

FY 2018/19 HIGHLIGHTS

- **Total operating revenue of THB 47,923mn, an increase of 239.8% YoY or THB 33,821mn**, predominantly as a result of higher operating revenue from the Mass Transit, Media and Services businesses
- **Mass Transit revenue of THB 41,328mn – impressive growth of 353.6% YoY or THB 32,216mn**, largely from
 1. the recognition of construction revenue for the Pink and Yellow lines of THB 30,718mn in this year
 2. higher Operation & Maintenance (O&M) revenue of 29.2% YoY or THB 515mn to THB 2,277mn principally from full operation of Southern Green Line Extension
- **Farebox revenue from the Core Network grew 2.1% YoY to THB 6,963mn, from an increase in average fare of 2.4% YoY to THB 29.0 per trip**
- **Scheduled progress across our Mass Transit business**, including the kick-off construction for the Pink and yellow Lines in June 2018 and the full opening of Southern Green Line extension (Bearing – Kheha) in December 2018
- **Record-breaking Media revenue of THB 5,123mn, representing an increase of 31.3% YoY or THB 1,221mn** from encouraging organic growth in the Out-of-Home media segment as well as higher revenue from Digital Services segment
- **A successful transformation of Media business model from traditional offline Out-of-Home (OOH) media platform to be a complete ecosystem of Offline-to-Online (O2O) Solutions**
- **Operating EBITDA of THB 6,106mn, an increase of 49.3% YoY or THB 2,017mn**, largely as a result of improvements in operating performances of our Mass Transit and Media businesses
- **Recurring Net Profit (after MI) of THB 3,248mn, an increase of 29.5% YoY or THB 740mn**, chiefly from an increase in recurring gross profit and higher share of net profit from associates/ JVs, being partially offset by higher finance cost and non-controlling interests.
- **Reported Net Profit (after MI) of THB 2,873mn**, a decrease of 34.9% YoY or THB 1,543mn, mainly from no repeat of extraordinary net gain recognised in the previous year from the property restructuring (the Entire Business Transfer of BTS's property business to U City)
- The Company has been **selected by the Dow Jones Sustainability Indices (DJSI) Emerging Markets 2018** as the first Thai company in the Transportation category
- **Full year 2018/19 dividend to shareholders up to 5,306.2mn¹, equivalent to an annual dividend yield of 3.98%**

SIGNIFICANT EVENTS

BTS GROUP

7 September 2018: The Company issued **THB 9,500mn senior unsecured debentures** to institutional investors and high net worth investors. The debentures were issued in 3 tranches due in 2020, 2023, and 2028 with the coupon rate of 2.58%, 3.25% and 4.03%, respectively (the average coupon rate of 3.38%). The proceeds will mainly be used for repayment of existing debt and/or investment and/or financing the working capital of the Company. This debenture was rated "A / Stable" by TRIS Rating Co. Ltd (TRIS) on 31 August 2018.

13 September 2018: The Company has been **selected by the Dow Jones Sustainability Indices (DJSI) Emerging Markets 2018** as the first Thai company in the Transportation category. The indices are categorised by industries with an assessment criteria focusing on economic, social and environmental performance, as well as an analysis of financial performance. Investment funds worldwide recognise and have adopted the DJSI accreditation for consideration when investing in companies and firms.

30 November 2018: BTS-W4 was issued on 30 November 2018. The term of BTS-W4 is one year from the issuance date which will expire on 29 November 2019. The warrant holders can exercise their rights of BTS-W4 on the last business day of each quarter starting from the first issuance date. The exercise ratio is 1:1 at the price of THB 10.50 per share. So far, 48.8mn units were exercised, generating proceeds of THB 0.5bn, equivalent to 3.7% of maximum proceeds. If the remaining warrants are exercised, the maximum proceeds will be THB 13.8bn.

7 January 2019: The Board of Directors approved **the interim dividend payment** from the operating results of the six-month period (April 2018 – September 2018) at THB 0.17 per share. Subsequently, on 1 February 2019, a total of THB 2,013.3mn was paid to shareholders. Based on the share price on 4 January 2019 of THB 9.50 (one day before BOD date), this is equivalent to a dividend yield of 3.58% on an annualised basis.

15 May 2019: TRIS reaffirmed the Company and newly issued Green Bond's rating of "A/ Stable". TRIS has assessed the Company as having a solid, stable cash flow and profitability in its mass transit and media operations.

17 May 2019: The Company disposed 50,000 ordinary shares or 50% of total shares and all debt claims of its investment in Bayswater Co., Ltd. (Bayswater), a 50:50 joint venture between the Company and Ratchada Asset Co., Ltd., which is a subsidiary of Grand Canel Land Public Company Limited (Gland), to Central Pattana PCL (CPN). The value of disposed investment is THB 7,698.7mn. The proceeds will be used for other businesses, projects or working capital and the divestment is for profit generation.

24 May 2019: The Company issued THB 13,000mn unsecured and unsecured Green Bond (rated "A/ Stable" by TRIS on 23 May 2019) to institutional and high net worth investors. This Green Bond is the **first Thai Green Bond issued** under official SEC regulation which also meets the International Capital Market Association's (ICMA) Green Bond Principles & ASEAN Green Bond Standards. The Green Bond was issued in 5 tranches due in 2021, 2022, 2024, 2026 and 2029 with an average coupon rate of 3.41%. The proceeds will be mainly used for debt repayment of Eligible Green Projects which are the Pink (Khae Rai to Min Buri; 34.5km, 30 stations) and Yellow (Lad Prao to Sam Rong; 30.4km, 23 stations) Lines.

27 May 2019: The Board of Directors approved (i) **the final dividend payment** for FY 2018/19 up to THB 3,292.9mn or THB 0.25¹ per share, taking the total annual dividend paid to THB 5,306.2mn, based on the closing share price on 24 May 2019 at THB 11.40 (one day before BOD date), this is equivalent to an annual dividend yield of 3.98%, (ii) **the issuance of new warrants (BTS-W5) up to 1,319.6¹mn units at a ratio of 10:1 with exercise price of THB 14.00** and (iii) the increase of the Company's registered capital under a general mandate in the amount not exceeding THB 4,400mn (or approximately 9.25% of the Company's paid-up capital) or not exceeding 1,100mn new ordinary shares to specific investors via private placement. All these transactions are subject to shareholders' approval.

¹ (i) subject to shareholders' approval, the Board of Directors approved the final dividend of THB 0.25 per share or equivalent to the dividend payment in the amount of not exceeding THB 3,292.9mn, calculated based on the assumption that BTS-W4 Warrants and BTS-WC Warrants which are entitled to exercise are fully exercised. The number of shares with the right to receive dividend will be equivalent to 13,171.6mn shares and (ii) subject to shareholders' approval, the Board of Directors approved the issuance of new warrants (BTS-W5) up to 1,319.6mn units, calculated based on the assumption that BTS-W4 Warrants (including the case of rights adjustment of BTS-W4 Warrants) and BTS-WC Warrants which are entitled to exercise are fully exercised. The number of shares with the right to receive BTS-W5 Warrants will be equivalent to 13,195.7mn shares.

MASS TRANSIT

29 June 2018: The Notice-to-Proceed (NTP) for the Pink and Yellow Lines was issued on 29 June 2018, marking the start of a 39-month construction period to completion. The full operation of these two lines are expected to begin in October 2021.

31 July 2018: Bangkok Mass Transit System Public Company Limited (BTSC) and Krungthep Thanakom Company Limited (KT) entered into a **30-year O&M Services Agreement of the Gold Line Project Phase 1 (Krung Thonburi BTS Station – Khlong San District Office, 1.7km and 3 stations)** for a total O&M value of approximately THB 13,520mn (inclusive of VAT). In order to maintain continuity of service for passengers and high standard of E&M works, BTSC has entered into a Sale and Installation of E&M Works Agreement on 27 February 2018, with a total value of approximately THB 765.59mn (inclusive of VAT). The commercial operation date for Gold Line Phase 1 is targeted by September 2020.

6 December 2018: BTSC and the Bangkok Metropolitan Administration (BMA) commenced **full operation of the Southern Green Line extension (Bearing – Kheha), totaling 12.6km, 9 stations.**

21 March 2019: BBS Joint Venture, a Joint Venture between Bangkok Airways PCL (BA), the Company and Sino-Thai Engineering & Construction PCL (STEC) with share proportion of 45%, 35% and 20%, respectively, **submitted its bid for U-Tapao International Airport and Eastern Aviation City Development Project** to the Royal Thai Navy. The best bid winner is expected to be announced by 2019.

MEDIA

5 July 2018: The 2018 Annual General Meeting of Shareholders of VGI Global Media Public Company Limited (VGI) approved (i) **the acquisition of 276,000 ordinary shares or 23% of total shares in Kerry Express (Thailand)** for a total purchase price of THB 5.9bn, as well as (ii) the issuance and offering of 121,578,525 VGI's newly issued ordinary shares with a par value of THB 0.10, to the Sellers at the offering price of THB 7.28 per share, totaling THB 885.1mn. Kerry Express is the leading domestic express delivery services in Thailand with more than 1.2mn parcels delivered a day. Completion took place in July 2018.

July 2018: Master Ad Public Company Limited (MACO) via its subsidiary, Eye On Ads, successfully acquired 81.65% of Trans.Ad Solutions Company Limited (Trans.Ad), a multimedia display systems provider, with a total investment value of THB 388mn. Subsequently, Trans.Ad used the funds received from Eye On Ads to further invest in 89% of Roctec Technology Limited (Roctec). Roctec is a provider of multimedia & communications systems, system integrations and total network infrastructure based in Hong Kong. MACO expects to expand its digital network domestically and internationally.

1 August 2018: VGI's warrant number 1 (VGI-W1) exercise period concluded. VGI received total proceeds of THB 8.6bn, or 72% of maximum proceeds. Of this, BMSG and BTSC exercised its rights totaling THB 5.4bn. The cash received by VGI was utilised for the acquisition of Kerry Express, used for the subscription of shares in the announced rights offering of MACO and expansion of other digital and online-related businesses.

February 2019: VGI has partnered with SAHA Lawson Company Limited and SAHA Pathana Inter-Holding Public Company Limited. This is another step on VGI's path to establish its O2O ecosystem through Lawson stores, where Rabbit Card and Rabbit LinePay will facilitate seamless payment for a better consumer retail experience. Currently, Lawson convenience stores are presented on Thong Lo, Ploen Chit and Sala Daeng station and they have plan to open the services at all 30 BTS stations.

21 March 2019: VGI established a joint venture named VGI AnyMind Technology Company Limited with AdAsia Holdings (AnyMind), an Artificial Intelligence (AI) solutions provider for the advertising, influencer marketing and human resource industries. The joint venture was held 49% by VGI and 51% by AnyMind. Leveraging on AnyMind's Technology and VGI Digital OOH media, VGI will be able to deliver performance-driven, dynamic and highly-targeted ads offline and online.

26 March 2019: VGI successfully acquired 18.6% stake in Plan B Media Public Company Limited (PlanB), Thailand's leading OOH advertising media provider, with a total investment of THB 4,620mn. This partnership will place both companies at the top of Thailand's OOH market with more than THB 12,000mn worth in media capacity, and will also reflect platform's flexibility for VGI to embrace strategic partners and leverage their strength to create endless opportunities and incentives.

23 April 2019: VGI also entered into an agreement to form a joint venture named VClick Technologies Company Limited (VClick). VClick is a joint venture between iClick Interactive Asia Group Limited (49%) - the largest online marketing technology platform in China, VGI (30%) and others (21%). The partnership helps to capture advertising opportunity in Chinese consumer market by using data through their AI technology, improving mobile application and launching 10,000 mobile charging stations with LED display through VGI's network across Thailand.

PROPERTY

12 October 2018: The Extraordinary Shareholders' Meeting of U City Public Company Limited (U City) approved a series of transactions, including (i) **a reverse stock split of ordinary and preferred shares at a ratio of 100:1**, which is expected to facilitate the stock's long-term trading liquidity, resulting in the the increase in par value of both U City's ordinary and preferred shares to THB 100 from THB 1, (ii) a minor capital increase through a private placement, for the purpose of facilitating the reverse stock split via a rounding of fractional shares and (iii) a capital reduction for the purpose of reducing the deficit in the separate financial statements of U City, and thereby reducing the par value to THB 3.20 from THB 100. These key transactions are expected to considerably boost U City's attractiveness to potential investors and be conducive to long-term shareholder value accretion.

10 April 2019: U City entered into the Share Sale and Purchase Agreement to dispose all shares of Mo Chit Land Company Limited (Mo Chit Land) to STEC with a purchase price of THB 4,320mn. The proceeds from the disposal of Mo Chit Land will be used to fund other U City's development projects and to repay its debts to the financial creditors.

30 April 2019: Vienna House Germanu II GmbH (VHG II), a subsidiary of U City in Germany, entered into the Share Sale and Purchase Agreement to acquire ordinary shares in 12 companies in Germany and Switzerland with Arcona Management GmbH for a total purchase price of approximately THB 890mn. VHG II will receive rights of operating lease of 17 existing hotels and 2 new hotels which will be operated in 2020 and 2022.

24 May 2019: The Joint Venture between U City, Amanresorts Services Limited and Silverlink Resorts Limited and the Ministry of Finance entered into an Amendment to the Agreement in relation to the Joint Investment on Construction and Operation of Rong Pasee Roi Chak Sam Royal Land Development Project, Bangrak District, Bangkok. The contracts cover a 30 years lease period on the State Property including all buildings. U City will develop of the project, which involves the restoration of the heritage customs

house buildings and construction of a new building, in order to transform the property into an upscale hotel as a historical landmark. This hotel is expected to open in 2025.

SERVICES

10 July 2018: The company established “Turtle 23 Company Limited” as a new subsidiary with an initial capital of THB 350mn, divided into 3.5mn ordinary shares with a par value of THB 100 per share. The objective is to invest in food and beverage businesses and to engage in investment in securities of other food and beverage companies including restaurant and other related businesses.

25 February 2019: Digital Alchemy Limited, a leading Database Marketing Services Provider in Asia Pacific, became a 25% strategic shareholder in Rabbit Rewards Company Limited (Rabbit Rewards), reducing the Company’s shareholding from 100% to 75%. Digital Alchemy will be able to support Rabbit Rewards loyalty programme by developing, building and acquiring more commercial partners.

BUSINESS IMPACT ANALYSIS

Thailand’s GDP expanded by 4.1%² YoY (compared to 4.0% in 2017) and was recorded as the fastest expansion since 2012. The growth was chiefly supported by an improvement of exports as well as a strong growth in private consumption and total investment. The continued rollout of public infrastructure projects, particularly in transportation sector, was also one of the factors supporting the growth in investments during the year.

For our **Mass Transit** Business, farebox revenues in the Core Network was recorded at THB 6.9bn in FY 2018/19, representing a YoY increase of 2.1%, a slower-than expected rate of 2.5-3%. The YoY growth was buoyed by the increase in average fare (up 2.4% YoY to THB 29.0 per trip). However, the growth in farebox revenue was tempered by a flat ridership (minimally declined 0.1% YoY to 241.0mn trips). The lower-than expected growth in ridership was chiefly from the impact from (i) train services disruption in June 2018, which was caused by external radio signal interference. This resulted in the train services failures and service delays during such period as well as (ii) fewer weekdays and more long-weekends than in the previous year. Despite this, we believe that farebox revenue will continue to grow, proving the business’ characteristic resilience. As the overall network expands and the number of people with access to mass transit increases, our Mass Transit business will be a key beneficiary.

Within **Media Business**, FY 2018/19 was another robust year of VGI. VGI posted the record-breaking at THB 5.1bn which exceeded its target of THB 5bn. The results has demonstrated that VGI is successfully applying the right strategy, focusing on the right market segment which was in line with the change in people’s lifestyles. Our world-class Media platforms and vary dimension of products allowing brands to communicate with the right audience at right place and right time. We are confident that our Media business remains to grow considerably from mass transit network expansion as well as growing breadth and depth of VGI’s O2O solutions services.

² Source: Office of the National Economic and Social Development Council

FY 2018/19 PERFORMANCE

The Group reported **total consolidated revenues** of THB 48,947mn in FY 2018/19. This represented an increase of 224.0% YoY or THB 33,840mn from THB 15,107mn in FY 2017/18. The revenue growth was chiefly attributed to (i) an increase in revenue from installation and construction services and train procurement service of THB 32,587mn, mainly from the recognition of construction revenue for the Pink and Yellow lines, (ii) higher service income of THB 1,096mn chiefly from higher revenue of our Mass Transit, Media and Services businesses and (iii) growth in interest income of THB 665mn, chiefly from (a) receivables under an agreement with the government for the provision of E&M works and train procurement services for the Southern and Northern Green Line extensions and (b) receivables related to the Pink and Yellow lines and (c) interest income from related parties.

Total consolidated expenses amounted to THB 43,358mn in FY 2018/19, an increase of THB 32,746mn or 308.6% YoY largely from (i) recognition of construction cost for the Pink and Yellow lines and (ii) higher selling and administrative expenses of THB 917mn principally from expenditures in relation with ongoing Media business’ expansion. **Reported share of net profit from associates/JVs** (including share of profit from BTSGIF) was THB 494mn (compared to share of net profit of THB 180mn in FY 2017/18). The YoY increase of THB 315mn was mainly from share of net profit from Kerry Express Thailand and from U City. **Finance costs** increased by

33.7% YoY or THB 416mn to THB 1,652mn, primarily from interest expense of (i) THB 7.0bn of BTSG debentures issued by BTSG on 26 December 2017 and (ii) THB 9.5bn of BTSG debentures issued by BTSG on 7 September 2018.

As a result, **recurring net profit (after minority interests of THB 692mn) stood at THB 3,248mn, an increase of THB 740mn or 29.5% YoY**, chiefly from an increase in recurring gross profit and higher share of net profit from associates/ JVs, being partially offset by higher finance cost and non-controlling interests. Despite the growth in recurring net profit (after minority interests), profit attributable to the equity holders of the Company decreased by 34.9% YoY or THB 1,543mn to THB 2,873mn, predominantly from no repeat of extraordinary net gain recognised in the previous year from the Entire Business Transfer (EBT) of BTSG's property business to U City. The net profit margin attributable to the equity holders of the Company in FY 2018/19 was 5.8% (versus 24.6% in FY 2017/18). The decrease in net profit margin was mainly from the recognition of construction revenue for the aforesaid Pink and Yellow lines and services income for the provision of E&M works and train procurement which have lower margins.

(THB mn)	FY 2018/19	FY 2017/18*	% YoY
Operating revenues ³	47,923	14,102	239.8%
Other recurring revenues	1,134	1,574	(28.0)%
Total recurring revenues	49,057	15,676	212.9%
Operating costs	40,054	8,325	381.2%
Operating selling and administrative expenses	2,545	2,446	4.0%
Operating EBITDA⁴	6,106	4,089	49.3%
Finance cost	1,652	1,236	33.7%
Pre-tax recurring profit	4,806	3,669	31.0%
Non-recurring items	(375)	1,908	n.a.
Earnings before tax	4,431	5,577	(20.5)%
Corporate income tax	866	787	10.1%
Minority interests	692	374	85.0%
Recurring net income (loss) to equity holders of the parent	3,248	2,508	29.5%
Net income (loss) to equity holders of the parent	2,873	4,416	(34.9)%

* includes performances from discontinued operation

³ Operating revenue from the operational performance of 4 BUs **EXCLUDES** non-mass transit related interest income, dividend income and non-recurring items

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

Total operating revenue in FY 2018/19 reached THB 47,923mn, a significant increase of 239.8% YoY or THB 33,821mn. Revenues from the Mass Transit, Media, Property and Services businesses accounted for 86%, 11%, 1% and 2% of total operating revenue, respectively. The sharp rise in operating revenue was largely as a result of higher Mass Transit, Media and Services operating revenues, which increased by 353.6%, 31.3% and 147.8% YoY, respectively. The growth was chiefly from (i) the recognition of construction revenue for the Pink and Yellow lines, (ii) higher Media revenue, driven by encouraging organic growth in the Out-of-Home media segment as well as higher revenue from Digital Services segment and (iii) increased construction revenue generated from HHT Construction Company Limited. Nevertheless, the increase in operating revenue was partially offset by a decrease of 43.7% or THB 279mn YoY in Property operating revenue, primarily from the deconsolidation of Unicorn Enterprise Company Limited (UE), following the EBT of UE to U City in 4Q 2017/18.

Operating revenue growth was also accompanied by an increase in **operating costs** which came to THB 40,054mn, up 381.2% YoY, primarily from construction costs for the Pink and Yellow lines. Operating gross profit grew 36.2% YoY to THB 7,869mn and **operating EBITDA rose by THB 2,017mn or 49.3% YoY to THB 6,106mn**. As construction revenue for the aforesaid Pink and Yellow lines and services income for the provision of E&M works and train procurement have lower margins, operating gross profit margin declined to 16.4% from 41.0% in the prior year and operating EBITDA margin decreased to 12.7% in FY 2018/19 from 29.0% in FY 2017/18.

FY 2018/19 OPERATIONAL PERFORMANCES

Operating Revenue (THB mn)	FY 2018/19	% of Total	FY 2017/18	% of Total	% Change (YoY)	FY 2018/19 GP Margin ⁹	FY 2017/18 GP Margin ⁹
Mass Transit	41,328 ⁵	86%	9,112	65%	353.6%	10.8%	31.1%
Media ⁶	5,123	11%	3,902	28%	31.3%	62.5%	68.4%
Property	360 ⁷	1%	639	4%	(43.7)%	27.6%	35.3%
Services ⁸	1,112	2%	449	3%	147.8%	9.5%	10.2%
Total	47,923	100%	14,102	100%	239.8%	16.4%	41.0%

⁵ FY 2018/19 Mass Transit revenue includes:

- i) Share of net profit (loss) from BTSGIF (included in 'Share of profit (loss) from investments in associates' in statement of comprehensive income)
- ii) Service Income from Train, farebox revenue from BRT, Interest Income from Train Procurement and Interest Income under purchase and installation of operating system agreement
- iii) Services Income from the provision of E&M works and the train procurement service for the Southern and Northern Green Line extensions
- iv) Construction revenue and the interest income related to the Pink and Yellow lines

⁶ Media revenue includes performances of VGI Group and Rabbit Group. Rabbit group (classified to be under Digital Services Business) comprises of BSS & BSSH and subsidiaries but excludes two companies which are Bangkok Payment Solutions Co., Ltd. (BPS) and Rabbit Rewards Co., Ltd. (RR)

⁷ FY 2018/19 Property includes Sales from Real Estate, Rental and Service Income, Revenue from Thana City Golf & Sports Club

⁸ Services revenue includes revenue from Rabbit Rewards, BPS, HHT construction and ChefMan Restaurants (up to 3 August 2017).

⁹ Operating gross profit calculated based on the operational performance of 4 BUs

SEGMENTAL PERFORMANCE
MASS TRANSIT BUSINESS

Total Mass Transit revenue was THB 41,328mn, a significant growth of 353.6% YoY or THB 32,216mn, primarily due to (i) the recognition of construction revenue for the Pink and Yellow Lines, (ii) higher interest income related to Green Line extensions and the Pink and Yellow Lines and (iii) higher O&M revenue, chiefly from the full commencement of the Southern Green Line extension.

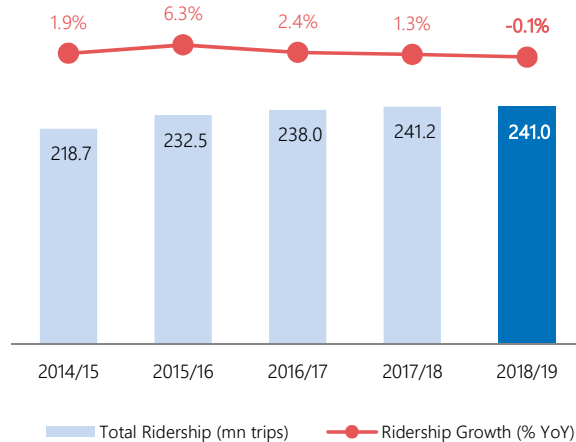
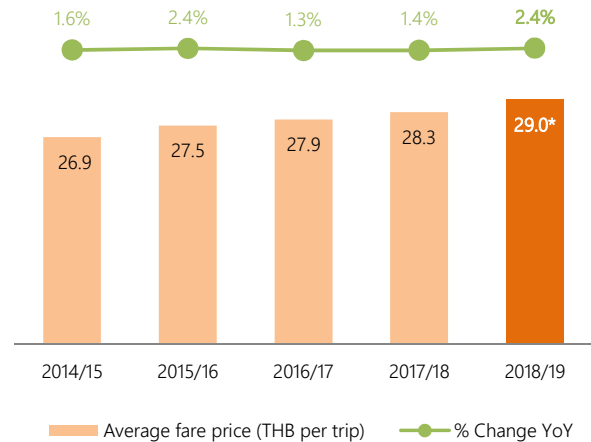
During FY 2018/19, **Construction revenue for the Pink and Yellow Lines** contributed 74% of total Mass Transit revenue or THB 30.7bn according to progress of work completion. Moreover, the Company continued to recognise **Services revenue for the provision of E&M works and the train procurement service** of THB 6.1bn (increased from THB 5.8bn in the prior year) for the Southern and Northern Green Line extensions according to progress of work completion.

Interest income related to Green Line extensions, Pink and Yellow Lines increased sharply by 114.4% YoY or THB 576mn to THB 1,078mn, chiefly as a result of interest income from receivable related to the aforesaid Pink and Yellow Lines as well as the provision of services for the Southern and Northern Green Line extensions.

O&M revenue rose considerably by 29.2% or THB 515mn YoY to THB 2,277mn. This increase was mainly attributable to the the full opening of Southern Green Line extension since 6 December 2018 as well as the contractually agreed increase in the operating fee of the existing Green Line extensions.

Farebox revenue on the Core Network in FY 2018/19 continued to grow at 2.1% YoY or THB 141mn to THB 6,963mn (after deducting the net free-trip allowance to passengers from train services disruption during June 2018 of THB 18.5mn), driven by an increase in average fare (up 2.4% YoY to THB 29.0 per trip) largely as a result of the full year effect from the fare increase since October 2017 and the adjustments to the promotional price for stored-value cards since April 2018. However, the increase in FY 2018/19 farebox revenue was tempered by a slight decline in annual ridership (lessening by 0.1% YoY to 241.0mn trips) partly due to train services disruption during June 2018 as well as fewer weekdays and more long-weekends than in the previous year. Despite the increase in farebox revenue, **share of net profit from investment in BTSGIF** declined 5.4% YoY or THB 51mn to THB 898mn, mainly due to (i) higher CAPEX, largely from an increase in AFC system and radio upgrade and (ii) an increase in employee expenses.

More commentary on Core Network performance can be found in 4Q and FY 2018/19 BTSGIF management discussion and analysis.

Historical Ridership and % Growth

Historical Average Fare and % Growth


*Excluding the impact of free-trip allowance to passengers from train services disruption

Mass Transit costs rose by THB 30,594mn to THB 36,868mn largely from the recognition of construction costs for the Pink and Yellow Lines. Operating EBITDA margin declined to 10.9% from 31.5% in previous year, as a result of the abovementioned provision of services, which have lower margin. If the aforesaid revenue, cost and interest income related to Pink and Yellow lines construction as well as the provision of E&M works and train procurement services of the Green line extensions were excluded, the operating EBITDA margin for the Mass Transit business would have been 67.9%.

MEDIA BUSINESS

2018/19 was another stellar year for VGI. VGI has not only achieved its targets, but also delivered a new record financial performance. VGI exceeded its full year target revenue at THB 5,000mn, posting all-time high revenue of THB 5,123mn (an increase of 31.3% YoY or THB 1,221mn).

Media Revenue (THB mn)	FY 2018/19	% of Total	FY 2017/18	% of Total	% Change (YoY)
OOH media	3,841	75%	3,559	91%	7.9%
Transit	2,350	46%	2,263	58%	3.9%
Outdoor	1,076	21%	958	24%	12.3%
Office & Other	414	8%	338	9%	22.5%
Digital Services*	1,282	25%	344	9%	273.0%
Total	5,123	100%	3,902	100%	31.3%

*Digital services revenue is comprised of the revenue generating from (i) Rabbit Group and (ii) Trans.Ad Group under Master Ad Public Company Limited (MACO)

OOH Media includes Transit, Outdoor and Office Building and Other Media. OOH media contributed 75% of total Media revenue or THB 3,841mn. Revenue in the OOH media segment rose by 7.9% or THB 282mn YoY. The growth in OOH media revenue resulted from encouraging growth in all business units. Within the OOH media, Transit media revenue increased by 3.9% YoY to THB 2,350mn, mainly from the higher occupancy of digital media and merchandising space, in particular. However, growth was partially offset by the renovation impact of upgrading of its digital OOH advertising media. VGI expects that Transit media revenue should scale up after the completion of the aforementioned renovation.

Digital Services Business contributed 25% of total revenue or THB 1,282mn, a considerable increase of 273.0% YoY, mainly due to the eight-month consolidation of Trans.Ad Group (a system integration and total solutions services provider) by MACO. The segment also benefited from the growth of Rabbit Group, which was mainly from an increase in project management fees, higher lead generation revenue as well as the increase in average number of policies sold from the boarder offering of insurance products. Moreover, the number of Rabbit Cards in FY 2018/19 was 11.0mn cards, exceeding the target of 10.5mn cards and the number of

Rabbit LinePay users was 5.5mn users, surpassing the target of 5.3mn users. This growth has been spurred by ongoing improvements in user interface, a successful user acquisition programme, as well as synergies with BTS Group and Advance Info Services Public Company Limited (AIS), the number one telecommunications operator in Thailand.

Cost of Sales increased by 55.5% YoY from THB 1,234mn to THB 1,919mn, chiefly due to the eight-month consolidation of Trans.Ad Group. Operating EBITDA margin for our Media business this year declined to 45.5% from 50.6% in the previous year largely from the aforesaid consolidation of Trans.Ad Group, which has lower margins than other Media segments.

More commentary on Media business can be found in FY 2018/19 VGI Global Media's management discussion and analysis: <http://vgi.listedcompany.com/misc/MDNA/20190516-vgi-mdna-fy20182019-en.pdf>

PROPERTY BUSINESS

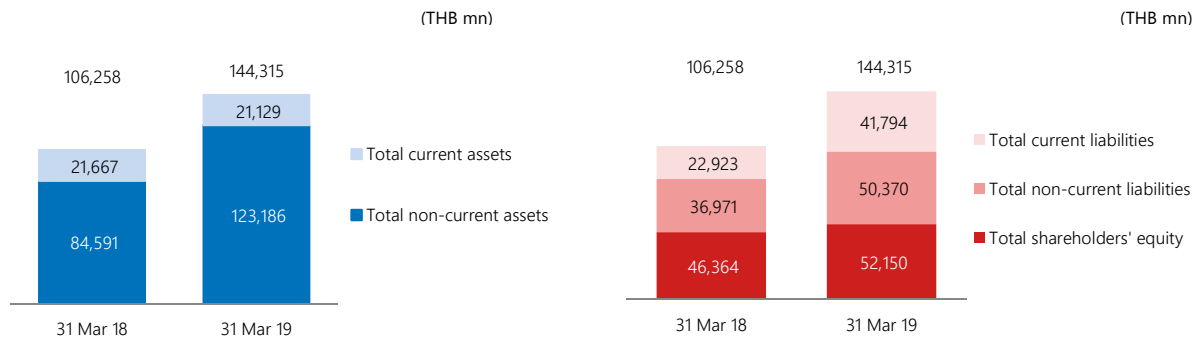
Following the completion of the EBT of UE to U City, the majority of the BTS's property business, including 3 hotels; U Sathorn, U Chiang Mai, U Inchantree Kanchanaburi, TST Tower office building, land and our 50% stake in the JV with Sansiri, were deconsolidated on 16 March 2018. The majority of BTS's property-related income is hence recognised as a share of net profit/ (loss) from U City (equity method). Certain assets remain directly held by the Company, namely Thana City Golf & Sports Club and some residential apartments and these will continue to contribute to BTS's property revenue.

Total property operating revenue in FY 2018/19 decreased by 43.7% YoY or THB 279mn to THB 360mn, which was primarily attributable to the deconsolidation of the aforementioned property business. Total operating costs decreased in tandem with the decline in operating revenue, falling by 37.0% YoY or THB 153mn to THB 261mn.

Commercial Property revenue was THB 332mn in FY 2018/19, which now mainly comprises of revenue from Thana City Golf & Sports Club. The decrease of THB 284mn or 46.1% YoY in Commercial Property revenue was primarily attributable to the deconsolidation of the 3 aforesaid hotels and TST Tower office following the EBT of UE to U City. The Company recognised share of net loss from investment in U City, our associate, of THB 80mn (compared to a share of net loss of THB 505mn in the previous year) mainly due to U City recognised lower loss on impairment of assets, improved operating performance of its hotel business in Europe and the transfer progress of Sansiri-JVs. **Residential Property** increased by 16.6% YoY or THB 4.0mn to THB 28.0mn.

SERVICES BUSINESS

Services business revenue increased by THB 663mn or 147.8% YoY to THB 1,112mn in FY 2018/19. The growth was chiefly due to an increase in construction revenue generated from HHT construction Company Limited. Costs also increased by THB 603mn or 149.8% YoY to THB 1,006mn. SG&A expenses amounted to THB 110mn, a decrease of THB 52mn or 32.1% YoY.

FINANCIAL POSITION


Total assets as of 31 March 2019 stood at THB 144,315mn, an increase of THB 38,057mn or 35.8% from 31 March 2018. The increase was primarily attributed to an increase in

- (i) elevated train project costs of THB 17,607mn from the provision of E&M works related to Pink & Yellow Lines
- (ii) unbilled receivables under agreements with government authorities of THB 15,268mn from (a) civil construction of the Pink and Yellow Lines and interest income related to such unbilled receivables and (b) train procurement services and interest income related to the services for the Southern and Northern Green Line extensions
- (iii) investments in associates of THB 5,019mn mainly from the investment of VGI in Kerry Express Thailand in July 2018
- (iv) receivable under purchase and installation of operating system agreement of THB 4,552mn from the provision of E&M works for the Southern and Northern Green Line extensions
- (v) current investments of THB 2,023mn

The increase, however, was partially offset by a reduction in

- (i) cash & cash equivalents of THB 5,437mn (see cash movement in *Cash Flow* section)
- (ii) advances to contractors and for acquisition of assets of THB 3,594mn
- (iii) other long-term investments of THB 1,347mn and investments in derivative instruments of THB 1,269mn

Total liabilities increased from 31 March 2018 by 53.9% or THB 32,270mn to stand at THB 92,164mn mainly from an increase in

- (i) loans from financial institutions and bills of exchange payables of THB 15.8bn mainly for the drawdown of syndicated loans in relation with the Pink & Yellow Lines
- (ii) long-term debentures due to the newly-issued THB 9.5bn debenture in September 2018
- (iii) trade and other payables of THB 5.1bn mainly in relation to the construction of Pink & Yellow Lines

Total equity increased from 31 March 2018 by THB 5,787mn or 12.5% YoY to THB 52,150mn, mainly from an increase in non-controlling interests in subsidiaries of THB 7,645mn, of which chiefly from an increase in non-controlling interests of

- (i) STEC and RATCH of THB 3.7bn (totaling 25%) in the issuing of additional ordinary shares in Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd. under the consolidation of the Pink and Yellow Lines
- (ii) VGI's group of THB 3.1bn as a result of (a) an increase in VGI shareholder's equity following the exercise of its warrants of THB 2.7bn and (b) the issuance of additional ordinary shares of VGI to Kerry Express of THB 0.4bn
- (iii) MACO of THB 0.8bn from the issuance of new MACO's ordinary shares through rights offering

As of 31 March 2019, total issued and fully paid-up shares of BTS Group stood at 11,845.4mn shares. Return on equity for FY 2018/19 was 7.2% which increased from 10.5% in FY 2017/18.

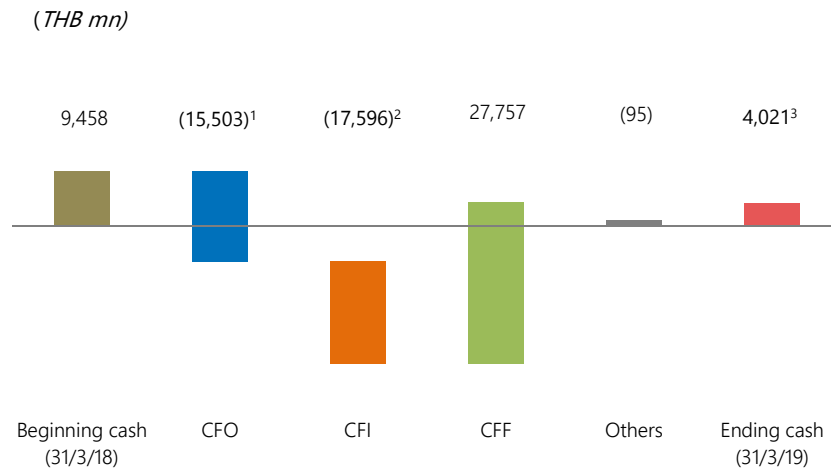
CASH FLOW

For the year ended 31 March 2019, **cash and cash equivalents** stood at THB 4,021mn, a decrease of 57.5% YoY or THB 5,437mn. Cash used in operating activities was THB 13,187mn (versus cash used in operating activities of THB 6,212mn in FY 2017/18). This was derived from profit before tax of THB 4,431mn, being partially offset by (i) non-cash reconciling items of THB 804mn and (ii) changes in net working capital of THB 16,814mn, chiefly from (a) net investment for construction of the Pink and Yellow Lines of THB 10.6bn and (b) net investment in E&M works and trains procurement for the Southern and Northern Green Line extensions of THB 4.1bn. After deducting net cash paid for corporate income tax of THB 1,217mn (FY 2017/18: THB 624mn) and net cash paid for interest expenses of THB 1,099mn (FY 2017/18: THB 707mn), **net cash used in operating activities** was THB 15,503mn.

Net cash used in investing activities was THB 17,596mn. The key components were (i) net investment for construction of the Pink and Yellow Lines of THB 14.0bn, (ii) net cash paid for purchases of investments in associates of THB 4.6bn, mainly from cash paid for purchases of investments in Kerry Express of THB 5.0bn, partially offset by (iii) dividend received of THB 1.7bn, (iv) interest income of THB 0.9bn and (v) net cash received from sales of treasury investment of THB 0.4bn.

Net cash from financing activities was THB 27,757mn. The key components were (i) an increase in loans from financial institutions and bills of exchange payables of THB 15.9bn, mainly for the drawdown of syndicated loans related to the Pink & Yellow Lines, (ii) an increase in long-term debentures of THB 9.5bn from BTSG issued debenture in September 2018, (iii) cash received from non-controlling interests for issuances of ordinary shares of subsidiaries of THB 4.5bn following (a) the consolidation of Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd, totaling THB 3.7bn and (b) the issuance of new MACO’s ordinary shares through rights offering of THB 0.8bn, (iv) net cash received from non-controlling interests from the exercise of VGI warrants and the additional ordinary shares of VGI to Kerry Express Thailand, of THB 3.2bn, partially offset with (v) dividend payment of THB 4.2bn.

12 months Cash Flow Snapshot



¹CFO included

- Corporate income tax of THB 1.2bn
- Net interest expenses of THB 1.1bn
- Net investment for construction of the Pink and Yellow Lines of THB 10.6bn
- Net investment for E&M works and trains procurement for the Southern and Northern Green Line extensions of THB 4.1bn

²CFI included net investment for construction of the Pink and Yellow Lines of THB 14bn

³Excluding liquid investments of THB 14.7bn

KEY FINANCIAL RATIOS

	FY 2018/19	FY 2017/18*	FY 2016/17
<i>Profitability ratios</i>			
Gross operating profit margin (%)	16.4%	41.0%	51.9%
Operating EBITDA margin (%) ^A	12.7%	29.0%	34.0%
Recurring pre-tax profit margin (%) ^B	9.8%	23.4%	25.0%
Net profit margin (%) ^C	5.8%	24.6%	20.1%
ROA (%) ^D	2.8%	4.8%	2.8%
ROE (%) ^E	7.2%	10.5%	4.9%
<i>Liquidity ratio</i>			
Current ratio (times)	0.51x	0.95x	1.38x
<i>Leverage ratios</i>			
Interest bearing debt to equity (times)	1.39x	1.02x	0.85x
Adjusted net debt ^F to equity (times)	1.03x	0.37x	0.13x
Adjusted net debt ^F to recurring EBITDA (times)	7.43x	3.02x	1.72x
Interest coverage (times) ^G	3.70x	3.31x	4.55x
<i>Per share ratios^H</i>			
Basic earnings per share (THB)	0.24	0.37	0.17
Book value per share (THB)	4.40	3.91	3.82

Note:

* Includes performances from discontinued operation

^A Excludes non-operating items and interest income

^B Calculated based on pre-tax recurring profit / total recurring revenue

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

^D Calculated based on accounting net profit / total average assets

^E Calculated based on accounting net profit / total average shareholders' equity

^F Calculated based on interest bearing debt - cash and cash equivalent and liquid investment - cash to be received from clearing house-share subscription of subsidiary

^G Calculated based on operating EBITDA / finance cost

^H Calculated based on weighted average number of shares at par value of THB 4.0 per share

MANAGEMENT OUTLOOK

As construction progress for our secured lines are proceeding to plan, we expect to continue recording a substantial revenue from our **Mass Transit** business in FY 2019/20, largely from (i) construction revenue for the Pink and Yellow Lines of THB 23-27bn, (ii) E&M provision and trains procurement services for Green Line extensions of THB 4-6bn, (iii) O&M revenue of THB 3.4bn, mainly driven by the full year O&M revenue recognition from the operation of the entire 12.6km Southern Green Line extension as well as the anticipated opening of one station of Northern Green Line extension (Lad Prao Intersection station) in August 2019, (iv) interest income related to Green Line extensions, Pink and Yellow Lines of THB 1.5-1.9bn. As additional passengers from the aforesaid full opening of the entire Southern Green Line extension and the expected one additional station from the Northern Green Line extension will be fed to the Core Network, we also anticipate ridership in Core Network to grow by 4-5% in the next fiscal year.

As of April 2019, civil construction of the Northern Green Line extension was 100% completed. We expect its full operation in 2020. For the construction of the Pink and Yellow Lines, the progress of civil works and E&M works were at 34% and 20%, respectively. We still retain our expectation to begin commercial operation of both main lines in October 2021. In addition to our secured lines, we also expect to participate in infrastructure projects including the Orange Line and Motorway Project (PPP Gross Cost Scheme which consists of 2 routes; (i) Bang Pa In to Nakhon Ratchasima, approx. 196km and (ii) Bang Yai to Kanchanaburi, approx. 96km) to be opened for bid in FY 2019/20.

To achieve the "Through Operation" of the entire Green Line Network comprising the BTS SkyTrain Core Network and its two Green Line Extensions (Saphan Taksin-Bang Wa and Onnut-Bearing as well as the extensions from Bearing-Kheha and Mo Chit-Ku Kot) and to facilitate passengers travelling in the Green Line Network, an "Order" issued pursuant to Section 44 under the interim constitution was invoked on 11 April 2019 – on the Operations of Green Line Mass Transit System. The main objective of the Order is to unify the project management and operations by integrating various project-related contracts. According to Section 44 published in the Royal Gazette, a committee, chaired by the Interior Ministry's Permanent-Secretary, will be established with the purpose of determining the benefit-sharing criteria between BMA and current Green Line Concessionaire (BTSC) as well as other criteria for the integration of BTS SkyTrain Core Network and the two Green Line Extensions project within 30 days from the date of the appointment of the committee and another 30 days for contract amendment. Currently, the Interior Ministry is in process of setting up a committee.

Within our **Media** business, VGI is confident to post sustained and material progress in FY 2019/20. VGI and its clients will still benefit from the consistent execution of O2O Solutions across its ecosystem, namely the Advertising, Payment and Logistics platforms. With its powerful O2O Solutions capabilities, VGI forecasts its targeted revenue in FY 2019/20 of THB 6.0-6.2bn with EBITDA margin and net profit margin of 40-45% and 20-25%, respectively. Under Advertising platform, VGI will benefit from utilising 10 new trains within BTS fleet expansion. VGI also foresees more revenue generating opportunities from its ongoing digital transformation strategy, particularly the use of innovation technology to provide precise, targeted and measurable advertising. Moreover, VGI aims to extract synergies from its collaboration with PlanB to deliver optimal value for clients through its OOH media network, which is centralised for its cost efficiency and explore new marketing channels together. Further, VGI expects the number of Rabbit Cards to grow from 11.0mn to 15.0mn cards, and the number of Rabbit LinePay users to grow from 5.5mn to 8.0mn users in FY 2019/20.

U City, our associate company under **Property** business, has also released its 2019 guidance. U City annual revenue is targeted to grow to THB 7.2-7.5bn, led primarily by its expanding hospitality business. Moreover, U City targets an EBITDA margin of no less than 20% as well as total capex and investments amounting to THB 1.9-2.2bn.

On 27 May 2019, the Board of Directors' Meeting approved the final dividend payment for FY 2018/19 up to THB 5,306.2mn or THB 0.25 per share which subject to shareholders' approval on the Annual General Meeting 2019. The final dividend payment is expected to be paid in August 2019.

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Rangsin Kritalug
(Executive Director and Chief Operating Officer)