

(-Translation-)

**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**

Reference is made to the resolutions of the Board of Directors' Meeting No. 6/2018 of Master Ad Public Company Limited (the "**Company**"), held on May 17, 2018, which was passed to approve the acquisition of 75 percent of shares in VGI Global Media (Malaysia) Sdn. Bhd. ("**VGM**"), at the purchase price totaling of THB 360,000,000, from VGI Global Media Public Company Limited ("**VGI**"), a major shareholder of the Company (as detailed in the Information Memorandum on Connected Transaction and Asset Acquisition of Master Ad Public Company Limited (**Enclosure 3**)) (the "**VGM Share Acquisition Transaction**") and to propose the same at the extraordinary general meeting of shareholders for consideration and approval.

The Company would like to disclose additional information memorandum pursuant to Schedule 2 of 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) and 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 Governor 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) as follows:

1. Responsibility of the Board of Directors with respect to the information in documents sent to the shareholders

The Board of Directors is responsible for the information contained in this information memorandum and other documentation sent to shareholders of the Company. The Board of Directors has carefully reviewed the information disclosed to the Board of Directors and hereby certifies that the information in this information memorandum and other documentation sent to shareholders of the Company is correct, complete, does not contain any false statement, concealment of material facts that are needed to be disclosed, nor statement that may be materially misleading.

2. The Company's indebtedness

2.1 The total amount of issued and unissued debt instruments resolved by the shareholders' meeting with authorisation to the Board of Directors of the Company to issue and offer them as deemed appropriate

-None-

2.2 The total amount of term loans of the Company and its subsidiaries as at March 31, 2018

As at March 31, 2018, the Company has loans from 2 financial institutions, in the amount of THB 230 million, detailed as follows:

1. The Siam Commercial Bank Public Company Limited, in the total amount of THB 150 million, due date on June 25, 2018 for the amount of THB 50 million, at an interest rate of 2.2 percent per year and due date on July 25, 2018 for the amount of THB 100 million, at an interest rate of 2.2 percent per year.
2. Bank of Ayudhya Public Company Limited, in the amount of THB 80 million due date on June 28, 2018, at an interest rate of 2.15 percent per year.

2.3 The total amount of other liabilities including the overdraft facilities of the Company and its subsidiaries as at March 31, 2018

As at March 31, 2018, the Company has other liabilities (excluding trade and other payables) as follows:

Type of Liabilities	Amount (THB million)
Short-term loans from financial institutions	230
Accrued expenses	57
Other current liabilities	25
Other non-current liabilities	38

2.4 Indebtedness to be incurred in the future

The Company and its subsidiaries have no other additional commitments apart from those declared in the notes of consolidated financial statement of the Company for the fiscal year ended March 31, 2018, as follows:

1. Commitments in respect of capital expenditure

As at March 31, 2018, the Company and its subsidiaries have capital expenditure of THB 132 million (As at December 31, 2017: THB 176 million), relating to the acquisitions of equipment and computer software;

2. Commitments in respect of the operating lease agreements

The Company and its subsidiaries have entered into the operating lease agreements in relation to advertising spaces, office building spaces, motor vehicles and equipment and the relevant service agreements and the terms of such agreements are 1 – 9 years.

In this regard, under the operating lease agreements and the relevant service agreements that the parties cannot terminate, the Company and its subsidiaries have the minimum amount payable in the future, as follows:

(Amount: THB million)

	Consolidated financial statements		Standalone financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
pay		(audited)		(audited)
within 1 year	93	83	162	25
more than 1 year but not more than 5 years	164	138	17	23
more than 5 years	14	18	-	-

Revenue under lease agreements in relation to advertising spaces shall be paid monthly and the 1-month deposit shall be paid in advance and such amounts will be repaid when termination consented by lessor. These agreements can be renewed in every 3 years with a market adjustment rental fees at that time.

3. Company information

3.1 Nature of business operations

The Company has been providing Out of Home media (“**OOH media**”) as the leading media advertising company. The Company has effectively connected brands and product’s owners to their target customers with its variety of media services. The Company continues to develop products and services and enlarge the advertising network in order to provide the OOH media end-to-end solution for its advertisers’ utmost satisfactory. The Company currently provides the full media services with the combination of static and digital media format at over 2,000 locations, presenting in all provinces of Thailand.

The Company’s products are categorised into 5 main types consisting of (1) Billboards, (2) Street Furniture, (3) Digital Advertising, (4) Overseas Advertising, and (5) Creative OOH.

1. Billboards

The Company is considered as one of the first pioneer in initiating billboard business in Thailand. In the present, the Company offers various billboard formats, comprising of Large-format Billboards, Nationwide Billboards and PTT Posters (Billboard in PTT Jiffy gas station) with the total billboards of over 1,229 panels installed at key strategic locations where heavy traffic congestions and high frequency exposure network with a variety that can respond to various customer’s needs.

2. Street Furniture

Our street Furniture was installed on pedestrians and traffic congestion which is enable at eye level and target on people in business center area. The Company was granted the rights of management consisting of (1) advertising on pillars under BTS station in which the Company has the exclusive rights to install and manage 188 advertising panels under 23 BTS stations from Bangkok Mass Transit System Public Company Limited and (2) advertising under flyovers in which the Company has the rights to install and manage 306 advertising panels under 19 flyovers across Bangkok from Bangkok Metropolitan Administration.

3. Digital Media

The Company has started to introduce digital media into its product portfolio in order to sustain its competitive edge. The currently main digital media of the Company comprises of CBD LED Network (Digital Billboard) and Aroy Aroy Network.

4. Oversea Media

The Company has firstly expanded its media footprint in Malaysia market with strong local partnership to establish a joint venture company, namely Eyeball Channel Sdn. Bhd. (“ESCB”) for focusing OOH media business in Malaysia. Media network of ESCB is currently installed in major highway, main road that connects airport and Kuala Lumpur city centre, and important places that enable to reach audience effectively.

5. Creative OOH Media

Not only providing advertising media spaces to customers, the Company also presents creative OOH media that is exclusively tailored to respond customers’ requirements in various forms e.g. the construction of large billboard, interior design work, projection mapping, mock up, and marketing events, which can enhance the value of media works to be extraordinary and memorable.

3.2 Business trends of the Company

Thailand’s economic has a clear recovery signal in 2017 and was expected to grow continuously in 2018. Reflecting to Thai’s Gross Domestic Product (GDP) where the growth rate of 3.8 percent in the first 9 months of 2017 (comparing with the growth rate of 3.3 percent in the first 9 months of 2016), the growth rate was produced by export and consumption of the private sector where the export’s growth rate is at 5.3 percent in the first 9 months of 2017 (as the private consumption’s growth rate is at 3.1 percent compared with the last year).

Nevertheless, Thailand's advertising industry reported a decline of 6.0 percent by the last year in the amount of THB 101,445 million in 2017 where mainly cause is a decline of the festivities since 2016 subsequent to the mourning period over the passing of His Majesty King Bhumibol Adulyadej and the shrinkage of advertising spending in a conventional media segment, i.e. the television segment (television, digital television, and cable television) with the highest market share of 64.8 percent, declined by 7.4 percent by the last year, which equivalent to THB 65,786 million, and newspaper, magazines and radio with a market share of 13.9 percent, declined by 21.7 percent by the last year, which equivalent to THB 14,125 million. On the contrary, the outdoor media segment where the Company focused on has an increasing adjustment reversing the industry trend, increased by 12.8 percent which equivalent to THB 6,391 million.

In the recent years, advertising industry has remarkably change in respect of people's lifestyle and the pattern of consumers' advertising consumption. After the increasing popularity of mobile phones or smartphones, the advertisers, adjusted such significantly changes, have allocated their budgets from the conventional media to other potential sectors to capture consumers' lifestyle. Hence, it is expected that partly amount of consumption on television segment and conventional media have been relocated to OOH media, i.e. outdoor, transit and in-store and digital or online media.

3.3 Summary of financial statements during the past 3 years and the latest quarter ended March 31, 2018 together with the explanation and analysis of financial position and operating result

3.3.1 Summary of financial statements during the past 3 years and the latest quarter ended March 31, 2018

(a) Statement of Financial Position

Unit: THB million

Statement of Financial Position	Q1/2018	2017	2016	2015
Cash	263.23	195.47	312.5	149.29
A/R Net	260.9	345.22	276.17	403.63
Inventories	-	-	1.46	2.89
Current assets	656.59	667.39	863.6	591.84
PP&E Net	543.16	506.38	175.87	191.62
Total assets	2,022.12	2,010.73	1,631.30	894.94
OD	230	230	-	-
A/P Net	126.75	164.42	372.15	68.13
Current portion of LT	-	-	9.03	11.21
Current liabilities	438.01	479.18	434.05	110.09
Non-current liabilities	37.94	37.98	38.67	39.48
Total liabilities	475.94	517.16	472.72	149.58
Authorized Capital	409.52	409.52	409.52	376.12
Paid-Up Capital	343.89	343.89	334.30	300.90
Premium (Discount) on Share Capital	743.49	743.49	561.2	167.08
Other Surplus (Deficit)	-	-	-	-
Retained Earnings (Deficit)	370.91	318.09	197.71	240.14
Treasury Stock	-	-	-	-
Shareholders' equity	1,479.25	1,426.43	1,114.61	729.34
Minority Interest	66.93	67.14	43.97	16.02

(b) Statement of Comprehensive Income

Unit: THB million

Statement of Comprehensive Income	Q1/2018	2017	2016	2015
Net sales	290.14	932.08	734.63	694.4
Other revenue	4.88	26.40	18.23	24.80
Total revenue	296.53	965.11	756.2	721.35
Cost of sales	109.12	389.64	330.05	309.05
Selling and administrative expenses	118.62	292.15	281.48	193.65
Total expenses	227.74	681.79	611.52	502.7
EBITDA	92.23	359.15	180.85	245.07
Cost of depreciation and amortization	23.45	75.82	36.18	26.41
Earning before interest and tax	68.79	283.32	144.67	218.65
Net profits (loss)	52.82	220.86	102	170.65
Earning per share (THB)	0.02	0.07	0.03	0.06

(c) Cash Flow Statement

Unit: THB million

Cash Flow Statement	Q1/2018	2017	2016	2015
Net cash flows from operating activities	180.02	250	248.17	-4.84
Net cash flows used in investment activities	-57.63	-476.18	-355.10	119.01
Net cash flows from financing activities	-54.64	109.16	269.99	-113.43
Net cash	67.75	-117.02	163.05	0.74

(d) Financial ratios

Unit: THB million

Cash Flow Statement	Q1/2018	2017	2016	2015
Current Ratio (X)	1.50	1.39	1.99	5.38
ROE (%)	17.98	17.38	11.06	24.60
ROA (%)	16.45	15.56	11.45	11.45
D/E (X)	0.32	0.36	0.42	0.21
Total Asset Turnover (X)	0.57	0.53	0.60	0.83
Gross Profit Margin (%)	62.39	58.2	55.07	55.49
EBIT Margin (%)	23.20	29.36	19.13	30.31
Net Profit Margin (%)	17.81	22.88	13.49	23.66

3.3.2 Explanation and analysis of financial position and operating result of the year 2017 ended December 31, 2017 and for the accounting period ended March 31, 2018

Operating result in 2017

Consolidated Financial Statements

THB (million)	2016	2017	YoY (%)
Operating revenue	735	932	26.9%
Cost of sales	330	390	18.1%
Gross profit	405	542	34.1%
Selling, general & administrative expenses	281	292	3.8%
EBITDA	173	348	101.4%
Net profit from operation	104	226	118.2%
Net profit (exc. Minority Interest)	102	221	116.5%
Gross profit margin	55.1%	58.2%	
EBITDA margin	23.5%	37.3%	
NPAT margin (from operation)	14.1%	24.3%	
NPAT margin (exc. Minority Interest)	13.9%	23.7%	

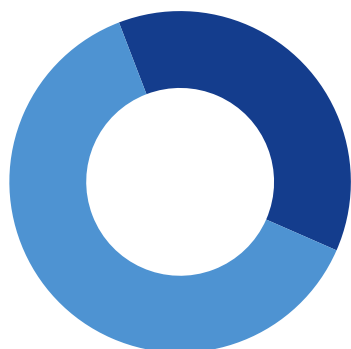
2017 Performance Analysis (YoY)

The Company has expanded its limitation by adding value to its existing products and services and investing in high quality OOH media company. This has created significant revenue and profit compared to the previous year. 2017 was a year of record high revenue and profitability. The growth drivers include:

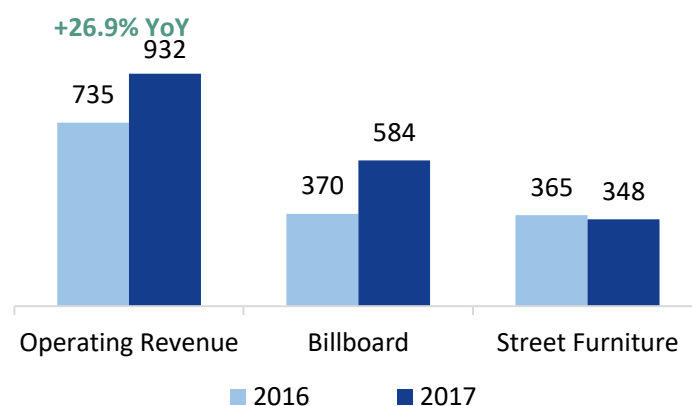
1. The consolidation of financial statements with two outdoor media operators, Multi Sign and COMASS, which started in October 2016 and July 2017, respectively. This investment has increased the Company's media network and expanded its presence nationwide. The expansion also increased the Company's media capacity by more than 55% from THB 900 million (pre-consolidation) to THB 1,400 million; and
2. The launch of the 1st phase of CBD LED Network, which consists of 21 LED billboards across 19 provinces. This rollout has transitioned the Company from a pure static media operator to a digital-static integrated media operator in order to capture the ever changing of modern lifestyle media.

Owing to the above-mentioned factors, the Company's operating revenue in 2017 was THB 932 million, increased by 26.9% from THB 735 million in the previous year. Billboard revenue saw a significant increase of 64.5% YoY to THB 584 million. Street Furniture revenue, slightly decreased by 4.5% YoY to THB 348 million. In this year, Billboard revenue contributed 62.6% of total revenue whilst Street Furniture revenue contributed the remaining 37.4%.

2017 Revenue Contribution (THB million)

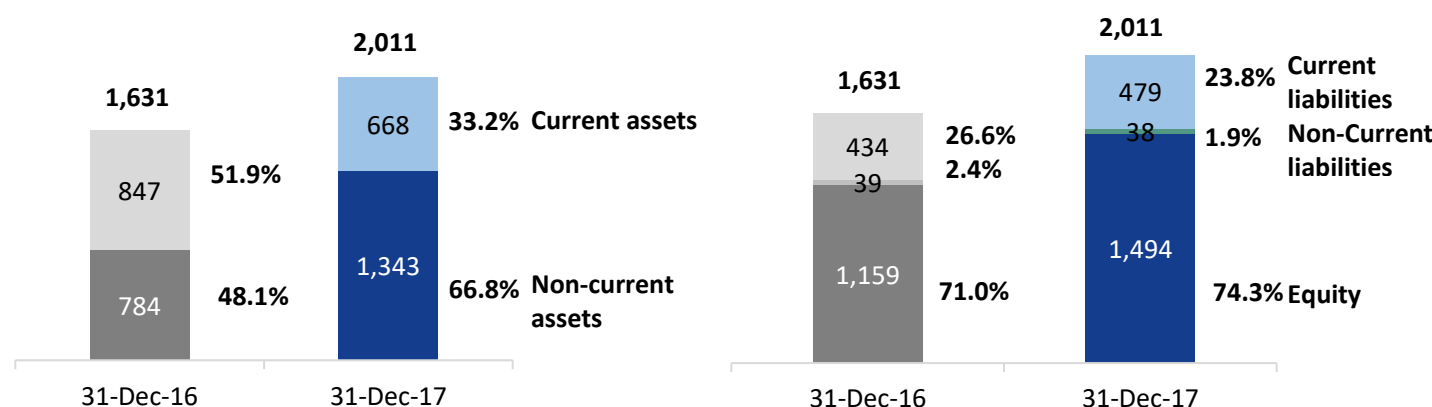


2017 Revenue By Segments (THB million)



Cost of sales increased by 18.1% from THB 330 million in 2016 to THB 390 million, mainly due to the aforementioned consolidation of financial statements of Multi Sign and COMASS and the increase in the cost of LED screens. As operating revenue increased more than cost of sale, Gross profit margin grew to 58.2% from 55.1% last year.

Selling, General and Administrative expenses ("SG&A") increased slightly by 3.8% YoY from THB 281 million to THB 292 million, primarily due to the consolidation. The SG&A to operating revenue ratio decreased significantly from 38.3% in 2016 to 31.3%. As a result, **net profit attributable to the equity holders of the Company** increased by 116.5% to THB 221mn from THB 102mn last year and **net profit margin attributable to the equity holders of the Company** increased to 23.7% from 13.9% in 2016.

Financial Position (THB million)**Assets**

ASSETS BREAKDOWN	31 DECEMBER 2016		31 DECEMBER 2017	
	(THB million)	% out of total assets	(THB million)	% out of total assets
Cash & cash equivalents and Current investments	484	29.7%	203	10.1%
Trade & other receivables	290	17.8%	357	17.7%
Building and equipment	176	10.8%	471	23.4%
Goodwill and Intangible assets	437	26.8%	710	35.3%
Other assets	244	15.0%	270	13.5%
Total assets	1,631	100.0%	2,011	100.0%

Total assets as of December 31, 2017 stood at THB 2,011 million, an increase of THB 380 million or 23.3% from THB 1,631 million as of December 31, 2016. **Total current assets** were THB 668 million, decreasing by 21.2% or THB 180 million. This was primarily attributable to the decrease in cash, cash equivalents and current investments of THB 281 million, which were mainly due to a several investments comprising of a purchase of 74 billboards, investment in 21 LED screens, investment in COMASS and dividend payment. The decrease was offset by the increase in 1) trade and other receivables of THB 69 million (see *Trade and other receivables section*), 2) prepaid expenses of THB 21 million, and 3) other current assets of THB 14 million.

Total non-current assets stood at THB 1,343 million, an increase of 71.3% or THB 559 million primarily due to 1) the increase in building and equipment of THB 295 million, which were mainly from the recognition of billboard structure of THB 147 million, an increase in work in process of LED screens installation of THB 139 million and the recognition of COMASS's assets after consolidation of THB 43 million and 2) the increase in the differences between the price paid by the Company and the targeted company's book value of THB 282 million after the acquisition of COMASS.

Trade and other receivables were THB 345 million, an increase of THB 69 million or 25.1% from THB 276 million as of December 31, 2016. The Company gives 90 days credit terms to customers. The average credit terms paid by customers was 69 days as of 31 December 2017, and 77 days as of 31 December 2016.

AGEING OF TRADE RECEIVABLES (THB million)	31 DECEMBER 2016	31 DECEMBER 2017
Not yet due	132	124
Up to 3 months	47	89
3 - 6 months	-	-
6 - 12 months	-	-
Over 12 months	13	13
Total	193	227
Allowance for doubtful debt	13	11

Liabilities And Shareholders' Equity

LIABILITIES AND EQUITY BREAKDOWN	31 DECEMBER 2016		31 DECEMBER 2017	
	(THB million)	% out of total liabilities and equity	(THB million)	% out of total liabilities and equity
Short term loans from financial institutions	-	0.0%	230	11.4%
Trade & other payables	336	20.6%	164	8.2%
Accrued expenses	77	4.7%	57	2.8%
Other current liabilities	21	1.3%	28	1.4%
Non-current liabilities	39	2.4%	38	1.9%
Total liabilities	473	29.0%	517	25.7%
Shareholders' equity	1,159	71.0%	1,494	74.3%
Total liabilities and equity	1,631	100.0%	2,011	100.0%

Total liabilities were THB 517 million, increasing by 9.4% or THB 44 million from THB 473 million as of December 31, 2016. This was mainly from an increase in 1) short-term loan from financial institution of THB 230 million to invest in CBD LED network and 2) other current liabilities of THB 7 million. The increase was partially offset by 1) a decrease in trade and other payables of THB 162 million owing to the payment on investment purchase of Multi Sign, 2) a decrease in dividend payable of subsidiaries of THB 21 million and 3) a decrease in current portion of long-term loan from financial institution of THB 9 million.

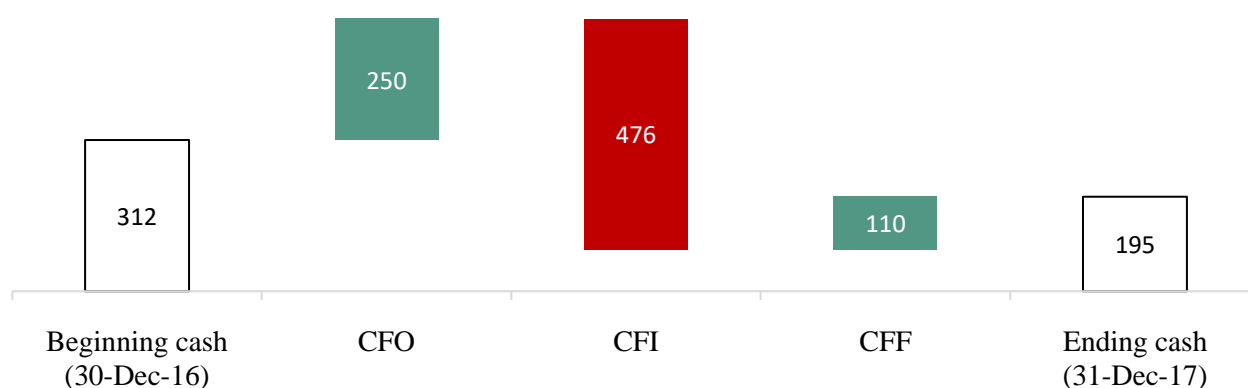
Total equity was THB 1,494 million, rose by THB 355 million or 28.9%. This was mainly attributed to an increase in 1) share premium of THB 182 million from the exercise of convertible securities, MACO-W1, 2) unappropriated retained earnings of THB 120 million, and 3) non-controlling interests of the subsidiaries of THB 23 million. As of December 31, 2016, total equity included with equity attributable to owners of the Company of THB 1,426 million and non-controlling interests of the subsidiaries of THB 67 million.

Liquidity and Cash Flow (THB million)

As of December 31, 2017, the Company had **net cash from operating activities** of THB 250 million. This was primarily from cash from operating activities of THB 307 million and interest income of THB 4 million, which were mainly offset by cash paid for corporate income tax and interest expenses of THB 56 million and THB 5 million, respectively. **Net cash used in investing activities** was THB 476 million, mainly from cash paid to invest in COMASS of THB 315 million, cash paid to invest in other assets of THB 346 million

which comprising of the investment in LED screen project and the purchase of billboard structures, and cash paid for purchase of current investments of THB 30 million. However, such cash used in abovementioned was offset by cash received from sales of current investment of THB 194 million, cash received from repayment of short-term loans to related parties of THB 12 million, and cash received from sales of equipment of THB 11 million. **Net Cash from financing activities** was THB 110 million. The key components were cash received from long-term loans from financial institution of THB 230 million used for aforementioned investment and cash received from exercised warrants of THB 192 million (96 million units with exercise price of THB 2 per share). The increase was offset by cash paid to settle payables for investment in Multi Sign of THB 176 million, dividends paid of THB 123 million, and a loan repayment THB 13 million.

Twelve - Month Cash Flow Snapshot



Key Financial Ratios

		2016	2017			2016	2017
Profitability Ratios				Liquidity Ratios			
Gross profit ¹	(%)	55.1%	58.2%	Current ratio	(times)	2.0	1.4
Operating EBITDA	(%)	23.5%	37.3%	Quick ratio ⁶	(times)	2.0	1.4
Net profit (from operation)	(%)	14.1%	24.3%	Account receivable turnover	(times)	2.4	3.1
Net profit (after MI) ²	(%)	13.9%	23.7%	Average collection period ⁷	(days)	77	69
Return on equity ³	(%)	11.1%	17.4%	Payable days	(days)	124	145
Efficiency Ratios				Leverage Ratios			
Return on assets ⁴	(%)	11.5%	15.6%	Liability to Equity	(times)	0.4	0.4
Return on fixed assets ⁵	(%)	87.1%	87.6%	Debt to equity	(times)	0.0	0.2
Asset turnover	(times)	0.6	0.5				

¹ Calculated from operating revenue

² Net Profit attributable to equity holders of the Company/ operating revenue

³ Net Profit (Annualised) / Average Total Shareholders' equity (average of outstanding at end of the previous year and at end of this year)

⁴ Earnings before interest and tax (Annualised) / Average Total Assets (average of outstanding at end of the previous year and at end of this year)

⁵ Earnings before interest and tax (Annualised)/ Net Average Non-current Asset (average of outstanding at end of the previous year and at end of this year)

⁶ (Current Assets – Inventory) / Average Current Liabilities at the end of this year

⁷ Trade receivables (average of outstanding at end of the previous year and at end of this year) / Operating Revenue (Annualised)

*In 2017, the equity attributable to owners of the Company increased significantly from THB 1,115 million in 2016 to THB 1,426 million as a result of the improvement of profitability and the exercise of 96 million units of MACO-W1 (Total of THB 192million).

Going forward, we expect 2018 to be another year of impressive growth for MACO. This will be driven by the full year consolidation of COMASS, the expansion of LED billboards to 50 screens (35 screens as of February 9, 2018), and the expansion of existing static billboards. Moreover, the advertising spending is expected to significantly improve in 2018, aiding by an ongoing healthy economic growth and positive momentum of advertising industry in November and December 2017. Hence, we expect the total revenue to increase by 20-25% from the previous year.

1Q 2018 Consolidated P&L Snapshot

Consolidated P&L Snapshot

THB (million)	1Q 2017	1Q 2018	YoY (%)
Operating revenue	190	290	53.1%
Cost of sales	89	109	22.9%
Gross profit	101	181	79.7%
Selling, general & administrative expenses	66	119	78.6%
EBITDA	59	90	51.9%
Net profit from financial statement	37	54	47.6%
Net profit (exc. Minority Interest)	37	53	42.3%
Gross profit margin	53.2%	62.4%	
EBITDA margin	31.3%	31.1%	
NPAT margin (from financial statement)	19.4%	18.7%	
NPAT margin (exc. Minority Interest)	19.6%	18.2%	

1Q 2018 Performance Analysis (YoY)

In 1Q 2018, the Company reported a consolidated operating revenue of THB 290 million, a significant increase of 53.1% YoY. The strong performance was mainly driven by the consolidation of the full-year financial statement of COMASS, which was started in July 2017 and the revenue recognition of CBD LED Network. The Company has started rolling out the CBD LED Network, which consists of 21 LED billboards in July 2017 and increased this network to 35 screens in January 2018.

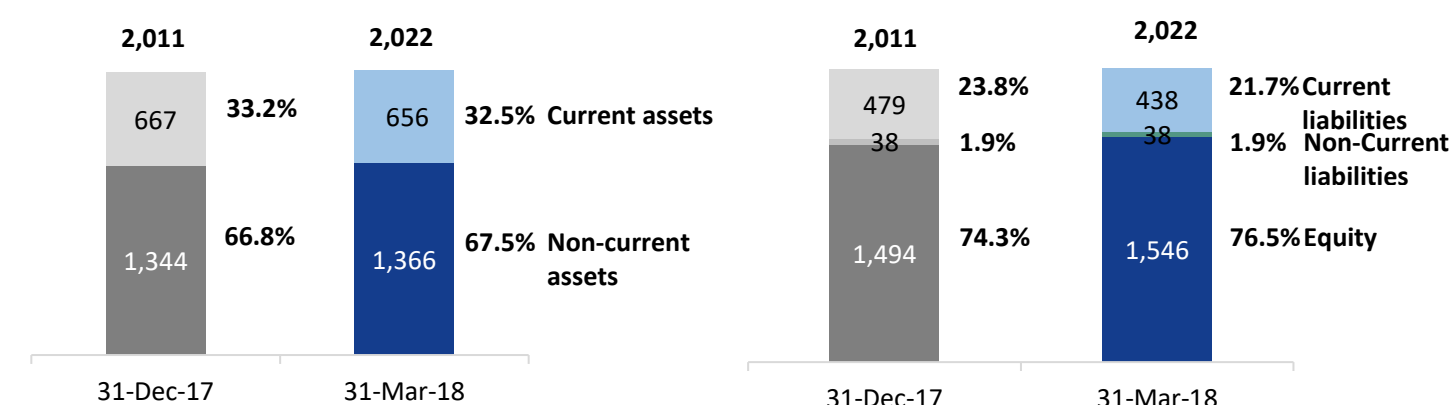
In this quarter, **Billboard media**¹ contributed 78.2% of total operating revenue whilst **Street Furniture media** contributed the remaining of 21.8%.

Cost of sales grew by 22.9% from THB 89 million in 1Q 2017 to THB 109 million in 1Q 2018. This was mainly due to the aforementioned consolidation and cost of LED screens. As operating revenue increased more than cost of sale, Gross profit margin grew to 62.4% from 53.2% in the same period last year.

Selling, General and Administrative expenses increased significantly by 78.6% YoY from THB 66 million to THB 119 million. In this quarter, the Company recognised a non-recurring item from loss on impairment of assets of THB 24 million.

As a result of the aforementioned, **net profit attributable to the equity holders of the Company** increased by 42.3% to THB 53 million from THB 37 million in the same period last year. However, **net profit margin attributable to the equity holders of the Company** slightly decreased to 18.2% from 19.6% in 1Q 2017 due to the recognition of loss on impairment of asset.

Financial Position (THB million)



Assets

ASSETS BREAKDOWN	31 DECEMBER 2017		31 MARCH 2018	
	(THB mn)	% out of total assets	(THB mn)	% out of total assets
Cash & cash equivalents and Current investments	203	10.1%	268	13.3%
Trade & other receivables	345	17.2%	261	12.9%
Building and equipment	471	23.4%	508	25.1%
Goodwill and Intangible assets	710	35.3%	710	35.1%
Other assets	282	14.0%	275	13.6%
Total assets	2,011	100.0%	2,022	100.0%

Total assets as of March 31, 2018 stood at THB 2,022 million, an increase of THB 11 million or 0.6% from THB 2,011 million as of December 31, 2017. **Total current assets** were THB 656 million, decreasing by 1.6% or THB 11 million. This was primarily attributable to lower trade & other receivables of THB 84 million which was offset by the increase in cash, cash equivalents, and current investments of THB 68 million.

Total non-current assets stood at THB 1,366 million, an increase of 1.7% or THB 22 million primarily due to the increase in building and equipment of THB 37 million which was partially offset by the decrease in other non-current assets of THB 16 million.

Trade and other receivables were THB 261 million, a decrease of THB 84 million or 24.4% from THB 345 million as of December 31, 2017. The Company gives 90 days credit terms to customers. The average credit terms paid by customers was 63 days as of 31 March 2018 and 69 days as of December 31, 2017.

AGEING OF TRADE RECEIVABLES (THB mn)	31 DECEMBER 2017	31 MARCH 2018
Not yet due	124	97
Up to 3 months	89	35
3 - 6 months	-	7
6 - 12 months	-	0
Over 12 months	13	8
Total	227	147
Allowance for doubtful debt	11	6

Liabilities and Shareholders' Equity

LIABILITIES AND EQUITY BREAKDOWN	31 DECEMBER 2017		31 MARCH 2018	
	(THB mn)	% out of total liabilities and equity	(THB mn)	% out of total liabilities and equity
Short term loans from financial institutions	230	11.4%	230	11.4%
Trade & other payables	164	8.2%	127	6.3%
Accrued expenses	57	2.8%	57	2.8%
Other current liabilities	28	1.4%	25	1.3%
Non-current liabilities	38	1.9%	38	1.9%
Total liabilities	517	25.7%	476	23.5%
Shareholders' equity	1,494	74.3%	1,546	76.5%
Total liabilities and equity	2,011	100.0%	2,022	100.0%

Total liabilities were THB 476 million, decreasing by 8.0% or THB 41 million from THB 517 million as of December 31, 2017 mainly from a decrease in trade and other payables of THB 38 million and other current liabilities of THB 4 million.

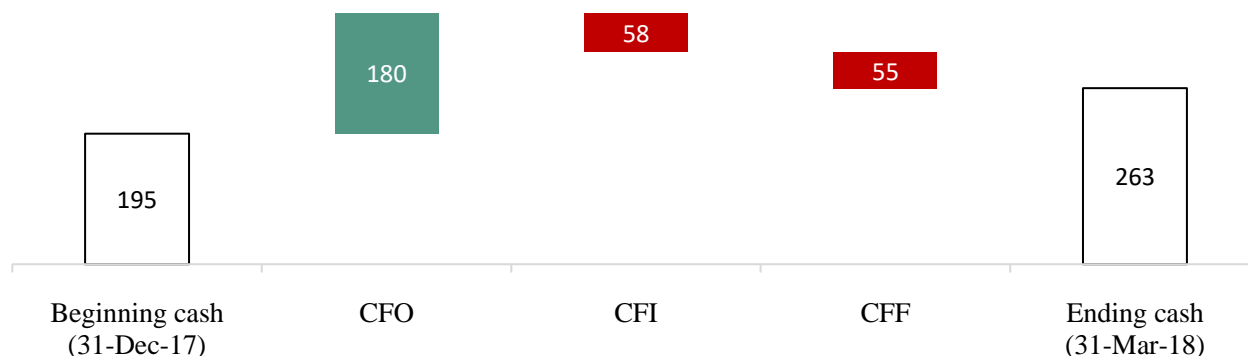
Total equity was THB 1,546 million, rose by THB 53 million or 3.5%. This was attributed to an increase in the quarterly unappropriated retained earnings of THB 53 million. As of March 31, 2018, total equity included with equity attributable to owners of the Company of THB 1,479 million and non-controlling interests of the subsidiaries of THB 67 million.

Liquidity and Cash Flow (THB million)

As of March 31, 2018, the Company had **net cash from operating activities** of THB 180 million, primarily from cash from operating activities of THB 191 million and interest income of THB 0.4 million which was offset by cash paid for corporate income tax and interest expenses of THB 1 million and THB 10 million, respectively. **Net cash used in investing activities** was THB 58 million, mainly from the investment in LED screen project. **Net Cash from financing activities** was THB 55 million. The key components were

cash paid for the remaining price of the shares of Multi Sign of THB 44 million and dividends paid of THB 11 million.

Twelve - Month Cash Flow Snapshot



Key Financial Ratios

		1Q 2017	1Q 2018		1Q 2017	1Q 2018
Profitability Ratios				Liquidity Ratios		
Gross profit ¹	(%)	53.2%	62.4%	Current ratio	(times)	1.8
EBITDA	(%)	31.3%	31.1%	Quick ratio ⁶	(times)	1.8
Net profit (from FS)	(%)	19.4%	18.7%	Account receivable turnover	(times)	4.0
Net profit (after MI) ²	(%)	19.6%	18.2%	Average collection period ⁷	(days)	72
Return on equity ³	(%)	8.5%	18.0%	Payable days	(days)	138
Efficiency Ratios				Leverage Ratios		
Return on assets ⁴	(%)	8.2%	16.4%	Liability to Equity	(times)	0.4
Return on fixed assets ⁵	(%)	62.4%	79.4%	Debt to equity	(times)	0.0
Asset turnover	(times)	0.4	0.6			

¹ Calculated from operating revenue

² Net Profit attributable to equity holders of the Company/ operating revenue

³ Net Profit (Annualised) / Average Total Shareholders' equity (average of outstanding at end of the same period in the previous year and at end of this quarter)

⁴ Earnings before interest and tax (Annualised) / Average Total Assets (average of outstanding at end of the same period in the previous year and at end of this quarter)

⁵ Earnings before interest and tax (Annualised)/ Net Average Non-current Asset (average of outstanding at end of the same period in the previous year and at end of this quarter)

⁶ (Current Assets – Inventory) / Average Current Liabilities at the end of this quarter

⁷ Trade receivables (average of outstanding at end of the same period in the previous year and at end of this quarter) / Operating Revenue (Annualised)

3.4 Risk factors which may affect profit of the Company

3.4.1 Risk due to economic slowdown

In 2017, due to global economic uncertainty, volatility of capital market as well as the decline in the price of the global oil market and the recession in the United States, the overall Thai economy was affected. Agricultural prices dropped sharply; causing farmers lose their income and lack purchasing power. Despite the government's stimulus measures and tax measures to stimulate domestic spending, the tourism industry, and promoting many mega projects as well as the decline in global oil prices; these circumstances did not decrease the price of consumer goods in the country and the public were cautious of spending. Consumption of goods and services have been negatively affected by the decline in domestic purchasing power and the sale volumes of many businesses, and thus have restricted decline in growth of the economy where the slowdown and restrictions of advertising media in the last quarter of the year. In addition, the operators were cautious of the use of advertising media budget to get the best value for money.

However, the Company has found that such slowdown was only a short time as many customers have planned to buy media and use the Company's advertising media continuously. The Company has launched new advertising media attracting customers' attention which stimulated the sharing of other budgets to use in the Company's advertising media. As a result, the Company's sale volumes have been increasing year on year. The Company can also reduce the risk of liquidity management for customers' repayments. In the past year, the rate of the amounts of outstanding receivables or provisioning of the Company did not increase. The debtors can repay the debts to the Company within due date and the Company can manage the customers' accounts effectively.

3.4.2 Legal risks associated with billboards and accidents that might occur

The Company has continuously paid attention to the regulations of billboards' supervision and maintains the policy to build a billboard only when it is authorized. The Company also has a working group to continuously monitor any adjustment in the laws. The Company has carried out with the risk management of the billboards by focusing on the design and construction by using qualified engineers. The Company has also executed the inspection of the building structure and billboards by the companies registered with the Department of Public Works and Town Planning to inspect and certify all the billboards and get the certificate of building inspection (Form R.1) as well as coordinating with the Billboard Association to ensure the stability of all the billboard structures. In order to reduce the possibility of damages caused by accidents, the Company has also insured against the property and outsiders as well.

3.4.3 Risks arising from changes in consumer behavior in the digital and online age

In 2017, the advertising budget for the digital and online media has been increasing continuously. This is because consumers' behavior in the digital age has drastically changed from the past. Digital, online and internet media have played a greater role in consumers' behavior and the consumer has turned to use such media as well because such media is interesting, visually attracting, can respond quickly to the customers' needs, and can variously access all target groups. In addition, digital media can provide its value for money in advertising goods and services to business operators. In the past, the Company had a large number of Static Billboards as the Company's main advertising media, nevertheless, in the present, the Company has planned to develop the existing media and add new digital media which is more attractive to the eyes of the passers-by and such new digital media will be covered major cities, main intersections and

communities within 3 years. Some of which have already been sold to the customers and can draw customers' attraction dramatically. Therefore, the Company is confident that our digital media will generate very good revenue for the Company in the future.

3.4.4 The risk of reliance on major agencies

In the advertising media business, customers are divided into 2 groups: product owners and advertising agencies. Most of the revenue comes from these agencies. The agency will act as a representative of the owner of the products and services to deal and negotiate regarding advertising media. Since the agencies play an important role in this business, this could make the Company at risk if an agency does not recommend the Company's advertising media to the owner of products and services. This would affect the revenues and the performance of the Company. The Company, therefore, has focused on all major agencies. The Company's senior executives would meet these agencies to clarify business policy, fair and honest practices with the clients as well as presenting the Company's new advertising media. The Company has a clear plan to improve and develop relationships with the agencies on a consistent basis and in the same time many agencies are getting involved with the Company in developing new advertising media to fulfill their customers' requirements.

In addition, the Company plans to increase our advertising media network to be more diverse, e.g. digital advertising media, Street Furniture media, installing the small and large billboards at the locations with big audience in Bangkok and nationwide to cover all target groups and satisfy the customers who purchase advertising media in terms of cost and effectiveness. The Company, therefore, believes that the Company's new advertising media will be popular and receive good feedback from its customers in all groups of products and services.

The Company still consistently maintains high standards of service to customers. The Company has an effective management system to provide clients with accurate and fast services and to monitor and supervise the repair of advertising media as well as to report the condition of the billboard to customers that makes the customers feel confident to continue using the Company's service.

3.4.5 The risk of an obligation with counterparty that may affect the performance of the Company

The Company has entered into long-term lease agreements regarding the billboard structure and the area for installing the billboards with the owners of the area to ensure that the Company will have the advertising media areas for a longer period and prevent competitors from taking the advertising areas. However, this will result in the obligation to the Company to pay the rental fees in the future under the terms of the contract. If the Company cannot make money from advertising media as planned, our financial position and the performance might be affected. However, the long-term lease agreements with the owners of the area is more of a positive impact on the operations of the Company rather than a risk since the Company can be ensure that there are available operating areas. The Company has managed the contracts properly that every time of the contract renewal, the Company will review the cost of space rental and billboard structure rental to be always in line with the revenue.

3.4.6 Risk of being un able to renew the governmental concession and the private space lease contract

The main factor for the Company's business operation is the installation areas for advertising media that are obtained from the concession agreement with the government and the lease agreements

with the private owners. Since the Company has the obligations as stipulated in those agreements, the Company is at risk if it cannot renew the lease agreements or terminate such agreements. If the lessor needs to use the leased premises, the Company's ability to earn the revenue and its future financial status would be affected.

Over the years, the Company has complied with the terms of the agreements with the counterparty as well as being cautious in using the area to prevent problems and solved the problems promptly in case of force majeure. Therefore, the Company has a good relationship with the owner of the concession or rental area and the agreements have always been renewed accordingly.

3.4.7 The risk that may arise from the revenue of new advertising media is not as expected

Regarding investment in the new media, if the return does not meet the estimates or the return is not as planned or there are other causes that prevent the Company to provide such advertising media services, our financial position and the performance would be affected.

In this regard, the Company will apply negotiation and cost management to reduce the damages caused by the incapability of generating returns as estimated as well as to adjust the sales approach and prices to meet the needs of customers and markets. At the same time, VGI as the parent company has a variety of advertising media that can arrange sales package in bundles to attract more customers.

3.5 Financial projection for the current year

-None-

3.6 List of the Board of Directors, executives and top 10 shareholders

3.6.1 List of the Board of Directors as of May 1, 2018

No.	Name	Position
1.	Mr. Mana Jantanayingyong	Chairman of the Board of Directors
2.	Mr. Phoon Chiong Kit	Director / Chairman of the Executive Committee
3.	Mr. Chaiyasit Puvapiromquan	Director
4.	Mr. Surachet Sangchayosawat	Director
5.	Mr. Chavin Kalayanamitr	Director
6.	Miss Daranee Phanklin	Director
7.	Mr. Paisal Tarasansombat	Chairman of the Audit Committee
8.	Mr. Danai Tangsriviriyakul	Independent Director and Audit Committee
9.	Mr. Chalush Chinthammit	Independent Director and Audit Committee

3.6.2 List of the executives as of May 1, 2018

No.	Name	Position
1.	Mr. Phoon Chiong Kit	Chairman of the Executive Committee / Deputy Chief Executive Officer
2.	Mr. Phakhanaaz Phumchijzarnan	Member of the Executive Committee / Chief Marketing Officer
3.	Mr. Yanis Tipakorn	Member of the Executive Committee
4.	Miss Tamonwan Narintavanich	Member of the Executive Committee / Chief Financial Officer
5.	Miss Rodjana Trakulkoosri	Member of the Executive Committee / Chief Business Development Officer
6.	Mrs. Uraivan Boonyarataphan	Member of the Executive Committee / Chief People Officer

3.6.3 List of the top 10 shareholders as of May 1, 2018 (as the latest date of determining the shareholders of the Company)

No.	Name	Number of Shares (Shares)	Percentage
1.	VGI Global Media Public Company Limited	1,044,710,300	30.38
2.	BTS Group Holdings Public Company Limited	621,973,000	18.09
3.	NORTRUST NOMINEES LIMITED - GUERNSEY RE GGDP RE: AIF CLIENTS 10 PERCENT ACCOUNT	253,047,900	7.36
4.	Registered provident fund of employees of Electricity Generating Authority of Thailand	130,516,500	3.80
5.	Mr. Noppadon Tansalarak	105,031,999	3.05
6.	Thai NVDR Company Limited	66,855,450	1.94
7.	Phatra Small and Mid Cap Equity open-end Fund	42,992,200	1.25
8.	Mr. Wattana Charoennawat	36,640,000	1.07
9.	Miss Pornrat Maneerattanaporn	34,171,600	0.99
10.	Tisco Mid/Small Cap Equity open-end Fund	33,878,900	0.99

3.7 Other information that may materially affect the decision of investors (if any)

-None-

4. The opinion of the Board of Directors of the Company relating to the sufficiency of cash flow

The Board of Directors had the opinion that VGM Share Acquisition Transaction will not affect to the Company's liquidity because the Company will use source of fund by issuing and offering newly issued ordinary shares to the existing shareholders of the Company on a *pro rata* basis (Rights Offering) for such investment, the details are as shown in Capital Increase Report Form of Master Ad Public Company Limited (**Enclosure 6**).

5. Pending material lawsuits or claims

As of March 31, 2018, the Company has a pending legal dispute that may affect the assets of the Company as follow:

On January 31, 2017, the Company entered into a service agreement with Midas Global Media Company Limited ("**Midas**") to provide advertising time on billboards at 4 locations at a price of THB 27 million covering the terms of such agreement, the total amounts were paid to Midas on the execution date.

However, on February 14, 2018, Midas filed a lawsuit against the Company and VGI Global Media Public Company Limited ("**the parent company**") for approximately THB 24.41 million in damages for a breach of Midas's agreements with the Company and the parent company. Currently, the lawsuit is being considered by the Civil Court. In this regard, the Company's management believes that such events will not adversely have any significant impact on the Company because the management is confident that the Company did not commit any fraudulent actions that caused damages to Midas.

6. Interest or connected transactions between the Company and directors, management and shareholders directly or indirectly holding shares at least 10 percent as shown from the past financial statement until the latest quarter

As of March 31, 2018, the Company and its subsidiaries have significant business with connected entities. Such business is complied with the commercial conditions and criterions as agreed between the Company, its subsidiaries and connected entities as routine business operations, summarized as follows:

(Amount: THB thousand)

	The Quarter Financial Statements ended March 31				Pricing Policy
	Consolidated financial statements		Standalone financial statements		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiaries (eliminated from the consolidated financial statements)</u>					
Rental income from billboards	-	-	655	1,150	Contract rate
Commission income	-	-	2,699	4,160	Contract rate
Consulting and accounting service income	-	-	174	192	Contract rate
Rental income from buildings	-	-	311	271	Contract rate
Dividend income	-	-	1,650	375	Announced rate 1.95 to 5.00 percent per annum
Interest income	-	-	4,172	785	
Other income	-	-	836	520	Contract rate
Cost of services	-	-	49,456	785	Contract rate
Commission expenses	-	-	277	27	Contract rate
<u>Transactions with the intermediate parent company</u>					
Cost of services	2,766	2,766	-	-	Contract rate
<u>Transactions with parent company</u>					
Rental income from billboards	2,281	-	2,281	-	Contract rate
Service income	58,773	29,254	-	-	Contract rate
Cost of services	1,125	861	1,125	-	Contract rate
Commission expenses	13,950	-	261	-	Contract rate
Advertising and promote expenses	-	45	-	-	Contract rate
<u>Transactions with associates</u>					
Interest income	231	336	-	-	5.00 percent per annum
Rental expenses	3,104	3,017	2,020	2,027	Contract rate
<u>Transactions with related companies</u>					

	The Quarter Financial Statements ended March 31				Pricing Policy
	Consolidated financial statements		Standalone financial statements		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
Revenue from advertising production	5,010	2,542	48	-	Contract rate
Rental income from billboards	-	40	-	-	Contract rate
Cost of services	79	-	79	-	Contract rate
Rental expenses	63	58	-	-	Contract rate

7. The Protection of conflict of interest which may occur in the future

After the completion of VGM Acquisition Transaction as detailed in Information Memorandum on Connected Transaction and Asset Acquisition of Master Ad Public Company Limited (**Enclosure 3**), 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 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. In this regard, VGI still remain its 25 percent shareholding in VGM because it is the market leader who is equipped with experience and expertise in the advertising media in mass transit system business. Therefore, for the benefit of advertising media bidding in mass transit system and the management of the advertising media in the mass transit system of VGM in South East Asia in the future, having VGI as a shareholder of VGM will help increase the business opportunity and competitive advantage of VGM.

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

1. In the case that the Company or VGI has any business opportunity 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 VGI hold shares thereof in the same proportion as in VGM. In order to prevent the conflict of interest, VGI will not operate the advertising business in the South East Asia (except in Thailand) by itself. 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. In this regard, Mr. Lim Chee Seng does not have any relationship or interest with the Company or the connected person of the Company.
2. VGI will affranchise the directors and management team of VGM to determine the business policy for the optimal benefit of VGM as they are compensated for those duties. In this regard, VGI has policy that the management team of VGM shall be professional management who do not have any relationship or interest with VGI.

Moreover, to determine the independent business policy of the Company and VGI. The directors, executive committee and management team of each company will perform their own duties in business management for the optimal benefit of each company and shareholders. In this regard, VGI will direct its representatives to realize their own duties and responsibilities for the optimal benefit of the Company's shareholders and to comply with the enacted laws, rules, and regulations.

The Company and VGI will comply with abovementioned policy as long as the Company is the majority shareholder and has a control stake in the Company.

8. Summary of material contracts within 2 years

1. Agreement for Billboard Installation at the BMA's Flyover Pillars – Group 2, and an Agreement for Billboard Installation at the BMA's Flyover Pillars – Group 3 between Master & More Co., Ltd. (“**M&M**”). Pursuant to the following agreement, M&M has been granted the right to construct and install billboards for commercial use for a period of 9 years, ending on January 6, 2024.
2. Agreement for Billboard Installation at the Bangkok Mass Transit System's Pillars between M&M and BTSC, pursuant to which M&M has been granted an exclusive right to install and manage billboards at the Bangkok Mass Transit System's pillars for commercial use for a period of 13 years, ending on May 30, 2025.

9. Proxy Forms

Details of the proxy forms and the independent directors appointed as proxy for the shareholders comprises are as shown in Profiles of Independent Directors for Appointment as Proxy of the invitation letter to the Extraordinary General Meeting of Shareholders No. 1/2018 (**Enclosure 9 and 10 respectively**).