



**Information Memorandum of Master Ad Public Company Limited  
Pursuant to Clause 20(2) of the Notification of Board of Governors  
of the Stock Exchange of Thailand  
Re: Disclosure of Information and Other Acts of Listed Companies  
Concerning the Connected Transaction**

**Information Memorandum of Master Ad Public Company Limited  
Pursuant to Clause 20(2) of the Notification of Board of Governors  
of the Stock Exchange of Thailand  
Re: Disclosure of Information and Other Acts of Listed Companies  
Concerning the Connected Transaction**

---

The Board of Directors' Meeting of Master Ad Public Company Limited (the "**Company**") No. 11/2020 held on December 14, 2020 has passed the resolution to propose a shareholders' meeting of the Company to approve the amendment of the Advertising Media Management and Service Agreement dated January 15, 2020 (the "**Agreement**") with Plan B Media Public Company Limited ("**PLANB**") for an exemption on the payment of the minimum consideration for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021), of which details are specified in the Information Memorandum on the Connected Transaction of Master Ad Public Company Limited (**Enclosure 2**) (the "**Transaction**").

The Transaction constitutes a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of 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) (the "**Connected Transaction Notifications**"). This is because VGI Public Company Limited ("**VGI**"), a major shareholder of the Company (holding 26.58 percent of total paid-up shares of the Company as of July 29, 2020), is also a major shareholder of PLANB (holding 19.58 percent of total paid-up shares of PLANB as of November 25, 2020), therefore, PLANB becomes a connected person of the Company. The value of the minimum consideration according to the Agreement that will be exempted for PLANB for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021), will be equivalent to the transaction size of 14.87 percent of Net Tangible Assets (NTA) of the Company<sup>1</sup> as appeared in the reviewed consolidated financial statements of the Company for the accounting period ending September 30, 2020, and after computing the foregoing with other connected transactions of the Company within the past 6 months before the entry into the Transaction, the total connected transaction size of the Company with which were made with PLANB within the past 6 months is equivalent to 18.87 percent which is more than 3 percent, of total NTA of the Company.

The Company, therefore, proposed to the Extraordinary General Meeting of Shareholders of the Company No. 1/2021 to approve the entering to the Transaction. In this regard, the Company would like to notify the additional information pursuant to clause 20(2) of the Connected Transaction Notifications with the significant information for the shareholders' decisions as follows:

---

<sup>1</sup> The calculation of such Transaction size is based on the assumption that the Company exempts the payment of the minimum consideration to PLANB in full amount for the quarter 3/2020 (during 1 October 2020 to 31 December 2020) and for the quarter 4/2020 (during 1 January 2021 to 31 March 2021) and the Company does not receive any consideration from the sales of advertising media pursuant to the Agreement from PLANB during the aforementioned period. However, in practice, even the Company has granted an exemption to PLANB on the payment of the minimum consideration in such period, the Company will still receive the consideration from PLANB from the sales of advertising media to the customers at the rate 85 or 90 percent (as the case may be) of the actual revenue that PLANB has received from the sales of advertising media of the Company pursuant to the Agreement.

**1. Information Memorandum Pursuant to Clause 16 of the Connected Transaction Notifications**

Information Memorandum pursuant to clause 16 of the Connected Transaction Notifications are appeared in the Information Memorandum on the Connected Transaction of Master Ad Public Company Limited (**Enclosure 2**).

**2. Responsibilities of the Board of Directors of the Company to Information Memorandum**

The Board of Directors has responsibility for the information in this Information Memorandum and other documents sent to the shareholders of the Company. In this regard, the Board of Directors of the Company has carefully reviewed the information in the documents and hereby certify that the information contained in this Information Memorandum 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 Information and Nature of Business Operations**

**3.1. Nature of Business Operations**

Over 30 years of business operations as a major outdoor advertising service provider in Thailand, the Company has acted as a marketing communication channel for entrepreneurs and product owners in order to reach consumers and target groups effectively. The Company has improved the quality of products and services such as the installation of digital advertising as well as expanding the media network through the acquisition of a leading Out-of-Home media companies to enable the Company's media to cover potential areas in Thailand and abroad.

In January 2020, the Company invested in Hello Bangkok Led Co., Ltd., a billboard operator with years of experience and billboards installed in the heart of the business district in Bangkok and other provinces. At the same time, the Company has assigned PLANB to manage all of the advertising media in Thailand. When combined with the affiliated company (Trans.Ad Group), which provides multimedia design and implementation services to the group, the Company will become the leader and owner of an outdoor advertising network in Thailand. This business structure change demonstrates the vision of integrating the domestic strength of the Company as a foundation for strong growth in the future, which will help enable the Company to efficiently focus on expanding the business to international markets as planned.

The next direction of the Company is to focus on expanding the advertising media business to the international market. The Company has already expanded its business into Malaysia and Indonesia through additional investments in Puncak Berlian Sdn. Bhd., an Out-of-Home media business operator. In the past, the performance of advertising media in both countries have improved respectively. Based on such investment, the Company saw a good opportunity to bring knowledge and ability, to help enhance the potential of the Company to enter into joint ventures in the future and drive the Company for steady growth.

Currently, the Company's business can be divided into 2 main categories, namely, 1) advertising media business, and 2) system integration business

- 1) Advertising Media Business

The Company is considered as one of the first billboard media providers in Thailand and is currently the leader of the outdoor media network in the country. In addition, we foreseen the potential of advertising media in foreign countries and therefore began to expand the media network to Malaysia and Indonesia. Currently, the Company's advertising media business is divided into 2 categories, which are 1.1) Domestic advertising media and 1.2) International Advertising media.

## 1.1) Domestic advertising media

### 1.1.1 Billboard

#### Large-format Billboards

Large-format Billboards are installed at key strategic locations such as expressways, city gateways and central business zones where heavy traffic congestions occur and high frequency exposure with a network of more than 203 panels both in Bangkok and upcountry.

#### Small size billboards

Small size billboards are installed at major intersections in upcountry throughout Thailand such as heavy traffic areas, commercial areas, e.g. shopping malls, markets, and educational areas. Currently, there are a total of 452 billboards covering all over Thailand

#### Digital Billboards

Digital media is considered to be a very popular media which is supported by the ability to change, edit, or add information more conveniently and quickly as well as being able to stand out in the marketing campaign. The Company has begun to transform some large static billboards in prime locations into digital billboards. Currently, the Company offers a total of 24 digital billboards in strategic provinces such as Chiang Mai, Khon Kaen, Udon Thani, Phuket and Rayong which are the major cities of each region.

### 1.1.2 Street Furniture

Street Furniture advertising media is another type of media that is outstanding both in terms of location and presentation techniques. It can reach the target like urban people, workers in the business areas and able to meet the demand of the advertisers who want to present marketing campaigns in the downtown areas. The Company has the right to manage Street Furniture advertising media, at 1) Advertising media in the area of the beam-piles under the BTS Skytrain stations, which the Company has the exclusive right from Bangkok Mass Transit System Public Company Limited to install and manage more than 222 advertising media (180 lightboxes and 42 digital screens) at the beam-piles of 21 BTS stations. This new and improved media will help the Company to create creative and attractive media advertisements and increase revenue in the future and 2) the 312 billboards under intersection bridges across Bangkok of which the Company has received management rights from Bangkok

Metropolitan.

## 1.2) International Advertising media

Running the Out-of-Home media business overseas is another important strategy of the Company. Currently, the Company provides advertising media in Malaysia and Indonesia with a network covering the Out-of-Home media such as advertising media in public transportation systems, airports and outdoor media, etc.

### 1.2.1 Advertising media in public transportation systems

The Company has exclusive rights to manage media on stations and on the SBK line of MRT Malaysia for a total of 10 years, starting from 2016 to 2026. The SBK line has a total of 31 stations and 48 trains. In addition, the Company has been granted exclusive rights for a total of 20 years, starting from 2019 to 2039, in media management on the North-South Line of the first Indonesian MRT. North-South Line has 13 stations and 16 trains.

### 1.2.2 Advertising media in the airports

The Company has been licensed as an advertising media provider in Kuala Lumpur International Airport, both in Building 1 and Building 2, with sole management rights for 7 years starting from the year 2014 and the right to extend the contract for another 3 years.

### 1.2.3 Advertising media in Office Building

The comprehensive and extensive advertising network can render the attractiveness to the media advertising service provider. The Company has expanded the service of digital media into 155 office buildings in 30 buildings throughout Malaysia.

## 2) System Integration

The Company, under the operation of Trans.Ad and Roctec, provides system integration in term of multi- media, communication network, control, etc. Such service starts from the design of the 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 displays at the airports in Hongkong and digital media of VGI and the Company.

## 3.2. Business Trend

The Company still operates business as an asset owner of advertising media in Thailand and a service provider for the construction, sourcing, installation, and maintenance of such advertising media. 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, the Company adjusted 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 and granted 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 focuses on improving and expanding its out of home media advertising business in overseas and its other business instead. In this regard, the Company entered into the Agreement with PLANB to appoint PLANB as a manager of all advertising media in Thailand of the Company's and its subsidiaries in order to be in line with the future business policy of the Company.

#### 4. Summary of Financial Statements During the Past 3 Years and the Latest Quarter ended 30 September 2020 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

##### 4.1 Summary of Financial Statements During the Past 3 Years and The Latest Quarter ended 30 September 2020

###### (A) Statement of Financial Position

Statement of financial position	As at 30 September 2020	As at 31 March 2020 (Restated)	As at 31 December 2019 (Restated)	As at 31 December 2018 (Restated)	As at 31 December 2017 (Restated)
Cash and cash equivalents	1,199,348,134	1,216,490,944	718,870,683	642,727,611	203,235,067
Trade and other receivables	574,229,994	640,764,145	847,093,387	710,070,468	351,418,213
Other current assets	416,971,830	360,434,748	392,964,725	437,939,361	132,607,414
<b>Total current assets</b>	<b>2,190,549,958</b>	<b>2,217,689,837</b>	<b>1,958,928,795</b>	<b>1,790,737,440</b>	<b>687,260,694</b>
Property, plant and equipment	878,226,484	877,127,272	931,155,610	612,738,833	485,923,660
Goodwill	906,667,823	909,734,841	898,541,451	842,809,821	645,977,818
Intangible assets	527,101,280	556,798,832	669,637,774	610,543,578	79,783,222
Other non-current assets	4,557,911,080	4,625,497,779	416,868,123	306,901,165	269,844,748
<b>Total non-current assets</b>	<b>6,869,906,666</b>	<b>6,969,158,724</b>	<b>2,916,202,958</b>	<b>2,372,993,397</b>	<b>1,481,529,448</b>
<b>Total assets</b>	<b>9,060,456,625</b>	<b>9,186,848,561</b>	<b>4,875,131,753</b>	<b>4,163,730,837</b>	<b>2,168,790,142</b>
Short-term loans from financial institutions	1,249,680,000	1,029,680,000	345,000,000	260,000,000	230,000,000
Trade and other payables	1,031,442,541	864,384,697	825,622,600	587,139,650	163,168,740
Other current liabilities	998,300,609	914,355,762	386,668,021	278,587,554	107,725,540
Other non-current liabilities	1,997,256,721	2,074,444,353	294,720,451	164,420,600	45,129,334
<b>Total liabilities</b>	<b>5,276,679,871</b>	<b>4,882,864,812</b>	<b>1,852,011,072</b>	<b>1,290,147,804</b>	<b>546,023,614</b>
Issued share and fully paid-up	541,198,091	541,198,091	433,198,091	412,668,177	343,891,037
Share premium	3,796,470,008	3,796,470,008	2,358,206,863	2,050,258,152	743,492,478
Differences on business combination under common control	(226,799,825)	(226,799,825)	(226,799,825)	(226,799,825)	-

Statement of financial position	As at 30 September 2020	As at 31 March 2020 (Restated)	As at 31 December 2019 (Restated)	As at 31 December 2018 (Restated)	As at 31 December 2017 (Restated)
Deficit from changes in ownership interests in subsidiaries	(305,788,290)	(283,721,989)	(283,721,989)	(152,874,875)	21,020,149
Retained earnings (deficit)	(67,238,036)	272,626,561	477,286,230	454,146,092	318,088,991
Other components of shareholders' equity	(26,381,926)	(9,956,268)	(38,566,975)	(9,605,067)	(59,392)
Equity attributable to owners of the Company	3,711,460,023	4,089,816,578	2,719,602,395	2,527,792,654	1,426,433,263
Non-controlling interests of the subsidiaries	72,316,731	214,167,171	303,518,286	345,790,379	196,333,265
<b>Total shareholders' equity</b>	<b>3,783,776,754</b>	<b>4,303,983,749</b>	<b>3,023,120,681</b>	<b>2,873,583,033</b>	<b>1,622,766,528</b>

(B) Statement of Comprehensive Income

Statement of comprehensive income	As at 30 September 2020	As at 31 March 2020 (Restated)	As at 31 December 2019 (Restated)	As at 31 December 2018 (Restated)	As at 31 December 2017 (Restated)
Revenues from services and sales	511,598,868.47	333,568,697.28	1,709,656,413	1,194,370,575	935,657,897
Revenues from system installation services	506,864,485.09	278,570,471.96	1,243,992,344	501,371,265	-
Other income	11,793,230.50	35,553,186.58	91,529,767	41,883,728	26,472,742
<b>Total revenues</b>	<b>1,030,256,584.06</b>	<b>647,692,355.82</b>	<b>3,045,178,524</b>	<b>1,737,625,568</b>	<b>962,130,639</b>
Costs of services and sales	519,532,631.06	252,827,883.51	971,576,331	522,429,106	389,637,579
Cost of system installation services	399,783,181.33	212,514,897.26	929,802,329	378,224,841	-
Selling and Administrative expenses	418,444,479.80	430,925,944.21	814,609,591	486,950,912	313,038,295
<b>Total expenses</b>	<b>1,337,760,292.20</b>	<b>896,268,724.98</b>	<b>2,715,988,251</b>	<b>1,387,604,859</b>	<b>702,675,874</b>
Profit (loss) before share of loss from investments in associates, finance cost and income tax expenses	(307,503,708.13)	(248,576,369.16)	329,190,273	350,020,709	259,454,765
Share of loss from investments in associates	(145,521,767.62)	681,309.02	(99,726,945)	(33,690,199)	6,631,464
<b>Profit (loss) before finance cost and income tax expenses</b>	<b>(453,025,475.76)</b>	<b>(247,895,060.14)</b>	<b>229,463,328</b>	<b>316,330,510</b>	<b>266,086,229</b>
Finance cost	80,021,223.95	39,410,196.72	16,363,063	11,150,810	7,805,821
<b>Profit (loss) before income tax expenses</b>	<b>(533,046,699.70)</b>	<b>(287,305,256.86)</b>	<b>213,100,265</b>	<b>305,179,700</b>	<b>258,280,408</b>
Income tax	(15,478,874.92)	(82,600,974.47)	77,884,633	72,688,754	49,204,533
<b>Profit (loss) for the period</b>	<b>(517,567,824.78)</b>	<b>(204,704,282.39)</b>	<b>135,215,632</b>	<b>232,490,946</b>	<b>209,075,875</b>

Statement of comprehensive income	As at 30 September 2020	As at 31 March 2020 (Restated)	As at 31 December 2019 (Restated)	As at 31 December 2018 (Restated)	As at 31 December 2017 (Restated)
<b>Profit (loss) attributable to Equity holders of the Company</b>	<b>(339,864,779.53)</b>	<b>(128,584,798.50)</b>	<b>160,581,291</b>	<b>272,233,158</b>	<b>220,861,403</b>

(C) Cash Flow Statements

Cash flow statement	As at 30 September 2020	As at 31 March 2020 (Restated)	As at 31 December 2019 (Restated)	As at 31 December 2018	As at 31 December 2017 (Restated)
Net cash flows from (used in) operating activities	7,811,257.83	454,905,941	290,203,301	29,456,481	225,348,896
Net cash flows used in investing activities	(360,960,490.93)	(2,034,795,061)	(483,995,973)	(1,145,153,520)	(597,190,596)
Net cash flows from financing activities	349,572,892.01	2,077,585,914	(153,821,339)	1,162,137,054	264,563,859
Translation adjustments	(13,570,466.22)	(76,532)	4,722,759	(6,947,471)	(1,983,584)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(17,146,807.31)</b>	<b>497,620,261</b>	<b>(342,891,252)</b>	<b>439,492,544</b>	<b>(109,261,425)</b>

(D) Financial Ratios

	As at 30 September 2020	As at 31 March 2020	As at 31 December 2019	As at 31 December 2018	As at 31 December 2017
<b>Profitability Ratios</b>					
Gross profit	8.1%	24.0%	35.6%	46.9%	58.2%
Operating EBITDA	-8.7%	-11.2%	15.5%	26.0%	37.3%
Net profit (incl. minority interest)	-50.2%	-33.4%	4.6%	13.7%	24.3%
Net profit	-31.7%	-21.0%	5.4%	16.1%	23.7%
Return on equity	-13.3%	-0.2%	6.1%	13.7%	17.4%
<b>Efficiency Ratios</b>					
Return on assets	-9.8%	-1.5%	5.1%	10.2%	15.6%
Return on fixed assets	-71.8%	-12.3%	29.7%	58.4%	87.6%
Asset turnover	0.4	0.4	0.7	0.6	0.5
<b>Liquidity Ratios</b>					
Current ratio	0.7	0.8	1.3	1.6	1.4
Quick ratio	0.7	0.8	1.3	1.6	1.4
Quick ratio	3.4	4.0	3.8	3.2	3.1
Account receivable turnover	107	94	96	114	69
Average collection period	173	143	126	138	145
<b>Payable days</b>					
Efficiency Ratios	1.4	1.1	0.6	0.4	0.4
Liability to Equity	0.4	0.3	0.2	0.0	0.2



4.2 **Explanation and Analysis for the Financial Status and Operating Result for Year 2019/2020 ended March 31, 2020 and the 2<sup>nd</sup> Quarter for Year 2020/2021 ended September 30, 2020**

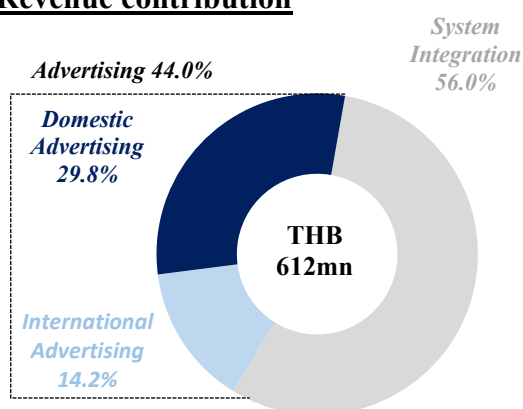
(A) **Overall Operating Result of Year 2019/2020**

**3M 2020 PERFORMANCE ANALYSIS (YOY)**

In April 2020, following to the approval of shareholders' meeting held on 24 April 2019, the Company has changed its fiscal year to start from April to March (Previous: January to December). Therefore, the statement of comprehensive income will demonstrate the performance of 12-month ended December 2019 and 3-month ended March 2020. However, the Company will analyze performance for the period of January-March 2020 ("3M 2020") and January-March 2019 ("3M 2019") in order to compare on a like-for-like basis.

During 3M 2020, the Company recorded an operating revenue of THB 612 million, a decrease of 13.7% from THB 710mn in 3M 2019. The decrease was mainly affected from the economic slowdown as a result from the COVID-19 pandemic, which started in early 2020. With respect to the Advertising business revenue, it has increased by 3.1% YoY, or equivalent to THB 270 million, which is contributed of 44.0% of total revenue. The growth in this business unit was mainly driven by full-quarter consolidation of International Advertising operated by VGI Global Media (Malaysia) Sdn. Bhd. ("VGM"), which started in July 2019. System Integration revenue contributed 56.0% of total revenue or equivalent to THB 343million, decreased by 23.6% YoY. This was resulted from less revenue recognition from project management due to the aforementioned COVID-19 crisis.

**Revenue contribution**



**Revenue by segment (THB million)**

	3M 2019	3M 2020	YoY (%)
<b>Advertising</b>	261	270	3.1%
<b>Domestic Advertising</b>	261	182	-30.2%
<i>Billboard &amp; Other</i>	153	101	-34.2%
<i>Street Furniture &amp; Digital</i>	108	81	-24.6%
<b>International Advertising</b>	-	87	n/a
<b>System Integration</b>	448	343	-23.6%
<b>Total Revenue</b>	<b>710</b>	<b>612</b>	<b>-13.7%</b>

Cost of sales slightly decreased from THB 466 million to THB 465 million, while cost-to-sales ratio increased from 65.6% to 76.0% in 3M 2020. The increase in cost-to-sales ratio was mainly driven from the full-quarter consolidation of International Advertising segment. VGM's cost structure is higher than the Company's Domestic Advertising segment due to higher cost from concession in Transit and Airport media. As a result, overall gross profit margin was decreased from 34.4% to 24.0%.

Selling, General and Administrative expenses (“SG&A”) increased significantly by 184.0% YoY to THB 431 million. The increase was primarily from the non-recurring expenses from impairment of assets and loss on disposals/write-off of assets of THB 222 million, resulted in an increase in SG&A to revenue ratio from 21.4% to 70.4%. However, excluding the aforementioned items, the SG&A from normal operation increased by 38.0% YoY to THB 209 million from THB 152 million. While SG&A from normal operation to revenue ratio increased from 21.4% to 34.1% in this quarter due to the aforementioned consolidation.

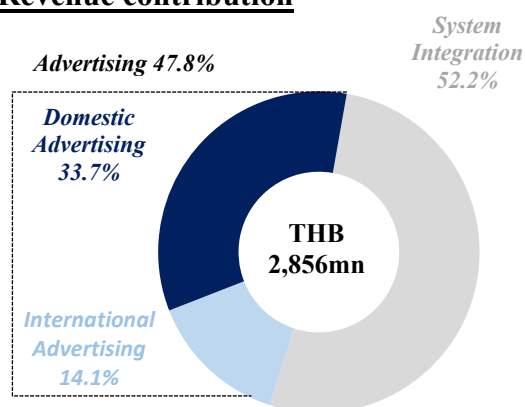
In 3M 2020, the Company recorded net loss from one-time expenses of THB 180 million from 1) impairment of assets, 2) loss on disposals/write-off of assets and 3) an adoption of new accounting standard (TFRS 16). This consequently led to the record of net loss of THB 129 million, a decrease of 417.5% YoY. Excluding the one-time expenses, the Company recorded Net Profit from operation of THB 51 million, an increase of 25.0% YoY.

### OVERALL OPERATING RESULT OF YEAR 2019/20 (UNAUDITED)

In 2019/20, the Company recorded an operating revenue of THB 2,856 million, an increase of 34.2% from THB 2,129 million in 2018/19. The growth was mainly driven by 1) the full-year consolidation of the System Integration segment through Trans.Ad Group and 2) the 9-month consolidation of International Advertising operated by VGM, which started in July 2019.

For year 2019/2020, the revenue contribution of the Company was divided into 1) Domestic Advertising revenue of 33.7% of total revenue (or THB 963 million), 2) International Advertising revenue of 14.1% of total revenue (or THB 403 million) and 3) System Integration revenue of 52.2% of total revenue (or THB 1,490 million).

#### Revenue contribution



#### Revenue by segment (THB mn)

	2018/19	2019/20	YoY (%)
<b>Advertising</b>	<b>1,039</b>	<b>1,366</b>	<b>31.5%</b>
<b>Domestic Advertising</b>	<b>1,039</b>	<b>963</b>	<b>-7.3%</b>
Billboard & Other	531	529	-0.4%
Street Furniture & Digital	508	435	-14.4%
<b>International Advertising</b>	<b>-</b>	<b>403</b>	<b>n/a</b>
<b>System Integration</b>	<b>1,090</b>	<b>1,490</b>	<b>36.7%</b>
<b>Total Revenue</b>	<b>2,129</b>	<b>2,856</b>	<b>34.1%</b>

**Cost of sales** increased by 51.2% YoY from THB 1,257 million to THB 1,901 million mainly due to the consolidation of VGM and Trans.Ad Group, which has a cost structure higher than MACO’s domestic business due to higher expenses from concession in Transit and Airport Media, while Trans.Ad Group’s cost is mainly from hardware and software.

**Selling, General and Administrative expenses** increased significantly by 107.6% YoY to THB 1,094 million. The increase was primarily from the non-recurring expenses from impairment of assets and loss on disposals/write-off of assets of THB 222 million, resulted in an increase in SG&A to revenue ratio from 24.8% to 38.3%. However, excluding the aforementioned items, the SG&A from normal operation increased by 65.4% YoY from THB 527 million to THB 872 million. While SG&A from normal operation to revenue ratio increased from 24.8% to 30.5% in this year due to the aforementioned consolidation of VGM and Trans.ad Group, including the consolidation of Gold Star Group Co., Ltd., which started in December 2019.

In 2019/20, the Company recorded net loss from one-time expenses of THB 180 million from 1) impairment of assets, 2) loss on disposals/write-off of assets and 3) an adoption of new accounting standard (TFRS 16). This consequently led to the record of net loss of THB 9mn, a decrease of 103.3% YoY. Excluding the one-time expenses, the Company recorded Net Profit from operation of THB 171mn, a decrease of 34.2% YoY. The lower-than-expected net profit performance was partially impacted from the economic slowdown as a result from the COVID-19 pandemic, which started in early 2020.

**(B) Overall Operating Result of the 2<sup>nd</sup> Quarter for Year 2020/2021**

**Financial Position**

From 1 January 2020, the Company has adopted Thai Financial Reporting Standards (TFRS) which consists of TFRS 9 – Financial Instruments and TFRS 16 – Leases as per the following details:

- Under TFRS 9, the Company is required to classify the derivatives and credit losses as financial assets. The Company will measure fair value of all derivatives and recognized in profit and loss statement, while the credit losses is to consider as impairment of trade receivables.
- Under TFRS 16, the Company is required to record lease contract which has outstanding period of more than 12 months in the financial statements. The affected lease contracts related to the lease of space of advertising, office building space, motor vehicles and equipment.

**ASSETS**

ASSETS BREAKDOWN	31 MARCH 2020		30 SEPTEMBER 2020	
	(THB million)	% out of total	(THB million)	% out of total
Cash & cash equivalents and current investments	1,216	13.2%	1,200	13.2%
Trade & other receivables	641	7.0%	574	6.3%
Investment in joint venture and associates	2,129	23.2%	2,264	25.0%
Property, plant and equipment	877	9.5%	878	9.7%
Right-of-use assets	2,233	24.3%	1,993	22.0%
Goodwill and Intangible assets	1,467	16.0%	1,434	15.8%
Other assets	624	6.8%	717	7.9%
<b>Total assets</b>	<b>9,187</b>	<b>100.0%</b>	<b>9,060</b>	<b>100.0%</b>

As of 30 September 2020 the Company has **Total assets** of THB 9,060 million, a decrease of 1.4% or THB 127 million from THB 9,187 million as of 31 March 2020.

**Total current assets** were THB 2,191 million, decreasing by 1.2% or THB 27 million, primarily from a decrease in 1) trade and other receivables of THB 67 million, which was mainly offset by an increase in 2) advances to contractors of THB 34 million.

**Total non-current assets** stood at THB 6,870 million, decreasing by 1.4% or THB 99 million, primarily from a decrease in 1) right-of-use assets of THB 240 million due to the exercise of assets optimization and 2) goodwill and intangible assets of THB 33 million. The decrease in non-current assets was partially offset by an increase in 3) investments in joint venture and associates of THB 135 million and 4) deferred tax assets of THB 38 million.

**Trade and other receivables** were THB 574 million, a decrease of 10.4% or THB 67 million from THB 641 million as of 31 March 2020, which was mainly from the provision for doubtful debt and cash received. The average collection period as at the end of this quarter was 107 days compared to 94 days as of 31 March 2020.

<b>AGEING OF TRADE RECEIVABLES (THB mn)</b>	<b>31 MARCH 2020</b>	<b>30 SEPTEMBER 2020</b>
Not yet due	176	150
Up to 3 months	182	108
3 - 6 months	76	86
6 - 12 months	12	109
Over 12 months	13	19
<b>Total</b>	<b>459</b>	<b>472</b>
Allowance for doubtful debt	31	85

#### **LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>LIABILITIES AND EQUITY BREAKDOWN</b>	<b>31 MARCH 2020</b>		<b>30 SEPTEMBER 2020</b>	
	<b>(THB million)</b>	<b>% out of total</b>	<b>(THB million)</b>	<b>% out of total</b>
Short-term loans from financial institutions	1,030	11.2%	1,250	13.8%
Trade and other payables	864	9.4%	1,031	11.4%
Advances received from employers and unearned revenue	259	2.8%	277	3.1%
Other current liabilities	227	2.5%	286	3.2%
Lease liabilities	2,196	23.9%	2,001	22.1%
Other non-current liabilities	307	3.3%	431	4.8%
<b>Total liabilities</b>	<b>4,883</b>	<b>53.2%</b>	<b>5,277</b>	<b>58.2%</b>
<b>Shareholders' equity</b>	<b>4,304</b>	<b>46.8%</b>	<b>3,784</b>	<b>41.8%</b>
<b>Total liabilities and equity</b>	<b>9,187</b>	<b>100.0%</b>	<b>9,060</b>	<b>100.0%</b>

**Total liabilities** were THB 5,277 million, increasing by 8.1% or THB 394 million from THB 4,883 million as of 31 March 2020 mainly from the increase in 1) loans of THB 397 million, which was mainly for the investment in VGI Vietnam Joint Stock

Company, 2) trade and other payables of THB 167 million and 3) advances received from employers and unearned revenue of THB 18 million. This increase was mainly offset by a decrease in 4) lease liabilities of THB 194 million from to the exercise of assets optimization.

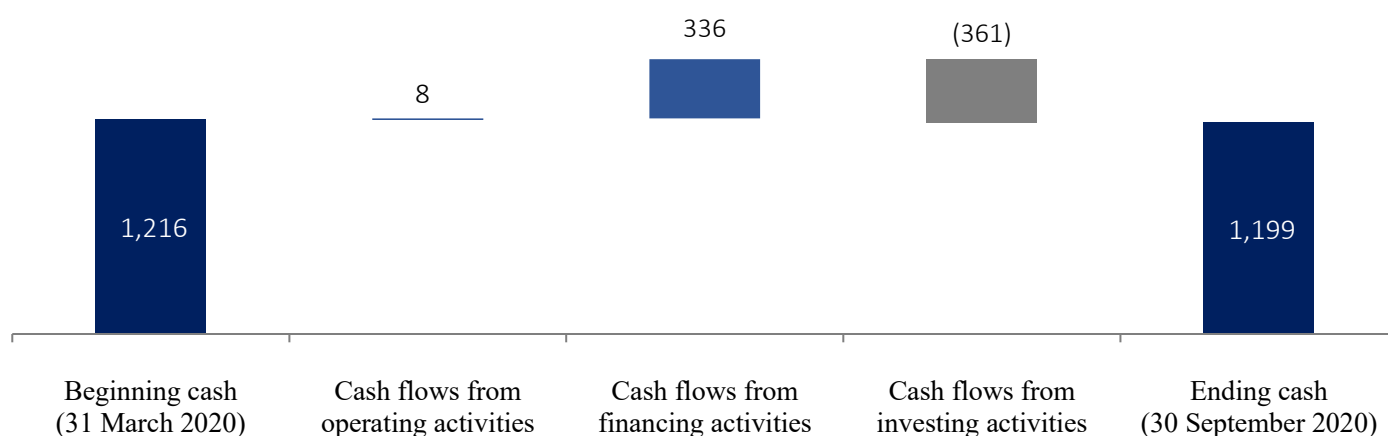
**Total equity** was THB 3,784 million decreased by THB 520 million or 12.1%. This was mainly attributed to a decrease in 1) retained earnings of THB 340 million and 2) non-controlling interests of the subsidiaries of THB 142 million.

### CASH FLOW

As of 30 September 2020, the Company had **net cash from operating activities** of THB 8 million. **Net cash received from financing activities** was THB 350 million. The key components were cash received from 3) short-term and long-term loans from financial institutions of THB 733 million, which was partially offset by the decrease in 4) short-term loans from financial institutions of THB 320 million. **Net cash used in investing activities** was THB 361 million, mainly from cash paid for 1) purchases of investments in associate of THB 283 million and 2) acquisition of equipment of THB 96 million.

### 6-MONTH CASH FLOW SNAPSHOT

(THB Million)



\*Included translation adjustment of THB 14mn

### KEY FINANCIAL RATIOS

		2Q 2019/20	2Q 2020/21		31- Mar- 2020	30- Sep - 2020	
<b>Profitability Ratios</b>				<b>Liquidity Ratios</b>			
Gross profit	(%)	35.5%	8.1%	Current ratio	(times)	0.8	0.7
Operating EBITDA	(%)	15.5%	-8.7%	Quick ratio	(times)	0.8	0.7
Net profit (incl. minority interest)	(%)	5.6%	-50.2%	Account receivable turnover	(times)	4.0	3.4

		2Q 2019/20	2Q 2020/21		31- Mar- 2020	30- Sep - 2020	
Net profit	(%)	4.7%	-31.7%	Average collection period	(days)	94	107
Return on equity	(%)	7.3%	-13.3%	Payable days	(days)	143	173
<b>Efficiency Ratios</b>				<b>Efficiency Ratios</b>			
Return on assets	(%)	6.5%	-9.8%	Liability to Equity	(times)	1.1	1.4
Return on fixed assets	(%)	36.6%	-71.8%	Debt to equity	(times)	0.3	0.4
Asset turnover	(times)	0.7	0.4				

Remark:

- Financial ratios were calculated based on The Stock Exchange of Thailand's formula.

### Analysis of Operating Result for the Period of 3 months Compared to the Same Period Last Year

In 2<sup>nd</sup> quarter of year 2020/21, the Company recorded an **operating revenue** of THB 507 million, a decrease of 32.2% YoY. The decline on overall performance was from the prolonged impact of COVID-19 pandemic, which resulted in more lockdowns and travel restrictions in several countries including Thailand, Malaysia and Indonesia – the Company's major markets. In Thailand, despite the success in containing the COVID-19, economic growth is forecasted to contract by -7.8%<sup>2</sup>; the lowest growth among ASEAN countries. In addition, a range of political issues are loading to an uncertain economic recovery.

**Advertising business revenue** contributed 35.3% of total revenue or THB 179 million, decreasing by 56.8% YoY. The decline is a result of the aforementioned COVID-19 crisis, which has caused a considerable drop in advertising spending.

- **Domestic advertising revenue** was THB 122million, a decrease of 52.6% YoY. In this quarter, MACO recorded a revenue sharing at 85-90% from PLANB under the Agreement, which started in July 2020.
- **International advertising revenue** was THB 57 million, a decrease of 63.8% YoY.

**System Integration revenue** contributed 64.7% of total revenue or THB 328 million decreasing by 1.5% YoY.

**Cost of sales** decreased from THB 482 million to THB 466 million or THB 16 million due to the exercise of assets optimization in the last quarter. **Cost-to-sales ratio** increased from 64.5% to 92.0% in 2Q 2020/21. The significant increase in cost-to-sales ratio was from primarily from a decrease in revenue base.

As a result, **gross profit** decreased by 84.6% YoY to THB 41mn, while **gross profit margin** decreased to 8.0% from 35.5% in the same period last year.

**Selling, General and Administrative expenses** decreased by 12.9% YoY to THB

<sup>2</sup> Bank of Thailand

211million. This was mainly from the relocation of the sales and marketing team to PLANB under the Agreement. **SG&A to revenue ratio** increased from 32.4% to 41.6%.

In this quarter, the Company recorded a **share of loss from investment in joint ventures & associates** of THB 53 million. The recognition of share of loss was mainly from the severe COVID-19 impact in Indonesia market.

As a result of the aforementioned circumstance, the Company recorded **net loss** of THB 161 million in this quarter, a decrease of 497.1% YoY with a **net loss margin** of 31.7%. **EBITDA** for this quarter is a negative of THB 44 million.

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

### 5.1 List of the Board of Directors as December 14, 2020

Name	Position
1. Mr. Phoon Chiong Kit	Chairman of the Board of Director / Chairman of the Executive Committee / Chief Executive Officer
2. Mr. Chaiyasit Puvapiromquan	Director
3. Mr. Siew Ko Chuen	Director
4. Mr. Sathundon Sattayabusya	Director
5. Mr. Voraphot Chanyakomol	Independent Director / Chairman of Audit Committee
6. Mr. Danai Tangsriviriyakul	Independent Director / Audit Committee
7. Mr. Chalush Chinthammit	Independent Director / Audit Committee

### 5.2 List of the Executives as of November 25, 2019

Name	Position
1. Mr. Phoon Chiong Kit	Chairman of the Executive Committee / Chief Executive Officer
2. Mr. Siew Ko Chuen	Executive Committee
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

<b>Name</b>	<b>Position</b>
6. Mr. Panaikorn Nuchmak	Executive Committee / Chief Technical Officer

**5.3 List of the Top 10 Shareholders as of December 16, 2020 (The Latest Record Date of the Company)**

<b>Major shareholders</b>	<b>No. of Shares</b>	<b>Shareholding Percentage</b>
1. VGI Global Media Public Company Limited	1,438,367,596.00	26.58
2. Mr. Nares Ngam-Apichon	1,082,000,000.00	19.99
3. BTS Group Holdings Public Company Limited	789,150,660.00	14.58
4. Thai NVDR Company Limited	597,799,916.00	11.05
5. Plan B Media Public Company Limited	540,000,000.00	9.98
6. Mr. Noppadon Tansalarak	67,453,899.00	1.25
7. Mr. Watthana Jaroennawarat	36,640,000.00	0.68
8. Mrs. Duangporn Kositsakul	31,980,000.00	0.59
9. Miss Pornrat Maneerattanporn	31,800,000.00	0.59
10. Mr.Kiat Srichomkwan	21,843,320.00	0.40

**6. Connected Transaction as Appeared in during the 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 September 30, 2020, 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 2019	3 months ended March 31, 2020	6 months ended September 30, 2020	
Inkjet Images (Thailand) Co., Ltd. ("INK"), engages in inkjet computerized graphics production business	(1) A joint investment with 1. The Company holds 50 percent 2. Pico (Thailand) Public Company Limited holds 22.22 percent 3. Mr. Lim Chee Min holds 16.67 percent 4. Miss Pornthip Loharattanasaney holds 11.11 percent (2) The Company and INK have 1 common director, i.e. Mr. Phoon Chiong Kit	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 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, 2022.	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 as the Company has renovated the rented space to be able to utilize together with other facilities.	0.32	0.05	0.10	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 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.	11.64	2.97	2.99	It is an ordinary course of business. Having affiliate company as the production house will positively affect 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.	12.59	2.85	5.70	Rent for normal business operation. The rental rate is not different from other lessees.
PLANB	PLANB is a major shareholder of Master Ad Public Company Limited, holding 9.98 percent of total shares	Appoint PLANB as an advertising media sale representative, with the company receiving annual minimum consideration of at least THB 700,000,000 for a	The compensation is a common practice used in the industry. For the minimum compensation under the contract, the company has considered revenues from	-	97.14	113.02	The Company has a plan to adjust the company's core business from "Advertising Media Providers" directly to customers to be an owner

Person / Juristic Person with Conflict of Interest	Relationship	Nature of Transaction	Details and Pricing Policy	Transaction Value			Necessity and Rationale of Transaction
				Year 2019	3 months ended March 31, 2020	6 months ended September 30, 2020	
	and 9.98 percent through Thai NVDR.	minimum of 4 years and at least THB 350,000,000 for the first year	advertising billboards after Asset Optimization Exercise between the Company and Plan B, together with the actual selling cost of the company in the past.				of the advertising media in Thailand, which is responsible for the construction, procurement, installation and maintenance of the media by granting the right to manage the advertising media of the Company and Company's subsidiaries in Thailand to PLANB, who is an expert in managing and selling advertising media, because PLANB has the potential and expertise in selling advertising media in Thailand and has a diverse customer base. PLANB understands of the Company business practices and can responds to the expanding of customer base which is the target group of the company better than the other independent advertising media providers in the market. With PLANB as a shareholder and partner of the company, the Company will enhance the potential in managing and selling advertising media of the Company.

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

-None-