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**Information Memorandum on Connected Transaction and Asset Acquisition of
Master Ad Public Company Limited**

At the Board of Directors' Meeting No. 6/2018 of Master Ad Public Company Limited (the “**Company**”) held on May 17, 2018, a resolution was passed to approve the acquisition of 75 percent of shares in VGI Global Media (Malaysia) Sdn. Bhd (“**VGM**”), at the purchasing price of THB 360,000,000 from VGI Global Media Public Company Limited (“**VGI**”), a major shareholder of the Company (the “**VGM Share Acquisition Transaction**”) and to propose the same at the general meeting of shareholders for consideration and approval.

The VGM Share Acquisition Transaction will constitute a purchase or an acceptance of a business transfer pursuant to Section 107(2)(b) of the Public Limited Companies Act B.E. 2535 (1992) (as amended) and constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (as amended) (the “**Acquisition and Disposition Notifications**”). The transaction size of the VGM Share Acquisition Transaction is 23.91 percent as calculated based on the net tangible assets criterion, which gives the highest transaction value (according to the Company's reviewed consolidated financial statement for period ended March 31, 2018). After computation of the foregoing with the transaction size of the Company's other acquisition transactions within the past 6 months, the total transaction size is equivalent to 37.72 percent. Therefore, the Company is required to disclose information on VGM Share Acquisition Transaction pursuant to the Acquisition and Disposition Notification.

The VGM Share Acquisition Transaction constitutes a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (as amended) (the “**Connected Transaction Notifications**”). The transaction size is equivalent to 47.31 percent of the Company's net tangible assets (NTA) according the Company's reviewed consolidated financial statements for the period ended March 31, 2018. In this regard, the Company has not entered into any other connected transactions within the past 6 months prior to entering into this VGM Share Acquisition Transaction. Since the transaction size of the VGM Share Acquisition Transaction is more than 3 percent of the Company's net tangible assets, the Company is required to undertake the following actions:

- (1) disclose information on the VGM Share Sale Transaction to the Stock Exchange of Thailand (the “**SET**”) in accordance with the Connected Transaction Notifications;
- (2) arrange for a shareholders' meeting of the Company to be held to request shareholder approval for entering into the VGM Share Acquisition Transaction where the resolution must be passed with a vote of not less than three-fourths of the votes of the shareholders attending the meeting and having the right to vote, excluding the votes casted by shareholders having an interest in the matter; and
- (3) appoint an independent financial advisor (IFA) to give an opinion on the transaction and submit such opinion to the Office of the Securities and Exchange Commission, the SET and the shareholders of the Company.

In this regard, key details concerning the VGM Share Sale Transaction are as follows:

1. Transaction Date

Within Q 4 of 2018 after the VGM Share Sale Transaction has been approved at the Extraordinary General Meeting of the Shareholders No.1/2018, which will be held on July 18, 2018.

2. Contractual Parties and Relationship with the Company

Seller : VGI Global Media Public Company Limited

Purchaser : Master Ad Public Company Limited

Relationship between the Contractual Parties

VGI is a major shareholder of the Company. As of May 17, 2018, VGI held 30.38 percent of the total issued shares of the Company. Moreover, VGI is a subsidiary of BTS Group Holdings Public Company Limited (“**BTSG**”), a majority shareholder of the Company holding 18.09 percent of the total issued shares of the Company (information as of May 4, 2018). Therefore, VGI is a connected person of the Company pursuant to the Connected Transaction Notifications.

3. General Characteristics of the Transaction

The Company will purchase 75 percent of share in VGM from VGI at the purchasing price of THB 360,000,000. In this regard, the Company will execute a share sale and purchase agreement, which contains significant condition precedents (the “**Conditions Precedents**”) as follows:

The Company’s Obligations

- (a) The Company has obtained approval at its shareholder’s meeting to enter into the VGM Share Acquisition Transaction.
- (b) The Company has obtained necessary approval (if any) for acquiring the shares in VGM or for completing the transaction.

VGI’s Obligations

- (a) VGI has obtained approval at its shareholder’s meeting to enter into the VGM Share Acquisition Transaction and such shareholders’ meeting will be held on July 5, 2018.
- (b) VGI has obtained necessary approval (if any) for acquiring the shares in VGM or for completing the transaction.
- (c) VGI has completed the investment restructuring of VGM before entering into the VGM Share Sale Transaction as follows:
 - 1. VGI has procured VGM to obtain 25.10 percent of the total issued shares of MUSB (as defined below).
 - 2. VGI has procured VGM and PBSB (as defined below) to obtain 10 and 25 percent of the total issued shares of AVA (as defined below) (respectively).

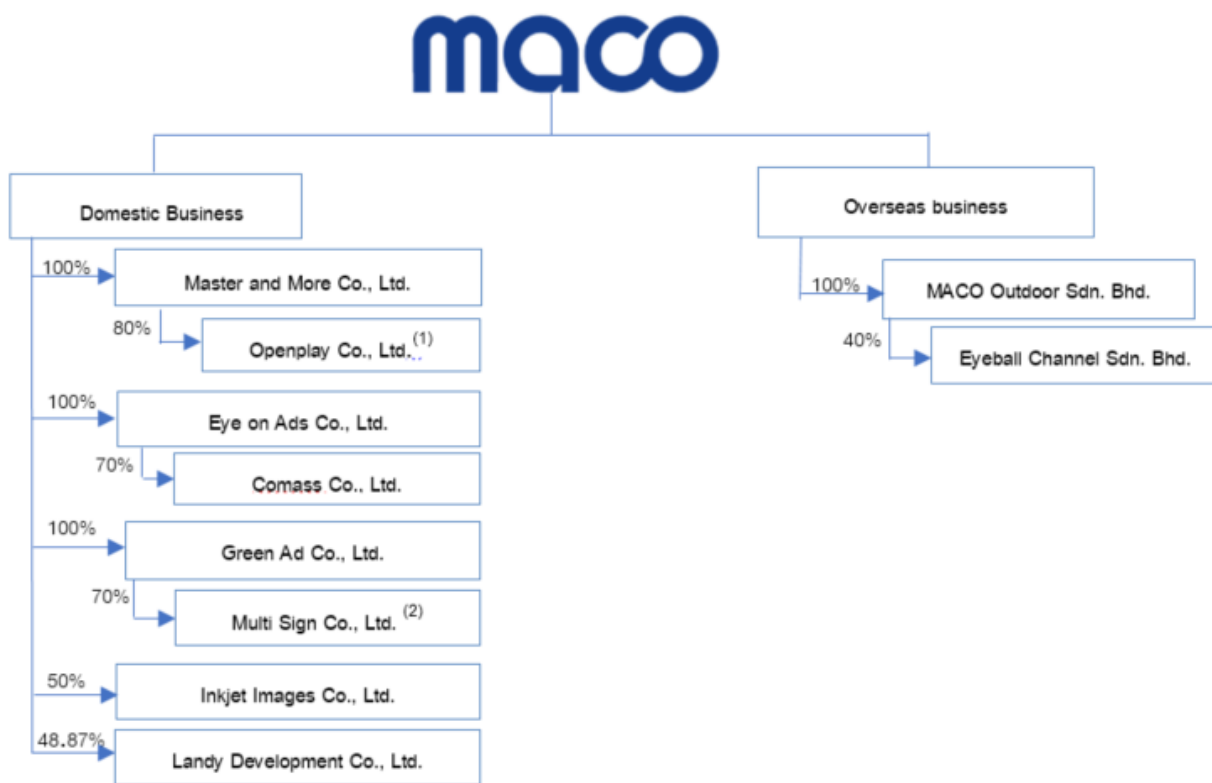
3. VGI has transferred its beneficial interest in 19 percent of the total issued shares of TCSB (as defined below) to VGM.
- (d) VGI increases the registered capital of not less than THB 24 million in VGM and procure VGM to repay all outstanding loan to VGI.

Other Obligations

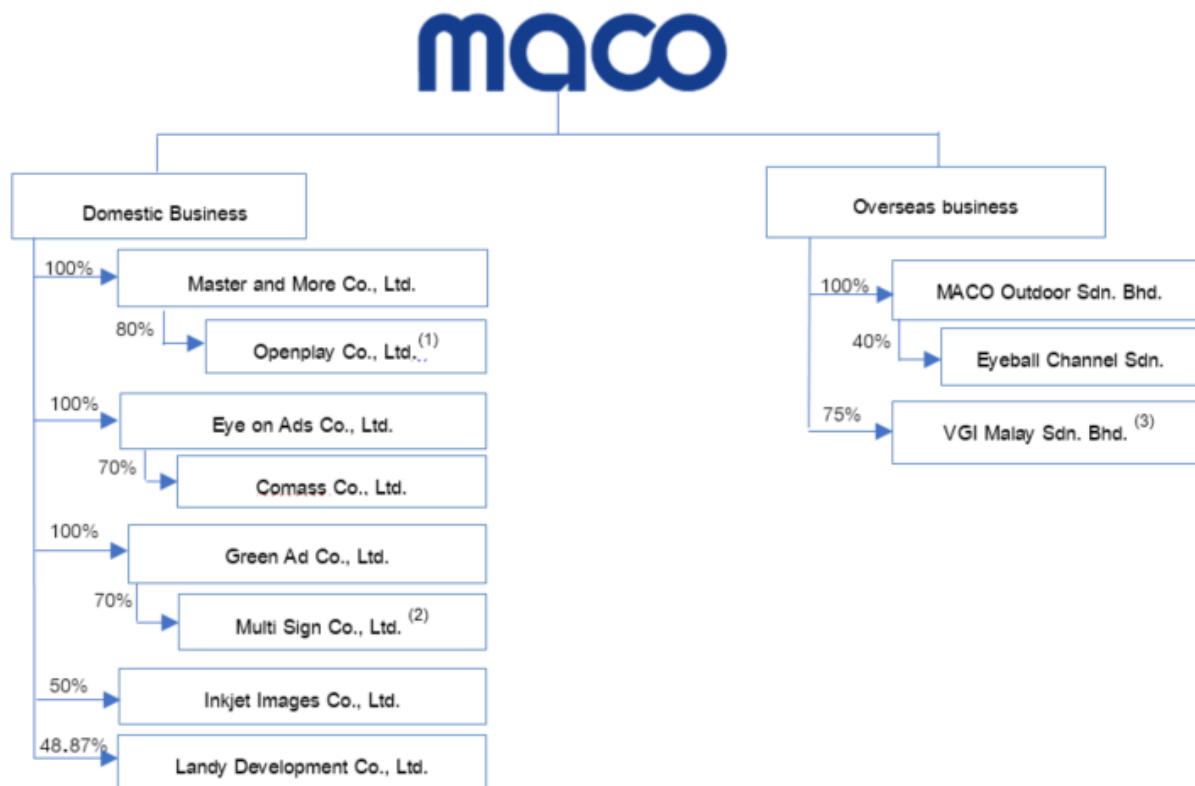
- (a) There is no change or event which may have a material adverse effect on VGM, its subsidiaries or affiliates;
- (b) There are no legal proceedings, claims, or actions that have been brought by any governmental agency or any person for the termination of the VGM Share Sale Transaction.

In this regard, the shareholding structures of the Company inside and outside Thailand before and after entering into the transaction are as follows:

Pre-transaction shareholding structure of the Company



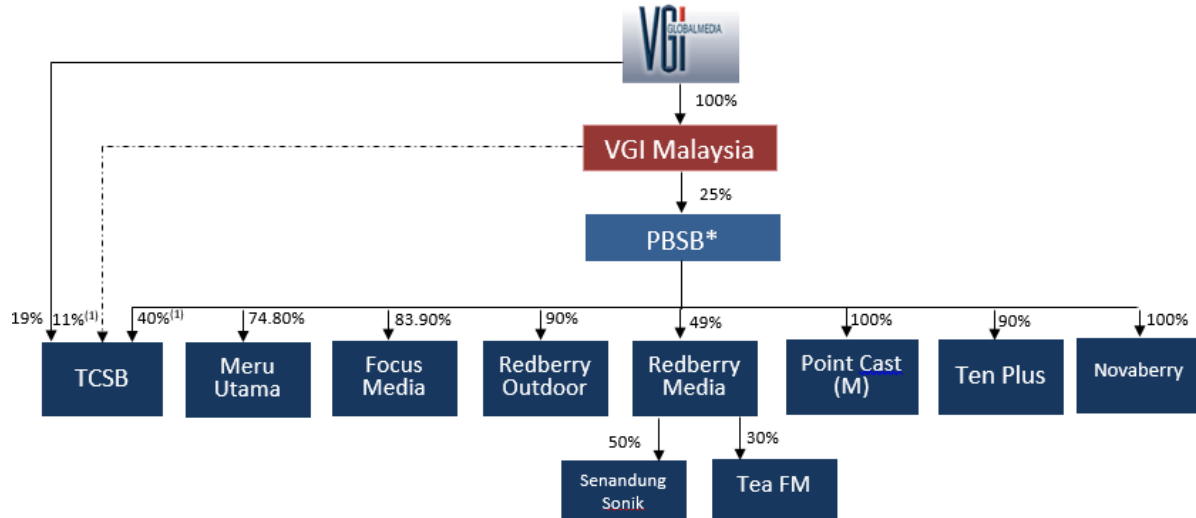
Post-transaction shareholding structure of the Company



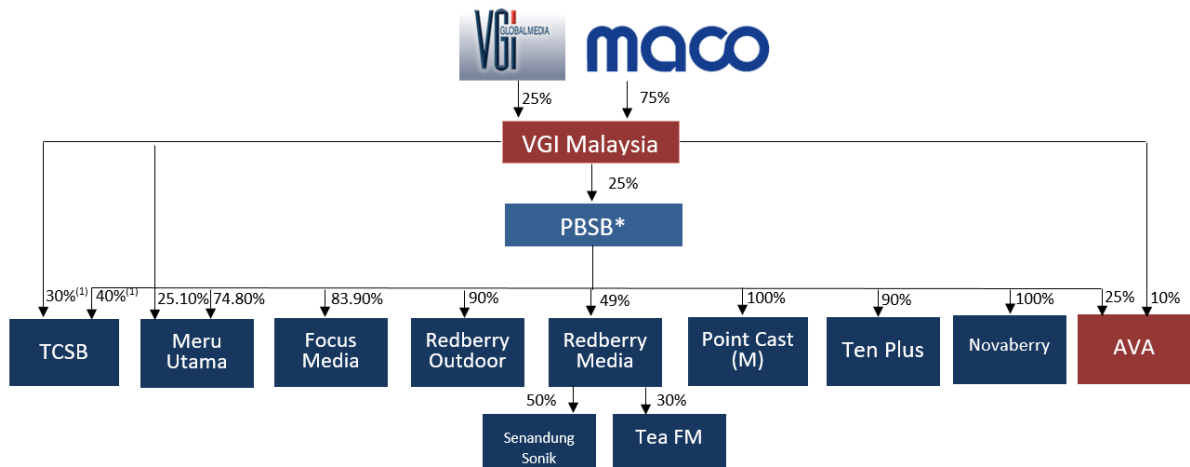
- Remark
- (1) Within May 2018, Master and More Co., Ltd (“**Master and More**”) will acquire the rest ordinary shares of Openplay Co., Ltd (“**Openplay**”), equivalent to 20 percent of the total issued shares of Openplay. After the purchase of such ordinary shares of Openplay, Master and More will hold 100 percent of the total issued shares of Openplay (according to the resolutions of the board of directors meeting No 5/2018)
 - (2) Within June 2018, Green Ad Co., Ltd (“**Green AD**”) will acquire the rest ordinary shares of Multi Sign Co., Ltd (“**MTS**”), equivalent to 30 percent of the total issued shares of MTS. After the purchase of such ordinary shares of MTS, Green Ad will hold 100 percent of the total issued shares of MTS (according to the resolutions of the board of directors meeting No 3/2018)
 - (3) Details of shareholding structure in VGM are shown in the shareholding structure of VGM on the next page.

In addition, the shareholding structures of VGM before and after entering into the transaction are as follows:

Pre-transaction shareholding structure of VGM



Post-transaction shareholding structure of VGM



- Remark (1) At present, VGI and PBSB hold 19 percent and 51 percent of the total issued shares of TCSB (respectively) where PBSB holds 11 percent of the total issued shares of TCSB for and on behalf of VGM under the Declaration of Trust between PBSB and VGI dated December 28, 2017 since PBSB is unable to transfer such shares to VGM pursuant to the restrictions under a concession agreement. In the future, PBSB will sell such shares to VGM at the par value.

In addition, before entering into the VGM Share Sale Transaction, VGI will transfer its beneficial interest in 19 percent of the total issued shares of TCSB to VGM since VGI is unable to transfer such shares to VGM pursuant to the restrictions under a concession agreement. In the future, VGI will transfer such shares to VGM at the par value.

In this regard, after the VGM Share Acquisition Transaction, the Company will have two subsidiaries which operate the advertising business in Malaysia, i.e., (1) Maco Outdoor Sdn. Bhd. (“**MOSB**”), a subsidiary of the Company which the Company holds 100 percent of the total issued shares thereof. At the present, MOSB holds 40 percent of the total issued shares of Eyeball Channel Sdn. Bhd. (“**ECSB**”), a media service provider and outdoor media producer in Malaysia, and (2) VGM, a subsidiary which the Company and VGI hold 75 and 25 percent of the total issued shares thereof, respectively. Details of shareholding structure of VGM are shown in above diagram. In addition, The Company holds shares in VGM together with VGI in the above proportion for the future benefits of advertising media bidding in mass transit system and the management of advertising media in the mass transit system of VGM in South East Asia. VGM still have to rely on VGI, the market leader who is equipped with experience and expertise in the advertising media in mass transit system business. Details of shareholding structure of VGM are shown in above diagram.

To manage the conflict of interest that may occur in the future among the Company, VGI, MOSB and VGM. The Company has policy and guideline to manage the conflict of interest as follows:

In the case that the Company or VGI has any business opportunity relating to out-of-home advertising media in Malaysia, or any other country in South East Asia in the future, the Company and VGI have a plan to operate such business only through VGM and/or other newly-established companies which the Company and MACO hold shares thereof in the same proportion as in VGM. On the other hand, MOSB will only operate its business via holding shares in ECSB, and the future business expansion of ECSB will only be determined by Mr. Lim Chee Seng, a majority shareholder of ECSB holding 50 percent of the total issued shares of ECSB.

To eliminate the conflict of interest between such two subsidiaries, in the case that the Company or VGI has any business opportunity in Malaysia in the future, the Company and VGI have a plan to operate such business only through VGM and/or other newly-established companies which the Company and VGI hold shares thereof in the same proportion as in VGM. On the other hand, MOSB will only operate its business via holding shares in ECSB, and the future business expansion of ECSB will only be determined by Mr. Lim Chee Seng, a major shareholder of ECSB holding 50 percent of the total issued shares of ECSB. For further information on the preventive measures to avoid potential conflict of interest in the future, please refer to page nos. 25-26 of Information Memorandum on the Connected Transaction and Asset Acquisition of Master Ad Public Company Limited pursuant to Schedule 2 of the Notification of the Board of Governors of the Stock Exchange of Thailand (**Enclosure 4**).

4. Details of VGI Global Media (Malaysia) Sdn. Bhd.

The Company shall be transferred the ordinary shares of VGM, equivalent to 75 percent of total issued shares of VGM, at a purchase price totaling THB 360,000,000. Details of VGM are as follows:

4.1 Details of VGI Global Media (Malaysia) Sdn. Bhd.

Type of business	Investment in the securities of other companies (as a holding company)
Principal office	Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Registered capital	MYR ¹ 29,154,175 (approximately THB 236,568,637.62)
Number of shares	29,154,175 shares
Par value per share	MYR 1 (approximately THB 8.11)
Paid-up shares	MYR 29,154,175 (approximately THB 236,568.637.62)

VGM's core business is investment in the securities of other companies (as a holding company). At present, VGM has direct and indirect shareholdings in 9 entities, and before the consummation of the VGM Share Sale Transaction, VGM will directly and indirectly acquire the shares in AVA, resulting in a total of 10 companies (the "VGM Group of Companies"), a summary of which is as follows:

No.	Entities	Place of Incorporation	Paid-up Capital/ Investment	Effectives Shareholding as of the VGM Share Sale Transaction Date (Percent)	Business Type
1	Puncak Berlian Sdn. Bhd. ("PBSB")	Malaysia	MYR 17,125,105 (approximately THB 138,959,952.01)	25	Invests in the securities of other entities (as a holding company)
2	Titanium Compass Sdn. Bhd. ("TCSB")	Malaysia	MYR 1,000,000 (approximately THB 8,114,400.00)	40 ⁽¹⁾	Operates the media in the MRT SBK Line, a mass rapid transit system
3	Meru Utama Sdn. Bhd. ("MUSB")	Malaysia	MYR 1,100,000 (approximately THB 8,925,840.00)	43.80 ⁽²⁾	Operates the media at the Kuala Lumpur International Airport
4	Focus Media (Network) Sdn. Bhd. ("FMN")	Malaysia	MYR 4,483,800 (approximately THB 36,383,346.72)	20.98 (held through PBSB, which holds 83.90 percent of the shares in FMN)	Operates the media in cinemas and LCD screens
5	Redberry Outdoor Sdn. Bhd. ("RBO")	Malaysia	MYR 5,000,000 (approximately THB 40,572,000.00)	22.50 (held through PBSB, which holds 90 percent of the shares in RBO)	Operates the media on billboards and buses

¹ Currency Exchange rate as of May 14, 2018, MYR 1 is equivalent to 8.1144

Enclosure 3

No.	Entities	Place of Incorporation	Paid-up Capital/ Investment	Effectives Shareholding as of the VGM Share Sale Transaction Date (Percent)	Business Type
6	Redberry Media Sdn. Bhd. (“RMSB”)	Malaysia	MYR 100,000 (approximately THB 811,440.00)	12.25 (held through PBSB, which holds 49 percent of the shares in RMSB)	Invests in the securities of other entities (as a holding company)
7	Point cast (M) Sdn. Bhd. (“PCSB”)	Malaysia	MYR 2,500,000 (approximately THB 20,286,000.00)	25 (held through PBSB, which holds 100 percent of the shares in PCSB)	Operates the media at cashiers within major supermarkets throughout Malaysia
8	Ten Plus Sdn. Bhd. (“TPSB”)	Malaysia	MYR 100,000 (approximately THB 811,440.00)	22.50 (held through PBSB, which holds 90 percent of the shares in TPSB)	Operates the digital media on power poles
9	Nova Berry Sdn. Bhd. (“NBSB”)	Malaysia	MYR 2 (approximately THB 16.23)	25 (held through PBSB which holds 100 percent of the shares in NBSB)	At the present, the Company doesn’t have any business operation
10	PT AVABANINDO PEKASA (“AVA”)	Indonesia	IDR ² 18,391,500,000 (approximately THB 42,300,450.00)	16.25 ⁽³⁾	Operates the media in the MRT system in Indonesia

Remark (1) At present, VGI and PBSB hold 19 percent and 51 percent of the total issued shares of TCSB (respectively) where PBSB holds 11 percent of the total issued shares of TCSB for and on behalf of VGM under the Declaration of Trust between PBSB and VGI dated December 28, 2017 since PBSB is unable to transfer such shares to VGM pursuant to the restrictions under a concession agreement. In the future, PBSB will sell such shares to VGM at the par value.

In addition, before entering into the VGM Share Sale Transaction, VGI will transfer its beneficial interest in 19 percent of the total issued shares of TCSB to VGM since VGI is unable to transfer such shares to VGM pursuant to the restrictions under a concession agreement. In the future, VGI will transfer such shares to VGM at the par value.

- (2) At present, VGM holds the shares in MUSB through PBSB, which holds 74.80 percent of the total issued shares of MUSB (equivalent to 18.70 percent of the VGM’s effective shareholding in MUSB). In addition, before entering into the VGM Share Sale Transaction, VGM must buy 25.10 percent of total issued shares of MUSB, totaling 43.80 percent of the effective shareholding in MUSB.
- (3) At present, PBSB and VGM do not hold any shares in AVA. In this regard, PBSB and VGM are in the process of negotiation concerning the AVA share acquisition. However, before entering into the VGM Share Sale Transaction, VGM will acquire 10 percent of the total issued shares of AVA and PBSB will obtain 25 percent of the total issued shares of AVA.

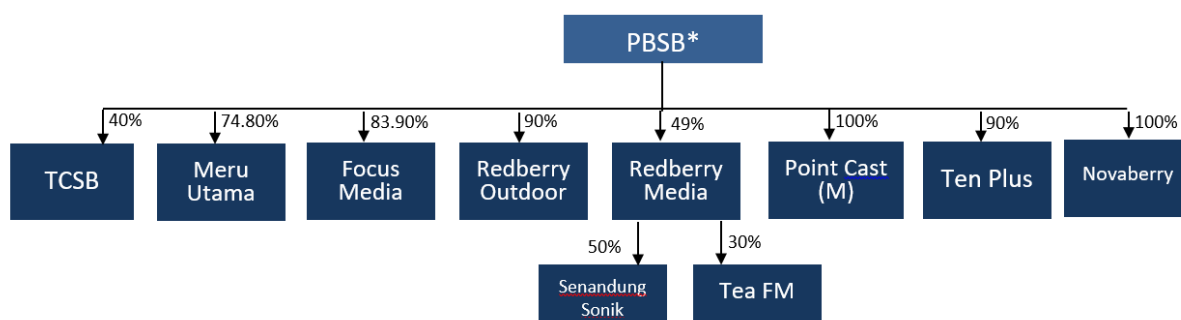
1) PBSB

At present, VGM holds 4,281,277 shares in PBSB with a par value of MYR 1 per share (approximately THB 8.11), which is equivalent to 25 percent of the total issued shares of PBSB where the remaining 75 percent of the shares of PBSB are held by Ancom Berhad

² The Currency Exchange rate as of May 14, 2018, IDR 100 is equivalent to THB 0.23

(“ACB”) and its subsidiary. Ancom Berhad is a company listed on the Stock Exchange of Malaysia Bursa Malaysia (BM) (The major shareholders of ACB are as follows: (1) Dato’ (Dr) Siew Ka Wei, directly and indirectly holding 43,800,133 shares in aggregate, equivalent to 20.35 percent of total issued shares in ACB, (2) ChanThye Seng, directly and indirectly holding 42,797,402 shares in aggregate, equivalent to 19.89 percent of total issued shares in ACB, (3) Pacific & Orient Berhad, directly and indirectly holding 42,467,402 shares in aggregate, equivalent to 19.73 percent of total issued shares in ACB, and (4) Siew Nim Chee & Son Sdn. Bhd., directly and indirectly holding 14,558,987 shares in aggregate, equivalent to 6.77 percent of total issued shares in ACB. In addition, such persons do not have any relationship nor interest with the Company or any connected persons of the Company).

PBSB invests in the securities of other entities (as a holding company) which engage in the media business in various areas, including airports, mass transit systems, office buildings and retail areas. The current shareholding structure of PBSB is as follows:



Remark: The main streams of PBSB’s income derive from 3 companies, namely (1) MUSB, (2) FMSB, and (3) ROSB, respectively.

2) TCSB

TCSB is a joint-venture company incorporated by (1) VGI, (2) PBSB, (3) Utusan Airtime Sdn. Bhd. and (4) Ikatan Asli Sdn. Bhd. whose initial registered capital is MYR 1,000,000. At present (approximately THB 8,114,400.00), VGI and PBSB hold 19 percent and 51 percent of the total issued shares of TCSB (respectively) where PBSB holds 11 percent of the total issued shares of TCSB for and on behalf of VGM under the Declaration of Trust between PBSB and VGI dated December 28, 2017 since PBSB is unable to transfer such shares to VGM pursuant to the restrictions under a concession agreement. In the future, PBSB will sell such shares to VGM at the par value.

In addition, before entering into the VGM Share Sale Transaction, VGI will transfer its beneficial interest in 19 percent of the total issued shares of TCSB to VGM where Utusan Airtime Sdn. and Ikatan Asli Sdn. Bhd. hold the remaining 30 percent of the total issued shares in TCSB in the proportions of 20 and 10 percent, respectively. Both of these companies engage in the media business in Malaysia.

TCSB operates the media in the MRT SBK Line, which is a new 58-train mass rapid transit line in Malaysia with an approximate track length of 51 kilometers expanding over 31 stations. TCSB has obtained a concession from Mass Rapid Transit Corporation Sdn. Bhd. for a period of 10 years from December 16, 2016 to December 15, 2025.

3) MUSB

At present, VGM holds the shares in MUSB indirectly through PBSB where PBSB holds 822,900 shares in MUSB with a par value of MYR 1 per share (approximately THB 8.11), which is equivalent to 74.80 percent of the total issued shares of MUSB.

In addition, before entering into the VGM Share Sale Transaction, VGM must obtain 276,100 shares in MUSB with a par value of MYR 1 per share (approximately THB 8.11), which is equivalent to 25.10 percent of the total shares of MUSB.

MUSB operates the media in Terminal 1 and Terminal 2 of the Kuala Lumpur International Airport. MUSB has obtained a concession from Kuala Lumpur International Airport 1 and Kuala Lumpur International Airport 2 for a period of 7 years from May 1, 2014 to May 1, 2021 with the right to renew for another 3 years upon the end of the concession period.

4) FMN

At present, VGM holds the shares in FMN indirectly through PBSB where PBSB holds 3,760,000 shares in FMB with a par value of MYR 1 per share (approximately THB 8.11), which is equivalent to 83.90 percent of the total issued shares of FMN, whereas the remaining 16 percent of the shares in FMN are held by the founders of FMN.

FMN is a cinema advertising sales agent and produces digital media for advertisement in office buildings.

5) RBO

At present, VGM holds the shares in RBO indirectly through PBSB where PBSB holds 4,499,000 shares in RBO with a par value of MYR 1 per share (approximately THB 8.11), which is equivalent to 90 percent of the total issued shares of RBO, whereas the remaining 10 percent of the shares in RBO are held by the founders of RBO.

RBO operates the media on buses and billboards along the highways in Malaysia. RBO has obtained a concession from 2 main highway operators, i.e. (1) Sistem Lingkaran-Lebuhraya Kajang Sdn. Bhd. for the operation of media on the KAJANG SILK Highway for a period of 10 years from March 1, 2015 to March 1, 2024 with the right to renew for another 12 years upon the end of the concession period and (2) Konsortium Lebuhraya Utara-Timur (KL) Sdn. Bhd. for the operation of media on the Duta Ulu-Kelang Expressway (DUKE) for a period of 1 year from October 1, 2016 to October 1, 2017 with the right to renew for another 2 years upon the end of the concession period. In this regard, RBO has exercised its right to renew the concession, which will end on October 1, 2019, and RBO will further exercise its right to renew the concession.

6) RMSB

At present, VGM holds the share in RMSB indirectly through PBSB where PBSB holds 49,000 shares in RMSB with a par value of MYR 1 per share (approximately THB 8.11), which is equivalent to 49 percent of the total issued shares of RMSB, whereas the remaining 51 percent of the shares in RMSB are held by other business partners in Malaysia.

At the present, RMSB currently holds 30 percent of the total shares of Tea FM Radio Sdn. Bhd. and holds 50 percent of the total shares of shares in Senandang Sonik Sdn. Bhd. These two companies engaging in the radio business which get the concession to operate the business in the east of Malaysia.

7) PCSB

At present, VGM holds the shares in PCSB indirectly through PBSB where PBSB holds 2,500,000 shares in PCSB with a par value of MYR 1 per share (approximately THB 8.11), which is equivalent to 100 percent of the total shares of PCSB.

PCSB operates the media at cashiers within major supermarkets throughout Malaysia.

8) TPSB

At present, VGM holds the shares in TPSB indirectly through PBSB where PBSB holds 90,000 shares in TPSB with a par value of MYR 1 per share (approximately THB 8.11), which is equivalent to 90 percent of the total issued shares of TPSB, whereas the remaining 10 percent of the shares in TPSB are held by local partners in Malaysia.

TPSB operates the digital media on power poles in Malacca, Malaysia.

9) NBSB

At present, VGM holds the shares in NBSB indirectly through PBSB where PBSB holds 2 shares in NBSB with a par value of MYR 1 per share (approximately THB 8.11), which is equivalent to 100 percent of the total issued shares of NBSB. NBSB does not have any business operation.

10) AVA

Prior to entering into the VGM Share Sale Transaction, VGM must obtain 10 percent of the total issued shares of AVA and PBSB must obtain 25 percent of the total issued shares of AVA, whereas the remaining 65 percent of the shares in AVA are held by PT Beyond Media and PT Alternative Media Group. Each company holds 32.50 percent of the shares in VGM.

AVA operates the digital media in the MRT system in Indonesia. AVA has obtained a concession from PT Mass Rapid Transit Jakarta for a period of 20 years from the opening date of the MRT. It is expected that the first MRT train of Indonesia will commence its operation in Q1 of 2019.

4.2 List of Shareholders of VGM as at May 17, 2018 and after the Transaction

Name	As at May 17, 2018	After the Transaction
	Percentage (Percent)	Percentage (Percent)
1. VGI Global Media Public Company Limited	100 %	25%
2. Master Ad Public Company Limited	0%	75%
Total	100%	100%

Remark: The information is based on the assumption that there is no other change in the shareholders apart from the VGM Share Sale Transaction.

4.3 List of Shareholders of VGM as at May 17, 2018 and after the Transaction

Name	Position
1. Mr. Ong Peng Woon	Director
2. Mr. Marut Arthakaivalvatee	Director
3. Mr. Chan Kin Tak	Director

Remark: After entering into the VGM Share Transfer Transaction, the Company shall appoint director to be VGM's director pro rata to the Company's shareholding. The proportion of directors in VGM nominated by the Company and VGI will equal to 3:1.

4.4 Summary of the Financial Statements of VGM

Financial Information	Year 2018
Cash and cash equivalents	MYR 7,977,418 (approximately THB 64,731,960.62)
Other receivables, deposits and advance payments	MYR 2,024,448 (approximately THB 16,427,180.85)
Receivables from related persons and associates	MYR 4,305,406 (approximately THB 34,935,786.45)
Total current assets	MYR 14,307,273 (approximately THB 116,094,936.03)
Investment in associates	MYR 13,770,987 (approximately THB 111,743,296.91)

Financial Information	Year 2018
Equipment	MYR 2,385,845 (approximately THB 19,359,700.67)
Total non-current assets	MYR 16,156,832 (approximately THB 131,102,997.58)
Total assets	MYR 30,464,105 (approximately THB 247,197,933.61)
Issued and paid-up share capital	MYR 29,154,175 (approximately THB 236,568,637.62)
Accumulated (loss) profit	MYR (2,213,049) (approximately THB 17,957,564.81)
Total shareholders' equity	MYR 26,941,126 (approximately THB 218,611,072.82)
Other payables and accruals	MYR 576,985 (approximately THB 4,681,887.08)
Loan from parent company	MYR 2,945,994 (approximately THB 23,904,973.71)
Total liabilities	MYR 3,522,979 (approximately THB 28,586,860.80)
Total shareholders' equity and liabilities	MYR 30,464,105 (approximately THB 247,197,933.61)

Remark: The financial statement prepare by VGM as of March 31 '2018 (VGM does not have audited financial statement since VGM just incorporated on January 26, 2017) exchange rate as of May 14'2018 MYR 1 = THB 8.1144

5 Calculation of Transaction Size

5.1 Calculation of Transaction Size under the Acquisition and Disposal Notifications

Calculation Criteria	Calculation Formula	Transaction Size
1. Net tangible asset (NTA) value	NTA of the acquired business x the acquired portion/ NTA of the Company = 242,611,072.81 ³ x 75% / 760,949,906	23.91
2. Net profit from operating results	Net profit of the acquired company x the acquired portion / net profit of the Company = not applicable as VGM has net loss according to the financial statements for the period ended March 31, 2018	-
3. Total value of consideration	Value of consideration/ total assets of the Company = 360,000,000 / 2,022,123,329	17.80
4. Value of equity issued as consideration for the assets	Total shares issued as payment for the acquired assets / total authorized and issued shares = No issuance of shares	-

Remark: The calculation was prepared according to the reviewed consolidated financial statements of the Company for the period ended March 31, 2018.

³ As of May 17, 2018, NTA of VGM is equivalent to THB 218,611,072.81, However, after VGI increases VGM's capital by THB 24 million for the loan repayment to VGI, NTA of VGM will be increased to THB 242,611,072.81

The VGM Share Acquisition Transaction constitutes an acquisition of assets pursuant to the Acquisition and Disposition Notifications whose highest transaction size as calculated based on the net tangible assets criterion is 23.91 percent, which gives the highest transaction value. After computation of the foregoing with the transaction size of the Company's other acquisition transactions within the past 6 months, the total transaction size is 37.72. Therefore, the Company is deemed as a Class 2 Transaction pursuant to Acquisition and Disposition Notification under required to disclose information on VGM Share Acquisition Transaction pursuant to the Acquisition and Disposition Notification.

5.2 Calculation of Transaction Size under the Connected Transactions Notifications

The VGM Share Acquisition Transaction also constitutes a transaction with the Company's connected person where the transaction size is more than 3 percent of the net tangible assets of the Company. Details on the transaction size calculation of the connected transaction can be summarized as follows:

Calculation of the net tangible assets of the Company

$$\text{Transaction size} = \frac{\text{Total consideration value}}{\text{NTA of the Company}^1} = \frac{360,000,000}{760,949,906} = 47.31 \%$$

NTA = total assets – total liabilities – net intangible assets – EBITDA – net deferred commission expense

$$\begin{aligned} &= 2,022,123,329 - 475,942,276 - 709,695,242 - 8,605,789 - 66,930,116 \\ &= \text{THB } 760,949,906 \end{aligned}$$

Remark: The net tangible assets of the Company (NTA) according to the reviewed consolidated financial statements of the Company for the period ended March 31, 2018.

After computing the value of the total value of consideration, which gives the highest value, based on the Connected Transaction Notifications, the transaction size of the VGM Share Sale Transaction is equivalent to 47.31 percent of the net tangible assets of the Company according to the audited consolidated financial statements of the Company for the period ended March 31, 2018). In this regard, the Company has not entered into any other connected transactions within the past 6 months prior to entering into the transaction.

Therefore, the Company is required to disclose information on the transaction to the SET and arrange for a shareholders' meeting of the Company to consider and approve the VGM Share Sale Transaction with a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the votes casted by shareholders having an interest in the matter. The invitation to the shareholders' meeting together with the opinion of an independent financial advisor must be sent to the shareholders at least 14 days prior to the shareholders' meeting.

6. Total Value of Consideration, Value of the Sale and Purchase Assets and Basis Used to Determine the Total Value of Consideration

6.1 Total Value of Consideration

The total value of consideration for the VGM Shares under the Share Sale and Purchase Agreement is THB 360,000,000.

6.2 Basis Used to Determine the Total Value of Consideration

The management preliminary considered the total value of consideration by using the discounted cash flow approach (DCF), which calculated based on type of the business in each country pursuant to the business plans of each company under VGM, and the sum-of-the-parts approach to calculate the total value of the business. In this regard, the total value of the business assessed by the Company is in the range of approximately MYR 58.95 – 67.28 million for the total value of the business (approximately THB 478.34 – 545.94 million) or equivalent to MYR 44.21 – 50.46 million for 75 percent of the total value of the business (approximately THB 358.74 – 409.45 million).

The Company views that the core businesses in Malaysia under VGM, namely TCSB and MUSB should be growing in the following manner:

- TCSB: Compound Annual Growth Rate – CAGR of its revenue during the first 5 years will be at approximately 35.5 percent per annum by reference to the growth trend of Thailand’s mass transit advertising media business at the early stage and adjusted by the view of the management (since there is no similar form of mass transit advertising media business in Malaysia that is comparable). In this regard, it is expected that TCSB’s performance will generate profit from 2020 onwards with net profit margin of approximately 11 - 25 percent. At the present, TCSB’s business has come across the 2nd year of full-scale performance since SBK Line mass transit system began its full operation in the mid of 2017 where TCSB is building its advertising network in such mass transit system.
- MUSB: Compound Annual Growth Rate – CAGR of its revenue during the first 5 years will be at approximately 7.3 per annum. The operating profit and net profit margin are expected to be at approximately 3 – 14 percent after the 2nd year of VGM’s investment in MUSB. At present, MUSB is the largest concessionaire of the airport advertising media, Operated by VGM’s managements who are also well equipped with experiences and expertise in managing airport advertising media from a leading out-of-home media operator in overseas country.

With respect to other businesses in Malaysia operated under PBSB, in addition to the aforesaid, FMN and RBO are growing continuously where their compound annual growth rate during the first 5 years is approximately at 5 percent and 1 percent, respectively. FMN’s net profit margin is approximately at 20 – 21 percent and RBO’s net profit margin is approximately at 7 – 17 percent which is in consistent with its net profit margin in the past. In this regard, from the said assumption, the assessment of Malaysian business valuation by sum of the parts approach is deemed as main value of overall business or equivalent to MYR 41.05-45.37 Million MYR (or approximately THB 333.10 – 368.15 Million) (or MYR 30.79 – 34.02 Million (or approximately THB 249.84 – 276.86 Million) for 75 percent of business value).

AVA has obtained the right to provide advertising media services on a mass transit system in Indonesia, which the newly and first elevated railway passing across Jakarta City closely similar to Bangkok's Green Line. Together with confidence in its joint venture's partner, the Company believes that such strong relationship could help expanding advertising media business in the future with business valuation assessed at MYR 17.89 – 21.92 Million (or approximately THB 145.17 – 177.87 Million) (or approximately THB 333.10 – 368.15 Million) (or MYR 13.42 – 16.44 Million (or approximately THB 108.90-133.40 Million) for 75 per cent of business value).

From overall perspective, VGM's profit grows by leaps and bounds during the first year due to the core business at the start-up stage and the growth will be slower once the business becomes more stable, whereby the weighted average cost of capital used in business valuation assessment also includes risk from overseas operation in the country where the Company does not operate its core businesses.

Besides the discounted cash flow approach, given that the mass transit advertising media business which is the core business of VGM is in the start-up stage, the business still does not reach its break-even point where loss also incurred from operation result during the first year. Additionally, the airport advertising media which is the business that VGM operates through MUSB is in the process of changing its management, strategies and business direction driven by PBSB, a major shareholder of MUSB. Therefore, the Company cannot provide an estimate based on the historical assumption, as a result, the price to earnings multiples (P/E) method cannot be calculated. As of May 17, 2018, book value of VGM is equivalent to THB 218,611,072.81. However, in the case that VGI increases VGM's capital by THB 24 million for the loan repayment to VGI (approximately MYR 2.96 million), the book value of VGM will be increased to THB 242,611,072.81. However, the book value from this approach does not reflect the fair value of VGM since VGM's business is in the start-up stage, and such book value does not take future performance, economic and market trends into consideration.

7. Payment Terms and Conditions of the Transaction

The Company will make a full payment of THB 360,000,000 to VGI in cash by utilizing the proceeds from the newly issued shares of the Company offered to its existing shareholders via a rights offering and on the same day, VGI will deliver the share transfer instrument in relation to VGM's shares to MACO.

In this regard, the Company will enter into the transaction provided that the Extraordinary General Meeting of Shareholders No. 1/2018, which will be held on July 18, 2018, has approved the VGM Share Sale Transaction with a vote of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, and provided that all Condition Precedents have been fulfilled.

8. Expected Benefits for the Company

The purchase of 75 percent of total issued shares of VGM, at the purchase price of THB 360,000,000 from VGI will be benefit to the business of the Company and enhance the diversity and strengthen the advertising business as the Company already holds 40 percent of the shares in ECSB, a media service provider and outdoor media producer in Malaysia, through MOSB, a subsidiary of the Company holding 100 percent of shares. The acquisition of shares in VGM, will support the business operation of the Company in Malaysia and strengthen the bargaining power

with clients as well as create an economy of scale. In addition, it will help reduce the overlapping business and conflicts of interest in South East Asia between the Company and VGI, especially advertising media in Malaysia.

9. Source of Funding

The Company will use the proceeds from the issuance and allocation of newly issued ordinary shares of the Company to existing shareholders pro rata to their shareholdings to purchase the price of VGM's share.

10. Connected Persons and Characteristics and Scope of Interests

VGI, the seller of VGM shares, is a major shareholder of the Company where VGI holds 30.38 percent of the issued shares of the Company (information as of May 4, 2018). Moreover, VGI is also a subsidiary of BTS Group Holdings Public Company Limited ("BTSG") which is a major shareholder of the Company whereas BTSG holds 18.09 percent of the total issued shares of the Company (information as of May 4, 2018). Therefore, VGI and BTSG which are shareholders who have conflict of interest shall not have the right to vote at the Extraordinary General Meeting No. 1/2018 on the agenda items in relation to the VGM Share Acquisition Transaction.

11. Directors Having an Interest or Being a Connected Person in this Transaction

The directors having conflict of interest, i.e. 1. Mr. Chavin Kalayanamitr, 2. Miss Daranee Phanklin, and 3. Mr. Surachet Sangchayosawat, did not participate or vote at the Board of Directors' meeting on the related agenda items as these 3 directors are the representatives of VGI and BTSG, major shareholders of MACO.

12. The reasons why the Company are not the whole shareholder in VGM and Measure to protect the conflict of interest

After the VGM Share Acquisition Transaction, VGI will remain its shareholding in VGM, equivalent to 25 percent of share in VGM. Although the Company has expertise in outdoor media advertising as VGM's core business, VGM in a holding company investing in advertising companies in many potential area, i.e. airport, cinema, highway, major supermarket, office building and mass transportation. Therefore, for the benefit of bidding in advertising especially the advertising media in the mass transportation in South East Asia of VGM in the future and the management of the current project of VGM have to be rely on experience and expertise of VGI, as a leading advertisement operator in mass transportation business operation.

In order to manage the conflict of interest, the Company and VGI have plan to use VGM and/or other newly-established companies which the Company and VGI hold shares thereof at the same proportion as in VGM to be the leader of the media business operation in South East Asia as long as VGI is the major shareholder of the Company.

13. Opinion of the Board of Directors

The Board of Directors (excluding the directors having conflict of interest) has considered and viewed the VGM Share Acquisition Transaction as described above to be reasonable and be of utmost benefit to the Company for the following reasons:

- (1) As VGM invest in the securities of many advertising company cover the potential area in Malaysia, the purchase of VGM share is the acquisition of the potential assets which have a potential to grow and develop in the future. Therefore, it is expected that the Company will have the worthwhile return.
- (2) The investment in VGM will help the Out of Home Media of the Company expanded and strengthen as the Company already holds 40 percent of the shares in Eyeball Channel Sdn. Bhd., a media service provider and outdoor media producer in Malaysia, through MACO Outdoor Sdn. Bhd. The Acquisition of shares in VGM will enhance the business opportunity and potential of the Company to negotiate with partners in Malaysia and create an economy of scale, as well as reduce the overlapping business and conflicts of interest in South East Asia between the Company and VGI.
- (3) The VGM Share Acquisition Transaction is the first step of the Company to achieve the vision of the Company to enrich lifestyle by offering innovative Out-of-home media advertisement and smart platform across the Asean.

Moreover, investment in this time will not effect the liquidity of the Company as the Company can use the proceeds from the issuance and allocation of newly issued ordinary shares of the Company to existing shareholders pro rata to their shareholdings for the investment. Therefore, the meeting considered and unanimously resolved to approve the VGM Share Acquisition Transaction which is the Company’s asset acquisition transaction and connected transaction and approve the authorize to the Executive Committee and/or any person designated by the Executive Committee to undertake any actions necessary for and relevant to the VGM Share Acquisition Transaction and propose the name to the shareholder meeting.

14. Opinion of the Audit Committee and/or any Director Which is Different from the Board of Directors’ Opinion

The Audit Committee and other directors of the Company have no conflicting opinions.

Yours respectfully,

Master Ad Public Company Limited

(Mr. Phoon Chiong Kit)

Director

(Ms. Daranee Phanklin)

Director