

maco

MASTER AD PUBLIC COMPANY LIMITED

LAYING THE FOUNDATION FOR **GROWTH**

ANNUAL REPORT 2018





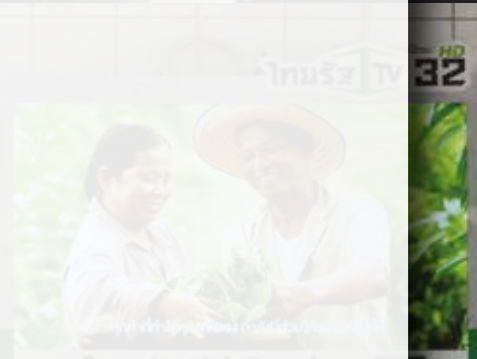
Krungsri SME
Empowerment

อัพเกรดธุรกิจ
ด้วยพลังความคิดและเครือข่าย

Call 0 2626 2626 | www.krungsri.com/sme



Master Ad Public Company Limited
is the only out-of-home advertisement media
service provider with a network covering all provinces in Thailand,
consisting of over 2,000 strategic locations.
Through our innovative technology, we communicate
your messages with precision to your target consumers.



CONTENT



Introduction

Our Vision and Mission	02
Financial Highlights	04
Message from the Chairman	06
Message from the Chief Executive Officer	08
Audit Committee Report	10
Our Board of Directors	12
Our Management	13
Organisation Chart	14

Our Business

Important Events in 2018	16
Our History	18
Business Overview	20
Corporate Profile	25
Shareholding structure	26
Dividend Payment Policy	27
Corporate Structure	28
Subsidiaries and Associated Companies Information	29

Annual Business Review

Media Industry and Competitive Strategy	34
Risk Factors	37
Social, Community and Environment	
Responsibility for Sustainable Growth	39
Management Discussion and Analysis 2018	40

Corporate Governance Report

Management Structure	46
Corporate Governance Policy	49
Nomination and Remuneration of Directors and Executives	66
Internal Control and Risk Management	68
Related Party Transactions	71
Profiles of Directors and Executives	74
Information on the Positions of the Director and the Executive in the Company, Subsidiaries and Associates	82

Financial Report

Director's Responsibility Report	84
Independent Auditor's Report	85
Audited Financial Statements	89
Notes to Consolidated Financial Statements	99

VISION

To enrich lifestyles by offering innovative Out-of-home media advertisement and smart connection platform across the ASEAN region in conjunction with the principles of good governance and social and environmental responsibility

MISSION

Deliver premium solutions by offering Insight and Integrated Out-of-home media advertising to ignite engagement and purchasing using our experiences team and strong partners.

1.2 Financial Highlights

	2016	2017	2018	YoY(%)
STATEMENT OF COMPREHENSIVE INCOME (THB mn)				
Revenue from services ⁽¹⁾	735	936	1,734	85.4%
Billboard	370	595	840	41.3%
Street Furniture	365	341	274	-19.6%
System Integration	-	-	620	
Cost of sales	330	390	900	131.1%
Gross profit	405	546	834	52.7%
EBITDA	173	342	444	29.9%
Net profit	102	221	273	23.4%
STATEMENT OF FINANCIAL POSITION (THB mn)				
Total assets	1,631	2,169	4,107	
Total liabilities	472	546	1,389	
Total shareholders' equity	1,159	1,623	2,718	
PER SHARE DATA (THB / share)				
Earnings per share	0.03	0.07	0.07	
Dividend per share ⁽²⁾	0.03	0.04	0.04	
Book value per share	0.23	0.48	0.74	
KEY RATIOS				
Gross profit margin (%)	55.1%	58.2%	48.1%	
EBITDA margin (%)	23.5%	37.3%	25.6%	
Net profit margin (%)	14.1%	24.3%	15.7%	
Debt to equity (times)	0.4X	0.4X	0.5X	
ROA (%)	11.5%	14.0%	10.2%	
ROE (%)	11.1%	17.4%	13.8%	
SHARE INFORMATION (as of 31 December of each year)				
Share price (THB)	1.21	2.02	1.52	
Outstanding shares (shares mn)	3,343	3,439	4,127	
Market capitalisation (THB mn)	4,045	6,947	6,273	
Par value (THB per share)	0.10	0.10	0.10	

Note:

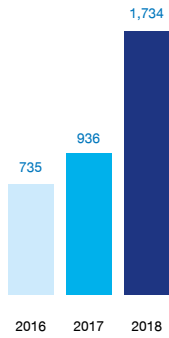
(1) Excludes other income

(2) The total dividend payment from 2018 operations was THB 157mn

Revenue Structure

Revenue from services

(THB mn)

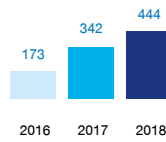


YOY

85.4%

EBITDA

(THB mn)

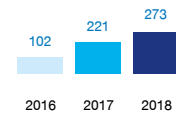


YOY

29.9%

Net profit

(THB mn)



YOY

23.4%

2017 Revenue Contribution



48.4%

Billboard



15.8%

Street Furniture



35.8%

System Integration



Total

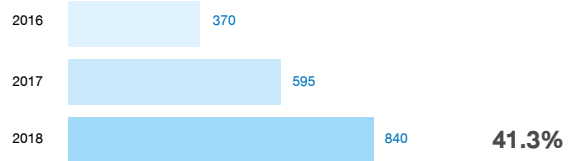
1,734 THB

Revenue by Business units

(THB mn)



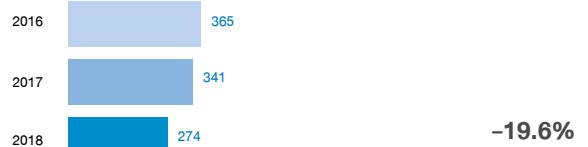
Billboard



41.3%



Street Furniture



-19.6%



System Integration



1.3

Message from the Chairman of the Board



Throughout the course of business operations of Master Ad Public Company Limited (“MACO”), the Company has been committed to continuous business growth. Since 2015, the Company has expanded its business by leaps and bounds through mergers and acquisitions to expand the service base to areas that are strategically important, covering areas throughout Thailand. The Company has put in place strategies to keep pace with the changes in the media industry by changing the static media to digital media in order to add a variety of services to customers.

As the Chairman of the Board, I am very pleased that MACO has continuously improved its performance until able to create a new history with the highest results since the operation. The past success is caused by elements in many parts, but the most important factor is because we do not stop developing and always looking for business opportunities. In 2018, MACO expanded its digital media management capabilities by investing in Trans. Ad Solution Co., Ltd. and Roctec Technology Limited. Both companies are experts in system integrations with many important works both in the country and abroad. In addition, MACO also invested in Gold Star Group Co., Ltd., who specializes in the design and production of print media to enhance the production of advertising media of the Company as well as the production that will increase in the future.

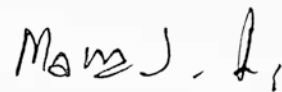
Moreover, MACO is also prepared to be the leader by expanding its out of home media business overseas by investing in VGI Global Media (Malaysia) Sdn. Bhd. This investment allows the Company to receive special privileges in managing advertising media in Malaysia and Indonesia. In November, the Company entered into a joint venture agreement with Belino Investment Limited which is the subsidiary of Sinarmas group - the giant conglomerate in Indonesia. The aim is to expand its outdoor media business to Indonesia. It is an important step for the Company to expand its outdoor advertising media base to cover the Southeast Asian region according to its mission. The total investment in the year 2018 of the Company is considered to create a strong foundation for the business in order to promote the effective operation, to meet the needs of customers as well as to move towards a stable and sustainable growth in the future.

Another success of MACO, in 2018, the Company was awarded the Outstanding Investor Relations Award at the SET Award 2018 for the group of companies with Market Capitalization between THB 3,000 - 10,000 Mn. It is an award that confirms the importance of disclosing the Company information so that shareholders, investors and the public will have sufficient information to make decisions about the Company's securities.

The Company does not only focus on the business structure, but also emphasizes social responsibility and sustainability by conducting social responsibility activities

related to the outdoor advertising media business, such as changing the lighting on the billboards to be LED lighting to reduce energy consumption and control lighting appropriately as well as MACO Media for Share Project that provides media space for government agencies and private sector to promote events for social and communities free of charge. Recently, the agencies involved in this project were Phrae Provincial Police, "Wearing Helmet Campaign Project", Ramathibodi Foundation and the Company's PR media about traffic knowledge.

Lastly, I would like to thank all shareholders, employees, stakeholders, and all related agencies for supporting the Company in all aspects, including giving confidence and trusting the Board of Directors in management. As the Chairman of the Board of Directors, I would like to represent the Board of Directors to assure that we will strive to manage and operate the Company according to the strategy sustainably.



Mana Chantanayingyong
Chairman of the Board





2018 marks another successful year for MACO. The Company was able to generate its best performance since its inception with a revenue of THB 1,734 mn and a net profit of THB 273 mn. This represents an increase of 85.4% and 23.4% respectively from 2017.

MACO continues with its strategy of upgrading selective strategic assets to digital media in response to the continually changing media consumption patterns of the population. At present, the Company has completed the transition of a total of 35 screens covering 31 provinces across Thailand to such advertising medium. By digitising, the opportunity to generate more revenue from each asset for the Company has increased 3-4 times compared to traditional static assets. The Company has also been granted the opportunity to expand our digital advertising media network with the approval to renovate static media on the pillars of the BTS SkyTrain. A total number of 189 billboards will be upgraded to 180 lightboxes and 42 LED screens. The Company expects this transformation will help drive significant revenue growth in 2019 and beyond.

In order to support the expansion of such business, MACO has invested in Trans. Ad Solution Co., Ltd., a provider of multimedia display systems and Roctec Technology Limited (“Roctec”), a service provider of design and system integrations, especially in control systems, connection systems,

and multimedia media display systems. We hold 81.65% of Trans Ad and 89% in Roctec. Both companies will help promote media installation systems, digital media management systems, and support technology changes in accordance with our strategy of promoting the change of static displays to digital signage. At the same time, the Company has increased its level of investment in the production of advertising media to become more efficient and in anticipation of the forthcoming increase in demand for printed train wraps following the expansion of the BTS SkyTrain system in the future. We have purchased a 60% stake in Gold Star Group Co., Ltd. (“GSG”), a specialist in the design and production business for sticker wrapping for trains and office buildings.

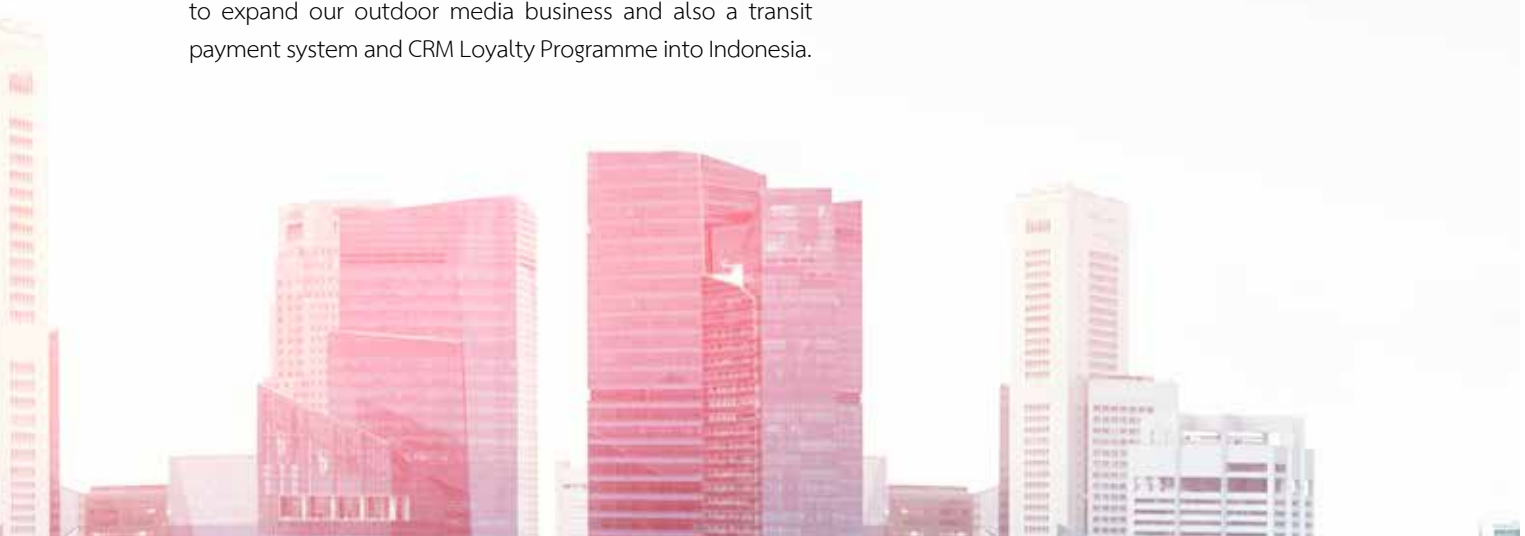
In addition, the company also aims to expand the advertising media network in Malaysia and Indonesia through our 75% investment in VGI Global Media (Malaysia) Sdn. Bhd. (“VGM”) to become the future leader of OOH media business in Southeast Asia. VGM has been granted the exclusive rights of managing the various media in transit, airports and cinemas in Malaysia. We also hold a stake in the first mass transit concession in Indonesia. We have also established VGI MACO (Singapore) Private Limited (“VGI MACO”), a new subsidiary in Singapore in October 2018 with a shareholding proportion of 75% by MACO and 25% by VGI to enter into a joint venture with the Sinarmas Group, who holds 60% of the joint venture, to expand our outdoor media business and also a transit payment system and CRM Loyalty Programme into Indonesia.

For the year 2019, the Company believes that the Thai economy is likely to improve after the March 2019 election. A stable political climate will promote a positive atmosphere of industry spending and investment in both the public and private sectors. This will benefit the advertising industry.

I would like to take this opportunity to thank all shareholders, business partners, our bankers and financial investors, related government agencies, as well as all our customers and employees who have given strong support to the Company as we undertake this process of change. The Company will continue to strive to develop and operate responsibly in achieving its mission and implementing our strategy. We will uphold good governance in our quest to become the leader in outdoor advertising media in Southeast Asia. We will work to provide sustainable growth for our shareholders and all our stakeholders.



Mr. Phoon Chiong Kit
Chief Executive Officer





The Audit Committee has performed its duties in accordance with the scope of authority and duties as approved by the Board of Directors. The important duties are to review the Company's financial report to be accurate and sufficiently disclosed, to ensure that the Company has an appropriate and effective internal control and audit system as well as ensuring that the Company has good corporate governance and complies with good corporate governance principles. In 2018, the Audit Committee held a total of 5 meetings, which can be summarized as follows.

1. Review and comment on the financial statements of the Company

The Audit Committee reviewed and commented on the 2018 annual financial statements both the quarterly financial statement and annual financial statement before presenting to the Board of Directors. The meeting was arranged with the authorized auditor for explanations, observations, and suggestions. The opinion was that the financial statements were prepared correctly as they should, with adequate information disclose and in accordance with financial reporting standards

2. Consideration of the purchase of shares in VGI Global Media (Malaysia) Sdn. Bhd. from VGI Global Media Public Company Limited, which is an acquisition of assets and connected transactions of listed companies.

The Audit Committee has considered that this transaction of VGM shares is reasonable and is in the best interest of the Company because:

- 1) The acquisition of shares in VGM is an acquisition of assets that have the potential to grow and develop in the future, as VGM is a holding company that operates various types of advertising businesses covering a wide potential area throughout Malaysia. Therefore, the Company expects to receive a return that is worth the investment
- 2) The investment in VGM will enable the out of home media business of the company in Malaysia to be bigger and stronger, as the company currently holds 40% of the shares in the Eyeball Channel Sdn.Bhd. via MACO Outdoor Sdn.Bhd. That the Company acquired the shares of VGM will give the Company a business opportunity and the potential to negotiate with partners in Malaysia resulting in economies of scale and reduces duplication or business conflicts between the Company and VGI.



3) The acquisition of VGM shares is the first step of the Company to achieve business vision to respond to every lifestyle with quality media that covers the entire ASEAN region. While MACO holding a 75% stake and VGI holding a 25% stake, however, MACO still receives support from VGI while MACO is the major management.

3. Ensure that the Company has internal control system and supervising internal control effectively

In 2018, the Company has assigned the Internal Audit Office to inspect the internal control for 2 times. From the assessment of internal control at the organization level, the scope of the assessment according to the assessment of the adequacy of the internal control system of the Securities and Exchange Commission, the internal auditor is of the opinion that the Company has adequate internal control.

4. Establishment of an internal audit unit

In the past, the internal audit of the company used the external agencies to conduct internal audits. In order to increase the efficiency of the internal audit process, the Audit Committee has approved the establishment of the internal audit unit of the Company which will start the internal audit in 2019 and report directly to the Audit Committee.

5. Review of risk management

The Audit Committee has reviewed the risk management system to ensure that the Company has effective and appropriate risk management. According to the report of the Risk Management Committee, which has reported to the Audit Committee twice a year, there is no problem or defect from the significant risk management and the Board of Directors has provided recommendations to the Risk Management Committee to improve risk management to be more effective.

6. Review of related transactions

The Audit Committee has considered and reviewed important connected business transactions and transactions that may have conflicts of interest between the Company and related parties and considers that such transactions are reasonable and beneficial to the Company in accordance with the trade conditions and criteria agreed between the Company with related parties or businesses as normal business.

7. Ensuring that the Company complies with good corporate governance principles

The Audit Committee ensures that the Company strictly complies with the Securities and Exchange Act and other relevant laws, especially in relation to connected transactions and transactions that may have conflicts of interest according to good corporate governance principles.

8. The selection of auditors for the year 2019

The Audit Committee has considered the selection of auditors based on readiness, scope of service, audit fee rates according to the announcement of SEC in terms of auditors and other requirements and resolved to propose to the Board of Directors for approval from the shareholders' meeting to appoint Miss Siraporn Uaa-anantkun Certified Public Accountant Registration No. 3844 or Mrs. Chonlaros Suntasvaraporn Certified Public Accountant Registration No. 4523 or Mr. Chatchai Kasemsrithanawat Certified Public Accountant Registration No. 5813 Auditor from the EY Office Limited as the Auditor for the Year 2019.

The Audit Committee's overall opinion

In the year 2018, the Audit Committee has complied with the duties and responsibilities as specified in the scope of authority of the Audit Committee, which is in accordance with the regulations of the Stock Exchange of Thailand with sufficient independence and safeguard interests of stakeholders. The Audit Committee is of the opinion that the financial information of the Company is accurate, reliable, in accordance with generally accepted accounting standards. The Company has an internal control system, internal audit and risk management that is sufficiently effective and complies with the public company law, the Securities and Exchange Act, as well as the requirements of the Securities and Exchange Commission (SEC), and strictly complies with various rules and regulations of the Stock Exchange of Thailand.



(Mr.Paisal Tarasansombat)

Chairman of the Audit Committee

1.6

Our Board of Directors



Mr. Mana Jantanayingyong
Chairman of the Board of Directors



Mr. Phoon Chiong Kit
Authorize Director



Mr. Chaiyasit Puvapiromquan
Director



Mr. Paisal Tarasansombat
Independent Director
Chairman of Audit Committee
Chairman of Nomination and
Remuneration Committee



Mr. Danai Tangsriviriyakul
Independent Director
Audit Committee
Member of the Nomination and
Remuneration Committee and
Chairman of the Corporate
Governance Committee



Mr. Chalush Chinthammit
Independent Director
Member of the Nomination and
Remuneration Committee and
member of the Corporate
Governance Committee



Mr. Surachet Sangchayosawat
Authorize Director
Member of the Corporate Governance
Committee



Mr. Chavin Kanlayanamitr
Authorize Director



Ms. Daranee Phanklin
Authorize Director and
Member of the Corporate
Governance Committee

1.7

Executive Committee



Mr. Phoon Chiong Kit

Chairman of the Executive Committee
Chairman of the Risk Management Committee
Chief Executive Officer



Mr. Phakhanaaz Phumchijzarnan

Executive Committee
Member of Risk Management Committee and
Chief Marketing Officer (CMO)



Miss. Tamonwan Narintavanich

Executive Committee
Company Secretary
Member of Risk Management Committee
and Chief Financial Officer (CFO)



Miss. Rodjana Trakulkoosri

Executive Committee
Member of Risk Management Committee and
Chief Business Development Officer (CBO)



Mrs. Uraiwan Boonyarataphan

Executive Committee
Member of Risk Management Committee and
Chief People Officer (CPO)

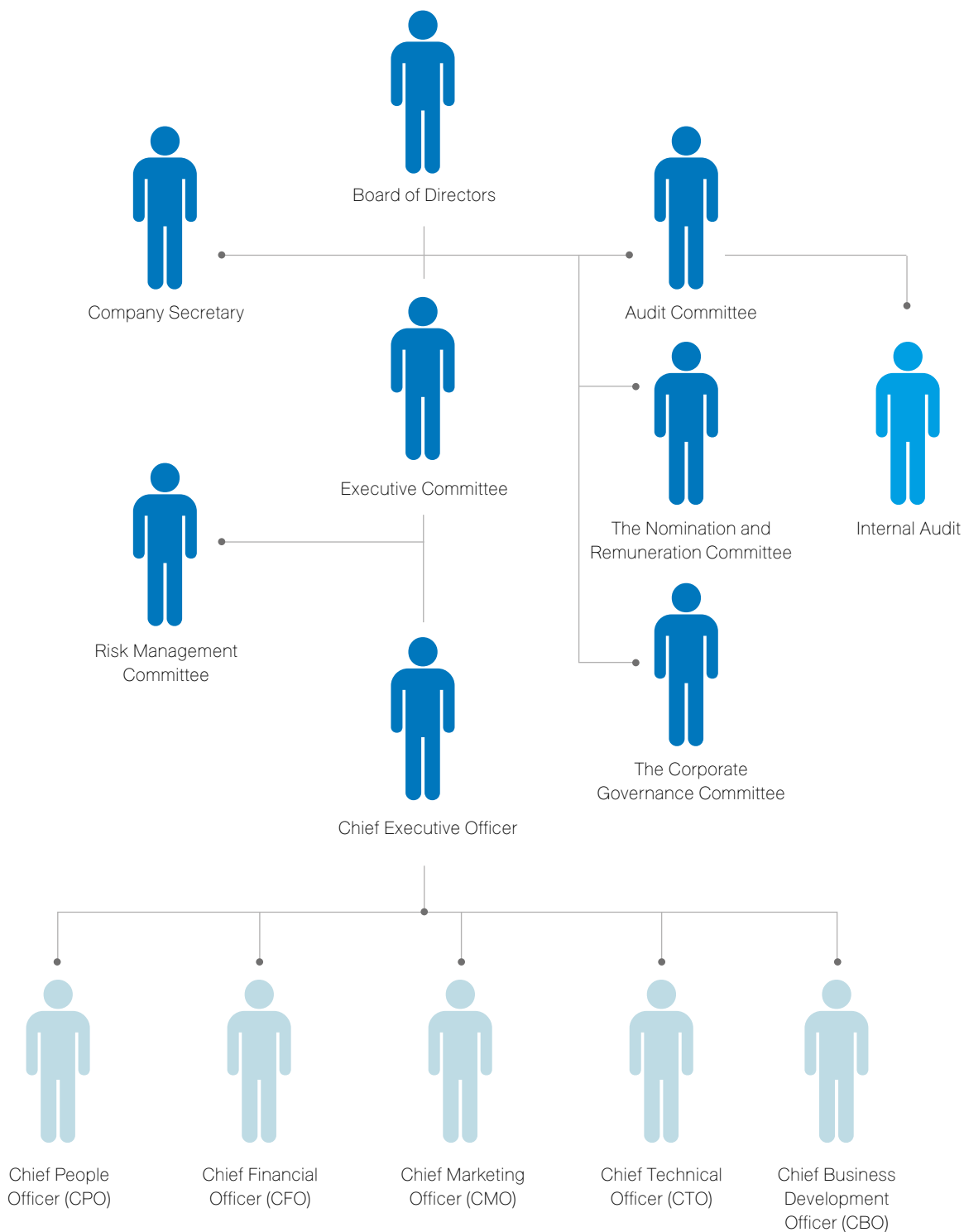


Mr. Panaikorn Nuchmak

Executive Committee
Member of Risk Management Committee and
Chief Technical Officer (CTO)

1.8 Management Structure

As of 31 December 2018, the Company's management structure consists of the Board of Directors and the 5 Sub-committees: The Audit Committee, the Executive Committee, the Nomination and Remuneration Committee the Corporate Governance Committee and the Risk Management Committee with the following operational structures:



Our Business

Important Events in 2017	16
Our History	18
Business Overview	20
Corporate Profile	25
Shareholding structure	26
Dividend Payment Policy	27
Corporate Structure	28
Subsidiaries and Associated Companies Information	29



2.1

Important Events in 2018

May

MACO acquired the all remaining shares of 20% in Open Play Company Limited (“Open Play”) with a total investment value of THB 0.04mn, result in MACO to hold 100% of shares in Open play.

June

On 29 June 2018, MACO acquired an additional 30% in Multi Sign Company Limited (“Multi Sign”) with a total investment value of THB 203mn. Hence, MACO has a total of 100% shareholding in the company. The transaction enables MACO to have full-control in managing Multi Sign Outdoor media.

The Company acquired 14.89% of Landy Development Company Limited (“Landy”) through its wholly-owned subsidiary, Master & More, for THB 25mn. Before the acquisition, MACO directly holds 48.87% in this Company. After the transaction, MACO effectively holds 63.76% of Landy, changing the investment status of Landy from investment in an associate to investment in a subsidiary.

July

On 24 July 2018, MACO successfully acquired 81.65% of Trans.Ad Solutions Co., Ltd. (“Trans.Ad”) with a total investment value of THB 388mn. Trans.Ad is the multimedia display systems provider with a proven track record in producing and installing digital media for BTS’s train and platform screen doors.

On 26 July 2018, Trans.Ad used the funds received from Eye On Ads to further invest in 89% of Roctec Technology Limited (“Roctec”). Roctec is a provider of multimedia & communications systems, system integrations and total network infrastructure based in Hong Kong. Roctec has an enviable track record as systems controller and media manager of MTR Hong Kong.



August

The company offered 688mn newly issued ordinary shares at the offering price of THB 2 per share to the existing shareholders of the company via a Rights Offering (RO) at an offering ratio of every 5 existing ordinary shares for 1 newly issued ordinary shares. The company received RO proceeds of THB 1,376mn, which was used to acquire the remaining shares of Multi Sign in June 2018, invest in Trans. Ad in July 2018, reserve to invest in VGI Global Media (Malaysia) Sdn. Bhd. (“VGM”) in November 2018 and Gold Star Group Co., Ltd. (“GSG”) in December 2018.

October

On 8 October 2018, MACO incorporated a subsidiary company in Singapore namely VGI MACO (Singapore) Private Limited (“VGI MACO”). VGI and MACO holds a 75% and 25% stake in the company, respectively. Later, VGI MACO has entered into a joint venture agreement with Sinarmas Group in order to engage in OOH media, payment system and CRM royalty programme business in Indonesia. Sinarmas Group is the big conglomerate in Indonesia comprises of 6 major business units such as 1) No.1 Pulp and paper producer in the world, 2) No.2 Palm oil company in the world, 3) No.1



Property developer in Indonesia, 4) No.2 insurance company in Indonesia, 5) 4G LTE network provider with 11 million subscribers and 6) Energy and infrastructure.

November

On 23 November 2018, MACO received the approval to renovate street furniture media on BTS columns by converting its existing static street furniture panels to 42 LED screens and 180 lightboxes. This will increase our media capacity by THB 300mn from THB 1.5bn to THB 1.8bn per year.

Expanded our presence in the Malaysian and Indonesian market by acquiring 75% in VGM with a total investment value of THB 360mn. The expected benefits from the transaction are 1) increasing exposure to new opportunities in overseas markets, especially in South East Asia countries where the advertising market is still immature, 2) enhancing the variety of our media portfolio and expand our media coverage and 3) supporting the business operation of MACO in Malaysia, and 4) strengthening overall bargaining power from increased economies of scale.



December

Acquired 60% in GSG with a total investment value of THB 240mn. GSG is a design and printing provider for media production, especially BTS Sky Train and Office media wrap.

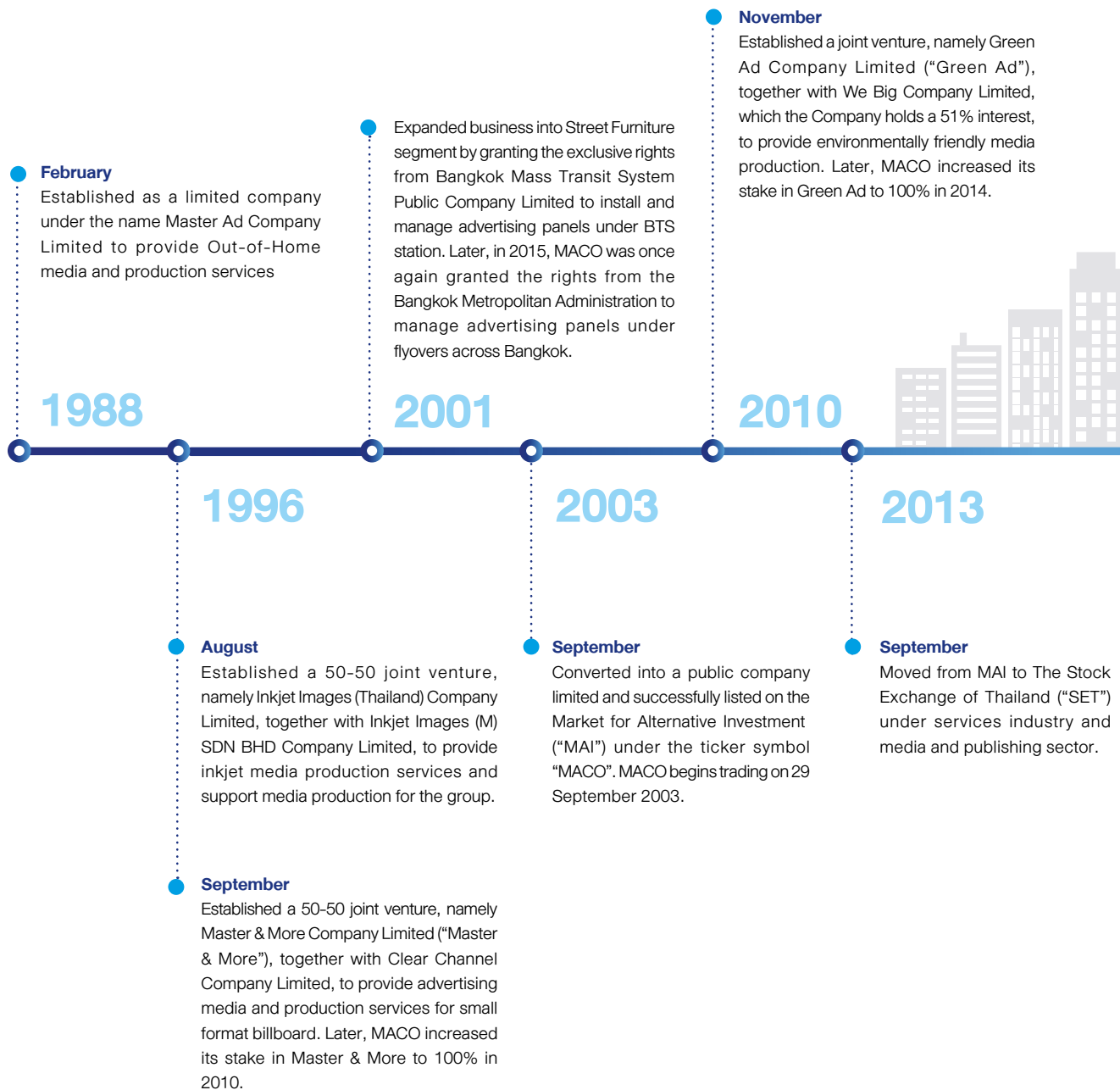
DIVIDEND PAYMENTS

Interim cash dividend from the Company's performance as of 1 January 2017 to 30 June 2017 at the rate of THB 0.018 per share (a total of THB 60mn) paid on 30 August 2017.

On 11 February 2019, BOD resolved to approve the cash dividend payment from the operating results for the 2H 2018 of the Company's performance to shareholders a total not exceeding THB 82.53mn, at a rate of THB 0.020 per share for shareholders named at book closing on 22 March 2019 (Record Date). The payment date of the interim dividend will be 17 May 2019 (subject to the resolution of Annual General Meeting of Shareholders, which will be held on 24 April 2019).

2.2

Our History



November
Master & More invested 80% in Open Play Company Limited, a company that was granted the exclusive rights from PTT Public Company Limited to manage advertising space inside PTT Jiffy gas stations nationwide.

September
Changed the par value from THB 1.00 per share to THB 0.10 per share. MACO's new shares begin trading on SET with new par value on 3 October 2014

May
VGI Global Media Public Company Limited ("VGI") has expanded its media footprint into Outdoor media segment by acquiring 751mn shares or 24.96% of the total issued shares of MACO.

September
Acquired 70% in Multi Sign Company Limited ("Multi Sign") through a wholly-owned subsidiary, Green Ad, with a total investment of THB 439mn. Multi Sign is an outdoor media company with a total network of 862 billboards nationwide. Consequently, MACO has secured its leadership in outdoor media with more than 2,000 advertising panels, presenting in all provinces of Thailand.

May
VGI acquired an additional 375mn shares of MACO (or 12.46%), resulting in a total holding of 1,126mn shares (or 37.42%) as of 30 May 2016, and become a majority shareholder of the Company. VGI and MACO has leveraged each other's strengths by initiating value-added strategies and marketing plans for advertising campaigns that help promote and take both companies to be the leaders in the integrated advertising network in the country and across ASEAN.

Please see more details in section 2.1 Important Events in 2018

2014

2015

2016

2017

2018

April
Expanded its presence into an international market by establishing a wholly-owned subsidiary MACO Outdoor Sdn. Bhd. (Maco Outdoor) in Malaysia. Subsequently, MACO Outdoor has invested 40% in Eyeball Channel Sdn. Bhd. ("Eyeball Channel"). Eyeball Channel is a joint venture between MACO and potential local partner to operate advertising in Malaysia.

June
Eye On Ads Company Limited, a wholly-owned subsidiary of MACO, successfully acquired 70% of COMASS Company Limited ("COMASS") with a total investment of THB 355mn. COMASS secured a strategic network which mostly located in Central Business District area in Bangkok and upcountry for 19 years of experiences.

July
The Company has started the process towards digitisation by converting static billboards of Multi Sign Company Limited ("Multi Sign"), which are mainly located in CBD areas in upcountry, to digital screens.





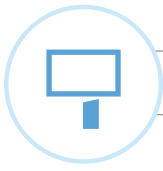
1. Company's Businesses

The Company has been providing Out of Home media (“OOH media”) as the leading media advertising company of Thailand for over 30 years. The Company has effectively connected the brands and product’s owners to their target customer. The Company continually develop products and services including expand the advertising media network into the potential areas for the purpose of providing OOH media end-to-end solution to serve the customer’s satisfactory.

After the expansion of the digital media format, comprising 35 screens in the beginning of the year 2018, and the expansion of static media format, comprising more than 2,000 locations, spreaded in strategic locations over all provinces in Thailand, the Company can reach the strategy of Nationwide Integrated OOH Media Platform, as targeted. Currently, the Company has moved to the next step by expanding the digital media format into Central Business District in Bangkok throughout the development of static media format at the pillars under the BTS Sky Train station, comprising 42 screens and additional expanding the advertising media into ASEAN region throughout the investment in VGI Global Media (Malaysia) Sdn. Bhd. (“VGM”), who is the holding company in advertising media service provider in Malaysia and Indonesia.

However, the Company views that to stabilize and strongly expand the advertising media, it must be from the efficient foundation. Therefore, in July 2018, the Company has enhanced the Company’s foundation throughout the investment in Trans.Ad Solution Co., Ltd. (“Trans.Ad”), who provides the service of installation and control the entire multi media advertising in Thailand, and the investment in Roctec Technology Limited (“Roctec”), who provides the service of design and system integrations especially the control system, connection system and multimedia display system in Hongkong. The mentioned 2 companies will enhance the expansion of digital media of the Company both domestic and overseas. Moreover, the Company has strengthened the production of printing and advertising media throughout the investment in Gold Star Group Company Limited (“GSG”), who has a long standing experience a service provider of design and production of printing media as a leader of its industry. This foundation enhancement will efficiency and stability grow the Company in the future.

Currently, MACO’s products are categorised 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 in Thailand. At the present, MACO offers various billboard formats to different customer's needs, comprising of 1) Large-format Billboards, 2) Nationwide Billboards, 3) PTT Posters (Billboard in PTT Jiffy gas station) with a total billboard of over 1,227 panels.

1.1 Large-format Billboards

Large-format Billboards are mostly 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 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 decentralisation from Bangkok and vicinity to those potential provincial cities, implicating the incremental purchasing power of local people. MACO 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 is mainly located in key intersections, local commercial areas, local markets as well as education zone where they have a high population density. Currently, MACO has 735 panels covering 77 provinces of Thailand.

1.3 PTT Poster (Billboard in PTT Jiffy gas station)

MACO 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 for brands and product's owners since it enabled them to conduct advertising campaigns in the heart of the city. Likewise, Street Furniture is one of the outstanding media format in MACO's portfolio because of its location that installed primarily in city centre locations along with major commuting routes where pedestrians and traffic congestion reached their peak. MACO Street Furniture contracts include Street Furniture under BTS stations and Bangkok's flyovers.

For BTS skytrain network, MACO was granted the exclusive rights from Bangkok Mass Transit System Public Company Limited (BTSC) to install and manage 222 advertising panels under 23 BTS station. For Bangkok's flyovers, MACO was granted the rights from the Bangkok Metropolitan Administration (BMA) to manage 306 advertising panels under 19 flyovers across Bangkok.



3. Digital Media

A key trend in the media landscape is the increasing proliferation of digital media. The growth of digital media is supported by its flexibility and scalability for advertisers to deliver messages to a target audience. Through its flexibility, advertisers can easily and quickly deploy marketing campaigns, reaching a broader scope of audience compared to static media. In order to sustain our competitive edge, the Company has started to introduce digital media into our product portfolio. Digital media of the Company comprises of 1) CBD LED Network (Digital Billboard) and 2) Aroy Aroy Network

3.1 CBD LED Network (Digital Billboard)

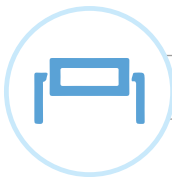
The Company has started to replace several of our static media platforms with digital media and commence its full operation in July 2017. As of 1 January 2018, MACO has 35



digital billboards covering in 32 provinces in Thailand focusing on main cities such as Chiangmai, Khonkaen, Udonthani, Phuket and Rayong.

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 OOH 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 advertising media such as 1) transit media 2) aviation media 3) outdoor media and 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 23th 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.

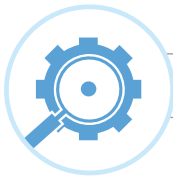
4.4) Cinema, In Store and Office Building Media

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 building over Malaysia.



5. Creative OOH Media

Not only providing Outdoor media to advertisers, MACO also presents Creative OOH media that is exclusively tailored to customer requirements. Creative OOH media can be various forms such as the contraction of large billboard, Interior Design, Projection Mapping, Mock up, and Event, which can enhance value of media campaign.



6. System Integration

The Company provides system integration in term of multi-media, communication network, control, etc. under the operation of Trans.Ad 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 are 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.



Target Groups

1. Media Agency The media agency is not only acts as representative of brands and product's owners in contracting media company to produce and install advertising for them, but also provides strategic planning for the use of various types of media, including media budget planning and media usage decision making in order to meet their customers' needs or exceed the expectations. With experience and expertise in media type selection, the media agencies mostly looking for media companies who offer media network coverage that can deliver marketing campaigns to a wide customer base covering all target

consumer groups. In 2017, media agency contributed 52% of total operating revenue.

2. Product and Service Owner Apart from media agency, the Company also provide media services to brands and product's owners who directly contact with the Company to assist them in producing and installing media in accordance with details and format given by customer. In 2017, product and service owners contributed 48% of total operating revenue.



2. Distribution Channel

The Company provides variety of distribution channels which link the Company to customers and other stakeholders. Distribution channels offer convenience in selecting media services and accessing products information, and provide other stakeholders such as business partners, supplier and shareholders to receive the company's information. Key distribution channels of the Company include;

1. Publication and Online Channel

The Company attached strategic communication channel by creating company's website www.masterad.com, where the clients can access initial information of the Company including product details, showcase, media location, helping customers make purchase decisions. Apart from website and other printing media, the Company also produced VDO presentation of the Company's introduction which is currently available on online channels such as Facebook page and Youtube.

2. Sales Representative

When customer contacts company through provided channels such as website and telephone number, the Client Relations team will inquire of the client's needs in the primary and transfer the matter to the Sales and Marketing Department which has specific knowledge in each media. The Company will contract existing customers and encourage new customers who potentially use OOH media through our experienced sales representative, offering them products and services to promote their brand. The Company has prepared sales presentation documents which describe details of various media, advising an effective decision to the customers.

3. Company Inventory

The Company has utilised the benefit of having full coverage of media footprint by providing company information such as the Company's name and contract number on our media panels which allow customers, who are interested in advertising on our media, to contract directly to the Company. Moreover, having company's information on media panels enhances an observation point for our staffs. The Company encourages our staffs to participate in monitoring the conditions of media panels and reporting the defects to our maintenance team so that the maintenance team can immediately take action of the matter.

3. Pricing Policy

Price setting of media and services is usually determined by 4 main factors as followed: 1) media location, 2) media cost, 3) operational cost and 4) media purchasing volume. Since most of the Company's inventory is located in prime locations with high density of population, the Company has high bargaining power on product pricing which allows the Company to set high rental rates for advertising media. On the cost side, the Company considers pricing of each media based on its related cost in terms of media type, size, details, rental cost of installation, and cost of construction. In terms of pricing, the Company also takes into account other relevant costs both variable costs directly associated with the media such as insurance premiums, electricity bills, signboard taxes and maintenance cost, and fixed cost such as employee salaries to accurately reflect operational and enable the Company to make a profit from its operations.

2.4 Corporate profile

Company Name	Master Ad Public Company Limited. (MACO)
Registration No.	0107546000113
Type of Business	Providing advertisement services through the supply of Out-of-home Media and engagement in the field of Entertainment
Market	SET
Industry	Services
Sector	Media & Publishing
Registered capital	591,489,276.40 Baht
Paid -up capital	412,668,177.30 Baht Comprised of 4,126,681,770 ordinary shares.Par value 0.10 Baht .

Headquarter Office	1, 4 th -6 th Floors Soi Ladphrao 19, Ladphrao Road, Jomphol, Chatuchak, Bangkok, 10900
Telephone	0 2938 3388 Fax. 0 2938 3489
Website	http://www.masterad.com
Investor Relation	Tel. 0 2273 8639 Email address: Pornprasert@masterad.com
Company Secretary	Tel. 0 2938 3388 Ext. 480, 487 Email address: tamonwan@masterad.com; sukjai@masterad.com

Reference

Duties of Securities Registrar	Thailand Securities Depository Co., Ltd. (TSD) No. 93, 14 floor Ratchapisek Road, Dindaeng Bangkok 10400 Tel. 0 2009 9000 Fax. 0 2009 992
---------------------------------------	--

Auditor	EY Office Company Limited By Ms. Siraporn Ouaanunkun CPA. No. 3844 and/or Mrs. Chonlaros Suntiasvaraporn CPA. No. 4523 and/or Mr. Chatchai Kasemsrithanawat CPA. No. 5813
----------------	--

Address	No.193/136-137 Lakeratchada Complex 33 floor New Ratchada Klongtoey Bangkok 10110
Tel.	0 2264-0777, 0 2661 9190
Fax	0 2264-0789-90

2.5

Shareholding structure

As of 20 February 2019, the Company recorded registered capital of 591,489,276.40 Baht, Paid Up Capital 412,668,177.30 Baht. Comprising 4,126,681,773 common shares at registered value of THB 0.10 per share.

Top 10 Major Shareholders (24 January 2019)

	Name	No. of Shares	% of Total
1	VGI Global Media Plc. ¹	1,306,152,360	31.65
2	BTS Group Holding Plc.	746,367,600	18.09
3	Mr.Nares Ngamapichon	364,000,000	8.82
4	NORTRUST NOMINEES LIMITED-GUERNSEY RE GGDP RE: AIF CLIENTS 10 PERCENT ACCOUNT	223,946,880	5.43
5	Thai NVDR	118,988,289	2.88
6	Mr.Wanchai Phanvichien	94,340,000	2.29
7	CITI (Nominees) Limited-PBG Clients H.K.	78,788,500	1.91
8	Mr. Noppadon Tansalarak	62,853,899	1.52
9	Phatra Small and Mid Cap Equity Fund	42,003,540	1.02
10	Mr.Worrawut Achariyasripong	38,941,600	0.94
	Total	3,076,382,668	74.55

Remarks :

¹VGI Global Media Public Company Limited (“VGI”), which has 31.65% holding in MACO, is the provider of Out of Home media services and Digital services listed on the Stock Exchange of Thailand. As of 15 August 2018, major shareholders of VGI comprises of Bangkok Mass Transit System Public Company Limited (BTSC) (45.04% holding in VGI) and BTS Group Holdings Public Company Limited (23.12% holding in VGI).

2.6 Dividend Payment Policy

Dividend Payment Policy of MACO

The company establishes dividend payment policy to the shareholders at the rate of not less than 50% of net profit after corporate income tax and legal reserves. However, this depends significantly on the economic status and the future operations as well.

Dividend Payment Policy Of Subsidiaries

The company establishes dividend payment policy to the shareholders at the rate of not less than 50% of net profit after corporate income tax and legal reserves. However, this depends significantly on the economic status and the future operations as well.

The details of dividend payment are as follow:

Dividend payment	for the fiscal year ended 31 December		
	2016	2017	2018
1. Net profit			
- Separate Financial Statement (THB.mn.)	99.16	149.53	220.74
- Consolidate Financial Statement (THB.mn.)	102	220.86	272.62
2. No. of share (Million)			
- Interim Dividend (Baht/Share)	3,008.96	3,342.97	4,126.68
- Annual Dividend	3,342.96	3,438.91	4,126.68
3. Dividend per share			
- Interim Dividend payment (Baht/Share)	0.018	0.018	0.018
- Total Dividend (THB.mn.)	54.16	60.17	74.28
- Annual Dividend (Baht/Share)	0.011	0.018	0.02
- Total Dividend (THB.mn.)	36.77	61.9	82.53
4. Total Dividend payment for the year 2018			
- Total Dividend payment (Baht/Share)	0.029	0.036	0.038
- Total Dividend payment (THB.mn.)	90.93	122.07	156.81
5. Percentage of dividend on net profit after allocation of reserve as required by law			
- Separate Financial Statement	91.70%	81.64%	71.04%
- Consolidate Financial Statement	89.15%	55.27%	57.52%

The rights to receive annual dividend 2018 is uncertain because it has not yet been approved by the 2019 Annual General Meeting of shareholders which is going to be held on 24 April 2019.

2.7

Corporate Structure



2.8

Subsidiaries and associated Companies information

	Juristic Person	Business	Place of Business	Paidup Capital	Class of Shares	Shareholding (Percent)
1	Master and More Co., Ltd.	Provide advertising media and reduction services of small format billboard	4 th -6 th Floor,1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900 Tel.+6629383388 Fax.+6602938 3486-7 Website: www.masterad.com	THB 20,000,000 (par value of THB 10 per share)	Ordinary Shares	100
2	Eye on Ads Co., Ltd. (previously Maco Right Sign Co., Ltd.)	1. Shareholding in Comass Co., Ltd. 2. Provide advertising media, especially static and digital billboard	28/43-45 Vipavadee-Rangsit Road, Lardyaow, Chatuchak Bangkok 10900 Tel.+6629383388 Fax.+6602938 3486-7	THB 393,000,000 (par value of THB 10 per share)	Ordinary Shares	100
3	Green Ad Co., Ltd.	Shareholding in Multi Sign Co.,Ltd.	6 th Floor,1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900 Tel.+6629383388 Fax.+6602938 3486-7	THB 500,000,000 (par value of THB 5 per share)	Ordinary Shares	100
4	Landy Development Co., Ltd.	Office Building for Rent	4 th -6 th Floor,1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900 Tel.+6629383388 Fax.+6602938 3486-7 Website: www.masterad.com	THB 40,000,000 (par value of THB 10 per share)	Ordinary Shares	63.76 (48.87 percent held by the Company and 14.89 percent held by Master and More Co., Ltd.)
5	Inkjet Images (Thailand) Co., Ltd	Provides production of inkjet media	28/43-45 Vipavadee- Rangsit Road, Lardyaow, Chatuchak Bangkok 10900 Tel.+6629363366 Fax.+6629363636 Website: www.inkjetimagesthailand.com	THB 6,000,000 (par value of THB 10 per share)	Ordinary Shares	50
6	Openplay Co., Ltd.	Provide advertising media and production services	77/37 Soi permsin 24/1, Sukhapiban 3 Road, Khongthanon, Syamia Bangkok 10210 Tel.+6629383388 Fax.+6602938 3486-7	THB 5,000,000 (par value of THB 100 per share)	Ordinary Shares	100 (held by Master and More Co., Ltd.)
7	Multi Sign Co., Ltd.	Provide out-of-home advertising media across all provinces of Thailand	34/13-14 Moo 10, Borromratchachonnanee Road, Sala Thammasop, Thawi Watthana, Bangkok 10170 Tel. +66244117612 Fax.+6624411763 Website: www.multisign.co.th	THB 14,000,000 (par value of THB 100 per share)	Ordinary Shares	100 (held by Green Ad Co., Ltd.)

	Juristic Person	Business	Place of Business	Paidup Capital	Class of Shares	Shareholding (Percent)
8	Comass Co., Ltd.	Provide out-of-home advertising media in both digital and static format. Comass's network is located in business areas of Bangkok and upcountry	1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900 Tel.+6629383388 Fax.+6602938 3486-7	THB 5,625,000 (par value of THB 100 per share)	Ordinary Shares	70 (held by Eye on Ads Co., Ltd.)
9	MACO Outdoor Sdn. Bhd.	Holding Company in Malaysia	No.52, 1 st Floor, Jalan SS 21/58 Taipan Damansara 47400 Petaling Jaya Selangor MALAYSIA	MYR 200,000 (par value of MYR 1 per share)	Ordinary Shares	100
10	Eyeball Channel Sdn. Bhd.	Provide out-of-home advertising media and production services in Malaysia	G-1-11, Jalan PJU 1A/3 Taipan Damansara 47301 Petaling Jaya Selangor MALAYSIA	MYR 500,000 (par value of MYR 1 per share)	Ordinary Shares	40 (held by MACO Outdoor Sdn.Bhd.)
11	Trans.Ad Solution Co., Ltd. ¹	Integrated service provider for multimedia display system, such as LED monitors, including media content controlling and managing systems, linkage for installation of data command and collection systems as well as closed circuit television systems, design and develop application for indoor map and Bluetooth transmitter system for advertisement	349, SJ Infinite One Business Complex, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900	THB 49,046,400 (par value of THB 100 per share)	Ordinary Shares	81.65 (held by Eye on Ads Co., Ltd.)
12	Trans Ad Malaysia Sdn.Bhd. ²	Provide service of designing and installation of Multimedia Display System such as LED screens including the content control system and media management, together with the installation of connection system for commanding and record via internet and CCTV System. Design and create the application for indoor map and bluetooth transmission for advertisement.	Lot 6.05, Level 6, KPMG Tower,8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia	MYR 500,000 (par value of MYR 100 per share)	Ordinary Shares	100 (held by Trans.Ad Solution Co., Ltd.)

¹ The Company becomes an indirect shareholder in Trans.Ad Solution Co., Ltd. in July 2018

² The Company becomes an indirect shareholder in Trans Ad Malaysia Sdn.Bhd. in July 2018

	Juristic Person	Business	Place of Business	Paidup Capital	Class of Shares	Shareholding (Percent)
13	Roctec Technology Limited ³	Provision of system integration services, trading, installing and maintenance services in relation to system related equipment and hardware by focusing on controlling system, networking and display system covering various industries such as mass transit system, government organizations, educational institutions, and financial institution	Room 1502-4, Kodak House II, 321 Java Road, North Point, Hong Kong Island, Hong Kong	HKD 21,510,000	Ordinary Shares	89 (held by Trans.Ad Solution Co., Ltd.)
14	Parkway Technology Limited ⁴	Information Technology Services (However, Parkway Tec currently does not operation any business.)	Room 1502-4, Kodak House II, 321 Java Road, North Point, Hong Kong Island, Hong Kong	HKD 2	Ordinary Shares	100 (held by Roctec Technology Limited)
15	Winbliss System Co., Ltd. ⁵	Provision of total solutions for system integration services, maintenance services, and trading of networking related equipment and hardware	21 Wangdek 1 A, 8 th Floor, Soi Yasooob 1, Viphavadee-rangsit Road, Chomphon, Chatuchak, Bangkok	THB 2,000,000 (par value of THB 10 per share)	98,000 Ordinary Shares and 102,000 Preferred Shares	77.67 (51 percent held by Trans.Ad Solution Co., Ltd. and 49 percent held by Roctec Technology Limited)
16	Gold Star Group Company Limited ⁶	Design, produce and produce made to order of all types of printing media and/or advertising media	33,35 Soi Inthamara 40, Ratchadaphisek, Din Daeng, Bangkok	THB 50,000,000 (par value of THB 10 per share)	Ordinary Shares	60 (Held by Green Ad Co., Ltd. and Eye on Ads Co., Ltd.)
17	VGI Global Media (Malaysia) Sdn. Bhd. ⁷	Investment in other company securities (Holding Company)	Lot 6.05, Level 6, KPMG Tower,8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia	MYR 29,154,175 (par value of MYR 1 per share)	Ordinary Shares	75
18	Puncak Berlian Sdn. Bhd. ("PBSB") ⁸	Investment in other company shares (Holding Company)	Unit C508 Block C, Kelana Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, selangor Darul Ehsan, Malaysia.	MYR 17,125,105 (par value of MYR 1 per share)	Ordinary Shares	25 (Held by VGI Malaysia Sdn.Bhd.)

³ The Company becomes an indirect shareholder in Roctec Tecnology Limited in July 2018

⁴ The Company becomes an indirect shareholder in Parkway Technology Limited on July 2018

⁵ The Company becomes an indirect shareholder in Winbliss System Co., Ltd.on July 2018

⁶ The Company becomes an indirect shareholder in Gold Star Group Company Limited in November 2018.

⁷ The Company becomes a shareholder in VGI Global Media (Malaysia) Sdn. Bhd. in November 2018.

⁸ The Company becomes an indirect shareholder in Puncak Berlian Sdn. Bhd. in November 2018.

	Juristic Person	Business	Place of Business	Paidup Capital	Class of Shares	Shareholding (Percent)
19	Meru Utama Sdn. Bhd. ("MUSB") ⁹	Advertising media in Kuala Lumpur International Airport	8 th floor, Menara Manulife No.6, Jalan Gelenggang Damansara Heights 50490 Kuala Lumpur W.P. Kuala Lumpur Malaysia	MYR 1,100,000 (par value of MYR 1 per share)	Ordinary Shares	43.80 (25.10 percent held by VGI Malaysia Sdn. Bhd. and 74.80 percent held by Puncak Berlian Sdn.Bhd.)
20	Titanium Compass Sdn. Bhd. ("TCSB")	Advertisement on public transport, MRT and SBK line	Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia	MYR 1,000,000 (par value of MYR 1 per share)	Ordinary Shares	40 ¹⁰
21	PT Avabanindo Pekasa (AVA) ¹¹	Advertisement on MRT Indonesia	Menara Imperium 19th Floor, Metropolitan Kuningan Super Blok Kav No.1, J1 HR Rasuna Said, Jakarta 12890 Indonesia	IDR 18,391,500,000	Ordinary Shares	16.25 (10 percent held by VGI Malaysia Sdn.Bhd. and 25 percent held by Puncak Berlian Sdn.Bhd.)
22	VGI MACO (Singapore) ¹²	Investment in advertising media business in ASEAN	50 Raffles Place #17-01 Singapore Land Tower Singapore C048623	SGD 100 (par value of SGD 1 per share)	Ordinary Shares	75

⁹ The Company becomes an indirect shareholder in Meru Utama Sdn. Bhd. in November 2018.

¹⁰ At present, VGI and PBSB hold 19 percent and 51 percent of the total issued shares of TCSB (respectively) where PBSB holds 11 percent of the total issued shares of TCSB for and on behalf of VGM under the Declaration of Trust between PBSB and VGI dated December 28, 2017 since PBSB is unable to transfer such shares to VGM pursuant to the restrictions under a concession agreement.

¹¹ The Company becomes an indirect shareholder in PT Avabanindo Pekasa (AVA) in November 2018.

¹² The Company has set up VGI MACO (Singapore) in October 2018.

Media Industry and Competitive Strategy	34
Risk Factors	37
Social, Community and Environment	
Responsibility for Sustainable Growth	39
Management Discussion and Analysis 2017	40



3.1

Media Industry



1. Media Industry and Outlook

Overview of the Thai economy in the year 2018 continued to grow, reflected by the GDP growth of 4.2% increased compared to the previous year 3.9%¹ and considered to be the highest expansion in 6 years despite facing a slowdown in the global economy and the tourism sector in the country. However, the growth of the Thai economy was supported mainly by private consumption and private investment which grew by 4.6% and 3.9%, up from 3.0% and 2.9% growth in 2017, respectively.

Advertising media industry in the year 2018 was up 4.0% in the same direction as the Thai economy. Outdoor media and online media are still the most popular media in the advertising media industry, with a growth rate of 5.8% and 6.1%² respectively, opposite to the print media which was decreased by approximately 23.9% in the past several years. An important factor that encourages the out-of-home media and online media to continue to gain popularity was due to the changing lifestyle of people who spend more time

outdoors. The number of internet users increases, including the various brands began to realize that outdoor media and online media were effective and measurable marketing tools. The Company sees opportunities from changing the static billboard to digital billboard which helps to increase more than one customer in one billboard and can also apply technologies such as Beacon and Geofencing technology to enable digital advertising media to be able to connect with online media, causing interactive between advertising media and target groups, which is considered as another step in the development of modern media and directly response to the need for customers.

2. Competitive Strategies

Developing the guideline for business conduct and corporate strategy is a core value and an integral part of the Company. In order to sustain our competitive edge in the rapid changing industry, the board of directors and executive management has regularly conducted meetings to ensure the Company

¹ Bank of Thailand

² The Advertising Association of Thailand

had good and efficient operations and management processes in accordance with the principle of good corporate governance. The Company focuses on the following approaches to increase our competitiveness:

2.1. Finding the potential location to install media

The Company firmly believes that securing the right locations of media network is important to be successful in this business. Our full-coverage media network allows the Company to attract attentions of media buyers in making a decision to use our products and services. We are constantly focusing on finding the potential media installation location by assigning our professional location surveyors to do a research on the density of the community, including the number of population, the density of traffic and media eyeballs in each areas. This process ensures the effectiveness of strategic locations. The media network of the Company is capable of reaching a broader scope of audience since it is installed in various areas such as under the BTS skytrain network, the flyovers across Bangkok, expressway, motorways heading to Suvarnabhumi International Airport, and gateway to provincial cities. Furthermore, the Company also expanded its media presence to upcountry following the decentralisation to provincial cities that allow advertng budget to shift into that areas. Currently, MACO has installed advertising billboards into many provinces, especially in the provinces which are the business centers or tourist destinations such as Chiang Mai, Phuket, and Chonburi.

2.2. Digitalisation

In the midst of traffic congestion and slow moving vehicles, especially in the heart of Bangkok and the major economic zones of the cities, static billboard in such areas will be upgraded to be digital billboard to support the presentation of media with rich content and increasing media awareness from the target group. In addition, digital advertising media also facilitates customers to modify, edit, or add information quickly and easily.

2.3. Incorporating technology to increase media effectiveness

Smart phone has played an important role in driving people's behavior and media industry changes. MACO has witnessed the trend and foresee the opportunity in integrating Out of home media with new technologies. By partnering with VGI and Rabbit Group, MACO is able to utilise data analytics capability of Rabbit and enable MACO to deliver more targeted advertising and improve measurability of media campaigns.

Currently, the Company has incorporated some technologies that integrated offline and online platforms to create interaction between our media and targeted audience such as Beacon technology (a class of Bluetooth low energy devices that can broadcast marketing message to nearby portable electronic devices) and Geo-fencing technology (a service that triggers an action when a device enters a set location)³

2.4 Overseas market Expansion

From the past, the advertising media industry in Thailand is unable to respond to the increasing potential of the Company, so MACO was looking for a space to expand the media network to neighboring countries by adopting the business model of outdoor media, VGI was first deployed in Malaysia by managing advertising media under a long-term concession and being the only one that has rights in transit media of MRT SBK line and media in Kuala Lumpur International Airport. Within the near future, MACO's media network expansion plan will continue to be implemented in Indonesia and neighboring countries to allow MACO's media to cover all areas and be a leader in the ASEAN region.

2.5. Focusing on developing quality of product and services and building relationship with customers

Our priority is to develop long-term trust-based relationships and we believe that that quality of work can build trust with clients and encourage customer to make repeat purchases. With the collaboration work within the group, the Company is able to control entire advertising production process by ourselves more closely. In some work pieces, we have to hire other companies to do a special production for us. However, the Company has its own advertising production department who is responsible for controlling the quality of work both in terms of color and design, to provide the maximum satisfaction to customer and ensure all of work quality matching with customer's requirement. Apart from providing fast, quality service and custom-made order, the Company has also maintained good relationship with customer by arranging activities to enhance brand awareness and be the first potential company in customers' mind when they need a particular product or service.

2.6 Partnering with experienced partnerships

Working with a partner who has experience in this business enables us to learn of technology and new ways of doing business. At present, MACO has business partnerships with leading companies such as:

³Wikipedia and Sarah K. White, Senior Writer at CIO

1) VGI Global Media Public Co., Ltd. (“VGI”) VGI became the majority shareholder of the Company since 2016. As of 31 Dec 2018, VGI holds 1,306 mn. shares or 31.7% of total shares of the Company. VGI is leading Out of home media operator offering a fully integrated media platform including transit media, office building media, outdoor media (operating through MACO), Aviation media, digital services, and demonstration business. The consolidation between MACO and VGI allows them to share skills and knowledges to each other. Over the past years, MACO and VGI has initiated the collaboration between each other including 1) MACO has appointed VGI as advertising agency for MACO’ street furniture media for the period of 3 years (2015-2017, 2) MACO and VGI has coordinated on strategy planning both corporate level and operational level, and 3) MACO and VGI has shared knowledge in terms of selling and marketing to each other.

Furthermore, MACO has partnered with Rabbit Group, one of VGI’s subsidiaries, operating a lifestyle solution company that offers offline and online services. Rabbit group has an extensive database with more than 3.2mn active members and also data analytics capability that can deliver targeted advertisements to the consumers and provide greater value through brands.

MACO, VGI and Rabbit Group have created new media package called “Bundle Package”, an integrated offline media inventory of the group and online media platforms, in order to help improve the utilisation rate across the group.

2) JUPITER SMART TECHNOLOGY (“JUPITER”) JUPITER is an investing partner to install testing equipment of I-beacon devices on the bunting area under the BTS stations, in order to broadcast marketing message of clients to mobile phone of target customers. The Company is expected to benefit from the use of the database of the target that uses apps to link with I-Beacon for the benefits to advertisers to direct access to the target audience.

3) Clear Channel International Co., Ltd. (“Clear Channel”), a leading global out-of-home media company based in London, United Kingdom. Clear Channel has gave us an opportunity to the exchange of a variety advertising ideas in various forms of advertising.

4) Inkjet Images Co., Ltd. (Malaysia), contributes to the exchange of technology in the field of printing large advertising which can accommodate the print job either in the form of Indoor or Outdoor.



3.2 Risk Factor

The Company recognizes the importance of risk and risk factors in the business. The Risk Management Committee has been established and has been assigned to consider various risks affecting the Company as a whole, including internal and external factors, to evaluate the risk and lay out the organizational risk management structure. The issues used in the consideration and risk assessment are based on the organization's annual business plan. The risk management approach must be consistent with the Company's objectives, goals and strategic plans. In addition, the risk management approach will be monitored and the results from risk management will be reported to the Audit Committee for further acknowledgment.

The Risks to Business Operation of the Company

1. Risk due to economic slowdown

Company performance depends mainly on domestic demand which may be affected by the economic adjustment in the country such as economic slowdown in the country etc. In addition, the currency crisis in emerging markets has weakened the currency rapidly 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 growth of the economy was limited 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 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. 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 amount of outstanding 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. The Company also has a working group to monitor the 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. And to reduce the chance of damages caused by accidents, the Company has also insured against the property and outsiders as well.

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

In 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 because such media is interesting, visually appealing and can quickly respond to customer needs and access to all target groups. Also, digital media can provide its value for money in advertising goods and services to business operators. In the past, the Company had a large number of Static Billboards 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 which covers major cities, main intersections and communities. 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 and in the same time 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 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. We have management system to provide clients with accurate and fast services and to monitor and supervise the repair of advertising media as well as to report the condition of the billboard to 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 un able to renew the governmental concession and the private space lease contract

The main factor for the Company's business operation is the installation areas for advertising media that are obtained from the concession contract with the government and the rental contract with the private owners. Because 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, the Company's ability to earn the revenue and its future financial status would be affected.

Over the years, the Company has complied with the terms of the 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, its financial position and the performance would be affected.

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. At the same time, VGI as the parent company has a variety of advertising media that can arrange sales package in bundles to attract more clients.

3.3

Social, Community and Environment Responsibility for Sustainable Growth

The Company has laid the foundation for growth and sustainable success in the future, which was as a result of the commitment and devotion of its executives and employees together with the fair and transparent administration and management of the Board of Directors and the executives, taking into account the roles of every stakeholder group, including having a business operation that is in compliance with the environmental standards, as well as the social and community development.

This is another year that the Company has prepared the “Sustainability Report 2018” in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) Version 4 to communicate the Company’s policy and performance in social, community and environmental responsibility through economic, social and environmental aspects between 1 January 2018 and 31 December 2018. For more information, please refer to the Sustainability Report 2018, which is published on the Company’s website at <https://www.masterad.com/>



3.4

Management Discussion & Analysis 2018

2018 CONSOLIDATED P&L SNAPSHOT

Consolidated financial statements

THB (mn)	2017	2018	YoY (%)
Operating revenue	936	1,734	85.4%
Cost of sales	390	900	131.1%
Gross profit	546	834	52.7%
Selling, general & administrative expenses	313	525	67.7%
EBITDA	342	444	29.9%
Net profit from operation	209	235	12.6%
Net profit (exc. Minority Interest)	221	273	23.4%

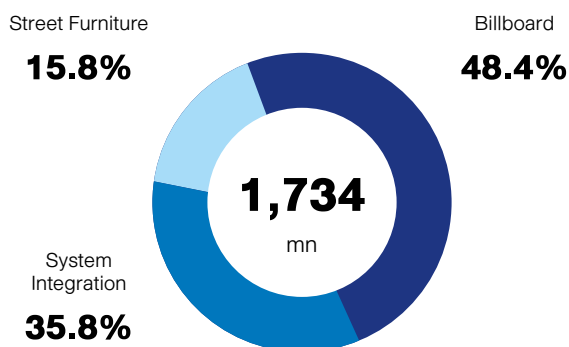
Gross profit margin	58.4%	48.1%
EBITDA margin	36.5%	25.6%
NPAT margin from operation	22.3%	12.6%
NPAT margin (exc. Minority Interest)	23.6%	15.7%

* The Company restated the financial performance from 26 January 2017 after the consolidation of VGM under the common control basis.

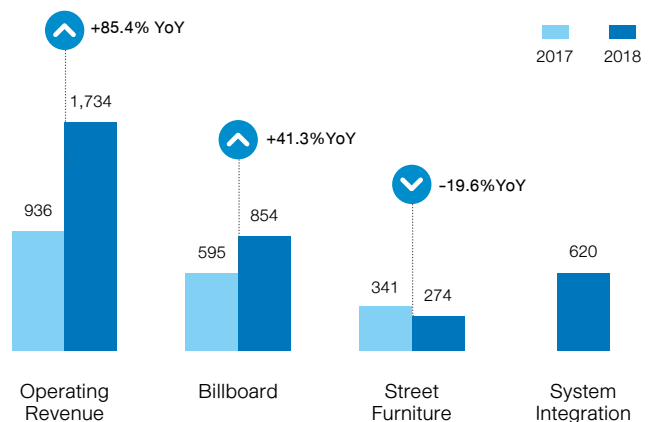
2018 PERFORMANCE ANALYSIS (YoY)

We've successfully expanded our media network nationwide, turning 35 static billboards to digital screens, and strengthening the Company's foundation by acquiring Trans.Ad Group, VGM and GSG. These enable MACO to achieve the highest revenue in its history. The Company's consolidated Operating revenue increased by 86.8% from THB 936mn in 2017 to THB 1,748mn. The revenue comprised of advertising services revenue of THB 1,127mn, and system integration and total solution services revenue of THB 620mn arising from the 5 months consolidation of Trans.Ad Group which was acquired in August 2018.

2018 REVENUE CONTRIBUTION (THB mn)



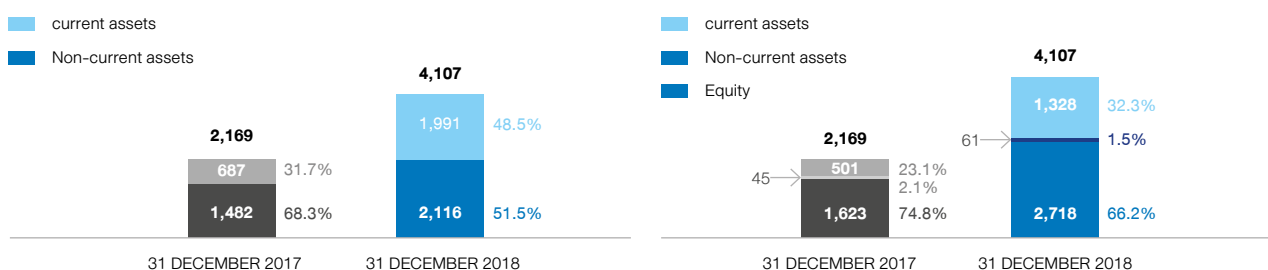
2018 REVENUE BY SEGMENTS (THB mn)



Cost of sales grew by 131.1% from THB 390mn in 2017 to THB 900mn in this year, mainly due to the aforementioned consolidation. Trans.Ad Group’s cost structure is characteristically higher than MACO’s core business, as a result of higher computer, software and installation expenses. The cost of sales comprised of cost of advertising services of THB 425mn and cost of system integration and total solution services of THB 475mn.

Selling, General and Administrative expenses (“SG&A”) increased by 67.7% YoY from THB 313mn to THB 525mn, primarily due to the 5 months consolidation of Trans.ad Group. SG&A to sales ratio decreased significantly from 33.5% in 2017 to 30.0% in 2018. Net profit attributable to the equity holders of the Company increased by 23.4% to THB 273mn from THB 221mn last year. Net profit margin decreased to 15.6% from 23.6% in 2017. In the future, we expect MACO will benefit from economies of scale synthesised from Trans.Ad Group and their support of our media digitalisation strategy.

FINANCIAL POSITION (THB mn)



ASSETS

ASSETS BREAKDOWN	31 DECEMBER 2017		31 DECEMBER 2018	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and Current investments	211	9.7%	653	15.9%
Trade & other receivables	351	16.2%	968	23.6%
Building and equipment	486	22.4%	613	14.9%
Goodwill and Intangible assets	726	33.5%	707	17.2%
Other assets	395	18.2%	1,166	28.4%
Total assets	2,169	100.0%	4,107	100.0%

* The Company restated the financial performance from 26 January 2017 after the consolidation of VGM under the common control basis.

Total assets as of 31 December 2018 stood at THB 4,107mn, an increase of THB 1,938mn or 89.3% from THB 2,169mn as of 31 December 2017. Total current assets were THB 1,990mn, which rose by 189.6% or THB 1,303mn. This was primarily attributable 1) an increase in trade and other receivables of THB 616mn, 2) an increase in cash and cash equivalents of THB 449mn, and 3) an increase in short-term loans of VGM to Titanium Compass Sdn Bhd (“TCSB”) and Meru Utama Sdn Bhd (“MUSB”) of THB 124mn.

Total non-current assets stood at THB 2,116mn, an increase of 42.8% or THB 635mn 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 487mn after the acquisition of Trans.Ad Group and GSG, and 2) an increase in building and equipment of THB 127mn mainly from Landy, GSG and Trans.Ad Group consolidation.

Trade and other receivables were THB 968mn, which rose by 175.4% or THB 616mn from THB 351mn 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.

AGEING OF TRADE RECEIVABLES (THB mn)	31 DECEMBER 2017	31 DECEMBER 2018
Not yet due	124	273
Up to 3 months	89	145
3 - 6 months	0	67
6 - 12 months	0	13
Over 12 months	13	11
Total	227	509
Allowance for doubtful debt	11	6

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND EQUITY BREAKDOWN	31 DECEMBER 2017		31 DECEMBER 2018	
	(THB mn)	% out of total	(THB mn)	% out of total
Short term loans from financial institutions	230	10.6%	270	6.6%
Short term loans from related parties	16	0.7%	39	1.0%
Trade and other payables	163	7.5%	504	12.3%
Accrued expenses	78	3.6%	39	0.9%
Deferred Incomes	7	0.3%	444	10.8%
Other current liabilities	7	0.3%	32	0.8%
Non-current liabilities	45	2.1%	61	1.5%
Total liabilities	546	25.2%	1,389	33.8%
Shareholders' equity	1,623	74.8%	2,718	66.2%
Total liabilities and equity	2,169	100.0%	4,107	100.0%

* The Company restated the financial performance from 26 January 2017 after the consolidation of VGM under the common control basis.

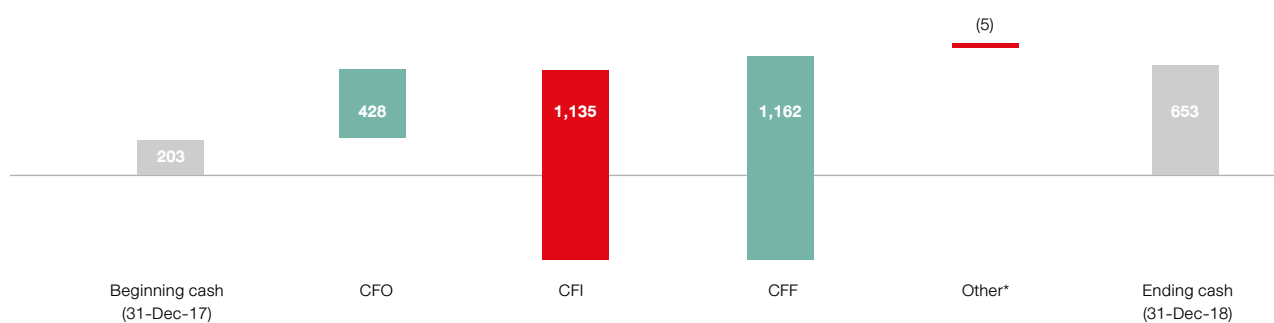
Total liabilities were THB 1,388mn, increasing by 154.3% or THB 842mn from THB 546mn as of 31 December 2017 mainly from an increase in 1) an increase in deferred income of THB 437mn from deposits paid by customers who use system integration and total solution services of Trans.Ad Group and 2) an increase in trade and other payables of THB 341mn, mainly from the consolidation of Trans.Ad Group. The increase, however, was primarily offset by a decrease in dividend payable of subsidiaries of THB 39mn

Total equity was THB 2,718mn rose by THB 1,095mn or 67.5%. This was attributed to an increase in premium on shares of THB 1,307mn which was from the RO of 688 million shares, amounting to THB 1,376mn. As of 31 December 2018, total equity included with equity attributable to owners of the Company of THB 2,528mn and non-controlling interests of the subsidiaries of THB 189mn.

CASH FLOW

As of 31 December 2018, the Company had net cash from operating activities of THB 428mn primarily from cash from operating activities of THB 497mn and interest income of THB 4mn which was mainly offset by cash paid for corporate income tax and interest expenses of THB 79mn and THB 3mn, respectively. Net cash used in investing activities was THB 1,135mn, mainly from 1) net cash paid to invest in Trans.Ad Group of THB 190mn, VGM of THB 360mn and GSG of THB 239mn 2) cash paid for acquisition of equipment THB 139mn from media inventory expansion and 3) cash paid for short-term loans of VGM to TCSB and MUSB of THB 124mn. Net cash from financing activities was THB 1,162mn. The key components are cash received from RO proceeds of THB 1,376mn which was partially offset by cash used for 1) dividend payment of THB 182mn and 2) settlement on payables for investment in Trans.Ad Group of THB 44mn

TWELVE-MONTH CASH FLOW SNAPSHOT



*Other was the translation adjustments

KEY FINANCIAL RATIOS

	2017	2018		2017	2018
Profitability Ratios			Liquidity Ratios		
Gross profit ¹ (%)	58.3%	48.1%	Current ratio (times)	1.4	1.5
Operating EBITDA (%)	36.5%	25.6%	Quick ratio ⁶ (times)	1.4	1.5
Net profit (from operation) (%)	22.3%	13.6%	Account receivable turnover (times)	5.3	4.8
Net profit (after MI) ² (%)	23.6%	15.7%	Average collection period ⁷ (days)	69	76
Return on equity ³ (%)	17.4%	13.8%	Payable days (days)	145	81
Efficiency Ratios			Leverage Ratios		
Return on assets ⁴ (%)	14.0%	10.2%	Liability to Equity (times)	0.4	0.5
Return on fixed assets ⁵ (%)	80.4%	58.2%	Debt to equity (times)	0.1	0.1
Asset turnover (times)	0.5	0.6			

¹ Calculated from operating revenue

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

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

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

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

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

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

* The Company restated the financial performance from 26 January 2017 after the consolidation of VGM under the common control basis.



MANAGEMENT OUTLOOK

As we proceed through the first quarter of 2019, global growth is slowing from softening international trade. Thailand’s economy is also expected to be impacted from the global slowdown, as is indicated by the downwards revision of its 2019 GDP from 3.9% to 3.8% by the World Bank. Despite this backdrop, we believe that the overall sentiment in Thailand will improve significantly, as a result of the upcoming election in March 2019, which is anticipated to be a catalyst for investment and consumption. Hence,

we anticipate that advertisement spending will also benefit from the aforesaid.

For MACO, we expect that the synergies from integration and consolidation of acquisitions over the past year will generate more revenue in return. All told, we forecast revenue growth of 30% - 35%.



Corporate Governance Report

Management Structure	46
Corporate Governance Policy	49
Nomination and Remuneration of Directors and Executives	66
Internal Control and Risk Management	68
Related Party Transactions	71
Profiles of Directors and Executives	74
Information on the Positions of the Director and the Executive in the Company, Subsidiaries and Associates	82



4.1

Management Structure

Board of Directors

As of 31 January 2019, the Board of Directors consists of 9 members, as follow:

Name	Position	Meeting attendance in 2018	
		Number of right to attend the meeting	Number of attendance
1. Mr.Mana	Jantanayingyong	12	12
2. Mr.Phoon ¹	Chiong Kit	9	9
3. Mr.Chaiyasit	Puvapiromquan	12	11
4. Mr.Paisal	Tarasansombat	12	11
5. Mr.Danai	Tangsriviriyakul	12	11
6. Mr.Surachet	Sangchayosawat	12	11
7. Mr.Chalush	Chinthammit	12	12
8. Mr.Chavin	Kanlayanamitr	12	11
9. Ms.Daranee	Phanklin	12	12

Remark: ¹Mr.Phoon Chiong Kit was appointed to hold the position of Director on 1 April 2018

Authorised Directors

“Mr.Phoon Chiong Kit, Miss Daranee Phanklin, Mr. Surachet Sangchayosawat and Mr. Chavin Kalayanamitr any two out of these four directors jointly sign with the company’s seal affixed.”

Executive

As of 31 January 2019, there were 6 executives, as follow:

No	Name	Title
1.	Mr.Phoon Chiong Kit	Chief Executive Officer
2.	Mr.Phakhanaaz Phumchijzarnan	Chief Marketing Officer
3.	Miss.Tamonwan Narintavanich	Chief Financial Officer
4.	Miss.Rodjana Trakulkoosri	Chief Business Development Officer
5.	Mrs.Uraiwan Boonyarataphan	Chief People Officer
6.	Mr.Panaikorn ¹ Nuchmak	Chief Technical Officer

Remark: ¹Mr.Panaikorn was appointed to hold the position of Chief Technical Officer on 3 August 2018

Corporate Secretary's duties and responsibility

Corporate Secretary's duties are shown in the Securities and Stock Exchange Act 1992, Article 89/15 (1) and Article 89/16 which came into effect on 31 August 2011 with care and honesty, including compliance to the law, objectives and regulation of the Company and resolutions of the Board and the shareholders' meetings. Duties and responsibility of Corporate Secretary are as follows:

- 1 Preparing and keeping the following documents:
 - Register of Directors,
 - Notice letters and Minutes of the Board of Directors' Meetings, and the Company's Annual Reports,
 - Notice letters and Minutes of Shareholders' Meetings
- 2 Keeping reports on gain and loss as reported by the Board of Directors and the Management,
- 3 Doing other things as prescribed by the Stock Exchange Committee,
- 4 Delivering copies of reports on gain and loss as reported by the Board of Directors and the Management or other related persons, which is the gain and loss pertaining to the operation of the Company's business, or its subsidiaries, to the Chairman and the Chairman of the Board of Auditors, within 7 days from the date which the Company receives the said reports,
- 5 Making suggestion on the Law and related rules and procedures on governance of the Board in line with the law.

- 6 Arranging the meetings of the Board of Directors' Meetings and also of Shareholders' Meetings
- 7 Coordinating with the Company units to follow the resolutions of the Board of Director and Shareholders' Meetings.
- 8 Liaise with regulatory agencies such as the stock market and overseeing the disclosure and reporting information to the regulatory agencies and the public as specified by law.
- 9 Preparing the orientation to newly appointed director
- 10 Performing the duty with due responsibility, care and honesty according to the Laws, objectives and regulations of the Company, resolutions of the Board of Directors as well as the resolutions of the Shareholders' Meetings
- 11 Other duties as assigned from the Company

Report on securities holding of directors and top management

The Company has policy for the directors and executives of the Company (including spouses and minor children of such person) to report on changes in securities holding to SEC Office within 3 business days from the date of change of holding and to submit the copy of the report on securities holding (Form 59-2) to the Company Secretary for the collection and presentation to the Board of Directors on a quarterly basis. The report on changes in the holding of securities of directors and executives for the fiscal year ended December 31, 2018 can be summarized as follows:

The Changes in Holding of Securities by the Board of Directors and Top Management in 2018

Names	No.of shares	(%)	No.of shares As of 31/12/2018 (share)	(%)
1. Mr.Mana Jantanayingyong	-	-	-	-
2. Mr.Phoon Chiong Kit	-	-	-	-
3. Mr.Chaiyasit Puvapiromquan	-	-	-	-
4. Mr.Paisal Tarasansombat	-	-	-	-
5. Mr.Danai Tangsriviriyakul	394,480	0.01	394,480	0.01
6. Mr.Surachet Sangchayosawat	30,000	0.00	50,000	0.00
7. Mr.Chalush Chinthammit	-	-	-	-
8. Mr.Chavin Kalayanamitr	-	-	-	-
9. Ms.Daranee Phanklin	-	-	-	-
10. Narintavanich Phumchijzarnan	-	-	172,994	0.00
11. Miss.Tamonwan Narintavanich	143,890	0.00	244,024	0.01
12. Miss.Rodjana Trakulkoosri	743,625	0.02	918,385	0.02
13. Mrs.Uraiwan Boonyarataphan	149,223	0.00	240,448	0.01
14. Mr.Panaikorn Nuchmak	-	-	63,062	0.00
TOTAL	1,461,218	0.04	1,847,337	0.04
Listed share (Share)	3,438,910,366		4,126,681,773	

Remarks :

1. Include shares held by spouse, underage children and related entities
2. The Director No.10-14 are the Executive who attended the Employee Joint Investment Program (EJIP)

Personnel

The Company and its subsidiaries, totalling 16 companies, have a total of 478 personnel as at December 31, 2018, of which 306 are male and 172 are female.

Table on remuneration, Training hour, Rates of leaves and accidents or serious injuries from work and labor disputes in 2018.

	MACO and its Subsidiaries (16 companies)
Total Employees (person)*	478
Remuneration **	357.22
Training Hours (Hour)	10,226
Average Training Hours per employee per year (Hour)	21.40
Average Sick Leaves per leaves (Days)	2.72
Average Personal Leaves per year (Days)	1.59
Average Annual Leaves per years (Day)	570
Average Other Types of Leaves (Times)	22
Accidents or serious injuries from work (Times)	2
Labour disputes (Times)	-

* Include employees of the company and its subsidiaries

**Remuneration consists of salary, bonus, provident fund contribution, overtime wages, daily allowance, commission and etc.

Employee welfare and human resources development

Apart from compensation in the form of salaries and bonuses, the Company has arranged other fringe benefits to employees in various forms such as providing provident fund, the provision of health insurance, life insurance and accident insurance, as well as the provision of benefits in the form of grants in various occasions. In addition, the Company focus on human resource development as the Company believes that qualified and talented employees are the most important mechanism for the Company's growth and stability.

Therefore, the Company has put emphasis on human resources development to enhance and empower employees with skills, knowledge and ability to perform tasks as well as to create positive attitude for a collaborative culture. The Company has selected appropriate methods for personnel development to promote the quality and efficiency of personnel so that they will be equipped with a full-fledged competency in order to enhance the competitiveness of the organization. (More information can be found in the Form 56-1 Section 8.5 Personnel)

Compliance with corporate governance principles in 2018

The Board has set the corporate governance based on principles and practices consistent with the good corporate governance principles of the Stock Exchange of Thailand and the recommendations of the Thai Institute of Directors (IOD). The Company has communicated with management and employees on various channels such as orientation for new employees, intranet system, and dissemination of corporate governance guidelines and business ethics on the Company's website at: www.masterad.com/investorrelations.

The Company's corporate governance policy is divided into 5 sections covering good corporate governance principles as follows:

- (1) Rights of Shareholders
- (2) Equitable Treatment of Shareholders
- (3) Role of Stakeholders
- (4) Disclosure and Transparency
- (5) Board Responsibilities

In 2018, the company adhered to the principles and best practices. On corporate governance for listed companies as follows.

Section 1 Right of Shareholders

The Company promotes basic rights of shareholders and encourages all shareholders, whether small investors or institutional investors, to exercise their rights under the basic rights of shareholders such as trading or transfer of shares, profit sharing, obtaining sufficient information of the business through the website of the Stock Exchange of Thailand or the Company's website or other channels, attending the shareholders' meeting to acknowledge the annual performance and exercising voting rights at the shareholders' meeting to approve important matters as required by law. This also includes the appointment or dismissal of directors, the appointment of Auditor and consideration of auditor's remuneration, payment or omission of dividend, capital increase and new shares issuance as well as asking questions or express their opinions on various matters reported by the Board for the approval from the Shareholders' meetings, etc. In the year 2018 the Company has done the following:

Organizing the shareholders' meeting

The Company organized the 2018 Annual General Meeting of Shareholders and held the Extraordinary General Meeting No. 1/2018 with the following details:

The Company organized the 2018 Annual General Meeting of Shareholders on April 25, 2018 at 14.00 hrs. at the meeting Room 1-2, Queen Sirikit National Convention Center No. 60, New Ratchadapisek Road, Khlong Toei, Bangkok 10110. There were a total of 629 attendants, a total number of 2,175,367,394 shares representing 63.26% of the shares sold. At the 2018 Annual General Meeting of Shareholders, the Chairman of the board, the Board of Directors and the Audit Committee, a total of 9 persons as well as the top management attended meeting in unison.

The Extraordinary General Meeting of Shareholders No. 1/2018 was held on Wednesday/ July 18, 2018 at 14.00 hrs. Room 1-2, Queen Sirikit National Convention Center No. 60, New Ratchadapisek Road, Khlong Toei, Bangkok 10110. There were a total of 719 attendees, a total number of 3,002,958,718 shares representing 87.32% of the shares sold. At the Extraordinary General Meeting of Shareholders No. 1/2018, the Chairman of the board, the Board of Directors and the Audit Committee, a total of 9 persons as well as the top management attended meeting in unison.

The Chairman conducted both meetings completely with the procedures as required by law.

Before the meeting.

1. The company released a letter to the shareholders through SET system to inform the minority shareholders of the right to submit the issue to be placed on the agenda and to nominate the persons to be considered to be a Director of the Company according to the selecting process prior to the Annual General Meeting of the shareholders, 3 months in advance before the end 8 of the fiscal year in line with the conditions published on the Company's website at <http://www.masterad.com/investorrelations>. In 2018 Annual General Meeting of the Shareholders and Extraordinary General Meeting of shareholders no.1/201 no one proposed any agenda or nominated a person to be an independent director of the the company.

2. The Company has published the meeting schedule and the agenda through the Stock Exchange of Thailand's information system and the Company's website 30 days prior to the meeting date to allow the shareholders to access and have sufficient time to study the information and details.
3. Arrange for shareholders to submit questions in advance of the meeting of shareholders. Email Address: sukjai@masterad.com; And published guidelines on submitting questions in advance on company website: www.masterad.com/investor relation.
4. Sending invitation letters to the Meeting, stating place, date, time, agenda of the Meeting, with details to be presented to the Meeting, and the reason and opinion of the Board of Directors in each agenda, with proxy letter, annual report and additional detail attached to the report. The said documents were sent to all shareholders whose names appeared on the shareholders registrar as of the closing date, 14 days prior to the meeting date, and advertised in newspapers for 3 consecutive days,
5. Shareholders who cannot attend the AGM themselves are allowed to appoint proxies, or delegate independent directors as their proxies to vote on their behalf.
6. The Chairman of the Meeting conducted the Meeting according to the agenda in the invitation letter, without any change in the order of the agenda, and without requesting the Meeting to consider any matters not specified in the Meeting,
7. During the meeting, the Chairman of the meeting allowed the participants to ask questions and express their views on the agenda equally, as well as providing reasonable time for discussion.
8. The exercise of voting right for approval in each agenda was on the majority votes, in the format of 1 Share : 1 Vote, except in agenda on approval of Directors' remuneration which was the resolution of the shareholders at two third of all the votes attending the Meeting and with voting right.
9. Before any voting in each agenda, the Chairman allowed shareholders to inquire for details and clarification,
10. The Chairman notified the Meeting to vote openly in each agenda,
11. Shareholders were allowed to vote in the election of directors individually,
12. During the Meeting if there were additional shareholders joining the Meeting, the Company counted the number of shares and the new shares each time, and the newly arrived shareholders were given the rights to vote on agenda not yet voted. The Chairman summarized the voting result in each agenda for the Meeting to acknowledge,
13. The Chairman announced the voting results in numbers of Yes, No and Abstain.

Shareholders' meeting date

1. The Company facilitated all shareholders equally and encouraged shareholders, especially institutional investors, to attend the shareholders' meeting. There were no special conditions that limit the opportunity to attend the meeting and the date of the meeting was not set to be on the long weekend or public holidays. The Company also scheduled the meeting to be held at the appropriate time and the meeting venue was in a convenient location. The receptionists were arranged as well as allowing the shareholders to register up to 2 hours before the meeting time.
2. Before starting the agenda, the secretary introduced the Board, the executives and the auditor as well as informing the meeting of the criteria for voting and how to count the votes.
3. Registration and voting via barcode system have been introduced to the meeting for the second year for the shareholders' convenience.
4. The voting papers are provided in each agenda item for transparency and monitor.
5. Before commencing the meeting, the chairperson shall announce the number of shareholders and proxies for the meeting's acknowledgement. The Chairperson, then, clarifies the procedures of voting by ballot paper. The resolution depends on the majority vote.

After the shareholders' meeting

At the end of the meeting, the Company informed the resolution of the shareholders' meeting through the Stock Exchange's system with the details of the resolution and the voting results for each agenda. The minutes were recorded accurately and completely so that the shareholders' review. The minutes were recorded with the votes, whether disapproved and abstained on all agendas with voting. The summary of opinions, substantial questions and answers related to each agenda were recorded and published within 14 days on the Company's website at: <http://www.masterad.com/investor relations>

The Company has been evaluated for excellent for the shareholders' meeting for 5 consecutive years from 2007 to 2011 and has been evaluated for the best for 6 consecutive years from 2012 through 2018.

Section 2 Equitable Treatment of Shareholders

Proposing Agenda and nominating candidates to be directors

At the annual general meeting of shareholders, the Company will provide opportunities for minority shareholders to exercise their rights, to propose agenda and nominate persons to be elected as directors in advance to promote equitable and fair treatment of shareholders. One or several shareholders holding shares not less than 5% of the total number of voting rights of the Company can propose the agenda and the names of the candidates at the annual general meeting of shareholders. The Company will publish these guidelines on its website and the website of the Stock Exchange of Thailand. Shareholders are encouraged to propose agenda items or nominate directors within the timeframe specified by the Company.

In addition, the Company allows the shareholders with the opportunity to submit questions concerning the agenda of the shareholders' meeting in advance. The Company also publishes the Notice of the shareholders' meeting before every meeting.

Proxy for other people to attend the meeting

To maintain the rights of the shareholders who cannot attend the meeting, the company will send the Proxy Form A, Form B and Form C attached to the notification of the meeting and clearly identify the documents that must be provided for the authorization. The shareholders may delegate to their representatives or the independent directors to attend the meeting and cast the votes on their behalf at the shareholders' meeting. The Company will notify the list of independent directors that the shareholders can appoint for at least one person. In addition, the Company will distribute the invitation letter to the shareholders and various proxy forms as well as the details and procedures on the Company's website.

The Company has a policy to facilitate and encourage the shareholders to attend the shareholders' meetings by allowing the shareholders the right to appoint the independent directors and send the proxy form prior to the meeting date. To encourage institutional investors and/or the custodians to attend the shareholders' meetings, the Company provides an opportunity to check the list, information and documents for registration prior to the meeting date as well. In addition, the Company prepares duty stamps for the shareholders free of charge, as well as arranges the Company's officers to receive proxy forms and supporting documents from institutional investors upon requested.

In the 2018 Annual General Meeting of Shareholders and at the Extraordinary General Meeting of Shareholders No. 1/2018, there were shareholders authorized to Independent directors of the company attended the meeting, 485 persons and 484 persons, respectively.

In the 2018 Annual General Meeting of Shareholders and at the Extraordinary General Meeting of Shareholders No. 1/2018, there were 485 and 484 shareholders, assigned the independent directors to attend the meetings respectively.

Access to the Company's information

The Company does not discriminate against any particular shareholder. The shareholders can access to the Company's information which is open to the shareholders and the public through the Company's website at: www.masterad.com/investor-relations; or contact our Investor Relations at +66 (0)2 273 8639 or Email Address: Pornprasert@masterad.com

Section 3 Role of Stakeholders

The Company always considers the interests of the Company along with taking into account the benefits, rights and equality of the stakeholders which include the shareholders, employees, partners, creditors, competitors and social responsibility. The Company has set policies and guidelines in dealing with the stakeholders in writing in the Corporate Governance and Ethics Guide so that the every director, executive and employee will be aware of and follow such policies accordingly. Policies and guidelines in dealing with the various stakeholders are as follows:

The shareholders

The Company is committed to working diligently to provide the shareholders with the best possible return on a sustainable basis with continued good performance, taking into account current and future risk factors. The Company will operate in a transparent manner and will try its best to protect the property and maintain its reputation.

The clients

The Company values its clients by striving to create customer satisfaction and confidence which contributes to the Company's success. The Company is set to offer quality services that meet or exceed customer expectations at the fair. We are ready to provide our clients with a full range of services, focusing on care and responsibility, as well as providing accurate and adequate information to our clients in order to prevent any misconceptions about quality or condition. We constantly develop the quality, style of

products and services to meet the needs of clients and always maintain a good relationship in the long run. The Company regularly conducts customer satisfaction survey to get feedback for improving its service and management. In addition, the Company has provided the training and understanding to staff before servicing to the clients and continuously develop skills and knowledge for employees so that the clients will get the best benefit from the service. The Company also has policies and guidelines to maintain the confidentiality of the clients and shall not use it for any personal benefit unless the information is disclosed by the client and/or the Company has a legal obligation to disclose it.

The employees

The Company believes that qualified and talented employees are the most important mechanism for the Company's growth and stability. Therefore, the Company has emphasized on human resources development to enhance and empower employees with skills, knowledge and ability to perform tasks as well as to create positive attitude for a collaborative culture. The Company has selected appropriate methods for personnel development to promote the quality and efficiency of personnel so that they will be equipped with a full-fledged competency in order to enhance the competitiveness of the organization. (More information can be found in the Form 56-1 Section 8.3 Personnel)

The partners

The Company takes into consideration the importance of every partner as an important player in the growth of the Company. This includes value creation for clients and the shareholders. In doing business with any partner, the Company always selects the partner with fairness, taking into account the reputation, legitimacy, rules, regulations and practices as well as the principle of equal treatment, transparency and honesty according to the contractual agreement and the Code of Ethics. In the event that any agreement cannot be fulfilled, the Company will promptly notify the partners in order to find solutions. In addition, the Company also arranges activities to build relationships with partners and benefit society every year.

The competitors

The Company will treat its competitors according to the law and ethics, focusing on fair competition. The Company will not ruin the reputation of the competitors by allegations including not seeking information or confidentiality of the competitors by means of dishonest or inappropriate approach. The Company promotes free and fair trade that does not monopolize or impose the clients to trade only with the Company,

The creditors

The Company focuses on building confidence to the creditors by stressing on honesty and always adhere to the terms and conditions of the contract. The Company is committed to pay back the loan and interest properly, not using the loan in contrast against the purpose of the loan. In addition, the Company will not hide any information or facts that may cause damage to the creditors.

The consumers

The Company attaches great importance to the standard of its advertising media especially the security, whether it is the installation stage or viewing the media. We consistently study, evaluate and improve the impact of the media as well as monitoring the strength of the installed media so as not to cause damage to the people in the installation area.

The community and the environment

The Company focuses on sustainable business along with the development of society, community, environment and good quality of life in Thai society context as we realize that responsibility for the society is ongoing. The Group thus promotes corporate social responsibility in all sectors of the organization. The Company believes that doing business socially and socially conscious is an important driving force for sustainable development both at the community and national levels.

The Company takes it as duty and responsibility to support and arrange the activities that are beneficial to society in all aspects. The Company has organized a number of activities and special events in accordance with the social context, covering both community and operational levels to return the profits back to society.

(Please refer to the annual sustainability report for 2018, which is available on the Company’s website: www.masterad.com/investorrelation)

The Company has a business ethics policy that promotes good corporate governance, including policies and practices regarding violation of human rights and policies and guidelines for non-infringement of intellectual property or copyright. Policies and guidelines on ethics and corporate governance can be summarized as follows:

Violation of human rights

The Company has a policy to ensure fairness to all stakeholders by complying with all applicable laws and regulations relating to human rights and fundamental human rights principles, regardless of race, ethnic origin, sex, age, color, or race, religion, disability, status, nationality, education or any other status not directly related to the work, including respect for the individuality and the dignity of humanity.

Anti-corruption and bribery

The Company has a policy to conduct business with integrity with honesty and transparently under relevant laws and standards with responsibility to the society and all stakeholders in accordance with good corporate governance and all forms of anti-corruption and bribery. The Company also supports and requires its subsidiaries, as well as persons involved in business operations, to comply with the anti-corruption policy. All relevant departments must carry out the activities with transparency and honesty in dealing with government officials or other agencies to avoid improper actions that conflict with good management.

The anti-corruption measures of the Company consist of:

A. The Anti-Corruption Policy and Guidelines as follows:

- Guidelines and procedures on sponsorship
- Guidelines and procedures on charitable donations
- Guidelines and procedures on political contributions
- Guidelines and procedures on giving and receiving gifts
- Guidelines and procedures on entertainment and other expenses

B. Whistleblowing policy and protection of the whistleblower More details on “Anti-Corruption Measures” can be found on the Company’s website at: www.masterad.com/Investorrelations

Complaints

The Company has provided channels for all stakeholders to contact or complain about possible problems: (1) The Board directly through the Company Secretary and/or (2) The Audit Committee directly through the following channels (The Company will keep the complainant’s information confidential.):

Office of the Company Secretary

- Tel : 02 938 3388 ต่อ 487
- E-mail: tamonwan@masterad.com
- or by mail to the Company secretary at the Company’s address

The Company believes that its employees are the main factor and a valuable resource. Therefore, in order to make the process fair and equitable, the Company has opened channels for the employees to file complaints as well as provide protection to employees who file complaints and/or witnesses from unfair practices such as job transfer, disciplinary action, etc. The procedures are specified in the Employee Handbook and Work Regulations and through the Company’s intranet.

Section 4 Disclosure and Transparency

The reports of the Board both financial and non-financial matters

The Board is responsible for disclosing both financial and non-financial information in a complete, reliable and timely manner to the shareholders and stakeholders of the Company. The Company also prepares and updates information on the Company's website. Information of the Company will be carefully prepared in a clear, accurate, transparent manner and easy to understand language.

Investor Relations

The Company gives importance to the opinions of the investors and the general public towards the company, therefore the Investor Relations Department has been set up to act as a medium to communicate information between the Company and investors which includes shareholders, securities analysts, and interested parties. The Investor Relations Department is a medium of two-way communications. On the one hand, it is the Company's information disseminated to investors. Such information includes news on operations, results of operations, and important events that have an impact on the performance. On the other hand, it listens to opinions and suggestions from the investors and presents to the Executive Committee and the Board in order to acknowledge the investors' views on the Company by reporting on a quarterly basis.

The Investor Relations Department has set up performance indicators to ensure that the goals are in line with that of the Company's which includes presenting the Company to the interest of investors (such as counting the number of meetings, the number of road show attendance, and the website viewing statistics) and the quality of information and speed in providing information to investors (Measured from the number of times the data is delivered, the speed of data delivery, and various survey results).

In 2018, the Company met approximately 50 domestic and foreign institutional investors. The Company organized various activities for investors, including organizing meetings to clarify quarterly results to analysts together with VGI for 3 times. In addition, the Company also invited analysts and shareholders to the Company's advertising media business in Malaysia in November 28-30, 2018; attending Thailand Focus 2018 organized by the Stock Exchange in August 30 - 31, 2018 and attending Conferences/ Non-deal roadshow

organized by Maybank Kim Eng Securities (Thailand) on October 9, 2018.

The Company website represents one of the key communications channels with the investment community. The website is the definitive source of information on the Group and has been designed based on Best Corporate Governance Practices. Its contents include live share price feeds, download versions of publications (including annual reports, Form 56-1, financial statements, MD&A and company presentations) and financial calendar. In 2018, the website was mainly accessed by visitors from Thailand, USA and Hong Kong.

Investor Relations Contact Details

For enquiries by shareholders and investors, please contact our Investor Relations Department

Investor Relations	Mr.Pornprasert Kumwingworn
Contact Telephone	+66 (0) 2273 8639 (Direct Line)
Email	Pornprasert@masterad.com
Website	http://investor-th.masterad.com/ or https://www.masterad.com/
SET Share Symbol	MACO

Disclosure important information to the public policy

The Company has a policy to disclose important information to the public such as: the Company's objectives, financial status and operating results of the Company, organization structure and shareholding structure, list and history of the Board, subcommittee and management, predictable risk factors and policies both on the operational and financial, corporate governance structures and policies, the Board's responsibilities in financial reporting and reports of the Chairman and the Audit Committee as well as disclosure in the annual report of the number of times the directors and sub-committees attending the meetings, the Company's operations, information affecting the trading price of the Company or investment decision or the benefits of the shareholders in accordance with the Notification of the Stock Exchange of Thailand and other relevant laws and regulations, financial statements and annual reports; so that investors and stakeholders, both shareholders and prospective investors, will be informed to make investment decisions through the Stock Exchange's channels and through the Company's website.

Section 5 Responsibilities of the Board

The Company has appointed the Board to scrutinize and oversee the Company's direction and management. All directors are free to express their opinions on the Company's operations to supervise the operation of the management effectively, accurately and transparently.

The Board is the representative of the shareholders, thus playing a key role in creating value for the business and generating Return On Investment for the shareholders. Therefore, the Board must have leadership, vision, decision-making ability. The Board is responsible for overseeing the management of the Company in the best interests of the shareholders. The duties and responsibilities toward the shareholders by the management is clearly stated and separated from the Board.

Composition of the Board of Directors

The Board of Directors shall consist of not less than 5 members, but not exceeding 12 members. As of 31

December 2018, the Board of Directors consisted of 9 members, which is a suitable number for the Company's size and nature of business. The composition of the Board of Directors was 1 executive directors, 5 non-executive directors and 3 independent directors, 1 of whom were female and 8 of whom were male. All of whom are qualified members with diversified professional backgrounds, including business administration, engineering, advertising and marketing, financing, accounting and auditing, and other experience that is relevant to the media business industry. All directors are independent to give opinion on the Company's business operation so as to monitor and oversee the performance of the management to be carried out in an efficient, accurate and transparent way. Besides, for the purpose of performing their duties and the transparency of the business operation, as well as to limit the authorities of each person, the Company clearly separates the duties, responsibilities and the persons who take the positions of the Chairman of the Board of Directors and the Chief Executive Officer from one another.

List of Board of Directors as of 2018.

Name	Position	Meeting attendance in 2018		
		Number of times that eligible to attend the meeting	Number of meetings attended	(%)
1. Mr.Mana Jantanayingyong	Chairman of the Board of Directors	12	12	100
2. Mr.Phoon Chiong Kit	Director	9	9	100
3. Mr.Chaiyasit Puvapiromquan	Director	12	11	92
4. Mr.Paisal Tarasansombat	Independent Director	12	11	92
5. Mr.Danai Tangsriviriyakul	Independent Director	12	11	92
6. Mr.Surachet Sangchayosawat	Director	12	11	92
7. Mr.Chalush Chinthammit	Independent Director	12	12	100
8. Mr.Chavin Kanlayanamitr	Director	12	11	92
9. Ms.Daranee Phanklin	Director	12	12	100

Remark:

1. Executive Director refers to a person who has management authority, receiving monthly salary and appointed as a Director.
2. Non-executive Director refers to a director who has no managerial position in the Company, and no monthly salary,
3. Independent Director refers to a Director who has no managerial position but shall have qualifications as specified by SEC and SET.

Scope of Authority and Responsibility

The board members shall have the following authorities and responsibilities.

1. Manage the Company by deploying their best knowledge, capability, and experience for the best interest of the Company's business operation. Such management shall prudently abide by the Company's regulations, objectives, bylaws, and the shareholder's meeting resolution, in order to retain the best interests of the Company and to assume its responsibilities for the shareholders.
2. Review and approve the Company's operational policies and directions proposed by the Executive Committee, except for issues which require approval of the shareholder's meeting, including other issues which are required by the law to be assented by the shareholder's meeting.
3. Oversee the Executive Committee to efficiently adhere to the stipulated policy. Additionally, the Board shall inform the Executive Committee to present issues in substance to the Company's operation as well as connected transactions, among many others, in conformity with the regulations and bylaws of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). As for the significant decision for the business operation, the board members may seek specialized professional advice or comment from external consultants.
4. Supervise the Company adopting efficient internal control systems and internal audits. In addition, the Board has rights to decide and oversee overall operations of the Company, except for the following issues for which they require the approval from the shareholders' meeting before operation.
 - Issues which are required by the law to pass the shareholders' meeting resolution first.
 - Issues of connected transaction as stipulated by the rules and regulations of the Stock Exchange of Thailand on criteria, approach, and disclosure of a registered company's connected transaction.
 - The purchase and sales of important property shall conform to the SET rules and regulations on criteria, approach, and disclosure of receipt and disposal of a registered company's asset.

Roles and duties of the Chairman of the Board

1. Supervise the performance of the Board of Directors and the sub-committees to be effective and achieve the objectives as planned as well as ensuring that all directors participate in promoting a corporate culture with ethics and good corporate governance.
2. Calling the Board of Directors' meeting, the Chairman of the Board or the assigned person shall send the notice

of the meeting to the directors for each meeting at least 7 days prior to the meeting date, except in urgent cases. In the meeting invitation, specify the location, date, time and subject to be discussed. In addition, the Chairman of the Board must allocate sufficient time for the meeting so that the management can clarify the details completely and allow the directors to discuss important issues thoroughly as well as using discretion to make independent decisions.

3. Acts as the Chairman of the Board meeting and gives the final vote in case of equal votes at the Board of Directors' meeting.
4. Chairs the meeting of the Company shareholders and control the meeting according to the regulations of the company and the agenda.
5. Perform other duties as specified by law, especially as the duties of the Chairman of the Board.

Scope of CEO's Authority and Responsibility

1. Make the Company's critical judgments; formulate Mission, objectives, guidelines, policies; as well as supervise the overall operation, productivity, customer relations, and responsibility for the Board of Directors.
2. Hire, appoint, and relocate personnel as deemed appropriate in terms of number and necessity to be executives or employees of all posts. The CEO also plays a key role in identifying reasonable scopes of authorities and responsibilities, remuneration, as well as in discharging, dismissing, firing employees as deemed appropriate.
3. Stipulate trading terms and conditions, e.g. amount of credit, payment period, sales and purchase contract, amendment of trading terms and conditions, etc.
4. Approve expenditures of a project approved by the Board of Directors. Each expenditure or payment shall not exceed ten million Baht.
5. Peruse the investment in different projects including asset sales and purchase.
6. Implement and represent on behalf of the Company when contacting outsiders in related business in the Company's interests.
7. Approve the appointment of professional consultants critical to the Company's operation.
8. Carry out tasks related to overall administration of the Company.

The use of the authority of the Chief Executive Officer above cannot be done. If there is a stake or may have conflicts of interest in any manner with the company in using such power.

Term of Office of the Board of Directors

In each Annual General Meeting, one third of Directors shall retire. If the number cannot be divided in a round number, the retired number shall be closest to the one third. However the retired Director can be reelected. Other than retirement at the end of office term, a Directorship may be terminated by.

Qualifications of the Board of Directors

In accordance with Section 68, Directors must be natural persons and:

1. Become sui juris.
2. Being Director of the other listed companies not over 5 companies.
3. Not be a bankrupt, an incompetent person or a quasi-incompetent person;
4. Not have been imprisoned by a final judgment to a term of imprisonment for an offence against property committed dishonestly;
5. Not have been punished by an expulsion or removal from the governmental service or a State organization or agency on the ground of corrupt practices in official duties.
6. Director must be qualified and has no prohibitions as defined in the Law on Public Companies / and must not lack of any suitability to be entrusted to manage an entity with the public as the shareholders according to the notification of the SEC (Article 89/3 Securities Act BE. 2551)
7. Director must be knowledgeable, honest, have ethic to operate the business, have sufficient time to devote knowledge and ability to work for the Company.
8. Director may be a shareholder of the Company or not.
9. Director may hold positions in other companies but the functioning of being a member of the Board must not be affected.

Qualification of Independent Directors

Independent directors of the Company shall have the following qualifications.

1. Hold no more than 0.5% of the entire voting shares in the Company, conglomerates, its subsidiaries, joint ventures, or juristic persons with potential conflicts of interests, implicitly including related persons' shares.
2. Do not participate in the management; are not employees, workers, consultants with salary; and are not person with authority over the Company, conglomerates, its subsidiaries, joint ventures, or juristic persons with potential conflicts of interests (at the present time and for at least two years before appointment).
3. Have no close/natural relationships or registration in terms of parents
4. Have neither business connection nor benefits or vested interests, both explicitly and implicitly, in terms of finance

and management of the Company, its subsidiaries, affiliates, joint ventures, or persons, which may potentially lead to prejudice.

5. Have never been Auditor of the Company, conglomerates, subsidiaries, joint ventures, or juristic persons who may have potential conflicts of interests, nor major shareholders, non-independent directors, management or management partner of an auditor office which provides audit consultancy to the Company, conglomerates, subsidiaries, joint ventures, or juristic persons who may cause conflicts of interests, except for losing such status for no less than two years counting from the application date to the office.
6. Have never been or was any professional adviser including legal or financial consultant whose fee is more than two million Baht a year for the Company, conglomerates, subsidiaries, joint ventures, or juristic persons who may cause conflicts of interests. In the event of juristic professionals, nonetheless, this clause shall include major shareholders, non-independent directors, management or management partner of such professionals, except for losing such status for no less than two years counting from the application date to the office.
7. Have never been appointed to represent the Company's director, its major shareholder, or shareholder who has connection with the major shareholder of the Company.
8. Possess any other qualification which may hinder him or her from independently commentating on the Company's operation.

Board meetings and sub-committees

1. The Board of Directors will arrange the meeting at least 6 times a year in each fiscal year by setting the meeting date in advance throughout the year and may have additional special meeting as necessary.
2. The Chairman of the Board and the Chairman of the Executive Committee will oversee the approval of the meeting agenda.
3. Each director, including the management, is free to propose matters that are beneficial to the Company into the meeting agenda.
4. The Chief Executive Officer invites high-level executives to attend the Board of Directors meeting to provide more detailed information on relevant agenda so that the Board of Directors will have the opportunity to know top-level executives for consideration of the succession plan.
5. The Secretary of the Company is responsible for delivering meeting invitations with meeting agendas and meeting documents to the directors at least 7 days in advance so that the directors have time to study before attending the meeting.

6. The Chairman of the Board or the Chairman of the Sub-Committee (As the case may be) will act as the chairman of the meeting, having the duty to oversee the allocation of time for each agenda sufficiently for the directors to discuss, express opinions independently on important issues, taking into account the interests of shareholders and those who are involved fairly.
7. The minimum quorum for the Board of Directors and sub-committee meetings at the time of voting must have at least two-thirds of the total number of directors.
8. In the Board or sub-committee meetings (Depending on the case), those who have significant interest in the matter considered must leave the meeting during the consideration of that matter.
9. The resolution shall use the majority of votes and if there is a director opposing the resolution, the objection shall be recorded in the minutes of the meeting.
10. In considering any matter, the director has the right to request to see or check the relevant documents or request the relevant management to attend the meeting to clarify additional information.
11. Each director should attend not less than 75 percent of the total number of board meetings held in the year.
12. Secretary of the Company or Secretary of the Meeting (As the case may be) responsible for recording and preparing the minutes of the meeting within 14 days, keeping the minutes of the meeting, supporting documents, supporting the Board of Directors and sub-committees to perform duties in accordance with laws, regulations, and resolutions of the shareholders' meeting, as well as coordinating with related parties.

In the event that the Board of Directors does not have a meeting every month, the management team will report the operating results to the Board of Directors in the month that they do not have a meeting. In addition, non-executive directors can also meet among themselves as appropriate in order to allow non-executive directors to discuss various issues of mutual interest without the executive directors or the management attending the meeting and the meeting results shall be reported to the Chief Executive Officer.

Assessment of the Performance of the Board of Director

The Master Ad (Public) Company Limited has arranged the performance assessment through group evaluation of the board in which conform to the principle of good corporate governance by focusing on bringing an evaluation result to improve the performance of the Board of Committee. There are two forms for the Performance Evaluation, consisting of:

1. Assessment of the performance of the Board of Directors through group evaluation

2. Assessment of the performance of the Board of Directors through Individual evaluation

Each topic is marked as following

- 0 = No performance in that topic at all
- 1 = having a little performance
- 2 = having a moderate performance
- 3 = having a good performance
- 4 = having an excellent performance

The summary of the Assessment of the performance of the Board of Directors through group evaluation in the 6 major topics as follow;

- (1) The structure and qualification of the Board
The result was very good.
- (2) Roles and are responsibilities of the Board
The result was very good.
- (3) The Board of Directors' meeting
The result was very good.
- (4) The duties of the Director
The result was very good.
- (5) The relation with management The result was very good.
- (6) Development of the director and executives
The result was very good.

The summary of Assessment of the performance of the Board of Directors through Individual evaluation in the 3 major topics as follow;

- (1) The structure and qualification of the Board
The result was very good.
- (2) The Board of Directors' meeting
The result was very good.
- (3) Roles and are responsibilities of the Board
The result was very good.

Development of Directors and Executives

The Company has a policy to promote knowledge to develop its directors and executives as follows:

1. Organize the orientation for the newly appointed Board of Directors by producing the directors' manual on the roles and responsibilities and the Company Secretary will explain the Company's business operation to them.
2. The newly appointed directors must attend the Director Accreditation Program (DAP) or Director Certification Program (DCP).

In the year 2018, Mr. Mana Jantanayingyong attended the meeting of the Chairman Forum 2018 "Digital Transformation - A Must for All Companies" organized by the Thai Institute of Directors Association. (IOD) held on 6 November 2018

Training Course from the Thai Institute of Directors (IOD)

	Name	Program	
		Directors Certification Program (DCP)	Directors Accreditation Program (DAP)
1	Mr.Mana Jantanayingyong	-	2012
2	Mr.Phoon Chiong Kit	-	-
3	Mr.Chaiyasit Puvapiromquan	-	118/15
4	Mr.Paisal Tarasansombat	197/14	21/04
5	Mr.Danai Tangsriviriyakul	-	138/17
6	Mr.Surachet Sangchayosawat	-	136/17
7	Mr.Chalush Chinthammit	-	2004
8	Mr.Chavin Kalayanamitr	2011	-
9	Ms.Daranee Phanklin	204/15	-

Succession Plan

The Company has prepared the Succession Plan for the top executives with the following objectives: (1) To replace the key personnel. (2) To respond to the business plan of the Company. (3) To improve career prospects; It is the first step to recruiting staff. The Company has considered important positions that require a succession plan, in which the candidates should be considered for succession based on age, experience, performance, past performance.

Policy on holding office in other companies of the directors and Chief Executive Officer

In order to ensure that directors are able to devote sufficient time to their duties in the Company, the Company determines the number of companies to be retained by each director to be not more than 5 companies. This is due to the fact that the efficiency of the performance of duties as a director may be reduced if the number of companies is too many.

The Board has determined that the CEO should not hold positions in other companies apart from the Company and its affiliates.

The Audit Committee

The Audit Committee shall consist of at least 3 independent directors and at least 1 member must have knowledge and experience in reviewing the financial statements. As of 31 December 2018, the Audit Committee consisted of 3 members as follows:

Name	Position	Number of times that eligible to attend the meeting	Number of meetings attended	(%)
1. Mr.Paisal Tarasansombat	Chairman	5	5	100
2. Mr.Danai Tangsriviriyakul	Member	5	5	100
3. Mr.Chalush Chinthammit*	Member	5	5	100

Remark: Mr.Chalush Chinthammit is member of the audit committee, who have knowledge and experience in reviewing the Company's financial statements.

Scope of Authority and Responsibility

The Audit Committee has the following scope of authorities and duties.

1. To review the company's financial statement for accurate, reliable and sufficient disclosure.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit and annual internal audit plan.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
5. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - An opinion on the accuracy, completeness and creditability of the Company's financial report.
 - An opinion on the adequacy of the Company's internal control system,
 - An opinion on the compliance with the law on securities and exchange, the exchange's regulations, or the laws relating to the Company's business,
 - An opinion on the suitability of an auditor,
 - An opinion on the transactions that may lead to conflicts of interests,
 - The number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - Other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.
7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee. Nonetheless, the Audit Committee is

disallowed to approve any transaction in which there are potential connections, equity, or conflicts of interests between them or a third party and the Company or its subsidiaries.

Qualification of the Member of the Audit Committee

Member of the Audit Committee must be qualified according to the following criteria:

1. Holding not more than 0.5% of the paid-up capital of the Company, its subsidiaries, affiliates or related companies which shall be inclusive of the shares held by related persons.
2. Not participate in the management of the Company, its subsidiaries, affiliates or related companies or being a major shareholder of the Company.
3. Not being an employee or consultant who receives a salary from the Company, its subsidiaries, affiliates or related companies or being a major shareholder of the Company.
4. Not having the benefits or interest, whether direct or indirect, in the finance and administration of the Company, its subsidiaries, affiliates or related companies or being a major shareholder of the Company before the period 1 year prior to appointment as a Member of the Audit Committee unless the Board of Directors has carefully considered that having the benefits of interest would not affect the performance and independent commenting.
5. Not being related person or close relative of the executive or major shareholder of the Company.
6. Not being appointed as a representative to safeguard interests of the director who is the Company's major shareholders or the shareholders who are related to the Company's major shareholders.
7. Able to act, comment or report on the performance as assigned by Board of Directors by not being under the control of the executive or major shareholder of the Company including those involved or a close relative of such person. (Those involved means those who are associated or affiliated with the Company to the point that the performance cannot be carried on freely or flexible such as suppliers, customers, creditors, the debtor or those significantly related in the business, etc.)

The Nomination and remuneration Committee

The Board of Directors Meeting No. 5/2018 on May 11, 2018, the Board of Directors approved the establishment of the Nomination and Remuneration Committee. Which will begin official functions in the year 2019 by the said committee Consists of 3 independent directors as follows:

Name	Position
1. Mr.Paisal Tarasansombat	Chairman
2. Mr.Danai Tangsriviriyakul	Member
3. Mr.Chalush Chinthammit	Member

Duties and responsibilities of the Nomination and Remuneration Committee

1. Consider and give opinions on the structure of the Board of Directors, including the size and composition of the Board of Directors that should be considered by the size and business strategy of the Company comparing with the current size and composition of the Board of Directors, as well as considering the independence of each independent director in order to change the composition of the Board of Directors in accordance with the Company's strategy.
2. Determine the method of recruiting for the position of director by considering:
 - Qualifications of directors that are appropriate and consistent with the Company's strategy and in accordance with the structure, size and composition of the Board of Directors as determined by the Board of Directors.
 - Appropriateness of knowledge, experience, expertise, dedication of directors, including qualifications according to the laws or regulations of government agencies
 - Diversity in the structure of the Board and the qualifications of the directors that are still lacking in the Board of Directors by creating a Board Skill Matrix.
3. Recruitment of directors who are qualified in accordance with the qualifying criteria:
 - In the event that a director has to retire by rotation to allow the Board of Directors to approve and propose to the shareholders' meeting to consider and approve the appointment.
 - In the event that any director vacates office by any other reason (In addition to leaving the position by rotation) to allow the Board of Directors to approve the appointment of new directors in place of the vacant directors.
4. Consider the structure, amount, form, and criteria for compensation of all types, both monetary and non-monetary, that are appropriate for Chairman of the Board, Directors, and Sub-Committee Members by reviewing the appropriateness of the criteria currently used, comparing with the compensation information of other companies that are in the same industry as the company and other listed companies in the Stock Exchange and other listed companies with a market value (Market Capitalization) close to the Company in order to motivate and maintain the directors who are beneficial to the Company and present to the Board of Directors and the shareholders meetings for approval.
5. Consider the criteria for evaluating the performance of the Executive Chairman and the Chief Executive Officer, presenting the evaluation results according to the criteria for the Board of Directors to consider and approve as well as presenting the amount and the form of remuneration for the Executive Chairman and the Chief Executive Officer that is consistent with the performance assessment for the Board to consider and approve.
6. Consider the appropriateness and conditions regarding the offering of shares, warrants to purchase shares or other securities for directors and employees to motivate directors and employees to perform their duties in order to create added value for shareholders in the long term and to be able to retain qualified personnel under fair criteria for shareholders.
7. Report the performance of duties to the Board of Directors and/or the shareholders' meeting.
8. Assess the performance of the Nomination and Remuneration Committee for the year and report the evaluation results to the Board of Directors.
9. Consider the criteria for the Key Performance Indicators of the Company and present to the Board of Directors for approval.
10. Appoint a working group to assist with the various tasks of the Nomination and Remuneration Committee, as well as appoint independent consultants with expertise to provide consultancy and advice as well as assisting the Nomination and Remuneration Committee's operations.
11. Perform any other tasks related to recruitment and remuneration as assigned by the Board of Directors and perform any duties as specified by the laws or regulations of government agencies.

The Corporate Governance Committee

The Board of Directors Meeting No. 5/2018 on May 11, 2018, the Board of Directors approved the establishment of the Corporate Governance Committee. Which will begin official functions in the year 2019 by the said committee Consists of 4 directors as follows:

Name	Position
1. Mr.Danai Tangsriviriyakul	Chairman
2. Mr.Chalush Chinthammit	Member
3. Mr.Surachet Sangchayosawat	Member
4. Ms.Darane Phanklin	Member

The duties and responsibilities of the Corporate Governance Committee

The Corporate Governance Committee has the following duties and responsibilities:

1. To consider, determine, review and improve the corporate governance policy and business ethics in a manner consistent with the guidelines of the regulatory agencies and international standards for submission to the Board of Directors for consideration and approval

2. Consider, determine, review and improve Corporate Social Responsibility (CSR) to propose to the Board of Directors for approval as well as supervising the implementation of such policies on social responsibility, community and environment.
3. Consider, determine, review, and improve Anti-Corruption and Bribery to propose to the Board of Directors as well as supervising the implementation of such policies and guidelines regarding anti-corruption and bribery.
4. Report the performance of duties to the Board of Directors and/or Shareholders' meeting.
5. Evaluate the performance of the annual Corporate Governance Committee and report the assessment results to the Board of Directors
6. Appoint a working group to assist with the various tasks of the Corporate Governance Committee, as well as appoint independent consultants with expertise to provide consultancy and advice as well as assisting the Corporate Governance Committee's operations.
7. Perform any other tasks as assigned by the Board of Directors and perform any duties as specified by the laws or regulations of government agencies.

Executive Committee

As of 31 January 2019, the Executive Committee is comprised of 6 members as follows:

	NAME	Position	Number of times that eligible to attend the meeting	Number of meetings attended	(%)
1	Phoon Chiong Kit	Chairman	6	6	100
2	Mr.Phakhanaaz Phumchijzarnan	Member	9	9	100
3	Miss.Tamonwan Narintavanich	Member	9	9	100
4	Miss.Rodjana Trakulkoosri	Member	9	9	100
5	Miss.Uraiwan Boonyarataphan	Member	9	9	100
6	Mr.Panaikorn Nuchmak	Member	3	3	100

Remark:

- 1 Mr. Phoon Chiong Kit was appointed to hold the position of Executive Committee on 1 April 2018
- 2 Mr.Panaikorn Nuchmak was appointed to hold the position of Member of Committee on 3 August 2018

Scope of Duties and Responsibilities of the Executive Committee

1. Define policy, direction, and strategy and management structure of the Company's business to be consistent and suitable for economic and competitive conditions and propose to the Board of Directors for approval.
2. Determine the business plan, budget and administrative power of the Company to propose to the Board of Directors for approval.
3. Inspect and monitor the performance of the Company in accordance with approved policies and business plans to ensure efficiency and effectiveness and report the results to the Board of Directors.
4. Consider approving the contract and/or any transactions relating to normal business operations or the regular business support of the Company (such as trading, investing or co-investing with other persons to support the operation by the Company's objectives) within the limits approved by the Board of Directors.
5. Consider investment approval and set the investment budget up to 20 million Baht.
6. Consider approving loans and applying for any loans from financial institutions, lending as well as mortgaging pledged obligations or as a guarantor of the Company and its subsidiaries within the limits approved by the Board of Directors.
7. Consider and approve transactions between the Company and its subsidiaries with directors, executives or related persons which are (1) normal business transactions and general trading conditions; or (2) normal business transactions subject to general trading conditions which has computable remuneration within the limits approved by the Board of Directors.
8. Approval of contact for registration with a government agency or the regulator of the company's business as well as payments that the Company is obliged to pay by law. This includes but is not limited to fees and/or taxation on behalf of the Company for the purpose of operating the Company's objectives.
9. Corporate's risk management, evaluate the risks and lay down the corporate risk management structure.
10. Approval of the opening/closing a bank account and the use of related banking services including the authorized person to pay for the Company's bank account.
11. Consider and approve the supervision of normal business operations of the Company or the day-to-day operations of the Company. Such matters include but are not limited to compensation policy, employee salary structure, the normal cost of the company and the lawsuit by the Company or when the Company is sued (which the Executive Committee deems necessary and appropriate).
12. Consider screening projects, contracts, transactions, and/or any actions that are beyond the control of the Executive Committee in order to present to the Board of Directors for approval except for such matters that are under the responsibility and/or the powers of other committees of the Company to scrutinize and submit to the Board of Directors directly.
13. Inspect and monitor the performance of the Company's projects approved by the Board of Directors and report to the Board on the progress of such projects.
14. Consider approving the hiring of consultants for the implementation of the Company's projects related to normal business operations or supporting the normal business of the Company.
15. Consider, approve or acknowledge other management-related businesses that the Executive Committee deems necessary or appropriate to address as the urgent problem. If not done, it would cause damage to the Company and report such incident to the Board of Directors quickly.
16. Have the power to delegate authority to one or more persons to perform any action under the control of the Executive Committee or may delegate authority to such person as authorized by the Executive Committee within the timeframe that the Executive Committee deems appropriate. The Executive Committee may revoke, change, or alter the authorized person or delegation of authority. Such delegation shall be within the scope of the power of attorney provided and/or in accordance with the rules, regulations or orders prescribed by the Board of Directors.
17. Consider and approve any other matters and take any action as delegated by the Board from time to time.

The assignment of duties and responsibilities of the Executive Committee must not be delegated that makes the Executive Committee and/or persons authorized can approve the transaction which may have a conflict of interest with themselves or any persons or may have any conflict of interest with the Company or subsidiaries (As defined in the Notification of the Capital Market Supervisory Board or the Securities and Exchange Commission) which the Executive Committee has no authority to approve such matters. They must be proposed to the Board of Directors and/or the shareholders' meeting (as the case may be) for further approval except for the approval of transactions that are in line with normal business and normal business conditions.

3. Risk Management Committee

The Board appointed the corporate Risk Management Committee consisting of at least 5 members, of which at least one shall be the Company's director. The Risk Management Committee comprises 7 persons as follows:



NO	Name	Position	Number of times that eligible to attend the meeting	Number of meetings attended	(%)	
1	Mr. Phoon ¹	Chiong Kit	Chairman	3	3	100
2	Mr.Phakhanaaz	Phumchijzarnan	Member	4	4	100
3	Miss.Tamonwan	Narintavanich	Member	4	4	100
4	Miss.Rodjana	Trakulkoosri	Member	4	4	100
5	Miss.Uraiwan	Boonyarataphan	Member	4	4	100
6	Mr.Panaikorn ²	Nuchmak	Member	2	2	100
7	Ms.Seingfon	Rattanaphrom	Member	4	4	100

Remark:

1 Mr. Phoon Chiong Kit was appointed to hold the position of Chairman of Risk Management Committee on 1 April 2018

2 Mr.Panaikorn Nuchmak was appointed to hold the position of Risk Management Committee on 3 August 2018

Scope of Authority and Responsibility

Below are the authorities and duties of the Risk Management of Master Ad Public Company Limited.

1. Compile the Risk Management Handbook of Master Ad Public Company Limited
2. Devise a plan for risk prevention or reduction.
3. Propose the Company's risk management policies to the Board for consideration before implementation.
4. Support the high-ranking executives' management by establishing a structure of risk management to comprehensively cover the overall organization, as well as adopting the risk management strategy into practice by issuing regulations and encouraging investment in an appropriate system.
5. Examine, analyze, and assess existing or potential risks and trends which may affect the organization both internally and externally.
6. Evaluate, prepare, and submit a report on adequacy of risk system and control to the Executive Committee and the Board. Function as the hub of managing significant risks reported by risk management coordinators.
7. Review the report on risk management and enhance efficiency in management performance in order to deal with unacceptable risks.
8. Inaugurate an integrated risk management system and link it to the Company's information system.
9. Carry out any other task pertinent to the Company's risk management policies as assigned by The Board.

Oversight of the subsidiaries' and the associated companies' operations

The Company has a mechanism to monitor and supervise the management and operation of the subsidiaries and the associated companies in order to protect its return on investment as follows:

1. The Board of Directors will consider and designate the Company's directors, executives or authorized persons to be the representatives in the subsidiaries and the associated companies as per the Company's shareholding in such entities so as to monitor, supervise and determine important policies and/or engage in the management of such businesses for the best interest of the Company. In this respect, the Executive Committee and/or the Board of Directors (as the case may be) will instruct the Company's representatives on the voting direction for any significant agenda items of the subsidiaries' and the associated companies.
2. The Company has a mechanism to monitor the disclosure of financial information and results of operation, the entry into connected transactions, acquisition and disposal of assets, or any other significant transactions of the subsidiaries and the associated companies to be accurately and completely made in compliance with the Office of the SEC's and the SET's regulations.
3. The Company requires the subsidiaries and the associated companies to have a suitable and adequate internal control system.

Auditors' Fee

Detail of the audit fee in the fiscal year ended 31 December of the Company and its subsidiaries.

NO	Company	Auditors' Fee		
		2016	2017	2018
1	Master Ad Plc.	910,000.00	952,000.00	1,002,000.00
2	Master and More Co.,Ltd	580,000.00	616,000.00	616,000.00
3	Multi Sign Co.,Ltd.	400,000.00	566,000.00	566,000.00
4	Inkjet Images (Thailand) Co.,Ltd.	215,000.00	215,000.00	215,000.00
5	Landy Development Co.,Ltd.	161,000.00	161,000.00	161,000.00
6	Open play Co.,Ltd	114,000.00	114,000.00	114,000.00
7	Eye on Ads Co.,Ltd.	90,000.00	93,000.00	390,000.00
8	Green Ad Co.,Ltd.	60,000.00	63,000.00	62,000.00
9.	Comass Co.,Ltd.	-	400,000.00	424,000.00
10.	MACO OUTDOOR Sdn.Bhd.	-	-	54,600.00
11.	Roctec Technology Limited	-	-	2,898,000.00
12.	VGI Global Media (Malaysia) Sdn.Bhd.	-	-	5,850.00
13	Trans ad Solution Co., Ltd.	-	-	270,833.33
	Total	2,530,000.00	3,330,000.00	6,779,283.33

(Non Audit Fee): Review of the Annual Report 2018 amount of 1,500,000 Baht.

Compliance with good corporate governance principles in other matters

The Stock Exchange of Thailand (SET) has promoted and the listed companies in Thailand to realize the benefits of conducting business on the basis of good corporate governance by following the "Corporate Governance Principles for Listed Companies 2012", prepared by the SET to the extent possible in order to raise the level of corporate governance to international standards. In the year 2018, the Company has complied with the "Corporate Governance Principles for Listed Companies 2012" and CG Code 2017 except in certain cases as detailed below:

1. The Chairman of the Board should be an independent director

The Chairman of the Board is not an independent director because the business of the Company is complex with a unique character that requires talented leader with experience as well as being knowledgeable in the management. However, even though the Chairman of the Board is not an independent director, the Company has adequate internal control, all

directors are committed to their duties with care and honesty, as well as being independent to express opinions on the operation of the Company in order to supervise the operation of the management effectively, accurately and transparently with the interests of the Company and its shareholders in view.

2. The Board should consist of more than 50% of independent directors

As of December 31, 2018, the Board had 9 directors consisted of 1 executive director, 5 non-executive directors and 3 independent directors. The number of independent directors was one-third of the total number of directors. All 3 independent directors have been appointed as Audit Committee members. They are independent in the duties and responsibilities as assigned by the Board, and to be able to give approval or vote on the matter without interference from the management. Therefore, the composition of independent directors is appropriate and adequate for the size of the Company.

4.3

Nomination and appointment of directors and executives

Directors nomination and new Directors orientation

The Nomination and Remuneration Committee will consider the candidate who is the representative of the shareholders or be an independent director. The consideration is based on the suitability of skills and experience that will strengthen the Board. The criteria for nomination of directors will be based on the structure of the Board of Directors, Board Diversity, appropriate qualifications and skills of the directors that are lacking in the Board by setting up a Board Skill Matrix to determine the qualifications of the nominated directors. The Nomination and Remuneration Committee may consider nominating an individual to the position of Director of the Company by the recommendation of other directors in the Company, nomination an individual by the shareholders, recruitment by external consultants (Professional Search Firm), nomination from the Director Pool or by other processes deemed appropriate by the Board.

Nomination of independent directors

Criteria for the selection of independent directors

The Nomination and Remuneration Committee will consider the candidate who is the representative of the shareholders or be an independent director. The consideration is based on the suitability of skills and experience that will strengthen the Board. The Nomination and Remuneration Committee will consider the initial qualification required by the Company which is more stringent than the minimum requirement of the SEC and the Stock Exchange so that the independent directors will be truly independent. (Please refer to the Corporate Governance section for more details.)

The Executive Directors will be appointed by the Company's directors and executives to reduce the burden of the Board in the management and routine duties beyond the authority of the Chief Executive Officer. This will enable the Board to be responsible for policy and regulatory oversight. The selection will be based on qualifications, skills, experience and knowledge required for the position and proposed to the Board for approval.

The remuneration of directors and executives

Board's remuneration

The Nomination and Remuneration Committee will determine the remuneration of the Board and the Audit Committee by comparing with the same industry and proposed to the shareholders meeting for approval. The Annual General Meeting of Shareholders for the year 2018 approved the remuneration of directors and subcommittee at the amount not exceeding 4,200,000 Baht comprising of the meeting allowances and gratuities. Details as follows:

1. Monthly remuneration for the Chairman of the Board, Chairman of the Audit Committee and every director as follows:

- Chairman of the Board 40,000 Baht/person/month
- Chairman of the Audit Committee 30,000 Baht/person/month
- Director 20,000 Baht/person/month

2. Meeting allowance

- Only for the Audit Committee 15,000 Baht/person/times

3. Annual Bonus

Each member of the Board will receive annual bonus. The Board will consider the appropriate amount within the limit of 1,200,000 Baht

Remuneration of the Board and the Audit Committee

(Unit : THB)

Remuneration	2016		2017		2018	
	Person	Amount	Person	Amount	Person	Amount
Monthly Remuneration	-	-	9	2,520,000.00	9	2,520,000.00
Meeting Allowance	16	1,330,000	3	195,000.00	3	225,000.00
Bonus	9	1,180,000	9	1,000,000.00	9	1,170,000.00
Other	none	-	none	-	none	-
Total		2,510,000		3,715,000.00		3,915,000.00

Remarks : Budget for the meeting allowance for 2018 at the amount of 4,200,000 Baht, actual payment 3,915,000 Baht

Breakdown of directors' remuneration in 2018 is as follow;

(unit : Baht)

No.	Name	Monthly Remuneration	Meeting Allowance (Only for the Audit Committee)	Monthly Remuneration + Meeting Allowance	Bonus	Total Remuneration
1	Mr.Mana Jantanayingyong	480,000.00	-	480,000.00	240,000.00	720,000.00
2	Mrs.Suparanan ¹ Tanviruch	60,000.00	-	60,000.00	-	60,000.00
3	Mr.Phoon Chiongkit	180,000.00	-	180,000.00	90,000.00	270,000.00
4	Mr.Surachet Sangchayosawat	240,000.00	-	240,000.00	120,000.00	360,000.00
5	Mr.Chavin Kalayanamitr	240,000.00	-	240,000.00	120,000.00	360,000.00
6	Ms.Daranee Phanklin	240,000.00	-	240,000.00	120,000.00	360,000.00
7	Mr.Chaiyasit Puvapiromquan	240,000.00	-	240,000.00	120,000.00	360,000.00
8	Mr.Paisal Tarasansombat	360,000.00	75,000.00	435,000.00	120,000.00	555,000.00
9	Mr.Danai Tangsriviriyakul	240,000.00	75,000.00	315,000.00	120,000.00	435,000.00
10	Mr.Chalush Chinthammit	240,000.00	75,000.00	315,000.00	120,000.00	435,000.00
Total		2,520,000.00	225,000.00	2,745,000.00	1,170,000.00	3,915,000.00

on-monetary Remuneration - None -

Executive Compensation

The Company has set the indicator to define the remuneration for the CEO and the management team of all departments based on the achievement of goals of the Key Performance Indicators: KPIs for each year. This will be used to be the guideline of the operations of each department and to evaluate the performance of the CEO and all executives, Chief Executive Officer and Executives of Master Ad Public Company Limited and subsidiaries. They had received compensation from the Company on December 31, 2018 as detailed below.

Monetary Remuneration

(unit : Baht)

Remuneration	2016		2017		2018	
	Person	Amount	Person	Amount	Person	Amount
Salary and Bonus	9	39,612,248.58	8	28,568,262.50	12	37,002,603.00
Contribute to the Provident Fund	9	564,764.00	8	804,793.00	12	1,617,401.00
EJIP	8	1,031,684.53	8	869,440.16	7	578,306.00
Other	9	27,022,496.26	8	152,873.19	12	459,915.00
Total		68,231,193.37		30,395,368.85		39,658,225.00

The Company has always emphasized on the internal control system because a good internal control system will enable the Company to achieve business objectives especially with regards to: (1) Efficiency and effectiveness (2) Reliability in financial reporting and (3) Compliance with law. In this regard, the Board of Directors has assigned the Audit Committee to review and evaluate the internal control system and submit the result to the Board to set the guidelines for corporate governance as well as internal control. The review must cover various aspects of internal control such as: Corporate Internal Control (Control Environment), Risk Management, Control Activities, Information & Communication and Activities Monitoring.

At the Board of Directors' Meeting No. 2/2019, the Board of Directors acknowledged the assessment and opinion of the Audit Committee regarding the adequacy of the Company's internal control system and agreed with the Audit Committee that the Company has adequate internal control system suitable for business operations and there are no significant defects in internal control. The essence is as follows:

Corporate Internal Control (Control Environment)

The Company has clearly set its vision, mission and values and notified to all executives and employees as the guideline for executing business as well as defined the organization structure which includes the scope and responsibilities of each line. Moreover, the Company also makes improvement to enable each unit to perform its business goals as approved by the Board which will be measured on a quarterly basis to evaluate the performance and to improve its business goals as appropriate.

The Company has also issued policies and regulations for financial approval, procurement and general administration, the Corporate Governance and Code of Conduct, as well as the employee manual including clearly defined penalties to prevent fraud covering the use of inside information of the Company and conflict of interest. All these have been published in the company's Intranet so that every staff is notified and well informed.

Risk Management

Risk Management is part of the annual business plan to ensure that risk management guidelines align with the goals and strategic plans of the Company. Executives and all employees in the Company are risk owners who must be responsible for assessing the risk of each unit and the process to evaluate the effectiveness of existing control measures. Therefore, the Company has set up a policy of Risk Management that identifies, analyzes and evaluates external and internal factors including factors that will cause corruption that may affect the achievement of the Company's objectives to take into account of the measures to be taken to reduce the potential risks to acceptable levels. The change of factors that will affect the Company's objectives is also monitored such as economic trends and the growth of industry. The measures to reduce the risk have been passed to employees involved at all levels to ensure that they are acknowledged and implement in a consistent manner and in the same direction. The Company has adopted the Risk Management Approach (COSO) to evaluate and prepare its Risk Management Plan. The Board of Directors has assigned the Executive Committee to undertake risk management in the organization as a whole, to evaluate the risk and define the risk management structure of the organization. The Executive Committee will report the Risk Management Report to the Board at least once a year which will be used as an element in determining the business objectives of the Company. In addition, the Company has an internal audit unit that reviews the procedures of the Risk Management and assesses the effectiveness of the internal control system independently.

Control Activities

The Company has set policies, manuals and procedures in writing, and has control that ensures that the policies set by the management are respected and followed by everyone in the Company. The guidelines set out clearly the scope and monetary limit authority of the management at each level, as well as the separation of duties and responsibilities in: (a) the duty to approve the purchase; (b) the duty to record the account; and (c) the duty to maintain the property. This will enable effective monitoring with strict rules and regulations in the transaction with

major shareholders, directors, executives or related persons together with the policy, regulations and framework for the conduct of connected transactions that are clear and consistent with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Company has identified procedures and authorized person to approve transactions involving the person who uses the opportunity or benefit of the Company for personal gain.

The Company has regularly monitored and supervised the management of the subsidiaries and has set the direction for the persons appointed by the Company to be directors or executives of the subsidiaries to ensure that the operations of the subsidiaries are in line with the objectives. The Company has set up a monitoring policy to follow up the Company and its subsidiaries' operations in compliance with relevant laws.

Information & Communication

The Company has the information management system to cover the operation at the corporate level, financial reporting level and operation level according to the policies and procedures to ensure effective communication so that the Board, executives, employees, shareholders, investors, and all stakeholders. Get accurate information accurately, completely and in a timely manner.

The Company has arranged the Investor Relations Section to provide information and answers for investors, and has provided channels for all stakeholders to contact or complain about issues directly to the Board. The complaint can be sent by e-mail to the company secretary or the secretary of the Audit Committee or mail to the Company Secretary at the Company's address. All the complaints will be collected and presented to the Audit Committee and/or the Board. (Depending on the case)

Monitoring Activities

The Company has carried out the Company's goals and constantly improve and update consistently. For example, the Board holds a meeting at least once a quarter to review the performance against the set target. In addition, the Company has an internal audit office (Outsourced) that reports the results of the internal audit directly to the Audit Committee. The internal audit office will review and evaluate the internal control system including suggestions for improving the process to ensure that the internal control system is adequate and effective. The internal audit report

is directly reported to the Audit Committee for the independence of the internal auditor. If any substantial defect is detected, the concerned person must report to the Audit Committee to clarify the cause and propose corrective measures. The Company has also monitored the progress of correcting deficiencies and reported to the Audit Committee within a specified period.

Opinions of the Audit Committee and the auditor on the Company's internal control system

The Audit Committee has assessed the adequacy of the Company's internal control system in 5 areas, namely: Control Environment, Risk Management, Control Activities, Information & Communication and Monitoring Activities and is of opinion that the Company has adequate internal control system appropriate to the business operation and has no significant defect. The auditor has also reviewed the internal control system related to the audit to design audit procedures for the consolidated and separate financial statements to be appropriate to the circumstances and is of opinion that the financial statements have shown the financial statement, performance and cash flow as at 31 December 2018, in accordance with the financial reporting standards.

Internal Audit

Internal Audit Office is responsible for auditing and evaluating the adequacy of the Company's internal control system, both financial and non-financial information, including reviewing compliance with policies, regulations, internal regulations, and laws, or regulations of relevant external agencies, and providing recommendations to improve various operational processes to ensure that the Company has good governance and internal control, able to achieve the operational objectives of the organization.

The Internal Audit Office is independent from other departments in the Company and can access the information and assets of the Company in relation to the performance of the auditor and can request information and explanations from those involved in the matter assigned by the Audit Committee to verify and report the audit results to the Audit Committee on a quarterly basis, as well as following up on progress in correcting the deficiencies on a regular basis in order to make the internal control system more efficient and effective and financial reports are reliable. The Internal Audit Office will ensure the operation is in accordance with the legal requirements,

government regulations, the regulators and according to standards, policies, plans, regulations, orders, and announcements of the Company. In addition, the Internal Audit Office is responsible for protecting assets and preventing damage that may occur to the Company, as well as creating a check and balance to create reasonable confidence in the Company's operations in order to achieve the goals.

The Internal Audit Office has a yearly internal audit plan and a 3-year long-term audit plan. The audit plan is in accordance with the risk assessment principles that may affect the Company's operations and cover the operation of the organization that has been approved from the Audit Committee. The scope of the Internal Audit Office covers testing, review, and evaluation of the adequacy and efficiency of the internal control system of the company including the quality of work performed in the following matters:

- Reliability of internal control systems as well as compliance with accounting and financial standards in order to provide accurate and reliable accounting and financial information, as well as organizational structure plans, methods, and measures to protect assets to be safe from corruption and all mistakes.
- The reliability of the internal control system in the management and operation that has been implemented in accordance with the policies, plans and in accordance with the legal requirements and regulations of the government and the authorities and the Company regulations covering activities in various areas, including management, operations, procurement, marketing, management, finance, accounting, and human resources.
- Reliability of the internal control system in information technology by reviewing the structure of the department that supervises computer systems, data access, system development, backup data preparation, emergency backup plan, operational power in the system, documenting from the system, including keeping documents, manuals, and computer system layouts.

In addition, Internal Audit Office encourages personnel to continuously develop and train both internally and externally in order to be knowledgeable, competent and professional in internal auditing and other skills necessary for the operation.

Information on the Head of Internal Audit and the Chief Operating Officer

- At the Audit Committee Meeting No. 1/2018, the Company appointed IVL Auditing Co., Ltd. as the company's Internal Auditor for the year 2018. Mrs. Valdee Sriboonruang, the Head of Internal Audit, will be the main responsible person as the internal auditor.
- The opinion of the Audit Committee regarding the qualification, experience and training that is appropriate to be the Head of Internal Audit. The Audit Committee considered the qualifications of IVL Auditing Co., Ltd. and Mrs. Valdee Sriboonruang and deemed that such firm and person are appropriate to perform such duties due to being independent and having experience in internal audit.
- Appointment, transfer, dismissal of the head of internal audit, must be approved by the Audit Committee.

The meeting of the Audit Committee 2/2018 on May 31, 2018 resolved to approve the establishment of the Company internal audit unit which will start the internal audit from 2019 onwards.

Details of Internal Audit

Name : Miss.Valdee Sriboonruang

Education :

- Bachelor's Degree, Chulalongkorn University Accounting Theory
- Certified public accountant (CPA) 3829
- Director Accreditation Program (DAP), Thai Institute of Director (IOD)
- Audit Committee Program, Thai Institute of Director (IOD)

Working Experience :

- 1994-Present : IVL Auditing Co., Ltd.
- 1990-1994 : Mancom Corporation (Thailand) Co.,Ltd.
- 1986-1994 : Deloitte Touche Tohmatsu Jaiyos Co., Ltd

4.5

Related Party and Transactions

For the past year, the company and its subsidiaries have some important business with the parties which may have conflict interest and have necessity and reason to do the items as follows:-

Persons with Conflict of Interest	Relationship	Nature of Transaction	Details and Pricing Policy	Transaction Value For the fiscal year ended December 31 (THB mn)		Necessity and Rationale of Transaction
				2017	2018	
Inkjet Images (Thailand) Co. Ltd. Built up in order to offer computerized advertising graphics	<ul style="list-style-type: none"> A joint investment with Master Ad Plc. holding 50%, Pico (Thailand) Public Co., Ltd. 22.22%, Mr. Lim Chee Min 16.67%, and Ms. Pornthip Lohrattanasaney 11.11%. 	1. The company rent an office on Vibhavadi-Rangsit Road, with the space of 2,000 sq.m. in order to use it for advertising media and give 452.05 sq.m. to the joint-venture company to rent for 3 years which will be ended on 31 st July 2019	100 baht/sq.m./ month which is a higher price than what the company rent from the building owner which is at 36.00 baht/ sq.m./ month because the company has renovated the rented space to be able to utilize with other facilities.	0.43	0.43	To divide the renting space to the joint-venture company. Because there is some space left and able to split some space to rent to the joint-venture which helps to reduce the company's cost.
		2. The company hires the joint-venture company to produce some images to use on the company's media	The price is no different from other production house.	12.25	11.54	it is a normal business procedure. To let the joint-venture produce, allows the company to control the work quality as well the time.
Landy Development Co.,Ltd. Office rental business	1.Shareholding by Master Ad Public Company Limited holds 48.87% , Landy Home (Thailand) Co. Ltd. Holds 36.24%, Master and More Co.,ltd. holds 14.89%	1.The company rent building space with total space of 2,550.24 sq.m.	390 baht/sq.m./ month and electricity bill is around 100,000 baht/month Remarks: Rent means the rent and central expense.	12.19	12.12	Rent the space to do business. The rent is not different from other people.

Related party and Transaction (Additional)

Persons with Conflict of Interest	Relationship	Nature of Transaction	Details and Pricing Policy	Transaction Value For the fiscal year ended December 31 (THB mn)		Necessity and Rationale of Transaction
				2017	2018	
VGI Global Media Plc.	- VGI Global Media Plc. is the largest shareholder of Master Ad Plc. by holding 33.78% of shares and sent its 5 executives to be the directors of the Company	VGI Global Media Plc. being appointed as the Media broker	Pricing is based on normal business terms. Media agreed price is the price that can be referenced.	330	269.91	To increase sales channel. This appointment of sales representative will help the Company to get benefits from the increasing revenue, knowledge sharing between the parties, including the use of resources that is of Economy of Scale.

Procedures to approve the connected transactions

The Company has established policies and procedures 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 at a 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 on 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 a 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 interest of the Group. The charges, e.g. interest, guarantee fees, etc., shall be calculated with the market price on the date when the transaction takes place.
6. In the event that the connected transaction has the value which requires the shareholders' ratification by three-fourths majority 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, is irrelevant to the quorum and number of votes.



Policy on Connected Transaction Between the Company & Its Subsidiaries and Directors or Their Connections

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 a 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 resolution. The transaction shall conform to 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 the 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 the transaction worth less than one million Baht. Instead, the Chief Executive Officer 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 to 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 the 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 the laws, bylaws, announcements, orders, or stipulations on stock and securities, including the best practice on information disclosure of connected transaction as well as the receipt and purchase of the Company’s assets or its subsidiaries, as stipulated by the Stock Exchange of Thailand (SET).

As for the connected transaction taking place at the present time, the Company has laid the following operational policies.

office rent for subsidiary and joint venture

The Company expects to allow its subsidiaries and its joint ventures to continually share the area rent at its office on 24/43-45 Vipavadee Rangsit Road., Ladyao Chatuchak Bangkok 10900.

Image production

Inkjet Images (Thailand) Co., Ltd. is a subsidiary that supports image production of large and small sizes for the billboards throughout the country. In addition, on December 15, 2018, the Company acquired Gold Star Group Co., Ltd. to support the future growth of the Bangkok sky train route for the extension of the green line, yellow line, pink line and extension of other lines. With the potential 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 competitive.

4.6

Profile of Directors and Executive

Board of Directors

Mr. Mana Jantanayingyong

Chairman of the Board of Director

Age: 59 year

Education:

- Master's Degree in Buddhism
Mahachulalongkornrajavidyalayai University
- Bachelor of Business Administration
in Major Marketing Management
Rajamangala University of Technology

Training:

- Director Accreditation program (DAP) 2012
Thai institute of Directors
- Audit Committee Program (ACP)
Thai institute of Directors

Date of appointment of Director : 31 May 2016

Shareholding in the Company (%) : -

Family Relationship between Director and Executive : -

Working Experience:

2016-Present Chairman of the Board
Master Ad Plc.

Other Listed Companies:

2012 - May 2016 Independent Director/ Audit Committee/
Nomination and Remuneration
Committee VGI Global Media Plc.

Other Companies:

2005 - 2007 Chief Executive Officer Group M

Mr. Phoon Chiong Kit

Authorized Director/Chairman of Executive Director/
Risk management Committee and Chief Executive Officer

Age: 67 year

Education:

1973-1976 BBA, Business,
National University of Singapore

Date of appointment of Director: 31 May 2016

Shareholding in the Company (%) : -

Family Relationship between Director and Executive: -

Working Experience:

2018 - Present Authorized Director/ /Chairman of
Executive Committee /Risk Management
Committee and Chief Executive Officer
Master Ad Plc.

2018 – Present Director
Master and More Co., Ltd

2018 – Present Director
Green Ad Co., Ltd.

2018 – Present Director
Inkjet Image (Thailand) Co., Ltd

2018 – Present Director
Open Plays Co., Ltd.

2018 – Present Director
Landy Development Co., Ltd.

2018 – Present Director
MACO Outdoor Sdn. Bhd.

2018 – Present Director
Eyeball Channel Sdn. Bhd.

2018 – Present Director
VGI Global Media (Malaysia) Sdn. Bhd.

2018 – Present Director
Trans.Ad Solutions Co., Ltd.

2018 – Present Director
VGI Maco (Singapore) Private Limited

Other Listed Companies: -

Other Companies:

2013 – Present Founder and CEO,
C-Max Company Ltd.

2016 – 2018 Advisor
VGI Global Media PCL.

2014 – 2017 Advisor
Cinemaxx Indonesia.

2010 – 2013 Executive Vice President
GDC Holdings Ltd.

2008 – 2010 Director
Imagi Animation Studios / Winnington Capital.

1996 – 2009 CEO
Golden Harvest Entertainment Group HK.

1998 - 2008 Executive Director of various
Golden Harvest JV companies in Singapore,
Malaysia and Taiwan.

1997 - 1998 Founder & CEO
Pacific Partners Ltd.

1993 - 1996 Causeway Holdings Ltd

1990 - 1992 Executive Director
Suez Asia Capital Management.

1987 - 1989 Executive Vice President
Ka Wah Bank Special Recovery Unit.

1983 - 1986 Executive Director
Associated Hotels Ltd.

Mr. Chaayasith Puwapiromkwan

Director

Age: 77 year

Education:

- Master of Political Science, Sukhothai Thammathirat Open University
- Bachelor of Education, Education college Srinakharinwirot University

Training:

- Advanced Diploma for Executives on Politics and School of Politics and Public Governance, Class 2 Administration, King Prajadhipok's Institute.
- Director Accreditation Program (DAP) 118/2015 Thai Institute of Directors (IOD)

Date of appointment of Director: 24 April 2018

Shareholding in the Company: -

Family Relationship between Director and Executive: -

Working Experience:

2014 – Present Director
Master Ad Plc.

Other Listed Companies:

2017 – Present Independent Director/Audit Committee
Nation Multimedia Group Plc.

Other Companies:

2012-Present Audit Committee and assessor
Bansomdejchapraya Rajabhat University

2011-Present Independent Director/ Audit Committee
BTS Asset

2008 - 2010 Independent Director/ Audit Committee
BTS Group Plc.

2004 - 2008 President Bansomdejchaopraya
Alumni Association,
Under The Royal Patronage of His
Majesty The King Bansomdejchaopraya
Rajabhat University

2000 - 2004 Secretary
The Bangkok Metropolitan

2005 - 2011 Secretary
King Prajadhipok's Institute's Society

1995 - 1996 Advisor Deputy Prime Minister
Prime Minister's Office

1983 - 2012 Council Member
Bansomdejchaopraya Rajabhat University

1983 - 1990 Member The House of Representative

1979 - 1995 Editor
Deilimirror Newspaper

1990 - 2000 Director and Secretary
Thai Citizen Party

1975 - 1977 Secretary to the Minister
Ministry of Interior (MOI)

Mr. Paisal Tarasansombat

Independent Director/ Chairman of the Audit Committee/
Chairman of the Nomination and Remuneration Committee

Age: 53 year

Education:

- Diploma, Assumption Commercial college
- Diploma in Business Study, Eastbourne College of art&Technology, United Kingdom
- Mini IE, Chulalongkorn University

Training:

Top Executive Program : Class 10/2010,
Capital Market Academy
Director Accreditation Program(DAP), Class 21/2004
Thai Institute of Directors
Director Certification Program(DCP), Class 197/2014
Thai Institute of Directors

Date of appointment of Director: 24 April 2018

Shareholding in the Company: -

Family Relationship between Director and Executive: -

Working Experience:

2014-Present Independent Director /Chairman of
Audit Committee/Chairman of
Nomination and Remuneration
Committee Master Ad Plc.

Other Listed Companies:

2011-Present Director, Chairman of Executive
Committee and
Chief Executive Officer
Thai Metal Trade Plc.

2018-Present Independent Director/
Audit Committee and Member of
Nomination and
Remuneration Committee
U City Plc.

Other Companies:

2015-Present Director
Thai Listed Companies Association

2004-Present Director
CONNEX Business Online Co.,Ltd.

1986-Present Director
Soon Huat Steel Co.,Ltd.

Mr. Danai Tangsriviriyakul

Independent Director / Audit Committee/ Member of Nomination and Remuneration Committee and Chairman of Corporate Governance Committee

Age: 69 year

Education:

- Bachelor of Accounting, Chulalongkorn University

Training:

- Director Accreditation Program (DAP) Class 138 /2017 Thai Institute Director

Date of appointment of Director: 3 August 2016

Shareholding in the Company: 0.012%

Family Relationship between Director and Executive: -

Working Experience:

2016-Present	Independent Director / Audit Committee / Member of Nomination and Remuneration Committee and Chairman of Corporate Governance Committee Master Ad Plc.
2010	Chief Marketing Officer Master Ad Plc

Other Listed Companies: -

Other Companies:

February 2019 - present	Consultant EMCS.Co.,Ltd.
2016-present	Consultant of Dean of College of Integrative Medicine, Dhurakijpundit University
2007-present	Marketing Consultant Food Star Co., Ltd.
2013-2017	Marketing Consultant EMCS Thai Co., Ltd.
2009 - 2013	Part-time Lecturer Dhurakij Pundit University
2010	Chief Marketing Officer Master Ad Plc.
2005 - 2008	Client Service Director Double P Co.,Ltd.
1999 - 2005	Client Service Director Praktik Publicis Co.,Ltd.
1996 - 2005	Vice President Marketing Association of Thailand
1990 - 1999	Managing Director C P & S Co.,Ltd.
1988 - 1994	Director Advertising Association of Thailand
1982-1984, 1987-1989	Client Service Director Ogilvy & Mather (Thailand) Co.,Ltd.
1985 - 1986	Account Director Ogilvy & Mather (New York) Co.,Ltd.
1977 - 1981	Assistant Managing Director Kamol Sukosol Co.,Ltd.
1972 - 1976	Marketing Services Manager Ford Motor (Thailand) Co.,Ltd.

Mr. Surachet Sangchayosawat

Authorized Director/ Member of Corporate Governance Committee

Age: 54 year

Education:

- Master of Public and Private Management National Institute of Development Administration (NIDA)
- Bachelor of Engineering in Civil Engineering. King Mongkut's Institute of Technology North Bangkok Campus

Training:

- Development resources to the defense Program Class 2 Office of the Army Controller
- Director Accreditation Program (DAP) 136/2017 Thai Institute of Directors.

Date of appointment of Director: 24 April 2018

Shareholding in the Company: 0.001%

Family Relationship between Director and Executive: -

Working Experience:

2016-Present	Authorize Director/Member of Corporate Governance Committee Master Ad Plc.
2016-Present	Director Master & More Co.,Ltd.
2016-Present	Director Green Ad Co.,Ltd.

Other Listed Companies:

2014-Present	Strategic Planning Director Bangkok Mass Transit System Public Co.,Ltd.
2012-2014	Coordination department Manager Bangkok Mass Transit System Public Co.,Ltd.
2000 - 2012	Coordination section Manager Bangkok Mass Transit System Public Co.,Ltd.

Other Companies: -

Mr. Chalush Chinthammit

Board of Director/ Audit Committee/member of Nomination and Remuneration Committee/Member of Corporate Governance Committee

Age: 49 years

Education:

- MBA in Finance and Banking, Mercer University, USA.
- BBA in Finance and Banking, Assumption University

Training:

- Director Accreditation Program (DAP) (21/2004) Thai Institute of Directors (IOD)
- Top Executive Program: Class 10/2010 Capital Market Academy
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA),
- Class 6, Thailand Energy Academy
- Top Executive in Industrial Development and Investment, Class 3, Institute of Business
- and Industrial Development (IBID)

Date of appointment of Director: 24 April 2017

Shareholding in the Company: -

Family Relationship between Director and Executive: -

Work experience:

2017 - Present Independent Director/Audit Committee/member of Nomination and Remuneration Committee/ Member of Corporate Governance Committee Master Ad Plc.

Other Listed Companies:

2014 – Present Director Mud man Plc.
 2007 – Present Director Thai Sugar Terminal Plc.
 2007 - Present Director TS Flour Mill Plc.
 2004 - Present Director Khon Kaen Sugar Industry Plc.

Other Companies: -

2017- Present Managing Director BBGI Co.,Ltd
 2016 - Present Managing Director KSL Green Innovation Plc.
 2016-Present Director WSP Logistic Co.,Ltd.
 2015-Present Director/Audit Committee Dhanarak Asset Development Co,Ltd.
 2007 - Present Director/ Secretary-General Thai Sugar and Bio-Energy Producers Association
 2006 - Present Director KSL. Agro and Trading Co., Ltd
 2006 - Present Director Savannakhet Sugar Corporation

2003 - Present Director KhonKaen Sugar Power Plant Co.,Ltd.
 2002 – Present Director KSL Export Trading Co., Ltd.
 2001 - Present Director Thai Sugar Miller Co., Ltd.
 1997 - Present Director Cane and Sugar Act B.E.2527 Committee.
 1997 - Present Director Onnuch Construction Co., Ltd.
 1997 - Present President Colossal International Co., Ltd.
 1996 - Present Managing Director KSL Real Estate Co., Ltd
 Present Director Raja Ceramic Co.,Ltd.
 Present Director Raja Porcelanin Co.,Ltd.
 Present Director MMP Corporation Co., Ltd.
 Present Director KSL Sugar Holding Co.,Ltd.
 Present Director Seng Press Co.,Ltd.
 Present Director Para Ruamchoke Co.,Ltd.
 Present Director Chanarath Co.,Ltd.
 Present Director Kohkong Plantation Co.,Ltd.
 Present Director Chinkit Co.,Ltd.
 Present Director Rajasolar Material Co.,Ltd.
 Present Director DAD SPV Co.,Ltd.
 Present Director Bangchak Bio Fuel Co.,Ltd.
 Present Director BBE Co.,Ltd.

Mr.Chavin Kalayanamitr

Authorized Director

Age: 56 year

Education:

- Master of Business Administration, University of Phoenix, USA
- Bachelor of Engineering California State Polytechnic University Pomona, USA

Training:

- Director Certification Program (DCP) Year 2011 Thai Institute of Directors

Date of appointment of Director: 24 April 2017

Shareholding in the Company: -

Family Relationship between Director and Executive: -

Working Experience:

2014-Present	Authorized Director Master Ad Plc.
2016-Present	Director Green Ad Co., Ltd.

Other Listed Companies:

2000-2018	Executive Committee/ and Chief Technology Officer VGI Global Media Plc.
-----------	---

Other Companies: -

Miss. Daranee Phanklin

Authorized Director

Age: 54 year

Education:

- Master of Business Administration, Dhurakij Pundit University
- Bachelor of Accounting, Dhurakij Pundit University

Training:

- Director Certification Program (DCP) 204/2015 Thai Institute of Director

Date of appointment of Director: 12 May 2014

Shareholding in the Company: -

Family Relationship between Director and Executive: -

Working Experience:

2014-Present	Authorized Director/Member of Corporate Governance Committee Master Ad Plc.
2016-Present	Director Master & More Co., Ltd.
2016-Present	Director Green Ad Co., Ltd.

Other Listed Companies:

2008-Present	Financial Controller VGI Global Media Plc.
2000 - 2008	Financial Manager VGI Global Media Plc.

Other Companies: -

Mr.Phakhanaaz Phumchijarnan

Executive Committee / Chief Marketing Officer

Age: 58 year

Education:

- BBA (Marketing)
Ramkhamhaeng University
- MBA (Marketing Management)
Dhurakij Pundit University

Shareholding in the Company: 0.00%

Family Relationship between Director and Executive: -

Working Experience:

2018 – Present Chief Marketing Officer
Master Ad Plc.

Other Listed Companies:

2015-2017 Chief Marketing Officer
Three Sixty Five Plc.

Other Companies:

1999-2015 VP Sales & Marketing
JC. Decaux Co., Ltd

1994-1998 Sales & Marketing Director
Trend Enterprise Co.,Ltd.

Miss.Tamonwan Narintavanich

Executive committee /Chief Financial Officer (CFO) and
Company Secretary

Age: 55 year

Education:

- MBA of Financial,
University of the Thai Chamber of Commerce (CEO MBA)
- Bachelor of Accounting,
Sukhothaimathirath Open University

Training:

- Strategic CFO in Capital Markets Program 5/2017
The Stock Exchange of Thailand
- Institute of Metropolitan development Mahanakorn 3
Super Entrepreneur Program for Society : SEP - S1
- Role of the Compensation Committee 16/2013
Thai Institute of Director
- Director Accreditation Program (DAP) 76/2008
Thai Institute of Director
- Director Certification Program (DCP) 177/13
Thai Institute of Director

- TLCA Executive Development Program (EDP9/12)
Thai Listed Company Association
- Finance for non Finance Director 17/2010
Thai Institute of Director
- Corporate Secretary Program 12/2005
Chula Unisearch, Chulalongkorn University

Shareholding in the Company : 0.001%

Family Relationship between Director and Executive: -

Working Experience:

Present Executive committee / Member of Risk
Management Committee /Chief
Financial Officer/ Company Secretary/
Master Ad Plc.

Present Director
Master & More Co., Ltd

Present Director
MACO Outdoor Co., Ltd.

Present Director
Green Ad Co., Ltd.

Present Director
VGI Global Media (Malaysia) Sdn. Bhd.

Present Director
VGI Maco (Singapore) Private Limited

Present Director
Trans Ad Solution Co.,Ltd

Present Director
Trans Ad Malaysia Sdn.Bhd.

Present Director
Roctec Technology Limited

2013 - 2014 Asst.Chief Executive Director
Master Ad Plc.

2011 - 2012 Accounting & Financial Director
Master Ad Plc.

2005 - 2010 Vice-Director - Accounting & Financial
Master Ad Plc.

2001 - 2004 Asst.Director - Accounting & Financial
Master Ad Plc.

1996 - 2000 Accounting & Financial Manager
Master Ad Plc.

Other Listed Companies : -

Other Companies : -

2013 Code of Ethics in Investor Relations
Committee Corporate Governance Center

1989-1990 Accountant
Umnart & Associate Co., Ltd.

1986-1989 Asst.Accountant
Vissavasahaphan Co., Ltd.

Miss.Rojana Trakulkoosri

Executive Committee /Chief Business Development Officer (CBO)

Age: 50 year

Education:

- MBA
Assumption University
- BBA in Marketing
Assumption University

Training:

- Executive Program in urban Management 3
Navamindradhiraj University

Shareholding in the Company: 0.02%

Family Relationship between Director and Executive: -

Working Experience:

Present	Executive Committee/ Risk Management Committee /Chief Business Development Officer Master Ad Plc.
Present	Director Master and More Co.,Ltd0
Present	Director Eye on Ads Co.,Ltd.
Present	Director Open Plays Co.,Ltd.
2009 - 2015	Managing Director Master & More Co., Ltd
2005 - 2009	Senior Business Development Master & More Co., Ltd

Other Listed Companies: -

Other Companies:

2002 - 2005	Senior Product Supervisor Henkel Thai Co., Ltd.
1995 - 2002	Product Manager Datamat Co., Ltd.
1994 - 1995	Marketing Executive Narai Property Co., Ltd.
1992 - 1994	Sales Representative Datamat Co., Ltd.

Mrs.Uraiwan Boonyarataphan

Executive Committee/ Chief People Officer (CPO)

Age: 46 year

Education:

- Master Degree of Public Administration (HRM)
Dhurakij Pundit University
- Bachelor of History,
Kasetsart University

Training:

- Quality and Standard Program
National Productivity Institute
- TLCA Executive Development Program (EDP 13)
Thai Listed Companies Association
- Chief People Officer 5/5
Panyapiwat Institute of Management

Shareholding in the Company: 0.02%

Family Relationship between Director and Executive: -

Working Experience:

Present	Executive Committee/ Chief People Officer (CPO)/Risk Management Committee Master Ad Plc .
2018 – Present	Director Landy development Co., Ltd.
2013 - 2014	Asst.CEO HR, Admin&MIS Master Ad Plc.
2010 - 2012	administration Director Master Ad Plc.
2003 - 2009	Acting administration Director Master Ad Plc.
2002 - 2003	Asst.Director - administration Master Ad Plc.
1999 - 2002	Adminitration Manager Master Ad Plc.
1998 - 1999	Adminitration section Manager Master Ad Plc.

Other Listed Companies: -

Other Companies: -

Mr.Panaikorn Nuchmak

Executive Committee/ Director of Operations
and Maintenance

Age: 48 year

Education:

- Bachelor of Public Administration
Sukhothai Thammathirat Open University

Shareholding in the Company :0.00%

Family Relationship between Director and Executive: -

Working Experience:

Present Executive Committee/
Risk Management Committee /Chief
Technical Officer
Master Ad Plc.

Other Listed Companies: -

Other Companies:

2016 -2018	Technical Director JC DECAUX (Thailand) Co.,Ltd.
2008- 2015	Technical Director JC DECAUX Dubai –Middle East.
2004- 2008	Operation Manager JC DECAUX (Thailand) Co.,Ltd.

4.7

Information on the Positions of the Director and the Executive in the Company, Subsidiaries and Associates

Detail the Position of the Directors and the Executive in the Company, Subsidiaries and associates as of 28 February 2019

Names	MACO	Subsidiaries								Holding by Subsidiaries							
		Master and More	Green Ad	Eye On Ads	Inkjet Images (Thailand)	MACO Outdoor Sdn.Bhd.	Landy Development	VGI Global Media Malaysia Sdn.Bhd.	VGI MACO (Singapore) Private Limited	Open Play	Multi Sign	Gold Star Group	Comass	Trans Ad Solution	Trans Ad Malaysia Sdn.Bhd.	Roctec Technology Ltd.	Winbliss
1 .Mr.Mana	Jantanayingyong	C															
2. Mr.Phoon	Chiong Kit	D / CE / CEO	D	D		D	D	D	D	D				D			D
3. Mr.Chaiyasit	Puvapiromquan	D															
4. Mr.Surachet	Sangchayosawat	D	D	D													
5. Mr.Paisal	Tarasansombat	CAC / ID															
6. Mr.Danai	Tangsriviriyakul	ID / AC															
7. Mr.Chalush	Chinthammit	ID / AC															
8. Mr.Chavin	Kalayanamitr	D		D													
9. Ms.Daranee	Phanklin	D	D	D													
10. Mr.Phakhanaaz	Phumchijzarnan	CMO/E															
11. Mr.Yanis	Tipakorn	A				D						D					
12. Miss.Tamonwan	Narintavanich	E / Com Sec / CFO	D	D			D		D	D				D	D	D	D
13. Miss.Rodjana	Trakulkoosri	E / CBO	D		D						D	D					
14. Mrs.Uraivan	Boonyarataphan	E / CPO						D									
15. Mr.Panaikorn	Nuchmak	E / CTO															
16. Miss.Nurahayatee	Maeroh	PA				D						D		D			
17. Miss.Chonlada	Chanim	AD				D							D		D		
18. Mr.Wichien	Wutthidechachai	M											D		D		

Remark:

C = Chairman of the Board of Directors,
D = Director,
ID = Independent Director,
CAC = Chairman of the Audit committee
AC = Audit Committee,
CE = Chairman of Executive Committee,
E = Executive committee,

Com Sec = Company Secretary,
CEO = Chief Executive Officer,
CFO = Chief Financial Officer,
CPO = Chief People Officer,
CBO = Chief Business Development Officer
CMO = Chief Marketing Officer,
CTO = Chief Technical Officer,

PA = Personal Assistant to CEO,
A = Advisor,
AD = Assistant Director of Finance and Accounting,
M = Manager

Director's Responsibility Report	81
Independent Auditor's Report	82
Audited Financial Statements	86
Notes to Consolidated Financial Statements	96



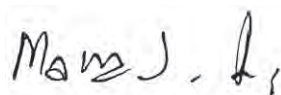
5.1

Directors' Responsibilities Report

The Board of Directors is responsible for the separate financial statements of the Master Ad Public Company Limited and the overall financial statements of the Company together with its subsidiaries including information which appears in this annual report. The aforementioned financial statements have been prepared in accord with financial reporting standard by deploying accounting policies which is appropriate and have been consistently adopted by the Company. Important information has been adequately disclosed in the notes supplemented to the financial statements for the benefits of the shareholders and general investors in a transparent manner.

To accomplish this task, the Board of Directors has appointed the Audit Committee to verify the accounting policy and the quality of quarterly financial statements before submitting for the Board's acknowledgement. The Audit Committee's comments on these issues are included in the Audit Committee's Report shown in this Annual Report. Specifically, the Audit Committee remarks on both the Company's and its subsidiaries' financial statements in the Audit Committee's Report that the Company's financial status, performance results and cash flow are deemed substantially accurate in accord with the financial reporting standard.

Based upon such supervision and practices, the Board of Directors believe that the overall financial statements and the Company's separate financial statements prepared for the year ended 31 December 2018, have shown accurate, reliable financial status, performance results, and cash flow conforming to the Generally Accepted Accounting Principles and the related laws, regulations and announcements.



Mr. Mana Jantanayingyong
Chairman of Board of Directors



Mr. Phoon Chiong Kit
Chief Executive Officer

To the Shareholders of Master Ad Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Master Ad Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Master Ad Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Master Ad Public Company Limited and its subsidiaries and of Master Ad Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

I draw attention to the following matters.

- a) Note 8.2.1 to the financial statements regarding the acquisition of investment in a subsidiary (Co-Mass Company Limited) during the year 2017. In the second quarter of the current year, the subsidiary (acquirer) completed the measurement of the fair values of the identifiable assets acquired and the liabilities assumed as at the acquisition date, and the measurement of related goodwill, and the Company has restated the consolidated statements of financial position as at 31 December 2017, presented as comparative information, to reflect the fair values of these assets and liabilities.
- b) Notes 8.2.2 and 8.3.2 to the financial statements regarding the acquisitions of investments in subsidiaries (Trans.Ad Solutions Company Limited, Roctec Technology Limited and Gold Star Group Company Limited) during the current year. The subsidiaries (acquirers) are in the process of completing the measurement of the fair values of the identifiable assets acquired and the liabilities assumed as at the acquisition date, and the value of goodwill.
- c) Notes 1.2 and 8.5 to the financial statements regarding the acquisition of investment in VGI Global Media (Malaysia) Sdn. Bhd. ("VGM"), which was considered to be an acquisition of investment in a subsidiary under common control of VGI Global Media Public Company Limited ("VGI"), the parent company of the Group. Following the acquisition, VGI continues to exercise control over the Group and the consolidated financial statements were therefore prepared to reflect the financial position, operating results, and cash flows on the basis of the economic substance of the Group under common control, as if the Group had operated as a single economic entity since 26 January 2017 (the establishment date of VGM), even though the legal form of the relationships of companies in the Group was established and the acquisition of investment in the subsidiary occurred subsequent to the establishment date. The Group has also presented consolidated financial statements as at 31 December 2017, and for the year ended 31 December 2017, for comparative purposes.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition under the advertising business

The economic slowdown and changes in customer behavior have directly resulted in more intense competition in the advertising industry, which makes it necessary for the Group to boost sales by offering a variety sales promotions, discounts and special discounts. Moreover, the Group has entered into agreements with a large number of customers. As a result, the Group's revenue recognition varies. The amount and timing of revenue recognition directly and significantly affects the profit of the Group and revenue from services and sales are significant materiality to the financial statements.

I have examined the revenue recognition of the Group by assessing and testing its internal controls with respect to revenue, by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks, applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy. In addition, on a sampling basis, I examined supporting documents for actual sales and services transactions occurring during the year and near the end of the accounting period, reviewed credit notes that the Group issued after the period-end, and performed analytical procedures on disaggregated data to detect possible irregularities in sales and services transactions throughout the period, particularly for accounting entries made through journal vouchers.

Revenue recognition from subsidiaries' system installation services

The subsidiaries' policies on recognition of revenue from system installation services and related matters are disclosed in Notes 4.1 and 4.2 to the financial statements. I identified the recognition of revenue from system installation services to be an area of significant risk to the audit. This is because the amounts of revenue from system installation services that the subsidiaries recognise in each period form a significant portion of the Group's total revenue. In addition, the process of measurement and the determination of appropriate timing of recognition are areas requiring management to exercise significant judgement in assessing the percentage of completion of system installation work. There are therefore risks with respect to the amount and timing of the recognition of revenue from system installation services.

I and the auditor of the subsidiaries have audited this matter. I performed audit procedures, and gained an understanding of and assessed that auditor's work to obtain sufficient and appropriate audit evidence for the examination of the recognition of revenue from system installation services. I assessed and tested the effectiveness of the internal controls put in place by the subsidiaries over the procurement process, the estimation of project costs and revisions thereto, and the recognition of revenue and possible losses from system installation work by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also read the system installation contracts to review conditions relating to revenue recognition, made enquiry of responsible executives, and gained an understanding of the processes the subsidiaries carried out to estimate project costs. Moreover, I checked actual system installation project costs against supporting documents, tested the calculation of the percentage of completion based on actual system installation project costs incurred and performed analytical procedures on the gross margins of system installation projects. In addition, I evaluated estimates of possible losses prepared by the management through an analysis of the ratio of actual project costs and estimated project costs for each significant cost component.

Business combination, investments in subsidiaries and goodwill

As discussed in Notes 8.2.2 and 8.3.2 to the financial statements regarding the acquisitions of investments in subsidiaries (Trans.Ad Solution Company Limited, Roctec Technology Limited and Gold Star Group Company Limited) during the year 2018, the Company and its subsidiaries provisionally recorded the acquisition using their best estimates of the values of the identifiable assets acquired and liabilities assumed, determined by applying the acquisition method. The Company and its subsidiaries are to complete account recording with respect to the acquisitions within one year after the acquisition dates, and the amounts recorded as at 31 December 2018 may change. Management was required to exercise substantial judgement when determining the assumptions used as a basis for measurement of the identifiable assets acquired and liabilities assumed, including the initial differences arising from the acquisition, and provisional recognition of the acquisition. This business acquisition is a transaction significant to the financial statements as a whole. In addition, the determination of impairment of investments in subsidiaries and goodwill are significant accounting estimates requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. As at 31 December 2018, the Group presented the carrying amount of goodwill, amounting to Baht 646 million, and the carrying amount of investments in subsidiaries amounting to Baht 1,123 million as separate items under non-current assets in the statement of financial position.

I reviewed the terms and conditions of the share purchase agreements and inquired with management as to the nature and objectives of the acquisitions to evaluate whether the acquisitions meet the definition of a business combination. In addition, I checked the fair value of the considerations transferred for the acquisitions, excluding the costs of acquisition, against supporting documents and related payments, and evaluated the methods and significant assumptions that management used in determining the provisionally recognised values of the acquisitions by making enquiries of responsible executives and assessing the method applied by the management for each type of asset, to determine consistency. I also tested the calculation and considered the reasons for the initial differences arising from the acquisitions recorded by the Company and its subsidiaries, as well as reviewing the disclosures related to the acquisitions in the notes to the financial statements.

In addition, I assessed the identification of cash generating units and the financial models selected by management, by gaining an understanding of management's decision-making process, and I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets in the future, by comparing those assumptions to information from both internal and external sources of the Group and comparing past cash flow projections to actual operating results, in order to evaluate the cash flow projections. I also evaluated the discount rate applied by the Company and its subsidiaries through analysis of the weighted average cost of capital of the entity, tested the calculation of the realisable values of the assets using the selected financial model, and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for investments in subsidiaries and goodwill.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. I am responsible for the audit resulting in this independent auditor's report.



Siraporn Ouuanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 11 February 2019

Master Ad Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
			(Restated)		
Assets					
Current assets					
Cash and cash equivalents		652,727,611	203,235,067	284,602,556	95,648,682
Current investments		-	7,645,921	-	-
Trade and other receivables	7	967,837,214	351,418,213	143,525,035	146,693,712
Short-term loans to related parties	6	123,780,412	-	1,205,600,000	689,000,000
Current portion of long-term loans to related parties	6	15,611,100	11,281,760	15,393,000	11,119,780
Advances to contractors		77,249,247	-	-	-
Prepaid expenses		73,139,538	78,178,268	6,800,363	12,935,004
Dividend receivable		-	-	-	29,999,970
Other current assets		80,086,542	35,501,465	5,532,918	8,034,839
Total current assets		1,990,431,664	687,260,694	1,661,453,872	993,431,987
Non-current assets					
Restricted bank deposits		57,949,410	194,138	194,138	194,138
Long-term loans to related parties, net of current portion	6	-	7,494,312	-	7,386,711
Advance payment for purchase of investment	1.2	-	106,001,604	-	-
Investments in subsidiaries	8	-	-	1,123,459,407	484,939,180
Investments in associates	9	116,696,181	42,269,526	-	16,494,814
Investment properties	10	62,602,303	35,316,836	35,316,836	35,316,836
Property, plant and equipment	11	612,738,833	485,923,660	18,051,029	26,914,394
Intangible assets	12	61,478,623	79,783,222	1,525,183	1,771,385
Goodwill	13	645,977,818	645,977,818	-	-
Estimated amount by which costs of the acquisition of investments in subsidiaries exceed identifiable net assets of the acquirees	8.2.2, 8.3.2	486,687,520	-	-	-
Deferred tax assets	21	10,372,724	4,616,600	7,440,262	3,255,980
Other non-current assets		61,629,441	73,951,732	11,844,140	35,397,837
Total non-current assets		2,116,132,853	1,481,529,448	1,197,830,995	611,671,275
Total assets		4,106,564,517	2,168,790,142	2,859,284,867	1,605,103,262

The accompanying notes are an integral part of the financial statements.

Master Ad Public Company Limited and its subsidiaries Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
			(Restated)		
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	14	270,000,000	230,000,000	260,000,000	230,000,000
Trade and other payables	15	504,278,793	163,168,740	99,664,556	116,752,925
Advances received from employers and unearned revenues		444,100,529	7,133,794	5,205,888	4,802,319
Short-term loans from related party	6	39,322,671	15,839,607	-	-
Income tax payable		22,529,660	17,583,201	7,613,396	1,021,428
Dividend payable		-	39,000,000	-	-
Other current liabilities		47,523,485	28,168,938	11,577,750	12,611,626
Total current liabilities		1,327,755,138	500,894,280	384,061,590	365,188,298
Non-current liabilities					
Provision for long-term employee benefits	16	30,682,186	20,742,846	10,676,648	10,094,726
Deferred tax liabilities	21	11,370,388	15,302,398	-	-
Other non-current liabilities		18,627,082	9,084,090	5,765,276	5,868,501
Total non-current liabilities		60,679,656	45,129,334	16,441,924	15,963,227
Total liabilities		1,388,434,794	546,023,614	400,503,514	381,151,525

The accompanying notes are an integral part of the financial statements.

Master Ad Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
			(Restated)		
Shareholders' equity					
Share capital	17				
Registered 5,846,147,621 ordinary shares (2017: 4,095,211,875 ordinary shares) of Baht 0.1 each		584,614,762	409,521,188	584,614,762	409,521,188
Issued and fully paid-up					
4,126,681,773 ordinary shares (2017: 3,438,910,366 ordinary shares) of Baht 0.1 each		412,668,177	343,891,037	412,668,177	343,891,037
Share premium	17	2,050,258,152	743,492,478	2,050,258,152	743,492,478
Differences on business combination under common control	1.2, 8.5	(225,278,591)	-	(225,278,591)	-
Surplus (deficit) from changes in ownership interests in subsidiaries		(152,874,875)	21,020,149	-	-
Retained earnings					
Appropriated - statutory reserve	19	51,989,191	40,952,119	51,989,191	40,952,119
Unappropriated		402,543,216	277,136,872	169,144,424	95,616,103
Other components of shareholders' equity		(10,561,519)	(59,392)	-	-
Equity attributable to owners of the Company		2,528,743,751	1,426,433,263	2,458,781,353	1,223,951,737
Non-controlling interests of the subsidiaries		189,385,972	75,717,293	-	-
Equity attributable to shareholder of subsidiary before business combination under common control	1.2	-	120,615,972	-	-
Total shareholders' equity		2,718,129,723	1,622,766,528	2,458,781,353	1,223,951,737
Total liabilities and shareholders' equity		4,106,564,517	2,168,790,142	2,859,284,867	1,605,103,262

The accompanying notes are an integral part of the financial statements.

Master Ad Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
			(Restated)		
Profit or loss:					
Revenues					
Revenues from services and sales		1,255,118,756	935,657,897	677,161,940	391,869,027
Revenues from system installation services		479,277,686	-	-	-
Other income					
Dividend income		-	-	82,399,912	70,374,929
Others		41,883,728	26,472,742	39,665,972	48,149,984
Total revenues		1,776,280,170	962,130,639	799,227,824	510,393,940
Expenses					
Costs of services and sales		522,429,106	389,637,579	378,430,875	235,087,302
Cost of system installation services		378,051,808	-	-	-
Selling expenses		186,509,533	103,778,084	49,799,614	45,054,799
Administrative expenses		338,351,417	209,260,211	110,301,543	66,078,747
Total expenses		1,425,341,864	702,675,874	538,532,032	346,220,848
Profit before share of profit (loss) from investments in associates, finance cost and income tax expenses		350,938,306	259,454,765	260,695,792	164,173,092
Share of profit (loss) from investments in associates	9	(31,278,395)	6,631,464	-	-
Profit before finance cost and income tax expenses		319,659,911	266,086,229	260,695,792	164,173,092
Finance cost		(11,150,810)	(7,805,821)	(5,442,228)	(4,076,880)
Profit before income tax expenses		308,509,101	258,280,408	255,253,564	160,096,212
Income tax expenses	21	(73,055,781)	(49,204,533)	(34,512,114)	(10,562,773)
Profit for the year		235,453,320	209,075,875	220,741,450	149,533,439
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		(17,557,236)	(1,684,420)	-	-
Loss on change in value of available-for-sale investments - net of income tax		-	(51,658)	-	(51,658)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(17,557,236)	(1,736,078)	-	(51,658)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax		-	(3,794,600)	-	(438,534)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(3,794,600)	-	(438,534)
Other comprehensive income for the year		(17,557,236)	(5,530,678)	-	(490,192)
Total comprehensive income for the year		217,896,084	203,545,197	220,741,450	149,043,247

The accompanying notes are an integral part of the financial statements.

Master Ad Public Company Limited and its subsidiaries Statement of comprehensive income (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
			(Restated)		
Profit attributable to:					
Equity holders of the Company		272,619,473	220,861,403	220,741,450	149,533,439
Non-controlling interests of the subsidiaries		20,105,794	5,480,812		
Shareholder of subsidiary before business combination under common control		(57,271,947)	(17,266,340)		
		235,453,320	209,075,875		
Total comprehensive income attributable to:					
Equity holders of the Company		262,117,346	216,890,564	220,741,450	149,043,247
Non-controlling interests of the subsidiaries		18,853,665	5,225,161		
Shareholder of subsidiary before business combination under common control		(63,074,927)	(18,570,528)		
		217,896,084	203,545,197		
Earnings per share	22				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.07	0.07	0.06	0.04

The accompanying notes are an integral part of the financial statements.

Master Ad Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(Restated)		
Cash flows from operating activities				
Profit before tax	308,509,101	258,280,408	255,253,564	160,096,212
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	124,514,735	76,192,305	8,606,281	8,343,523
Reversal of allowance for doubtful accounts	(5,369,920)	(2,301,476)	(483,813)	(2,129,192)
Gain on sales of current investments	-	(421,495)	-	(421,495)
Loss (gain) on sales of equipment	1,502,748	2,530,367	(627,424)	(818,498)
Loss on impairment of assets	23,665,997	-	19,437,637	-
Income from reversal of debts	(1,290,000)	-	-	-
Provision for long-term employee benefits	3,755,467	4,383,363	1,289,440	398,140
Dividend income	-	-	(82,399,912)	(70,374,929)
Share of loss (profit) from investments in associates	31,278,395	(6,631,464)	-	-
Interest income	(4,108,167)	(3,673,540)	(22,166,314)	(12,723,113)
Interest expenses	11,150,810	7,805,821	5,442,228	4,076,880
Profit from operating activities before changes in operating assets and liabilities	493,609,166	336,164,289	184,351,687	86,447,528
Operating assets (increase) decrease				
Trade and other receivables	(218,438,305)	(56,550,383)	7,040,969	(88,314,293)
Advances to contractors	(25,640,114)	-	-	-
Prepaid expenses	(11,653,249)	(3,064,810)	(13,302,997)	(5,937,510)
Other current assets	8,617,285	(22,080,904)	2,501,921	(5,486,512)
Other non-current assets	20,260,319	31,804,444	15,333,527	(957,529)
Operating liabilities increase (decrease)				
Trade and other payables	34,167,477	(5,684,577)	(17,183,026)	56,052,723
Advances received from employers and unearned revenues	186,986,148	5,128,581	403,569	3,745,631
Other current liabilities	12,418,649	5,341,541	(1,033,876)	5,298,041
Provision for long-term employee benefits	(1,831,729)	(6,519,200)	(707,517)	(3,087,128)
Other non-current liabilities	(1,649,513)	(2,584,012)	(321,026)	(121,627)
Cash flows from operating activities	496,846,134	281,954,969	177,083,231	47,639,324
Interest income	3,611,482	4,488,157	18,777,836	13,837,936
Cash paid for interest expenses	(2,793,481)	(4,983,090)	(5,129,770)	(4,208,728)
Cash paid for corporate income tax	(79,097,772)	(56,111,140)	(32,104,427)	(9,154,519)
Corporate income tax refund received	9,217,876	-	8,220,169	-
Net cash flows from operating activities	427,784,239	225,348,896	166,847,039	48,114,013

The accompanying notes are an integral part of the financial statements.

Master Ad Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(Restated)		
Cash flows from investing activities				
Purchase of current investments	-	(30,000,000)	-	(30,000,000)
Proceeds from sales of current investments	7,645,921	194,421,496	-	190,421,496
Increase in short-term loans to related parties	(123,780,412)	-	(516,600,000)	(617,000,000)
Decrease in long-term loans to related parties	3,164,972	11,584,408	3,113,491	15,406,319
Increase in restricted bank deposits	(56,241,659)	(194,138)	-	(194,138)
Advance payment for purchase of investments	-	(106,001,604)	-	(131,700,000)
Net cash paid for purchases of investments in subsidiaries	(789,791,464)	(314,814,627)	(847,304,005)	(44,000,000)
Cash paid for purchase of investments in associates	(44,801,251)	-	-	-
Acquisitions of equipment	(138,630,073)	(360,491,795)	(4,228,489)	(5,539,648)
Proceeds from sales of equipment	8,335,937	10,782,819	5,800,000	2,445,099
Acquisitions of intangible assets	(1,055,491)	(2,477,155)	(440,800)	(1,385,700)
Dividends received	-	-	112,399,882	110,374,889
Net cash flows used in investing activities	(1,135,153,520)	(597,190,596)	(1,247,259,921)	(511,171,683)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	30,000,000	230,000,000	30,000,000	230,000,000
Cash paid to settle payables from purchase of investment in a subsidiary	(43,900,000)	(175,600,000)	-	-
Increase in short-term loans from related parties	23,483,064	15,839,607	-	-
Repayment of long-term loans from financial institution	-	(8,695,326)	-	-
Repayment of long-term loan from a shareholder	-	(400,000)	-	-
Repayment of finance lease liabilities	(305,023)	(4,772,015)	-	-
Proceeds from increase in share capital	1,375,542,814	-	1,375,542,814	-
Cash received from exercised warrants	-	191,881,732	-	191,881,732
Cash received from shareholder of a subsidiary before business combination under common control for issuance of ordinary shares of the subsidiary	122,087,500	139,186,500	-	-
Cash paid for purchases of investment in subsidiaries	(162,639,000)	-	-	-
Dividends paid	(182,132,301)	(122,876,639)	(136,176,058)	(96,945,389)
Net cash flows from financing activities	1,162,137,054	264,563,859	1,269,366,756	324,936,343
Translation adjustments	(5,275,229)	(1,983,584)	-	-
Net increase (decrease) in cash and cash equivalents	449,492,544	(109,261,425)	188,953,874	(138,121,327)
Cash and cash equivalents at beginning of year	203,235,067	312,496,492	95,648,682	233,770,009
Cash and cash equivalents at end of year	652,727,611	203,235,067	284,602,556	95,648,682
Supplemental disclosures of cash flow information				
Non-cash transactions				
Transfer of advance payment for purchase of investment to investment in associate	106,001,604	-	-	-
Assets acquired under finance lease agreements	2,245,250	-	-	-
Transfer of equipment to intangible assets	2,008,243	911,484	-	395,720
Transfer of equipment to non-current assets	360,460	12,621,671	-	-

The accompanying notes are an integral part of the financial statements.

Master Ad Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements												
	Equity attributable to owners of the Company										Equity attributable to shareholders of subsidiary before business combination under common control		
	Issued and fully paid-up share capital	Share premium	Differences on business combination under common control	Surplus (deficit) from change in ownership interests in subsidiaries	Retained earnings	Unappropriated	Appropriated	Exchange differences on translation of financial statements in foreign currencies	Other comprehensive income	Surplus on changes in value of available-for-sale investments		Total other component of shareholders' equity	Total equity attributable to owners of the Company
Balance as at 1 January 2017	334,296,950	561,204,833	-	21,020,149	40,952,119	156,759,807	320,840	51,658	372,498	1,114,606,356	43,965,629	-	1,158,571,985
Profit for the year - restated	-	-	-	-	-	220,861,403	-	-	-	220,861,403	5,480,812	(17,266,340)	209,075,875
Other comprehensive income for the year - restated	-	-	-	-	-	(3,538,949)	(380,232)	(51,658)	(431,890)	(3,970,839)	(255,651)	(1,304,188)	(5,530,678)
Total comprehensive income for the year - restated	-	-	-	-	-	217,322,454	(380,232)	(51,658)	(431,890)	216,890,564	5,225,161	(18,570,528)	203,545,197
Exercised warrants	9,594,087	182,287,645	-	-	-	-	-	-	-	191,881,732	-	-	191,881,732
Increase in equity attributable to shareholders of subsidiary before business combination under common control from issuance of additional ordinary shares of a subsidiary (Note 8.5)	-	-	-	-	-	-	-	-	-	-	-	139,186,500	139,186,500
Increase in non-controlling interests of subsidiary from acquisition of investment in subsidiary - restated (Note 8.2.1)	-	-	-	-	-	(96,945,389)	-	-	-	(96,945,389)	31,457,752	-	31,457,752
Dividends paid (Note 25)	-	-	-	-	-	-	-	-	-	-	(4,931,249)	-	(4,931,249)
Dividends paid from subsidiary to non-controlling interests of the subsidiary	-	-	-	-	-	-	(59,392)	-	(59,392)	1,426,433,263	75,717,293	120,615,972	1,622,766,528
Balance as at 31 December 2017	343,891,037	743,492,478	-	21,020,149	40,952,119	277,136,872	(59,392)	-	(59,392)	1,426,433,263	75,717,293	120,615,972	1,622,766,528
Balance as at 31 December 2017 - as previously reported	343,891,037	743,492,478	-	21,020,149	40,952,119	277,136,872	(59,392)	-	(59,392)	1,426,433,263	67,140,165	-	1,493,573,428
Adjustment of the fair values of identifiable assets acquired and liabilities assumed as a result of the acquisition of a subsidiary (Note 8.2.1)	-	-	-	-	-	-	-	-	-	-	8,577,128	-	8,577,128
Cumulative effect of acquisition of investment in subsidiary under common control (Note 1.2)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	120,615,972
	-	-	-	-	-	-	-	-	-	-	-	-	120,615,972

The accompanying notes are an integral part of the financial statements.

Master Ad Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements												
	Equity attributable to owners of the Company												
	Other components of shareholders' equity										Equity attributable to shareholders of subsidiary before business combination under common control		
	Other comprehensive income												
Issued and fully paid-up share capital	Share premium	Differences on business combination under common control	Surplus (deficit) from change in ownership interests in subsidiaries	Retained earnings	Unappropriated	Appropriated	Exchange differences on translation of financial statements in foreign currencies	Surplus on changes in value of available-for-sale investments	Total other component of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
Balance as at 31 December 2017 - restated	343,891,037	743,492,478	-	21,020,149	40,952,119	277,136,872	(59,392)	-	(59,392)	1,426,433,263	75,717,293	120,615,972	1,622,766,528
Profit for the year	-	-	-	-	-	272,619,473	-	-	-	272,619,473	20,105,794	(57,271,947)	235,453,320
Other comprehensive income for the year	-	-	-	-	-	-	(10,502,127)	-	(10,502,127)	(10,502,127)	(1,252,129)	(5,802,980)	(17,557,236)
Total comprehensive income for the year	-	-	-	-	-	272,619,473	(10,502,127)	-	(10,502,127)	262,117,346	18,853,665	(63,074,927)	217,896,084
Issuance of ordinary shares (Note 17)	68,777,140	1,306,765,674	-	-	-	-	-	-	-	1,375,542,814	-	-	1,375,542,814
Increase in equity attributable to shareholders of subsidiary before business combination under common control from issuance of additional ordinary shares of a subsidiary (Note 8.5)	-	-	-	-	-	-	-	-	-	-	-	122,087,500	122,087,500
Purchase of investment in subsidiary under common control (Note 1.2 and 8.5)	-	-	(225,278,591)	-	-	-	-	-	-	(225,278,591)	44,907,135	(179,628,545)	(360,000,001)
Purchases of investments in subsidiaries (Note 8.1.1 and 8.3.1)	-	-	-	(173,895,024)	-	-	-	-	-	(173,895,024)	(28,743,374)	-	(202,638,398)
Increase in non-controlling interests of subsidiaries from acquisitions of investments in subsidiaries (Note 8.2.2, 8.3.2, 8.4 and 8.6)	-	-	-	-	-	(136,176,057)	-	-	-	(136,176,057)	85,607,497	-	85,607,497
Dividends paid (Note 25)	-	-	-	-	-	-	-	-	-	-	-	-	(136,176,057)
Dividends paid from subsidiaries to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(6,956,244)	-	(6,956,244)
Retained earnings transferred to statutory reserve (Note 19)	-	-	-	-	11,037,072	(11,037,072)	-	-	-	-	-	-	-
Balance as at 31 December 2018	412,668,177	2,050,258,152	(225,278,591)	(152,874,875)	51,989,191	402,543,216	(10,561,519)	-	(10,561,519)	2,528,743,751	189,385,972	-	2,718,129,723

The accompanying notes are an integral part of the financial statements.

Master Ad Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Separate financial statements							Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Differences on business combination under common control	Retained earnings	Other component of shareholders' equity Surplus on changes in value of available-for-sale investments	Retained earnings Appropriated	Unappropriated	
Balance as at 1 January 2017	334,296,950	561,204,833	-	40,952,119	43,466,586	51,658	979,972,146	
Profit for the year	-	-	-	-	149,533,439	-	149,533,439	
Other comprehensive income for the year	-	-	-	-	(438,534)	(51,658)	(490,192)	
Total comprehensive income for the year	-	-	-	-	149,094,905	(51,658)	149,043,247	
Exercised warrants	9,594,087	182,287,645	-	-	-	-	191,881,732	
Dividends paid (Note 25)	-	-	-	-	(96,945,388)	-	(96,945,388)	
Balance as at 31 December 2017	343,891,037	743,492,478	-	40,952,119	95,616,103	-	1,223,951,737	
Balance as at 1 January 2018	343,891,037	743,492,478	-	40,952,119	95,616,103	-	1,223,951,737	
Total comprehensive income for the year	-	-	-	-	220,741,450	-	220,741,450	
Issuance of ordinary shares (Note 17)	68,777,140	1,306,765,674	-	-	-	-	1,375,542,814	
Acquired investment in subsidiary under common control (Note 1.2 and 8.5)	-	-	(225,278,591)	-	-	-	(225,278,591)	
Dividends paid (Note 25)	-	-	-	-	(136,176,057)	-	(136,176,057)	
Retained earnings transferred to statutory reserve (Note 19)	412,668,177	2,050,258,152	(225,278,591)	51,989,191	169,144,424	-	2,458,781,353	

The accompanying notes are an integral part of the financial statements.

Master Ad Public Company Limited and its subsidiaries

For the year ended 31 December 2018

1. General information

Master Ad Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is VGI Global Media Public Company Limited (“VGI”), which is incorporated in Thailand. The parent company of the Group is BTS Group Holdings Public Company Limited (“BTSG”). The Group is principally engaged in the business of advertising. The registered office of the Company is at 1, 4th-6th Floor, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak, Bangkok, 10900.

1.2 Restructuring of the Group under common control

On 30 November 2018, the Company acquired ordinary shares of VGI Global Media (Malaysia) Sdn. Bhd. (“VGM”), in accordance with a resolution passed by the Extraordinary General Meeting of the Company’s shareholders on 18 November 2018, as described in Note 8.5 to the financial statements. The acquisition of this company was considered to be an acquisition of investment in subsidiary under common control of VGI Global Media Public Company Limited (“VGI”) which is the parent company of the Company. Following the acquisition, VGI continues to exercise control over the Group. Thus, the presentation of the consolidated financial statements is prepared to reflect the financial position, operating results, and cash flows on the basis of the economic substance of the Group under common control, as if the Group had operated as a single economic entity prior to 26 January 2017 (the establishment date of VGM), even though the legal form of the relationship of company in the Group was established and the acquisition of investment in subsidiary occurred subsequent to that date. The Group has also presented consolidated financial statements as at 31 December 2017 and for the year ended 31 December 2017 for comparative purposes.

Difference between the costs of business combination under common control and the sum of the net book values of the Company’s proportionate interests in assets and liabilities of the subsidiary as the business combination date, totaling Baht 225 million, as described in Note 8.5 to the financial statements, is separately presented as “Differences on business combination under common control” in shareholders’ equity in the statement of financial position.

The amounts of the adjustments affecting the consolidated statements of financial position and comprehensive income are summarised below.

	(Unit: Thousand Baht)
	31 December 2017
Increase in consolidated statement of financial position	
Cash and cash equivalents	7,762
Trade and other receivables	6,197
Other current assets	5,909
Advance payment for purchase of investment	106,002
Building and equipment	14,859
Intangible assets	75
Other non-current assets	1,531
Trade and other payables	5,879
Short-term loans from related company	15,840
Equity attributable to shareholder of subsidiary before business combination under common control	120,616

For the year ended 31 December 2017

Increase (decrease) in consolidated statement of comprehensive income

Profit or loss:

Revenues from services and sales	3,578
Other income	69
Administrative expenses	20,885
Finance cost	28
Loss for the year	17,266

Other comprehensive income:

Exchanges differences on translation of financial statements in foreign currencies	(1,304)
Other comprehensive income	(1,304)

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Master Ad Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018 (Percent)	2017 (Percent)
Subsidiaries directly owned by the Company				
Master and More Company Limited	Production and providing outdoor advertising media service	Thailand	100	100
Eye On Ads Company Limited	Production and sale of tri-vision equipment	Thailand	100	100
Green Ad Company Limited	Providing advertising service through the supply of tree wall panel	Thailand	100	100
Inkjet Images (Thailand) Company Limited	Production of advertising media and billboards	Thailand	50	50
Landy Development Company Limited (14.89% held by Master and More Company Limited)	Provision of office building rental service	Thailand	48.87	-
Maco Outdoor Sdn. Bhd.	Holding company	Malaysia	100	100
VGI Global Media (Malaysia) Sdn. Bhd.	Provision of advertising services	Malaysia	75	-
VGI MACO (Singapore) Private Limited	Investment in advertising media business	Singapore	75	-

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018 (Percent)	2017 (Percent)
<u>Subsidiaries indirectly owned by the Company</u>				
Held by Master and More Company Limited				
Open Play Company Limited	Providing outdoor advertising media service	Thailand	100	80
Held by Green Ad Company Limited				
Multi Sign Company Limited	Outdoor advertising production and media services	Thailand	100	70
Gold Star Group Company Limited	Design, production and provision of publishing media and all types of advertising media	Thailand	60	-
Held by Eye On Ads Company Limited				
Co-Mass Company Limited	Outdoor advertising production and media services	Thailand	70	70
Trans.Ad Solutions Company Limited	Design and system installation services	Thailand	81.65	-
Held by Trans.Ad Solutions Company Limited				
Roctec Technology Limited	System integration services	Hong Kong	89	-
TransAd Malaysia Sdn. Bhd.	System integration services	Malaysia	100	-
Held by Roctec Technology Limited				
Parkway Technology Limited	Investment holding	Hong Kong	100	-
Winbliss Systems Limited (51% held by Trans.Ad Solutions Company Limited)	Distribution software and computer related products including system development, installation and maintenance	Thailand	49	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries expect the adoption of this accounting standard to result in adjustments with respect to commission and discounts. The Company and its subsidiaries have determined that commission should be recognised as expenses and discounts of customers should be recognized net of revenues from services and sales. Under the previous accounting policy, these items were recorded as expenses or net of revenues from services and sales, depending on the type of commission and discount.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

Rendering of services and sales

Service income consists of advertising income and other service income. Service income is recognised when services have been rendered taking into account the stage of completion. Service rate charged is in accordance with service area, service rate charged per area and service period as stipulated in the contract.

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenues from system installation services

Revenues from system installation services are recognised on a percentage of completion basis. The percentage of completion is measured based on comparison of actual costs incurred up to the end of the period and total anticipated costs to be incurred to completion. The recognised revenue which is not yet due per the contracts has been presented under the caption of "Accrued income" under other receivables in the statement of financial position. The excess of the amount billed to a customer over the recognized revenue is presented as "Unearned revenues" in the statement of financial position.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cost of system installation services

The cost of system installation comprises the costs of materials, labor, subcontractors' charges, consultation, services and other expenses, which are recognised on an accrual basis.

Provision for anticipated losses on installation projects is made in the accounts in full when the possibility of loss is ascertained.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Accounts receivable

Accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.5 Inventories

Inventories are valued at the lower of cost under the weighted average method and net realisable value.

4.6 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

Depreciation of office building for rent is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the office building for rent is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Property, plant and equipment / Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvement	- 5 and 20 years
Media	- 5, 9 years and remaining period of contracts
Equipment	- 5 years
Fixtures and office equipment	- 3-5 years
Motor vehicles	- 3-5 years

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and allowance for impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Customer relationship	- 6 years 3 months and 6 years 6 months
Backlog	- Remaining period of concession
Computer software	- 3-5 years

4.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of cash generating units that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimates the recoverable amount of each cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.11 Business combinations under common control

Business combinations under common control are accounted for using the pooling of interests method, with the cost of the business combinations under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognized based on their book values, in proportion to the interests previously under common control.

Differences between the costs of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities are directly recognised in shareholders' equity (and if the pooled entities have profit or loss transactions directly recognised in the shareholders' equity, the financial statements after business combination present the transaction as if the business combination occurred at the earliest reporting date). The remaining difference between the cost of the business combination under common control and the acquirer's proportionate interest in the book value of the pooled entities, after recognising the profit or loss transactions directly in shareholders' equity, is presented as "Differences on business combination under common control" in shareholders' equity.

Costs relating to business combinations under common control are accounted for as expenses in the period in which the business combination occurred.

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the operations of the Company and its subsidiaries.

4.13 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in profit or loss.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

Except goodwill, in the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefit and other long-term employee benefits

Defined contribution plans

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiaries are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognized immediately in profit and loss.

4.17 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that they are probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amounts of deferred tax assets to the extent that they are no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximise the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Consolidation of subsidiaries that the Company holds half of shares

The management of the Company determined that the Company has control over Inkjet Images (Thailand) Company Limited, even though the Company holds 50% of shares and voting rights. This is because the Company is a major shareholder and has the ability to direct the significant activities. As a result, Inkjet Images (Thailand) Company Limited is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of investments

The Company and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their costs or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property, plant and equipment / Depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the buildings and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that its recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the asset subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Estimated system installation project costs

The subsidiaries estimate costs of system installation project costs based on details of the installation work, taking into account the volume and value of system installation materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for losses on system installation projects

Management applied judgement in estimating the loss they expect to be realised on each system installation project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of system installation materials, labour and the current situation.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company has contingent liabilities as a result of litigation. The Company’s management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2018	2017	2018	2017	
		(Restated)			
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Rental income from billboards	-	-	1,435	4,763	Contract rate
Commission income	-	-	8,444	16,673	Contract rate
Interest income	-	-	19,646	10,612	1.95 to 5.00 percent per annum
Other income	-	-	3,073	1,866	Contract rate
Costs of services	-	-	304,574	140,194	Contract rate
Rental expenses	-	-	4,053	-	Contract rate
<u>Transactions with the intermediate parent company</u>					
Revenue from system installation services	11,129	-	-	-	Contract rate
Costs of services	9,912	11,065	-	-	Contract rate
<u>Transactions with parent company</u>					
Revenue from services	306,162	105,322	5,296	5,686	Contract rate
Revenue from system installation services	46,769	-	-	-	Contract rate
Costs of services	1,125	7,157	1,125	3,475	Contract rate
Commission expenses	61,009	-	261	-	Contract rate
Interest expenses	797	28	-	-	3.82 percent per annum
<u>Transactions with associates</u>					
Rental income from billboards	3,214	-	-	-	Contract rate
Management income	1,443	3,308	-	-	Contract rate
Rental income from building	1,286	323	-	-	Contract rate
Interest income	4,162	1,157	-	-	5.00 to 7.90 percent per annum
Rental expenses	6,059	12,188	4,555	8,151	Contract rate
<u>Transactions with related companies</u>					
Revenue from advertising production	25,789	15,102	566	-	Contract rate
Rental income from billboards	-	36,355	-	36,355	Contract rate
Rental income from building	1,854	318	-	-	Contract rate
Management income	4,738	3,260	-	-	Contract rate
Interest income	714	-	-	-	7.90 percent per annum

The balances of the accounts as at 31 December 2018 and 2017 between the Company, its subsidiaries and those related parties were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(Restated)		
<u>Trade and other receivables - related parties (Note 7)</u>				
<u>Trade and other receivable</u>				
Intermediate parent company	6,517	-	-	-
Parent company *	47,149	5,939	-	137
Subsidiaries	-	-	5,907	2,889
Associates	55,766	246	-	-
Related companies (related by common shareholder/ shareholders of a subsidiary)	36,440	12,619	-	-
Total trade and other receivables	145,872	18,804	5,907	3,026
<u>Accrued income</u>				
Parent company *	75,841	102,540	734	2,949
Subsidiaries	-	-	6,989	3,370
Related companies (related by common shareholder/ a shareholders of a subsidiary)	3,772	6,509	350	6,000
Total accrued income	79,613	109,049	8,073	12,319
<u>Retention receivables</u>				
Intermediate parent company	4,129	-	-	-
Total retention receivables	4,129	-	-	-
Total trade and other receivables	216,021	127,853	13,980	15,345
<u>Dividend receivable</u>				
Subsidiary	-	-	-	30,000
<u>Deposit receivable</u>				
Subsidiary	-	-	9,995	9,000

*The balance includes accrued income to be received from the parent company under the Street Furniture Agreement that the parent company made with a subsidiary. The agreement starts from 1 January 2018 and will end on 31 December 2018 (As at 31 December 2017: the balance included accrued income to be received from the parent company under the Outdoor Advertising Exclusive Sale Agency Agreement that the parent company made with a subsidiary. The agreement expired on 31 December 2017).

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(Restated)		
Trade and other payables (Note 15)				
Parent company	485	2,027	279	803
Subsidiaries	-	-	49,965	70,366
Associate	-	64	-	43
Related companies (related by common shareholder/ related by shareholder of a subsidiary)	819	240	177	128
Total trade and other payables	1,304	2,331	50,421	71,340
Advances received from employers and unearned revenues				
Intermediate parent company	5,789	-	-	-
Parent company	94,919	-	-	-
Subsidiaries	-	-	-	430
Associate	7	-	-	-
Total advances received from employers and unearned revenues	100,715	-	-	430

Loans to related parties and loans from related parties

As at 31 December 2018 and 2017, the balances of loans between the Company and those related parties and the movements were as follows.

(Unit: Thousand Baht)

Short-term loans to related parties	Consolidated financial statements (restated)			
	Balance as at 31 December 2017	Increase during the year	Decrease during the year	Balance as at 31 December 2018
<u>Associate</u>				
Meru Utama Sdn. Bhd.	-	110,062	(5,249)	104,813
<u>Related company (related by common shareholder)</u>				
Titanium Compass Sdn. Bhd.	-	18,967	-	18,967
Total	-	129,029	(5,249)	123,780

The short-term loans carry interest at rates of 7.90 percent per annum and are due at call.

(Unit: Thousand Baht)

Short-term loans to related parties	Separate financial statements			
	Balance as at 31 December 2017	Increase during the year	Decrease during the year	Balance as at 31 December 2018
Subsidiaries				
Master and More Company Limited	-	20,000	(20,000)	-
Eye On Ads Company Limited	686,000	35,000	(20,000)	701,000
Green Ad Company Limited	3,000	348,598	(8,598)	343,000
Maco Outdoor Sdn. Bhd.	-	41,600	-	41,600
VGI Global Media (Malaysia) Sdn. Bhd.	-	120,000	-	120,000
Total	689,000	565,198	(48,598)	1,205,600

The short-term loans carry interest at rates of 1.95 to 5.00 percent per annum and are due at call.

(Unit: Thousand Baht)

Long-term loan to related party	Consolidated financial statements			
	Balance as at 31 December 2017	Increase during the year	Decrease during the year	Balance as at 31 December 2018
<u>Associate</u>				
Eyeballs Channel Sdn. Bhd.	18,776	-	(3,165)	15,611
Less: Current portion	(11,282)			(15,611)
Net	7,494			-

(Unit: Thousand Baht)

Long-term loan to related party	Separate financial statements			
	Balance as at 31 December 2017	Increase during the year	Decrease during the year	Balance as at 31 December 2018
<u>Subsidiary</u>				
Maco Outdoor Sdn. Bhd.	18,506	-	(3,113)	15,393
Less: Current portion	(11,119)			(15,393)
Net	7,387			-

The long-term loans carry interest at a rate of 5.00 percent per annum and are due within April 2019.

(Unit: Thousand Baht)

Short-term loans from related party	Consolidated financial statements (restated)			
	Balance as at 31 December 2017	Increase during the year	Decrease during the year	Balance as at 31 December 2018
<u>Parent company</u>				
VGI Global Media Public Company Limited	15,840	48,660	(25,177)	39,323

The short-term loans carry interest at a rate of 3.82 percent per annum and are due within December 2019.

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	39,658	32,580	14,873	8,971
Post-employment benefits	1,342	3,852	171	320
Other long-term benefits	90	63	39	38
Total	41,090	36,495	15,083	9,329

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(Restated)		
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	34,802	8,693	278	415
Past due				
Up to 3 months	36,121	3,643	-	-
3 - 6 months	-	8	-	-
6 - 12 months	41	17	-	-
Total trade receivables - related parties	70,964	12,361	278	415
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	238,339	115,680	95,706	68,793
Past due				
Up to 3 months	108,807	85,388	13,890	46,576
3 - 6 months	67,129	218	8,684	85
6 - 12 months	13,036	380	717	140
Over 12 months	10,702	13,253	3,993	4,067
Total	438,013	214,919	122,990	119,661
Less: Allowance for doubtful accounts	(6,293)	(11,055)	(4,035)	(3,910)
Total trade receivables - unrelated parties - net	431,720	203,864	118,955	115,751
Total trade receivables - net	502,684	216,225	119,233	116,166
<u>Other receivables</u>				
Other receivables - related parties	74,908	6,443	5,629	2,611
Other receivables - unrelated parties	14,703	13,620	9,739	9,718
Accrued income - related parties	79,613	109,049	8,073	12,319
Accrued income - unrelated parties	288,803	15,342	9,503	15,141
Retention receivables - related parties	4,129	-	-	-
Retention receivables - unrelated parties	11,649	-	-	-
Total	473,805	144,454	32,944	39,789
Less: Allowance for doubtful accounts	(8,652)	(9,261)	(8,652)	(9,261)
Total other receivables	465,153	135,193	24,292	30,528
Total trade and other receivables - net	967,837	351,418	143,525	146,694

8. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net		Dividend received during the year	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Master and More Company Limited	20,000	20,000	74,549	74,549	-	-	74,549	74,549	80,000	70,000
Eye On Ads Company Limited	393,000	5,000	393,000	5,000	-	-	393,000	5,000	-	-
Green Ad Company Limited	500,000	400,698	498,383	399,081	(3,383)	(3,383)	495,000	395,698	-	-
Inkjet Images (Thailand) Company Limited	6,000	6,000	7,984	7,984	-	-	7,984	7,984	2,400	375
Landy Development Company Limited	40,000	40,000	16,495	-	-	-	16,495	16,495	-	-
Maco Outdoor Sdn. Bhd.	1,708	1,708	1,708	1,708	-	-	1,708	1,708	-	-
VGI Global Media (Malaysia) Sdn. Bhd.	261,274	139,187	360,000	-	-	-	360,000	-	-	-
VGI MACO (Singapore) Private Limited	2	-	2	-	-	-	2	-	-	-
Total			1,352,121	488,322	(3,383)	(3,383)	1,348,738	484,939	82,400	70,375

Less: Differences on business combination under common control

Investments in subsidiaries - net

(225,279)

1,123,459

484,939

Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of on-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
	(Percent)	(Percent)	(Restated)					
Co-Mass Company Limited	30.00	30.00	27.8	31.1	0.7	4.8	4.6	4.6
Landy Development Company Limited	36.24	-	31.5	-	1.1	-	-	-
Roctec Technology Limited	27.33	-	33.0	-	14.4	-	-	-
VGI Global Media (Malaysia) Sdn. Bhd.	25.00	-	50.2	-	(0.7)	-	-	-

Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Co-Mass Company Limited		Landy Development Company Limited		Roctec Technology Limited		VGI Global Media (Malaysia) Sdn. Bhd.	
	2018	2017	2018	2017	2018	2017	2018	2017
	(Restated)							
Current assets	69.1	57.8	28.5	-	778.3	-	207.6	-
Non-current assets	44.6	71.5	63.5	-	62.3	-	141.7	-
Current liabilities	15.5	15.9	2.6	-	676.7	-	172.1	-
Non-current liabilities	5.6	7.8	2.0	-	4.2	-	1.8	-

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December							
	Co-Mas Company Limited		Landy Development Company Limited		Roctec Technology Limited		VGI Global Media (Malaysia) Sdn. Bhd.	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue	93.9	63.5	11.2	-	528.2	-	7.0	-
Profit (loss)	2.2	15.9	3.1	-	52.6	-	(3.0)	-
Total comprehensive income	2.2	15.9	3.1	-	52.0	-	(2.9)	-

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December							
	Co-Mas Company Limited		Landy Development Company Limited		Roctec Technology Limited		VGI Global Media (Malaysia) Sdn. Bhd.	
	2018	2017	2018	2017	2018	2017	2018	2017
Cash flow from operating activities	29.3	19.2	6.8	-	9.4	-	22.1	-
Cash flow from (used in) investing activities	(0.6)	3.7	-	-	(287.8)	-	(57.2)	-
Cash flow from (used in) financing activities	(15.2)	(19.3)	(1.2)	-	281.8	-	-	-
Net increase (decrease) in cash and cash equivalents	13.5	3.6	5.6	-	3.4	-	(35.1)	-

8.1 Master and More Company Limited (“Master and More”)

8.1.1 Open Play Company Limited (“Open Play”) (Held by Master and More)

A meeting of the Company’s Board of Directors on 11 May 2018 passed a resolution to approve Master and More’s acquisition of an additional 10,000 ordinary shares of Open Play from its existing shareholders (“the Sellers”), which represents 20% of all issued shares of Open Play. On 31 May 2018, Master and More entered into a share purchase and sale agreements with the Sellers whereby the total purchase price was to be Baht 39,000. Master and More received all of the shares on 31 May 2018 and made payment to the Sellers on 31 May 2018 and 18 June 2018.

Accounting records of the additional acquisition of Open Play’s ordinary shares are detailed below.

(Unit: Thousand Baht)

	Consolidated financial statement
Cash paid for investment in subsidiary	39
Add: Adjusted non-controlling interests of subsidiary	80
Deficit from change in ownership interest in subsidiary	119

8.2 Eye On Ads Company Limited (“Eye On Ads”)

On 23 July 2018, the Extraordinary General Meeting of Eye On Ads’s shareholders passed a resolution to approve the increase of its registered share capital from Baht 5 million (500,000 ordinary shares with a par value of Baht 10 each) to Baht 393 million (39,300,000 ordinary shares with a par value of Baht 10 each), by issuing 38,800,000 ordinary shares with a par value of Baht 10 each. The Company acquired additional ordinary shares of Eye On Ads in proportion to its existing shareholding, and as a result, its shareholding in the subsidiary remained unchanged at 100%. On 23 July 2018, the Company made payment for the shares amounting to approximately Baht 388 million, and Eye On Ads registered the increase of its capital with the Ministry of Commerce.

8.2.1 Co-Mass Company Limited (“Co-Mass”) (Held by Eye On Ads)

In June 2017, Eye On Ads acquired 39,375 ordinary shares of Co-Mass from an existing shareholder for Baht 335 million. The investment represents 70% of all issued shares of Co-Mass.

In the second quarter of the year, Eye On Ads completed the measurement of the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, and the measurement of related goodwill. The values of the assets and liabilities of Co-Mass at the acquisition date are summarised below.

(Unit: Thousand Baht)

	Fair value	Carrying value
Cash and cash equivalents	20,185	20,185
Trade and other receivables	17,237	17,237
Other current assets	17,304	17,304
Plant and equipment	42,913	42,913
Intangible assets	35,738	-
Other non-current assets	5,714	5,714
Trade and other payables	(16,384)	(16,384)
Other current liabilities	(4,993)	(4,993)
Deferred tax liabilities	(7,148)	-
Other non-current liabilities	(5,707)	(5,707)
Net assets of the subsidiary	104,859	76,269
Less: Non-controlling interests’ proportionate share of identifiable net assets of the acquiree	(31,458)	(22,881)
Proportionate share of identifiable net assets of the acquiree	73,401	53,388
Costs of the acquisition of investment in a subsidiary	335,000	
Less: Proportionate share of identifiable net assets of the acquiree	(73,401)	
Goodwill	261,599	

The Company restated the consolidated statement of financial position as at 31 December 2017, presented as comparative information, to reflect the fair value of the identifiable assets acquired and liabilities assumed of Co-Mass as from the acquisition date. The amounts of the adjustments affecting the consolidated statement of financial position as at 31 December 2017 are summarised below.

(Unit: Thousand Baht)

	Increase (decrease)
Estimated amount by which costs of the acquisition of investment in a subsidiary exceed identifiable net assets of the acquiree	(281,612)
Goodwill	261,599
Intangible assets	35,738
Deferred tax liabilities	7,148
Non-controlling interests of the subsidiary	8,577

8.2.2 Trans.Ad Solutions Company Limited (“Trans.Ad”) (Held by Eye On Ads) and Roctec Technology Limited (“Roctec”) (Held by Trans.Ad)

On 5 July 2018, a meeting of the Board of Directors of the Company passed a resolution to approve the acquisition by Eye On Ads, a subsidiary, of ordinary shares of Trans.Ad, from its existing shareholders (“the Sellers”) and the acquisition of additional ordinary shares of Trans.Ad, totaling 400,464 ordinary shares, representing 81.65% of all issued shares after issuing additional ordinary shares. Trans.Ad is engaged in the provision of design and installation services for multimedia display systems, including media content controlling and managing systems, network system installation for online control and data collection and closed circuit television systems, as well as design and development of applications for indoor maps and Bluetooth transmission systems for advertising purposes. The share acquisitions were divided into 2 parts as follows.

- 1) The purchase of 210,000 ordinary shares with a par value of Baht 100 each, with payment of Baht 25 per share, or a total of Baht 5.25 million, to be made to the seller. The remaining unpaid share capital of Baht 75 per share, totaling Baht 15.75 million is to be paid to Trans.Ad.
- 2) The purchase of 190,464 additional ordinary shares at a total price of Baht 367 million.

In July 2018, Eye On Ads entered into a share purchase agreement, received 400,464 ordinary shares of Trans.Ad and made full payment for these shares.

Trans.Ad used the proceeds from payment for the shares by Eye On Ads to acquire 1,776,018 ordinary shares of Roctec from its existing shareholders (“the Sellers”), representing 89% of the total issued shares of Roctec, at a total price of HKD 89 million or approximately Baht 378 million. Roctec is a company incorporated under Hong Kong law, and engaged in the provision of system design and installation services through distribution, installation and maintenance of tools and equipment specifically related to controlling systems, network systems and display systems used across various industries. In addition, after the acquisition of Roctec’s shares, Trans.Ad received 102,000 preferred shares of Winbliss Systems Limited (“Winbliss”), a subsidiary of Roctec, representing 51% of the total issued and paid-up shares of Winbliss, from the Sellers.

Details of subsidiaries included in Trans.Ad and Roctec’s consolidated financial statements as at the acquisition date are as follows:

Company’s name	Nature of business	Country of Incorporation	Percentage of shareholding
Subsidiary directly held by Trans.Ad			
TransAd Malaysia Sdn.Bhd.	System integration services	Malaysia	100
Subsidiaries directly held by Roctec			
Parkway Technology Limited	Investment holding	Hong Kong	100
Winbliss Systems Limited *	Distribution software and computer related products including system development, installation and maintenance	Thailand	49
* 51% held by Trans.Ad and 49% held by Roctec			
Subsidiary indirectly held by Roctec			
Held by Parkway Technology Limited			
Roctec Parkway (GuangZhou) Limited (Registered its dissolution in September 2018)	System integration services	The People’s Republic of China	100

In July 2018, Trans.Ad received 1,776,018 ordinary shares of Roctec and 102,000 preferred shares of Winbliss, and made full payment for these shares.

Eye On Ads is currently in the process of measuring the fair value at the acquisition date of the identifiable assets acquired, liabilities assumed and goodwill. The carrying value of the identifiable assets acquired and liabilities assumed of Trans.Ad Group at the acquisition date were as summarised below.

(Unit: Thousand Baht)

	Carrying value
Cash and cash equivalents	200,386
Trade and other receivables	369,329
Inventories	41,575
Advances to contractors	51,609
Other current assets	10,788
Building and equipment	8,767
Other non-current assets	13,599
Trade and other payables	(289,228)
Advances received from employers and unearned revenues	(249,981)
Other current liabilities	(6,354)
Other non-current liabilities	(5,826)
Non-controlling interests of the subsidiaries	(13,235)
Net assets of the subsidiaries	131,429
Less: Non-controlling interests’ proportionate share of identifiable net assets of the acquirees	(24,117)
Eye On Ads’s proportionate share of identifiable net assets of the acquirees	107,312

(Unit: Thousand Baht)

	Carrying value
Cash paid for purchases of investment in subsidiaries	388,000
Less: Eye On Ads's proportionate share of identifiable net assets of the acquirees	(107,312)
Estimated amount by which costs of the acquisition of investment in subsidiaries exceed identifiable net assets of the acquirees	280,688*
Cash paid for purchases of investment in subsidiaries	388,000
Less: Cash and cash equivalents of the subsidiaries	(200,386)
Net cash paid for purchases of investment in subsidiaries	187,614

*As at 31 December 2018, the Company presented the estimated difference, a part of which was denominated in foreign currency, amounting to Baht 274 million in the consolidated statements of financial position (after translation adjustment based on the closing rate as at 31 December 2018).

Revenues and profit of Trans.Ad Group since the acquisition date, amounting to Baht 623 million and Baht 58 million, respectively, were included in the consolidated statements of comprehensive income for the year ended 31 December 2018.

8.3 Green Ad Company Limited (“Green Ad”)

During the year, the Company made additional payment for Green Ad's additional ordinary shares amounting to Baht 99.3 million in accordance with a resolution to increase share capital passed by an Extraordinary General Meeting of Green Ad's shareholders on 28 September 2016.

8.3.1 Multi Sign Company Limited (“MTS”) (Held by Green Ad)

A meeting of the Company's Board of Directors of the Company on 5 March 2018 and a meeting of the Company's Executive Committee on 20 March 2018 passed resolutions to approve Green Ad's acquisition of an additional 42,000 ordinary shares of Multi Sign Company Limited (“MTS”) from its existing shareholder (“the Seller”), which represents 30% of all issued shares of MTS. On 19 June 2018, Green Ad entered into a share purchase and sale agreement with the Seller whereby the total purchase price was to be not more than Baht 202.6 million, in accordance with the terms and conditions stipulated in the share purchase and sale agreement. The purchase price is divided into 2 parts as follows:

- 1) A preliminary purchase price of Baht 162.6 million to be paid on the date of the share purchase and sale agreement.
- 2) An additional purchase price of not more than Baht 40 million, which may be reduced depending on the conditions stipulated in the share purchase and sale agreement.

On 29 June 2018, Green Ad received all shares of MTS and paid Baht 162.6 million to the Seller. The balance of the purchase price is to be paid in accordance with the conditions stipulated in the share purchase and sale agreement and has been presented as other payable from purchase of investment in a subsidiary, under the caption of “Trade and other payables” in the consolidated statement of financial position.

Accounting records of the additional acquisition of MTS's ordinary shares are detailed below.

(Unit: Thousand Baht)

	Consolidated financial statement
Purchase price of investment in subsidiary	202,600
Less: Adjusted non-controlling interests of subsidiary	(28,824)
Deficit from change in ownership interest in subsidiary	173,776

8.3.2 Gold Star Group Company Limited (“GSG”) (Held by Green Ad)

On 23 November 2018, a meeting of the Board of Directors of the Company passed a resolution to approve Green Ad’s acquisition of 3,000,000 ordinary shares with a par value of Baht 10 each of GSG from its existing shareholders (“the Sellers”), representing 60% of all issued shares of GSG. GSG is engaged in the design, production and provision of publishing media and all types of advertising media. On 30 November 2018, Green Ad entered into a share purchase and sale agreement with the Seller whereby the total purchase price was to be Baht 240 million, in accordance with the terms and conditions stipulated in the share purchase and sale agreement.

On 14 December 2018, Green Ad received 3,000,000 ordinary shares of GSG and made full payment for these shares.

Green Ad is currently in the process of measuring the fair value at the acquisition date of the identifiable assets acquired, liabilities assumed and goodwill. The carrying value of the identifiable assets acquired and liabilities assumed of GSG at the acquisition date were as summarised below.

(Unit: Thousand Baht)

	Carrying value
Cash and cash equivalents	668
Trade and other receivables	22,118
Inventories	1,725
Other current assets	4,424
Restricted bank deposits	500
Building and equipment	46,434
Deferred tax assets	459
Other non-current assets	1,374
Short-term loan from financial institution	(10,000)
Trade and other payables	(19,563)
Other current liabilities	(1,134)
Provision for long-term employee benefits	(2,294)
Net assets of the subsidiary	44,711
Less: Non-controlling interests’ proportionate share of identifiable net assets of the acquiree	(17,884)
Green Ad’s proportionate share of identifiable net assets of the acquiree	26,827
Cash paid for purchase of investment in subsidiary	240,000
Less: Eye On Ads’s proportionate share of identifiable net assets of the acquiree	(26,827)
Estimated amount by which costs of the acquisition of investment in subsidiary exceed identifiable net assets of the acquiree	213,173
Cash paid for purchase of investment in subsidiary	240,000
Less: Cash and cash equivalents of the subsidiary	(668)
Net cash paid for purchase of investment in subsidiary	239,332

8.4 Landy Development Company Limited (“Landy”)

A meeting of the Company’s Board of Directors on 17 May 2018 passed a resolution to approve Master and More’s acquisition of 595,600 ordinary shares of Landy (an associate) from its existing shareholder (“the Seller”), which represents 14.89% of all issued shares of Landy. Following the acquisition of the shares, then together with the 1,954,800 shares of Landy held by the Company, the Group held 2,550,400 shares of Landy, representing 63.76% of all issued shares of Landy. On 26 June 2018, Master and More entered into a share purchase and sale agreement with the Seller, whereby the purchase price was Baht 25 million. Master and More received all of these shares and made payment to the Seller on 26 June 2018. As a result, the status of Landy changed from an associate to a subsidiary of the Group and it has to be included in the consolidated financial statements from 26 June 2018, which is the date on which the Group assumed control.

Management of the Company and its subsidiaries determined that the acquisition of the investment in the subsidiary was an asset acquisition. The Group therefore recorded the difference between the value of investment in Landy (Baht 66 million) and the carrying value of the Group's proportionate share of the identifiable net assets of the acquiree (Baht 54 million), amounting to approximately Baht 12 million, as a part of land and building under investment properties and property, plant and equipment in the consolidated statement of financial position.

The carrying values (after adjustments) of the assets and liabilities of Landy at the acquisition date were as summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	22,157
Trade and other receivables	667
Other current assets	21
Investment properties	28,468
Property, plant and equipment	50,025
Other non-current assets	70
Trade and other payables	(1,673)
Other current liabilities	(1,910)
Other non-current liabilities	(1,676)
Net assets of the subsidiary	96,149
Less: Non-controlling interests' proportionate share of net assets of the subsidiary	(30,371)
Proportionate share of net assets of the subsidiary	65,778
Cash paid for investment in subsidiary	25,000
Less: Cash and cash equivalents of the subsidiary	(22,157)
Net cash paid for investment in subsidiary	2,843

8.5 VGI Global Media (Malaysia) Sdn. Bhd. ("VGM")

On 18 July 2018, the Company's Extraordinary General Meeting of shareholders passed a resolution approving the acquisition of 75% of all issued shares of VGM, a subsidiary of the parent company, from the parent company for a total price of Baht 360 million, with the parent company retaining a 25% interest in VGM after the acquisition. On 31 October 2018, the Company entered into a share purchase and sale agreement and on 30 November 2018, the Company received 24,131,578 ordinary shares of VGM and made full payment for these shares.

During the years 2017 and 2018, the parent company made payments for additional ordinary shares of VGM amounting to Baht 139 million and Baht 122 million, respectively.

Details of the companies held by VGM as at the acquisition date are as follows:

Company's name	Nature of business	Country of Incorporation	Percentage of shareholding (%)
Associates			
Puncak Berlian Sdn. Bhd.	Provision of outdoor advertising media service in Malaysia	Malaysia	25.00
Meru Utama Sdn. Bhd.	Provision of advertising media in airports in Malaysia	Malaysia	25.10

The carrying values of the assets and liabilities of VGM at the acquisition date were as summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	12,090
Trade and other receivables	54,350
Short-term loans to related parties	97,965
Other current assets	2,464
Investment in associates	116,657
Building and equipment	20,685
Other non-current assets	10,653
Short-term loans from financial institution	(117,954)
Trade and other payables	(14,987)
Other current liabilities	(448)
Other non-current liabilities	(1,847)
Net assets of the subsidiary	179,628
Less: Non-controlling interests' proportionate share of net assets of the subsidiary	(44,907)
Proportionate share of net assets of the subsidiary	134,721
Cost of the acquisition of investment in subsidiary	360,000
Less: Proportionate share of identified net assets of the subsidiary	(134,721)
Differences on business combination under common control	225,279

8.6 VGI MACO (Singapore) Private Limited (“VGI MACO”)

On 8 October 2018, the Company and the parent company jointly established VGI MACO, which was incorporated in Singapore and is engaged in advertising media investment in South East Asia. VGI MACO has a registered capital of SGD 100 (100 ordinary shares with a par value of SGD 1), with the Company and the parent company holding 75% and 25% interests, respectively. The status of VGI MACO is a subsidiary of the Company.

Subsequently, on 30 November 2018, VGI MACO entered into an agreement to jointly invest with Belino Investments Limited (“Belino”) (a subsidiary of Golden Agri-Resources Ltd. (“GAR”), which is engaged in integrated palm oil business and listed on the Stock Exchange of Singapore), in order to operate out-of-home media, payment system and CRM loyalty program businesses in Indonesia. VGI MACO and Belino are in the process of establishing a joint venture in Indonesia, which is to have a registered share capital of not more than USD 5 million (approximately Baht 165.4 million), with VGI MACO and Belino to respectively hold 40% and 60% interests. The registration of the joint venture’s establishment is expected to be completed within February 2019.

9. Investments in associates

9.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
			2018 (Percent)	2017 (Percent)	Carrying amounts based on equity method		Cost	
			2018	2017	2018	2017	2018	2017
Landy Development Company Limited (Note 8.4)	Provision of office building rental service	Thailand	-	48.87	-	38,950	-	16,495
Eyeballs Channel Sdn. Bhd.	Provision of outdoor advertising media service in Malaysia	Malaysia	40.00	40.00	5,842	3,320	-	-
Puncak Berlian Sdn. Bhd. (Note 8.5)	Provision of outdoor advertising media service in Malaysia	Malaysia	25.00	-	80,201	-	-	-
Meru Utama Sdn. Bhd. (Note 8.5)	Provision of advertising media in airports in Malaysia	Malaysia	25.10	-	30,653	-	-	-
Total					116,696	42,270	-	16,495

9.1 Puncak Berlian Sdn Bhd (“PBSB”) (Held by VGM)

On 16 November 2017, the Company’s Executive Committee Meeting No. 15/2017 passed a resolution approving VGM’s acquisition of 4,281,277 ordinary shares with a par value of MYR 1 each of Puncak Berlian Sdn Bhd (“PBSB”), representing 25% of all issued shares of PBSB, from Redberry Sdn Bhd (“RSB”), the existing shareholder, at an initial price of MYR 13,154,175. VGM entered into a conditional share purchase and sale agreement with RSB and paid MYR 13,154,175 (or equivalent to approximately Baht 106 million) for the shares to RSB, on 16 November 2017 and 28 December 2017, respectively. Subsequently, on 26 January 2018 (the acquisition date), RSB transferred 4,281,277 shares of PBSB to VGM.

In January 2019, VGM completed the measurement of the fair values of the identifiable assets acquired and liabilities assumed at the acquisition date, and the measurement of related goodwill. The values of the assets and liabilities of PBSB at the acquisition date are summarised below.

(Unit: Thousand MYR)

	Fair value	Carrying value
Cash and cash equivalents	6,478	6,478
Trade and other receivables	28,238	28,238
Other current assets	2,792	2,792
Property, plant and equipment	16,148	16,148
Goodwill	-	7,019
Intangible assets	98,545	131
Deferred tax assets	934	934
Other non-current assets	2,702	2,702
Short-term loans from financial institutions	(4,111)	(4,111)
Trade and other payables	(47,068)	(47,068)
Unearned revenues	(962)	(962)
Income tax payable	(1,047)	(1,047)
Other current liabilities	(1,806)	(1,806)
Deferred tax liabilities	(23,935)	(316)
Other non-current liabilities	(68)	(68)
Non-controlling interests of the associate	(24,224)	(884)
Net assets of the associate	52,616	8,180
Shareholding percentage (percent)	25	
Proportionate share of identifiable net assets of the acquiree	13,154	
Costs of the acquisition of investment in the associate	13,154	
Less: VGM’s proportionate share of identifiable net assets	(13,154)	
Goodwill	-	

9.2 Meru Utama Sdn Bhd (“MUSB”) (Held by VGM)

On 30 March 2018, VGM entered into a conditional agreement with two existing individual shareholders (“Sellers”) to acquire 276,100 ordinary shares with a par value of MYR 1 of Meru Utama Sdn. Bhd. (MUSB), a provider of airport advertising services in Malaysia, representing 25.1% of all issued shares of MUSB, at the total purchase price of not more than MYR 5.5 million.

Subsequently, on 25 May 2018, VGM received 276,100 ordinary shares of MUSB and made full payment of MYR 5.5 million (or equivalent to approximately Baht 44 million) for these shares.

VGM is currently in the process of measuring the fair value at the acquisition date of the assets and liabilities of MUSB. The carrying value of the identifiable assets acquired and liabilities assumed of MUSB at the acquisition date were as summarised below.

(Unit: Thousand MYR)

	Carrying value
Cash and cash equivalents	226
Trade and other receivables	18,168
Other current assets	4,973
Building and equipment	10,676
Deferred tax assets	582
Other non-current assets	5,200
Short-term loans from financial institutions	(67)
Trade and other payables	(25,971)
Other current liabilities	(12,354)
Long-term loans from financial institutions	(62)
Net assets of the associate	1,371

Share of profit (loss)

During the years, the Company has recognised its share of profit (loss) from investments in associated companies in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Associates	Consolidated financial statements	
	Share of profit (loss) from investments in associates during the year	
	2018	2017
Landy Development Company Limited	1,827	3,565
Eyeballs Channel Sdn. Bhd.	2,577	3,066
Puncak Berlian Sdn. Bhd.	(23,076)	-
Meru Utama Sdn. Bhd.	(12,606)	-
Total	(31,278)	6,631

Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	PBSB	MUSB
Current assets	692	244
Non-current assets	193	78
Current liabilities	(915)	(360)
Non-current liabilities	(1)	-
Non-controlling interests	15	-
Net assets	(16)	(38)
Fair value adjustment of assets acquired and liabilities assumed	25	25
Share of net assets	(4)	(10)
Fair value adjustment of assets acquired and liabilities assumed	84	-
Estimated amount by which costs of the acquisition of investment in an associate exceed identifiable net assets of the acquiree	-	41
Carrying amounts of associates based on equity method	80	31

Summarised information about comprehensive income

(Unit: Million Baht)

	PBSB	MUSB
Revenues	767	185
Loss	(92)	(50)

10. Investment properties

The net book value of investment properties as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	Land	Office building for rent	Total	Land	Total
31 December 2018					
Cost	45,853	54,910	100,763	35,317	35,317
Less Allowance for diminution in value	-	(38,161)	(38,161)	-	-
Net book value	45,853	16,749	62,602	35,317	35,317
31 December 2017					
Cost	35,317	-	35,317	35,317	35,317
Less Allowance for diminution in value	-	-	-	-	-
Net book value	35,317	-	35,317	35,317	35,317

A reconciliation of the net book value of investment properties for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	35,317	35,317	35,317	35,317
Change in status of investment from associate to subsidiary (Note 8.4)	28,468	-	-	-
Depreciation charged	(1,183)	-	-	-
Net book value at end of year	62,602	35,317	35,317	35,317

The fair value of the investment properties as at 31 December 2018 and 2017 stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land ⁽¹⁾	105,219	64,920	64,920	64,920
Office building for rent ⁽¹⁾	53,634	-	-	-

⁽¹⁾The fair value of the investment properties are fair value at level 3

The fair value of the land has been determined based on market prices, while that of the office building for rent has been determined using the depreciated replacement cost approach.

11. Plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements (restated)							
	Land	Buildings and building improvement	Media	Equipment	Fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost:								
1 January 2017	-	17,822	453,297	27,173	48,583	18,957	12,594	578,426
Additions	-	5,612	2,287	4,549	7,909	519	339,616	360,492
Acquisition of subsidiaries during the year	-	-	107,370	-	6,097	14,002	3,279	130,748
Disposals	-	-	(20,769)	(1,685)	(8,851)	(21,730)	(736)	(53,771)
Transfers	-	3,816	256,400	1	2,561	-	(279,771)	(16,993)
Translation adjustment	-	114	-	-	127	-	64	305
31 December 2017	-	27,364	798,585	30,038	56,426	11,748	75,046	999,207
Additions	-	4,258	7,336	165	9,105	3,242	116,769	140,875
Change in status of investment from associate to subsidiary	18,538	74,193	-	-	-	-	-	92,731
Acquisition of subsidiaries during the year	-	3,359	-	42,374	49,199	6,146	-	101,078
Disposals	-	(6,175)	(11,460)	(551)	(3,437)	(1,356)	-	(22,979)
Transfers	-	-	151,352	-	23	-	(156,090)	(4,715)
Translation adjustment	-	(286)	-	-	(1,296)	(122)	(297)	(2,001)
31 December 2018	18,538	102,713	945,813	72,026	110,020	19,658	35,428	1,304,196
Accumulated depreciation:								
1 January 2017	-	8,875	316,217	23,532	41,577	12,355	-	402,556
Depreciation for the year	-	1,420	54,713	1,806	4,123	2,244	-	64,306
Acquisition of subsidiaries during the year	-	-	70,810	-	5,410	11,615	-	87,835
Depreciation on disposals	-	(23)	(13,713)	(1,648)	(8,639)	(16,435)	-	(40,458)
Transfers	-	-	(964)	-	-	-	-	(964)
Translation adjustment	-	4	-	-	4	-	-	8
31 December 2017	-	10,276	427,063	23,690	42,475	9,779	-	513,283
Depreciation for the year	-	5,070	85,832	2,188	6,989	1,474	-	101,553
Change in status of investment from associate to subsidiary	-	42,706	-	-	-	-	-	42,706
Acquisition of subsidiaries during the year	-	1,328	-	2,228	40,036	2,514	-	46,106
Depreciation on disposals	-	(1,027)	(7,000)	(500)	(3,269)	(1,343)	-	(13,139)
Transfers	-	-	(2,260)	-	(3)	-	-	(2,263)
Translation adjustment	-	(43)	-	-	(932)	(42)	-	(1,017)
31 December 2018	-	58,310	503,635	27,606	85,296	12,382	-	687,229
Allowance for impairment loss:								
1 January 2018	-	-	-	-	-	-	-	-
Increase during the year	-	-	-	-	-	-	(4,228)	(4,228)
31 December 2018	-	-	-	-	-	-	(4,228)	(4,228)
Net book value:								
31 December 2017	-	17,088	371,522	6,348	13,951	1,969	75,046	485,924
31 December 2018	18,538	44,403	442,178	44,420	24,724	7,276	31,200	612,739

Depreciation for the year

2017 (Baht 55.8 million included in costs of services, and the balance in administrative expenses)

64,306

2018 (Baht 85.8 million included in costs of services, and the balance in administrative expenses)

101,553

(Unit: Thousand Baht)

	Separate financial statements						
	Buildings and building improvement	Media	Equipment	Fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost:							
1 January 2017	6,175	104,235	944	37,058	4,263	1,580	154,255
Additions	-	653	-	1,025	-	3,862	5,540
Disposals	-	(7,967)	(272)	(2,462)	(3,197)	-	(13,898)
Transfers	645	3,911	-	-	-	(4,952)	(396)
31 December 2017	6,820	100,832	672	35,621	1,066	490	145,501
Additions	-	771	9	870	-	2,579	4,229
Disposals	(6,175)	(63)	-	(337)	-	-	(6,575)
Transfers	-	3,069	-	-	-	(3,069)	-
31 December 2018	645	104,609	681	36,154	1,066	-	143,155
Accumulated depreciation:							
1 January 2017	415	86,637	913	32,345	2,724	-	123,034
Depreciation for the year	339	4,933	11	2,384	157	-	7,824
Depreciation on disposals	-	(7,736)	(272)	(2,448)	(1,815)	-	(12,271)
31 December 2017	754	83,834	652	32,281	1,066	-	118,587
Depreciation for the year	335	5,687	8	1,889	-	-	7,919
Depreciation on disposals	(1,027)	(40)	-	(335)	-	-	(1,402)
31 December 2018	62	89,481	660	33,835	1,066	-	125,104
Net book value:							
31 December 2017	6,066	16,998	20	3,340	-	490	26,914
31 December 2018	583	15,128	21	2,319	-	-	18,051
Depreciation for the year							
2017 (Baht 4.9 million included in costs of services and sales, and the balance in administrative expenses)							7,824
2018 (Baht 5.7 million included in costs of services and sales, and the balance in administrative expenses)							7,919

As at 31 December 2018, certain items of plant and equipment had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 378 million (2017: Baht 334 million) (The Company only: Baht 110 million (2017: Baht 101 million))

12. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements (restated)				
	Intangible assets acquired through business combination		Computer software	Computer software under installation	Total
	Customer relationships	Backlogs			
Cost:					
1 January 2017	50,967	8,354	10,817	-	70,138
Additions	-	-	257	2,220	2,477
Acquisitions of subsidiaries ¹	31,449	4,289	-	-	35,738
Transfers	-	-	911	-	911
Translation adjustment	-	-	2	-	2
31 December 2017	82,416	12,643	11,987	2,220	109,266
Additions	-	-	1,056	-	1,056
Change in status of investment from associate to subsidiary	-	-	386	-	386
Acquisitions of subsidiaries	-	-	831	-	831
Disposals	-	-	(92)	-	(92)
Transfers	-	-	4,231	(2,220)	2,011
Translation adjustment	-	-	(3)	-	(3)
31 December 2018	82,416	12,643	18,396	-	113,455
Accumulated amortisation:					
1 January 2017	2,039	5,327	10,230	-	17,596
Amortisation for the year	8,155	3,026	706	-	11,887
31 December 2017	10,194	8,353	10,936	-	29,483
Amortisation for the year Change in status of investment from associate to subsidiary	15,412	4,248	2,119	-	21,779
Change in status of investment from associate to subsidiary	-	-	386	-	386
Acquisitions of subsidiaries	-	-	419	-	419
Depreciation on disposals	-	-	(92)	-	(92)
Transfers	-	-	3	-	3
Translation adjustment	-	-	(1)	-	(1)
31 December 2018	25,606	12,601	13,770	-	51,977
Net book value					
31 December 2017	72,222	4,290	1,051	2,220	79,783
31 December 2018	56,810	42	4,626	-	61,478
Amortisation for the year					
2017 (Baht 11.2 million included in selling expenses, and the balance in administrative expenses)					11,887
2018 (Baht 19.7 million included in selling expenses, and the balance in administrative expenses)					21,779

¹Intangible assets acquired through business combination consist of customer relationships and backlogs. Useful lives of customer relationships and backlogs are 6 years and 6 months, and over the remaining period (1-3 years), respectively.

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	Computer software under installation	Total
Cost:			
1 January 2017	9,806	-	9,806
Additions	126	1,260	1,386
Transfers	396	-	396
31 December 2017	10,328	1,260	11,588
Additions	441	-	441
Transfers	1,260	(1,260)	-
31 December 2018	12,029	-	12,029
Accumulated amortisation:			
1 January 2017	9,297	-	9,297
Amortisation for the year	520	-	520
31 December 2017	9,817	-	9,817
Amortisation for the year	687	-	687
31 December 2018	10,504	-	10,504
Net book value			
31 December 2017	511	1,260	1,771
31 December 2018	1,525	-	1,525
Amortisation for the year			
2017 (included in administrative expenses)			520
2018 (included in administrative expenses)			687

13. Goodwill

The subsidiaries allocated goodwill acquired through business combinations to the cash generating units (CGUs) for annual impairment testing as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
		(Restated)
Multi Sign Company Limited	384,379	384,379
Co-Mass Company Limited	261,599	261,599
Total	645,978	645,978

The subsidiary determined the recoverable amounts of the CGUs based on value-in-use by preparing projections of the cash flows that are expected to be generated from that group of assets in the future, with reference to financial projections approved by the management. These cash flow projections cover a period of 5 years. It was determined that the recoverable amount of the CGUs is more than net carrying amount.

14. Short-term loans from financial institutions

The balances represent unsecured short-term loans from financial institutions carrying interest at the rates of 2.45 - 3.50 percent per annum (2017: 2.20 percent per annum) (The Company only: 2.45 - 2.90 percent per annum (2017: 2.20 percent per annum)). These loans are due in March 2019 and at call.

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(Restated)		
Trade payables - related parties	893	2,139	50,186	71,286
Trade payables - unrelated parties	165,124	16,277	7,739	6,346
Other payables for purchase of investment - a subsidiary (Note 8.3.1)	40,000	43,766	-	-
Other payables - related parties	331	192	155	54
Other payables - unrelated parties	10,156	15,779	306	272
Accrued expenses - related parties	80	-	80	38,795
Accrued expenses - unrelated parties	138,495	85,016	41,199	38,795
Accrued cost of installation	149,200	-	-	-
Total trade and other payables	504,279	163,169	99,665	116,753

16. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2018	2017	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year						
Included in profit and loss:	14,307	10,765	6,436	7,156	20,743	17,921
Current service cost	2,232	1,600	754	571	2,986	2,171
Interest cost	576	475	193	177	769	652
Past service costs	-	1,721	-	(161)	-	1,560
Acquisition of a subsidiary during the year	8,119	170	-	-	8,119	170
Included in other comprehensive income:						
Actuarial (gain) loss arising from Demographic assumptions changes	-	(1,910)	-	(623)	-	(2,533)
Financial assumptions changes	-	1,730	-	34	-	1,764
Experience adjustments	-	4,850	-	707	-	5,557
Benefits paid during the year	(1,521)	(5,094)	(311)	(1,425)	(1,832)	(6,519)
Translation adjustment	(103)	-	-	-	(103)	-
Provision for long-term employee benefits at end of year	23,610	14,307	7,072	6,436	30,682	20,743

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2018	2017	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	6,134	7,250	3,960	4,985	10,095	12,235
Included in profit and loss:						
Current service cost	544	201	395	194	939	395
Interest cost	232	201	118	107	350	308
Past service costs	-	86	-	(391)	-	(305)
Included in other comprehensive income: Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(896)	-	(363)	-	(1,259)
Financial assumptions changes	-	933	-	33	-	966
Experience adjustments	-	612	-	230	-	842
Benefits paid during the year	(538)	(2,253)	(169)	(834)	(707)	(3,087)
Provision for long-term employee benefits at end of year	6,372	6,134	4,304	3,961	10,677	10,095

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2018	2017	2018	2017	2018	2017
Selling and administrative expenses	2,830	3,796	947	587	3,777	4,383

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	2018	2017	2018	2017	2018	2017
Selling and administrative expenses	776	488	513	(90)	1,289	398

The Company and its subsidiaries expect to pay Baht 1.9 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.3 million) (2017: Baht 0.6 million, separate financial statements: Baht 0.3 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit was 14 - 17 years (Separate financial statements: 14 years) (2017: 14 years, separate financial statements: 14 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(Percent per annum)	(Percent per annum)	(Percent per annum)	(Percent per annum)
Discount rate	3.0 - 3.4	3.1	3.1	3.1
Salary increase rate	3.5 - 8.0	3.5 - 8.0	3.5 - 8.0	3.5 - 8.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation under post-employment benefits from employee's retirement as at 31 December 2018 are summarised below:

(Unit: Million Baht)

	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.7)	3.1	(1.1)	1.3
Salary increase rate	3.0	(2.7)	1.1	(1.0)

(Unit: Million Baht)

	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.2)	2.5	(1.1)	1.2
Salary increase rate	2.1	(1.9)	1.0	(0.9)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 5 million (The Company only: Baht 3 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

17. Share capital / Share premium

On 25 April 2018, the 2018 Annual General Meeting of the Company's shareholders passed the following resolutions.

- Approved a decrease of Baht 65,630,151 in the Company's registered share capital from Baht 409,521,188 (4,095,211,875 ordinary shares with a par value of Baht 0.1 each) to Baht 343,891,037 (3,438,910,366 ordinary shares with a par value of Baht 0.1 each) by cancelling 656,301,509 unissued ordinary shares to accommodate the expired warrants (MACO-W1).
- Approved an increase of Baht 34,389,104 in the Company's registered share capital from Baht 343,891,037 (3,438,910,366 ordinary shares with a par value of Baht 0.1 each) to Baht 378,280,140 (3,782,801,402 ordinary shares with a par value of Baht 0.1 each), through the issue of 343,891,036 additional ordinary shares with a par value of Baht 0.1 each under a general mandate.
- Approved the allocation not more than 343,891,036 additional ordinary shares with a par value of Baht 0.1 each issued under a general mandate through private placements with investors who are not related parties.

The Company registered the decrease and increase in its registered capital with the Ministry of Commerce on 21 May 2018 and 22 May 2018, respectively.

On 18 July 2018, the Company's Extraordinary General Meeting of shareholders passed the following resolutions.

- a) Reduction of the Company's registered share capital by Baht 34,389,104, from Baht 378,280,140 (3,782,801,402 ordinary shares with a par value of Baht 0.1 each) to Baht 343,891,037 (3,438,910,366 ordinary shares with a par value of Baht 0.1 each), by canceling 343,891,036 ordinary shares allocated to accommodate the capital increase under a general mandate.
- b) Increase of the Company's registered share capital by Baht 240,723,725 through the issue of 2,407,237,255 additional ordinary shares with a par value of Baht 0.1 each, from a registered capital of Baht 343,891,037 (3,438,910,366 ordinary shares with a par value of Baht 0.1 each) to Baht 584,614,762 (5,846,147,621 ordinary shares with a par value of Baht 0.1 each).
- c) Allocation of 2,407,237,255 newly issued ordinary shares with a par value of Baht 0.1 each as follows:
 - 1) Allocation of 343,891,036 newly issued ordinary shares with a par value of Baht 0.1 each issued under a general mandate to specific persons (private placements).
 - 2) Allocation of 687,782,073 newly issued ordinary shares with a par value of Baht 0.1 each to the existing shareholders pro rata to their respective shareholdings (rights offering), at an allocation ratio of 5 existing ordinary shares to 1 newly issued ordinary share at an offering price of Baht 2 per share, totaling Baht 1,375,564,146, together with the issuance and allocation of up to 1,375,564,146 units of the MACO-W2 warrants.
 - 3) Allocation of 1,375,564,146 newly issued ordinary shares with a par value of Baht 0.1 each to accommodate the exercise of warrants (MACO-W2).

The Company registered the decrease and increase in its registered capital with the Ministry of Commerce on 1 August 2018 and 2 August 2018, respectively.

As at 31 December 2018, the Company's issued and fully paid share capital increased from Baht 343,891,037 (3,438,910,366 ordinary shares with a par value of Baht 0.1 each) to Baht 412,668,177 (4,126,681,773 ordinary shares with a par value of Baht 0.1 each) as a result of the issuance of additional ordinary shares amounting to Baht 68,777,140 (687,771,407 ordinary shares with a value of Baht 0.1 each), resulting in share premium amounting to Baht 1,306,765,674.

The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 29 August 2018.

18. Warrants

On 18 July 2018, the Extraordinary Meeting of the Company's shareholders passed a resolution to issue and allocate warrants to purchase newly issued ordinary shares of the Company No.2 (MACO-W2), to the existing shareholders of the Company in proportion to their respective shareholdings (rights offering), at no cost, in a ratio of 1 newly issued share to 2 warrants, with details as follows:

Date of grant	30 August 2018
Number of units granted	1,375,542,814
Term of warrants	3 years from the issue date
First exercise date	The last business day of the first quarter after a period of two years from the issue date
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 2.1 per share

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least five percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches ten percent of the registered capital. The statutory reserve is not available for dividend distribution.

20. Expenses by nature

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
		(Restated)		
Salaries and wages and other employee benefits	264,850	147,254	54,228	50,649
Depreciation and amortisation	124,515	76,193	8,606	8,344
Rental and services expenses	189,859	157,855	43,532	39,596
Rental expenses for billboards	21,294	35,809	267,981	133,596
Commission and sales promotion expenses	125,935	81,437	37,784	32,903
Utilities expenses	28,948	29,516	12,070	14,231
Subcontract works	350,066	-	-	-

21. Income tax

Income tax expenses for the years are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax:				
Current income tax charge	81,926	51,152	38,696	10,176
Deferred tax:				
Relating to origination and reversal of temporary differences	(8,870)	(1,947)	(4,184)	387
Income tax expenses reported in the statement of comprehensive income	73,056	49,205	34,512	10,563

The amounts of income tax relating to each component of other comprehensive income for the years are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax relating to actuarial loss	-	994	-	110
Deferred tax relating to loss on changes in value of available-for-sale investments	-	13	-	13
Total	-	1,007	-	123

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before tax	308,509	275,547	255,254	160,096
Applicable tax rate (percent)	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	61,702	55,109	51,051	32,019
Adjustment in respect of income tax of previous year	(1,089)	(702)	-	-
Effects of elimination entries on the consolidation financial statements	641	(270)	-	-
Effects of:				
Exemption of income	(25)	-	(16,480)	(14,075)
Share of profit/loss from investments in associates	7,580	(1,326)	-	-
Non-deductible expenses	2,845	2,322	50	287
Deductible expenses	(17)	-	-	-
Utilisation of previously unrecognised deferred tax assets on tax losses	(1,766)	(7,187)	-	(7,187)
Tax losses for the year which deferred tax assets have not been recognised	7,937	1,942	-	-
Difference in tax rates of subsidiaries in overseas countries	(4,604)	-	-	-
Others	(148)	(683)	(109)	(481)
Total	11,802	(4,932)	(16,539)	(21,456)
Income tax expenses reported in the statement of comprehensive income	73,056	49,205	34,512	10,563

The tax rate enacted at the end of the reporting period of the Company and its subsidiaries are 16.5% to 24% (2017: 20%).

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets				
Allowance for asset impairment	3,887	-	4,564	677
Provision for long-term employee benefits	5,297	4,057	2,135	2,019
Others	1,188	560	741	560
Others	10,372	4,617	7,440	3,256
Deferred tax liabilities				
Intangible assets acquired through business combination	11,370	8,155	-	-
Total	11,370	8,155	-	-

As at 31 December 2018, the Company and its subsidiaries had unused tax losses totaling Baht 16 million and MYR 5 million (2017: Baht 12 million and MYR 0.1 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believed future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses of the subsidiaries in Thailand amounting to Baht 16 million will expire by 2023 and the unused tax losses of the subsidiaries in Malaysia amounting to MYR 5 million will expire by the year 2025.

22. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit for the year attributable to equity holders of the Company (thousand Baht)	272,619	220,861	220,741	149,533
Weighted average number of ordinary shares (thousand shares)	3,676,333	3,359,402	3,676,333	3,359,402
Earnings per share (Baht)	0.07	0.07	0.06	0.04

The exercise price of the warrants (MACO-W2) was higher than the average market price of the Company's ordinary shares for the year ended 31 December 2018. Therefore, the Company did not assumed conversion of the warrants in the calculation of its diluted earnings per share in the consolidated and separate financial statements.

23. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Chief Executive Officer.

For management purposes, the Company and its subsidiaries are organised into business units based on the type of products and services, with two reportable segments as follows

- 1) Advertising segment, providing services relating to outdoor advertising and other advertising media
- 2) Service segment, providing system installation and maintenance services

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2018 and 2017.

(Unit: Million Baht)

	For the year ended 31 December							
	Advertising segment		Service segment		Elimination		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenues from external customers	1,110	935	624	-	-	-	1,734	935
Inter-segment revenues	-	-	14	-	(14)	-	-	-
Total revenues	1,110	935	638	-	(14)	-	1,734	935
Net segment profit	682	546	152	-			834	546
Unallocated income and expenses:								
Other income							42	26
Selling expenses							(187)	(104)
Administrative expenses							(338)	(209)
Share of profit (loss) from investments in associates							(31)	7
Finance cost							(11)	(8)
Income tax expenses							(73)	(49)
Profit for the period							236	209
Profit attributable to non-controlling interests of the subsidiaries							(20)	(5)
Profit attributable to shareholder of subsidiary before business combination under common control							57	17
Profit attributable to equity holders of the Company							273	221

Revenue from external customers is based on locations of the customers.

(Unit: Million Baht)

	2018	2017
Revenue from external customers		
Thailand	1,249	935
Hong Kong	473	-
Malaysia	12	-
Total	1,734	935

For the year 2018, the Company and its subsidiaries have revenue from two major customers in amount of Baht 353 million and HKD 35 million, arising from revenue by the advertising and service segments (2017: Baht 105 million derived from one major customer, arising from sales by the advertising segment).

24. Provident fund/Employee Joint Investment Program

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its subsidiaries, and employees contribute to the fund monthly at the rate of 5 and 5 to 15 percent, respectively, of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd. and BBL Asset Management Co.,Ltd. will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 5 million (the Company only: Baht 2 million) (2017: Baht 4 million (the Company only: Baht 2 million)) were recognised as expenses.

The Company, its subsidiaries and their employees jointly established Employee Joint Investment Program (“EJIP”) No.3. to run for a period of three years, from 1 July 2016 to 30 June 2019. The Company and its subsidiaries, and employees contribute to the fund monthly at rates of 4 percent and 5 percent, respectively, of basic salary. The EJIP is managed by Philip Securities (Thailand) Public Company Limited and contributions are used to purchase common shares of the Company within the specified period. Contributions for the year 2018 amounting to approximately Baht 2 million (the Company only: Baht 1 million) (2017: Baht 2 million (the Company only: Baht 1 million)) were recognised as expenses.

25. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 24 April 2017	36.77	0.011
Interim dividends for 2017	Board of Directors’ meeting of the Company on 1 August 2017	60.17	0.018
Total for 2017		96.94	
Final dividends for 2017	Annual General Meeting of the shareholders on 25 April 2018	61.90	0.018
Interim dividends for 2018	Board of Directors’ meeting of the Company on 12 September 2018	74.28	0.018
Total for 2018		136.18	

26. Contracts in progress

As at 31 December 2018, the aggregate amount of system installation services cost incurred and recognised profits or losses to date for contracts of system installation services of the subsidiaries was approximately Baht 297 million and HKD 603 million (as from the acquisition date of subsidiaries amounting to Baht 53 million and HKD 47 million) (2017: None), and gross amounts due from customers for contracts of system installation services were approximately Baht 28 million and HKD 52 million (or equivalent to approximately Baht 216 million) (2017: None), and gross amounts due to customers for contracts in progress were approximately Baht 59 million and HKD 52 million (or equivalent to approximately Baht 216 million) (2017: None).

27. Commitments and contingent liabilities

As at the end of reporting period, the Company and its subsidiaries had commitments and contingent liabilities as follows:

27.1 Commitments and contingent liabilities

As at 31 December 2018, the Company and its subsidiaries had capital commitments of approximately Baht 39 million and MYR 0.3 million (2017: Baht 176 million), relating to the renovation of advertising media and the acquisition of equipment.

27.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of space for advertising, office building space, motor vehicles and equipment, and related service agreements. The terms of the agreements are generally between 1 and 9 years.

Future minimum lease payments required under these non-cancellable operating leases and service contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017 (Restated)	2018	2017
Payable:				
In up to 1 year	96	83	40	25
In over 1 and up to 5 years	143	138	12	23
In over 5 years	-	18	-	-

Under the conditions of the lease agreements for advertising space, the Company and its subsidiaries are committed to pay rental on a monthly basis. One-month deposits were made and will be refunded when the agreements are terminated with the consent of the lessor. The agreements are renewable for every 3 years with rental adjustment made based on current market conditions.

27.3 Service contract commitments

The subsidiaries had commitments under service agreements with contractors relating to the procurement and installation of system amounting to Baht 93 million, HKD 0.7 million and USD 3 million.

27.4 Guarantees

There were outstanding bank guarantees of approximately Baht 9 million, HKD 13 million and USD 0.2 million (2017: Baht 9 million) issued by banks on behalf of the Company and its subsidiaries, with the outstanding balance of the Company amounting to Baht 7 million (2017: Baht 5 million), in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries, including those to guarantee performance in accordance with contracts, and for electricity use, among others.

27.5 Litigation

On 31 January 2017, the Company entered into a service agreement with Midas Global Media Company Limited (“Midas”) to provide billboard advertising services in four locations at a rate of Baht 27 million for the entire agreement term. On the agreement date, the Company paid all of the service fee in advance.

However, on 14 February 2018 and 4 May 2018, Midas and Deelight Multimedia Company Limited filed a complaint against the Company and VGI Global Media Public Company Limited (“the parent company”) in connection with the transactions relating to this service agreement, claiming damages amounting to approximately Baht 24 million plus interest at a rate 7.5% per annum, as well as service fees of approximately Baht 4 million per month for as long as the billboards continue to be used. Currently, this case is being considered by the courts.

The Company’s management believes that such events will not have any significant impact on the Company because the management is confident that the Company and the parent company did not take any actions that caused damage to litigants, and are therefore not liable for the damages claimed.

28. Financial instruments

28.1 Financial risk management

Financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other receivables, loans to others, advances, and trade and other payables and loans from others. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables, loans and advances. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, loans and advances as stated in the statement of financial position.

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks and loans. Most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

28.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments for financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to others, advances, accounts payable and short-term loans from others, their carrying amounts in the statement of financial position approximate their fair value.

During the current year, there were no transfers within the fair value hierarchy.

29. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 0.51 (2017: 0.34:1) and the Company's was 0.16 (2017: 0.31:1).

30. Events after the reporting period

On 9 January 2019 and 11 February 2019, Meeting of the Board of Directors of the Company passed the following significant resolutions to be proposed for approval by the 2019 Annual General Meeting of the Company's shareholders.

- a) Reduction of the Company's registered share capital by Baht 34,392,303, from Baht 584,614,762 (5,846,147,621 ordinary shares of Baht 0.1 each) to Baht 550,222,459 (5,502,224,587 ordinary shares of Baht 0.1 each), with details as follows:
 - 1) Cancellation of the 343,891,036 registered ordinary shares remaining from the allocation of new ordinary shares under a general mandate to specific persons (private placement).
 - 2) Cancellation of the 10,666 registered ordinary shares remaining from the allocation of new ordinary shares to the existing shareholders in proportion to their respective shareholdings (rights offering).
 - 3) Cancellation of the 21,332 ordinary shares remaining from the allocation of new ordinary shares to accommodate the exercise of warrants (MACO-W2).
- b) Increase of the Company's registered share capital by Baht 41,266,817, from Baht 550,222,459 (5,502,224,587 ordinary shares of Baht 0.1 each) to Baht 591,489,276 (5,914,892,764 ordinary shares of Baht 0.1 each) through the issue of 412,668,177 additional ordinary shares with a par value of Baht 0.1 each to the existing shareholders in proportion to their respective shareholdings (rights offering).
- c) Issue and offering of 412,668,177 additional ordinary shares to the existing shareholders of MACO in proportion to their respective shareholdings (rights offering), at an allocation ratio of 1 additional ordinary share for every 10 existing ordinary shares and an offering price of Baht 1.6 per share, for a total of Baht 660,269,083, with the offering price to be no lower than the market price.

- d) Approve the Company and its subsidiaries' Employee Joint Investment Program ("EJIP") No. 4. to run for a period of three years, from 1 July 2019 to 30 June 2022. Members are required to make contributions to the EJIP at a rate of not more than 5% of their monthly basic salaries, with the Company and its subsidiaries to contribute 100% of the amount contributed by the EJIP members. The fund is managed by Philip Securities (Thailand) Public Company Limited and fund contributions are to be used to purchase common shares of the Company within the specified period. Employees who join the EJIP have to retain their membership status until the end of the period of the program, unless their employment is terminated.
- e) Pay a dividend to the shareholders at a rate of Baht 0.020 per share, or a total of not more than Baht 82.53 million, in respect of the profit for the period 1 July to 31 December 2018.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 11 February 2019.



MASTER AD PUBLIC COMPANY LIMITED

1, 4th- 6th Floor, Soi Ladprao 19,
Ladprao Road, Chomphon, Chatuchak,
Bangkok 10900 Thailand
Tel. (66) 2938 3388 Fax. (66) 2938 3486-7
www.masterad.com



www.masterad.com

