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**Information Memorandum on Asset Acquisition and Connected Transaction of
Master Ad Public Company Limited
Pursuant to Schedule 2 of the Notification of
The Board of Governors of the Stock Exchange of Thailand**

The Board of Directors' Meeting of Master Ad Public Company Limited (the "**Company**") No. 6/2019, held on October 30, 2019 has passed a resolution to approve the acquisition of ordinary shares in Hello Bangkok LED Co., Ltd. ("**Hello LED**"), by purchasing 50 percent of the total shares of Hello LED, from existing shareholder, i.e. Win Harvest International Limited (the "**Seller**"), at a purchase price of totaling THB 1,950,000,000 (One Thousand Nine Hundred Fifty Million Baht) (the "**Share Acquisition of Hello LED Transaction**") which is 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**"), having transaction size is equivalent to 41.70 percent as calculated based on the total value of consideration criteria, 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 prior to entering into the Share Acquisition of Hello LED Transaction, the total transaction size is equivalent to 46.64 percent.

The Company also wishes to issue and offer of up to 1,080,000,000 newly issued ordinary shares, with a par value of THB 0.10 per share, equivalent to 19.96 percent of the total issued shares of the Company after the Company's capital increase, to Plan B Media Public Company Limited ("**PLANB**") at the price of THB 1.4381 per share, totaling THB 1,553,148,000, which is a securities offering to specific persons (Private Placement) (the "**Issuance and Offering of the Newly Issued Ordinary Shares to PLANB Transaction**"). In this regard, the Company will utilize the proceeds from the Issuance and Offering of the Newly Issued Ordinary Shares to PLANB Transaction as a part of an investment in the Share Acquisition of Hello LED Transaction.

In addition, after the completion of the Issuance and Offering of the Newly Issued Ordinary Shares to PLANB Transaction, the Company will enter into the Advertising Media Management and Service Agreement to grant the rights to PLANB to manage all advertising media in Thailand of the Company and/or its subsidiaries (the "**Entry Into the Advertising Media Management and Service Agreement Transaction**"), with an aggregate consideration of THB 3,150,000,000 (by reference to a minimum consideration from the Advertising Media Management and Service Agreement).

The Issuance and Offering of the Newly Issued Ordinary Shares to PLANB Transaction and the Entry Into Advertising Media Management and Service Agreement Transaction (collectively referred to as the constitute 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**") as VGI Public Company Limited ("**VGI**"), a major shareholder of the Company (holding 33.17 percent of total paid-up shares of the Company as of November 14, 2019), is also a major shareholder of PLANB (holding 18.80 percent of total paid-up shares of PLANB as of November 14, 2019), PLANB becomes a connected person of the Company. The total transaction size of the Entry Into the Advertising Media Management and Service Agreement Transaction, when calculated

based on the minimum consideration, is equivalent to 200.12 of Net Tangible Assets (NTA) of the Company as appeared in the reviewed consolidated financial statements of the Company for the accounting period ending June 30, 2019, and after computing the foregoing with other connected transactions of the Company within the past 6 months before the entry into the Transactions, the total connected transaction size of the Company within the past 6 months is equivalent to 328.47 percent.

In this regard, if the transaction size is calculated based on the virtual expense payable by the Company under the Advertising Media Management and Service Agreement instead of calculating based on the minimum consideration thereunder, the transaction size of the Entry Into the Advertising Media Management and Service Agreement Transaction is equivalent to 42.88 of Net Tangible Assets (NTA) of the Company. After computing the foregoing with other connected transactions of the Company within the past 6 months before the entry into the Transaction, including the issuance and offering of newly issued ordinary shares of the Company to PLANB which will be approved by the upcoming shareholders' meeting of the Company, the total connected transaction size of the Company within the past 6 months is equivalent to 171.24 percent of the Net Tangible Assets of the Company.

In this regard, the Company would like to propose to the Extraordinary General Meeting of Shareholders No. 1/2020 to consider and approve the aforementioned transactions. The Company hereby discloses the Information Memorandum regarding the Transactions pursuant to the Acquisition and Disposition and Notifications the Connected Transaction Notifications, with necessary information for shareholders' decision as follows:

1. Information Memorandum Pursuant to Schedule 1 of the Acquisition and Disposition and Notifications the Connected Transaction Notifications

- 1.1. Information Memorandum regarding the Share Acquisition of Hello LED Transaction is set forth in the Information Memorandum on Assets Acquisition of Master Ad Public Company Limited (**Enclosure 3**)
- 1.2. Information Memorandum regarding the Issuance and Offering of the Newly Issued Ordinary Shares to PLANB Transaction is set forth in the Information Memorandum on the Issuance and Offering of Newly Issued Ordinary Shares through a Private Placement which is a Connected Transaction of Master Ad Public Company Limited (**Enclosure 4**)
- 1.3. Information Memorandum regarding the Entry Into the Advertising Media Management and Service Agreement Transaction is set forth in the Information Memorandum on the Connected Transaction of Master Ad Public Company Limited (**Enclosure 5**)

2. Responsibility of the Board of Directors on the Information in the Documents Sent to the Shareholders

The Board of Directors has responsibility for the information in this Information Memorandum and other documents sent to the shareholders of the Company (the "**Documents**"). In this regard, the Board of Directors of the Company has carefully reviewed the information in the Documents and hereby certify that the Documents is accurate, complete and contains no false information; no material facts which are necessary or must be included in the Information Memorandum have been omitted; and the Information Memorandum does not contain any misleading information which may cause misunderstanding.

3. The Company's Indebtedness

3.1. The Total Amount of Issued and Unissued Debt Instruments Having Been Issued and Those Not Having Been Issued pursuant to the Resolution of the Shareholders Meeting which Authorizes the Board of Directors of the Listed Company to Consider Issuing Them for Sale as It Deems Appropriate

- None –

3.2. The Total Value of Debts of the Company and Its Subsidiaries as at 30 September 2019

As at 30 September 2019, the Company has loans from 3 financial institutions and the parent company of the Company, totaling THB 709,394,119, details of which are as follows:

Lender	Amount (THB)
Bank of Ayudhya Public Company Limited	327,760,000
The Siam Commercial Bank Public Company Limited	100,000,000
Kasikornbank Public Company Limited	160,000,000
VGI	121,634,119

3.3. Other Liabilities of the Company, including Overdraft of the Company and its Subsidiaries as of 30 September 2019

As of 30 September 2019, the Company had other liabilities (excluding account payables and other payables) as follows:

Type of Liabilities	Amount (Million Baht)
Advanced Payment from Employer and Deferred Income	234.7
Income Tax Payable	18.5
Other Current Liabilities	47.0
Long-Term Provisions for Employee Benefits	39.5
Deferred Income Tax	73.8
Non-Current Liabilities	22.2

3.4. Contingent Liabilities

For the entry into the Share Acquisition of Hello LED Transaction, the Company will use the proceeds from the issuance and allocation of 1,080,000,000 newly issued ordinary shares, with a par value of THB 0.10 per share, through Private Placement, at a purchase price of THB 1.4381 per share, totaling THB 1,553,148,000 as the source of funds. In addition, the Company will also consider utilizing its THB 396,852,000 short-term credit facilities from financial institutions, which bear interest at the rate of 2.40-3.00 percent per annum, to pursue the Share Acquisition of Hello LED Transaction.

3.5. Nature of Business Operations

Currently, the Company's products and services are categorized into 6 main types: consisting of 1) Billboards, 2) Street Furniture, 3) Digital Advertising, 4) Overseas Advertising, 5) Creative OOH and 6) System Integration.

1) Billboards

The Company is considered as one of the first pioneer in initiating billboard business. At the present, the Company offers various billboard formats, comprising of 1.1) Large-format Billboards, 1.2) Nationwide Billboards, 1.3) Billboard in PTT Jiffy gas station with total billboard of over 1,127 panels are installed in potential, crowded traffic and easy-sightseeing area with various forms, spreading out to cover the advertising area, allowing those advertising media to meet the needs of various types of customers.

1.1) Large-format Billboards

Large-format Billboards are installed at key strategic locations such as expressways, city gateways and central business zones. At present, the Company has more than 254 panels both in Bangkok and upcountry.

1.2) Nationwide billboards

Upcountry areas have experienced the expansion of department store and real estate development over the past years, reflecting the decentralization from Bangkok and vicinity to those potential provincial cities, implicating the incremental purchasing power of local people. The Company foresees this opportunity and has laid strong foundation in such areas in order to support and service customers that aim to reach their target audiences.

Nationwide Billboards of the Company are mainly located in key intersections in all provinces nationwide, including heavy-traffic congestion areas, local commercial areas such as department stores, markets, as well as education zones where having high population density. Currently, the Company has 735 panels covering 77 provinces of Thailand.

1.3) PTT Poster (Billboard in PTT Jiffy gas station)

The Company was granted the exclusive rights from PTT Public Company Limited to manage 256 advertising panels in lightbox advertising format inside 139 PTT Jiffy gas stations nationwide.

2) Street Furniture

Street Furniture became a very attractive media of the Company is one of the outstanding media formats in the Company's portfolio for its locations as well as demonstration technic for brands and product's owners to publish their advertising campaigns in the heart of the city. Likewise, Street Furniture of the Company are primarily installed at eye-catching level at pedestrian pathway or near heavy-traffic congestion roads, to attract those who live in urban or work in commercial areas in city center. The Company's Street Furniture Contracts include (1) Street Furniture at BTS pillars where the Company was granted the exclusive rights from Bangkok Mass Transit System Public Company Limited (BTSC) to install and manage 222 advertising panels under 23 BTS stations and (2) Bangkok's flyovers where the Company was granted the rights from the Bangkok Metropolitan Administration (BMA) to manage 306 advertising panels

installed at 19 flyovers across Bangkok.

3) Digital Media

A key trend in the media industry is the rapid increase of proliferation usage of digital media. The growth of digital media is supported by its flexibility and scalability for advertisers to easily and quickly adjust, modify, add information or campaign, as well as, the ability to deliver an outstanding marketing campaign. In order to sustain our competitive edge in the change in industrial dynamics, the Company has started to introduce digital media into our product portfolio. Digital media of the Company as at present comprises of 1) CBD LED Network (Digital Billboard) and 2) Aroy Aroy Network

3.1) Digital Billboard

The Company has started to replace several of our static media platforms with digital media and commence its full operation in July 2017. As at present, the Company has 35 digital billboards covering in 31 provinces in Thailand such as Chiangmai, Khonkaen, Udonthani, Phuket and Rayong which are the main cities of each region. The Company values the selection of advertising area, focusing on the main city which has a high population and high consumption rates. All advertising medias are installed in crowded area to ensure that the client's marketing campaign gets people's attention and precisely reaches local client.

3.2) Aroy Aroy Network

Advertising media in high-definition television format of 250 screens, which were installed in famous restaurant recommended by well-known reviewers, providing customer both digital and static advertising to deliver customers' advertising messages to target audiences and travelers.

4) Oversea Media

The Out Of Home media business in overseas is another important strategy of the Company. Currently, the Company provides the service of advertising media in Malaysia and Indonesia, whose network covers various types of advertising media such as 4.1) transit media 4.2) aviation media 4.3) outdoor media and 4.4) cinema, in store and office building media. Such advertising network will increase the number of advertising media of the Company to be more than 5,000 locations over ASEAN region.

4.1) Transit Media

The Company holds an exclusive right to operate advertising media on the trains and stations of the Skytrain, MRT SBK line in Malaysia for the term of 10 years, from 2016 to 2026. SBK line comprises 31 stations and 58 trains. Moreover, the Company holds an exclusive right for the term of 20 years to operate the advertising media on North-South line, the first MRT in Indonesia, which is expected to start its operation in the middle of 2019.

4.2) Aviation Media

Malaysia is considered as the tourism destination of the middle east people. In 2017, the Kuala Lumpur International Airport serviced more than 59 million passengers from over the world, the 23rd of ranking in the world. As the Company views this opportunity, the Company became the advertising media service provider in Kuala Lumpur International Airport both in Building 1 and

Building 2, which the Company holds an exclusive right to operate the advertising media for the term of 7 years and the right to extend such exclusive right for another 3 years.

4.3) Outdoor Media

There are various types of outdoor advertising media in Malaysia, covering main cities such as billboards located on the main highway in Kuala Lumpur, which is connected to Kuala Lumpur International Airport and downtown, the 45 billboards located on the street isle and the advertising media on 918 buses over Kuala Lumpur and Penang.

4.4) Cinema, In Store and Office Building Media

The broad and cover of advertising media can render the attractiveness to the media advertising service provider. The Company has expanded the service of media advertising into 37 cinemas, comprising 302 halls, 52 departments stores and 80 office buildings over Malaysia.

5) Creative Out of Home Media

Not only providing Outdoor media to advertisers, the Company also presents Creative Out Of Home media that is exclusively tailored to customer requirements. Creative Out Of Home media can be various forms such as the contraction of large billboard, Interior Design, Projection Mapping, Mockup, and Event, which can enhance value of media campaign to be unique and memorable.

6) System Integration

The Company provides system integration in term of multi-media, communication network, control, etc. through the operation of Trans.Ad Solution Co., Ltd's Group ("**Trans Ad Group**") and Roctec. Such service starts from the design of network, hardware installation, hardware procurement, including aftersales service and act as the operator of the relevant project for the private entity, government organization both domestic and overseas. The historic experience of the Companies is such as installation and administrate the control system of the MTR train in Hongkong, media system of flights schedule display at the airports in Hongkong and digital media of VGI and the Company.

3.6. Business Trend

Due to an emergence of new media platforms in the advertising media market, especially online media which are rapidly growth and efficiently and incessantly reach consumers, resulting in the high competition in Out-of-Home media business in Thailand. Therefore, after the completion of the Issuance and Offering of the Newly Issued Ordinary Shares to PLANB, the Company intends to adjust its nature of business operations from a service provider of Out-of-Home media advertising to an asset owner of advertising media in Thailand and a service provider for the construction, sourcing, installation, and maintenance of such advertising media. The Company will grant the right to manage all the advertising media of the Company and its subsidiaries in Thailand to persons who are expertise in management and sale of the advertising media, while the Company will focus on improving and expanding its out of home media advertising business in overseas and its other business instead. The Company therefore wishes to enter into the Advertising Media Management and Service Agreement with PLANB to appoint PLANB as a manager of all advertising media in Thailand of the Company's and/or its subsidiaries in order to be in line with the future business policy of the Company.

3.7. Summary of Financial Statements During the Past 3 Years and the Latest Quarter ended 30 September 2019 Together with the Explanation and Analysis of Financial Status and Operating Result of Last Year and This Year until the Latest Quarter, Including Risks Factors Which May Affect Profits of the Company

3.7.1. Summary of Financial Statements During the Past 3 Years and The Latest Quarter ended 30 September 2019

(A) Statement of Financial Position

Unit Million Baht

Statement of Financial Position (Million Baht)	30 September 2019	As of 31 December		
		2018 (Restated) ⁽¹⁾	2017 (Restated) ⁽²⁾	2016
Cash and Cash equivalents	797.7	642.7	203.2	312.5
Trade and other receivables	875.4	710.1	351.4	276.2
Other current assets	336.1	437.9	132.7	258.5
Total current assets	2,009.2	1,790.7	687.3	847.2
Property, Plant and equipment	945.1	612.7	485.9	175.9
Goodwill	794.8	801.0	646.0	384.4
Intangible assets	364.7	253.5	79.8	52.5
Other non-current assets	687.6	520.2	269.8	171.3
Total non-current assets	2,792.1	2,187.4	1,481.5	784.1
Total asset	4,801.3	3,978.1	2,168.8	1,631.3
Short-term loans from financial institutions	549.8	260.0	230.0	0.0
Trade and other payables	781.3	525.0	163.2	327.1
Other current liabilities	429.4	340.7	107.8	106.9
Other non-current liabilities	165.9	93.0	45.1	38.7
Total liabilities	1,926.3	1,218.7	546.1	472.7
Issued and fully paid-up share capital	433.2	412.7	343.9	334.3
Share premium	2,358.2	2,050.2	743.5	561.2
Differences on business combination under common control	(226.8)	(226.8)	-	-
Deficit from changes in ownership interests in subsidiaries	(283.7)	(152.9)		
Retained earnings	441.4	454.2	339.1	197.7
Other components of shareholders' equity	(36.4)	(9.6)	(0.1)	21.4
Equity attributable to owners of the Company	2,685.9	2,527.8	1,426.4	1,114.6

Non-controlling interests of the subsidiaries	189.1	231.6	196.3	44.0
Total shareholders' equity	4,801.3	3,978.1	2,168.8	1,631.3

Remark: (1) In year 2018, the Company:

- restated the financial report after the completion of the determination of fair value of Trans Ad Group and VGI Global Media (Malaysia) Sdn. Bhd's group ("VGM Group")
- restated the financial report after the change in accounting policy to be in accordance with the Thai Financial Reporting Standards No. 15
- considered the change of method used for the determining process for work's completion for the recognition of revenue from services, by changing from the comparison of finished installation work with the cost of estimated installation work under the agreement (input method) to the completion of installation works delivered to subsidiaries or customers (output method)
- considered the change in revenue recognition for installation works which is low-budget and short-term projects and not transfer of control over assets to customers, by changing from the recognition throughout period to recognition upon the completion of works

- (2) The Company has restated its 2017 Financial Statement due to the acquisition of VGI Global Media (Malaysia) Sdn. Bhd ("VGM") was considered as the acquisition of business under common control of VGI, who has a control over the Company. The Company, therefore, is required to restated its financial statement to reflect financial status, operating result, and cash flow in accordance with the economic aspect of business under common control and deems that the Group Company were conducting business as the same economic unit since before 26 January 2017 (the date of incorporation of VGM)

(B) Statement of Comprehensive Income

Unit: Million Baht

Statement of Comprehensive Income (Million Baht)	Nine-month Period Ended 30 September 2019	Year Ended 31 December			
		2018	2018 (Restated) ⁽¹⁾	2017 (Restated) ⁽²⁾	2016
Revenue from services and sales	1,212.7	1,255.1	1,194.3	935.6	734.6
Revenue from installation services	934.5	479.3	501.4	0.0	0.0
Other income	50.7	41.8	41.88	26.5	18.2
Total revenues	2,197.9	1,776.2	1,737.6	962.1	752.8
Costs of services and sales	688.3	522.4	522.4	389.6	330.0
Cost of system installation services	688.1	378	378.2	0.0	0.0
Selling and administrative expense	575.8	524.9	487.9	313.0	281.5
Total expenses	1,952.2	1,425.3	1,388.5	702.6	611.5
Profit before share of loss from investments in associates, finance cost and income tax	245.7	350.9	349.1	259.5	141.3
Share of loss from investments in associates	(53.8)	(31.3)	(33.7)	6.6	3.3
Profit before finance cost and income tax	191.9	319.6	315.4	266.1	144.6
Finance cost	10.7	11.1	11.1	7.8	3.5

Profit before income tax	181.2	308.5	304.3	258.3	141.1
Income tax	59.0	73	72.7	49.2	37.4
Profit for the period	122.2	235.5	231.6	209.1	103.7
Profit attributable to equity holders of the Company	121.9	272.6	271.3	220.9	102.0

Remark: (1) In year 2018, the Company:

- restated the financial report after the completion of the determination of fair value of Trans Ad Group and VGM Group
- restated the financial report after the change in accounting policy to be in accordance with the Thai Financial Reporting Standards No. 15
- considered the change of method used for the determining process for work's completion for the recognition of revenue from services, by changing from the comparison of finished installation work with the cost of estimated installation work under the agreement (input method) to the completion of installation works delivered to subsidiaries or customers (output method)
- considered the change in revenue recognition for installation works which is low-budget and short-term projects and not transfer of control over assets to customers, by changing from the recognition throughout period to recognition upon the completion of works

(2) The Company has restated its 2017 Financial Statement due to the acquisition of VGM was considered as the acquisition of business under common control of VGI, who has a control over the Company. The Company, therefore, is required to restated its financial statement to reflect financial status, operating result, and cash flow in accordance with the economic aspect of business under common control and deems that the Group Company were conducting business as the same economic unit since before 26 January 2017 (the date of incorporation of VGM)

(C) Cash Flow Statements

Unit: Million Baht

Cash Flow Statements (Million Baht)	Nine-month Period Ended 30 September 2019	2018	2018 (Restated)⁽¹⁾	2017	2016
Net cash flows from operating activities	204.7	427.8	427.8	225.3	245.5
Net cash flows used in investing activities	(471)	(1,135)	(1,135)	(597.2)	(352.5)
Net cash flows from financing activities	424.1	1,162	1,162	264.6	270
Translation adjustments	(2.8)	(5)	(5)	(2)	0.2
Net change in cash and cash equivalents	155	449.4	449.4	(109.3)	163.2

Remark: (1) In year 2018, the Company:

- restated the financial report after the completion of the determination of fair value of Trans Ad Group and VGM Group
- restated the financial report after the change in accounting policy to be in accordance with the Thai Financial Reporting Standards No. 15
- considered the change of method used for the determining process for work's completion for the recognition of revenue from services, by changing from the comparison of finished installation work with the cost of estimated installation work under the agreement (input method) to the completion of installation works delivered to subsidiaries or customers (output method)

- considered the change in revenue recognition for installation works which is low-budget and short-term projects and not transfer of control over assets to customers, by changing from the recognition throughout period to recognition upon the completion of works

(D) Financial Ratios

Unit: Million Baht

Financial Ratios	Nine-month Period Ended 30 September 2019	2018	2018 (Restated) ⁽¹⁾	2017	2016
Current ratio (times)	1.14	1.50	1.59	1.23	1.99
Return on equity (%)	4.7	13.8	13.7	17.4	11.1
Return on assets (%)	6.5	10.2	10.7	14	11.5
Liability to Equity (times)	0.67	0.5	0.4	0.34	0.41
Asset turnover (times)	0.23	0.6	0.4	0.49	0.58
Gross profit (%)	35.9	48.1	46.9	58.4	55.1
EBIT Margin (%)	8.9	18.4	18.6	28.4	19.7
Net profit (%)	5.7	13.6	13.7	23.6	13.9

Remark: (1) In year 2018, the Company:

- restated the financial report after the completion of the determination of fair value of Trans Ad Group and VGM Group
- restated the financial report after the change in accounting policy to be in accordance with the Thai Financial Reporting Standards No. 15
- considered the change of method used for the determining process for work's completion for the recognition of revenue from services, by changing from the comparison of finished installation work with the cost of estimated installation work under the agreement (input method) to the completion of installation works delivered to subsidiaries or customers (output method)
- considered the change in revenue recognition for installation works which is low-budget and short-term projects and not transfer of control over assets to customers, by changing from the recognition throughout period to recognition upon the completion of works

(E) Proportion of Revenue Portfolio for the Past 3 Years

(Unit: million Baht)	Q3/2019	2018 (Restated) ⁽¹⁾	2018	2017	2016
1. Revenue from Advertising Media Service	937.62	1,053.54	1,114.28	935.66	734.63
1.1 Revenue from Advertising Media Service <u>inside</u> Thailand ⁽²⁾	674.61	996.19	1,056.94	874.67	722.94
1.2 Revenue from other billboard production services ⁽³⁾	106.48	45.49	45.49	60.99	11.70
1.3 Revenue from Advertising	156.53	11.86	11.86	-	-

Media Service <u>outside</u> Thailand					
2. Revenue from system integration ⁽⁴⁾	1,207.65	624.21	620.11	-	-
Total Revenues	2,147.28	1,695.74	1,194.37	935.66	734.63

Remark: (1) In year 2018, the Company:

- restated the financial report after the completion of the determination of fair value of Trans Ad Group and VGM Group
 - restated the financial report after the change in accounting policy to be in accordance with the Thai Financial Reporting Standards No. 15
 - considered the change of method used for the determining process for work's completion for the recognition of revenue from services, by changing from the comparison of finished installation work with the cost of estimated installation work under the agreement (input method) to the completion of installation works delivered to subsidiaries or customers (output method)
 - considered the change in revenue recognition for installation works which is low-budget and short-term projects and not transfer of control over assets to customers, by changing from the recognition throughout period to recognition upon the completion of works
- (2) Revenue from Advertising Media Service inside Thailand consists of revenue from the static billboards, street furniture and Digital LED and revenue from the billboard production services
- (3) Revenue from other billboard production services is revenue from the billboard production services to VGI and BTS
- (4) The Company has revenue from system integration since August 1, 2018 onwards

3.7.2. Explanation and Analysis for the Financial Status and Operating Result for Year 2018 ended December 31, 2018 and the Latest Accounting Period ended September 30, 2019

(A) Overall Operating Result of Year 2018

Analysis of Operating Result of Year 2018 (as restated) Compared to the Previous Year (YoY)

(Million Baht)	2017	2018	2018 (Restated)	YoY (%)	YoY (%) (Restated)
Operating revenue	935.6	1,734.40	1,695.70	85	81
Cost of sales	389.6	900.4	900.6	131	131
Gross profit	546	834.00	795.1	53	46
Selling, general & administrative expenses	313	524.9	487.9	68	56
EBITDA	308.8	309.10	405.3	0	31
Net profit from operation	209.1	235.5	231.6	13	11
Net profit (exc. Minority Interest)	220.9	272.6	271.3	23	23

Gross profit margin	58.4%	48.1%	46.9%	10%	11%
EBITDA margin	33.0%	25.6%	25.9%	7%	7%
NPAT margin from operation	22.3%	13.6%	13.7%	9%	9%
NPAT margin (exc. Minority Interest)	23.6%	15.7%	16.0%	8%	8%

The Company has successfully expanded its media network nationwide, turning 35 static billboards to digital screens, and strengthening the Company's foundation by the acquisition of 81.65 percent of paid-up shares of Trans Ad Group (where the remaining portion of Trans Ad's shares held by unconnected persons of the Company), and the acquisition of 75 percent of total

paid-up shares of VGM (where the remaining 25 percent of total paid-up shares of VGM held by VGI, a major shareholder of the Company, which, as of November 14, 2019, VGI holds 33.17 percent of total paid-up shares of the Company), and the acquisition of 60.00 percent of total paid-up shares of Gold Star Group Company Limited (“GSG”) (where the remaining portion of GSG’s shares held by unconnected persons of the Company), respectively. Those aforesaid acquisitions enable the Company to achieve the highest revenue in its history. The Company’s consolidated operating revenue increased by 81 percent from THB 936 million in 2018 to THB 1,696 million. The revenue comprised of advertising services revenue of THB 1,054 million, and system integration and total solution services revenue of THB 642 million arising from the consolidation with Trans Ad Group’s financial statement in August 2018.

Cost of Sales increased by 131.1 percent from THB 390 million in 2017 to THB 900 million in this year, mainly due to the consolidation of financial statements of Trans Ad Group to the Company’s consolidated financial statement since Trans Ad Group’s primarily provides system integration and installation services, which resulting in equipment and technology materials expenses, hardware, including software, and installation expenses, and this results in the decrease of gross profits in the Company’s consolidated financial statement. The cost of sales comprised of cost of advertising services of THB 425 million and cost of system integration and total solution services of THB 475 million.

Selling, General and Administrative Expenses (SG&A) increased by 56 percent from THB 313 million in 2018 to THB 488 million, primarily due to the aforesaid consolidation. SG&A to sales ratio decreased significantly from 33.5 percent in 2017 to 29 percent in 2018. Net profit attributable to the equity holders of the Company increased by 23 percent from THB 221 million to THB 271 million last year. Net profit margin decreased from 24 percent to 16 percent in 2017 due to net profit of Trans Ad Group is less than net profits from advertising media business of the Company, which resulted in the decrease in net profits in the Company’s consolidate financial statement after the combination. However, the Company believes that the acquisition of Trans Ad Group will gain benefit from the reduction of cost of services as the Company will be able to use system installation constructing services from Trans Ad Group at the better price comparable to a third-party service, including the benefit from the media digitalization strategy.

Financial Status

Assets

Assets Breakdown	31 December 2017		31 December 2018 (Restated)	
	(Million Baht)	% Out of Total	(Million Baht)	% Out of Total
Cash & cash equivalents and Current investments	203.2	9%	642.7	16%
Trade & other receivables	351.4	16%	710.1	18%
Building and equipment	485.9	22%	612.7	15%
Goodwill and Intangible assets	725.8	34%	1,054.5	27%
Other assets	402.5	19%	958.1	24%
Total assets	2,168.8	100%	3,978.1	100%

Total Assets as of 31 December 2018 stood at THB 3,978 million, with an increase of THB 1,809 million or 83 percent from THB 2,169 million as of 31 December 2017.

Total current assets were THB 1,791 million, which rose by 160 percent or THB 1,103 million. This was primarily attribute to 1) an increase in trade and other receivables of THB 359 million, 2) an increase in cash and cash equivalents of THB 449 million, and 3) an increase in short-term loans of VGM to Titanium Compass Sdn Bhd and Meru Utama Sdn Bhd of THB 124 million.

Total Non-current Assets stood at THB 2,187 million, an increase of 48 percent or THB 706 million primarily due to 1) an increase in the differences between the price paid by the company and the targeted company's book value of THB 558 million after the acquisition of Trans Ad Group and GSG, and 2) an increase in building and equipment of THB 127 million mainly from the aforesaid consolidation.

Trade and Other Receivables were THB 710 million, which rose by 102 percent or THB 359 million from THB 351 million as of 31 December 2017. The Company gives 90 days credit terms to customers. The average credit terms paid by customers was 77 days as of 31 December 2018 and 69 days as of 31 December 2017.

Liabilities and Shareholders' Equity

Liabilities and Equity Breakdown	31 December 2017		31 December 2018 (Restated)	
	(Million Baht)	% out of total	(Million Baht)	% out of total
Short term loans from financial institutions	230	11%	260	7%
Trade and other payables	163.2	8%	525	13%
Other current liabilities	107.8	5%	340.7	8%
Non-current liabilities	45.1	2%	93	2%
Total liabilities	546.1	25%	1,218.7	31%
Shareholders' equity	1,622.7	75%	2,759.4	69%
Total liabilities and equity	2,168.8	100%	3,978.1	100%

Total Liabilities were THB 1,219 million, increasing by 123 percent or THB 673 million from THB 546 million as of 31 December 2017 mainly from an increase in 1) an increase in deferred income of THB 221 million from deposits paid by customers who use system integration services of Trans Ad Group and 2) an increase in trade and other payables of THB 361 million, mainly from the consolidation of Trans Ad Group. The increase, however, was primarily offset by a decrease in dividend payable of subsidiaries of THB 39 million.

Total Shareholders' Equity was THB 2,759 million rose by THB 1,136 million or 70 percent. This was attributed to an increase in premium on shares of THB 1,307 million which was from the Right Offering of 688 million shares, amounting to THB 1,376 million. As of 31 December 2018, total equity included with equity attributable to owners of the Company of THB 2,528 million and non-controlling interests of the subsidiaries of THB 231 million.

Cash Flow and Liquidity (Million Baht)

As of 31 December 2018, the Company had **Net Cash from Operating Activities** of THB 428 million primarily from cash from operating activities of THB 497 million and interest income of

THB 4 million which was mainly offset by cash paid for corporate income tax and interest expenses of THB 79 million and THB 3 million, respectively.

Net Cash used in Investing Activities was THB 1,135 million, mainly from 1) net cash paid to invest in VGM of THB 360 million, GSG of THB 239 million, and Trans Ad Group of THB 190 million, 2) cash paid for acquisition of equipment THB 139 million from media inventory expansion and 3) cash paid for short-term loans of VGM to TCSB and MUSB of THB 124 million.

Net Cash from Financing Activities was THB 1,162 million. The key components are cash received from RO proceeds of THB 1,376 million which was partially offset by cash used for 1) dividend payment of THB 182 million and 2) settlement on payables for investment in Multi Sign of THB 44 million.

Twelve-Month Cash Flow of Year 2018



Key Financial Ratios

		2017	2018	2018 (Restated)		2017	2018	2018 (Restated)	
Profitability Ratios					Liquidity Ratios				
Gross profit ¹	(%)	58%	48%	47%	Current ratio	(times)	1.4	1.5	1.6
Operating EBITDA	(%)	33%	26%	26%	Quick ratio ⁶	(times)	1.4	1.5	1.6
Net profit (from operation)	(%)	22%	14%	14%	Account receivable turnover	(times)	3	4.8	3.2
Net profit (after MI) ²	(%)	24%	14%	16%	Average collection period ⁷	(day)	69	76	77
Return on equity ³	(%)	31%	14%	21%	Payable days	(day)	230	81	162
Efficiency Ratios					Leverage Ratios				
Return on assets ⁴	(%)	14%	10%	11%	Liability to Equity	(times)	0.3	0.5	0.4
Return on fixed assets ⁵	(%)	80%	57%	57%	Debt to equity	(times)	0.1	0.1	0.09
Asset turnover	(times)	0.5	0.6	0.6					

¹ Calculated from operating revenue

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

³ Net Profit (Annualized) / 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 (Annualized) / Average Total Assets (average of outstanding at end of the previous year and at end of this year)

⁵ Earnings before interest and tax (Annualized) / 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 (Annualized)

(B) Operating Result of the 3rd Quarter of 2019

Consolidated Financial Statement

Unit: Million Baht	3Q 2018 (Restated)	2Q 2019	3Q 2019	QoQ (%)	YoY (%)
Operating revenue	486	690	748	8.4%	54.0%
Cost of sales	281	429	482	12.5%	71.8%
Gross profit	205	261	265	1.6%	29.5%
Selling, general & administrative expenses	128	185	239	29.4%	86.6%
EBITDA	120	115	116	0.8%	-3.7%
Net profit from operation	56	38	35	-7.4%	-37.2%
Net profit attributable to equity	70	39	42	6.4%	-40.0%
Gross profit margin	42.2%	37.9%	35.5%		
EBITDA margin	24.7%	16.6%	15.5%		
Net profit margin from operation	11.5%	5.5%	4.7%		
Net profit margin attributable to equity	14.4%	5.7%	5.6%		

Analysis of Operating Result the 3rd Quarter of 2019 Compared to the Same Period Last Year

In the 3rd quarter of 2019, the Company's **Operating revenue** was THB 748 million, an increase by 54.0 percent YoY from the consolidation of international advertising business operated by VGM and the full-quarter consolidation of Trans Ad Group's financial statement. However, the domestic advertising market was affected by low seasonality and resulted in a lower-than-expected growth.

In this quarter, the Company also started to break down revenue from the international advertising business in order to reflect on its region expansion strategy. Accordingly, the Company divided the revenue contribution into 1) domestic advertising revenue of 34.5 percent (or THB 258 million); 2) international advertising revenue of 21.0 percent (or THB 157 million); and 3) system integration revenue of 44.5 percent (or THB 333 million).

Cost of sales increased by 71.8 percent from THB 281 million in quarter three of 2018 to THB 482 million mainly due to the aforesaid consolidation which was the main driver in increasing the cost-to-sales ratio from 57.8 percent to 64.5 percent in this quarter. VGM's cost structure is higher than the Company's domestic business due to higher expenses from concession in Transit and Indoor Media, while Trans Ad Group has higher cost due to equipment and technology materials expenses, hardware, including software, and installation expenses which result in **Gross Profit Margin** in this quarter decreased from 42.2 percent to 35.5 percent.

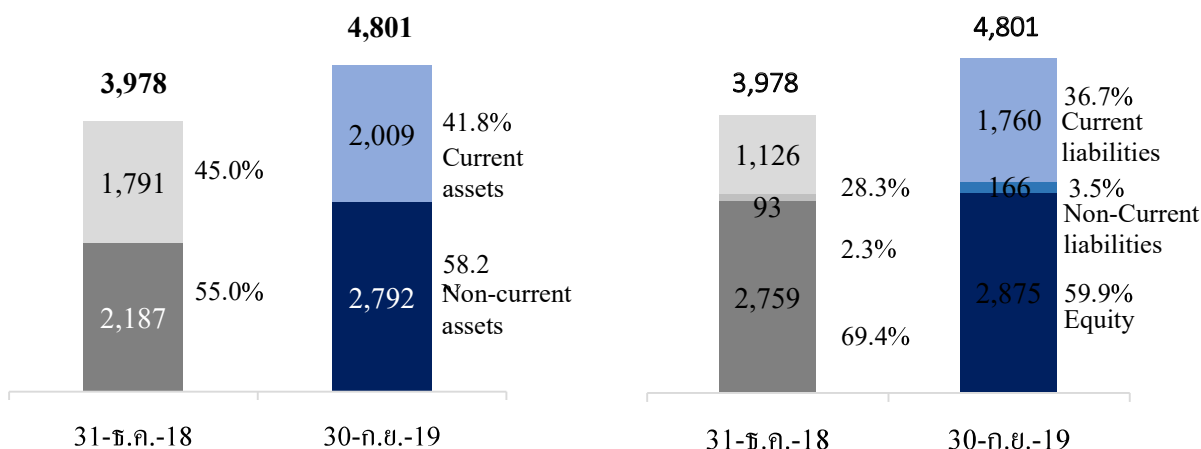
Selling, General and Administrative expenses (SG&A) grew by 86.6 percent from THB 128 million to THB 239 million primarily due to the consolidation of VGM’s and Trans Ad Group’s financial statements. SG&A to sales ratio increased from 26.4 percent in quarter three of 2018 to 32.0 percent compared to the same period last year.

In this quarter, the Company’s media operation result in Malaysia reached its break-even of net profit for the first time since 2016, while the operation result in Indonesia also began to generate early than expected. Despite the positive sentiment in the oversea markets, the Company’s faced challenges from the sluggish performance in the domestic front, which resulted in a decrease in **Net Profit Attributable to Equity** of THB 42 million with a **Net Profit Margin Attributable to Equity** of 5.6 percent.

Financial Status

In this quarter, the Company restated the consolidated financial statement as at 31 December 2018 to reflect the fair value of Trans Ad Group’s assets after the measurement of fair value of Trans Ad Group’s identifiable assets was completed. The restatement involved the elimination of estimated difference between costs of the acquisition of investment and identifiable net assets of Trans Ad Group of THB 274 million from non-current assets, which was replaced by the record of 1) intangible assets of THB 192 million and goodwill of THB 155 million in non-current assets, 2) non-controlling interests of Trans Ad Group of THB 38 million in shareholders’ equity, 3) deferred tax liabilities of THB 32 million in non-liabilities and 4) unappropriated retained earnings of THB 3 million.

(Unit: Million Baht)



Assets

Assets Breakdown	31 December 2018 (Restated)		30 September 2019	
	(Million Baht)	% out of total	(Million Baht)	% out of total
Cash & cash equivalents and Current investments	653	16.4%	819	17.1%
Trade & other receivables	710	17.8%	875	18.2%

Property, plant and equipment	613	15.4%	945	19.7%
Goodwill and Intangible assets	1,055	26.5%	1,160	24.1%
Other assets	947	23.8%	1,002	20.9%
Total assets	3,978	100.0%	4,801	100.0%

* The Company restates the financial performance starting from 1 August 2018 after the measurement of fair value of Trans Ad Group's identifiable assets was completed.

Total assets as of 30 September 2019 was reported at THB 4,801 million, increased by THB 823 million or 20.7 percent from THB 3,978 million as of 31 December 2018. **Total current assets** were THB 2,009 million, which rose by 12.2 percent or THB 218 million. This was primarily attributable to an increase in 1) cash and cash equivalents and current investment of THB 166 million and 2) Trade and other receivables of THB 165 million. **Total non-current assets** stood at THB 2,792 million, increased by 27.6 percent or THB 605 million primarily due to an increase in 1) property, plant and equipment of THB 332 million and 2) Goodwill and Intangible assets of THB 105 million.

Trade and Other Receivables were THB 875 million, increased by 23.3 percent or THB 165 million from THB 710 million as of 31 December 2018. The Company gives 90 days credit terms to customers. The average collection period as at the end of this quarter was 98 days compared to 114 days as of 31 December 2018.

Accrued Trade Receivables (Million Baht)	31 December 2018 (Restated)	30 September 2019
Not yet due	273	258
Up to 3 months	145	215
3 - 6 months	67	51
6 - 12 months	13	27
Over 12 months	11	28
Total	509	549
Allowance for doubtful debt	6	9

Liabilities and Shareholders' Equity

Liabilities and Shareholders' Equity Breakdown	31 December 2018 (Restated)		30 September 2019	
	(Million Baht)	% out of total	(Million Baht)	% out of total
Short term loans	299	7.5%	702	14.6%
Trade and other payables	525	13.2%	781	16.3%
Deferred Incomes	228	5.7%	235	4.9%
Other current liabilities	73	1.8%	73	1.5%
Non-current liabilities	93	2.3%	135	2.8%
Total liabilities	1,219	30.6%	1,926	40.1%
Shareholders' equity	2,759	69.4%	2,875	59.9%
Total liabilities and equity	3,978	100.0%	4,801	100.0%

* The Company restates the financial performance starting from 1 August 2018 after the measurement of fair value of Trans Ad Group's identifiable assets was completed.

Total Liabilities were THB 1,926 million, increasing by 58.0 percent or THB 708 million from THB 1,219 million as of 31 December 2018 mainly from increase in 1) short term loans from financial institutions of THB 402 million, 2) trade and other payables of THB 256 million and 3) long term loans from financial institutions of THB 30 million.

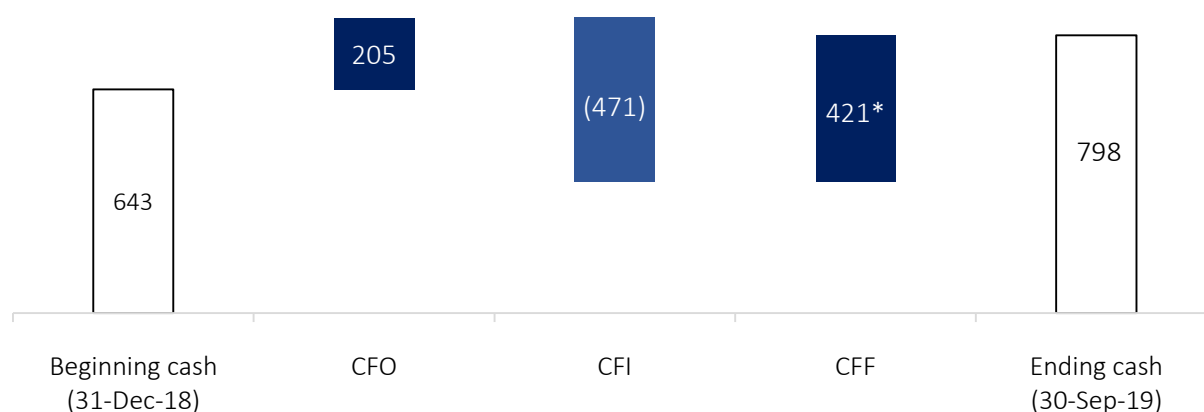
Total Equity was THB 2,875 million rose by THB 116 million or 4.2 percent. This was attributed to an increase in premium on shares of THB 308 million from the subscription of rights offering to existing shareholders (“RO”) of 205 million shares, and equivalent to THB 328 million. However, as of 30 September 2019, total equity included the equity attributable to owners of the Company of THB 2,686 million and non-controlling interests of THB 189 million.

Cash Flow

As of 30 September 2019, the Company had **Net Cash from Operating Activities** of THB 205 million primarily from cash from operating activities of THB 291 million which was partially offset by cash paid for corporate income tax of THB 85 million. **Net Cash used in Investing Activities** was THB 471 million, mainly from cash paid for 1) net cash paid for purchase of equipment for expansion of media capacity of the Company of THB 296 million, 2) short-term loans to related parties of THB 122 million and 3) prepaid net cash for investment of THB 47 million. **Net Cash received from Financing Activities** was THB 424 million, mainly are cash received from 1) short-term loans from financial institutions of THB 362 million and 2) proceeds from RO of THB 328 million. However, the said increase was partially offset by a decrease in cash used for 3) dividend paid of THB 135 million and 4) an investment in Co-Mass Company Limited and Puncak Berlian Sdn. Bhd. of THB 131 million.

Snapshot of Nine-Month Cash Flow

(Unit: Million Baht)



*Included translation adjustment of THB 3 million

Key Financial Ratios

	3Q 2018	3Q 2019	31- Dec	30- Sep
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				2018	2019		
Profitability Ratios				Liquidity Ratios			
Gross profit ¹	(%)	42.4%	35.5%	Current ratio	(times)	1.6	1.1
Operating EBITDA	(%)	24.7%	15.5%	Quick ratio ⁶	(times)	1.6	1.1
Net profit (from operation)	(%)	14.4%	5.6%	Account receivable turnover	(times)	3.2	3.7
Net profit (after MI) ²	(%)	11.5%	4.7%	Average collection period ⁷	(days)	114	98
Return on equity ³	(%)	13.4%	7.3%	Payable days	(days)	162	140
Efficiency Ratios				Leverage Ratios			
Return on assets ⁴	(%)	12.0%	6.5%	Liability to Equity	(times)	0.4	0.7
Return on fixed assets ⁵	(%)	66.7%	36.6%	Debt to equity	(times)	0.1	0.2
Asset turnover	(times)	0.5	0.7				

Remark:¹ Calculated from operating revenue

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

³ Net Profit (Annualized) / 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 (Annualized) / Average Total Assets (average of outstanding at end of the previous year and at end of this year)

⁵ Earnings before interest and tax (Annualized)/ 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 (Annualized)

3.7.3. Risk Factors Which May Affect Profit of the Company

1. Risks Due to Economic Slowdown

The Company's performance mainly depends on domestic demand which may be affected by the economic adjustment in the country such as economic slowdown in the country.

In addition, the crisis in emerging markets has rapidly depreciated the currency due to economic weakness, rising inflation, ship capsizing that affect confidence on the safety of foreign tourists, flooding events that have an impact on the economic sector and crude oil that causes volatility. A decrease in consumption of goods and services affecting domestic purchasing power and the sales of many businesses. The trade war between the United States of America and Republic of China which is continued and intensified. Interest rate in world market tends to rise steadily which will affect domestic purchase power and sales of certain types of business, resulting in the limit of growth of the economy and causing a slowdown in the use of advertising media in the last quarter of the year. In addition, operators were cautious in the use of advertising media in order worth the value for money.

However, the Company believes that although the economy has slowed down, the appropriate price of the services together with good service quality will help maintain the Company's growth rate as many clients have planned to buy media and use the Company's advertising media continuously. New media ads also attract customers' attention and contribute to the sharing of budgets from other media to use more of the Company's advertising media continuously. As a result, sales of the Company increased compared to the previous year. The Company can also reduce the risk of liquidity

management in the repayment of clients. Seeing that in the past year the outstanding amount receivables or provisioning did not have any increase rate. The debtors can repay the debt to the Company within the due date, and the Company can manage the client accounts effectively.

2. Legal Risks Associated with Billboards and Accidents that Might Occur

The Company has paid attention to the regulation of billboards and maintains the policy to build a billboard only when it is authorized in accordance with laws. The Company also has a working group to monitor the amendment of laws continuously. 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 carried out 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 chance of damages caused by accidents, the Company has also procured insurance policies to insure against the properties and third party as well.

3. Risks Arising from Changes in Consumer Behavior in the Digital and Online Age

In year 2018, the advertising budget for the digital and online advertising has been rising steadily due to the trend of consumer behavior in the digital age has drastically changed from the past. Digital and online internet media has played a greater role in consumer behavior and at the same time the consumer has also turned to such media as well as such media is interesting, visually appealing, and can quickly respond to customer needs and access to various types of target groups. Also, digital media can satisfy the operator for its value for budget in advertising goods and services to business operators. In the past, the Company had a large number of static billboards but at present the Company has planned to develop existing media and add new digital media which is more attractive to the eyes of the passers-by, including CBD-LED media, covering major cities, main intersections and communities where are attractive to the eyes of the passers-by. The Company has also partnered with Rabbit Co., Ltd. to develop O2O media to connect OHM and online media, some of which have already been sold to customers. Both CBD-LED media and O2O media have made the campaign more attractive and reach the target audience beyond expectation and have been well received by the customers. Therefore, the Company is confident that its digital media will generate very good revenue for the Company in the future.

4. The Risk of Reliance on Major Agencies

In the advertising media business, clients are divided into 2 groups: product owners and advertising agency. 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. Our senior executives would meet these agencies to clarify business policy, fair and honest practices with the clients as well as to present the Company's new advertising media. The Company has a clear plan to improve and develop close relationships with the agencies on a consistent basis, including strengthen relationship with agencies through many activities continuously. In addition, many agencies are getting involved

with the Company in developing new advertising media to fulfill their clients' requirements.

In addition, the Company plans to increase its advertising media network to be more diverse, for example, installing the small and large billboards at the locations with big audience in Bangkok, metropolitan area and nationwide to cover all target groups and satisfy the clients who purchase advertising media in terms of cost and effectiveness. We, therefore, believe that the Company's new advertising media will be popular and get good feedback from our clients in all groups of products and services.

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

5. The Risk of an Obligation with Counterparty that May Affect the Performance of the Company

The Company has leased the billboard structures and the area for the billboards on a long-term basis with the owners of the area to ensure that the Company will have the billboards available for a longer period and prevent competitors to take the advertising areas. However, this will result in the obligation to the Company to pay the rent for the future over the life of the contract. If the Company cannot make money from advertising media as planned, its financial position and the performance might be affected.

However, the long-term rental agreements with owners of the area have a positive impact on the operations of the Company rather than as a risk since the Company can be confident to have the area that can generate certain revenue. 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.

6. Risk of Being Unable 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 both the concession contract with the government and the rental contract with the private owners. As the Company shall have the obligation as specified in those contracts, the Company is at risk if it cannot renew the leased area or in the case of termination if the lessor needs to use the leased premises, which might result in the Company's ability to earn the revenue and its future financial status.

Over the years, the Company has complied with the terms of the agreement 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/rental area and the contracts have always been renewed accordingly.

7. The Risk that May Arise from the Revenue of New Advertising Media is not as

Expected

Regarding investment in 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, which might affect its financial status and the performance, the Company will apply negotiation and cost management to reduce the damage caused by the incapable to generate returns as estimated as well as to adjust the sales approach and prices to meet the needs of clients and markets. In addition, the Company has VGI as the parent company, who has a variety of advertising media that can arrange sales package in bundles to attract more clients to use advertising media of the Company.

3.8. Financial Estimation for the Current Year (if any), Identifying Commercial, Economic, and Industrial Assumptions which Have Been Reviewed by the Auditor and the Opinion of the Independent Financial Advisor that such Estimation were Prepared with Carefulness

-None-

3.9. List of the Board of Directors, Executives and Top 10 Shareholders

3.9.1. List of the Board of Directors as of November 25, 2019

Name	Position
1. Mr. Mana Jantanayingyong	Chairman of the Board of Director
2. Mr. Phoon Chiong Kit	Director / Chairman of the Executive Committee / Chief Executive Officer / Authorized Director
3. Mr. Chaivasit Puvapiromquan	Director
4. Mr. Surachet Sangchayosawat	Authorized Director
5. Mr. Chavin Kalayanamitr	Authorized Director
6. Miss. Daranee Phanklin	Authorized Director
7. Mr. Paisal Tarasansombat	Chairman of Audit Committee
8. Mr. Danai Tangsriviriyakul	Independent Director / Audit Committee
9. Mr. Chalush Chinthammit	Independent Director / Audit Committee

3.9.2. List of the Executives as of November 25, 2019

Name	Position
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Name	Position
1. Mr. Phoon Chiong Kit	Chairman of the Executive Committee / Chief Executive Officer
2. Mr. Phakhanaaz Phumchijzarnan	Executive Committee / Chief Marketing Officer
3. Miss Tamonwan Narintavanich	Executive Committee / Chief Financial Officer
4. Miss Rodjana Trakulkoosri	Executive Committee / Chief Business Development Officer
5. Mrs. Uraiwan Boonyarataphan	Executive Committee / Chief People Officer
6. Mr. Panaikorn Nuchmak	Executive Committee / Chief Technical Officer

3.9.3. List of the Top 10 Shareholders as of November 14, 2019 (The Latest Record Date of the Company)

Major shareholders	No. of Shares	Shareholding Percentage
1. VGI Global Media Public Company Limited	1,436,767,596	33.17
2. Mr. Nares Ngam-Apichon	1,082,500,000	24.99
3. BTS Group Holdings Public Company Limited	789,150,660	18.22
4. Thai NVDR Company Limited	118,408,097	2.73
5. Mr. Worawut Ahchariyasripong	82,060,700	1.89
6. Mr. Noppadon Tansalarak	70,841,899	1.64
7. Mr. Wanthana Jaroennawarat	36,640,000	0.85
8. Mrs. Duangporn Kositsakul	31,980,000	0.74
9. Miss Pornrat Maneerattanporn	31,800,000	0.73
10. Mr. Kiat Srichomkwan	21,843,320	0.50

3.10. Other Information Which May Have Material Impact Upon the Shareholders' Decision (if any)

-None-

4. Pending Material Litigation Cases or Claims

On January 31, 2017, the Company has entered into a service agreement to provide broadcasting services on advertising boards in at 4 locations with Midas Global Media Company Limited (“Midas”), at a rate of Baht 27 million through the entire term. The Company had paid all service fee on the execution date.

However, on February 14, 2018, Midas filed a lawsuit against the Company and VGI (the “Parent Company”) in connection with the matters relating to this service agreement, claiming damages amounting to approximately THB 24 million plus interest at a rate 7.5 percent per annum, as well as service fees of approximately THB 4 million per month for as long as the billboards continue to be used.

On September 12, 2019, the trial court dismissed such case. The Company and the Parent Company therefore are not liable for the damages claimed to Midas. However, Midas is currently in the process of consideration of filing the notice of appeal.

5. Summary of Material Contracts within the Past Two Years

1. Concession Agreement for the Installation of Billboard Installation at the Bangkok Metropolitan Administration’s Flyover Pillars – Group 2, and an Concession Agreement for the Installation of Billboard at the Bangkok Metropolitan Administration’s Flyover Pillars – Group 3 between Master & More Co., Ltd. (“M&M”) and Bangkok Metropolitan Administration. Pursuant to the aforesaid agreements, M&M has been granted the right to construct and install billboards for commercial use for the period of 9 years, ended January 6, 2024.
2. Concession Agreement for the Installation of Billboard 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 the period of 10 years, ended on April 30, 2029.

6. Interests or Connected Transactions between the Company and Subsidiaries, Directors, Management and Shareholders Directly or Indirectly Holding Shares At Least 10 Percent as Appeared in the Company’s Financial Statement Last Year until the Latest Quarter

The Company has connected transactions between the Company and its subsidiaries, directors, executives, and shareholders directly or indirectly holding shares at least 10 percent of the Company’s shares, as appeared in the Company’s financial statement last year until the latest quarter, which can be summarized as follows:

Person / Juristic Person with Conflict of Interest	Relationship	Nature of Transaction	Details and Pricing Policy	Transaction Value		Necessity and Rationale of Transaction
				Year 2017	Year 2018	
Inkjet Images (Thailand) Co., Ltd. (“INK”), engages in	A joint investment with 1. The Company holds 50 percent 2. Pico (Thailand) Public Company	1. The Company rents land (with building) on Vibhavadi Rangsit Road with the space of 2,000 sq. m. to use as the area for	Rental rate of THB 100 per sq. m. per month, which is higher than rental rate from the owner which is at THB 36 per sq. m. per month	0.43	0.43	The objective of the Company for such rental is to use as its warehouse for equipment and other premises related to business operation of the

inkjet computerized graphics production business	Limited holds 22.22 percent 3. Mr. Lim Chee Min holds 16.67 percent 4. Miss Pornthip Loharattanasaney holds 11.11 percent	production of advertising media and warehouse and give partial rent of 452.05 sq. m, to INK which is a subsidiary company for a period of 3 years, ended July 31, 2019.	as the Company has renovated the rented space .to be able to utilize together with other facilities.			Company. With respect to building attached to the land, the Company considered to give partial rent to its subsidiaries to reduce cost of the Company, in which the rental rate is reasonable comparable to the rental rate from the owner.
		2. The Company hires INK for production of images to be installed on the advertising media of the Company	The price is not different from other production house while the service must be better than the others.	12.25	11.54	It is an ordinary course of business. Having affiliate company as the production house will positively affects the better control of quality and production time.
Landy Development Co., Ltd. (“LANDY”), engages in office rental business	Shareholding by 1. The Company holds 48.87 percent 2. Landy Home (Thailand) Co., Ltd. holds 36.25 percent 3. Daii Group Public Company Limited holds 14.89 percent	The Company rents building space with total 2,550.24 sq. m. in Kao Poon Sub Building.	Rental rate of THB 390 per sq. m. per month and electricity bill of approximately THB 100,000 per month. Remark: Rental rate means rental fee and central expense.	12.19	12.12	Rent for normal business operation. The rental rate is not different from other lessees.
VGI Global Media Public Company Limited	VGI is a major shareholder of the Company holding 30.26 percent of the Company’s shares and assigns its 5 executive officers to represent as the directors of the Company.	The Company appointed VGI as media broker to sell its advertising media.	It is an ordinary business support transaction which has general commercial conditions. The price for advertising media agreed by the parties is market price which can be referable.	330	269.91	To increase sale channels. This appointment of sale representative will help the Company to get benefits from increasing revenue, knowledge sharing between the parties and the use of resource which creates economy of scale.

Related Party Transactions Policies and Procedures

The Company has established policies and procedure for approval and implementation of transactions and items that may have a conflict of interest as follows:

1. If the Company enters into any contract or transaction between the Company, its subsidiaries, affiliates, and/or any third party, the Company will consider the need for and the feasibility in contracting by taking into account the interests of the Company and the pricing conditions like other customers. Connected transactions must be made in fair market price and in accordance with normal commercial business (Fair and at arm’s length).
2. The transaction, which is deemed connected as stipulated by the SEC criteria, shall righteously and completely follow SET and SEC stipulations as well as passed the verification process of the Audit Committee in the event that such connected transaction requires the Board’s consideration.

3. A director with conflict of interests in any issue shall refrain from voting or attending the meeting on that agenda item.
4. In the transaction connected to normal business transaction or common business support transaction, within the management's authority, the Company shall calculate the price as well as terms and conditions on the arm's length basis. If there is no such benchmark, the Company shall compare the price of its products and services to outsiders' under the same or similar terms and conditions. To assure that such price is reasonable for the best interests of the Company, the report prepared by an independent evaluator hired by the Company can be deployed to compare the price for critical connected transaction report. The authorized signatories shall not be the person who is authorized to approve the budget amount and the management who has self-interests in such a transaction.
5. Provision of financial support or guarantee of subsidiaries or connected people shall be cautiously performed for the best interests of the Group. The charges, e.g. interest, guarantee fee, etc., shall be calculated with the market price on the date when transaction takes place.
6. In the event that the connected transaction has the value which requires shareholders' approval by three-fourth majority vote of shareholders who has right to vote, the major shareholders who are stakeholders are allowed to attend the meeting in order to complete the quorum, but do not have voting rights. The criterion on base of the vote calculation to approve the connected transaction, excluding stakeholders' part, then, this criteria is irrelevant to the quorum and number of votes.

Policy on Connected Transactions which is Normal Business Transaction Between the Company and its Subsidiaries and Directors, Executives, or their Connected Persons

The connected transaction between the Company together with its subsidiaries on one hand and the directors, the management, or their connected person on the other shall always require the Board of Directors' resolution, except for the transaction worth less than one million Baht. Instead, the Chief Executive Officer (CEO) is authorized to approve of such transaction and is required to report to the Board of Directors within 14 days after such approval. The transaction shall conform the terms and conditions of a standard price, or there is a public announcement on sale-promotion price which is equitably available to other customers or can be compared to general market price.

To count aforementioned value, the multiple connected transaction of the same type, feature, or condition originated in six consecutive months by an individual or related people, or close relatives shall be treated as a single entity.

Policy on Connected Transaction of Futurity

The connected transaction among the Company together with its subsidiaries on one hand and the directors, the management or a connected person on the other shall always require the Board of Directors' approval, except for except for the transaction worth less than one million Baht. Instead, the Chief Executive Officer (CEO) is authorized to approve of such transaction and is required to report to the Board of Directors within 14 days after such approval. The transaction shall conform the terms and conditions of a standard price, or there is a public announcement on sale-promotion price which is equitably available to other customers or can be compared to general market price.

To count aforementioned value, the multiple connected transaction of the same type, feature, or condition originated in six consecutive months by an individual or related people, or close relatives shall be treated as a single entity.

In this regard, the Company shall abide by securities and exchange laws, bylaws, announcement, orders, or regulations by the Stock Exchange of Thailand (SET), including comply with regulations on information disclosure of connected transaction as well as the acquisition or disposal of assets of the Company or its subsidiaries. As for the connected transaction taking place at the present, the Company has laid the following operational policies.

(1) **Office Rent for Subsidiary and Associated Company**

The Company expects to allow its subsidiaries and associated companies to continually rent the area rent at its office at building no. 24/43-45, Vibhavadi Rangsit Road, Ladyao Sub-district, Chatuchak District, Bangkok 10900.

(2) **Image Production**

The Company has INK to support the image production of large and small size for the billboards throughout the country. In addition, on December 15, the Company acquired shares of Gold Star Group Co., Ltd.'s. to support the future growth from the growth of city plan, which resulting in the extension of sky train lines, such as BTS green line, BTS yellow line, BTS pink line, and the extension of other lines.

With potentiality of both companies, the Company is confident that it can adequately support the growth of advertising media in the group and manage the costs to be appropriate for market competition.

7. Connected Persons and/or Shareholders Having Conflict of Interest and Have No Voting Right

There are two shareholders of the Company who having conflict of interest to the Issuance and Offering of the Newly Issued Ordinary Shares to PLANB Transaction and the Entry into Advertising Media Management and Service Agreement Transaction as follows:

- 1) VGI, the major shareholder of the Company (as of 14 November 2019, VGI holds 33.17 percent of total paid-up shares of the Company), is also a major shareholder of PLANB (as of 14 November 2019, VGI holds 18.80 percent of the total paid-up shares of PLANB).
- 2) BTS Group Holdings Public Company Limited (“BTSG”), the major shareholder of the Company (as of 14 November 2019, BTSG holds 18.22 percent of total paid-up shares of the Company), is also the major shareholder of VGI (as of 19 July 2019, BTSG holds 21.22 percent of total paid-up shares of VGI).

Therefore, VGI and BTSG shall have no right to attend and cast their votes for the Issuance and Offering of the Newly Issued Ordinary Shares to PLANB Transaction and the Entering into Advertising Media Management and Service Agreement Transaction.

8. Opinion of the Board of Directors on the Sufficiency of Working Capital of the Company

The Board of Directors opined that the Share Acquisition of Hello LED Transaction and the Issuance and Offering of the Newly Issued Ordinary Shares to PLANB Transaction will not affect the Company’s liquidity as the Company will have proceeds from the Issuance and Offering of the

Newly Issued Ordinary Shares to PLANB Transaction in the amount of THB 1,553,148,000 to be utilized for the Share Acquisition of Hello LED Transaction. In addition, the Company will consider utilizing its THB 396,852,000 short-term credit facilities from financial institutions to pursue the Share Acquisition of Hello LED Transaction.

The information related to the issuance and offering of the newly issued ordinary shares to PLANB is set forth Capital Increase Report Form of Master Ad Public Company Limited (**Enclosure 9**).

In addition, the Board of Directors has opined that the Entry into the Advertising Media Management and Service Agreement Transaction will not affect the Company's liquidity since the Company will receive the minimum consideration which is the steady income stream in each year under the Advertising Media Management and Service Agreement. The Company, then, can further utilize such fund as the Company's working capital.

9. Opinion of the Board of Directors on the Entering into the Connected Transactions

The Board of Directors has opined that the Newly Issued Ordinary Shares to PLANB Transaction and the Entering into Advertising Media Management and Service Agreement Transaction, between the Company and PLANB, who is a connected person of the Company, will be more beneficial to the shareholders than offering the same to the Unconnected Persons as the Company is looking for a strategic partner who has potential and expertise in the sales and management of advertising media in Thailand with diverse client portfolio. After considering options, having PLANB as a shareholder and business partner of the Company will increase the potential in the sales and management of advertising media owned by the Company.

In addition, the offering price is not the price below the market price pursuant to the Private Placement Notification but is the price which is equally to the market price. Therefore, the offering price is an appropriate and fair price to the shareholders of the Company.

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

-None-

11. Proxy Form

Proxy Form details and Information of Independent Director nominated to be the proxy by the Company are detailed in Proxy Form (**Enclosure 15**) and Name Lists and Details of the Independent Directors (**Enclosure 14**) as enclosed with the Invitation to the Extraordinary General Meeting of Shareholders No. 1/2020.