its subsidiaries in the same direction, aiming to maintain competitiveness and using this competitive advantage to reduce risk by taking advantage of multimedia channels to publicize products and services, with the use of improved sales strategies and media synergy to efficiently satisfy market demands, transforming the company into a Total Media Solution for advertisers. The company has striven to introduce new technologies to conventional media in every platform, mainly based on content suitability and business potential, in order to cover all of its target groups and to achieve a competitive edge. The company has also placed more emphasis on offering tailor-made packages and activities to generate additional revenue from customers both in the public and private sectors, as well as generating revenues through special activities which helped maintain revenues. At the same time, the company concentrated on strict management of expenses.

In addition, the conventional print media industry is undergoing a downturn as a result of changing consumer behavior, with more people turning to new media instead. In light of this industry transformation, the group is turning its business direction more to television, with ownership of two new television channels - NOW 26 Channel (SD variety) and Nation TV Channel 22 (SD News). Television broadcasting attracts a greater share of advertising spending than any other media, even though advertising spending fell by 12 percent from the previous year, with digital TV and online TV experiencing the most growth. The company's move towards the television business will lessen the risks of likely impacts from new media on the print media business in future. The company is also actively pursuing other digital media business segments such as E-commerce, M-commerce, S-Commerce (Social Media Commerce), E-Education, etc., and entertainment businesses.

### 1.2 Risk from advertising industry on TV

With changing consumer behavior in which a greater number of consumers are shifting their focus to digital media, and more and more communication strategies are being launched via new media platforms, especially the internet, the advertising industry on TV faces a direct impact from new media that may replace TV in the future. As a result, advertising agencies as well as product and service providers have enjoyed a wider choice of advertising spending through a greater variety of media platforms. The market share of advertising on TV has subsequently been apportioned to the new media. However, according to an AC Nielson study, advertising on TV still experienced steady growth, holding the highest market share when compared to other media and accounting for 66 percent of the total advertising market value in 2016.

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

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

### **1.3 Risks from business operation strategies**

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

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

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

Registering good performance, business units as subsidiaries will open the door to new business opportunities and allow greater management flexibility. The strong quality media synergy will enable NMG to help build up and sustain a good society in Thailand. As well, the company has reduced the size of business segments that do not generate a profit and is in the process of looking at new business opportunities which have the potential to profit in the future and that would enable all business units to be stronger and support each other efficiently.

### **1.4 Risk from investment in digital TV**

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

The transition to the digital TV era has resulted in tougher competition in the television business both in terms of sale of advertising time and production of programs. The fiercer competitive business environment might lead to price uncertainty of advertising per minute in which some operators of new programs that still have low ratings offer relatively low advertising rates in their early stage of operation.

In order to compete in this business segment, NOW 26 variety channel has differentiated itself from other digital variety channels by positioning as a documentary channel and the first and only free digital TV channel offering documentaries from leading international studios. The channel also presents modern and high-quality news programs with the support of the experienced editorial teams from all newspapers of the group. The company collaborates with partners in the co-production of programs and procures high-quality programs from producers in Thailand and overseas to offer its viewers the widest choice of educational content and entertainment. The company therefore needs to invest in the purchase of quality content in order to compete effectively with its competitors. Nonetheless, the company always assesses the value of its investments in content and evaluates the risks involved. The company is focused on investing in and using content effectively in order to improve its overall ratings. This strategy has resulted in the channel reaching the top 10 in the channel ratings in the past year, a fact which strongly influences the decisions of potential advertisers. Programs with large audiences or which are very popular are able to command higher advertising rates. The company is confident that its production capabilities can meet the needs of target customers and that it is able to differentiate itself from its competitors, which will in turn enable the company to meet its targets for advertising.

## 2 Production risk

### 2.1 Risk from content production

The strong current of new media both online and on social media platforms poses significant challenges to NMG's news coverage in both print and television media. The new media have a strong advantage over traditional media in their unique characteristics of viral communication, encouraging audiences to duplicate, forward or make comments about the messages they have received. NMG's editorial teams, however, are well-prepared for this situation and have managed to sustain a competitive edge in the media industry.

NMG's strengths can be attributed to four factors:

#### 1. We are "Professional Media"

NMG editorial staff have been entrusted by the public for over 44 years, which is considered a valuable asset and strong advantage. The company has so far received positive feedback from the public amidst the highly competitive environment of both new and traditional media.

#### 2. Innovative Convergence Newsroom

To rapidly accommodate changes and emerging trends in the global industry, the company has developed a Convergence Newsroom, which is a news-feed center for all media of the group. The Convergence Newsroom aims to produce quality news that is timely, insightful and well-rounded in creative and efficient manners.

NMG has striven to develop a team of more than 400 staffers drawn from the editorial departments of The Nation, Krungthep Turakij, Kom Chad Luek, and the two digital TV channels – Nation TV and NOW 26. The multi-skill, multi-platform newsroom creates accurate and timely content drawing on the skills and knowledge of news veterans from the group's various news arenas.

The Convergence Newsroom also serves as the "knowledge center" for NMG news staffers as the integration of the newsrooms will lead to well-versed knowledge drawn from veteran news teams in various fields.

#### 3. Advanced Content Management System

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

#### 4. Screens

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

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

### 2.2 Key personnel retention risk

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

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

With such a system, in which work is passed from top executives and distributed to every management level, if the company loses a key employee, it will not pose a major impact to the company. At the same time, NMG also concentrates on the synergy of all business units to achieve maximum benefit.

In addition, to ensure working synergy of staff at all levels towards its corporate goals and visions, NMG has employed the Key Performance Index (KPI) system, a results-based measurement, to evaluate the performance of its staff. KPI is closely associated with staff salary increases, varying according to their performance, working behavior and development capabilities. It is designed to promote personnel capabilities based on business competitiveness.

### 2.3 Technology risk

The introduction of new technologies and innovations such as digital technology and wireless communications that facilitate access to virtually limitless information have given rise to the various New Media, giving the consumer an increasing number of news and information channels to choose from. These technologies present an important source of risk that has the potential to affect media business operations at present and in the future.

To reduce this risk and the potential for lost opportunities in business operations it is necessary to strengthen the competitiveness of the organization. The company has developed efficient information management systems and introduced information and communications technologies to help support operations, improve the efficiency, flexibility and speed of the news production process, and provide complete and consistent growth in technology and new media as well as the management of costs and expenses. The company focuses on integrating the various media formats and technologies together to serve the requirements of all channels and across all platforms including the use of social TV - a hybrid of broadcasting technology and new media that enables people to access news and information at all times and eliminates “prime times,” in line with current consumer behavior. The company also has a policy to continuously research and develop products for presentation across multiple media in order to build a deeper understanding of consumer behavior and accumulate experience, as well as develop competitive advantages in target markets in future.

## **2.4 Risk of volatility in raw material prices**

Newsprint, as one of NMG's major raw materials, represents around 9 % of the company's cost of goods sold and 63% of total raw material expenses. During the past year, the ratio between imported and domestic newsprint was 95 : 5. Being a commodity, newsprint prices are determined by the balance of global demand and supply, which is the main factor setting the reference price of newsprint in the world market. As a result, the company is exposed to any volatility in newsprint prices, which may subsequently have a direct impact on the company's production costs and bottom line profit.

However, with changing consumer behavior and the declining popularity of print publications in favour of online media, the likelihood of paper shortages and volatility in paper prices is likely to decline. In addition, the company has adjusted its system of inventory control in line with requirements while continuing to employ a paper-usage control policy and effective management of distribution points to lower newspaper returns. Besides, the company manages exchange rate risks by placing forward contracts on orders for newsprint to ensure that newsprint costs have no significant impact on overall production costs. Nonetheless, the company closely monitors newsprint costs and the exchange rate situation.

## **3 Management risk**

### **3.1 Policy determination from management**

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

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

During the year, a new group of shareholders invested in the company, altering the overall shareholding structure. Provided these shareholders do not intervene in management or create conflicts of interest, this new shareholding structure will have no effect on the running and development plans of the company, nor the editorial independence of the group's media. Regardless, as a media institution with a strong structure and professional working principles, whose primary duty is to present news and information of benefit to society and in a responsible and ethical manner, any change in the holding of the company will have no effect on the administration or media stance of the company. On the contrary, the company will continue to maintain its ethical standpoint in presenting the news and in its analysis of the issues affecting society in order to bring maximum benefit to the public and to protect the interests of its employees and retail investors.

## **4 Financial risk**

### **4.1 Debt obligation risk**

As of December 31, 2016 NMG and its subsidiaries had loan liabilities from financial institutions of Bt1,378 million, divided into a short-term loans for capital flow in the overdraft account, trust receipts and short-term promissory notes of Bt 939 million.

To minimize debt obligation risk, the company has presented financial projection documents, completed on the basis of prudence, to creditors for consideration. Such documents inform the creditors of trends in the company's performance and current cash flow, the amounts of which are comparable to other companies in the media industry.

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

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

1. Payment of the digital TV license fee in the general SD (standard definition) category worth Bt2,200 million (excluding VAT). The company has made payment for the first to the third installments totaling Bt1,070 million (excluding VAT). Six more installments have to be paid totaling Bt1,130 million (excluding VAT).

2. Payment of the digital TV license fee in the news and educational content SD (standard definition) category worth Bt1,338 million (excluding VAT). The company has made payment for the first to the third installments totaling Bt645.80 million (excluding VAT). Six more installments have to be paid totaling Bt692.80 million (excluding VAT).

However, since the NBTC has resolved to reduce the burden of digital TV business operators by extending the fee payment period from three remaining installments to six installments, the companies that own the two licenses have applied for an extension which has been approved by the NBTC. The payment extension to six installments will help improve the company's cash flow situation.

#### **4.3 Exchange rate risk**

Changes in the foreign exchange rate rely on demand and supply of the Thai currency against other currencies. Fluctuations in foreign exchange rates have an effect on the company's production costs. The company's major raw material is newsprint paper, 72 percent of which is imported using US\$ currency. The company is therefore exposed to foreign currency exchange risks through the import of newsprint.

However, to help counteract this situation, the company has adopted a policy for hedging against foreign currency exchange risks, by placing forward contracts on orders for newsprint. As of December 31, 2016, the cost of imported newsprint amounted to 0.04 percent of total debts. This amount did not affect the financial statements, in spite of fluctuations in foreign exchange rates.

#### **4.4 Risk from external financial sources**

The company's business operations concentrate on creating long-term growth with prudent business expansion and follows a capital structure that maintains proper financial ratios. The company is confident that it will be able to source sufficient funding to facilitate future business expansion with appropriate financial costs. The company has additional external financial sources as follows:

- From holders of warrants to purchase the company's ordinary shares who exercised their rights to increase shares at the company's third offering (NMG-W3) when the company provided a rights offering to existing shareholders in mid 2013, with a total of 1,647,740,300 units in the ratio of one existing ordinary share per one warrant unit at the exercised price of Bt1 per share. Warrant holders can exercise their rights to purchase shares over a period of five years, every six months, in June and December of each year. They were able to exercise their rights for the first time on December 15, 2013 and for the final time on June 19, 2018. If all units are sold, the company will have increased its capital by Bt1,647.74 million. As of December 31, 2016, warrant holders had exercised their rights to purchase 744,086,462 units. Rights for the remaining unsold units of 903,653,838 may be exercised over the period June 2016-June 2018, another one year and six months as of December 31, 2016.

- From holders of warrants to purchase the company's ordinary shares which the company allocated for its directors, management and/or employees and/or its subsidiaries at the company's second offering (NMG-WB) in August 2013, with a total of 82,387,015 units. Warrant holders can exercise their rights to purchase ordinary shares at Bt1 per share every six months for a period of five years. They were able to exercise their rights for the first time on November 15, 2013 and for the last time on August 14, 2018. If all units are sold, the company will have increased its capital by Bt82.37 million. As of December 31, 2016, warrant holders had exercised their rights to purchase 28,280,200 units. Rights for the remaining unsold units of 54,106,815 may be exercised over the period May 2016-August 2018, another one year and eight months.

In this period, it is expected that warrant holders of both categories will exercise their rights to purchase shares at the permitted maximum amount, enabling the company to use this additional source of finance to further facilitate new investments.

#### 4.5 Risk from impairment of accounts receivable

The company acknowledges the risk from the prevention of doubtful debts, as remarked in the financial statements, whereby the company has established policies for debt collection and allowances for doubtful accounts. The company considers the amount of doubtful accounts by estimating the current financial status of debtors, combined with its past experience of debt collection. In addition, the company has a policy to set an allowance for doubtful accounts using an income margin. The company set the allowance for doubtful accounts outstanding at 1 percent of advertising income. As for the income from agents, it stands at 30 percent of returned domestic publications and 65 percent of returned foreign publications. The company also has a policy for a maximal decrease margin of 12-month debts. As of December 31, 2016, the over 12-month debts (total financial statements) stood at Bt 66.95 million, and 6-12 month debts stood at Bt 10.06 million. As of December 31, 2016, the company had already set the allowance for doubtful debts (total financial statements) of Bt65.41 million and the allowance for returned goods of Bt8.75 million. In addition, the company has a Debt Collection Unit to continuously follow up on collection of debts.

## 5 Risk factors of investors

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

The company issued the NMG-W3 warrants and rights offering for existing shareholders with a total of 1,647,740,300 units, lasting five years, in the ratio of one existing ordinary share per one warrant unit. As of December 31, 2016, there were unexercised warrants of 903,653,838 units.

In the event that each warrant holder exercises their right to purchase ordinary shares at the maximum amount, the company's ordinary shareholders might receive a dilution effect in the form of a decreased share price in the stock market and reduced shareholding proportions as follows:

##### Prior to exercising the right of NMG-W3 warrant (December 31, 2016)

Paid-up ordinary shares	4,067,847,262 shares
Shareholding proportion prior to exercising the right of warrant	100 %

##### After exercising the right of NMG-W3 warrant

Paid-up ordinary shares	4,971,501,100 shares
Shareholding proportion of existing shareholders after exercising the right of warrant	81.82 %
Decreased shareholding proportion of existing shareholders	18.18 %

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

The company issued warrants to purchase the company's ordinary shares for its directors, management and/or employees and/or its subsidiaries (NMG-WB) with a total of 82,387,015 units, in the category of non-value shares, lasting five years, in the ratio of one warrant unit per one ordinary share at the exercised price of Bt1 baht per one ordinary share. As of December 31, 2016, there were unexercised warrants of 54,106,815 units.

In the event that each warrant holder exercises their right to purchase ordinary shares at the maximum amount, the company's ordinary shareholders might receive a dilution effect in the form of a decreased share price in the stock market and reduced shareholding proportions as follows:



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### Prior to exercising the right of NMG-WB warrant (December 31, 2016)

Paid-up ordinary shares	4,067,639,262 shares
Shareholding proportion prior to exercising the right of warrant	100 %

### After exercising the right of NMG-WB warrant

Paid-up ordinary shares	4,121,746,077 shares
Shareholding proportion of existing shareholders after exercising the right of warrant	98.68 %
Decreased shareholding proportion of existing shareholders	1.32 %

# List of Major Shareholders



The top ten shareholders as of December 30, 2016 are ranked as follows:

Name	Shares	(%) Holding
1. News Network Corporation Public Company Limited	404,985,000	9.96
2. Digital Sky Holdings Limited	391,972,000	9.64
3. Mr.Siriwat Vongjarukor	355,000,000	8.73
4. U-City Public Company Limited.	331,607,100	8.15
5. Mr.Sivasit Sainampeung	275,300,000	6.77
6. Mr.Sombat Panichewa	230,000,000	5.65
7. Mr.Suthichai Sae-Yoon	212,878,542	5.23
8. Southeast Asia University	160,000,000	3.93
9. Mr.Prabda Yoon	121,180,000	2.98
10. DOW JONES & COMPANY.INC.,NEW YORK	120,000,000	2.95
Others	1,464,924,620	36.01
<b>Total</b>	<b>4,067,847,262</b>	<b>100</b>

## Categories of shareholders

Nationality	Shareholders	Shares	% Shares
Thai	4,625	3,517,584,283	86.47
Foreign	33	550,262,979	13.53
<b>Total</b>	<b>4,658</b>	<b>4,067,847,262</b>	<b>100.00</b>

# Corporate Governance Report



## Corporate Governance Policy

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

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

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

## Communication of the corporate governance policy

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

In 2016, the company's corporate governance principles covered five areas, namely:

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

### Rights of shareholders

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

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

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

## • Shareholders' Meetings

### Organizing Annual and Extraordinary Shareholders' Meetings

The Board of Directors has recognized the importance of holding the Annual General Meeting to allow shareholders to acknowledge the company's performance, jointly make decisions on significant company matters and inspect operations managed by the Board and management. In 2016, the company not only organized the Annual General Meeting in line with the law and guidelines as suggested in the AGM Checklist manual, published by the Thai Investors Association, the Thai Listed Companies Association, the Securities and Exchange Commission and the Stock Exchange of Thailand but also strictly adhered to the principles of Good Corporate Governance.

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

In 2016, the company organized two shareholders' meetings.

1. The Annual General Meeting of Shareholders for the year 2016 on April 27, 2016 at the Grand Ballroom, 5<sup>th</sup> Fl., S31 Hotel, Bangkok at 14.00. Six out of a total of nine directors and 579 shareholders and shareholders' representatives attended the meeting, representing shareholdings of 2,778,151,757 shares or 68.30 percent of the 4,067,639,262 total issued shares.

2. The Extraordinary General Meeting of Shareholders No. 1/2016 on November 7, 2016 at the Conference Room, 7<sup>th</sup> Floor, Nation University Building, Bangkok at 09.00. The meeting was held to appoint new directors to replace directors who vacated their positions before the expiry of their term. Some 367 shareholders and shareholders' representatives attended the meeting representing shareholdings of 2,835,896,681 shares or 69.71 percent of the 4,067,847,262 total issued shares.

### The meeting details are as follows:

#### Prior to the General Meeting of Shareholders

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

### The General Meeting of Shareholders and Extraordinary Meeting of Shareholders

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

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

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

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

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

### **After the General Meeting of Shareholders and Extraordinary Meeting of Shareholders**

The company has disclosed resolutions made by the Annual General Meeting of Shareholders for the year 2016 and Extraordinary Meeting of Shareholders No. 1/2016 for the acknowledgement of shareholders and members of the public through the SET Community Portal system, developed by the Stock Exchange of Thailand, immediately after the meetings or not later than 09.00 of the business day following the meetings, which is in accordance with the Disclosure Rules of the Stock Exchange of Thailand.

### **1. Equitable treatment of shareholders**

The Board of Directors has regularly controlled and checked up on the company's corporate governance structure to ensure equitable and fair treatment for all shareholders, as well as to ensure that the caretaking process is neither complicated nor incurring unnecessarily high costs. In the meeting of shareholders for 2016, the company recognized all shareholders equally and undertook the following guidelines to ensure that all shareholders had the right to participate in decision making and to acknowledge the company's decisions on important matters as stipulated by the law or the company's regulations.

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

### **2. Role of Stakeholders**

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

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

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

Following the issue in which the Chairman of the company refused entry to certain groups of shareholders to the meeting to exercise their right to vote in the 2015 Annual General Meeting of Shareholders later, a petition was submitted to the court to void the meeting. Subsequently, on May 16, 2016, Phrakhanong Provincial Court annulled the Annual General Meeting of Shareholders for the year 2015. The company clarified the matter through the communication channels of the Stock Exchange of Thailand on June 3, 2016. The important points are as follows:

- 1) The company appointed legal counsel to file an appeal with the High Court to reverse the decision of Phrakhanong Provincial Court.
- 2) Legal counsel commented during the filing of the appeal, that the judgment of Phrakhanong Provincial Court is a Court of First Instance and is not the highest legal entity. Therefore, activities carried out in accordance with the resolutions of the General Meeting of Shareholders for the year 2015 are still in effect until the final decision of the High Court. If the High Court upholds the decision of the Court of First Instance, the company must organize a shareholders' meeting to vote on the agenda once more which were general issues and did not concern the appointment of directors or the payment of dividends to shareholders.
- 3) During the appeal, the business and administrative affairs of the company continued as normal, under the responsibility of the current Board and management of the company.

However, to date, no progress or changes have been made in this matter.

### **Issues regarding Corporate Governance Principles for Extraordinary General Meeting of Shareholders No. 1/2016**

Reference is made to the Office of the Securities and Exchange Commission (the "SEC Office") having issued a notice in October 2016 stating that a total of five directors and executives of the Company at that time were required to vacate office for the reason that they possessed untrustworthy characteristics due to the legal action initiated by the public prosecutor on the charge of their non-compliance with the duties as prescribed by the law with respect to the 2015 Annual General Meeting. As a result, the remaining number of director positions was less than the required quorum for convening a meeting of the Board of Directors (at that time, Ms. Pichitra Mahaphon, an independent director, was the sole remaining director in office). For this reason, the Company convened Extraordinary General Meeting of Shareholders No. 1/2016 on 7 November 2016 in order to consider and appoint new directors to replace the directors who had vacated office. This is a case in which the Company, by its remaining director(s), has a duty and responsibility to convene an extraordinary general meeting of shareholders to appoint new directors to replace those who have vacated office within the time period prescribed under Section 83 of the Public Limited Companies Act B.E. 2535 (1992). Therefore, the Company was unable to notify the date of the extraordinary meeting of shareholders or to send the meeting invitation along

with the supporting documents to the shareholders in advance in accordance with the time period prescribed by the corporate governance principles, and as the Company had done so for all other meetings in the past. For this reason, there were a number of shareholders who filed complaints and opposed the said meeting. In this case, the registrar of public limited companies considered the complaints and determined that the Company had duly proceeded in accordance with the law in all respects. At the same time, the Company also gave the shareholders a clarification on the rationale and necessity in relation to the abovementioned issues at Extraordinary General Meeting of Shareholders No. 1/2016 and also oversaw that a follow-up clarification was conveyed to the shareholders of the Company after that meeting.

Moreover, at present, the former directors and executives who vacated office due to having possessed untrustworthy characteristics no longer possess untrustworthy characteristics since 16 February 2017 as a result of the SEC Office having prescribed and notified new criteria under the Notification of the Securities and Exchange Commission No. KorChor. 3/2560 Re: Untrustworthy Characteristics of Company Directors and Executives. Under this new Notification, the untrustworthy characteristics in question shall only continue to be enforceable if the SEC Office issued a written denunciation against that person to an inquiry official. As such, the above untrustworthy characteristics can no longer be enforced.

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

### **Ethics on business operation**

#### **• Business operation guidelines**

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

#### **• Anti-corruption policy**

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

1. Nation Group's directors, management and employees are prohibited from conducting or accepting every type of corruption both in direct or indirect manner including receiving complimentary items or gifts, joining entertainment or hospitality activities, granting financial aid or donations and other forms of benefits from those doing business with the company, for themselves or their families.
2. The implementation of the Anti-Corruption Policy covers Nation Group's employees, customers and all groups of stakeholders, both in Thailand and abroad, and specifies that evaluation of the risk of corruption in the organization is undertaken annually. The Policy is reviewed at least once a year in order to accord with business changes, rules, regulations, and laws.
3. Operations relating to the Anti-Corruption Policy must be in line with the guidelines stated in the Nation Group's Corporate Governance Policy and ethical guidelines, related regulations and operation manual, as well as additional guidelines that will be further stipulated by the company.
4. To focus attention on processes which incur a high risk of corruption, Nation Group's directors, management and employees at all levels must conform carefully in the following courses of action:

#### 4.1 Entertainment and hospitality, gifts

Offering gifts or entertainment and hospitality activities must be in compliance with Nation Group's ethical guidelines and Code of Conduct.

#### 4.2 Charitable contributions or aid

Granting contributions or receiving aid must be transparent and in compliance with stipulated laws by confirming that such transactions shall not be claimed as an act of bribery.

#### 4.3 Business relations and procurement process

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

### • Roles and responsibilities

1. The Board of Directors is responsible for determining policy, monitoring, and forming an effective system supporting Anti-Corruption activities in order to affirm that the Management Team is seriously concerned with, emphasizes, and cultivates an Anti-Corruption mindset as part of the company's culture.

2. The Audit Committee is responsible for revision of financial and accounting reports, internal control, internal audit, and risk management to ensure such operations are concise, appropriate, effective, and in conformity with global standards.

3. Chief Executive Officer and the Management are responsible for determining the Anti-Corruption system, promoting, and encouraging an Anti-Corruption culture. This also includes revision of the system or regulations in order to best suit business changes, rules, regulations and laws.

4. The Internal Audit Director is responsible for auditing, assessment, and evaluations in business transactions to ensure that they are accurate and in compliance with policies, guidelines, operating authority, regulations and laws, as well as that the internal controls are sufficient and suitable for probable risk in corruption. This shall be directly reported to the Audit Committee.

### • Anti-corruption guidelines

1. Nation Group's Board of Directors, the Management Team and staff at all levels must follow the company's Anti-Corruption Policy and Code of Conduct by avoiding involvement in any course of corruption, either directly or indirectly.

2. The Board of Directors provides an assessment of the risks of corruption. The Board of Executive Directors and managers of various departments identify common risk factors for corruption, the impacts and opportunities that may arise, measures required to minimize the risks and provide a monitoring process, review of operations and report the results to the Audit Committee and Board of Directors.

3. Nation Group's staff shall not be negligent in any corruption conditions involved directly with the company. All staff must notify such acts to supervisors or responsible persons, and collaborate in any investigation. Any queries or questions are needed to be consulted by the supervisor or a responsible person who monitors the compliance of ethical guidelines provided in particular channels.

4. The company shall provide fairness and safeguard staff who deny involvement in or inform of corruption cases relating to the company by applying Protection Policy for appellants or persons who provide Anti-Corruption information as stated in the ethical guidelines number 4 - Complaints and Comments Submissions.

5. A person who commits an act of corruption is considered to be in misconduct according to the Nation Group's ethical guidelines. This means such person will be subject to disciplinary action. Convictions may be applied in cases that violate the law.

6. The company realizes the importance of dissemination, knowledge sharing, and communications with other people who are involved in or affect the company so that those parties shall conform to Anti-Corruption guidelines.

7. The company strives to develop personnel with public consciousness, create good citizens for society and country, and sustain an organizational culture that rejects corruption as unacceptable in every type of business transaction when dealing with both public and private sectors.

## • Dissemination of the Anti-Corruption Policy

Nation Group disseminates its Anti-Corruption Policy to its staff and stakeholders through the Internet, e-mail and the [www.nationgroup.com](http://www.nationgroup.com) website.

## Policy to prevent intellectual property violation

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

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

## Ethical responsibilities

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

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

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

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

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

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

- **Ethics on responsibilities to shareholders**

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

- **Ethics on relations to customers**

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

Emphasizing customer satisfaction, the company consistently organizes a series of activities to relate with each customer segment, such as printed media subscribers which account for a large segment of the company's total customers. The company places importance on customers' opinions of group products. Questionnaires are sent to survey customer opinions in terms of content and format. Invitations are made for customers to participate in various activities such as academic seminars, booth fairs, lucky draws and other events such as the Kom Chad Luek awards, A Touch of Love photo contest, Kom Chad Luek Thais Cheer the Athletes at the Rio Olympics, the 3 On 3 Basketball Tournament, etc.

- **Ethics on responsibilities to employees**

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

In terms of employee welfare, the company has paid great attention to labour welfare, implementing appropriate wages and a welfare system based on the employees' competitiveness in the labour market, growth prospect of career paths, capability and living costs. In addition to wages, employees are entitled to welfare covering leave, provident fund, child allowances, emergency loans, uniform and health expenses, allowances and travel costs. The company has determined labour and human rights practices to be in accordance with international practices and standards on labour and human rights, as well as facilitated the establishment of an employees' labour committee and union. The company also provides employees with opportunities to express opinions and lodge complaints on different matters to the company. In terms of long-term returns, the company offered employees an opportunity to purchase ordinary shares of Employee Stock Options (ESOP), which were allocated for its directors, management and/or employees and/or its subsidiaries at the company's second offering (NMG-WB) on August 15, 2013, with a total of 82,387,015 units. Warrant holders can exercise their rights to purchase ordinary shares every 15th November and 15th May for a period of five years. They can exercise their rights for the first time on November 15, 2013 and for the last time on August 14, 2018 at one warrant per one new

ordinary share and one baht per share. The company has recorded compensation amounts paid to retired employees every year since 2011. Furthermore, the company has emphasized prevention of accidents and announced measures to provide assistance to employees in the event of accidents, by offering employees at all levels life insurance and health care services consistently, as follows:

1. Provide life insurance (accident and life group insurance for employees at all levels)
2. Provide annual medical check-up (conducted by doctors and nurses from hospitals)
3. Provide monetary assistance to employees receiving treatment at hospitals
4. Provide monetary assistance in the event of the death of employees' parents, spouses, children or the employees themselves.

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

In terms of human resources development, the company has concentrated on upgrading employee capability at all levels by organizing internal training courses such as a Code of Conduct course, and external training courses with other institutes or agencies, enabling them to use the acquired knowledge to improve working efficiency. The company has organized training courses in conformity with the Skill Development Promotion Act B.E.2002, stipulating that any company with over 100 employees must organize training courses for employees in the ratio of 50% of the total number of its employees, and apply for training courses certification to the Department of Skill Development. The company strictly follows the Act when it comes to holding training courses for its employees.

In 2016, the company held training courses for 65 percent of its total employee number of 528, with external training with other institutes or agencies accounting for 1 percent and in-house training representing 99 percent.

#### **Respect for human rights**

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

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

#### **• Ethics on relations with trade partners**

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

1. Directors, executives and employees of the company shall not receive, claim or accept offers for benefits that are not in accordance with standard trade practices.
2. Act in strict compliance with the law and regulations.
3. Evaluate and select trade partners using standardized criteria.
4. Strictly follow the conditions concerning trade partners. In the event that the company is unable to follow such conditions, the partner should be informed in advance in order to consider appropriate solutions.
5. Provide accurate and correct information.
6. Support and cooperate with trade partners in the production of high-quality standardized products.

7. Support and cooperate with trade partners in the production of new products and services in order to answer changing customer preferences.
8. Safeguard the confidentiality of trade partners and do not use information for self benefit or the benefit of other parties.

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

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

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

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

#### • **Ethics on relations with trade competitors**

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

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

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

#### • **Ethics on relations with creditors**

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

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

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

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

#### • **Ethics on social responsibility and environment**

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

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

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

### **Complaints and suggestions**

The company encourages its management and employees to conduct business with integrity, transparency, fairness and accountability in accordance with good corporate governance and the company's code of business ethics. As part of this policy, the company provides channels for comments, complaints and suggestions from the company's employees and all groups of stakeholders. Complaints and suggestions concerning various issues can be made to the Audit Committee or the company's Internal Control Department via E-mail [audit\\_nmg@nationgroup.com](mailto:audit_nmg@nationgroup.com) or by mail to the company at Nation Multimedia Group Public Company Limited 1858/121-122, 28<sup>th</sup> Floor, Bangna-Trad Road, Bangna, Bangkok 10260.

### **Operation procedures after receiving complaints**

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

### **Information disclosure and transparency policies**

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

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

The company recognizes the importance of preserving confidential data and/or internal information, and the company has issued a 'corporate supervision policy', which prohibits anyone in the company's management or internal agencies who have access to any inside information from disclosing such information to outside parties or non-related persons, except in the case that the disclosure

was meant to benefit the company's operations. They shall be barred from buying, selling, transferring, or accepting the company's securities by using the company's confidential data and/or inside information in a manner to cause harm to the company either directly or indirectly.

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

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

**The company has disclosed the following information at [www.nationgroup.com](http://www.nationgroup.com)**

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

## • Investor Relations Section

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

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

**The Investor Relations Section can be contacted at:**

Address: 1858/121-122, 124-128 Interlink Tower, 28-31 Fl.,  
Bangna-Trad Road, Bangna, Bangkok 10260

Tel: 02-338-3289-90

Email: [investor@nationgroup.com](mailto:investor@nationgroup.com)

Website: <http://www.nationgroup.com>

## Company Secretary Department

The company recognizes the significance of working in compliance with the regulations required by the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant laws in an accurate, complete and transparent manner, which passes through sequential consideration and inspection. The Board of Directors appointed Ms. Mathaya Osathanond as the Company Secretary on February 15, 2013. The Company Secretary assists the Chairman in ensuring the Board of Directors, sub-committees and all directors of the company work in accordance with their roles and duties and in compliance with relevant laws, regulations and rules. The Secretary prepares sufficient necessary documentation and agenda for meetings for the consideration and decisions of the Board, carefully and accurately records the minutes of meetings showing that the Board has considered agenda items carefully, completely, honestly and responsibly using judgment and with consideration of the business environment and what other businesses might be expected to do in a similar situation. The Secretary is responsible for keeping the register of directors, notice of meetings, minutes of the Board of Directors and Shareholders Meetings, reports of conflicts of interest, reports of share holdings of directors and executives, and to ensure that coordination of activities between the Board of Directors and the management proceeds in line with the Board's resolutions. The Company Secretary has discharged her duties fully and thoroughly.

## • Responsibilities of the Board of Directors

### Roles, duties and responsibilities of the Board of Directors

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

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

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

#### **Roles, duties and responsibilities of the Chairman**

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

#### **Counterbalance of non-executive directors**

In 2016, the Board of Directors consists of nine members, three of them are independent directors, and another five are executive directors of the company and its subsidiaries and one non-executive director. Independent directors and non-executive directors must account for more than one third of the board to ensure an effective check and balance system in management.

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

#### **Appointment of the Board of Directors**

According to the company's requirement, one third of the directors shall vacate their offices when their tenures end every year. The company can re-appoint directors whose tenure ends to the same positions again for another term. The company does not set requirements on the term limit according to the requirement of the Securities and Exchange Commission. The company has set a policy stipulating that its directors must not hold the status of director in more than five other listed companies on the Stock Exchange of Thailand concurrently. The company's directors shall not be directors in competing companies or have conflicts of interest with the company's business. In the case that the directors hold positions in other companies, those company names, types of business and positions of the directors shall be disclosed in the director profile. In 2015, none of the company's directors or executives held positions as directors in more than five listed companies.

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

#### **Compliance units**

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

#### **Sub-committees**

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

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

#### **Conflicts of interest**

The company acknowledges the importance of the potential for conflicts of interest. Therefore, the company has announced its conflicts of interest policy which prevents the company's directors, management and employees operating any business which can

come into competition with the company, as well as getting involved in a transaction that is likely to lead to a conflict of interest with the company. If it is necessary to do so, the Board of Directors will ensure that the transaction will be transparent and fair. The consideration will be thorough as if the transaction was executed with a third party, whereby the directors, the management or the employees involved shall not be allowed to take part in the approval process. Furthermore, the Stock Exchange of Thailand's regulations shall be strictly observed. Related transactions between the company and its subsidiaries, or associated companies in 2016 were presented before the Audit Committee and the Board of Directors in February 2017 and the company has disclosed with details and necessities/reasons in the Annual Disclosure Report (56-1 form).

### **The Board of Directors' Meeting**

Board of Directors' Meetings are scheduled in advance with a minimum of once a quarter and special meetings are held as required. Agenda are clearly announced prior to the meetings with routine agenda to follow up on the operational results. The Company Secretary is responsible for sending invitation letters informing approved agenda by the Chairman and the Chief Executive Officer together with related documents to all directors seven days in advance. This is to allow time for the directors to review the information prior to the meeting. Should any director wish to propose additional agenda or require the management to update the progress on any particular issue, he or she can inform their intention to the Chairman of the board or the Company Secretary.

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

### **Evaluation of the Board of Directors' performance**

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

In 2016, since eight directors were appointed on November 7, 2016 according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2016, evaluation of the Board of Directors and the Audit Committee was not undertaken.

### **Directors' remuneration**

The company sets a clear and transparent policy regarding remunerations of directors. Set at competitive rates for this industrial sector, remunerations are high enough to attract directors who have the required qualifications. Directors tasked with more responsibility and duties shall have appropriate levels of remunerations in line with their newly-assigned duties and responsibilities.

The company's guidelines for the remunerations of the Chief Executive Officer are in accordance with the terms and policies stipulated by the Board of Directors. The remunerations are based on the company's and individual's performance. The Board of Directors assigned the Executive Board to consider appropriate levels of remuneration to the Chief Executive Officer.

In 2016 and 2015, remunerations for directors are as follows:

Name/Position	Annual Remuneration 2015 / Person	Annual Remuneration 2016 / Person
Chairman:	400,000	400,000
Chairman of the Audit Committee:	400,000	400,000
Audit Committee:	300,000	300,000
Non Executive Director:	200,000	200,000
Executive Directors:	200,000	200,000

**Remark:** The directors' remuneration will be based on 2016 annual remuneration approved by the Annual General Meeting of Shareholders for the year 2016 of the Company on April 27, 2016. Remunerations are paid quarterly.

### Director and management development plan

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

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

Name	Position	Training courses in 2016
Ms.Pichitra Mahaphon	Independent Director and Chairman of the Audit Committee	1. Anti-Corruption the Practical Guide (ACPO) 2016 2. "New Auditor's Report: What's in it for you ?" No. 54, 2016 3. Audit Committee Forum Stay on course: Impairment of assets. No. 55, 2016
Ms.Narawadee Vanichvatana	Independent Director and Audit Committee member	1. Audit Committee Forum Stay on course: Impairment of assets. No. 55, 2016 2. Audit Training Course, 2014
Mr.Supoth Piansiri	Director and Executive Director	1. TFRS9, TAS32, TFRS7, TFRIC16 and TFRIC19 courses, 2/2016 2. Cash Flow Course (practical Program) 3. Intermediate Accounting Standard No. 12 (TAS), Income Tax (revised 2014)

### **Succession plans**

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

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

#### **1. Chief Executive Officer**

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

#### **2. Vice President**

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

1. Analyze the company's business operations in terms of strategies, policies and plans, as well as business expansion plans.
2. Evaluate readiness of the workforce to be in line with the company's business strategies both in the short and long term.
3. Formulate a plan to build workforce readiness by developing staff or recruiting new staff in replacement of those resigning.
4. Create a staff recruitment and training development plan in advance, prior to staff's retirement or resignation.
5. Determine qualifications covering desirable knowledge, skills, personalities and attitudes for each work position and create individual development plans.
6. Evaluate employee performance and capability to consider their suitability for the position.
7. Use KPIs in tests and evaluations to measure employee performance and capability.

### **Sub-committees**

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

#### **(1) Audit Committee**

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

As of December 31, 2016, the Audit Committee comprised three members, as follows:

Order	Name	Position	Qualifications
1	Ms.Pichitra Mahaphon	Audit Committee Chairman	Independent Director with finance and accounting background
2	Ms.Narawadee anichvatana	Audit Committee Member	Independent Director with finance and accounting background
3	Mr.Suphaphong Sukhasapha	Audit Committee Member	Independent Director with finance and accounting background

### Roles, duties and responsibilities of the Audit Committee

1. Review the company's financial reporting (quarterly and annually) to ensure accuracy and adequate disclosure regarding the company prior to presenting to the Board of Directors.

2. Review the system of internal control and internal audit to ensure they are appropriate, adequate and effective and consider the independence of the internal audit unit. Also consider and approve the appointment, transfer or dismissal of the head of the internal audit unit or any other unit responsible for the internal audit.

3. Review the company's system of risk assessment and management to ensure that is appropriate, adequate and effective.

4. Review the company's compliance with securities laws, the regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other laws relating to the company's business.

5. Consider the appointment of independent personnel as internal auditors of the company, set remuneration rates and liaise with auditors concerning the objectives, scope, directions and working plan of the audit as well as the scope of problems encountered during the inspection and any important issues raised by the auditor. Participate in meetings with the auditor but in the absence of management personnel at least once annually.

6. Consider any transactions that may have conflicts of interest to ensure accuracy and completeness in accordance with the laws and regulations of the Stock Exchange of Thailand and ensure correct and complete disclosure of such transactions. This is to ensure that such transactions are reasonable and bring optimal benefit to the company.

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

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

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

## **2. Board of Executive Directors**

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

As of December 31, 2016, the Executive Board comprised 3 executive directors, as follows:

Order	Name	Position
1.	Mr.Thepchai Sae Yong	Chairman Executive Office
2.	Mr.Supoth Piansiri	Executive Director
3.	Mr.Sirichai Chananam	Executive Director

## **Roles, duties and responsibilities of the Board of Executive Directors**

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

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

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

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

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

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

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

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

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

## **Nomination and appointment of directors and senior executives**

### **(1) Independent directors**

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

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

### **Qualifications of independent directors**

1. Hold no more than 1 percent of the total number of shares with voting rights of the company, holding company, its subsidiaries or affiliated companies, or of the major shareholders or those with authority to regulate the company, and inclusive of shares held by related parties of the independent director under Section 258 of the Securities and Exchange Act.
2. Have no and have never had any participation in the management of the company, as an employee or an advisor receiving regular compensation or as a person with control or influence over the company, holding company, its subsidiaries or affiliates, or of the company's major shareholders or those with authority over the company, including personnel who may have conflicts of interest, for a period of at least two years prior to appointment in the position. Such prohibitions do not apply to independent directors who have served as civil servants or advisors to the government, which is the majority shareholder or which has authority or control over the company.
3. Have no and have never had any commercial or business relationship, business conflict of interest or financial or other benefits in management, either directly or indirectly, with the company, holding company, subsidiaries, affiliates, major shareholders or those with authority over the company in a way that may compromise their independent judgment, and which are not nor have ever been significant shareholders or persons with authority or control of the business of the company, its subsidiaries, affiliates or major shareholders, or those persons with authority or control of the business of the company, for a period of at least two years prior to appointment in the position.
4. Has no relationship by family descent or by legal registration as parent, spouse, brother, sister or child, including the spouses of children of executives, major shareholders or controlling parties, or persons in the process of nomination for management positions or other controlling parties of the company or its shareholders.

5. Must not represent openly or covertly directors, major shareholders or other shareholders who are related in any way to major individual shareholders or groups of shareholders of the company.
6. Must act and exercise independence with judgment and without being influenced by the directors, management or major shareholders of the company, including related parties and relatives.
7. Is not and has never been auditor for the company, its holding company, subsidiaries, affiliates, or of the company's major shareholders or those with authority over the company, and is not a major shareholder, controlling party or partner of an auditing firm of the company, its holding company, subsidiaries, affiliates, or of the company's major shareholders or those with authority over the company, for a period of at least two years prior to appointment in the position.
8. Must not and must never have provided professional services, including legal consultancy services, financial consultant or property appraiser with service charges in excess of Bt2 million per year from the company, holding company, subsidiaries, affiliates major shareholders or those with authority over the company, and is not the major shareholder, controlling party or partner of the aforementioned service providers for a period of at least two years prior to appointment in the position.
9. Does not operate in a similar type of business or in competition with the business of the company or its subsidiaries, is not a significant partner of any partnership, executive director, employee, staff member or advisor who receives a regular salary or holds shares amounting to more than 1 percent of total shares with voting rights in other companies involved in similar businesses or in competition with the company of the applicant or its subsidiaries.
10. Independent directors should not have any other characteristics that would preclude them from the exercise of their independent opinion on matters concerning the company and its operations.

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

## **(2) Nomination of directors and top management**

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

## **Nomination of Directors**

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

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

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

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

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

### **Nomination of Senior Executives**

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

### **Control of cross-transactions between the company and subsidiaries**

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

In 2016, the company and its subsidiaries undertook cross-transactions with other related parties under market-price conditions. Other cross-transactions, considered for appropriateness and transaction value by the Audit Committee, can be viewed in the accompanying notes to the financial statements.

### **Control of inside information Prevention of insider information**

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

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

### Information disclosure

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

1. Directors and executives must report any conflicts of interest of their own or of other related parties at least once annually. The company's secretary is responsible for collecting information relating to conflicts of interest of directors, executives and related parties ready for disclosure to the Board of Directors should they require it for consideration of transactions between companies, with directors and/or executives or involved parties who have conflicts of interest. The company secretary will report the interests of directors and executive management for acknowledgement of the company's Board of Directors in the meeting of the Board of Directors at the end of the year.

2. Directors and executives must report any changes in conflicts of interest of their own or of other related parties to the company secretary to report to the Board of Directors within 7 days of the change. In 2016, information was reported on one occasion without any conflicts of interest.

### Report on shareholding

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

In 2016, the company required the Board of Directors and executives to report their shareholdings in the Meeting of the Board of Directors on February 24, 2017.

During the year 2016, the company reported increases (decreases) in the shareholdings of its directors and management between December 30, 2016 and January 13, 2017, as follows:

Name	No. of Shares			Shareholding proportion of NMG shares as of Dec 30, 2016 (%)
	As of Dec 30, 2016	As of Jan 13, 2017	Increase (Decrease) in the No. of Shares	
1. Mr.Thepchai Sae Yong	10,000,000	10,000,000	-	0.25
2. Ms.Pichitra Mahaphon	-	-	-	-
3. Ms.Narawadee Vanichvatana	-	-	-	-
4. Mr.Suphaphong Sukhasapha	-	-	-	-
5. Mr.Vithoon Pungprasert	-	-	-	-
6. Mr.Supoth Piansiri	150,000	150,000	-	0.02
7. Ms.Nutvara Seangwarin	650,000	650,000	-	0.01
8. Mr.SiriChai Chananam	4,900	4,900	-	-
9. Mr.Supawat Sa-Nguan-Ngam	-	-	-	-

**Note:** 1. Paid-up shares of NMG as of December 31, 2016 total 4,067,639,262 shares.  
2. Directors' shareholdings are inclusive of shares held by spouses (if any).

## Auditor's remuneration

### (1) Audit fee

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

### (2) Non-audit fees

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

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

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

## Other Aspects of Good Corporate Governance

### Meeting Attendance

In 2016, attendance at the Board of Directors Meetings, Audit Committee Meetings and Shareholders' Meetings was as follows:

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

Order	Directors	Meeting Attendance / No. of Meeting	
		Directors' Meeting	Audit Committee Meeting
1	Mr.Thepchai Sae Yong (appointed November 7, 2016)	3/3	N/A
2	Ms.Pichitra Mahaphon (appointed April 27, 2016)	8/9	3/3
3	Ms.Narawadee Vanichvatana (appointed November 7, 2016)	3/3	1/1
4	Mr.Suphaphong Sukhasapha (appointed November 7, 2016)	3/3	1/1
5	Mr.Vithoon Pungprasert (appointed November 7, 2016)	3/3	N/A
6	Mr.Supoth Piansiri (appointed November 7, 2016)	3/3	N/A
7	Ms.Nutwara Saengwarin (appointed November 7, 2016)	3/3	N/A
8	Mr.Sirichai Chananam (appointed November 7, 2016)	3/3	N/A
9	Mr.Supawat Sa-ngung-ngam (appointed November 7, 2016)	3/3	N/A

**Note:** (1) 10 Board of Directors meetings were held in 2016 and 4 Audit Committee meetings. Most directors, as stated in this report, were appointed to replace directors who had resigned or who had been notified by the SEC to vacate their positions. The Extraordinary General Meeting of Shareholders No. 1/2559 on November 7, 2016 resolved to appoint 8 directors, Nos. 1 and 3-9, who began attending board of directors meetings from the date of their appointment. These directors therefore did not attend the 2016 Annual General Meeting of Shareholders on April 27, 2016 nor the Extraordinary General Meeting of Shareholders No. 1/2559 on November 7, 2016 as directors of the company.

### **Internal control and risk management**

The company's Board of Directors places importance on the maintenance of an internal control system, establishing a system that covers finance and operations in accordance with related laws, rules and regulations with effective checks and balances to protect and safeguard the company's assets. The Internal Audit Department monitors the performance of every unit to ensure operations are conducted correctly and according to the regulations. The Audit Committee also oversees and directs the company's internal control system to comply with policies and plans as assigned by the Board of Directors and in accordance with the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission.

### **Audit Committee's review of the internal audit**

In 2016 the Board of Directors received the Audit Committee's review of the financial statements and financial report, including the results of the internal audit. The Board of Directors was of the opinion that overall the company's internal control system was satisfactory with confidence in the credibility of the financial statements. The company appropriately safeguarded assets to prevent any illicit use by management or employees, operated in line with specified procedures, and maintained a cautious, adequate, and appropriate internal control systems in five respects - organization and environment, risk management, management control, information and communication and monitoring system. Each sector can be summarized as follows:

#### **1. Organization and environment**

The company has set clear and assessable business goals, with periodic reviews of the feasibility of the goals. The company offers employees reasonable remuneration in line with their annual performance results. The company's organization structure is clearly divided into separate business units, with ethical guidelines and a Code of Conduct for management and employees to follow, ensuring they perform honestly and ethically, and deliver standardized work. The ethical guidelines and Code of Conduct also encompass care of stakeholders and compliance with related laws. All managers and employees are required to strictly follow the company's ethical guidelines and Code of Conduct.

#### **2. Risk management**

The company assesses risk in various areas to ascertain possible impacts on operations. Meetings of the executive committee, including the Chief Executive Officer, Senior Vice Presidents and heads of related departments, are held to evaluate risks and the possible consequences that may arise from risks. The meetings cover operational planning as well as implementation and monitoring of operations.

#### **3. Management control**

The company has put in place policies and procedures covering various areas including financial transactions, purchasing, hiring and general administration, setting of authority and duties, approval limits for management at each level clearly specified and available in writing, segregation of duties concerning accounting records and information, and safeguarding of the company's assets. In the event that the company approves transactions with major shareholders, directors, executives or other related parties, the company will take into account the best interests of the company as priority and consider such transactions in the same way as those made with external parties.

#### **4. Information system and data communications**

The company has established an information system and communication channels for use within the organization and externally, to enable all concerned parties to access information that is accurate, complete and timely, as well as information that is important in decision making.

## 5. Monitoring system

The company has put in place a monitoring system to ensure that compliance with the internal control system is maintained continuously. The Internal Audit Department is responsible for monitoring the performance of employees in the various segments of the company and reporting the results to the Board of Directors and executives. Any significant problems encountered must be reported for consideration prior to implementing appropriate solutions within a reasonable time period.

### Head of the internal audit

Ms.Kanchana Rittirongkachon, Assistant Internal Audit Vice President, serves as head of the company's internal audit. The Board of Directors feels that the head of the internal audit has the necessary qualifications to perform effectively as she possesses knowledge, ability and experience in the auditing field together with a clear understanding of the activities and operations of the company. In the event of the appointment, removal or transfer of the head of the internal audit, approval must be granted by the Audit Committee.



# Social and environmental activities in 2016



As Thailand's fully-integrated and leading media operator, Nation Group has realized its important roles and missions in providing news and information that can influence society, both in positive and negative ways. To create a better and more sustainable society in Thailand as well as preserve national culture, Nation Group, as part of its Good Corporate Governance and Corporate Social Responsibility policies, has organized numerous CSR activities, many in collaboration with external agencies. Nation Group and its subsidiaries' outstanding CSR activities for 2016 are outlined as follows:

## 1. TanKhunPaenDin Project

The "TanKhunPaenDin" 2016 Project plays a part in encouraging Thai people to undertake good deeds for society. As an organization established and matured in Thailand, with a commitment to perform its media duties with honesty for over 40 years, Nation Group is one subject of His Majesty the King. Fully recognizing His Majesty the King's kindness extended to all Thai people, Nation Group has adopted His Majesty's guidance, focusing on encouraging his subjects to perform honorable deeds. Nation Group, through Kom Chad Luek newspaper, has therefore initiated the "TanKhunPaenDin" project to praise and honour individuals who have made significant social contributions.

### Objectives

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

### Qualifications of "TanKhunPaenDin People"

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



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



The TanKhunPaenDin Project continues to work towards a better society, presenting the stories of TanKhunPaenDin prize winners from previous years on the TanKhunPaenDin program of digital television channel NOW 26. This year, the TanKhunPaenDin program, which is in its 10th year, has published the “TanKhunPaenDin Network scoops, depicting the life and inspirational stories of past TanKhunPaenDin winners, and also introduced those who have been nominated for the 2016 TanKhunPaenDin Awards, in order to attract wider public interest, set good role models for Thais and inspire them to do good deeds. In the period from 2007 to 2015, 512 people have won TanKhunPaenDin awards.

The “TanKhunPaenDin” prize presentation ceremony was organized on Thursday November 10, 2016 at the Queen Sirikit National Convention Center under the theme “ 77 Good Role Models Towards 65 million Decent Thais” with prizewinners from all four regions of the country.

**The 77 TanKhunPaenDin prize winners included:**

TanKhunPaenDin Northern Region - 15 winners

TanKhunPaenDin Northeastern Region - 20 winners

TanKhunPaenDin Central and Eastern Region - 28 winners

TanKhunPaenDin Southern Region - 14 winners



**The 4 New Generation TanKhunPaenDin prize winners included:**

New Generation TanKhunPaenDin Northern Region - 1 winner

New Generation TanKhunPaenDin Northeastern Region - 1 winner

New Generation TanKhunPaenDin Central and Eastern Region - 1 winner

New Generation TanKhunPaenDin Southern Region - 1 winner



**10 Thai Textile Producers Inspired by HM the Queen:**

10 prize winners

## 2. Round-table Seminar “Human Resources Development”

Nation Multimedia Group Public Company Limited joined hands with the Embassy of Japan in Thailand and the Japan International Cooperation Agency (JICA) to organize a round-table discussion on “Human Resource Development Initiatives of Thailand-Japan” or the 2nd Round Table Conference on Human Resources Development on June 20, 2016 at The Westin Grande Sukhumvit, Bangkok. Mr. Suthichai Yoon, Editorial Advisor of Nation Group, acted as moderator for the event.





### 3. Seminar : 10 Special Economic Zones of Interest in the AEC

Nation Broadcasting Corporation Public Company Limited organized this seminar series to examine in depth the new regional economic zones with speakers drawn from the public and private sectors. The first seminar in the series was held on February 11, 2016 in Bangkok with guest speaker Mr. Somkid Jatusripitak, Deputy Prime Minister as well as the Ministers of Commerce, Industry and Transport.



Seminars were subsequently held at the 10 Special Economic Zones throughout 2016, including Tak on March 11, Srakaew on March 25, Mukdahan on May 13, Songkhla on May 27, Nakhon Phanom on June 10, Trat on June 24, Chiang Rai on July 15, Nong Khai on July 29, Kanchanaburi on August 19, and Narathiwat on September 2.



### 4. Seminar: “100 CEOs Survey”

Ms. Duangkamol Chotana, Chief Executive Ofcer of Nation Group, and Uraiporn Chonsirirungsakul, Chief Executive Ofcer of Mirum Thailand Co., Ltd., jointly held a press conference announcing the opinions of 100 chief executives on various topics of interest including the impacts of digital technologies. The event was held at the NOW@Siam Studio, Siam Square.



## 5. “Sustainable Development Challenges in Asia” Conference

Mr. Suthichai Yoon, Adviser to the Nation Multimedia Group, acted as moderator for the “Sustainable Development Challenges in Asia” conference on June 8, 2016. The conference was held by the Institute of Asian Studies, in collaboration with the Thailand Sustainable Development Foundation, Thailand Convention and Exhibition Bureau, CH. Karnchang PLC. and the Royal Initiatives Discovery Institute in honour of the 70th anniversary of His Majesty the late King’s accession to the throne. The international conference served as a forum to publicize His Majesty King Bhumibol’s initiatives on sustainable development.



## 6. Model Graduates

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

### Objectives

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



### Project format

The project encourages youth to exercise their creativity in finding solutions to pressing social problems. Ten teams of undergraduates were chosen to represent their institutions by presenting project proposals to a judging panel. As the year 2016 marked the special occasion of Her Majesty Queen Sirikit’s 84<sup>th</sup> birthday anniversary, the project was held under the “Successful Thai handicrafts in honour of Her Majesty Queen Sirikit’s 84th birthday anniversary.”

Nation Group, the Pidthong Foundation and the Rakkaew Foundation met with Professor Dr.Prasart Suebka, President of the Council of University Presidents of Thailand (CUPT), to hold the 2<sup>nd</sup> Model Graduate reality show to enable youth to demonstrate their volunteer spirit and creativity in doing good deeds and to inspire the public and young people nationwide to work together for the better good.



## 7. NOW26 Sufficiency Fair

NOW26 TV and Krungthep Turakij newspaper joined hands with several government and private agencies, foundations, as well as communities nationwide to hold the “NOW26 Sufficiency Fair” from December 9-11, 2016 at NOW@Siam Studio, Soi Siam Square 7. The fair featured the “New Year’s gifts from communities” theme in commemoration of His Majesty King Bhumibol Adulyadej, and to follow His Majesty’s commitments in creating new occupations, as well as generating sustainable income for farmers and community residents across Thailand through his royal projects.



## 8. Help for Southern Flood Victims

The Nation Group, consisting of Krungthep Turakij newspaper, The Nation newspaper, Kom Chad Luek newspaper, NOW26 TV and Nation TV, urged Thais to donate food, medicine, other necessities or cash to help southern people affected by severe flooding. Donations could be made at Now 26’s studio on Soi Siam Square 7 or at the ground floor of Nation University, Bangna campus.

The Nation Group managed to quickly distribute the donated items to the victims in severely-affected areas in Prachuap Khiri Khan, Nakhon Si Thammarat and Surat Thani provinces through strong cooperation with its network of alliances. The network included the assistance center for flood victims in the South, Walailak University, the Royal Thai Army, ArsaDusit Volunteer Team, Jit Arsa Chao Tai Federation, TV Burabha Foundation, Thammasat Association in Nakhon Si Thammarat, in association with Saha Thai Foundation, OK Nation Group and ISOC’s Off-Road Thai Jai Rak Paen Din Club. The donated items were transported using the Nation Group’s fleet of delivery trucks, or Nok Air and the State Railway of Thailand, who supported the delivery operations free of charge.



## 9. Nation Bike@ Surat Thani

The Nation Group launched the Nation Bike@Surat Thani campaign under the “100 years, 100 people, 100 sub-districts” theme. The campaign received enthusiastic responses from over 2,500 cyclists from Surat Thani and the nearby provinces, which hit a record high. It saw the participants cycling along a 30-km bike route, which passed many important landmarks in the city. The event also promoted reforestation activities on the route.



# Awards for Nation Group companies in 2016

## Nation Multimedia Group Public Company Limited (NMG)

NMG has won three awards in the Sports News Photography competition 2016 on June 12, 2016 as follows:

1. Second Runner-Up Award in the Spirit of Sports category .

Title: "Rak Tae" By: Ms. Chalinee Thirasupa

2. Merit Award in the News Photography category .

Title: "Tum Sud Tua" By: Ms. Chalinee Thirasupa

3. Merit Award in the News Photography category .

Title: "On Choi" By: Mr. Wanchai Kraisorakajit



## Nation Broadcasting Corporation Public Company Limited (NBC)

NBC won four awards in the 19<sup>th</sup> Saengchai Sunthornwat Awards. Mr. Thepchai Yong, Nation Group Editor in Chief, together with Nation TV executives, received the awards on May 25, 2016, as follows:

1. Winner of news documentary in the TV Programs category

Title: "Paen Din Thong Kham Kong Krai" . From the Rak Loke program, broadcast on Nation 22 digital TV channel

2. Merit Award for news documentary in the TV Programs category

Title: Cheevit Tam Klang Sam Pon Puen" . From the Jud Chanuan Khao program, broadcast on Nation 22 digital TV channel

3. Merit Award for live news reporting category. From the third public hearing forum on the construction of the coal-fired power plant at Thepa district, Songkhla province.

4. Award from the Investors Choice Award 2016, held for the third time by the Thai Investors Association. NBC has scored a maximum of 100 points five years in a row and is the only mai-listed company to achieve such a score.





## Bangkok Business Broadcasting Co., Ltd.

NOW26 won the best media award for human rights advocates.

Mr. Pakorn Peungnet, political-crime news editor of NOW26 digital TV channel, represented the channel to receive the award for its news presentation which reflected human rights problems covered by the 'Truth Hunting' Team, on Human Rights Day 2016.



## Nation International Edutainment Plc.

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

- On March 29, 2016 the company received a plaque of honor from the Publishers and Bookseller Association of Thailand (PUBAT) as a sponsor of the 44<sup>th</sup> National Book Fair and 14<sup>th</sup> International Book Fair.

- On October 13, 2016 the Company received a plaque of honor from the Publishers and Bookseller Association of Thailand (PUBAT) as a sponsor of the 14<sup>th</sup> International Book Fair, which promotes reading-habit among Thai people extensively and creates a sustainable knowledge society as a crucial basis for national development.



## Nation U Co., Ltd. (Nation University)



- Accountancy students from Nation University's Business Administration Faculty, won the "Accountancy Skills Competition for the academic year 2015" at bachelor's degree level. The competition was held by the Faculty of Management Sciences' accountancy department, Lampang Rajabhat University, on February 29, 2016. Nine universities in the North took part in the competition.

2. Students from Nation University's Lampang Campus were among the top 10 at Pun Fun the Bandit Contest, held at NOW@Siam Studio on June 5, 2016.



3. Mr.Tanpisit Lertbumrungchai, Nation TV 22's environment news reporter, who is the first batch graduate of Nation University's Faculty of Communication Arts, Bangna Campus, and finished with a bachelor's degree in early 2015 before joining Nation TV, won the 19<sup>th</sup> Saengchai Sunthornwat Awards on May 25, 2016 and the best investigative news award on June 18, 2016.



4. Four teams of students from both Bangna and Lampang campuses of Nation University were among 10 finalist teams out of 208 teams nationwide in the CSR Tollway Contest. They showcased their video clips under the "You Start Social Strong" banner at NOW@Siam Studio and all of them won Merit Awards.



5. Mr.Disorn Sungong, a second-year student from the Faculty of Communication Arts, Nation University, Bangna Campus, won a Merit Award for his 15 photos (out of over 600 entries) in OLYMPUS's "Every Picture Tells A Story" contest, which was co-sponsored by the Thai-edition of National Geographic magazine, on October 28, 2016.





6. Students from the Business Administration Faculty joined the university-level business innovation contest 2016 on October 28, 2016 and won the third runner-up prize.



7. Students from Nation University's Faculty of Communication Arts under the "Kapook Creator" team received first prize, a trophy, together with a scholarship of 50,000 baht and a certificate for their short video production, entitled "Foreigner Eye", with guidance from Ajarn Chinakrit Udomlarppaisarn. The short video competition "Through the eyes of foreigners: Youth's reflection on the image of Thailand" was co-organized by the Tourism Authority of Thailand, the Ministry of Foreign Affairs, the Department of Public Relations, Charoen Pokphand Group, True Corporation, TNN 24 TV Station and Thai Beverage Public Company Limited to publicize Thailand's positive image domestically and internationally. A total of 45 teams with students ranging in ages from 15-25 years attached to Thai education institutes sent in video clips for the competition. The list of prize-winning teams was announced at parliament on December 19, 2016.



8. The presentation ceremony of Co-operative Education Certificates took place at the Mini Theater, Siam Commercial Bank Headquarters, on December 28, 2016. Co-operative Education is a collaborative project between Nation University and Siam Commercial Bank. Five students from Nation University's Faculty of Business Administration, Bangna Campus, were awarded certificates.



9. Mr. Panupong Leunkham, representative of the Faculty of Health Science's public health department, Nation University, received a certificate in honor of the Faculty's public consciousness at the Surin-Somporn Osthankroh room, 6<sup>th</sup> floor, Nawamintaratprachaphakdee, Lampang Hospital, on December 27, 2016.



# Characteristics of the Business



## Structure of Sales and Service Income

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

(Unit : in Million Baht)

Products / Services	Operated by	2016		2015		2014	
		Amount	%	Amount	%	Amount	%
Publishing and distribution of newspapers, publishing, digital publishing and providing advertising media / news services	<ul style="list-style-type: none"> <li>• Nation Multimedia Group PCL.</li> <li>• Kom Chad Luek Media Co., Ltd.</li> </ul>	1,127	54%	1,519	50%	1,644	58%
Publishing and distribution English newspapers, publishing, digital publishing and advertising media	• Nation News Network Co., Ltd.						
Publishing and distribution of newspaper, publishing, digital publishing and advertising media	• Krungthep Turakij Media Co., Ltd.						
Publishing and distribution educational books and comics	<ul style="list-style-type: none"> <li>• Nation Edutainment Co., Ltd.</li> <li>• Nation Global Edutainment Co., Ltd.</li> </ul>						
Importing, publishing, distributing local and foreign publications, production of TV programmes and providing advertisements through TV media, digital media and character management	• Nation International Edutainment PCL.						
Production of publishing, and books and publishing services.	• WPS (Thailand) Co., Ltd.						
Production of TV and radio programmes and providing advertisements through TV, radio and new media forms	<ul style="list-style-type: none"> <li>• Bangkok Business Broadcasting Co., Ltd.</li> <li>• Nation Broadcasting Corporation PCL.</li> <li>• NBC Next Vision Co., Ltd.</li> <li>• NBC Nextmedia Co., Ltd.</li> <li>• NBC Next Screen Co., Ltd.</li> <li>• Nation Kids Co., Ltd.</li> </ul>	789	38%	1,315	44%	1,031	36%
Transportation and delivery services	• NML Co., Ltd.	108	5%	100	3%	101	4%
University and education services	<ul style="list-style-type: none"> <li>• Nation U Co., Ltd.</li> <li>• Nation University</li> </ul>	73	3%	81	3%	52	2%
<b>Total</b>		<b>2,097</b>	<b>100%</b>	<b>3,015</b>	<b>100%</b>	<b>2,828</b>	<b>100%</b>

# Audit Committee's Report for the Year 2016



The Audit Committee of Nation Multimedia Group Public Company Limited consists of three independent directors, with Ms.Pichitra Mahaphon as the committee chairman (she has been a committee member since 27 April, 2016 and was appointed as the committee chairman on 7 November 2016). Ms.Narawadee Vanichvatana and Mr.Suphaphong Sukhasapha, are committee members (appointed on 7 November 2016).

In 2016, the Audit Committee convened four meetings, each of which took approximately four hours, in order to perform its duties as specified in the Audit Committee Charter. In every meeting, there were agenda items to meet with the Company's Independent Auditor, the Internal Auditor, and the Executive Management in the case of there being any relevant matters. The Audit Committee is of the opinion that:

1. The Company's 2016 Financial Reports were appropriate and presented the complete, adequate, and correct information on the operational results of the Company in all material respects in conformity with the generally-accepted accounting principles. No transaction was found to materially affect the financial reports.
2. The Company's internal control system and risk management system were appropriate, sufficient and efficient. At present, there are two experienced internal auditors who are responsible for overseeing and carrying out internal audit activities.
3. The related party transactions in 2016 were normal business transactions under general trade terms (arm's length basis) and were reasonable. No irregular transaction was found.
4. The Company has duly complied with the law governing Securities and Exchange, as well as other requirements and laws relevant to the business of the Company. In 2016, the Company convened Extraordinary General Meeting of Shareholders No. 1/2016 in order to elect new directors to fill the vacancies due to the notice of the Office of the Securities and Exchange Commission on the retirement of a number of directors from office, which resulted in the total number of directors being less than the required number of Board members for convening a Board of Directors meeting. The above extraordinary general meeting was convened lawfully and in compliance with Section 83 of the Securities and Exchange Act, B.E. 2535 (1992) in all respects.
5. Ms. Patamavan Vadhanakul, certified public accountant registration number 9832, was the Company's Independent Auditor for the year 2016. This was her third consecutive year as the company's Independent Auditor. She is knowledgeable, impartial, and has extensive experience in auditing and is, therefore, a suitable candidate for the position.

With respect to the appointment of the Company's Independent Auditor for the year 2017, the Audit Committee proposes that Ms.Patamavan Vadhanakul, certified public account registration No. 9832 or Mr. Veerachai Ratanajaratkul, certified public accountant registration no. 4323, or Ms. Vannaporn Jongperadechanon, certified public accountant registration no. 4098 of KPMG Phoomchai Audit Co., Ltd .be appointed as the Company's Independent Auditor for the year 2017.



(Ms.Pichitra Mahaphon)  
Chairman of the Audit Committee

# Report of the Board of Directors'

## Responsibilities to the financial Report for the year 2016

### Nation Multimedia Group Public Limited Company

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

Thus, to assure the stakeholders of the financial reporting of the company, the Board of Directors has appointed the Audit Committees; consisting of independent director whose qualification meets the requirements of the Stock Exchange of Thailand (SET) and the Notification of the Capital Market Commission, to be responsible for reviewing the financial reporting and business operation for adequate accuracy and disclosure and ensuring of the transparency, accuracy and completeness of the related transaction or transactions with the conflict of interest, the adequateness of risk management, internal control, and sufficient and effective regulation of the company, the adequateness of tracking requirements of the Stock Exchange of Thailand (SET) and the Notification of the Capital Market Commission. Audit Committee reported the Board of Directors its opinion on this matter in the Report of the Audit Committee as appeared in the Annual Registration Statement (56-1) and annual report of the company.

The Board of Directors have been of the opinion that internal control of the company as a whole was satisfactory to some degrees with a reasonable confidence to the reliability of the separate and consolidated financial statements of the company and its subsidiaries as of ended December 31, 2016, which the company's auditors have been of the opinion that the financial statements representing the financial position, operating results, and cash flow is accurate, complete, reliable and reasonable in accordance with the generally accepted accounting principles, coupled with the use of appropriate accounting policies and practices regularly and transparent and adequate disclosure in accordance with the applicable laws and relevant regulations.



Mr. Thepchai Sae Yong  
Chairman of the Board of Director,  
Chief Executive Officer

# The Results of the Consolidated Financial Statements



The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the ended 31 December 2016 represented a loss of Baht 1,102.85 million. Compared to the same period of 2015, it showed a profit of Baht 35.58 million, a decline profit of 3,200%. The Company would like to clarify a significance change of Group's operation results were summarized as follows

1. Revenue from sales and services for the year 2016 decreased by 30% compared to the same period of 2015. The main reasons is from economic slowdown which affected advertising revenue decreased by 38% and circulation revenues of newspaper, pocket books and children books decreased by 10%.
2. Costs and expenses for the year 2016 increased by 1% compared to the same period of 2015. The main reasons were:
  - Costs and selling and administrative expenses decreased by 6% in line with the decreased in revenues from sales and services.
  - Loss on business restructuring of subsidiaries increased of Baht 204.45 million due to the subsidiaries have restructured of the publishing and distribution of publications due to the shift of consumer behaviors. Such subsidiaries have recognised a provision for inventory obsolescence and written-off the licences for publication in accordance with the current situation for the year ended 31 December 2016 amounted to Baht 193.48 million and Baht 10.97 million.

## **Conclusion :**

The Group reported a loss for the year ended 31 December 2016 was Baht 1,102.85 million. Compared to the same period of last year, it showed a profit of Baht 35.58 million

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

Financial statements for the year ended  
31 December 2016  
and  
Independent Auditor's Report



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## Independent Auditor's Report

### To the Shareholders of Nation Multimedia Group Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries (the "Group") and of Nation Multimedia Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2016 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

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

### Key Audit Matters

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

Impairment of investments in subsidiaries	
Refer to Note 3(f), 3(j) and 13 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Company's portfolio of investments in subsidiaries consists of publishing and advertising, printing, edutainment, broadcasting and new media, and other businesses.</p> <p>According to the recent trend of changes in consumer behaviour, it affects publishing and advertising businesses including broadcasting and new media businesses of the Group. This includes the competition in digital television business and the current economic downturn. Consequently, these matters affect the operations of subsidiaries.</p> <p>Since the consideration of impairment of investments depends on the management's judgements and assumptions in respect to the forecast of operating results, discount rate and key assumptions used to estimate the recoverable amount of each aforementioned business. Therefore, I considered this matter to be a key audit matter.</p>	<p>In evaluating the impairment consideration of investments in subsidiaries, my audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• gaining an understanding of the preparation of discounted cash flow projection along with management approval including the determination of cash-generating units of the Group;</li> <li>• considering the determination of cash-generating units of the Group;</li> <li>• considering the discounted cash flow projection approved by management by evaluating the key assumptions used in the discounted cash flow projection with the actual operating results and the business plan, as well as assessing the appropriateness of discount rate used by comparing to the weighted average cost of capital of an industry which the Group operates in and testing the computation of discounted cash flow projection;</li> <li>• evaluating the sensitivity analysis on key assumptions used in the estimation of future cash flows, in order to evaluate the effects to the recoverable amount; and</li> <li>• evaluating the adequacy of financial statements disclosures in accordance with Thai Financial Reporting Standards. #</li> </ul>

Impairment of digital television licences	
Refer to Note 3(i), 3(j) and 19 to the consolidated and separate financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>A direct subsidiary and an indirect subsidiary obtained the commercial digital terrestrial television licences at national level for a variety standard definition channel category and a news channel category, respectively.</p> <p>Currently, the transition to digital television era has resulted in highly competitive market in television business. In this situation, it impacts on the operating results of the direct and indirect subsidiaries.</p> <p>From the above situation, management of the direct and indirect subsidiaries have evaluated the impairment of digital television licences by involving judgements with respect to which assumptions to be used to estimate the recoverable amount. Moreover, the recoverable amount of digital television licences was based on value in use, which was estimated by discounting the expected future cash flows from the use of assets. These estimations use several key assumptions.</p> <p>I have determined this matter to be a key audit matter due to the size and complexity of the significant judgements in determining the assumptions used to estimate the recoverable amount.</p>	<p>In evaluating the impairment of digital television licences consideration of management, my audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>gaining an understanding of the preparation of discounted cash flow projection along with management approval;</li> <li>assessing the discounted cash flow projection approved by management by evaluating the key assumptions used in discounted cash flow projection with the actual operating results and the business plan; as well as assessing the appropriateness of discount rate used by comparing to the weighted average cost of capital of an industry which the Group operates in and testing the computation of discounted cash flow projection;</li> <li>evaluating the sensitivity of key assumptions used in the estimation of future cash flows, in order to evaluate the effects to the recoverable amount of digital television licences; and</li> <li>evaluating the adequacy of the financial statements disclosures in accordance with Thai Financial Reporting Standards. //</li> </ul>



### *Other Information*

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

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

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

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

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

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

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

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

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



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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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



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

(Patamavan Vadhanakul)  
Certified Public Accountant  
Registration No. 9832

KPMG Phoomchai Audit Ltd.  
Bangkok  
24 February 2017

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

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2016	2015	2016	2015
				(in Baht)	
<i>Current assets</i>					
Cash and cash equivalents	5	233,693,922	207,525,311	26,768,246	17,758,285
Current investments	6	422,376,193	822,149,643	49,288,713	2,549
Trade accounts receivable	7	398,048,724	588,556,740	1,168,238,871	1,083,108,218
Accrued income	4	790,269,095	782,780,106	581,402,511	572,796,914
Other receivables	8	89,842,411	85,826,136	927,673,352	649,800,574
Inventories	9	136,926,036	379,967,569	26,223,637	69,698,118
Other current assets	10	381,309,520	288,077,194	111,994,386	90,942,998
<b>Total current assets</b>		<b>2,452,465,901</b>	<b>3,154,882,699</b>	<b>2,891,589,716</b>	<b>2,484,107,656</b>
<i>Non-current assets</i>					
Restricted deposits	11	861,618	2,682,654	-	-
Investment in associate	12	23,156,526	22,076,249	1,800,000	1,800,000
Investments in subsidiaries	13	-	-	3,627,879,275	2,993,311,391
Long-term investment in related party	15	-	-	-	-
Long-term investments in other companies	6	7,415,844	10,342,497	7,415,844	10,342,497
Investment properties	16	75,446,583	44,677,757	64,495,244	44,677,757
Property, plant and equipment	17	1,485,520,797	1,646,419,498	489,345,282	528,224,191
Intangible assets	18	174,142,242	115,517,353	7,511,243	11,691,160
Digital television licences	19	2,574,170,702	2,783,779,533	-	-
Deferred tax assets	20	112,053,123	262,921,978	21,352,550	92,414,477
Other non-current assets	21	170,996,910	193,917,736	119,661,041	144,612,919
<b>Total non-current assets</b>		<b>4,623,764,345</b>	<b>5,082,335,255</b>	<b>4,339,460,479</b>	<b>3,827,074,392</b>
<b>Total assets</b>		<b>7,076,230,246</b>	<b>8,237,217,954</b>	<b>7,231,050,195</b>	<b>6,311,182,048</b>

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

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

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2016	2015	2016	2015
		(in Baht)			
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	22	939,430,992	590,384,836	882,980,198	519,497,304
Trade accounts payable	23	99,264,197	133,706,003	1,509,797,797	1,177,449,030
Other payables	24	146,135,435	119,649,313	56,323,020	58,849,300
Current portion of digital television					
licences payable	27	584,068,719	556,203,640	-	-
Current portion of long-term loans					
from financial institutions	22	120,000,000	-	120,000,000	-
Short-term loans	22	160,000,000	-	160,000,000	-
Current portion of finance lease liabilities	22	1,066,172	1,561,041	1,066,172	1,561,041
Accrued expenses	25	187,344,952	216,231,989	462,397,122	453,716,428
Income tax payable		50,181	1,369,142	-	-
Other current liabilities	26	248,669,057	236,238,259	68,380,403	62,525,062
<b>Total current liabilities</b>		<b>2,486,029,705</b>	<b>1,855,344,223</b>	<b>3,260,944,712</b>	<b>2,273,598,165</b>
<b>Non-current liabilities</b>					
Digital television licences payable	27	1,130,069,671	1,714,138,390	-	-
Long-term loans from financial institutions	22	158,833,333	-	158,833,333	-
Finance lease liabilities	22	-	1,270,784	-	1,270,784
Deferred tax liabilities	20	20,909,398	17,826,173	-	-
Employee benefit obligations	28	167,252,750	163,856,203	47,684,856	52,165,755
Other non-current liabilities	29	105,061,289	130,431,918	81,903,868	100,734,575
<b>Total non-current liabilities</b>		<b>1,582,126,441</b>	<b>2,027,523,468</b>	<b>288,422,057</b>	<b>154,171,114</b>
<b>Total liabilities</b>		<b>4,068,156,146</b>	<b>3,882,867,691</b>	<b>3,549,366,769</b>	<b>2,427,769,279</b>
<b>Equity</b>					
Share capital	30				
Authorised share capital		2,663,572,195	2,663,572,195	2,663,572,195	2,663,572,195
Issued and paid-up share capital		2,155,959,049	2,155,848,809	2,155,959,049	2,155,848,809
Additional paid in capital	30, 31				
Premium on ordinary shares		1,169,694,244	1,169,344,804	1,169,694,244	1,169,344,804
Premium on ordinary shares of subsidiaries		96,604,862	95,397,593	-	-
Warrants	31	30,012,457	18,665,439	25,057,328	14,511,236
Reserve on acquisition of warrants of the Company	31	(91,013,286)	(91,013,286)	-	-
Retained earnings (Deficit)					
Appropriated					
Legal reserve	32	32,700,000	32,700,000	32,700,000	32,700,000
Unappropriated (Deficit)		(708,949,691)	522,640,169	302,504,532	515,258,325
Other components of equity	32	(4,231,727)	(4,250,405)	(4,231,727)	(4,250,405)
<b>Equity attributable to owners of the Company</b>		<b>2,680,775,908</b>	<b>3,899,333,123</b>	<b>3,681,683,426</b>	<b>3,883,412,769</b>
Non-controlling interests	14	327,298,192	455,017,140	-	-
<b>Total equity</b>		<b>3,008,074,100</b>	<b>4,354,350,263</b>	<b>3,681,683,426</b>	<b>3,883,412,769</b>
<b>Total liabilities and equity</b>		<b>7,076,230,246</b>	<b>8,237,217,954</b>	<b>7,231,050,195</b>	<b>6,311,182,048</b>

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

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		For the year ended 31 December		For the year ended 31 December	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in Baht)</i>			
<b>Income</b>					
Revenue from sale of goods and rendering of services	4	2,097,392,625	3,014,589,717	643,348,059	856,296,735
Investment income	4, 34	22,603,972	28,809,932	103,381,011	39,345,302
Gain on disposal of investments	13	1,228,398	61,521,601	-	63,717,401
Other income	4, 35	60,837,862	60,115,007	26,633,741	45,001,315
<b>Total income</b>		<b>2,182,062,857</b>	<b>3,165,036,257</b>	<b>773,362,811</b>	<b>1,004,360,753</b>
<b>Expenses</b>					
Cost of sale of goods and rendering of services	4	2,000,459,926	2,209,914,777	232,680,711	274,259,188
Selling expenses	4, 36	212,949,366	296,531,100	104,317,588	172,173,343
Administrative expenses	4, 37	690,177,550	566,961,134	411,802,657	334,493,855
Loss on business restructuring of subsidiaries	13	204,445,292	-	-	-
Finance costs	40	152,358,315	166,022,727	41,169,374	27,150,693
<b>Total expenses</b>		<b>3,260,390,449</b>	<b>3,239,429,738</b>	<b>789,970,330</b>	<b>808,077,079</b>
Share of profit of investment in associate	12	1,080,277	319,829	-	-
<b>Profit (loss) before income tax expense</b>		<b>(1,077,247,315)</b>	<b>(74,073,652)</b>	<b>(16,607,519)</b>	<b>196,283,674</b>
Income tax (expense) benefit	41	(163,780,961)	101,035,433	(71,669,895)	62,829,833
<b>Profit (loss) for the year</b>		<b>(1,241,028,276)</b>	<b>26,961,781</b>	<b>(88,277,414)</b>	<b>259,113,507</b>

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

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		For the year ended 31 December		For the year ended 31 December	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in Baht)</i>			
<b>Other comprehensive income</b>					
<i>Item that will not be reclassified to profit or loss</i>					
Defined benefit plan actuarial losses	28	(11,968,306)	-	(3,063,185)	-
Income tax on other comprehensive income	20, 41	2,393,661	-	612,637	-
		<u>(9,574,645)</u>	<u>-</u>	<u>(2,450,548)</u>	<u>-</u>
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Net change in fair value of available-for-sale investments	6	386,247	(6,262,943)	386,247	(6,262,943)
Net change in fair value of available-for-sale investments transferred to profit or loss	6	(362,900)	(30,105,160)	(362,900)	(30,105,160)
Income tax on other comprehensive income	20, 41	(4,669)	7,273,621	(4,669)	7,273,621
		<u>18,678</u>	<u>(29,094,482)</u>	<u>18,678</u>	<u>(29,094,482)</u>
<b>Other comprehensive income (loss) for the year, net of income tax</b>		<u>(9,555,967)</u>	<u>(29,094,482)</u>	<u>(2,431,870)</u>	<u>(29,094,482)</u>
<b>Total comprehensive income (loss) for the year</b>		<u>(1,250,584,243)</u>	<u>(2,132,701)</u>	<u>(90,709,284)</u>	<u>230,019,025</u>
<b>Profit (loss) attributable to</b>					
Owners of the Company		(1,102,845,279)	35,582,435	(88,277,414)	259,113,507
Non-controlling interests		(138,182,997)	(8,620,654)	-	-
<b>Profit (loss) for the year</b>		<u>(1,241,028,276)</u>	<u>26,961,781</u>	<u>(88,277,414)</u>	<u>259,113,507</u>
<b>Total comprehensive income (loss) attributable to</b>					
Owners of the Company		(1,109,560,462)	6,487,953	(90,709,284)	230,019,025
Non-controlling interests		(141,023,781)	(8,620,654)	-	-
<b>Total comprehensive income (loss) for the year</b>		<u>(1,250,584,243)</u>	<u>(2,132,701)</u>	<u>(90,709,284)</u>	<u>230,019,025</u>
<b>Earnings (loss) per share</b>	42				
Basic earnings (loss) per share		(0.271)	0.010	(0.022)	0.070
Diluted earnings (loss) per share		(0.271)	0.008	(0.022)	0.061

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

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

Consolidated financial statements									
	Note	Retained earnings			Other component of equity			Equity attributable to owners of the Company	Non-controlling interests
		Issued and paid-up share capital	Share premium	Share premium of subsidiaries	Warrants	Reserve on acquisition of warrants of the Company	Legal reserve (in Baht)	Fair value available-for-sale investments	Total equity
<b>Year ended 31 December 2015</b>									
<b>Balance at 1 January 2015</b>		<b>1,757,662,976</b>	<b>802,589,749</b>	<b>94,328,676</b>	<b>14,287,705</b>	<b>-</b>	<b>19,700,000</b>	<b>24,844,077</b>	<b>3,306,324,550</b>
<b>Transactions with owners, recorded directly in equity</b>									
<i>Contribution by and distribution to owners of the Company</i>									
Shares options exercised	30, 31	398,185,833	366,755,055	1,676,877	(14,285,427)	-	-	-	752,332,338
Share-based payment transactions	31	-	-	-	18,744,496	-	-	-	18,744,496
Dividends to owners of the Company	43	-	-	-	-	-	(92,853,633)	-	(92,853,633)
Dividends to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(9,683,459)
<b>Total contribution by and distribution to owners of the Company</b>		<b>398,185,833</b>	<b>366,755,055</b>	<b>1,676,877</b>	<b>4,459,069</b>	<b>-</b>	<b>(92,853,633)</b>	<b>-</b>	<b>678,223,201</b>
<i>Changes in ownership interests in subsidiaries</i>									
Disposals of non-controlling interest without a change in control	13	-	-	(800,217)	62	-	-	-	(800,155)
Acquisitions of non-controlling interest without a change in control		-	-	192,257	(81,397)	-	-	-	110,860
<b>Total changes in ownership interests in subsidiaries</b>		<b>-</b>	<b>-</b>	<b>(607,960)</b>	<b>(81,335)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(689,295)</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>398,185,833</b>	<b>366,755,055</b>	<b>1,068,917</b>	<b>4,377,734</b>	<b>-</b>	<b>(92,853,633)</b>	<b>-</b>	<b>677,533,906</b>
<b>Comprehensive income (loss) for the year</b>									
Profit or loss		-	-	-	-	-	35,582,435	-	35,582,435
Other comprehensive income (loss)		-	-	-	-	-	(29,094,482)	(29,094,482)	(29,094,482)
<b>Total comprehensive income (loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,582,435</b>	<b>(29,094,482)</b>	<b>6,487,953</b>
Transfer to legal reserve	32	-	-	-	-	-	13,000,000	-	-
Reserve on acquisition of warrants of the Company	31	-	-	-	-	(91,013,286)	-	-	(91,013,286)
<b>Balance at 31 December 2015</b>		<b>2,155,848,809</b>	<b>1,169,344,804</b>	<b>95,397,593</b>	<b>18,665,439</b>	<b>(91,013,286)</b>	<b>32,700,000</b>	<b>(4,250,405)</b>	<b>3,899,333,123</b>
									<b>4,354,350,263</b>

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

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

Consolidated financial statements											
Note	Issued and paid-up share capital	Share premium	Share premium of subsidiaries	Warrants	Reserve on acquisition of warrants of the Company	Retained earnings (Deficit)			Other component of equity	Total equity	
						Legal reserve	Unappropriated (Deficit)	Fair value changes in available-for-sale investments			
											(in Baht)
Year ended 31 December 2016											
Balance at 1 January 2016											
	2,155,848,809	1,169,344,804	95,397,593	18,665,439	(91,013,286)	32,700,000	522,640,169	(4,250,405)	3,899,333,123	455,017,140	4,354,350,263
Transactions with owners, recorded directly in equity											
Contribution by and distribution to owners of the Company											
30, 31	110,240	349,440	-	(251,680)	-	-	-	-	208,000	-	208,000
31	-	-	-	11,756,029	-	-	-	-	11,756,029	379,285	12,135,314
13	-	-	-	-	-	-	-	-	-	17,000,000	17,000,000
43	-	-	-	-	-	-	(122,025,831)	-	(122,025,831)	-	(122,025,831)
	-	-	-	-	-	-	-	-	-	(16,985,245)	(16,985,245)
Total contribution by and distribution to owners of the Company											
	110,240	349,440	-	11,504,349	-	-	(122,025,831)	-	(110,061,802)	394,040	(109,667,762)
Change in ownership interest in subsidiary											
13	-	-	1,207,269	(157,331)	-	-	15,111	-	1,065,049	12,910,793	13,975,842
Total change in ownership interest in subsidiary											
	-	-	1,207,269	(157,331)	-	-	15,111	-	1,065,049	12,910,793	13,975,842
Total transactions with owners, recorded directly in equity											
	110,240	349,440	1,207,269	11,347,018	-	-	(122,010,720)	-	(108,996,753)	13,304,833	(95,691,920)
Comprehensive income (loss) for the year											
Profit or loss	-	-	-	-	-	-	(1,102,845,279)	-	(1,102,845,279)	(138,182,997)	(1,241,028,276)
Other comprehensive income (loss)	-	-	-	-	-	-	(6,733,861)	18,678	(6,715,183)	(2,840,784)	(9,555,967)
Total comprehensive income (loss) for the year											
	-	-	-	-	-	-	(1,109,579,140)	18,678	(1,109,560,462)	(141,023,781)	(1,250,584,243)
Transfer to legal reserve											
	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2016											
	2,155,959,049	1,169,694,244	96,604,862	30,012,457	(91,013,286)	32,700,000	(708,949,691)	(4,231,727)	2,680,775,908	327,298,192	3,008,074,100

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

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

	Note	Separate financial statements						Total equity
		Retained earnings				Other component of equity		
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve (in Baht)		Unappropriated	
Year ended 31 December 2015								
Balance at 1 January 2015		1,757,662,976	802,589,749	11,726,446	19,700,000	361,998,451	24,844,077	2,978,521,699
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Shares options exercised	30, 31	398,185,833	366,755,055	(13,646,864)	-	-	-	751,294,024
Share-based payment transactions	31	-	-	16,431,654	-	-	-	16,431,654
Dividends to owners of the Company	43	-	-	-	-	(92,853,633)	-	(92,853,633)
Total contributions by and distributions to owner of the Company								
Total transactions with owners, recorded directly in equity		398,185,833	366,755,055	2,784,790	-	(92,853,633)	-	674,872,045
Comprehensive income (loss) for the year								
Profit or loss		-	-	-	-	259,113,507	-	259,113,507
Other comprehensive income (loss)		-	-	-	-	-	(29,094,482)	(29,094,482)
Total comprehensive income (loss) for the year		-	-	-	-	259,113,507	(29,094,482)	230,019,025
Transfer to legal reserve	32	-	-	-	13,000,000	(13,000,000)	-	-
Balance at 31 December 2015		2,155,848,809	1,169,344,804	14,511,236	32,700,000	515,258,325	(4,250,405)	3,883,412,769

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

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

		Separate financial statements						
		Retained earnings			Other component of equity			
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve (in Baht)	Unappropriated	Fair value changes in available-for-sale investments	Total equity
	Note							
Year ended 31 December 2016								
Balance at 1 January 2016		2,155,848,809	1,169,344,804	14,511,236	32,700,000	515,258,325	(4,250,405)	3,883,412,769
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Shares options exercised		110,240	349,440	(251,680)	-	-	-	208,000
Share-based payment transactions		-	-	10,797,772	-	-	-	10,797,772
Dividends to owners of the Company		-	-	-	-	(122,025,831)	-	(122,025,831)
Total contributions by and distributions to owner of the Company								
Total transactions with owners, recorded directly in equity		110,240	349,440	10,546,092	-	(122,025,831)	-	(111,020,059)
Comprehensive income (loss) for the year								
Profit or loss		-	-	-	-	(88,277,414)	-	(88,277,414)
Other comprehensive income (loss)		-	-	-	-	(2,450,548)	18,678	(2,431,870)
Total comprehensive income (loss) for the year		-	-	-	-	(90,727,962)	18,678	(90,709,284)
Transfer to legal reserve		-	-	-	-	-	-	-
Balance at 31 December 2016		2,155,959,049	1,169,694,244	25,057,328	32,700,000	302,504,532	(4,231,727)	3,681,683,426

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2016	2015	2016	2015
	(in Baht)			
<b>Cash flows from operating activities</b>				
Profit (loss) for the year	(1,241,028,276)	26,961,781	(88,277,414)	259,113,507
<i>Adjustments for</i>				
Depreciation	202,460,891	203,084,848	49,982,232	45,621,225
Amortisation of assets	106,856,703	119,346,385	6,133,553	11,359,032
Amortisation of digital television licences	209,608,831	209,044,770	-	-
Investment income	(22,603,972)	(28,809,932)	(103,381,011)	(39,345,302)
Finance costs	152,358,315	166,022,727	41,169,374	27,150,693
Bad and doubtful debts expense	6,680,120	5,194,126	3,324,986	3,342,617
Reversal of allowance for goods return	(2,545,742)	(9,456,585)	(536,218)	(2,108,427)
Loss on decline in value of inventories (reversal of)	127,380,630	4,070,674	(19,462)	(112,734)
Impairment loss from long-term investment in other company	2,950,000	-	2,950,000	-
(Gain) loss on disposal of investments in subsidiary	-	(31,341,723)	4,456,274	(33,606,192)
Gain on disposal of long-term investments in other companies	(362,900)	(30,105,160)	(362,900)	(30,105,160)
Gain on disposal of investments in debt securities	(865,968)	(70,031)	(298,677)	(6,055)
Unrealised (gain) loss on valuation adjustment of investments in debt securities	(280,643)	(4,687)	(13,837)	6
Reversal of impairment loss on investment property	-	(6,677,757)	-	(6,677,757)
Gain on disposal of building and equipment	(796,461)	(641,478)	(631,761)	(543,727)
Loss on written-off of assets	17,459,221	774,407	4,898,525	1,881
Employee benefit obligations	(11,828,151)	11,726,981	(5,767,136)	3,184,490
Share-based payment transactions	12,135,314	19,561,447	10,797,772	16,431,654
Share of profit of investment in associate, net of income tax	(1,080,277)	(319,829)	-	-
Income tax expense (benefit)	163,780,961	(101,035,433)	71,669,895	(62,829,833)
	(279,721,404)	557,325,531	(3,905,805)	190,869,918
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	163,776,595	(33,977,492)	(88,554,761)	(242,166,410)
Accrued income	(7,488,989)	(354,829,690)	(8,605,597)	(291,935,494)
Other receivables	(6,097,077)	(5,110,418)	(276,964,246)	(209,681,129)
Inventories	115,659,107	2,571,902	43,492,147	12,872,693
Other current assets	(82,796,475)	(74,275,254)	(24,320,118)	(26,493,954)
Restricted deposits	1,821,036	648,254	-	-
Other non-current assets	5,264,757	12,818,861	5,870,808	1,841,164
Trade accounts payable	(39,471,572)	15,399,250	332,348,767	381,273,118
Other payables	(2,234,551)	(77,765,059)	(29,350,254)	(24,754,901)
Accrued expenses	(13,139,112)	(29,975,134)	8,449,384	213,363,237
Other current liabilities	12,430,798	26,227,033	5,855,341	(2,170,985)
Employee benefit obligations	(1,848,560)	(3,500,530)	(140,000)	(1,521,590)
Other non-current liabilities	(25,370,629)	(23,106,741)	(18,830,707)	(20,910,840)
Cash generated from (used in) operating activities	(159,216,076)	12,450,513	(54,655,041)	(19,415,173)
Income tax paid	(66,261,227)	(55,115,233)	(21,510,959)	(24,819,877)
Withholding tax refunded	60,748,025	-	43,430,929	-
<b>Net cash used in operating activities</b>	<b>(164,729,278)</b>	<b>(42,664,720)</b>	<b>(32,735,071)</b>	<b>(44,235,050)</b>

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2016	2015	2016	2015
	(in Baht)			
<b><i>Cash flows from investing activities</i></b>				
Interest received	25,320,078	28,354,508	40,249	591,066
Dividends received	36	840,152	103,340,762	38,754,236
Current investments	598,302,300	(102,580,838)	-	-
Purchase of investments in debt securities	(1,301,400,000)	(185,516,000)	(308,000,000)	(29,802,000)
Net cash inflow on disposal of investments in debt securities	1,104,017,760	160,521,912	259,026,350	29,805,500
Proceeds from short-term loan to related party	-	-	-	42,000,000
Digital television licences payments	(647,600,000)	(473,800,000)	-	-
Purchase of building and equipment	(27,574,311)	(166,751,861)	(12,964,969)	(85,238,121)
Sale of building and equipment	1,971,099	5,186,316	698,171	1,840,503
Purchase of programme licences	(174,335,587)	(94,697,957)	-	-
Purchase of intangible assets	(10,827,295)	(11,549,219)	(1,130,610)	(1,452,260)
Net cash inflow on disposal of long-term investments in other companies	362,900	30,675,160	362,900	30,675,160
<b>Net cash from (used in) investing activities</b>	<b>(431,763,020)</b>	<b>(809,317,827)</b>	<b>41,372,853</b>	<b>27,174,084</b>
<b><i>Cash flows from financing activities</i></b>				
Interest paid	(55,207,841)	(43,260,848)	(38,918,554)	(23,912,295)
Dividends paid to owners of the Company	(122,025,831)	(92,853,633)	(122,025,831)	(92,853,633)
Dividends paid to non-controlling interests of subsidiaries	(16,985,245)	(9,683,459)	-	-
Bank overdrafts and short-term loans from financial institutions	349,046,156	(38,295,748)	363,482,894	(45,161,728)
Short-term loans	160,000,000	-	160,000,000	-
Finance lease payments	(1,850,172)	(3,160,967)	(1,850,172)	(3,160,967)
Proceeds from long-term loan from financial institution	300,000,000	-	300,000,000	-
Repayment of long-term loan from financial institution	(20,000,000)	(117,600,000)	(20,000,000)	(117,600,000)
Proceeds from exercise of share options	208,000	752,332,338	208,000	751,294,024
Net cash inflow on disposal of investment in subsidiary	13,975,842	49,496,994	13,975,842	49,496,994
Net cash outflow on acquisitions of investments in subsidiaries	-	-	(653,000,000)	(504,786,908)
Net cash outflow on acquisition of warrants of the Company	-	(91,013,286)	-	-
Proceeds from paid-up share capital of non-controlling interests	-	677,024	-	-
Cash paid for upfront fee of long-term loan from financial institution	(1,500,000)	-	(1,500,000)	-
Acquisition of non-controlling interests	17,000,000	-	-	-
<b>Net cash from financing activities</b>	<b>622,660,909</b>	<b>406,638,415</b>	<b>372,179</b>	<b>13,315,487</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>26,168,611</b>	<b>(445,344,132)</b>	<b>9,009,961</b>	<b>(3,745,479)</b>
Cash and cash equivalents at 1 January	207,525,311	652,869,443	17,758,285	21,503,764
<b>Cash and cash equivalents at 31 December</b>	<b>233,693,922</b>	<b>207,525,311</b>	<b>26,768,246</b>	<b>17,758,285</b>
<b><i>Non-cash transactions</i></b>				
Payables for purchase of building and equipment	305,742	1,968,599	6,918,519	14,462,729
Payables for purchase of programme licences	22,242,415	33,191,884	-	-
Payables for purchase of intangible assets	3,218,552	3,573,200	391,400	-
Digital television licences payable	1,714,138,390	2,270,342,030	-	-
Barter assets from rendering of services	8,776,475	-	30,738,178	-

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

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

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**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2017.

**1 General information**

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

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

The principal activities of the Company are the publishing and distribution of newspapers and publishing, providing advertising and news services and others. Details of the Company’s associate and subsidiaries as at 31 December 2016 and 2015 are given in notes 12 and 13.

**2 Basis of preparation of the financial statements**

*(a) Statement of compliance*

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

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 48.

*(b) Basis of measurement*

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

<i><b>Items</b></i>	<i><b>Measurement bases</b></i>
Investments in debt securities	Fair value
Available-for-sale financial assets	Fair value
Defined benefit liability	Present value of the defined benefit obligations as explained in Note 3 (m)
Warrants	Fair value

*(c) Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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*(d) Use of judgements and estimates*

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

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

*Assumptions and estimation uncertainties*

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

Notes 9	Measurement of net realisable value of inventories;
Notes 13 and 19	Impairment test: key assumptions underlying recoverable amounts;
Note 20	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 28	Measurement of defined benefit obligations: key actuarial assumptions; and
Note 31	Measurement of share-based payments.

*Measurement of fair values*

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

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

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

Significant valuations are reported to the Group Audit Committee.

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

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

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

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

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

- Note 28 employee benefit obligations;
- Note 31 share-based payment arrangements; and
- Note 44 financial instruments.

### **3 Significant accounting policies**

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

#### **(a) Basis of consolidation**

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

##### *Acquisitions from entities under common control*

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

##### *Subsidiaries*

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

##### *Non-controlling interests*

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

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

##### *Loss of control*

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

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

*Interests in equity-accounted investee*

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

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

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

*Transactions eliminated on consolidation*

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

**(b) Foreign currencies**

*Foreign currency transactions*

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

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

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

Foreign currency differences are generally recognised in profit or loss.

**(c) Cash and cash equivalents**

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

**(d) Trade and other accounts receivable**

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

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

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

**(e) Inventories**

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

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

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

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

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

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

**(f) Investments**

*Investments in associate and subsidiaries*

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

*Investments in other debt and equity securities*

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

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

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

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

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2016**

*Disposal of investments*

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

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

**(g) *Investment properties***

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

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

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

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

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

**(h) *Property, plant and equipment***

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within income or expense in profit or loss.

*Leased assets*

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

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

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

*Depreciation*

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

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

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

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

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

**(i) Intangible assets**

*Digital television licences*

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

*Other intangible assets*

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

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*Subsequent expenditure*

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

*Amortisation*

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

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

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

No amortisation is provided on computer programmes under installation.

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

**(j) Impairment**

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

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

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

*Calculation of recoverable amount*

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

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

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

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

**(k) Interest-bearing liabilities**

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

**(l) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(m) Employee benefits**

*Defined contribution plans*

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

*Defined benefit plans*

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

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

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

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

*Short-term employee benefits*

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

*Share-based payments*

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

**(n) Provisions**

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

**(o) Revenue**

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

*Sale of goods and services rendered*

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

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

*Printing income*

Printing income is recognised as services are provided.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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*Commissions*

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

*Rental income*

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

*Tuition fees*

Tuition fees are recognised as revenue over the period of each academic year.

*Investments*

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

*Dividend income*

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

*Interest income*

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

**(p) Finance costs**

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

**(q) Lease payments**

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

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

*Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**(r) Income tax**

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

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

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

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

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

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

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

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

**(s) Earnings (loss) per share**

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

**(t) Segment reporting**

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

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**4 Related parties**

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

Relationships with associate and subsidiaries are described in notes 12 and 13. Relationship with key management, indirect subsidiaries and other related party were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
<b><i>Indirect subsidiaries</i></b>		
Nation University	Thailand	University, a license holding by Nation U Co., Ltd.
Nation Edutainment Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors (transferred business and completed the liquidation on 17 October 2016)
Nation Kids Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors (registered the liquidation on 27 December 2016 and in the process of liquidation)
NBC Nextmedia Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors (registered the liquidation on 28 September 2016 and in the process of liquidation)
NBC Next Screen Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors (registered the liquidation on 27 December 2016 and in the process of liquidation)
NBC Next Vision Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors
Nation Global Edutainment Co., Ltd.	Thailand	99.47% shareholding by Nation International Edutainment Public Company Limited, some common directors
<b><i>Other related party</i></b>		
Thai Portal Co., Ltd.	Thailand	Related party, 19.00% shareholding by Kom Chad Luck Media Co., Ltd.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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The pricing policies for transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Revenue from sale of goods and rendering of services	General market price and negotiable rate
Cost of sale of goods and rendering of services	Actual cost allocation rate and negotiable rate which approximates market price
Sale of equipment	Book value plus margin
Purchase of equipment	Book value plus margin
Interest income on loan	Approximated loan rate of financial institutions
Dividend income	As announced in the minute of shareholders' meeting
Other income	Negotiable rate
Selling and administrative expenses	Negotiable rate

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

<b>Year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Subsidiaries and indirect subsidiaries</b>				
Revenue from sale of goods and rendering of services	-	-	534,868	682,530
Cost of sale of goods and rendering of services	-	-	35,666	35,445
Sale of equipment	-	-	1,436	7,757
Purchase of equipment	-	-	1,013	27,840
Interest income from loan	-	-	-	485
Dividend income	-	-	103,341	37,914
Other income	-	-	15,090	21,737
Selling and administrative expenses	-	-	12,033	16,563
<b>Associate</b>				
Revenue from rendering of services	5,227	4,993	122	122
<b>Key management personnel</b>				
Key management personnel compensation				
Wages and salaries	67,781	81,213	30,070	37,506
Defined contribution plans	3,846	4,513	1,079	1,268
Others	-	3,405	-	980
Total key management personnel compensation	<u>71,627</u>	<u>89,131</u>	<u>31,149</u>	<u>39,754</u>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	1,014,960	869,328
Associate	231	223	11	11
Other related party	67	67	-	-
	<b>298</b>	<b>290</b>	<b>1,014,971</b>	<b>869,339</b>
Less allowance for doubtful accounts	(67)	(67)	-	-
<b>Net</b>	<b>231</b>	<b>223</b>	<b>1,014,971</b>	<b>869,339</b>

Bad and doubtful debts expense for the year	-	-	-	-
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<i>Accrued income - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	65,488	61,214
Other related party	-	6	-	6
<b>Total</b>	<b>-</b>	<b>6</b>	<b>65,488</b>	<b>61,220</b>

<i>Other receivables from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	887,353	599,796
Associate	349	335	-	-
Other related parties	17,345	17,488	-	143
	<b>17,694</b>	<b>17,823</b>	<b>887,353</b>	<b>599,939</b>
Less allowance for doubtful accounts	(17,345)	(17,345)	-	-
<b>Net</b>	<b>349</b>	<b>478</b>	<b>887,353</b>	<b>599,939</b>

Bad and doubtful debts expense for the year	-	-	-	-
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Movements during the years ended 31 December of short-term loan to related party were as follows:

<i>Short-term loan to related party</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
At 1 January	-	-	-	42,000
Decrease	-	-	-	(42,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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<i>Trade accounts payable - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	1,495,243	1,142,322
Associate	8	64	-	64
<b>Total</b>	<b>8</b>	<b>64</b>	<b>1,495,243</b>	<b>1,142,386</b>

<i>Other payables - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	24,862	27,966
Associate	12	2	-	-
<b>Total</b>	<b>12</b>	<b>2</b>	<b>24,862</b>	<b>27,966</b>

<i>Accrued expenses - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	399,703	401,729

*Significant agreements with related parties*

*Short-term loan agreement*

The Company entered into a short-term loan agreement with a subsidiary ("WPS (Thailand) Co., Ltd.") amounted to Baht 42 million. The loan was a promissory note and repayable at call. This loan bears interest at the average Minimum Loan Rate (average MLR) of loans of the Company from various financial institutions plus 0.5% per annum. The Company fully received the loan repayment during 2015.

*Other agreements*

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

**5 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand	1,664	1,719	288	225
Cash at banks - current accounts	3,901	3,497	1,136	2,336
Cash at banks - savings accounts	106,597	85,116	25,344	15,197
Highly liquid short-term investments	121,532	117,193	-	-
<b>Total</b>	<b>233,694</b>	<b>207,525</b>	<b>26,768</b>	<b>17,758</b>

Cash and cash equivalents of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

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**6 Other investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b><i>Current investments</i></b>				
Short-term deposits at financial institutions	3,630	257,581	-	-
Promissory notes	195,148	539,500	-	-
Debt securities held for trading	223,598	25,069	49,289	3
	<u>422,376</u>	<u>822,150</u>	<u>49,289</u>	<u>3</u>
<b><i>Other long-term investments</i></b>				
Equity securities available for sale	2,800	2,776	2,800	2,776
Other non-marketable equity securities	4,616	7,566	4,616	7,566
	<u>7,416</u>	<u>10,342</u>	<u>7,416</u>	<u>10,342</u>
<b>Total</b>	<u>429,792</u>	<u>832,492</u>	<u>56,705</u>	<u>10,345</u>

Other investments of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

As at 31 December 2016, the Group entered into short-term loan agreements with local financial institutions amounting to Baht 195.15 million (2015: Baht 539.50 million). The loans were promissory notes and were repayable over 6 - 9 months (2015: 4 months - 1 year). The loans bear interest at the rate of 1.65% - 6.00% per annum (2015: 1.80% - 4.40% per annum).

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b><i>Current investment</i></b>				
<b>Trading securities</b>				
At 1 January	25,069	-	3	-
Purchases during the year	1,301,400	185,516	308,000	29,802
Sales during the year	(1,103,152)	(160,452)	(258,728)	(29,799)
Valuation adjustment	281	5	14	-
<b>At 31 December</b>	<u>223,598</u>	<u>25,069</u>	<u>49,289</u>	<u>3</u>
<b><i>Other long-term investment</i></b>				
<b>Available for sale securities</b>				
At 1 January	2,776	39,714	2,776	39,714
Sales during the year	-	(570)	-	(570)
Valuation adjustment	24	(36,368)	24	(36,368)
<b>At 31 December</b>	<u>2,800</u>	<u>2,776</u>	<u>2,800</u>	<u>2,776</u>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**7 Trade accounts receivable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	298	290	1,014,971	869,339
Other parties		471,982	664,458	192,923	252,430
<b>Total</b>		<b>472,280</b>	<b>664,748</b>	<b>1,207,894</b>	<b>1,121,769</b>
Less allowance for doubtful accounts		(65,475)	(64,889)	(34,374)	(32,844)
allowance for goods return		(8,756)	(11,302)	(5,281)	(5,817)
<b>Net</b>		<b>398,049</b>	<b>588,557</b>	<b>1,168,239</b>	<b>1,083,108</b>
Bad and doubtful debts expense for the year		<b>7,354</b>	<b>5,482</b>	<b>3,960</b>	<b>3,670</b>

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Within credit terms	231	223	164,711	26,140
Overdue:				
Less than 3 months	-	-	45,935	86,240
3-6 months	-	-	115,356	152,922
6-12 months	-	-	167,921	192,504
Over 12 months	67	67	521,048	411,533
	<b>298</b>	<b>290</b>	<b>1,014,971</b>	<b>869,339</b>
Less allowance for doubtful accounts	(67)	(67)	-	-
	<b>231</b>	<b>223</b>	<b>1,014,971</b>	<b>869,339</b>
<b>Other parties</b>				
Within credit terms	214,457	298,564	77,667	35,000
Overdue:				
Less than 3 months	158,507	261,368	58,195	157,806
3-6 months	22,011	29,703	15,460	21,959
6-12 months	10,061	7,229	6,531	3,548
Over 12 months	66,946	67,594	35,070	34,117
	<b>471,982</b>	<b>664,458</b>	<b>192,923</b>	<b>252,430</b>
Less allowance for doubtful accounts	(65,408)	(64,822)	(34,374)	(32,844)
allowance for goods return	(8,756)	(11,302)	(5,281)	(5,817)
	<b>397,818</b>	<b>588,334</b>	<b>153,268</b>	<b>213,769</b>
<b>Net</b>	<b>398,049</b>	<b>588,557</b>	<b>1,168,239</b>	<b>1,083,108</b>

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

Trade accounts receivable of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

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**8 Other receivables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<b>Related parties</b>	<b>4</b>	<b>349</b>	<b>478</b>	<b>887,353</b>	<b>599,939</b>
<b>Other parties</b>					
Other receivables		56,598	58,055	53,160	55,708
Prepaid expenses		78,362	65,399	34,397	39,051
Advance to employees		2,198	7,477	500	3,475
Others		72	2,789	-	-
		<b>137,230</b>	<b>133,720</b>	<b>88,057</b>	<b>98,234</b>
Less allowance for doubtful accounts		(47,737)	(48,372)	(47,737)	(48,372)
		<b>89,493</b>	<b>85,348</b>	<b>40,320</b>	<b>49,862</b>
<b>Total</b>		<b>89,842</b>	<b>85,826</b>	<b>927,673</b>	<b>649,801</b>

**9 Inventories**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Finished Goods		86,629	281,818	-	526
Raw materials		30,444	44,324	24,255	36,257
Store, supplies and others		8,554	10,620	289	280
Work in progress		9,619	10,571	-	-
Raw materials in transit		1,680	32,635	1,680	32,635
<b>Total</b>		<b>136,926</b>	<b>379,968</b>	<b>26,224</b>	<b>69,698</b>
Inventories recognised as an expense in 'cost of sale of goods and rendering of services':					
- Cost of sale of goods and rendering of services		2,065,260	2,206,873	232,681	274,259
- Write-down to net realisable value		-	3,042	-	-
- Reversal of write-down		(64,800)	-	-	-
<b>Net total</b>		<b>2,000,460</b>	<b>2,209,915</b>	<b>232,681</b>	<b>274,259</b>

At the Board of Director's meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 3 August 2016, the Board of Directors of the subsidiary approved the business restructuring of the publishing and distributing of publications of a subsidiary and an indirect subsidiary (together referred to as "group of subsidiary"). The management of the group of subsidiary involved judgement in the classification of inventories based on its distribution channel and future business plan and recognised loss on decline in value of inventories for the year ended 31 December 2016 amounting to Baht 193.48 million in the consolidated statement of comprehensive income as disclosed in Note 13.

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**10 Other current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>Note</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Input value added tax pending	178,716	154,061	89,096	66,182
Withholding tax deducted at source	59,751	45,770	21,492	24,761
Refundable value added tax	139,104	82,861	-	-
Programme licences	18 1,837	5,382	-	-
Others	1,902	3	1,406	-
<b>Total</b>	<b>381,310</b>	<b>288,077</b>	<b>111,994</b>	<b>90,943</b>

**11 Restricted deposits**

As at 31 December 2016, fixed deposits of subsidiary and indirect subsidiary of Baht 0.86 million (2015: Baht 2.68 million) have been pledged as collateral for letters of guarantee issued by a local financial institution.

**12 Investment in associate**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	22,076	21,756	1,800	1,800
Share of net profit of associate	1,080	320	-	-
<b>At 31 December</b>	<b>23,156</b>	<b>22,076</b>	<b>1,800</b>	<b>1,800</b>

During the year ended 31 December 2016 there were no acquisitions and disposals of investment in associate.

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Investment in associate as at 31 December 2016 and 2015, and dividend income from the investment for the years then ended was as follows:

Name of associate	Type of business	Ownership Interest		Paid-up capital		Cost		Equity		Dividend income	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(%)									
Yomiuri-Nation Information Service Limited	Advertising agency	45.00	45.00	4,000	4,000	1,800	1,800	23,156	22,076	-	-

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

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

	Associate	
	2016	2015
	<i>(in thousand Baht)</i>	
Revenue	18,135	13,925
Net profit (100%)	2,401	710
<b>Group's share of total net profit (45% hold)</b>	<b>1,080</b>	<b>320</b>
Current assets	10,541	26,885
Non-current assets	42,686	23,862
Current liabilities	(1,108)	(1,021)
Non-current liabilities	(661)	(668)
Net assets (100%)	51,458	49,058
Group's share of net assets (45% hold)	23,156	22,076
<b>Carrying amount of interest in associate</b>	<b>23,156</b>	<b>22,076</b>

**13 Investments in subsidiaries**

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	2,993,311	2,504,415
Acquisitions	653,000	504,787
Disposals	(18,432)	(15,891)
<b>At 31 December</b>	<b>3,627,879</b>	<b>2,993,311</b>

*Business restructuring of the group of subsidiary*

At the Board of Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 3 August 2016, the Board of Directors of the subsidiary approved the business restructuring of the publishing and distributing of publications of a subsidiary and an indirect subsidiary (together referred to as "a group of subsidiary") in accordance with the current situation. As a results, the group of subsidiary recognised loss on decline in value of inventories and written-off the licences for publications for the year ended 31 December 2016 amounting to Baht 193.48 million and Baht 10.97 million in the consolidated statement of comprehensive income, respectively. Currently, the group of subsidiary is in process of discussing and assessing the business valuation by business alliances for the investment.

*The merger of the indirect subsidiaries*

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

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

*Acquisitions*

*2016*

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

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

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

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

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

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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2015

During 2015, the Company made an additional investment in ordinary shares of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) totalling 1,541,400 shares for a consideration of Baht 4.79 million, resulting in an increase in the Company’s proportionate share of investment in the subsidiary from 71.26% to 71.45% of the issued and paid-up share capital.

At the extraordinary meeting of the shareholders of a subsidiary (“Bangkok Business Broadcasting Co., Ltd.”) held on 17 September 2015, the shareholders of the subsidiary approved an increase in the registered share capital from Baht 500 million (divided into 50,000,000 ordinary shares at Baht 10 per share) to Baht 1,000 million (divided into 100,000,000 ordinary shares at Baht 10 per share) by offering to the existing shareholders proportionately. The Company invested in ordinary shares of the subsidiary amounting to Baht 500 million, resulting in an increase in the Company’s proportionate share of investment in the subsidiary from 99.80% to 99.90% of the issued and paid-up share capital. The subsidiary registered the increase in share capital with the Ministry of Commerce on 25 September 2015.

At the extraordinary meeting of the shareholders of an indirect subsidiary (“NBC Next Vision Co., Ltd.”) held on 17 September 2015, the shareholders of the indirect subsidiary approved an increase in the registered share capital from Baht 300 million (divided into 30,000,000 ordinary shares at Baht 10 per share) to Baht 500 million (divided into 50,000,000 ordinary shares at Baht 10 per share) by offering to the existing shareholders proportionately. A subsidiary (“Nation Broadcasting Corporation Public Company Limited”) invested in ordinary shares of the indirect subsidiary amounting to Baht 200 million. The indirect subsidiary registered the increase in share capital with the Ministry of Commerce on 24 September 2015.

*Disposals*

2015

At the extraordinary meeting of a shareholders of an indirect subsidiary (“Nine Be Bright Co., Ltd.”) held on 7 October 2015, the resolution was passed to approve the liquidation of the indirect subsidiary. The indirect subsidiary registered the liquidation with the Ministry of Commerce on 20 October 2015 and completed to liquidate on 23 December 2015. The Group recognised a loss of Baht 0.59 million on disposal of such investment in the consolidated statements of comprehensive income for the year ended 31 December 2015.

*Partial disposal of interest in subsidiary without a change of control*

During 2016, the Company sold part of investment in a subsidiary (“Nation International Edutainment Public Company Limited”) by 4.14% amounting to Baht 13.98 million, resulting in a decrease in the Company’s proportionate of investment in the subsidiary from 76.49% to 72.35% of the issued and paid-up share capital, whilst retaining control over the subsidiary. The Group and the Company recognised gain and loss on sale of the investment of Baht 1.21 million and Baht 4.46 million, in the consolidated statement of changes in equity and separate statement of comprehensive income for the year ended 31 December 2016, respectively.

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

	2016 (in thousand Baht)
Group's ownership interest at 1 January	372,962
Effect of decrease in Group's ownership interest	(12,769)
Share of comprehensive income	(165,314)
<b>Group's ownership interest at 31 December</b>	<b><u>194,879</u></b>

During 2015, the Company sold part of investment in a subsidiary ("Nation International Edutainment Public Company Limited") amounting to Baht 49.49 million, resulting in a decrease in the Company's proportionate of investment in the subsidiary from 80.06% to 76.49% of the issued and paid-up share capital, whilst retaining control over the subsidiary. The Group and the Company recognised gain and loss on sale of the investment of Baht 31.35 million and Baht 33.61 million in the consolidated and separate financial statements for the year ended 31 December 2015, respectively.

*Dividends*

*2016*

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

At the annual general meeting of the shareholders of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 26 April 2016, the shareholders of the subsidiary approved the appropriation of dividends from the 2015 operating results of Baht 0.08 per share, amounting to Baht 42.84 million. The dividends were paid to the shareholders in May 2016.

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

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

*2015*

At the annual general meeting of the shareholders of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 27 April 2015, the shareholders of the subsidiary approved the appropriation of dividends from the 2014 operating results of Baht 0.08 per share, amounting to Baht 42.78 million. The dividends of Baht 0.06 per share, amounting to Baht 32.08 million were paid to the shareholders as the interim dividends during 2014. The remaining dividends of Baht 0.02 per share, amounting to 10.70 million were paid to the shareholders in May 2015.

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At the annual general meeting of the shareholders of a subsidiary (“Nation International Edutainment Public Company Limited”) held on 28 April 2015, the shareholders of the subsidiary approved the appropriation of dividends from the 2014 operating results of Baht 0.07 per share, amounting to Baht 11.90 million. The dividends were paid to the shareholders in May 2015.

At the annual general meeting of the shareholders of a subsidiary (“WPS (Thailand) Co., Ltd.”) held on 30 April 2015, the shareholders of the subsidiary approved the appropriation of dividends from the 2014 operating results of Baht 0.50 per share, amounting to Baht 25 million. The dividends were paid to the shareholders in May 2015.

*Impairment testing*

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

These assumptions were based on management’s judgement and based on the past experiences and business plan, as well as the future prediction that is believed to be reasonable in the present situation. Changes in the information or new noticeable information may lead to the change in the assumptions and the discount rate for the estimation of the discounted future cash flows.

Based on the impairment test, the recoverable amount was higher than its carrying amount. Therefore, the Group did not recognise impairment loss.

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Investments in subsidiaries as at 31 December 2016 and 2015, and dividend income from those investments for the year then ended were as follows:

Name of subsidiaries	Type of business	Ownership interest 2016	Ownership interest 2015 (%)	Separate financial statements				Impairment 2016 (in thousand Baht)	At cost - net		Dividend income	
				Paid-up capital	Cost	2016	2015		2016	2015	2016	2015
Nation Broadcasting Corporation Public Company Limited	Production of TV and radio programmes and providing advertisements through TV media, radio media, and new media forms	71.45	71.45	535,437	989,589	535,437	989,589	-	989,589	989,589	30,604	7,620
Nation International Edutainment Public Company Limited	Importing, publishing and distributing local and foreign publications, production of TV programmes and providing advertisements through TV media, digital media and character management	72.35	76.49	170,048	322,192	170,048	340,624	-	322,192	340,624	2,862	9,169
Nation News Network Co., Ltd.	Publishing and distribution of English newspaper, publishing, digital media publishing and advertising media	99.99	99.99	50,000	50,000	50,000	50,000	-	50,000	50,000	-	-
NML Co., Ltd.	Delivery of newspaper and publishing	99.99	99.99	50,000	50,000	50,000	50,000	40,000	10,000	10,000	-	-
Kom Chad Luek Media Co., Ltd.	Publishing and distribution of newspaper, publishing, digital media publishing and advertising media	99.99	99.99	25,000	99,990	25,000	99,990	96,392	3,598	3,598	-	-
Krunghthep Turakij Media Co., Ltd.	Publishing and distribution of newspaper, publishing, digital media publishing and advertising media	99.99	99.99	25,000	25,000	25,000	25,000	-	25,000	25,000	48,750	-

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Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(%)						(in thousand Baht)					
Bangkok Business Broadcasting Co., Ltd.	Production of TV programmes and providing advertisements through TV media	99.90	99.90	1,500,000	1,000,000	1,499,000	999,000	-	-	1,499,000	999,000	-	-
Nation U Co., Ltd.	Establish a private university and academic training	90.00	90.00	340,000	170,000	306,000	153,000	-	-	306,000	153,000	-	-
WPS (Thailand) Co., Ltd.	Production of newspaper, and books and publishing service	84.50	84.50	500,000	500,000	422,500	422,500	-	-	422,500	422,500	21,125	21,125
<b>Total</b>				<b>3,764,271</b>	<b>3,129,703</b>	<b>3,627,879</b>	<b>2,993,311</b>	<b>136,392</b>	<b>136,392</b>	<b>3,627,879</b>	<b>2,993,311</b>	<b>103,341</b>	<b>37,914</b>

All subsidiaries were incorporated in Thailand.

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations, except for Nation Broadcasting Corporation Public Company Limited and Nation International Edutainment Public Company Limited which are listed on the Market for Alternative Investment. Based on the closing price of Baht 1.82 and Baht 1.57, respectively, as at 31 December 2016 (2015: Baht 2.60 and Baht 2.30, respectively), the fair value of the Group's investments in the said companies were Baht 696.25 million and Baht 193.16 million, respectively (2015: Baht 994.64 million and Baht 299.15 million, respectively).

## Nation Multimedia Group Public Company Limited and its Subsidiaries

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#### 14 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2016			
	Nation Broadcasting Corporation Public Company Limited	Nation International Edutainment Public Company Limited	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Total
Non-controlling interest percentage	28.55%	27.65%		
Current assets	602,137	353,256		
Non-current assets	1,241,745	23,237		
Current liabilities	(394,454)	(97,099)		
Non-current liabilities	(469,299)	(12,255)		
<b>Net assets</b>	<b>980,129</b>	<b>267,139</b>		<b>327,298</b>
Carrying amount of non-controlling interest	279,827	73,864	124,478	(150,871)
Revenue	536,524	182,214		
Profit (loss)	(275,463)	(213,857)		
Other comprehensive income (loss)	(19,124)	(2,584)		
<b>Total comprehensive income (loss)</b>	<b>(294,587)</b>	<b>(216,441)</b>		<b>(138,183)</b>
Profit (loss) allocated to non-controlling interest	(78,645)	(59,131)	(106)	(301)
Other comprehensive income allocated to non-controlling interest	(5,460)	(714)	123	3,195
				<b>(2,856)</b>

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	31 December 2016				
	Nation Broadcasting Corporation Public Company Limited	Nation International Edutainment Public Company Limited	Other individually immaterial subsidiaries (in thousand Baht)	Intra-group eliminations	Total
Cash flows from operating activities	(77,607)	(43,717)			
Cash flows from investing activities	176,195	10,352			
Cash flows from financing activities	(47,348)	(14,211)			
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>51,240</b>	<b>(47,576)</b>			
Dividends to non-controlling interest	12,231	879	3,875	-	<b>16,985</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

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	31 December 2015			
	Nation Broadcasting Corporation Public Company Limited	Nation International Edutainment Public Company Limited	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra-group eliminations
Non-controlling interest percentage	28.55%	23.51%		
Current assets	1,104,687	603,161		
Non-current assets	1,335,087	56,241		
Current liabilities	(444,445)	(163,374)		
Non-current liabilities	(678,829)	(8,994)		
<b>Net assets</b>	<b>1,316,500</b>	<b>487,034</b>		
Carrying amount of non-controlling interest	375,861	114,502	110,842	(146,188)
				<b>455,017</b>
Revenue	846,151	227,623		
Profit (loss)	(20,558)	(18,533)		
Other comprehensive income (loss)	(47,153)	-		
<b>Total comprehensive income (loss)</b>	<b>(67,711)</b>	<b>(18,533)</b>		
Profit (loss) allocated to non-controlling interest	(5,869)	(4,357)	1,817	17,030
Other comprehensive income allocated to non-controlling interest	(13,462)	-	-	13,462
				<b>8,621</b>
				<b>-</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2016

	31 December 2015			
	Nation Broadcasting Corporation Public Company Limited	Nation International Edutainment Public Company Limited	Other individually immaterial subsidiaries <i>(in thousand Baht)</i>	Intra-group eliminations
				<b>Total</b>
Cash flows from operating activities	12,321	6,805		
Cash flows from investing activities	(279,846)	(148,334)		
Cash flows from financing activities	(14,080)	(12,557)		
<b>Net decrease in cash and cash equivalents</b>	<b>(281,605)</b>	<b>(154,086)</b>		
Dividends to non-controlling interest	3,074	2,734	3,875	-
				<b>9,683</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

**15 Long-term investment in related party**

Long-term investment in related party as at 31 December 2016 and 2015, and dividend income from the investment for the year then ended was as follows:

	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(%)						<i>(in thousand Baht)</i>					
Thai Portal Co., Ltd.	Internet services	19.00	19.00	100,000	100,000	6,092	6,092	6,092	6,092	-	-	-	-
						<b>6,092</b>	<b>6,092</b>	<b>6,092</b>	<b>6,092</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

**16 Investment properties**

	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	Land	Condominium and improvements	Total	Land	Condominium and improvements	Total
<i>Cost</i>						
At 1 January 2015	44,678	-	44,678	44,678	-	44,678
At 31 December 2015 and 1 January 2016	44,678	-	44,678	44,678	-	44,678
Additions	-	31,145	31,145	-	20,006	20,006
At 31 December 2016	44,678	31,145	75,823	44,678	20,006	64,684
<i>Depreciation and impairment losses</i>						
At 1 January 2015	6,678	-	6,678	6,678	-	6,678
Reversal of impairment losses	(6,678)	-	(6,678)	(6,678)	-	(6,678)
At 31 December 2015 and 1 January 2016	-	-	-	-	-	-
Depreciation charge for the year	-	376	376	-	189	189
At 31 December 2016	-	376	376	-	189	189
<i>Net book value</i>						
At 1 January 2015	38,000	-	38,000	38,000	-	38,000
At 31 December 2015 and 1 January 2016	44,678	-	44,678	44,678	-	44,678
At 31 December 2016	44,678	30,769	75,447	44,678	19,817	64,495

Investment property, which is land, was revalued as at 31 December 2016 and 2015 by Knight Frank Chartered (Thailand) Co., Ltd., a firm of independent professional valuers, at open market values on an existing use basis. The appraised value was Baht 48.60 million (2015: Baht 48.60 million).

During 2016, the Group and the Company received barter condominium and improvements from rendering of services totalling Baht 31.15 million and Baht 20.01 million, respectively. The Group believes that fair value of investment property, which is condominium and improvements, is not different from the acquisition date, therefore, the Group did not determine the fair value by external independent property valuer as at 31 December 2016.

**Measurement of fair value**

*Fair value hierarchy*

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Company's investment property portfolio every 3 years.

The fair value measurement for investment property of Baht 48.60 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

*Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
Comparative method	Quoted market prices of similar land that are observable and in the similar area.	The estimated fair value will increase (decrease) if the rate per square increase (decrease).

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2016

### 17 Property, plant and equipment

Consolidated financial statements									
	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment	Operating equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>								
<b>Cost</b>									
At 1 January 2015	589,351	556,775	111,832	847,417	388,302	287,510	64,894	81,788	2,927,869
Additions	-	379	6,921	26	26,478	14,014	22,554	83,503	153,875
Transfers	-	4,719	49,888	-	107,665	1,655	-	(163,927)	-
Disposals / written-off	-	-	(1,336)	-	(136,250)	(18,612)	(6,692)	(1,234)	(164,124)
<b>At 31 December 2015 and 1 January 2016</b>	<b>589,351</b>	<b>561,873</b>	<b>167,305</b>	<b>847,443</b>	<b>386,195</b>	<b>284,567</b>	<b>80,756</b>	<b>130</b>	<b>2,917,620</b>
Additions	1,003	22,270	598	470	7,414	5,240	9,320	1,151	47,466
Transfers	-	-	167	-	480	-	-	(647)	-
Disposals / written-off	-	-	(12,260)	-	(630)	(9,812)	(2,554)	-	(25,256)
<b>At 31 December 2016</b>	<b>590,354</b>	<b>584,143</b>	<b>155,810</b>	<b>847,913</b>	<b>393,459</b>	<b>279,995</b>	<b>87,522</b>	<b>634</b>	<b>2,939,830</b>
<b>Depreciation</b>									
At 1 January 2015	8,993	250,011	42,743	421,893	252,871	222,885	27,524	-	1,226,920
Depreciation charge for the year	800	31,457	19,106	53,073	56,596	30,069	11,984	-	203,085
Disposals / written-off	-	-	(1,306)	-	(135,202)	(17,692)	(4,604)	-	(158,804)
<b>At 31 December 2015 and 1 January 2016</b>	<b>9,793</b>	<b>281,468</b>	<b>60,543</b>	<b>474,966</b>	<b>174,265</b>	<b>235,262</b>	<b>34,904</b>	<b>-</b>	<b>1,271,201</b>
Depreciation charge for the year	807	32,727	23,241	50,472	54,769	25,320	14,748	-	202,084
Disposals / written-off	-	-	(7,349)	-	(384)	(8,747)	(2,496)	-	(18,976)
<b>At 31 December 2016</b>	<b>10,600</b>	<b>314,195</b>	<b>76,435</b>	<b>525,438</b>	<b>228,650</b>	<b>251,835</b>	<b>47,156</b>	<b>-</b>	<b>1,454,309</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

Consolidated financial statements									
	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment	Operating equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>(in thousand Baht)</i>									
<i>Net book value</i>									
<b>At 1 January 2015</b>									
Owned assets	580,358	306,764	69,089	425,524	135,431	60,363	37,370	81,788	1,696,687
Assets under finance leases	-	-	-	-	-	4,262	-	-	4,262
	<b>580,358</b>	<b>306,764</b>	<b>69,089</b>	<b>425,524</b>	<b>135,431</b>	<b>64,625</b>	<b>37,370</b>	<b>81,788</b>	<b>1,700,949</b>
<b>At 31 December 2015 and 1 January 2016</b>									
Owned assets	579,558	280,405	106,762	372,477	211,930	47,921	45,852	130	1,645,035
Assets under finance leases	-	-	-	-	-	1,384	-	-	1,384
	<b>579,558</b>	<b>280,405</b>	<b>106,762</b>	<b>372,477</b>	<b>211,930</b>	<b>49,305</b>	<b>45,852</b>	<b>130</b>	<b>1,646,419</b>
<b>At 31 December 2016</b>									
Owned assets	579,754	269,948	79,375	322,475	164,809	27,653	40,366	634	1,485,014
Assets under finance lease	-	-	-	-	-	507	-	-	507
	<b>579,754</b>	<b>269,948</b>	<b>79,375</b>	<b>322,475</b>	<b>164,809</b>	<b>28,160</b>	<b>40,366</b>	<b>634</b>	<b>1,485,521</b>

## Notes to the financial statements

*Cost*

### Depreciation

## Notes to the financial statements

*Net book value*

Owned assets

**At 31 December 2015 and**

Owned assets

Owned assets

## Separate financial statements

(in thousand Baht)

	Land and improvements	Building and improvements	Leasehold improvements	Machinery and equipment	Operating equipment	fixtures and office equipment	Vehicles	Assets under construction and installation	Total
					(in thousand Baht)				
	342,419	23,495	36,737	925	14,132	27,274	22,133	5,374	472,489
	-	-	-	-	-	4,262	-	-	4,262
	<b>342,419</b>	<b>23,495</b>	<b>36,737</b>	<b>925</b>	<b>14,132</b>	<b>31,536</b>	<b>22,133</b>	<b>5,374</b>	<b>476,751</b>
	342,305	22,241	55,282	762	60,209	19,870	26,171	-	526,840
	-	-	-	-	-	1,384	-	-	1,384
	<b>342,305</b>	<b>22,241</b>	<b>55,282</b>	<b>762</b>	<b>60,209</b>	<b>21,254</b>	<b>26,171</b>	<b>-</b>	<b>528,224</b>
	342,191	31,354	38,257	598	48,237	10,271	17,930	-	488,838
	-	-	-	-	-	507	-	-	507
	<b>342,191</b>	<b>31,354</b>	<b>38,257</b>	<b>598</b>	<b>48,237</b>	<b>10,778</b>	<b>17,930</b>	<b>-</b>	<b>489,345</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

The gross amount of the Group's and the Company's fully depreciated building and equipment that were still in use as at 31 December 2016 amounted to Baht 421.35 million and Baht 151.94 million, respectively (2015: Baht 348.11 million and Baht 138.36 million, respectively).

*Security*

At 31 December 2016, the Group's and the Company's properties with a net book value of Baht 791.07 million and Baht 354.05 million, respectively (2015: Baht 833.27 million and Baht 354.05 million, respectively) were secured partial credit facilities from a financial institution (see note 22) and a bank guarantee from a financial institution (see note 45).

**18 Intangible assets**

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Current portion included in "other current assets"	10	1,837	5,382	-	-
Non-current portion		174,142	115,517	7,511	11,691
<b>Total</b>		<b>175,979</b>	<b>120,899</b>	<b>7,511</b>	<b>11,691</b>

Consolidated financial statements						
	Computer programmes and software licences	Licence fees - books	Rights for broadcasting	Trademark	Computer programmes under installation	Total
	<i>(in thousand Baht)</i>					
<b>Cost</b>						
At 1 January 2015	230,372	170,992	83,853	700	3,084	489,001
Additions	2,519	11,909	115,815	-	694	130,937
Transfers	3,778	-	-	-	(3,778)	-
Written-off	-	(98,727)	(73,764)	-	-	(172,491)
<b>At 31 December 2015 and 1 January 2016</b>	<b>236,669</b>	<b>84,174</b>	<b>125,904</b>	<b>700</b>	<b>-</b>	<b>447,447</b>
Additions	1,605	5,614	163,386	-	3,253	173,858
Written-off	-	(69,848)	(10,989)	-	-	(80,837)
<b>At 31 December 2016</b>	<b>238,274</b>	<b>19,940</b>	<b>278,301</b>	<b>700</b>	<b>3,253</b>	<b>540,468</b>
<b>Amortisation</b>						
At 1 January 2015	208,110	140,371	31,606	-	-	380,087
Amortisation charge for the year	12,952	21,265	84,686	49	-	118,952
Written-off	-	(98,727)	(73,764)	-	-	(172,491)
<b>At 31 December 2015 and 1 January 2016</b>	<b>221,062</b>	<b>62,909</b>	<b>42,528</b>	<b>49</b>	<b>-</b>	<b>326,548</b>
Amortisation charge for the year	7,512	10,471	88,393	49	-	106,425
Written-off	-	(57,495)	(10,989)	-	-	(68,484)
<b>At 31 December 2016</b>	<b>228,574</b>	<b>15,885</b>	<b>119,932</b>	<b>98</b>	<b>-</b>	<b>364,489</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

<b>Consolidated financial statements</b>						
	Computer programmes and software licences	Licence fees - books	Rights for broadcasting (in thousand Baht)	Trademark	Computer programmes under installation	Total
<i>Net book value</i>						
<b>At 1 January 2015</b>	<b>22,262</b>	<b>30,621</b>	<b>52,247</b>	<b>700</b>	<b>3,084</b>	<b>108,914</b>
<b>At 31 December 2015 and 1 January 2016</b>	<b>15,607</b>	<b>21,265</b>	<b>83,376</b>	<b>651</b>	<b>-</b>	<b>120,899</b>
<b>At 31 December 2016</b>	<b>9,700</b>	<b>4,055</b>	<b>158,369</b>	<b>602</b>	<b>3,253</b>	<b>175,979</b>

<b>Separate Financial statements</b>			
	Computer programmes and software licences	Computer programmes under installation (in thousand Baht)	Total
<i>Cost</i>			
<b>At 1 January 2015</b>	217,627	3,084	220,711
<b>Additions</b>	759	694	1,453
<b>Transfer</b>	3,778	(3,778)	-
<b>At 31 December 2015 and 1 January 2016</b>	<b>222,164</b>	<b>-</b>	<b>222,164</b>
<b>Additions</b>	1,229	293	1,522
<b>At 31 December 2016</b>	<b>223,393</b>	<b>293</b>	<b>223,686</b>
<i>Amortisation</i>			
<b>At 1 January 2015</b>	199,507	-	199,507
<b>Amortisation charge for the year</b>	10,966	-	10,966
<b>At 31 December 2015 and 1 January 2016</b>	<b>210,473</b>	<b>-</b>	<b>210,473</b>
<b>Amortisation charge for the year</b>	5,702	-	5,702
<b>At 31 December 2016</b>	<b>216,175</b>	<b>-</b>	<b>216,175</b>
<i>Net book value</i>			
<b>At 1 January 2015</b>	<b>18,120</b>	<b>3,084</b>	<b>21,204</b>
<b>At 31 December 2015 and 1 January 2016</b>	<b>11,691</b>	<b>-</b>	<b>11,691</b>
<b>At 31 December 2016</b>	<b>7,218</b>	<b>293</b>	<b>7,511</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

**19 Digital television licences**

	<b>Consolidated financial statements</b> <i>(in thousand Baht)</i>
<i>Cost</i>	
At 1 January 2015	3,135,672
<b>At 31 December 2015 and 1 January 2016</b>	<b>3,135,672</b>
<b>At 31 December 2016</b>	<b>3,135,672</b>
<i>Amortisation</i>	
At 1 January 2015	142,848
Amortisation for the year	209,045
<b>At 31 December 2015 and 1 January 2016</b>	<b>351,893</b>
Amortisation for the year	209,608
<b>At 31 December 2016</b>	<b>561,501</b>
<i>Net book value</i>	
<b>At 1 January 2015</b>	<b>2,992,824</b>
<b>At 31 December 2015 and 1 January 2016</b>	<b>2,783,779</b>
<b>At 31 December 2016</b>	<b>2,574,171</b>

A subsidiary (“Bangkok Business Broadcasting Co., Ltd.”), was the winner of the auction for commercial digital terrestrial television licence (“licence”) at national level for a variety standard definition channel category at a bid price of Baht 2,200 million (exclusive of VAT). The subsidiary was required to make payment of licence fee under the following payment conditions:

- 1) For the minimum bid price amounting to Baht 380 million, the payment is divided into 4 instalments and has to be made within 3 years from the date of acquiring the licence as specified by Nation Broadcasting and Telecommunications Commission (“NBTC”).
- 2) For the exceeding amount of the minimum bid price amounting to Baht 1,820 million, the payment is divided into 6 instalments and has to be made within 5 years from the date of acquiring the licence as specified by NBTC.

The subsidiary paid the first instalment, which was 50% of minimum bid price and 10% of the exceeding of the minimum bid price, totalling Baht 334 million, excluded value added tax and net of guarantee deposit amounting to Baht 38 million on 29 October 2013. The subsidiary placed the letter of guarantee issued by financial institution for the remaining licence fee amounting to Baht 1,828 million to NBTC on 7 February 2014. Such remaining licence fee will be paid annually in the amount as specified in the agreement expiring on 25 April 2019.

As at 31 December 2016, the outstanding balance of letter of guarantee was Baht 1,130 million (2015: Baht 1,532 million).

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An indirect subsidiary (“NBC Next Vision Co., Ltd.”), was the winner of the auction for commercial digital terrestrial television licence (“licence”) at national level for a news channel category at a bid price of Baht 1,338 million (exclusive of VAT). The indirect subsidiary was required to make payment of licence fee under the following payment conditions:

- 1) For the minimum bid price amounting to Baht 220 million, the payment is divided into 4 instalments and has to be made within 3 years from the date of acquiring the licence as specified by NBTC.
- 2) For the exceeding amount of the minimum bid price amounting to Baht 1,118 million, the payment is divided into 6 instalments and has to be made within 5 years from the date of acquiring the licence as specified by NBTC.

The indirect subsidiary paid the first instalment, which was 50% of minimum bid price and 10% of the exceeding of the minimum bid price, totalling Baht 199.80 million, excluded value added tax and net of guarantee deposit amounting to Baht 22 million on 29 October 2013. The indirect subsidiary placed the letter of guarantee issued by financial institution for the remaining licence fee amounting to Baht 1,116.20 million to NBTC on 7 February 2014. Such remaining licence fee will be paid annually in the amount as specified in the agreement expiring on 25 April 2019.

As at 31 December 2016, the outstanding balance of letter of guarantee was Baht 692.80 million (2015: Baht 938.40 million).

On 25 April 2014, the subsidiary and the indirect subsidiary received the commercial digital terrestrial television licences at national level for a period of 15 years, commencing from 25 April 2014 to 24 April 2029.

On 20 December 2016, National Council for Peace and Order (NCPO) issued an order under Section 44 to promote the business of radio broadcasting, television broadcasting and telecommunications for public interest. The order allows the licence holders, who were unable to comply with the initial terms and conditions of licence fees payments from the fourth instalment onwards, to extend the payment term by providing a written notification to NBTC in advance. In case NBTC deems the requests appropriate, those licence holders are able to pay the rest of licence fees in accordance with the terms and conditions within this order, which are extended. On 23 January 2017 and 24 January 2017, the subsidiary and the indirect subsidiary have provided the written notifications to NBTC for payments of the licence fees which are being given due consideration by NBTC.

*Impairment test of Digital television licences*

Management of the subsidiary and indirect subsidiary performed impairment test of carrying amount of digital television licences (“licences”). The recoverable amount was based on its value in use, determined by discounted future cash flows the generated from the continuing use of assets until expiration date of licences based on its business plan and discount rate which is calculated by weighted average cost of capital.

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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These assumptions are based on the subsidiary and indirect subsidiary management's judgement and past experience as well as the future prediction that is believed to be reasonable in the present situation. Changes in the information or new noticeable information may lead to the change in the assumptions and the discount rate for the estimation of the discounting future cash flows along with sensitivity of key assumptions effect to the recoverable amount.

Based on the impairment test, the recoverable amount was higher than its carrying amount. Therefore, the Group did not recognise impairment loss in the consolidated financial statements.

**20 Deferred tax**

Deferred tax assets and liabilities as at 31 December were as follows:

<b>Consolidated financial statements</b>				
	<b>Assets</b>		<b>Liabilities</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Total	126,450	272,879	35,306	27,783
Set off of tax	(14,397)	(9,957)	(14,397)	(9,957)
<b>Net deferred tax assets (liabilities)</b>	<b>112,053</b>	<b>262,922</b>	<b>20,909</b>	<b>17,826</b>

<b>Separate financial statements</b>				
	<b>Assets</b>		<b>Liabilities</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Total	22,048	92,835	695	420
Set off of tax	(695)	(420)	(695)	(420)
<b>Net deferred tax assets (liabilities)</b>	<b>21,353</b>	<b>92,415</b>	<b>-</b>	<b>-</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2016**

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

	At 1 January 2016	Consolidated financial statements (Charged) / Credited to:		At 31 December 2016
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Trade accounts receivable	11,762	(1,056)	-	10,706
Marketable securities	1,063	-	(5)	1,058
Inventories	16,024	(4,967)	-	11,057
Other current assets	6,492	590	-	7,082
Provisions	31,938	(1,757)	2,393	32,574
Digital television licences	31,297	13,028	-	44,325
Loss carry forward	174,303	(154,655)	-	19,648
<b>Total</b>	<b>272,879</b>	<b>(148,817)</b>	<b>2,388</b>	<b>126,450</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	27,783	7,290	-	35,073
Upfront fee of long-term loan from financial institution	-	233	-	233
<b>Total</b>	<b>27,783</b>	<b>7,523</b>	<b>-</b>	<b>35,306</b>
<b>Net</b>	<b>245,096</b>	<b>(156,340)</b>	<b>2,388</b>	<b>91,144</b>
<b>Consolidated financial statements</b> (Charged) / Credited to:				
	At 1 January 2015			At 31 December 2015
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Trade accounts receivable	15,345	(3,583)	-	11,762
Marketable securities	-	-	1,063	1,063
Inventories	15,190	834	-	16,024
Other current assets	6,492	-	-	6,492
Investment property	1,336	(1,336)	-	-
Provisions	28,896	3,042	-	31,938
Share-based payments	3,008	(3,008)	-	-
Digital television licences	13,617	17,680	-	31,297
Loss carry forward	51,940	122,363	-	174,303
<b>Total</b>	<b>135,824</b>	<b>135,992</b>	<b>1,063</b>	<b>272,879</b>
<b>Deferred tax liabilities</b>				
Marketable securities	6,211	-	(6,211)	-
Property, plant and equipment	43	27,740	-	27,783
Upfront fee of long-term loans from financial institutions	289	(289)	-	-
<b>Total</b>	<b>6,543</b>	<b>27,451</b>	<b>(6,211)</b>	<b>27,783</b>
<b>Net</b>	<b>129,281</b>	<b>108,541</b>	<b>7,274</b>	<b>245,096</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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		Separate financial statements (Charged) / Credited to:		
	At 1 January 2016	Profit or loss	Other comprehensive income	At 31 December 2016
		(in thousand Baht)		
<b>Deferred tax assets</b>				
Trade accounts receivable	4,275	(472)	-	3,803
Marketable securities	1,063	-	(5)	1,058
Inventories	572	(4)	-	568
Other current assets	6,492	590	-	7,082
Provisions	10,433	(1,509)	613	9,537
Loss carry forward	70,000	(70,000)	-	-
<b>Total</b>	<b>92,835</b>	<b>(71,395)</b>	<b>608</b>	<b>22,048</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	420	42	-	462
Upfront fee of long-term loan from financial institution	-	233	-	233
<b>Total</b>	<b>420</b>	<b>275</b>	<b>-</b>	<b>695</b>
<b>Net</b>	<b>92,415</b>	<b>(71,670)</b>	<b>608</b>	<b>21,353</b>

		Separate financial statements (Charged) / Credited to:		
	At 1 January 2015	Profit or loss	Other comprehensive income	At 31 December 2015
		(in thousand Baht)		
<b>Deferred tax assets</b>				
Trade accounts receivable	5,208	(933)	-	4,275
Marketable securities	-	-	1,063	1,063
Inventories	574	(2)	-	572
Other current assets	6,492	-	-	6,492
Investment property	1,336	(1,336)	-	-
Provisions	9,707	726	-	10,433
Share-based payments	2,345	(2,345)	-	-
Loss carry forward	3,408	66,592	-	70,000
<b>Total</b>	<b>29,070</b>	<b>62,702</b>	<b>1,063</b>	<b>92,835</b>
<b>Deferred tax liabilities</b>				
Marketable securities	6,211	-	(6,211)	-
Property, plant and equipment	259	161	-	420
Upfront fee of long-term loans from financial institutions	289	(289)	-	-
<b>Total</b>	<b>6,759</b>	<b>(128)</b>	<b>(6,211)</b>	<b>420</b>
<b>Net</b>	<b>22,311</b>	<b>62,830</b>	<b>7,274</b>	<b>92,415</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Account receivables	671	-	671	-
Inventories	30,436	-	-	-
Loss carried forwards	343,804	7,925	90,093	1,386
<b>Total</b>	<b>374,911</b>	<b>7,925</b>	<b>90,764</b>	<b>1,386</b>

The subsidiaries recognised deferred tax assets from losses because management considered it probable that future taxable profits would be available which the related deferred tax assets can be utilised.

The tax losses expire in 2017-2021. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

**21 Other non-current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Withholding tax deducted at source	141,778	168,109	107,096	134,697
Deposits	16,902	13,160	4,490	1,273
Golf membership	6,025	6,457	6,025	6,457
Merchandises under barter trade	3,639	4,553	2,050	2,186
Others	2,653	1,639	-	-
<b>Total</b>	<b>170,997</b>	<b>193,918</b>	<b>119,661</b>	<b>144,613</b>

**22 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Current</b>				
Bank overdrafts				
Unsecured	47,539	53,983	42,057	35,000
Short-term loans from financial institutions				
Unsecured	891,892	536,402	840,923	484,497
<b>Bank overdrafts and short-term loans from financial institutions</b>	<b>939,431</b>	<b>590,385</b>	<b>882,980</b>	<b>519,497</b>
Current portion of long-term loan from financial institution				
Secured	120,000	-	120,000	-
<b>Current portion of long-term loan</b>	<b>120,000</b>	<b>-</b>	<b>120,000</b>	<b>-</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Other short-term loans payable				
Unsecured	160,000	-	160,000	-
<b>Short-term loans</b>	<b>160,000</b>	<b>-</b>	<b>160,000</b>	<b>-</b>
<b>Current portion of finance lease liabilities</b>	<b>1,066</b>	<b>1,561</b>	<b>1,066</b>	<b>1,561</b>
<b>Total current interest-bearing liabilities</b>	<b>1,220,497</b>	<b>591,946</b>	<b>1,164,046</b>	<b>521,058</b>
<i>Non-current</i>				
Long-term loan from financial institution				
Secured	158,833	-	158,833	-
<b>Long-term loan</b>	<b>158,833</b>	<b>-</b>	<b>158,833</b>	<b>-</b>
<b>Finance lease liabilities</b>	<b>-</b>	<b>1,271</b>	<b>-</b>	<b>1,271</b>
<b>Total non-current interest-bearing liabilities</b>	<b>158,833</b>	<b>1,271</b>	<b>158,833</b>	<b>1,271</b>

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within one year	1,219,431	590,385	1,162,980	519,497
After one year but within five years	158,833	-	158,833	-
<b>Total</b>	<b>1,378,264</b>	<b>590,385</b>	<b>1,321,813</b>	<b>519,497</b>

Secured interest-bearing liability as at 31 December was secured on the following assets:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Properties, machine and equipment	<b>785,631</b>	<b>827,210</b>	<b>354,049</b>	<b>354,049</b>

***Short-term loans from financial institutions and others***

As at 31 December 2016, the Group and the Company entered into short-term loan agreements with financial institutions amounting to Baht 891.89 million and Baht 840.92 million, respectively (2015: Baht 536.40 million and Baht 484.50 million, respectively). These short-term loans bear interest at the rate of 2.65% to 7.50% per annum (2015: 2.50% to 4.70% per annum).

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As at 31 December 2016, the Company entered into short-term loan agreements with private lenders amounting to Baht 160 million. The loans were bills of exchange and were repayable over 1 - 3 months. The loans bear interest at the rate of 8.00% to 15.00% per annum.

***Long-term loans from financial institutions***

On 9 May 2016, the Company entered into a Loan Agreement with a local financial institution of Baht 300 million to use as its working capital. This loan has interest rate at the Minimum Loan Rate minus 1% (MLR - 1%) and shall be repaid by monthly within 3 years commencing from November 2016 to April 2019.

The loan was secured by properties, printing machines and parts of equipment of the Company and a subsidiary. As at 31 December 2016, the outstanding balance of loan was Baht 278.83 million.

On 22 November 2012, the Company entered into a Syndicate Loan Agreement with two local financial institutions for stand by credit of Baht 300 million for expanding the investment in satellite TV, investment in licences of Nation University including improvements of office space and information technology of the Company.

These loans have various interest rates and term of repayments separated by tranches as follows:

- a) Tranche 1 in the amount of Baht 145 million bears interest at the average Minimum Loan Rate minus 1% (MLR - 1%). This loan shall be repaid within 3 years commencing from January 2014 to December 2016.
- b) Tranche 2 in the amount of Baht 155 million bears interest at the average Minimum Loan Rate minus 1% (MLR - 1%). This loan shall be repaid within 3 years commencing from January 2014 to December 2016.

The loan was secured by properties, printing machines and parts of equipment of the Company and a subsidiary. The Company fully repaid the loan during 2015.

As at 31 December 2016, the Group and the Company had overdrafts and other credit facilities with local financial institutions totalling Baht 4,084 million and Baht 1,947.60 million, respectively (2015: Baht 4,506.93 million and Baht 1,667.60 million, respectively).

As at 31 December 2016, the Group and the Company had unutilised credit facilities totalling Baht 873.26 million and Baht 759.69 million, respectively (2015: Baht 1,185.16 million and Baht 1,075.79 million, respectively).

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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*Finance lease liabilities*

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements / Separate financial statements					
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	1,073	7	1,066	1,646	85	1,561
After one year but within five years	-	-	-	1,277	6	1,271
<b>Total</b>	<b>1,073</b>	<b>7</b>	<b>1,066</b>	<b>2,923</b>	<b>91</b>	<b>2,832</b>

Interest-bearing liabilities of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

**23 Trade accounts payable**

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		(in thousand Baht)			
Related parties	4	8	64	1,495,243	1,142,386
Other parties		99,256	133,642	14,555	35,063
<b>Total</b>		<b>99,264</b>	<b>133,706</b>	<b>1,509,798</b>	<b>1,177,449</b>

The currency denomination of trade accounts payable as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Thai Baht	96,783	117,542	1,508,118	1,161,285
United States Dollars	2,481	16,164	1,680	16,164
<b>Total</b>	<b>99,264</b>	<b>133,706</b>	<b>1,509,798</b>	<b>1,177,449</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2016**

**24 Other payables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2016	2015 (in thousand Baht)	2016	2015
<b>Related parties</b>	<b>4</b>	<b>12</b>	<b>2</b>	<b>24,862</b>	<b>27,966</b>
<b>Others</b>					
Advance received		119,995	93,320	27,729	25,488
Other payables		22,647	20,785	3,238	5,319
Payables for purchase of assets		3,481	5,542	494	76
		<b>146,123</b>	<b>119,647</b>	<b>31,461</b>	<b>30,883</b>
<b>Total</b>		<b>146,135</b>	<b>119,649</b>	<b>56,323</b>	<b>58,849</b>

The Group's and the Company's other payables as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

**25 Accrued expenses**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2016	2015 (in thousand Baht)	2016	2015
<b>Related parties</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>399,703</b>	<b>401,729</b>
<b>Others</b>					
Accrued rebate		54,755	54,417	31,386	36,636
Accrued revenue sharing		17,147	14,760	-	-
Accrued annual broadcasting or television licence fees		4,189	47,615	-	-
Accrued licence fees		25,901	28,105	-	-
Accrued project expenses		4,417	5,406	-	3,137
Others		80,936	65,929	31,308	12,214
		<b>187,345</b>	<b>216,232</b>	<b>62,694</b>	<b>51,987</b>
<b>Total</b>		<b>187,345</b>	<b>216,232</b>	<b>462,397</b>	<b>453,716</b>

**26 Other current liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015 (in thousand Baht)	2016	2015
Output value added tax pending	226,746	213,353	59,565	55,493
Revenue department payable	7,217	2,779	5,931	25
Accrued withholding tax	8,209	11,816	2,294	6,216
Others	6,497	8,290	590	791
<b>Total</b>	<b>248,669</b>	<b>236,238</b>	<b>68,380</b>	<b>62,525</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**27 Digital television licences payable**

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

	<b>Consolidated financial statements</b>					
	2016			2015		
	Future payments	Interest	Present value of payments (in thousand Baht)	Future payments	Interest	Present value of payments
Within one year	647,600	63,531	584,069	647,600	91,397	556,203
After one year but within five years	1,175,200	45,130	1,130,070	1,822,800	108,661	1,714,139
<b>Total</b>	<b>1,822,800</b>	<b>108,661</b>	<b>1,714,139</b>	<b>2,470,400</b>	<b>200,058</b>	<b>2,270,342</b>

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

	<b>Consolidated financial statements</b>	
	2016	2015
	<i>(in thousand Baht)</i>	
Present value at 1 January	2,270,342	2,628,922
Payment of the digital television licences	(647,600)	(473,800)
Interest expense	91,397	115,220
<b>Present value at 31 December</b>	<b>1,714,139</b>	<b>2,270,342</b>

**28 Employee benefit obligations**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Statement of financial position obligation for:</b>				
Post-employment benefits	<u>167,253</u>	<u>163,856</u>	<u>47,685</u>	<u>52,166</u>
<b>Year ended 31 December</b>				
<b>Statement of comprehensive income:</b>				
<b>Recognised in profit or loss:</b>				
Post-employment benefits	<u>(6,723)</u>	<u>17,999</u>	<u>(4,165)</u>	<u>5,153</u>
<b>Recognised in other comprehensive income:</b>				
Actuarial losses recognised in the year	<u>11,968</u>	<u>-</u>	<u>3,063</u>	<u>-</u>

The Group and the Company operate defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plan expose the Group to actuarial risks, such as longevity risk and interest rate risk.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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Movement in the present value of the defined benefit obligations.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	163,856	149,358	52,166	48,534
<b>Include in profit or loss:</b>				
Current services costs	13,485	11,727	3,674	3,184
Interest on obligations	5,105	6,272	1,602	1,969
Curtailment gain	(25,313)	-	(9,441)	-
	<b>(6,723)</b>	<b>17,999</b>	<b>(4,165)</b>	<b>5,153</b>
<b>Included in other comprehensive income:</b>				
Actuarial losses	11,968	-	3,063	-
	<b>11,968</b>	<b>-</b>	<b>3,063</b>	<b>-</b>
<b>Others</b>				
Transfer in (out)	-	-	(3,239)	-
Benefit paid	(1,848)	(3,501)	(140)	(1,521)
	<b>(1,848)</b>	<b>(3,501)</b>	<b>(3,379)</b>	<b>(1,521)</b>
<b>Defined benefit obligations at 31 December</b>	<b>167,253</b>	<b>163,856</b>	<b>47,685</b>	<b>52,166</b>

Actuarial gains and losses recognised in other comprehensive income arising from:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Demographic assumptions	(10,028)	-	(3,127)	-
Financial assumptions	20,071	-	6,822	-
Experience adjustment	1,925	-	(632)	-
<b>Total</b>	<b>11,968</b>	<b>-</b>	<b>3,063</b>	<b>-</b>

**Actuarial assumptions**

The followings were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(%)</i>			
Discount rate	2.9 - 3.9	3.9 - 4.1	2.9	4.1
Future salary growth	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2016, the weighted-average duration of the defined benefit obligation was 15 years (2015: 18 years).

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*Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>(in thousand Baht)</i>			
<b>Defined benefit obligation</b>				
<b>31 December 2016</b>	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(15,803)	18,224	(4,933)	5,676
Future salary growth (1% movement)	21,522	(18,806)	6,675	(5,840)
Mortality improvement (1% movement)	927	(1,033)	273	(304)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>(in thousand Baht)</i>			
<b>Defined benefit obligation</b>				
<b>31 December 2015</b>	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(16,962)	19,662	(5,765)	6,677
Future salary growth (1% movement)	19,233	(16,943)	6,532	(5,759)
Mortality improvement (1% movement)	833	(923)	274	(303)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**29 Other non-current liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Advance received for advertising	79,601	98,478	79,601	98,478
Security deposits	7,295	7,477	2,303	2,257
Others	18,165	24,477	-	-
<b>Total</b>	<b>105,061</b>	<b>130,432</b>	<b>81,904</b>	<b>100,735</b>

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**30 Share capital**

	Par value per share (in Baht)	Number	2016 Baht (in thousand shares / thousand Baht)	Number	2015 Baht
<i>Authorised</i>					
At 1 January					
- ordinary shares	0.53	5,025,608	2,663,572	5,025,608	2,663,572
<b>At 31 December</b>					
<b>- ordinary shares</b>	0.53	<b>5,025,608</b>	<b>2,663,572</b>	<b>5,025,608</b>	<b>2,663,572</b>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	0.53	4,067,640	2,155,849	3,316,346	1,757,663
Exercise of share options	0.53	208	110	751,294	398,186
<b>At 31 December</b>					
<b>- ordinary shares</b>	0.53	<b>4,067,848</b>	<b>2,155,959</b>	<b>4,067,640</b>	<b>2,155,849</b>

**Issue of ordinary shares**

On 13 May 2016, 208,000 ordinary shares were issued as a result of the exercise of vested share options arising from 2013 share option programme granted to the directors, management and/or employees of the Company and/or its subsidiaries for consideration totalling Baht 0.21 million. As a result, the Company had share premium amounting to Baht 0.10 million. The Company registered the paid-up share capital from the share options exercised with the Ministry of Commerce on 23 May 2016.

On 19 November 2015, 7,402,400 ordinary shares were issued as a result of the exercise of vested share options arising from the 2013 share option programme granted to the directors, management and/or employees of the Company and/or its subsidiaries for consideration totalling Baht 7.40 million. As a result, the Company had share premium amounting to Baht 3.48 million. The Company registered the paid-up share capital from the share options exercised with the Ministry of Commerce on 27 November 2015.

On 18 June 2015, 740,015,624 ordinary shares were issued as a result of the exercise of warrants for a consideration totalling Baht 740.02 million. As a result, the Company had share premium amounting to Baht 347.81 million. The Company registered the paid-up share capital from the warrants exercised with the Ministry of Commerce on 26 June 2015.

On 21 May 2015, 3,876,000 ordinary shares were issued as a result of the exercise of vested share options arising from the 2013 share option programme granted to the directors, management and/or employees of the Company and/or its subsidiaries for consideration totalling Baht 3.88 million. As a result, the Company had share premium amounting to Baht 1.82 million. The Company registered the paid-up share capital from the share options exercised with the Ministry of Commerce on 25 May 2015.

**Share premium**

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

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

*NMG-WB*

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the shareholders approved an issuance of warrants to the directors, management and/or employees of the Company and/or its subsidiaries of 82,387,015 units. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	5 years from the issuance date of warrant
Propose to sell to	The Company and/or subsidiaries' directors, management and/or employees
Issue and sell quantities	82,387,015 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 1 per ordinary share
Exercise period and proportion	The date 15 <sup>th</sup> of November and May in each year, to exercise not more than 20% each year

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	1.61
Exercise price warrant (Baht)	1.00
Historical volatility in 3 years at the allotment date	83.94%
The expected period, that shareholders will completely use their right on warrant	5 years
Historical dividend yield in 3 years	0.00%
Risk free interest rate (3 years Government bond yield) at the allotment date	3.02%

The condition for subscription is comprised of each employee of the Company and/or its subsidiaries as of each offering date.

On 15 August 2013, the Company granted the rights and notified terms and conditions for exercising the rights to the directors, management, and/or employees of the Company and/or its subsidiaries.

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*NINE-WA*

At the annual general meeting of the shareholders of a subsidiary ("Nation International Edutainment Public Company Limited") held on 23 April 2013, the shareholders of the subsidiary approved an issuance of warrants to the directors, management, and/or employees of the company and/or its subsidiaries of 4,250,000 units. The details are as follows

Description	Details
Type of warrants	No value
Terms of warrants	5 years from the issuance date of warrant
Propose to sell to	The company and/or subsidiaries' directors, management and/or employees
Issue and sell quantities	4,250,000 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 4 per ordinary share
Exercise period and proportion	The date 15 <sup>th</sup> of November and May in each year, to exercise not more than 20% each year

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	4.74
Exercise price warrant (Baht)	4.00
Historical volatility in 3 years at the allotment date	81.75%
The expected period, that shareholders will completely use their right on warrant	5 years
Historical dividend yield in 3 years	2.93%
Risk free interest rate (3 years Government bond yield) at the allotment date	3.02%

The condition for subscription is comprised of each employee of the company and/or its subsidiaries as of each offering date.

On 15 August 2013, the subsidiary granted the rights and notified terms and conditions for exercising the rights to the directors, management, and/or employees of the company and/or its subsidiaries.

*NBC-WB*

At the annual general meeting of the shareholders of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 24 April 2013, the shareholders of the subsidiary approved an issuance of warrants to the directors, management, and/or employees of the company and/or its subsidiaries of 8,798,905 units. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	5 years from the issuance date of warrant
Propose to sell to	The company and/or subsidiaries' directors, management and/or employees
Issue and sell quantities	8,798,905 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 3 per ordinary share
Exercise period and proportion	The date 15 <sup>th</sup> of November and May in each year, to exercise not more than 20% each year

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The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	3.62
Exercise price warrant (Baht)	3.00
Historical volatility in 3 years at the allotment date	49.69%
The expected period, that shareholders will completely use their right on warrant	5 years
Historical dividend yield in 3 years	5.31%
Risk free interest rate (3 years Government bond yield) at the allotment date	3.02%

The condition for subscription is comprised of each employee of the company and/or its subsidiaries as of each offering date.

On 15 August 2013, the subsidiary granted the rights and notified terms and conditions for exercising the rights to the directors, management, and/or employees of the company and/or its subsidiaries.

As the Thai Financial Reporting Standards 2 (TFRS 2): Share-based Payment was effective for the share-based payment awards granted on or after 1 January 2011. Therefore, according to TFRS 2, ESOP has to be measured by using the fair value of the warrants on the grant date.

The expense for share-based payment transactions for the year ended 31 December 2016 were Baht 12.14 million and Baht 10.80 million for the consolidated and separate financial statements, respectively (2015: Baht 19.56 million and Baht 16.43 million, respectively).

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

	<b>Consolidated financial statements</b>			
	2016		2015	
	Number of warrants	Grant date fair value	Number of warrants	Grant date fair value
	<i>(in thousand units / thousand Baht)</i>			
At 1 January	14,799	18,665	11,364	14,288
Issued warrants during the year	15,483	16,917	18,551	20,543
Exercised warrants during the year	(208)	(252)	(12,007)	(14,286)
Forfeited warrants during the year	(5,600)	(5,318)	(3,109)	(1,880)
<b>At 31 December</b>	<b>24,474</b>	<b>30,012</b>	<b>14,799</b>	<b>18,665</b>

	<b>Separate financial statements</b>			
	2016		2015	
	Number of warrants	Grant date fair value	Number of warrants	Grant date fair value
	<i>(in thousand units / thousand Baht)</i>			
At 1 January	11,993	14,511	9,691	11,726
Issued warrants during the year	13,003	14,130	16,284	17,986
Exercised warrants during the year	(208)	(252)	(11,278)	(13,647)
Forfeited warrants during the year	(4,079)	(3,332)	(2,704)	(1,554)
<b>At 31 December</b>	<b>20,709</b>	<b>25,057</b>	<b>11,993</b>	<b>14,511</b>

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*NMG-W3*

The outstanding unexercised warrants as at 31 December were as follows:

Unexercised warrants as at 1 January 2016	Issued warrants (million units)	Exercised warrants	Unexercised warrants as at 31 December 2016	Exercise price (Baht / share)	Expiry date
904	-	-	904	1	5 years from the grant date
Unexercised warrants as at 1 January 2015	Issued warrants (million units)	Exercised warrants	Unexercised warrants as at 31 December 2015	Exercise price (Baht / share)	Expiry date
1,644	-	740	904	1	5 years from the grant date

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the shareholders approved an issuance and offering of warrants to the Company's existing shareholders who subscribed for additional ordinary shares in a ratio of 1 warrant for 1 existing ordinary share, without the offering price and approved an increase in the registered share capital from Baht 873.30 million (divided into 1,647,740,300 ordinary shares at Baht 0.53 per share) to Baht 2,663.57 million (divided into 5,025,607,915 ordinary shares at Baht 0.53 per share) by issuing of not exceeding 3,377,867,615 ordinary shares at Baht 0.53 per share to reserve for the increase in share capital and exercise of warrants as referred above.

During the first quarter of 2015, a subsidiary ("Nation Broadcasting Corporation Public Company Limited") invested in the warrants of 82,237,800 units, amounting to Baht 91.01 million.

## **32 Reserves**

Reserves comprise:

### *Appropriations of profit and/or retained earnings*

#### **Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

### *Other components of equity*

#### **Fair value changes in available-for-sale investments**

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

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**33 Segment information**

The Group has five reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1      Publishing and advertising
- Segment 2      Printing services
- Segment 3      Edutainment
- Segment 4      Broadcasting and new media
- Segment 5      Others

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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**Information about reportable segments**

	Publishing and advertising		Printing services		Entertainment		Broadcasting and new media		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015		
	(in thousand Baht)											
External revenue	921,397	1,285,953	60,141	54,339	145,448	178,517	789,099	1,314,930	181,308	180,851	2,097,393	3,014,590
Inter-segment revenue	129,048	121,537	216,315	270,897	15,176	12,659	7,347	4,481	97,516	127,293	465,402	536,867
Other income	22,313	88,919	5,923	5,895	15,842	16,381	18,924	21,056	21,668	18,195	84,670	150,446
Total segment revenue	1,072,758	1,496,409	282,379	331,131	176,466	207,557	815,370	1,340,467	300,492	326,339	2,647,465	3,701,903
Interest income	90	171	2	3	8,893	8,525	13,431	19,163	188	108	22,604	27,970
Interest expense	(38,100)	(23,694)	(2,771)	(2,885)	(26)	(46)	(18)	-	-	-	(40,915)	(26,625)
Depreciation and amortisation	(35,067)	(43,811)	(74,298)	(77,355)	(9,387)	(21,580)	(168,566)	(160,069)	(22,000)	(19,616)	(309,318)	(322,431)
Amortisation of digital television licences	-	-	-	-	-	-	(209,608)	(209,045)	-	-	(209,608)	(209,045)
Segment profit (loss) before income tax	(209,908)	119,630	21,398	33,688	(197,494)	(10,264)	(647,717)	(187,134)	(44,606)	(30,314)	(1,078,327)	(74,394)
Share of profit of investment in associate	1,080	320	-	-	-	-	-	-	-	-	1,080	320
Capital expenditures	14,911	12,688	2,181	789	5,623	13,450	195,440	238,857	3,168	19,028	221,323	284,812
Segment assets as at 31 December	1,506,310	1,744,440	665,265	745,348	317,421	609,642	4,292,033	4,832,375	295,201	305,413	7,076,230	8,237,218
Segment liabilities as at 31 December	1,816,550	1,045,815	128,492	143,753	38,029	50,533	2,028,461	2,582,316	56,624	60,451	4,068,156	3,882,868

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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*Reconciliation of reportable segment profit or loss*

	2016	2015
	<i>(in thousand Baht)</i>	
<b>Profit or loss</b>		
Total loss for reportable segments	(1,078,327)	(74,394)
Share of profit of investment in associate	1,080	320
<b>Consolidated loss before income tax</b>	<b>(1,077,247)</b>	<b>(74,074)</b>

*Geographical segments*

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

**34 Investment income**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<b>Dividend income</b>					
Subsidiaries	4, 13	-	-	103,341	37,914
Other parties		-	840	-	840
		<u>-</u>	<u>840</u>	<u>103,341</u>	<u>38,754</u>
<b>Interest income</b>					
Subsidiary	4	-	-	-	485
Other parties		22,604	27,970	40	106
		<u>22,604</u>	<u>27,970</u>	<u>40</u>	<u>591</u>
<b>Total</b>		<u>22,604</u>	<u>28,810</u>	<u>103,381</u>	<u>39,345</u>

**35 Other income**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Income from sales of scraps		12,491	14,782	8,811	9,981
Gain on disposal of building and equipment		-	-	-	542
Reversal of impairment loss on investment property	16	-	6,678	-	6,678
Others		48,347	38,655	17,823	27,800
<b>Total</b>		<u>60,838</u>	<u>60,115</u>	<u>26,634</u>	<u>45,001</u>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**36 Selling expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Distribution	6,829	9,970	6,460	11,890
Marketing	92,034	151,282	26,353	69,141
Personnel	97,053	112,598	66,203	82,472
Others	17,033	22,681	5,302	8,670
<b>Total</b>	<b>212,949</b>	<b>296,531</b>	<b>104,318</b>	<b>172,173</b>

**37 Administrative expenses**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Personnel		268,872	191,096	156,229	134,818
Management remuneration	4	71,627	89,131	31,149	39,754
Administrative		260,490	201,295	189,177	122,393
Depreciation		48,975	48,130	20,603	20,253
Amortisation of assets		17,564	13,969	5,425	10,658
Bad and doubtful debts expense	7, 8	6,719	5,155	3,325	3,343
Others		15,931	18,185	5,895	3,275
<b>Total</b>		<b>690,178</b>	<b>566,961</b>	<b>411,803</b>	<b>334,494</b>

**38 Employee benefit expenses**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Wages and salaries		790,169	803,856	218,877	227,799
Contribution to defined contribution plan		42,321	41,839	12,811	13,187
Post-employment benefits	28	(11,828)	11,727	(5,767)	3,184
Share-based payment transactions	31	12,135	19,561	10,797	16,432
Voluntary resignation plan		84,644	-	28,790	-
Others		138,982	216,707	42,100	75,643
<b>Total</b>		<b>1,056,423</b>	<b>1,093,690</b>	<b>307,608</b>	<b>336,245</b>

*Defined contribution plan*

The defined contribution plan comprises a provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rate of 5% of their basic salaries and by the Group at the rates ranging from 5% to 7.5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

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**39 Expenses by nature**

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Cost of production and services		452,751	522,582	22,956	26,990
Change in finished goods and work in progress		(28,278)	(5,614)	(43,492)	(12,873)
Raw materials and supplies used		188,420	238,937	101,099	131,658
Loss on decline in value of inventories (reversal of)		(64,818)	4,928	(18)	(13)
Transportation expenses		166,781	172,061	9,936	6,671
Administrative expenses	37	260,490	201,295	189,177	122,393
Distribution and marketing	36	98,863	161,252	32,813	81,031
Employee benefit expenses	38	1,056,423	1,093,690	307,608	336,245
Depreciation and amortisation	16, 17, 18, 19	518,926	531,476	56,116	56,980
Others		254,029	152,800	72,606	31,844
<b>Total cost of sale of goods and rendering of services, selling expenses and administrative expenses</b>		<b>2,903,587</b>	<b>3,073,407</b>	<b>748,801</b>	<b>780,926</b>

**40 Finance costs**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<b>Interest expense</b>					
Bank loans and overdrafts		40,831	26,432	38,016	23,501
Other parties		84	193	84	193
Interest expense from digital television licences payable	27	91,397	115,220	-	-
<b>Total interest expense</b>		<b>132,312</b>	<b>141,845</b>	<b>38,100</b>	<b>23,694</b>
Other finance costs		20,046	24,178	3,069	3,457
<b>Total</b>		<b>152,358</b>	<b>166,023</b>	<b>41,169</b>	<b>27,151</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**41 Income tax expenses**

*Income tax recognised in profit or loss*

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<b>Current tax expense</b>					
Current year		7,441	31,907	-	-
Adjustment of prior year		-	(24,401)	-	-
		<u>7,441</u>	<u>7,506</u>	<u>-</u>	<u>-</u>
<b>Deferred tax expense</b>	20				
Movements in temporary differences		156,340	(108,541)	71,670	(62,830)
<b>Total income tax expense</b>		<u>163,781</u>	<u>(101,035)</u>	<u>71,670</u>	<u>(62,830)</u>

*Income tax recognised in other comprehensive income*

		<b>Consolidated financial statements</b>			
		2016		2015	
		Tax		Tax	
	Before tax	(expense) benefit	Net of tax	Before tax	(expense) benefit Net of tax
		<i>(in thousand Baht)</i>			
Available-for-sale financial assets	24	(5)	19	(36,368)	7,274 (29,094)
Defined benefit plan actuarial losses	(11,968)	2,393	(9,575)	-	- -
<b>Total</b>	<u>(11,944)</u>	<u>2,388</u>	<u>(9,556)</u>	<u>(36,368)</u>	<u>7,274 (29,094)</u>

		<b>Separate financial statements</b>			
		2016		2015	
		Tax		Tax	
	Before tax	(expense) benefit	Net of tax	Before tax	(expense) benefit Net of tax
		<i>(in thousand Baht)</i>			
Available-for-sale financial assets	24	(5)	19	(36,368)	7,274 (29,094)
Defined benefit plan actuarial losses	(3,063)	613	(2,450)	-	- -
<b>Total</b>	<u>(3,039)</u>	<u>608</u>	<u>(2,431)</u>	<u>(36,368)</u>	<u>7,274 (29,094)</u>

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*Reconciliation of effective tax rate*

	Rate (%)	Consolidated financial statements		Rate (%)	Rate (%)
		2016 (in thousand Baht)	2015 (in thousand Baht)		
Loss before income tax expense		(1,077,247)	(74,074)		
Income tax using the Thai corporation tax rate	20	(215,449)	(14,815)	20	
Effect of different tax rates		(132)	-		
Income not subject to tax		-	(191)		
Expenses not deductible for tax purposes		9,337	12,795		
Expenses for tax incentives		(114)	(2,635)		
Temporary differences for which no deferred tax assets was recognised		31,107	-		
Losses for which no deferred tax asset was recognised		167,001	4,770		
Recognition of previously unrecognised tax losses		(2)	(107,350)		
Profit allocation to non-controlling interests		-	1,724		
Over provided in prior year		-	(24,401)		
Reversal from previously recognised deferred tax expenses		172,033	29,068		
<b>Total</b>	<b>15</b>	<b>163,781</b>	<b>136</b>	<b>136</b>	<b>(101,035)</b>

	Rate (%)	Separate financial statements		Rate (%)	Rate (%)
		2016 (in thousand Baht)	2015 (in thousand Baht)		
Profit (loss) before income tax expense		(16,608)	196,284		
Income tax using the Thai corporation tax rate	20	(3,322)	39,257	20	
Income not subject to tax		(20,668)	(7,751)		
Expenses not deductible for tax purposes		6,394	5,876		
Expenses for tax incentives		(112)	-		
Temporary differences for which no deferred tax assets was recognised		671	-		
Losses for which no deferred tax asset was recognised		18,707	1,386		
Recognition of previously unrecognised tax losses		-	(107,350)		
Reversal from previously recognised deferred tax expenses		70,000	5,752		
<b>Total</b>	<b>432</b>	<b>71,670</b>	<b>32</b>	<b>32</b>	<b>(62,830)</b>

*Income tax reduction*

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

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**42 Earnings (loss) per share**

*Basic earnings (loss) per share*

The calculations of basic earnings (loss) per share for the years ended 31 December 2016 and 2015 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit (loss) attributable to ordinary shareholders of the Company (basic)</b>	<b><u>(1,102,845)</u></b>	<b><u>35,582</u></b>	<b><u>(88,277)</u></b>	<b><u>259,114</u></b>
Number of ordinary share outstanding at 1 January	<b>4,067,640</b>	<b>3,316,346</b>	<b>4,067,640</b>	<b>3,316,346</b>
Effect of shares options exercised on 23 May	127	-	127	-
Effect of shares options exercised on 25 May	-	2,347	-	2,347
Effect of warrants exercised on 26 June	-	383,186	-	383,186
Effect of shares options exercised on 27 November	-	710	-	710
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b><u>4,067,767</u></b>	<b><u>3,702,589</u></b>	<b><u>4,067,767</u></b>	<b><u>3,702,589</u></b>
<b>Earnings (loss) per share (basic) (in Baht)</b>	<b><u>(0.271)</u></b>	<b><u>0.010</u></b>	<b><u>(0.022)</u></b>	<b><u>0.070</u></b>

*Diluted earnings (loss) per share*

The calculations of diluted earnings (loss) per share for the years ended 31 December 2016 and 2015 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit (loss) attributable to ordinary shareholders of the Company (basic)</b>	<b><u>(1,102,845)</u></b>	<b><u>35,582</u></b>	<b><u>(88,277)</u></b>	<b><u>259,114</u></b>
Weighted average number of ordinary shares outstanding (basic)	4,067,767	3,702,589	4,067,767	3,702,589
Effect of exercise of shares options	-	564,783	-	564,783
<b>Weighted average number of ordinary shares outstanding (diluted)</b>	<b><u>4,067,767</u></b>	<b><u>4,267,372</u></b>	<b><u>4,067,767</u></b>	<b><u>4,267,372</u></b>
<b>Earnings (loss) per share (diluted) (in Baht)</b>	<b><u>(0.271)</u></b>	<b><u>0.008</u></b>	<b><u>(0.022)</u></b>	<b><u>0.061</u></b>

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The Company has not assumed the conversion of the warrants (NMG-W3) and the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NMG-WB) in the calculation of diluted loss per share due to the loss from operating results attributable to ordinary shareholders in the consolidated and separate financial statements for the year ended 31 December 2016.

The Company has not assumed the conversion of the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NMG-WB) in the calculation of diluted earnings per share due to the exercise prices (including fair value of services to be rendered per warrant) are higher than the weighted average market prices in the consolidated and separate financial statements for the year ended 31 December 2015.

**43 Dividends**

At the annual general meeting of the shareholders of the Company held on 27 April 2016, the shareholders approved the appropriation of dividends from the 2015 operating results of Baht 0.03 per share, amounting to Baht 122.03 million. The dividends were paid to the shareholders in May 2016.

At the annual general meeting of the shareholders of the Company held on 29 April 2015, the shareholders approved the appropriation of dividends from the 2014 operating results of Baht 0.028 per share, amounting to Baht 92.85 million. The dividends were paid to the shareholders in May 2015.

**44 Financial instruments**

*Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

*Capital management*

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interest and also monitors the level of dividends to ordinary shareholders.

*Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loans interest rate are mainly fixed. The Group is primarily exposed to interest rate risk from borrowings and digital television licences payable (see Note 22 and 27).

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

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		Consolidated financial statements			
		Effective interest rates	Within 1 year	After 1 year but within 5 years	Total
		(% per annum)	(in thousand Baht)		
2016					
Current					
Bank overdrafts	MOR	47,539	-		47,539
Short-term loans from financial institutions	2.65 - 7.50	891,892	-		891,892
Current portion of long-term loan from financial institution	MLR minus 1%	120,000	-		120,000
Other short-term loans payable	8.00 - 15.00	160,000	-		160,000
Non-current					
Long-term loan from financial institution	MLR minus 1%	-	158,833		158,833
Total		1,219,431	158,833		1,378,264
2015					
Current					
Bank overdrafts	MOR	53,983	-		53,983
Short-term loans from financial institutions	2.50 - 4.70	536,402	-		536,402
Total		590,385	-		590,385
		Separate financial statements			
		Effective interest rates	Within 1 year	After 1 year but within 5 years	Total
		(% per annum)	(in thousand Baht)		
2016					
Current					
Bank overdrafts	MOR	42,057	-		42,057
Short-term loans from financial institutions	2.65 - 7.50	840,923	-		840,923
Current portion of long-term loan from financial institution	MLR minus 1%	120,000	-		120,000
Other short-term loans payable	8.00 - 15.00	160,000	-		160,000
Non-current					
Long-term loan from financial institution	MLR minus 1%	-	158,833		158,833
Total		1,162,980	158,833		1,321,813
2015					
Current					
Bank overdrafts	MOR	35,000	-		35,000
Short-term loans from financial institutions	2.50 - 4.06	484,497	-		484,497
Total		519,497	-		519,497

**Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group will primarily utilise forward exchange contracts with maturities of less than one year in case that the Group will receive the benefits from the contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

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**Notes to the financial statements**  
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At 31 December, The Group and the Company were exposed to foreign currency risk in respect of financial liabilities denominated in the following currency:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b><i>United States Dollars</i></b>				
Trade accounts payable	<u>2,481</u>	<u>16,164</u>	<u>1,680</u>	<u>16,164</u>

***Credit risk***

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

***Liquidity risk***

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

***Carrying amounts and fair values***

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Financial assets measured at fair value					
Debt securities held for trading	223,598	-	223,598	-	223,598
Equity securities available for sale	2,800	2,800	-	-	2,800
Foreign currency forward contract	-	-	18,548	-	18,548
31 December 2015					
Financial assets measured at fair value					
Debt securities held for trading	25,069	-	25,069	-	25,069
Equity securities available for sale	2,776	2,776	-	-	2,776

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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		Separate financial statements				
	Carrying amount		Fair value			
		Level 1	Level 2	Level 3	Total	
<b>31 December 2016</b>						
<i>Financial assets measured at fair value</i>						
Debt securities held for trading	49,289	-	49,289	-	49,289	
Equity securities available for sale	2,800	2,800	-	-	2,800	
Foreign currency forward contract	-	-	18,548	-	18,548	
<b>31 December 2015</b>						
<i>Financial assets measured at fair value</i>						
Debt securities held for trading	3	-	3	-	3	
Equity securities available for sale	2,776	2,776	-	-	2,776	

**Measurement of fair values**

*Valuation techniques and significant unobservable inputs*

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments in marketable unit trusts classified as trading investments and available-for-sale investments	The net asset value as of the reporting date.	Not applicable	Not applicable
Forward exchange contract	Closing rates at end of period	Not applicable	Not applicable

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**45 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Capital commitment</b>				
Leasehold improvements and equipment	-	130	-	-
<b>Future minimum lease payments under non-cancellable operating leases</b>				
Within one year	212,595	214,776	39,242	46,988
After one year but within five years	607,963	637,770	7,338	52,198
After five years	772,999	890,276	-	-
<b>Total</b>	<b>1,593,557</b>	<b>1,742,822</b>	<b>46,580</b>	<b>99,186</b>
	<i>(in thousand)</i>			
<b>Other commitments</b>				
Unused letter of credit (USD)	523	894	523	894
Forward contract (USD)	523	-	523	-
<b>Total</b>	<b>1,046</b>	<b>894</b>	<b>1,046</b>	<b>894</b>
Unused letters of credit (THB)	21,243	42,131	20,054	41,105
Guarantee credit lines of subsidiaries with financial institutions (THB)	85,000	85,000	85,000	85,000
Bank guarantees (THB)	2,001,747	2,693,415	36,567	35,366
<b>Total</b>	<b>2,107,990</b>	<b>2,820,546</b>	<b>141,621</b>	<b>161,471</b>

**Significant agreements**

- The Company and its subsidiaries entered into lease and service agreements for their office premises and facilities with a local company for the period of 3 years, expiring in various periods up to 30 November 2017 with an option for renewal. The Company and its subsidiaries agreed to pay rental and service fees at the rate specified in the agreements.
- An indirect subsidiary entered into a news supply agreement with a foreign company for a period of 5 years, commencing from 1 June 2016 to 31 May 2021 with an option for renewal. The indirect subsidiary agreed to pay a fee at the rate specified in the agreement.
- A subsidiary and an indirect subsidiary entered into service agreements covering television broadcasting satellite services with two local companies. The details are as follows:

<u>Contract period</u>	<u>Periods</u>	<u>Total fee</u> <i>(in million USD)</i>
25 April 2014 to 30 June 2017	3 years and 2 months	0.63
25 April 2014 to 30 June 2017	3 years and 2 months	0.02
25 April 2014 to 31 October 2019	5 years and 6 months	1.12
25 April 2014 to 31 October 2019	5 years and 6 months	0.03
25 April 2014 to 31 October 2019	5 years and 6 months	1.12
25 April 2014 to 31 October 2019	5 years and 6 months	0.03
25 April 2014 to 31 March 2020	5 years and 11 months	0.92
25 April 2014 to 31 March 2020	5 years and 11 months	0.03

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- d) An indirect subsidiary entered into a warehouse rental agreement with a local company. The indirect subsidiary agreed to pay rental fee at the rate as specified in the agreement. The agreement had a period of 1 year, expiring on 31 December 2017.
- e) A subsidiary and an indirect subsidiary entered into Standard Definition Terrestrial Digital Television Network Services agreements with Thai Royal Army for a period of 14 years and 5 months, commencing from 16 January 2014 to 31 May 2028. The subsidiary and the indirect subsidiary committed to pay the licence fees for such channels totalling approximately Baht 1,569.47 million.
- f) A subsidiary entered into lease and service agreements for office and studio premises with a local company for a period of 3 years, commencing from 1 December 2014 to 30 November 2017 with an option to be renewal for a total period of 15 years. The subsidiary agreed to pay rental and service fees at the rate specified in the agreements.
- g) The Company entered into a building space rental agreement for studio premises with an institution of education for a period of 3 years and 11 months, commencing from 1 February 2015 to 31 December 2018. The Company agreed to pay a rental fee at the rate specified in the agreement.
- h) The Company entered into a land rental agreement with a local company for a car parking area. The Company agreed to pay a rental fee at the rate as specified in the agreement. The agreement had a period of 3 years, expiring on 28 February 2018.
- i) A subsidiary entered into car rental agreements with two local companies. The subsidiary agreed to pay rental fees at the rate specified in the agreements. The agreements had a period of 3 - 4 years, expiring in various periods up to 29 April 2019.
- j) A subsidiary entered into a service agreement for ratings measurement in television audiences of television channels in Thailand with a local association for a period of 6 years, commencing from 17 December 2015 to 30 September 2021. The subsidiary agreed to pay a service fee at the rate specified in the agreement.
- k) A subsidiary entered into a service agreement for ratings measurement in television audiences of television channels in Thailand with a local association for a period of 6 years, commencing from 15 January 2016 to 30 September 2021. The subsidiary agreed to pay a service fee at the rate specified in the agreement.

An indirect subsidiary has a commitment in respect of a letter of guarantee issued by a local financial institution for electricity usage, which the indirect subsidiary's properties and construction thereon had been pledged as collateral (Note 17).

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**46 Other matters**

The Company, a subsidiary (“Krungthep Turakij Media Co., Ltd.”), directors and employees of the Group were accused of defamation through advertisements, guilty against the Computer Crime Act B.E. 2550 and others in the criminal lawsuit with the claim of Baht 2,343 million. As at 31 December 2016, the lawsuit is under the consideration of Court of First Instance. The management and the legal consultant believe that the court’s judgement will be favourable to the Company, the subsidiary, directors and employees of the Group and there will be no significant impact to the financial statements as a result of the lawsuit.

The Company and directors of the Group were accused of breach of the Public Limited Company Act B.E. 2535 in the civil lawsuit with the claim of Baht 42.5 million. However, at 6 October 2016, the Phrakhanong Provincial Court rendered a civil lawsuit judgement to dismiss the Company and directors of the Group who were accused. At 31 December 2016, the lawsuit is under the consideration of Court of Appeal. The management and legal consultant believe that the court’s judgement will be favourable to the Company and directors of the Group and there will be no significant impact to the financial statements as a result of the lawsuit.

The Company and directors of the Group were accused of violating the Securities and Exchange Act B.E. 2535 in the civil lawsuit with the claim of Baht 51.9 million. At 31 December 2016, the lawsuit is under the consideration of Court of First Instance. The management and legal consultant believe that the court’s judgement will be favourable to the Company and directors of the Group and there will be no significant impact to the financial statements as a result of the lawsuit.

On 16 May 2016, the Phrakhanong Provincial Court rendered a civil lawsuit judgement of the revocation of the resolutions from the meeting of the Company held on 29 April 2015 and declared the meeting and the resolutions in the 2015 annual general meeting of the shareholders of the Company held on 29 April 2015 to be void. At 31 December 2016, the lawsuit is under the consideration of Court of Appeal. The management and legal consultant believe that the Company shall not assume any responsibility for compensation and there will be no significant impact to the financial statements as a result of the lawsuit.

On 16 November 2016, the Company was accused in the civil lawsuit judgement of the revocation of the resolutions from the extra ordinary meeting of the Company No. 1/2016 since the resolution violated the Securities and Exchange Act B.E. 2535. At 31 December 2016, the lawsuit is under the consideration of Court of First Instance. The management and legal consultant believe that the Company shall not assume any responsibility for compensation and there will be no significant impact to the financial statements as a result of the lawsuit.

**47 Event after the reporting period**

At the Board of Directors’ meeting of a subsidiary (“WPS (Thailand) Co.,Ltd.”) held on 15 February 2017, the Board of Directors of the subsidiary approved the appropriation of dividends from the 2016 operating results of Baht 0.35 per share, amounting to Baht 17.50 million. The dividend payments will be approved at the annual general meeting of the shareholders.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**48 Thai Financial Reporting Standards (TFRS) not yet adopted**

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

<b>TFRS</b>	<b>Topic</b>
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2016)	Related Party Disclosures
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

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

# Other Reference Persons



- **Security Registrar (Common Share)**

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Dindaeng, Bangkok 10400  
Tel: (66) 2009-9991

- **Certified Public Accountant**

1. Ms.Patamavan Vadhanakul  
Registration No. 9832 or
2. Mr.Winid Silamongkol  
Registration No. 3378 or
3. Mr.Veerachai Ratanajaratkul  
Registration No. 4323 or
4. Ms.Vannaporn Jongperadechanon  
Registration No. 4098

KPMG Phoomchai Audit Ltd.

1 Empire Tower, 50<sup>th</sup>-51<sup>th</sup> Floor, Sathorn Road, Yannawa, Bangkok 10120  
Tel: (66) 2677-2000

- **Audit Fee**

1. The audit fee of the Company and subsidiaries for the year 2016 is Bt 3,560,000
2. Non-audit fee -None-

- **Legal Consultants**

1. Pow & Associates Law Office Limited  
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