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The future of communication  
awaits for you



Diversified expertise leading  
you to the new communication  
platform



We lead you to the future of  
communication



Visionary management  
leading you to the business  
achievement



## MESSAGE FROM CHAIRMAN

2015 continued to be a challenging year for us due to the slow economy combined with client budget cuts and fewer accounts won compared to the previous year. Additionally, for the first time our new auditor saw the necessity to provision THB 141.53 million on the chance that the related accounts could be worth zero. We are of the opinion that this extent of the provisions made was too conservative, however, in the interest of good corporate governance it was decided to follow the auditor's recommendation. We ended the year with an operating loss of THB 107 million. It was a disappointing financial result and therefore we decided to start reshaping the company organization and structure. In the 4<sup>th</sup> quarter we brought on a new CEO Mr. Haruhiko Shin from the Hakuhodo Group to run the business in Thailand and we are very confident in his ability to restructure the company going forward.

As a second measure to improve our bottom line, in the 4<sup>th</sup> quarter we brought on a strategic partner to Chuo Senko Advertising (Thailand) Company Limited from Japan to help us strengthen our offering to clients, provide new services and get access to clients from Japan. GeoBrain Corporation became a 20% shareholder, and we have plans for increased ties with them going forward. Additionally, in India we also entered into a strategic partnership with the company The Social Street, engaged in experiential marketing and shopper marketing among other offerings. With their support, we are focusing the India business in the Retail, Retail Consultancy & Shopper Marketing space. On the back of the management change, new strategic partnerships and our new business strategy, in 2016 we expect to see a turnaround in our operating results towards the sustainable growth of the company.

Moreover, as part of our company vision to Create the Future of Advertising, it is our intention to expand our portfolio into new businesses beyond advertising such as lifestyle business, music, entertainment, real estate and healthcare among others.

In order to support and expand the business, we raised THB 168,750,000 by issuing 22,500,000 shares during a Rights Offer in May 2015. Thanks to the support of the shareholders, these funds are enabling us to strengthen our business expansion and growth, which we expect will have a positive impact on the financial results of the company in 2016 and beyond.

In closing, on behalf of the Board, Management Team and CEO, I would like to thank our clients and investors for their confidence in us, and our employees for their hard work and commitment to our success. We will continue to work hard to make 2016 a remarkable year and ask for your continued support going forward.



Sincerely,

A stylized, handwritten signature in black ink, enclosed within a thin, horizontal oval border.

Mr. Katsuyuki Mizumachi  
Chairman and Authorized Director



## BOARD OF DIRECTORS



Mr. Katsuyuki Mizumachi  
Chairman



Mr. Haruhiko Shin  
Director and Chief Executive Officer



Mr. Kiichi Okuyama  
Director and Chief Financial Officer





Mr. Vichien Linchongsubongkoch  
Director

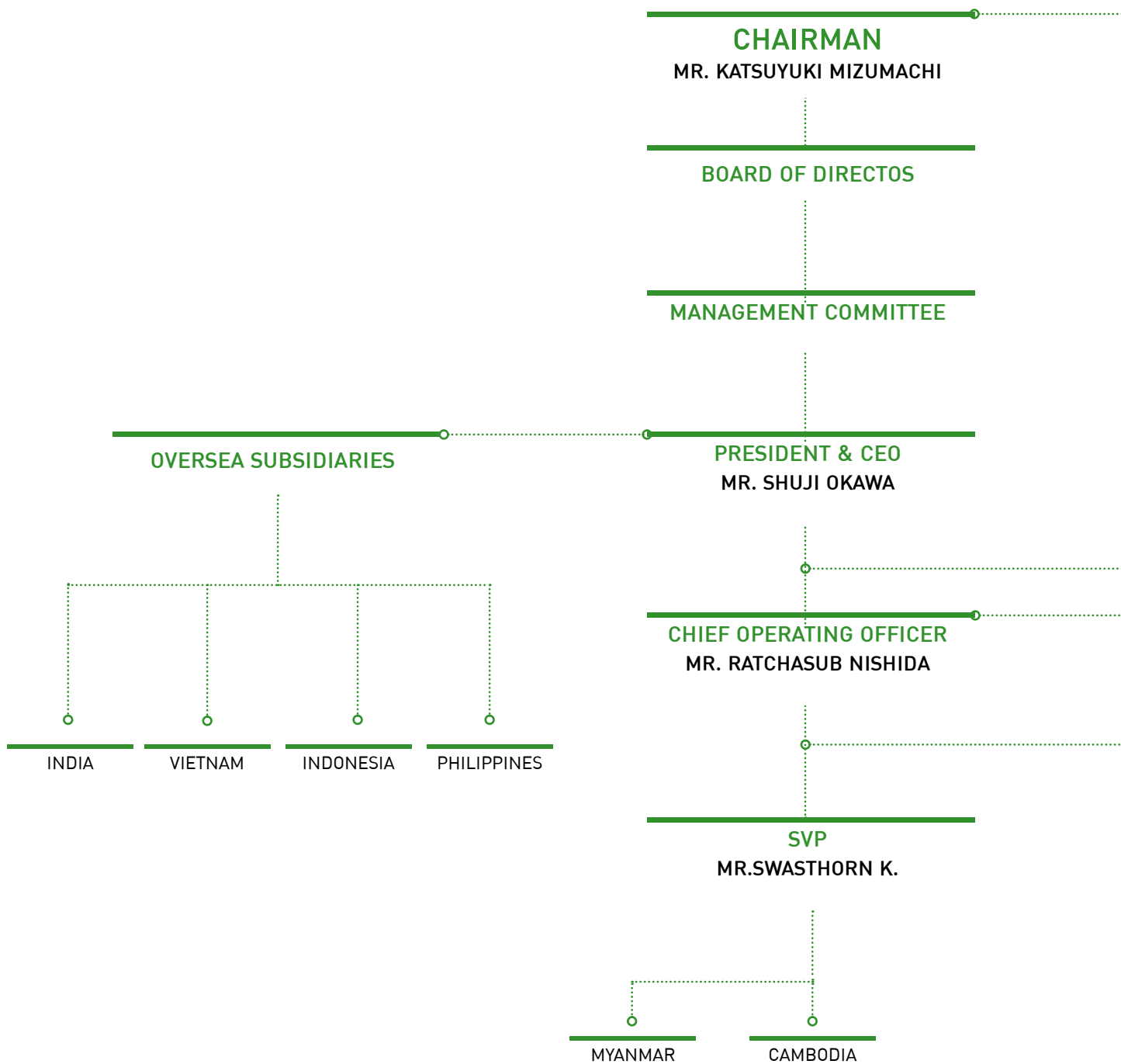
Mr. Wirash Kanchanapibul  
Independent Director and  
Chairman of the Audit Committee



Mr. Teetitorn Chullapram  
Independent Director and  
Audit Committee Member

Mr. Gurdaib Singh  
Independent Director and  
Audit Committee Member

## ORGANIZATION STRUCTURE





AS OF DECEMBER 31, 2015

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AUDIT COMMITTEE

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INTERNAL AUDIT DEPT.

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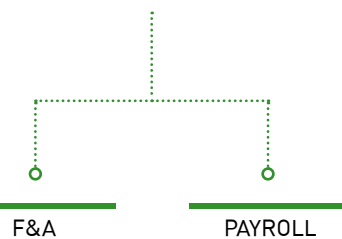
HR&GA (OPERATION)  
IT

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EXECUTIVE VICE PRESIDENT  
MR. CHAIYANON C.

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CHIEF FINANCIAL OFFICE  
MR. KIICHI OKUYAMA





## FINANCIAL HIGHLIGHTS

(Unit : Million Baht)

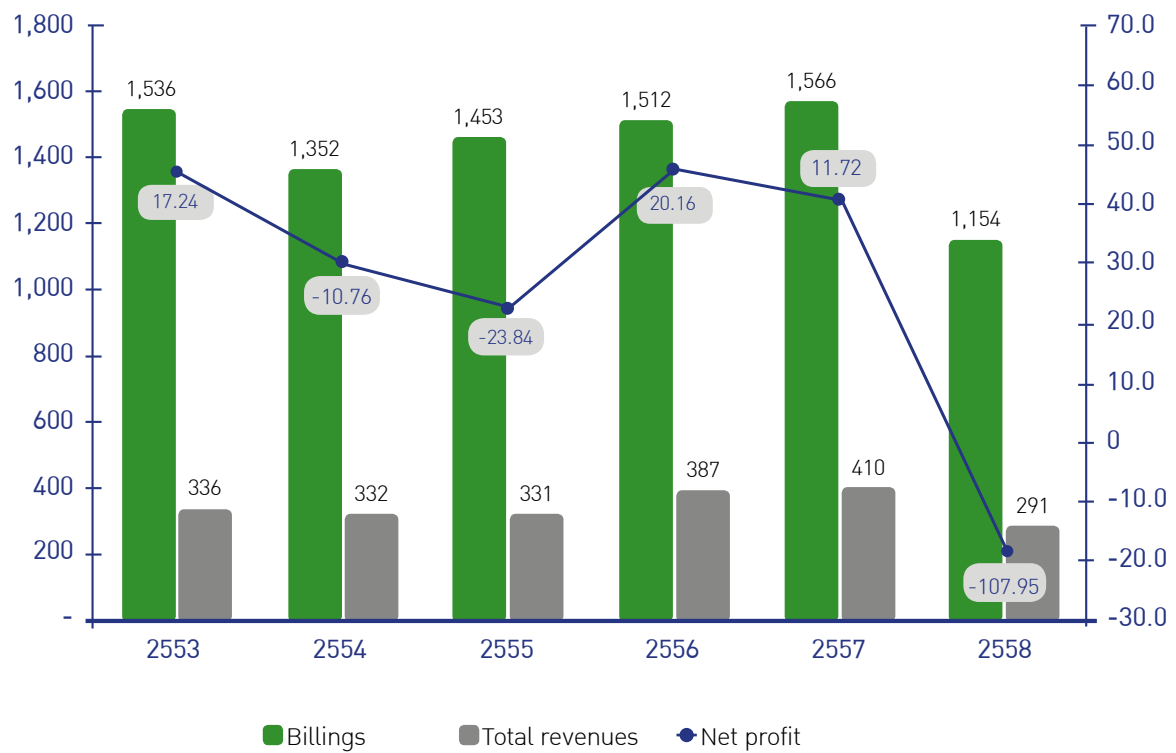
Operating Results	2558	2557	2556	2555	2554	2553
Billings	1,153.96	1,566.13	1,511.84	1,452.78	1,351.81	1,535.99
Commission and services income	254.30	402.27	379.78	321.08	322.14	323.16
Other income	37.51	8.14	7.60	10.10	10.21	12.69
Total revenues	291.81	410.41	387.37	331.18	332.34	335.85
Net profit	-107.95	11.72	20.16	-23.84	-10.76	17.24
Current assets	371.21	402.47	523.25	593.10	413.30	581.80
Total assets	525.24	571.93	690.72	804.92	547.54	615.29
Total liabilities	309.34	388.30	556.86	663.85	395.72	427.25
Total shareholders' equity	215.91	183.63	133.86	141.07	151.82	188.03

Financial Ratios	2558	2557	2556	2555	2554	2553
Net profit margin	-42.45%	2.92%	5.31%	-7.43%	-3.34%	5.34%
Return on equity	-50.00%	6.38%	15.06%	-16.90%	-7.09%	9.21%
Return on assets	-20.55%	2.05%	2.91%	-2.97%	-1.97%	2.81%
Current ratio	1.47	1.20	1.04	0.94	1.11	1.38
Debt to equity ratio	1.43	2.11	4.16	4.71	2.61	2.27
Earnings per share (Baht)	-3.01	0.57	1.79	-2.12	-0.96	1.53
Dividend per share (Baht)		0.60	1.10	0.30	0.30	0.80
Book value per share (Baht)	4.80	8.16	11.90	12.54	13.50	16.17
Par value (Baht)	5.00	5.00	5.00	5.00	5.00	5.00



## OPERATING RESULTS

(Unit : Million Baht)





## GENERAL INFORMATION

### ISSUER

Name	: Chuo Senko (Thailand) Public Company Limited
Nature of Business	: Holding Company
Head Office	: 622 Emporium Tower, 18 <sup>th</sup> Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Registration No.	: 0107544000116
Telephone	: (662) 664-9700
Facsimile	: (662) 664-9720-21
Home Page	: <a href="http://www.chuosenko.co.th">www.chuosenko.co.th</a>
Paid-up Share Capital	: Baht 225.00 million of which 45,000,000 shares

### ENTITIES WHOSE SHARES ARE HELD BY CHUO EXCEEDING 10%

#### (1) Chuo Senko Advertisement (Thailand) Company Limited

Nature of Business	: Advertising Agency
Registered Office	: 622 Emporium Tower, 18 <sup>th</sup> Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Telephone	: (662) 664-9700
Facsimile	: (662) 664-9720-21
Home Page	: <a href="http://www.chuosenko.co.th">www.chuosenko.co.th</a>
Registered Capital	: Baht 22.00 million
Investment Portion	: 80%

#### (2) PT. Chuo Senko Consultant

Nature of Business	: Business Management Consulting Services
Registered Office	: Sentral Senayan II, 7 <sup>th</sup> floor Jl. Asia Afrika No. 8, Jakarta 10270 Indonesia
Telephone	: +62-21-572-5845
Facsimile	: +62-21-572-5844
Registered Capital	: Baht 6.17 million
Investment Portion	: 99%

#### (3) Chuo Senko Vietnam Design Services One Member Company Limited

Nature of Business	: Advertising Agency
Registered Office	: 19th Floor, Fideco Tower, 81-83-85 Ham Nghi Street, Dist.1, Ho Chi Minh City, SR Vietnam
Telephone	: +84-8-3824-5231
Facsimile	: +84-8-3824-5230
Registered Capital	: Baht 22.14 million
Investment Portion	: 100%

#### (4) Chuo Senko (Cambodia) Holding Co., Ltd.

Nature of Business	: Advertising Agency
Registered Office	: Building 35-37 1st floor Room B5, Street 214, Sangkat, Boeung Rieng, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia
Telephone	: +855-23-991481
Facsimile	: +855-23-991116
Registered Capital	: Baht 0.23 million
Investment Portion	: 100%

(5) Chuo Senko (Myanmar) Pte. Ltd.

Nature of Business : Production and Advertising Services  
Registered Office : 10 Anson Road, 17-21 International Plaza, Singapore  
079903  
Registered Capital : Baht 9.24 million  
Investment Portion : 97%

(6) CSF Limited

Nature of Business : Advertising Services and Promotion  
Registered Office : Flat A16, 24/F Kwan Yick Bldg, Phase III,  
271-285 Des Voeux RD Hong Kong  
Telephone : (852) 9773-1083  
Facsimile : (852) 3626-2879  
Registered Capital : Baht 6.51 million  
Investment Portion : 60%

(7) Chuo Senko Advertising India Private Limited

Nature of Business : Production and Advertising Services  
Current Office : 1<sup>st</sup> Floor. Plot no.329, Udyog Vihar Phase 5,  
Gurgaon, Haryana  
India 122016  
Registered Capital : Baht 15.68 million  
Investment Portion : 8%

(8) Chuo Senko Dynamics (ROH) Co., Ltd.

Nature of Business : Business Planning and Support Group Companies  
Registered Office : 622 Emporium Tower, 18 Floor, Sukhumvit Road,  
Klongton, Klongtoey, Bangkok 10110  
Telephone : (662) 664-9772  
Facsimile : (662) 664-9773  
Registered Capital : Baht 30.00 million  
Investment Portion : 100%

(9) RDSS Co., Ltd.

Nature of Business : Shop Decoration and Development Services  
Registered Office : 622 Emporium Tower, 18<sup>th</sup> Floor, Sukhumvit Road,  
Klongton, Klongtoey, Bangkok 10110  
Telephone : (662) 664-9770-1  
Facsimile : (662) 664-9720  
Registered Capital : Baht 3.00 million  
Investment Portion : 100%

(10) Digital DNA Co., Ltd.

Nature of Business : Digital Marketing Services.  
Registered Office : 622 Emporium Tower, 18<sup>th</sup> Floor, Sukhumvit Road,  
Klongton, Klongtoey, Bangkok 10110  
Telephone : (662) 664-9200  
Facsimile : (662) 664-9720  
Registered Capital : Baht 1.00 million  
Investment Portion : 100%



(11) Wonder Asia Co., Ltd.

Nature of Business : Marketing and Event Services  
 Registered Office : 622 Emporium Tower, 18<sup>th</sup> Floor, Sukhumvit Road,  
 Klongton, Klongtoey, Bangkok 10110  
 Telephone : (662) 664-9880  
 Facsimile : (662) 664-9720  
 Registered Capital : Baht 3.00 million  
 Investment Portion : 100%

(12) Tangram Associates Co., Ltd.

Nature of Business : Product & Business Development Consulting Services  
 Registered Office : 622 Emporium Tower, 18<sup>th</sup> Floor, Sukhumvit Road,  
 Klongton, Klongtoey, Bangkok 10110  
 Telephone : (662) 664-8711-2  
 Registered Capital : Baht 10.00 million  
 Investment Portion : 60%

(13) Chuo Senko International (Thailand) Co., Ltd.

Nature of Business : Advertising agency and event  
 Registered Office : 622 Emporium Tower, 18<sup>th</sup> Floor, Sukhumvit Road,  
 Klongton, Klongtoey, Bangkok 10110  
 Telephone : (662) 664-9700  
 Registered Capital : Baht 1.00 million  
 Investment Portion : 30%

(14) Chuo Senko Business Venture Co., Ltd.

Nature of Business : Business & Services Consultancy  
 Registered Office : 622 Emporium Tower, 18<sup>th</sup> Floor, Sukhumvit Road,  
 Klongton, Klongtoey, Bangkok 10110  
 Telephone : (662) 664-8711-2  
 Registered Capital : Baht 5.00 million  
 Investment Portion : 40%

(15) Chuo Senko Myanmar Co., Ltd.

Nature of Business : Production and Advertising Services  
 Registered Office : (11181, 11041) No.659, Mya Kanthar (1<sup>st</sup>) Street, Ward  
 No. (2), Kamayut Township, Yangon Region  
 Registered Capital : Baht 3.04 million  
 Investment Portion : 97%  
 Chuo Senko (Myanmar) Pte. Ltd. holds 100%

(16) Town Page Co., Ltd.

Nature of Business : Production and Advertising Services  
 Registered Office : (11181, 11041) No.659, Mya Kanthar (1<sup>st</sup>) Street, Ward  
 No. (2), Kamayut Township, Yangon Region  
 Registered Capital : Baht 3.04 million  
 Investment Portion : 97%  
 Chuo Senko (Myanmar) Pte. Ltd. holds 100%

(17) Chuo Senko Philippines Inc

Nature of Business : Advertising Agency  
Registered Office : Unit 407, Mile Long Building Amorsolo Corner Herrera  
Streets Legaspi Village, Makati City, Philippines 1229  
Registered Capital : Baht 1.51 million  
Investment Portion : 24%  
CSF Limited holds 60%

(18) Ad Asia Advertising (S) Pte. Ltd

Nature of Business : Production and Advertising Services  
Registered Office : 10 Anson Road, 10-20 International Plaza, Singapore  
079903  
Registered Capital : Baht 9.34 million  
Investment Portion : 100%  
Chuo Senko Dynamics (ROH) Co., Ltd. holds 100%

(19) Ad Asia Co., Ltd.

Nature of Business : Production and Advertising Services  
Registered Office : 622 Emporium Tower, 8<sup>th</sup> Floor (10/1), Sukhumvit  
Road, Klongton, Klongtoey, Bangkok 10110  
Registered Capital : Baht 10.00 million  
Investment Portion : -%  
Financial control

(20) Ad Asia Co., Ltd.

Nature of Business : Production and Advertising Services  
Registered Office : (11181, 11041) No.659, Mya Kanthar (1<sup>st</sup>) Street, Ward  
No. (2), Kamayut Township, Yangon Region  
Registered Capital : Baht 3.15 million  
Investment Portion : 100%  
Ad Asia Advertising (S) Pte. Ltd. holds 100%

(21) Chilli Advertising Co., Ltd.

Nature of Business : Production and Advertising Services  
Registered Office : (11181, 11041) No.659, Mya Kanthar (1<sup>st</sup>) Street, Ward  
No. (2), Kamayut Township, Yangon Region  
Registered Capital : Baht 3.15 million  
Investment Portion : 100%  
Ad Asia Advertising (S) Pte. Ltd. holds 100%

(22) Red Bull Co., Ltd.

Nature of Business : Production and Advertising Services  
Registered Office : (11181, 11041) No.659, Mya Kanthar (1<sup>st</sup>) Street, Ward  
No. (2), Kamayut Township, Yangon Region  
Registered Capital : Baht 3.15 million  
Investment Portion : 100%  
Ad Asia Advertising (S) Pte. Ltd. holds 100%



**(23) Asian Event and Exhibition Group (Myanmar) Company Limited.**

Nature of Business : Production and Advertising Services  
 Registered Office : No. 605(B), San Yeik Nyein 6<sup>th</sup> Street, Kamayut Township,  
 Yangon Region, Myanmar  
 Registered Capital : Baht 1.63 million  
 Investment Portion : 30%  
 Chilli Advertising Co., Ltd. holds 30%

**(24) Media Intelligence (Myanmar) Limited.**

Nature of Business : Production and Advertising Services  
 Registered Office : No. 59 Hlaing Myln Mo lance (2), Kan Road, Hlaing  
 Township, Yangon Region, Myanmar  
 Registered Capital : Baht 12.01 million  
 Investment Portion : 20%  
 Chilli Advertising Co., Ltd. holds 30%

**OTHER REFEREES****(1) Company Registrar**

Name : Thailand Securities Depository Co., Ltd.  
 Registered Office : The Stock Exchange of Thailand Building,  
 62 Rachadapisek Rd., Klongtoey, Klongtoey,  
 Bangkok 10110  
 Telephone : 0-2009-9000  
 Facsimile : 0-2009-9991

**(2) Auditors**

Auditor's Name : Mr. Atipong Atipongsakul  
 Certified Public Accountant No. 3500  
 Company's Name : ANS Audit Company Limited  
 Registered Office : 100/72, 22<sup>nd</sup> Floor, 100/2 Vongvanij Building B,  
 Rama 9 Rd., Huaykwang, Bangkok 10310  
 Telephone : 0-2645-0109  
 Facsimile : 0-2645-0110

**(3) Legal Consultant**

Company's Name : KPMG Phoomchai Legal & Tax Ltd.  
 Registered Office : 195 Empire Tower, 49<sup>th</sup> Floor, South Sathorn Road,  
 Yannawa, Sathorn, Bangkok 10120  
 Telephone : 0-2677-2000  
 Facsimile : 0-2677-2441-4

## MANAGEMENT TEAM

The Board structure is comprised of 3 boards/committees, which are The Board of Directors, Audit Committee and Management Committee.

### **Board of Directors**

The Board of directors is comprised of 7 members as follows:

Name	Position	Number of shares <sup>*/1</sup>
1. Mr. Katsuyuki Mizumachi	Chairman	8,200
2. Mr. Haruhiko Shin	Director	-None-
3. Mr. Kiichi Okuyama	Director	-None-
4. Mr. Vichien Linchongsubongkoch	Director	600
5. Mr. Wirash Kanchanapibul <sup>*/2</sup>	Independent Director and Chairman of Audit Committee	-None-
6. Mr. Teetitorn Chullapram	Independent Director and Audit Committee's Member	-None-
7. Mr. Gurdaib Singh s/o Pala Singh	Independent Director and Audit Committee's Member	-None-

<sup>\*/1</sup> Number of share holds as of 31<sup>th</sup> December 2014

### **Authorized Signatory**

The Company's authorized signatories are Mr. Katsuyuki Mizumachi or Mr. Shuji Okawa or Mr. Kiichi Okuyama singly signed with the seal of the Company affixed.

### **Authority and Responsibilities of the Board of Directors:**

1. The Board overall direction and strategies of the Company and ensure institution of the corporate governance policy for application across all companies. Under consolidated supervision framework that is the key policies and guidelines concerning the governance and operating structure of the Company, business strategy, management and operations, controls, human resources, finance and accounting, corporate affairs, and public communication. The Board shall ensure that the Company adopt and implements the policies and direction in corporate governance policy efficiently and effectively to benefit of the Shareholders.
2. Directors have the power to appoint one or several management directors to perform, within the scope of roles and responsibilities of board, any acts on its behalf. The board has the right to call off, rectify or from time to time revise the appointment.
3. Approve the Company's business plan and budget.
4. Directors must implement and direct the company's policies, as well as monitor and supervise its operations.
5. Ensure the institution of effective systems for the internal control and internal audit.



6. Appoint other committees and delegate authorities according to the needs and suitability to carry out specific tasks to ensure that operations are in compliance with our policy.
7. Appoint the Company secretary to take care of director's activities and administer critical corporate matters.
8. Ensure that there exists appropriate check and balance in the management and/or major shareholders of the Company, in particular, the proportion or the number of the independence directors on the Board.
9. Ensure that the Board receives/get the sufficient information to effectively discharge its authorities, duties, and responsibilities.
10. Report the business operation and financial statements to the shareholders.

The following responsibilities of the Board of Directors require approval from shareholders meeting as requirement by laws such as increase or decrease the Company's capital, issuance of debentures, sales or transfers of whole or important parts of the Company business to other person, purchase or acceptance or transfer of business belonging to other company, amendments to Company's Memorandum and Articles of Association, related parties transaction, as well as disposal and purchase of assets in accordance with SEC's regulation and/or regulations stipulated by the Company's regulators.

The Board of Directors may assign any other committees or an attorney to conduct the business on behalf of the Board of Directors. Such assignment of power shall not allow the committee member or the attorney to have authority to approve transactions that they or persons who may have a conflict of interest – as defined by the Securities and Exchange Commission – with stakeholders or may have any other conflict of interest with the Company and its subsidiaries.

### **Definitions of Independence Director**

Independent director must be independence from the management, the major shareholder, executive, and the connected persons of the Company, including look after the interests of all shareholders equally with the following characteristics:

1. Holding not exceeding than 1% of the total number of voting shares of the Company, the Company's major shareholder, a subsidiary or an associate or in any juristic person with a conflict of interests.

2. Be neither a director that has a management authority, nor an employee, staff, advisor on retainer, authority figure of the Company, the Company's major shareholder, a subsidiary, an associate, or any juristic person with a conflict of interests, both in the present and at least two years prior to taking the position of independent director.
3. Independence Directors are not involved or relationship with the Company, the Company's major shareholder, a subsidiaries, an associate, or any juristic person with conflict of interests in a nature which may obstruct his independent judgment, both in the present and at least two year prior to taking the independence directors.
4. Is neither an auditor nor professional service provider for the Company?
5. Is not involved with management and major shareholders of the Company?
6. Is not a director that has management authority in the Group of Companies?
7. Not being a person related by blood or legal registration to management, major shareholders, authority figures or nominees for management and authority figures of the Company or its subsidiaries.
8. Is not appointed as a representative of the Company's directors, major shareholders, or shareholders who are related to the major shareholders of the Company.
9. No other impediments or impairment to express independent opinions concerning the operations of the Company.

Details of meeting attendance of the Company's directors in 2015 are as follows:

Name	Time of Attendance		
	Board of Director	Management Committee	Audit Committee
<i>No. of total meetings (times)</i>	10		4
1. Mr. Katsuyuki Mizumachi	10		-
2. Mr. Shuji Okawa	9		-
3. Mr. Haruhiko Shin	1		-
4. Mr. Kiichi Okuyama	10		-
5. Mr. Vichien Linchongsubongkoch	9		-
6. Mr. Wirash Kanchanapibul	10		4
7. Mr. Teetitorn Chullapram	10		4
8. Mr. Gurdaib Singh s/o Pala Singh	6		1



**Company Secretary**

The Board of Directors has appointed Mr. Kiichi Okuyama (Qualification and profile of the Company Secretary is shown in director and management) as the Company Secretary and assigns assistant company secretary to be responsible for preparing and maintaining director profile, notice and minutes of the Board meeting, annual report, notice and minutes of shareholders meeting and performing other duties.

**Audit Committee**

The Audit Committee is comprised of 3 members. Those members are considered Independent Directors and are not employees of the company.

Name	Position
1. Mr. Wirash Kanchanapibul	Chairman of Audit Committee
2. Mr. Teetitorn Chullapram	Audit Committee's Member
3. Mr. Gurdaib Singh s/o Pala Singh	Audit Committee's Member (Audit Committee's Member qualified for review the reliability of financial statements)

The Audit Committee will have the term of service 2 years to ensure that the continuity of the performance of work. The Audit Committee members may be re-appointed for another term as the Board's of Director's Meeting may think fit, but their membership term should not be automatically renewed.

**Authority and Responsibilities of the Audit Committee:**

1. To review the Company's financial statements to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal auditing to ensure that they are suitable and efficient, to determine an internal audit department's independence, as well as to approve the appointment, transfer and dismissal of the chief of the internal audit department or any other unit in charge of the internal audit.
3. To review the Company's compliance with the related laws and regulations.

4. To consider, select and nominate an independent person to be the Company's external auditor, and to purpose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the related party transaction, or the transaction that may lead to conflict of interest, to ensure that they are compliance with the laws and SET's regulation, and are reasonable and for the highest benefit for the Company.
6. To prepare and to disclose in the Company's annual report, an audit committee's report which must be signed by the Chairman of Audit Committee. The significant information is consist at least the follows:
  - a) An opinion on the accuracy, completeness, and assurance of the financial statements.
  - b) An opinion on the adequacy of the Company's internal control.
  - c) An opinion on the Compliance with SET's law and regulation, and other related regulation.
  - d) An opinion on the suitability of the external auditor.
  - e) An opinion on the transactions that may lead to conflicts of interests.
  - f) The number of the audit committee meetings, and the attendance of such meeting by each committee member.
  - g) An opinion or overview comment for the performance which is in accordance with the Charter.
  - h) Other transaction which is according to the Audit Committee's opinion should be known to the shareholders and investor, subject to the scope of duties and responsibilities assigned by the Board of Directors.
7. To ensure the accuracy and completeness of the Company disclosure, especially the related party transaction or the transaction that may cause conflict of interest.
8. Report to the Board of Directors in order that remedial action is taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct which may affect the Company's financial position and performance significantly as follows;
  - a) Transaction which causes conflict of interest.
  - b) Fraud or irregularity or material defect in the interest control.
  - c) Infringement of the applicable laws. If the Board of Directors or the management do not take remedial action within the time that the Audit Committee proposed, the Audit Committee shall disclose such infringement in annual report and report to the Bank of Thailand.



9. Conduct the businesses as assigned by the Board of Directors in agreement of the Audit Committee.

### **Management Committee**

The Management Committee is comprised of 4 members as follows:

Name	Position
1. Mr. Katsuyuki Mizumachi	Chairman and Management Director
2. Mr. Haruhiko Shin	Management Director
3. Mr. Kiichi Okuyama	Management Director
4. Mr. Ratchasub Nishida	Managing Director

### **Authority and Responsibilities of the Management Committee**

1. In conducting the business of the Company, the Management Committee and Executive Team shall comply with the objectives, and the articles of association of the Company. In the instance, that the directors and/or management team may have a direct interest in, or a conflict of interest with the Company and its subsidiaries, this business cannot be executed without a resolution from the Board of Directors meeting, in which independent directors have attend the meeting.
2. In setting up and direction for managing and expanding the business, the Management Committee and the Executive Team shall comply with the policies set forth by the board, except those regulated by laws in which a resolution from the shareholders' meeting is required.
3. Examine, set up and improve regulations and internal workflow or procedures of the Company.
4. Examine information and/or facts in conducting business, before proposing them the Board of Directors.
5. Develop salary structure, and other fringe benefit structures.
6. Have to the authority to approve investments within established limits.
7. Have the authority to approve operating expenses within established limits.

8. May perform any other acts as assigned by the Board.

To ease the performance of the business, the Board of Directors appoints the Management Committee and the Executive Team in order to conduct the business, to authorize the following. The Budget of service cost, operation expenses, Credit line for each client, financial institution credits and investment. The authorization level is organized starting from Head of Department, Vice President, Senior Vice President, Managing Director and President. Each level has the authority to approve under the limit of each criterion. Any requirements above established limits must receive approval from the Management Committee and the Board of Directors.

# INFORMATION OF DIRECTORS & MANagements

## 1. Board of Directors

No.	Name-Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work Experience	
						Period	Position
1.	Mr. Katsuyuki Mizumachi		See additional details in Management details table	0.01	None	2011-Present	-Chairman and Authorized Director
2.	Mr. Haruhiko Shin						-Authorized Director
3.	Mr. Kiichi Okuyama						-Authorized Director and Company Secretary
4.	Mr. Vichien Linchongsabongkotch	61	-Bachelor Degree Communication Arts Chulalongkorn University	0.01	None	2008-2009	-Director
						2005-2008	-Advisor
						2002-2005	-President & Chief Executive Officer
						1996-2002	-Senior Executive Vice President & COO
						1978-1996	-Managing Director
							-Client Service Director
5.	Mr. Virash Kanchanapibul	64	-Bachelor Degree Engineering Chulalongkorn University	0.00	None	2013 - Present	-Independent Director and Chairman of Audit Committee
						Present	- Nominating Committee of Deputy Governor (Administration)
						Present	- Advisor
						2009-2012	- Deputy Governor of Administration
						2008-2009	- Deputy Governor
							- Electricity Generating Authority of Thailand (EGAT)
							- Institute of Electrical and Electronics Engineers (IEEE Thailand Section)
							- Electricity Generating Authority of Thailand (EGAT)
							- Social Affairs and Environment, EGAT



No.	Name-Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work Experience		
						Period	Position	Department / Name of Company / Type of Business
6.	Mr. Teetitorn Chullapram	57	- <b>Bachelor Degree</b> Engineering Chulalongkorn University - <b>Certificate</b> Director Certification Program and Audit Committee Program from Thai Institute of Directors	0.00	None	2011-Present 2007-Present 2005-Present	-Independent Director and Audit Committee's Member -Council Member -Executive Director & Vice President	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Thai-Nichi Institute of Technology / Education -Technology Promotion Association (Thailand-Japan)
7.	Mr. Gurdaib Singh s/o Pala Singh	62	- <b>Master Degree</b> Business Administration of Strategic Management University of East London U.K. - <b>Bachelor Degree</b> Business of Economic & Finance Middlesex Polytechnic U.K. - <b>Diploma in Law</b> City University, London U.K. - <b>Barrister-at-law</b> Lincoln's Inn, London U.K.	0.00	None	2011-Present 2006 - Present 1981 - Present	-Independent Director and Audit Committee's Member -Independent Director -Director	-Chuo Senko (Thailand) Pubic Co., Ltd. / Advertising Service -Pollux Properties Co., Ltd. / Property -Advocate & Solicitor of the Supreme Court (Singapore) / Law Firm

## 2. Management Committee

No.	Name-Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work Experience		
						Period	Position	Department / Name of Company / Type of Business
1.	Mr. Katsuyuki Mizumachi						-Chairman and Management Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
2.	Mr. Haruhiko Shin						-Management Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
3.	Mr. Kitiichi Okuyama						-Management Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
4.	Mr. Ratchasub Nishida						-Managing Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service

See additional details in Management details table

## 3. Management Members

No.	Name-Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work Experience		
						Period	Position	Department / Name of Company / Type of Business
1.	Mr. Katsuyuki Mizumachi	67	-Bachelor Degree Law Keio University Japan -Certificate Thai Institute of Directors	0.08	None	2011-Present 2010 – Present 2007-2010 1997-2007	-Chairman -President and Chief Executive Officer -Executive Advisor -Senior Executive Vice President & CFO	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Asia Business Support Association Co., Ltd. / Consulting Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Co., Ltd. / Advertising Service
2.	Mr. Haruhiko Shin	62	-Bachelor Degree Law Keio University Japan	0.00	None	2015-Present 2014- 2015 2013-2014 2003-2013	-President and CEO -President and CEO -Senior Account Management -International Account Manager.	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Hakuhodo (Chaina) / Advertising Service - Hakuhodo (Chaina) / Advertising Service -Hakuhodo (Japan) /Advertising Service

								-Frankfurt Branch Office Manager - Account Manager. - Account Manager. - Account Manager.	-Hakuhod (Germany) / Advertising Service - Hakuhod (Australia) / Advertising Service - Hakuhod (Japan) / Advertising Service - Hakuhod (Japan) / Advertising Service
3.	Mr. Kiiechi Okuyama	60	-Bachelor Degree Economics Kwansei Gakuin University Japan	0.00	None	2011 - Present  2010 – Present 2008 – 2010 2004 – 2007 2001 – 2004 1998 – 2001 1979 - 1998	-Chief Financial Officer -Director of Japan Affairs -Director -Managing Director -General Manager -Senior Risk Analyst -Leasing Officer	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Asia Business Support Association Co., Ltd. / Consulting Service -Pollars Laboratory Co., Ltd. / Bio-Energy Service -Onward International Co., Ltd. / Trading Service -Nippon Outsourcing Co., Ltd. (Japan) / Outsourcing Service -GE Capital Leasing Co., Ltd. (Japan) / Leasing -Japan Leasing Corporation Co., Ltd. (Japan)/ Leasing	
4.	Mr. Ratchasub Nishida	46	-Master Degree Political Science (International Relations) Ramkhamhang University -Bachelor Degree Engineering, Science University of Tokyo, Japan -Political Science (Public Administration) Ramkhamhang University	0.00	None	2013 – Present  2011 - 2013  2009 – 2010  2005 -2006 2004 - 2005	-Managing Director -Member of Sub Committee on “Right of Way” -Senior Vice President (Business Development and Marketing) Deputy Managing Director, E-Business Senior Vice President	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -National Broadcasting and Telecommunication Commission -Ascon Counstruction Pcl. -Gmm Grammy Pcl. -Gmm Digital Domain Co., Ltd.	



5.	Mr. Swasthorn Kuanswang	51	<b>-Master Degree</b> MBA Southeastern University Washington, DC, USA <b>-Bachelor Degree</b> BSBA American University Washington, DC, USA	0.00	None	2010 - Present 2004- 2010 2002-2004 2001-2002 1994-2001	-Senior Vice President -Country Director -Director -Director -Account Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Cambodia) Holding Co., Ltd. / Advertising Service -Euro RSCG Flagship Co., Ltd. / Advertising Service -Raku Entertainment / Entertainment Service -Bates (Thailand) Co., Ltd /Advertising Service
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## POLICY ROLE RESPONSIBILITY

### **Appointment of Directors and Management**

#### Appointment of the Directors

The Company does not have a nominating committee to consider the election of directors at present. However, the Board of Directors has discussed and considered the nomination of directors by taking into consideration the qualification of nominees, who shall be of knowledgeable with expertise from various occupations and having performed well their duties as Directors. In selecting a new director, an approval from a directors' meeting, that the independent directors have attended, must be granted.

In appointing the directors of the company, a resolution from the shareholder's meeting is required. The numbers of directors will be specified in the shareholder's meeting. In voting for the directors, each shareholder shall have a number of votes equal to the number of shares held. After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to exceeded, the chairperson shall have deciding vote.

One third of the directors shall vacate the office every year. However, retired directors may be re-elected.

#### Appointment of the Management

The existing management of the company is the nominating committee with the role to select qualified person to be the management of the company. The committee shall select the Persons according to their knowledge, capabilities and related experience of the business. In selecting new management, the majority votes from a director's meeting must be granted.

### **Director's Remuneration**

Director's Remuneration for the year 2015 is consisted of:

#### Cash Remuneration

In 2015, the company did not pay the remuneration to directors who are the management team. However, the company has a policy of allocating Baht 1,665,000 as a meeting allowance and retainer fee for independent directors. Details are as followings:

Unit (Baht)

Name	Position	Remuneration during year 2015		Total Remuneration
		Meeting Allowance	Retainer Fee	
Mr. Katsuyuki Mizumachi	Chairman and Authorized Director	none	none	none
Mr. Shuji Okawa	Authorized Director	none	none	none
Mr. Haruhiko Shin	Authorized Director	none	none	none
Mr. Kiichi Okuyama	Authorized Director	none	none	none
Mr. Vichien Linchongsubongkoch	Director	none	none	none
Mr. Wirash Kanchanapibul	Independent Director and Chairman of the Audit Committee	20,000/ Attendance	415,000	615,000
Mr. Teetitorn Chullapram	Independent Director and Audit Committee's Member	20,000/ Attendance	365,000	565,000
Mr. Gurdaib Singh s/o Pala Singh	Independent Director and Audit Committee's Member	20,000/ Attendance	365,000	485,000

Remuneration of Management Directors, and Management Team

In 2015, the Company paid salaries, bonus, meeting allowances and related benefits to their directors and management totaling Baht 52 million (Separate financial statements: Baht 31 million).

Other Remuneration

-None-

**The Principles of Good Corporate Governance**

The Policy of Internal Audit and Business Monitoring is under the supervision of the Audit Committee, is well aware of the importance of good corporate governance and set of corporate governance policies to ensure sustainable growth with honesty, professionalism, transparency and the equal treatment of shareholders and stakeholders, in order to fulfill according to the law and purposes of the Shareholders and Board of Directors resolution as is regulated at the Stock Exchange of Thailand as follows:

**1. Rights of Shareholders**

Shareholders all entitled to all basic rights at acceptable and trusted standards: the rights of investors in the stock exchange and the rights of owners of the company such as the rights to buy new shares, sell or transfer their own shares, the rights to receive dividends from the company, the rights to attend shareholders' meeting, the rights to propose the advance meeting's agenda and propose the nominated director, the rights to express opinions freely. Shareholders have the rights to vote at meeting according to the number of shares owned by each shareholder, whereby one share is for one vote and no particular shares allow them privilege to limit the rights of other shareholders.



- 1.1 The Company has disclosed all important and relevant information on the Company's website: [www.chuosenko.co.th](http://www.chuosenko.co.th) and SET's channel in order that shareholders are able to obtain clarify information and current situation of the Company.
- 1.2 The Board of Directors has a resolution of "The Principle for minority shareholders to propose AGM agenda items and nomination of candidates in advance" The company allows shareholders to propose any matters, as deemed appropriate, to be considered to include in the agenda for the Annual General Shareholders Meeting ("AGM") and name of qualified director candidate prior to the meeting. In this regard, it is considered as a part of the company's good corporate governance with the purpose of equitable and fair treatment of all shareholders. In addition to let the procedures and consideration be obvious and transparently, and to ensure that the agendas selected are truly beneficial to the company, the Board will consider the proposal unless the board says otherwise. Moreover, the proposal approved by the Board will be included in the agenda of the AGM notice. The comment of the Board required in the notice will be stated as the agenda items proposed by shareholders. In the 2014 Shareholders' Annual General Meeting, the company invites shareholders to propose in advance agenda starting from November 1, 2014 until January 31, 2015, complied with its principal set by the Company. However, there is no any agenda proposed by shareholders.
- 1.3 The Company prepares Notice of the shareholder meeting in both Thai and English and notifies the meetings details to investors prior to the meeting date through the Stock Exchange of Thailand dissemination channel and its website to allow shareholders adequate time to study meeting materials. Such notice and materials shall be sent to the shareholders not less than 7 days before the date set for the meeting in accordance with the law. The information presented on the website shall be the same as that presented in the meeting material sent to the shareholders; which include (1) Notice of the meeting (2) Procedure for meeting registration (3) Profile of the independent directors, director nominated to serve as proxies for shareholders (4) the Company's Articles of Association in the category of shareholders' meeting (5) Agenda of the meeting (6) Annual Report (7) Proxy Forms (8) Registration and Voting Form (9) Meeting location map. In addition, the Company shall publish Notice of the shareholder meeting in a Thai daily newspaper for 3 consecutive days and not less than 3 days before the date set for the meeting. All agenda items shall indicate clearly whether it is a matter being proposed for acknowledgement, for approval, on for consideration, as the case may be, and include the opinions of the Board of Directors in said matter.
- 1.4 To protect shareholders' rights to attend the meeting and ensure equitable treatment for shareholders, the Company assigned officers to check shareholders' or proxies' document according to the requirements stated in the notice. Moreover, the Company allowed enough time for any shareholder to register to attend the meeting in advance of the meeting time. The Company utilized a computer and barcode system for registration and printing of voting forms for each agenda item to facilitate shareholder participation, and to ensure prompt and accurate registration, and for vote counting procedure. In addition, shareholders are also able to register to attend and exercise their voting rights on the agenda that they have not cast the vote in advance after the meeting's commencement. For shareholders unable to attend the meeting and would like to appoint a proxy, the Company proposes more than one independent directors by presenting director profile for the shareholders' selection, in addition to management, director or any shareholders to specify their voting decision, with the notice. Moreover, shareholders could cast their vote in advance on the voting form which had been sent out together with notice of shareholders' meeting.

- 1.5 Before the meeting date, the Company invites shareholders to submit questions regarding the Company and meeting agenda that require clarification by the Board of Directors and the management at the meeting. The question may be submitted in advance via fax or email to related unit. In the meeting, the Chairman shall allocate appropriate time and encourage equal opportunity for shareholders to express their opinions and raise their queries at the meeting as per the agenda, the Company endeavor to arrange for all directors, executives of the Company and subsidiaries, as well as the auditors to attend the shareholders' meeting to answer the queries. The Company's directors and management will clearly explain and clarify such matters.

## **2. Equitable Treatment of Shareholders**

- 2.1 The Company treats all shareholders, including those with management positions, non-executive shareholders and foreign shareholders in equitable and ethical treatments with abides by all guidelines and legal regulation.
- 2.2 The Company encourages the use of proxy forms on which shareholders are able to specify their votes, provide an option to shareholders whereby they may appoint an independent director as their proxy and utilize a process in which shareholders are able to vote on individual nominees. Details of activities facilitating shareholders in attending the AGM is disclosed as the article 1 in the shareholders rights section.
- 2.3 The Company has in place policies against the Company's Board of directors, the management and staff using insider information for personal gains or benefits and abusing self-dealing for example insider trading, using the company's internal information.
- 2.4 The Company shall give notification of the shareholders' meeting resolutions to all investors through the SET's information dissemination channel within on the meeting date or at least one hour before the opening of the Stock Exchange of Thailand on the next working day. In addition, the Company shall also prepare the minutes of the meeting in which all relevant information, including all clarifications, queries, opinions, and resolutions are recorded and categorized into "For", "Against", and "Abstain" votes. The Company shall disseminate the above minutes on its website and submit it to the Stock Exchange of Thailand within 14 days from the meeting date. The minutes of the meeting will be kept at the office.

## **3. Role of Stakeholders**

The company puts emphasis on the rights of all its stakeholders whether external and internal and conducts its business with responsibility and fairness to all stakeholders. The stakeholders shall also be treated fairly in accordance with their rights as specified in the Company's business ethics as summarized as follow:

<u>Counter Party</u>	<u>Role of Stakeholders</u>
Shareholder	The Company is focused in operating its business with the utmost honesty, integrity and ethics along with the utmost transparency to ensure sustainable growth for the company, and ultimately increasing the shareholders' long-term values and wealth. Moreover, the Company assigned the assistant company secretary to responsible get the feedback from shareholders and investors community.
Client	The Company operates with honesty and fairness, provides accurate information to customers provides quality services and keep clients' confidential information.

<u>Counter Party</u>	<u>Role of Stakeholders</u>
Supplier and Creditors	The Company has conducted all business in a fair manner according to all contract conditions agreed with suppliers. In addition, the company honors all its obligations to creditors
Competitor	The Company acts according to gentleman's practice and avoids any dishonesty in acquiring business.
Employee	Employees are the key value resources to the company's success. The company's policies include equitable treatment of all staffs; provide comparable compensation and ongoing personal developments. Human Resources Department had been assigned to receive suggestions, complaints or any concerns from employees.

The company provides a channel for such person to give their opinions and directly contact to board of directors and audit committee through e-mail address [auditcom@chuosenko.co.th](mailto:auditcom@chuosenko.co.th), respectively or send a letter to the company with attention to board of director or audit committee. Moreover, Internal Audit Function has been assigned to receive suggestions, complaints or any other concerns related to the Company business operation and regulatory matters. Significant issues shall be reported to the Audit Committee for consideration. The Audit Committee will further review, advice and report the issues and/or outcome to the Board of Directors.

#### **4. Disclosure and Transparency**

##### **4.1 Investors Relations**

The Board of Directors is aware that the company's information both financial and non-financial, affects the decision making of investors. Therefore, the management team is advised to give accurate and consistent information. The company has organized an Investor Relations office to provide information and news of the company's activities to investors, shareholders, analysts, and the general public. Investors can contact directly to the investor relation unit as follow;

<u>Name</u>	<u>Telephone</u>	<u>E-mail address</u>
Mr. Kiichi Okuyama	(02) 664-9700 ext. 1500	okuyama@chuosenko.co.th

##### **4.2 Directors' Report**

The Board of Directors is responsible for the overall financial statements of the company and subsidiaries as reported in this annual report. The mentioned financial report is developed in accordance with accounting and financial standard as being generally accepted in Thailand. The company uses a proper accounting and financial practice on a regular basis. Important information is adequately reported in the note to financial statements.

The effective internal audit system will support the accuracy of financial and accounting information. Not only it will control the company's asset but it will also and allows the company to prevent any abnormality in the operation.

Furthermore, Audit Committee, comprising of independent directors, will review an accuracy of the financial statements and internal control system.



#### 4.3 Shareholders Meeting

In the 2015, Shareholder Meeting, there were 7 Persons of Directors and Management Directors who attended the meeting. The Chairman of the meeting gave equal rights to all shareholders to examine the company's operation, inquire, and give suggestions.

#### 4.4 Board Meeting

The company schedules that the regular board meeting will be held every quarter. However, the company can set up an irregular meeting schedule if necessary. In any meeting, agenda will be previously set and follow-up actions will be taken.. For the year 2015, the company held 10 board meetings. Details of attendance for board of directors' members are declared as following.

Name	Position	Meeting Attendance during year 2015
Mr. Katsuyuki Mizumachi	Chairman and Authorized Director	10
Mr. Shuji Okawa	Authorized Director	9
Mr. Haruhiko Shin	Authorized Director	1
Mr. Kiichi Okuyama	Authorized Director	10
Mr. Vichien Linchongsubongkoch	Director	9
Mr. Wirash Kanchanapibul	Independent Director and Chairman of the Audit Committee	10
Mr. Teetitorn Chullapram	Independent Director and Audit Committee's Member	10
Mr. Gurdaib Singh s/o Pala Singh	Independent Director and Audit Committee's Member	6

Minutes of the Board of Director meetings are recorded accurately and able to be rechecked.

#### 4.5 Director and Management Director's Remuneration

Information has been revealed in annual report and 56-1 form, in section "Director's Remuneration".

The company has not yet set up any sub-committee for remuneration consideration. However, the company currently has a remuneration package which is based on standard packages being implemented by other companies of the same industry. Companies that the company uses information as a guideline are those who's billing and size are about the same to that of the company. The remuneration package is subject to an approval from a shareholder meeting.

#### 4.6 Remuneration for the External Auditor

##### a) Audit Fee

The Company and its subsidiaries have paid the audit fee as follows:

For the year 2015, the Company and its subsidiaries appoint the external auditor and paid the remuneration to the auditor as follows:

Company (Country)	Audit Firm	Audit fee
Chuo Senko (Thailand) Public Company Limited (Thailand)	ANS Audit Company Limited	THB 800,000
Chuo Senko Advertising Company Limited (Thailand)	ANS Audit Company Limited	THB 1,180,000
Wonder Asia Co., Ltd. (Thailand)	ANS Audit Company Limited	THB 60,000
Chuo Senko Dynamics (ROH) Co., Ltd. (Thailand)	ANS Audit Company Limited	THB 130,000
RDSS Co., Ltd. (Thailand)	ANS Audit Company Limited	THB 80,000
Digital DNA Co., Ltd. (Thailand)	ANS Audit Company Limited	THB 175,000
Tangram Associates Co., Ltd. (Thailand)	ANS Audit Company Limited	THB 110,000
Ad-Asia Company Limited (Thailand)	ANS Audit Company Limited	THB 270,000
Chuo Senko Vietnam Design Services One Member Co., Ltd. (Vietnam)	Crowe Horwath (Vietnam) Auditing Co. LTD.	USD 12,960
Chuo Senko (Cambodia) Holding Co., Ltd. (Cambodia)	Crowe Horwath (KH) Limited	USD 3,869
PT. Chuo Senko Consultant (Indonesia)	Kosasih, Nurdiyaman, Tjahjo & Rekan	IDR 65,000,000
Chuo Senko Myanmar Pte Ltd. (Singapore)	Strategic Audit Alliance PAC	SGD 1,000
Ad Asia Advertising (S) Pte Ltd. (Singapore)	Strategic Audit Alliance PAC	SGD 1,000
Chuo Senko Myanmar Co., Ltd. (Myanmar)	Cho Group Audit Firm	USD 4,400
Ad Asia Co., Ltd. (Myanmar)	Cho Group Audit Firm	USD 4,400
Town Page Co., Ltd. (Myanmar)	Cho Group Audit Firm	USD 1,600
Chilli Advertising Co., Ltd. (Myanmar)	Cho Group Audit Firm	USD 1,600
Red Bull Co., Ltd. (Myanmar)	Cho Group Audit Firm	USD 1,600
CSF Limited (Hong Kong)	SKH CPA Limited	HKD 120,000
Chuo Senko Philippines Inc (Philippines)	Ramon F. Garcia & Company	PHP 369,600
Chuo Senko India Advertising India Private Limited (India)	V. P. Thacker & Co.	INR 150,000

- b) Other Fees  
-None-

## **5. Responsibilities of the Board**

The Board of Directors participated in setting the directions, policy, administration, and managing all progress according to plan and budget effectively by distinguishing roles and responsibility.

### **5.1 Balance of power of the Directors who are not in the Management Team**

Board of Directors comprises of the following details.

- Directors who are in management team of the Company and subsidiaries 4 Persons
- Independent Directors 3 Persons

The company has Independent Directors more than one third of the directors, which makes a balance power of management in the company.

The Company's policy for holding director position in listed company is not greater than 5 companies. At the present, there are no directors with more than 5 positions in other listed companies.

### **5.2 The Separation of Positions**

In order to separate the roles and responsibility in placing policy of Internal Audit affairs and routine management, the President is not the same person with the Chief Executive Officer. All important matters should have the resolution from the Board of Directors in order to benefit and secure the shareholders most.

### **5.3 Conflict of interests**

In order to avoid conflict of interests, the directors have set policies and approval procedures in written documents. Moreover, there is also a policy set to prevent managements and related Persons from using company's internal information for their own benefit by:

- Lists with possible conflict of interests. The directors have acknowledged the lists of conflict of interests and related transactions and have taken into thorough consideration and actions in accordance with the regulations of the Stock Exchange of Thailand. Price and condition of related transactions are pursuant to arm's length basis, and are revealed in annual report and 56-1 form.
- Internal Information Control
  - The management must report any change of stock holding to the Securities and Exchange Commission (SEC.) according to the Securities And Exchange Commission Act B.E. 2535, section 59.
  - It is prohibited that the management or party that receive internal information to disclose any information to unrelated external parties and prohibited from any trading within 1 month before the financial statements open to public.

#### 5.4 Internal Audit and Internal Control

The company considers that internal audit is very important to control the efficiency levels of both management and operation teams. As such, the company has documented roles, authorization and responsibilities of all management and operation members for reference and guideline for practice. The company has a policy to control the usage of company's assets to generate the maximum benefits to the company. The company also has a policy to separate those who work as internal control from daily operation clearly so that proper audit is effectively executed. Additionally, the company has implemented financial auditing and that the auditing is properly reported to concerned directors.

#### 5.5 Risk Management Policy

Chuo Senko (Thailand) Public Company Limited has a vision of becoming Asia's finest advertising corporation. Therefore, in order to meet this target, Chuo Senko (Thailand) Public Company Limited must have a proficient and effective policy with regard to risk management. To protect the company from unacceptable exposure to risk, the organization implements the following procedures that maximizes opportunities and minimizes threats:

1. Providing, managing and maintaining a systematic risk management process that facilitates the constant assessment of the impact and likelihood of risks to the business in all departments.
2. Promoting risk management in all departments and understanding the causes of risk arising from both internal and external forces.
3. All employees of Chuo Senko (Thailand) Public Company Limited, including executives at all levels manage and control risk, and use the same consistent procedures from the identification of, to the evaluation of risk.
4. A Risk Management Plan shall be drafted to aid employees in understanding and implementing the guidelines for risk management.
5. Risk management systems shall be reviewed and developed to ensure that Chuo Senko (Thailand) Public Company Limited has in place the necessary structures and procedures to appropriately manage its opportunities and risks.
6. Employees shall always consider risk management during their daily work.

#### Vision on Risk Management

All departments and employees of Chuo Senko (Thailand) Public Company Limited must be proficient in risk management.

#### Culture of Risk Management

Risk management is a fundamental part of the organization. All departments, when they encounter a risk, must manage, control and reduce the impact of the risk.



### Objectives of Risk Management

1. To educate management and employees of the principles and processes of risk management.
2. To inform management and employees of the steps and processes in the Risk Management Plan.
3. To be a tool for communicating and creating awareness of the risks involved in the business in order to plan and prepare countermeasures to them.
4. To reduce threats and adverse impacts to Chuo Senko (Thailand) Public Company Limited.

### Target of Risk Management

1. To make the employees of Chuo Senko (Thailand) Public Company Limited knowledgeable in the field of Risk Management, and to aid employees in implementing proper risk management to achieve the company's targets and objectives.
2. For the employees of Chuo Senko (Thailand) Public Company Limited to be able to identify, analyze and evaluate risks, and manage them appropriately.
3. To implement risk management in the workplace daily.
4. For the employees of Chuo Senko (Thailand) Public Company limited to be able to depend on the company's Risk Management Plan and implementation.
5. To develop risk management as a part of Chuo Senko (Thailand) Public Company Limited's corporate culture.

## 5.6 Business Ethics

A resolution was reached at the Board Meeting 6/2009 held on August 4, 2009 in approving the announcement of the Company Good Corporate Governance guidelines to all of the directors, managements and employees and held encourage understanding of the agreement of being honest and just in all operation to the company any related party, public and society. The company has held the training for all of staff members and prepares booklets of code of conduct to distribute to its managements and employees with acknowledge receipt. Moreover, disclosed on the Company website: [www.chuosenko.co.th](http://www.chuosenko.co.th) as code of business practices on its operation.

A summary of CHUO's code of business ethics are as follows:

1. Honest and fair conduct; Employees shall conduct their duties with honesty and fairness and refrain from exploiting their position for their own benefit or that of any particular group, or committing any dishonest action that may damage the Company or our clients.
2. Prudence; the Company shall ensure that the business has been operated with prudence and due professional care that a prudent and competent expert would exercise under a given set of circumstances. The Company and employees must ensure that we have operated the business with the prudent practice at all time.

3. Legal and regulatory compliance; Employees shall comply with applicable laws and regulations, and refrain from assisting others to violate any laws, regulations, or ethical principles. Employees shall make an effort to learn, understand, and monitor changes to relevant laws and regulations, as well as keep up to date with their professional code of conduct.
4. Record and Reporting duties; CHUO's financial and other report must be accurate and complete. The Company shall not withhold any information from appointed auditors or supervisor agencies, and shall not disclose information require to evaluate the accuracy of financial statements and the integrity CHUO's operation.
5. Duty of confidentiality; confidentially towards the Company and customers is fundamental. Financial information, customer transaction and activities is deemed confidential and shall not be exploited for any employees' own benefit, nor be disclosed to any other party.
6. Conflict of interest; Employees shall concentrate on their responsibilities to the Company regardless of personal interest. Business decisions shall be made to ensure maximum benefit for the Company and our clients.

## **6. Internal Information Control**

The company has established a policy to prevent the management team to use internal information in their own interests. The company prohibits the management, as well as their spouses, or dependent who are not sui juris to use internal information that has not yet been disclosed, to sell, buy, or transfer stocks offered by the company before the information has been disclosed to the public complies with laws and regulations for any public company. Any time that management sells, buys, or transfer company stocks, the laws and regulations stipulate that, management must inform the Securities and Exchange Commission and the Stock Exchange of Thailand within 3 days of the transaction date.

In any case, management team violates, the Company shall penalties by written warning, imposed for any breaches in accordance with the term of employment contract.

## **7. Human Resources**

- a) Legal Disputes  
-None-

- b) Number of staff

As of December 31<sup>st</sup>, 2015, the company and subsidiaries companies have a total staff of 263 Persons. Details are as following:

1. Chuo Senko (Thailand) Public Co., Ltd.	46	Persons
2. Chuo Senko Advertising (Thailand) Co., Ltd.	108	Persons
3. Digital DNA Co., Ltd.	15	Persons
4. Ad Asia Co., Ltd.	7	Persons
5. Chuo Senko Advertising India Pvt Ltd	7	Persons
6. Ad Asia Co., Ltd (Myanmar)	8	Persons

7. Chuo Senko Vietnam Design Services One Member Ltd.	49	Persons
8. Chuo Senko (Cambodia) Holding Co., Ltd.	7	Persons
9. PT. Chuo Senko Consultant	10	Persons
10. Chuo Senko Philippines Inc.	6	Persons
<b>Total</b>	<b><u>263</u></b>	<b>Persons</b>

As part of Chuo Senko (Thailand) Public Co., Ltd., the 46 staffs are separated as the following:

1. Management	5	Persons
2. Financial and Accounting Department	12	Persons
3. Human Resources & General Affairs Department	22	Persons
4. Information Technology Department	3	Persons
5. Internal Audit Department	1	Persons
6. Production Administration Department	1	Persons
7. Management of subsidiaries and associated	2	Persons
<b>Total</b>	<b><u>46</u></b>	<b>Persons</b>

As part of Chuo Senko Advertising (Thailand) Co., Ltd., which was transferred from the Company, the 108 staffs are separated as the following:

1. Management	5	Persons
2. Client Service Department	28	Persons
3. Creative Department	35	Persons
4. Retail Development Department	7	Persons
5. Strategic Planning Group Department	7	Persons
6. Marketing Activation Department	9	Persons
7. Human Resources & General Affairs Department	2	Persons
8. Procurement & Printing	9	Persons
9. Japanese Client Coordinator Group	3	Persons
10. Special Project	3	Persons
<b>Total</b>	<b><u>108</u></b>	<b>Persons</b>

## c) Staff Remuneration

In 2015, the company paid Baht 51 million and Chuo Senko Advertising (Thailand) Co., Ltd. paid Baht 123 million for staff remunerations in the form of salaries, bonuses, contributed social security fund and other welfares.

## d) Provident Fund

The Company has established a Provident Fund purpose to the provident fund is to encourage long-term saving among employees for their retirement or in the event of their leaving the Company. Rule and regulation of the provident fund, including the rights of members for the entire duration of their member to the fund, have been set up to comply with Provident Fund Act B.E.2530

Employee's Contribution: Members shall remit contributions to the provident fund by granting the Employee permission to make deductions 5% from their salary.

Employer's Contribution: Employer is obligated to contribute to the provident fund on the same rate (5%) with each employee's salary. For the year 2015, the Company remit contributions to the provident fund total amount Baht 5.05 million.

## e) Loans to directors and staff

To motivate staff to work, to ease their financial burden, and to reward the directors and staff, the company has a welfare policy through which directors and staff can obtain loans from the company to purchase vehicles, buy houses, renovate their homes, and sustain their children's education. The conditions of the loans are that only employees who have been working for no less than 1 year with the company can obtain a loan, equivalent from 2 to 10 times of their salaries, but not exceeding Baht 300,000 per person. Annual interest rate is at 75% of MOR with an installment period of 4 years. Instance varying from the policy as outlined above, must receive approval from a management review board meeting. The company will deduct payments for the loan, with interest, on a monthly basis from the employees' salaries. In the event that employees resign prior to having repaid the loan, the employees must make full restitution of the balance of the loan prior to leaving the company.

As of December 31, 2015, the company has extended loans to directors and staff amounting Baht 1,816,900.00 as following:

- Loans to directors	-	Baht
- Loans to staff	1,816,900.00	Baht

## e) Staff Development Policy

Our staff is the key success factor to the company. The company is well aware of the importance of developing staff to increase their skills and knowledge. The company has allocated a budget to train staff, both internally and externally.



Staff training and development expenses for the year 2011-2015, are summary as follows;

[Unit: Baht]

	2015	2014	2013	2012	2011
Staff Training and Seminar Expenses	1,147,547	159,437	798,791	362,754	916,267

## **8. General Human Resources Policies**

The Company had established on Human Resources Policy that applies to all CHUO entities. Human Resource tools are developing to ensure the most effective human resource management and development. Human Resources operations are centralized for work efficiency and consistency. Meanwhile, decentralized authority and empowerment is embedded to allow business lines to execute competitive HR practice for competitive advantage in their own business environment. The policy is shown as follows:

### **a) Principles of Dealing with People at CHUO**

Because professionalism and trust in our service is crucial, the Company had established a definition of its corporate value in order to foster their development in our offices. CHUO's values describe the six human behaviors that accommodate the journey of the organization toward success are follows:

1. Customer priority
2. Integrity
3. Reliability
4. Mastery
5. Creatively
6. Guidance

### **b) Hiring and Employment with CHUO**

In order to serve our business aims while maintaining a uniform corporate culture across the Company, the selection and hiring of CHUO employees is based on corporate values and require competency i.e. Organizational Core Competencies, Functional, and Leadership Competencies. To ensure good corporate governance, Human Resource Department shall provide the tool for scan the candidate will be assessed to match their competency with the requirements of the position and potential, then the Head of each department will decision to selection the employee. The Company has job promotion and job rotation policy in case of job vacancy in the Company. Even, the executive and human resource function also have duty to select the candidate from outside who have appropriate qualification in order to maintain the good quality of human resource. It is as important to hire the right person as it is to integrate into the organization so that their skills and behaviors can merge smoothly with our culture.

The Company favors a policy of long-term employment. Termination are only violating the Company's regulation, business misconduct, retirement, leaving voluntarily, and falling into separation criteria as stated in the rules and regulation that the Company has registered with the Department of Labor. Whenever an operation or business cannot be maintained under the CHUO, reasonable steps will be undertaken to avoid overall loss of employment and by fully respecting all related labor laws. Reasonable efforts will be undertaken to reduce, as much as possible, the suffering of our employees.

c) Assessment and Development

1. Assessment

Human Value creation starts with the quality of the people that fit with the Company strategy, culture, technology and environment. Therefore, employee assessments shall be employed in all steps of employee movements from selection of new candidates to promotion, career development and succession planning. The Human Resources function will provide assessment tool as the corporate level, whereas each department will have the freedom to customize assessment tools under corporate Human Resource Department to suit each business environment while maintaining corporate standards of people quality.

2. Development

To sustain organizational growth, the Company has prioritized human resources development as a primary policy. Learning culture is established by providing development solutions that satisfy both organizational requirements and individual development. A policy that encourages continuous self-improvement through learning leads to sustainable growth and finally, a high performance organization.

d) Career Management

To motivate employees and build up the organization's strength, every employee has opportunities for career progression, both vertically and horizontally.

e) Employee Compensation and Benefits

The Company favors competitive, stimulating and fair remuneration structures offering an overall competitive and attractive compensation package. Various forms of compensation are designed in combination to best match the nature of various jobs, as well as supply and demand. Remuneration includes salary, fixed and variable incentives/bonuses, social welfare, health care and other benefit.

The Company recognizes that its employees are its most important resource and thus places great emphasis on their health, safety and well being the Company arrange for all employee to have annual physical checkups.

f) Human Resources Administration

To be fully in compliance with labor laws and regulations, all Human Resources practices related to labor law are centralized at the Human Resources functions so as to handle properly. Any policies and/or Human Resources practices that contradict national labor laws will be automatically superseded and the Company's rules will be revised in accordance with the new labor laws.

Employee data recording is centralized at the Human Resources function for overall and high level workforce management. Transfers or changes in employee status at all departments are to be reported and processed according to the corporate Human Resources guidelines and procedures.

## **9. Corporate Social Responsibility**

The Company has emphasized to anti-corruption and believes that corruption is a reason for any damage in the Company and all society. The Beginning of anti-corruption must commence to discipline employee behavior as the main factor. Including, providing ethical regulation and rule to be standards of work and life.

Regarding of Advertising business, employee is main factor for running the business. Improvement of operation to reach the target, therefore the Company has provided ethical regulation, rule and standard of work as follows:

1. Employee shall work punctually and record arrival and departure times truly as prescribed by the Company.
2. Employee shall work diligent and to the full capacity.
3. Employee shall work honestly and refrain from neither mischief nor cause damage to the Company, other Employee of the Company. It is prohibited to use one's position to harass others and employee shall not use position as a tool for self-aggrandizement or in the interests of others.
4. Employee shall abide by the Safety Regulations when working.
5. Employee shall work carefully with caution and neither refrain from playful action nor joke while at work. It is the duty of the employee to behave well in speech and in action to maintain the Company's Corporate Image all the time.
6. Employee shall maintain machines, tools, and equipment in shipshape as dictated by necessity or by one's duty.
7. Employee shall protect the Company's assets and property against damage or loss as much as possible.
8. Employee is now allowed to work in another Company or for other persons by getting payment, while working for this Company, except by a written permission from the Company first.
9. Employee is prohibited from disseminating false news designed to hurt others or the Company or which may cause dissention, cause chaos and disunity among the Employees, or cause dissatisfaction against the Company.
10. Employee is prohibited from using the Company's tools and equipment for personal gains or for any other purpose without a written permission from the Supervisor or the Manager.
11. Employee shall not be dishonest to the Company and shall not divulge the Company's secrets to others; above all, employee shall not steal the Company's property and avoid criminal action against the Company.

12. Employee is prohibited from making false documents and/or using fake documents or data.
13. Employee is prohibited from committing offences intentionally which obstruct the flow of work or which obstructs the works of self or of the others.
14. Employee is prohibited from causing damage directly or indirectly to the property of the Company or its reputation.
15. Employee is prohibited from divulging the Company's secrets to others without a written permission from the Company
16. Employee is prohibited from using their position in a wrongful manner for self-benefits or to further the interests of others.

#### **10. Dividend Payment Policy**

The Company intended to allocate dividends to the shareholders under the subject as not less than 50 percent of net income in separate financial statement unless there are future considerations, such as business expansion.

Nevertheless, during the past five years, the Company had paid dividend to shareholders fairly with the Company's results of operation and economic situation as follows:

Performance Result for the Year	2014	2013	2012	2011	2010
Value of Share (Baht)	5.00	5.00	5.00	5.00	5.00
Dividend per share (Baht)	0.60	1.10	0.30	0.30	0.80
Total amount (Baht)	13,500,000	12,375,000	3,375,000	3,375,000	9,000,000
Ratio(%) net profit	42%	31%	*	*	51%

\*Paid form retain earning



## NATURE OF BUSINESS

Chuo Senko (Thailand) Public Company Limited inaugurated into the advertising business by being a total solution advertising agency since 1963. Base upon trust and respect, the Company has remarkable growth more than 52 years of operation experience in marketing communication specialist and has numerously created advertising campaigns for well-known products and services, which can provide visible confirmation of our highly professional standard very well, e.g. Honda Motorcycles, Honda Cars, Yum-Yum Instant Noodle, Hitachi, AEON Finance Institution, Tokyu Department Store, Thanachart Bank, CAT Telecom and etc.

Chuo Senko (Thailand) Public Company Limited is the center of investment policy and business operations of the Group throughout Asia which has been operating in a total of 9 countries including Thailand, Vietnam, Cambodia, Indonesia, India, Singapore, Hong Kong, Philippines and Myanmar. In addition, the Company has been involving in many communication campaigns.

Chuo Senko (Thailand) Public Company Limited was restructuring the new organization chart of the company adjusted for conformity with the business restructuring to be a holding company with the purpose to increase the liquidity for the business and investment expansion of the company by transferring partial business of the company to new subsidiaries “Chuo Senko Advertising (Thailand) Co., Ltd”.

### 1.1 COMPANY BACKGROUND

Chuo Senko (Thailand) Co., Ltd. was incorporated on 24 August 1981. Since its establishment, the company has increased its capital from time to time. Currently its registered capital issued on 30 June 2015 is Baht 225.00 million.

The company was listed to be “public company”, and changed its name to Chuo Senko (Thailand) Public Company Limited on 2 October 2001. Moreover, the company has brought itself to list on the Market for Alternative Investment (MAI).

The Company and its subsidiaries are collaborating together as an advertising agency which provides total-solution services for integrated marketing communication comprised of the following services.

**a) Strategic Planning and Research**

The service is to provide missions to create added value for clients' communication.

The important part of this service is to serve as "Partner" for clients' business, and also act as "Strategic Consultant" for the very best interest for the clients.

**b) Creative**

This service is the main service of the Company which provides wide range of creative production including TVC, Radio Spot, Print ads in newspaper and magazine, billboard, Mobile media, etc.

**c) Producer and Printing**

Advertising and creation also need 'Tangible media' in order to support 'Main media'. This service is to serve the details part of communication, to complement communication with partners and targets.

**d) Marketing Activation**

This service has been developed from event marketing in order to establish a linkage to target consumers. The roles of "Marketing Activation" are creating consumer experience and induce purchasing decisions. There is variety of consumers' contact point which we can create big idea such as Special Events, Launching Events, Press and Dealer Conference, Activities in exhibition, Public Relation, Press Release, Press Visit, Interactive marketing, Social networking, Viral Marketing, Call center, Sales promotion, Road show. This is the integrated service among all communication tools including Public Relation in accordance with the big idea.

**e) Retail Development**

Retail Development service provides efficiency of retail space both of shop interior and exterior design which are stylish, different, utilized, and value for money. This service also includes operation and function development in order to match with clients' various communication strategies and tools i.e. Corporate shop and Showroom, Exhibition and Booth, Corner and Shop-in-shop, POP and Kiosk, Corporate Identity and Sign System.

**f) Media Planning & Buying**

These services offering to bridge the gap between creative and channel solution. Our services include strategic media recommendation, media plan development & execution, new media opportunities, media buying strategy & execution, monitoring, reviewing and reporting. Effective media buying plan has become a big factor to manage all investment in marketing communication campaigns to the utmost benefits.

**g) Media Production**

This total video and media production service include video shooting, video editing, all kinds of computer graphics and files conversion to digital media to support a presentation or a public relation in various types as needed.

For all campaigns of our customers to succeed truly, the Company has collaborated in all spectrums. All of the great services are for the best customers, and support to customers' needs with communication surrounding 360 degree into success and optimized customers' satisfaction.

## 1.2 SIGNIFICANT CHANGES IN THE GROUP STRUCTURE

During 2015, the significant changes in the structure of ownership interest in subsidiaries can be described below.

### **Purchase of investments during the year.**

During Q1,2015 the Company CSF Limited which was incorporated in Hong Kong and the Company holds 60 percent of the share capital. A total of 507,312, Hong Kong dollar, or about 2 million baht after the capital increase, the company still holds shares representing 60 percent of the share capital of that company.

During Q3 2015, the Company entered into an agreement to purchase shares of Chuo Senko Dynamics (R OA) Limited by the shareholders. For the common stock of 4,800 shares at a price of 780.26 baht per share, totaling Baht 3,745,248.

During Q3 2558, the Company entered into an agreement to purchase shares of Chuo Senko Myanmar Pte Ltd from shareholders. Shares for 400 shares at 65.45 per US dollar, a total of 26,180 US dollar.

During Q3 2015, the Company invested in common shares of Chuo Senko International Limited of 300 shares at a price of 1,000 baht, the company has already paid 75,000 baht.

### **Disposal of investments during the year**

In March 2014, Chuo Senko Dynamics (R OA) Limited (a subsidiary held by the Company, 84 percent) received money from individuals and entities associated with the amount of 4,617,000 million baht to buy investments. the shares of Atwood Asia limited (owned by Chuo Senko dynamics (R OA) limited to 100 percent) of 76,000 shares, has signed a purchase agreement dated August 1, 2014.

Chuo Senko Dynamics (R OA) Limited has recognized a loss on sale of investments in subsidiaries amounting to 2,983,000 baht in Q3 2014 and its stake reduced from 100 percent. 24 of the share capital in the company.

As at September 21, 2015, Chuo Senko Dynamics (R OA) Limited sold its investment in shares of Atwood Asia Limited number of 23,970 shares at a total price of 1 baht and get paid the amount. 1 Baht loss from sale of investment of 0.11 billion baht in the consolidated income statement.

As at December 15, 2015, the Company sold its investment in shares of Chuo Senko Advertising (Thailand) Ltd., a subsidiary of 880,000 shares at a price per share of 7.50 baht, the company has been paid already the record number of 6.6 million baht profit

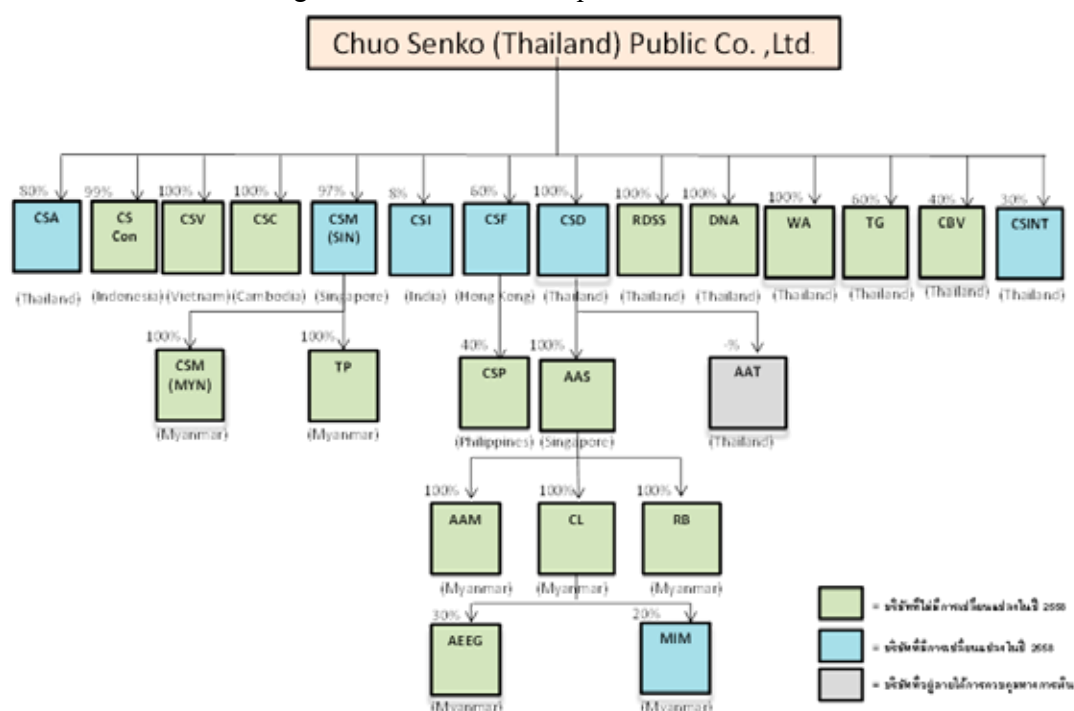


from sale of investment of Baht 23.21 million in the income statement and the consolidated income statement.

### 1.3 OPERATING POLICY IN THE GROUP

The company provides full-range of advertising services in Thailand and is the center to support business operation for all of foreign subsidiaries. The company would expand our investment in line with our clients base. The subsidiaries in foreign countries provides full-range of advertising services and business consultant services. Each company would operate and serves the client in the particular country by their own.

The following is structure of the Group as of 31 December 2015.



Abbrev.	Company's Name	Country of Incorporation
CST	Chuo Senko (Thailand) Public Company Limited	Thailand
CSA	Chuo Senko Advertising (Thailand) Co., Ltd.	Thailand
CSCON	PT Chuo Senko Consultant.	Indonesia
CSV	Chuo Senko Vietnam Design Services One Member Co., Ltd.	Vietnam
CSC	Chuo Senko (Cambodia) Holding Co., Ltd.	Cambodia
CSM (SIN)	Chuo Senko Myanmar Pte Ltd.	Singapore
CSI	Chuo Senko Advertising India Private Limited.	India
CSF	CSF Limited	Hong Kong
CSD (ROH)	Chuo Senko Dynamics (ROH) Co., Ltd.	Thailand

Abbrev.	Company's Name	Country of Incorporation
RDSS	RDSS Co., Ltd.	Thailand
DNA	Digital DNA Co., Ltd.	Thailand
WA	Wonder Asia Co., Ltd.	Thailand
TG	Tangram Associates Co., Ltd.	Thailand
CBV	Chuo Businesss Venture Co., Ltd.	Thailand
CSINT	Chuo Senko International Co., Ltd.	Thailand
CSM (MYN)	Chuo Senko Myanmar Co., Ltd.	Myanmar
TP	Town Page Co., Ltd.	Myanmar
CSP	Chuo Senko Philippines Inc	Philippines
AAT	Ad Asia Co., Ltd.	Thailand
AAS	Ad Asia Advertising (S) Pte Ltd.	Singapore
AAM	Ad Asia Co., Ltd.	Myanmar
CL	Chilli Advertising Co., Ltd.	Myanmar
RB	Red Bull Co., Ltd	Myanmar
AEEG	Asian Event and Exhibition Group (Myanmar) Company Limited	Myanmar
MIM	Media Intelligence (Myanmar) Limited	Myanmar

Remark: \* In liquidation process

## REVENUE STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

Total revenues included in the financial statements from the year 2013 to the year 2015 of the Company and each of its subsidiaries as follow:

Company's Name	Country of Incorporation	Percentage of ownership interest	2015		2014		2013	
			million Baht	%	million Baht	%	million Baht	%
Chuo Senko (Thailand) Public Company Limited	Thailand	-						
- Commission and services income			39.58	10.21	299.31	68.56	280.97	66.22
- Other income			107.28	27.66	24.74	5.67	24.85	5.86
Chuo Senko Advertising (Thailand) Co., Ltd.	Thailand	100%						
- Commission and services income			100.43	25.89	-	-	-	-
- Other income			-0.03	-0.01	-	-	-	-

PT Chuo Senko Consultant. (Indonesia) - Commission and services income - Other income	Indonesia	99%	28.44 1.70	7.33 0.44	23.92 1.27	5.48 0.29	21.88 1.30	5.16 0.31
Chuo Senko Vietnam Design Services One Member Co., Ltd. - Commission and services income - Other income	Vietnam	100%	50.15 -0.30	12.93 -0.08	45.06 0.56	10.32 0.13	53.92 0.35	12.71 0.08
Chuo Senko (Cambodia) Holding Co., Ltd. - Commission and services income - Other income	Cambodia	100%	4.67 -	1.21 -	7.09 0.02	1.62 -	6.05 -	1.43 -
Chuo Senko Myanmar Pte Ltd. - Commission and services income - Other income	Singapore	84%	- 0.08	- 0.02	- -	- -	- -	- -
Chuo Senko Advertising India Private Limited. - Commission and services income - Other income	India	46%	6.69 0.13	1.73 0.03	1.01 0.17	0.23 0.04	- -	- -
CSF Limited - Commission and services income - Other income	Hong Kong	60%	- -	- -	- -	- -	- -	- -
Chuo Senko Dynamics (ROH) Co., Ltd. - Commission and services income - Other income	Thailand	84%	0.23 -1.61	0.06 -0.42	-0.49 4.65	-0.11 1.07	- 2.31	- 0.54
RDSS Co., Ltd. - Commission and services income - Other income	Thailand	100%	-0.10 -	-0.03 -	0.60 -	0.14 -	1.95 0.01	0.46 -
Digital DNA Co., Ltd. - Commission and services income - Other income	Thailand	100%	13.89 -	3.58 -	11.99 -	2.75 -	9.33 -	2.20 -
Wonder Asia Co., Ltd. - Commission and services income - Other income	Thailand	100%	- -	- -	- -	- -	- -	- -
Tangram Associates Co., Ltd. - Commission and services income - Other income	Thailand	60%	0.91 0.17	0.23 0.04	3.83 0.17	0.88 0.04	5.40 0.01	1.27 -

JM Chuo Senko Sdn. Bhd.	Malaysia	100%	-	-				
- Commission and services income			-	-	-	-	-1.84	-0.43
- Other income			-	-	-	-	13.25	3.12
Chuo Senko Myanmar Co., Ltd.	Myanmar	84%						
- Commission and services income			2.33	0.60	1.45	0.33	0.65	0.15
- Other income			-0.22	-0.06	0.20	0.05	-	-
Town Page Co., Ltd.	Myanmar	84%	-	-				
- Commission and services income			-	-	-	-	-	-
- Other income					-	-	-	-
Chuo Senko Philippines Inc	Philippines	24%						
- Commission and services income			15.46	3.99	1.00	0.23	-	-
- Other income			-0.64	-0.16	0.17	0.04	-	-
Ad Asia Advertising (S) Pte Ltd.	Singapore	84%						
- Commission and services income					-	-	-	-
- Other income			-0.35	-0.09	-	-	-	-
Ad Asia Co., Ltd.	Thailand	20%						
- Commission and services income			7.78	2.01	4.95	1.13	2.73	0.64
- Other income			6.46	1.67	0.08	0.02	0.17	0.04
Ad Asia Co., Ltd.	Myanmar	84%						
- Commission and services income			4.24	1.09	3.95	0.90	1.01	0.24
- Other income			0.51	0.13	0.84	0.19	-	-
Chilli Advertising Co., Ltd.	Myanmar	84%						
- Commission and services income			-	-	-	-	-	-
- Other income			-	-	-	-	-	-
Red Bull Co., Ltd.	Myanmar	84%						
- Commission and services income			-	-	-	-	-	-
- Other income			-	-	-	-	-	-
Total			387.88	100.00	424.30	100.00	332.52	100.00

## RISK FACTORS

There are significant risk factors, which may be considered and can affect Chuo Senko Group and investors directly as following details:

### 1. Human Resources Risk

Advertising is a service business that needs human resources in operation. These resources are for creative work, strategic planning, client service, etc. Those people are the ones who develop ideas, develop work, and set marketing and advertising strategies for clients. If the company loses those people, the company may lose the clients of which those people are in charge. To avoid the risk, the company has set measures that could be used as company's policies, which includes:

#### (1) Staff Training and Development

Staff training and development is one of the key activities for us. We have set up specific budget for this purpose and make sure that all staffs have the opportunity to participate in trainings that are directly connected to their responsibility and other related topics that would benefit the organization such as leadership development, team working, and improvement of working skills. To fulfill our target, the company has organized both in-house training programs and outside training programs. These trainings would be presented by qualified speakers that enable staff to experience new horizon of professional skills.

#### (2) Career Path

We continuously support young talent staff, willing to be a part of success of the company, to perform their capabilities before stepping into new young executives in the company.

#### (3) Job Rotation

We are open to staff that find their position not right for their capability to change or transfer and also provide trainings that are in line with their new position to make sure that staffs are ready to explore the talents in the new sphere.

#### (4) Working in Groups (Brand Team)

Working in groups is our policy to manage operations. Each group is supervised by head of departments who are responsible to guide and lead their subordinates together with our constant trainings to develop staffs into professional leaders. Head of departments would make sure that their subordinates are always guided to perfect their efficiency and remain loyal to the company. Working in groups, at the same time, increases more efficiency service providing to clients.

#### (5) Dry & Wet Incentive

We take it as a compulsory to encourage and support staffs' achievement in creating recognition and income for the company.



**(6) Team/Outdoor Activities**

In all our outdoor activities, we enforce on activities that would portray the big picture of our company, our staffs, the unity of Chuo Senko, and the power of teamwork. Our annual activities include New Year Party, Company Tour, Team Building Activities and training courses.

**(7) Welfare Committee & Working Committee**

In order to make any decisions concerning employee's welfare or related issues with employees, the company has elected a welfare committee and other specific committee to make all decisions on behalf of staffs. This would enable all employees to participate in company's management and be responsible to company's policies and activities.

**2. Risk in Relying on Key Clients**

The company has two key clients: Honda Group and Wanthai Foods Industry Co., Ltd.. However, due to the current competitive situation, the company may lose some income from these key clients. If this happens, it may affect the total income of the company. The company has been trying to reduce the possibility of the situation by continuously developing good quality services to serve the needs of the clients that change continuously due to the change in customer behaviors. Moreover, the company has established the New Business units in order to seek for new clients and reduce the relying on key clients.

**3. Risk in Technology Change**

Technology, both production technology and media technology, change fast. The graphic design industry, for instance, has changed from hand-made to computer graphics. Computer graphics can help the company design advertising materials in any layout in order to satisfy the clients. The technology also facilitates the adjustment of the advertising work. Any company that cannot cope with the changes may risk losing clients.

The company is aware of this situation, and trains staff in the technology from time to time. The people who have learned the technology have to educate and share knowledge with others in the company and try to acquire new types of services that can be adjust to fit our clients' needs.

#### **4. Media Specialists**

During the past years, there has been a change in the advertising fee system, since clients have demanded efficient media buying that must reach the target groups effectively and at the minimum cost. Some clients may ask advertising agencies to develop only creative work and use media from media specialists.

#### **5. Investments in Subsidiaries Risk**

The Company invests in its subsidiaries that are operating in either the same or complimentary and related business, which is a considered risk. However, the Company does not have any control over these businesses. The Board of Directors of each subsidiaries company is the in-charge of management and decision making.

The Company earns a return on investment in the dividends. In case, the Subsidiaries make a loss. Therefore, the Company has already reserve the allowance or impairment on the investment in the subsidiaries by recognized to the Company's profit and loss statement.

## CAPITAL STRUCTURE

### Company Capital

The company has registered capital of Baht 225.00 million and paid-up share capital of Baht 225.00 million of which are divided into 45,000,000 shares, at par value Baht 5 each.

### Shareholders

The followings are major shareholders as of 8 February 2016.

Name	No. of Shares (shares)	Portion of Securities (%)
1. Asia Business Support Association Co., Ltd.	5,076,542	11.28
2. Striders Corporation	4,420,000	9.82
3. Mr. JOHN WORRALL D'ARCY GROVE	4,102,730	9.12
4. The Pacific Century Fund Pte. Ltd.	4,057,940	9.02
5. Bloom Well Corporation Limited	2,960,000	6.58
6. Geo Brain Corporation	1,750,000	3.89
7. Mrs.Mukda teanhiran	1,349,700	3.00
8. Mr.Apichai hirantrakul	705,300	1.57
9. Osawa Sogyo Co., Ltd.	655,900	1.46
10. Mr.Wattana Wattanasap	633,100	1.41

### Remuneration Policy

The company has a dividend policy for not less than 50% of the net profit in separate financial statements, in case the company does not have other expenditures such as business expansion for future plan. Moreover, the subsidiaries have a policy to pay dividend not less than 50%.

## CONNECTED TRANSACTION

In 2015 and 2014, the Company had the trading transactions and others with its subsidiaries and related companies as disclosed in the notes supplementary to the financial statements clauses 5.4 for the year 2015.

For the year 2015, an ordinary and usual course of business transaction, such as Advertisements and Marketing Research, between the Company or its subsidiaries and connected person remain unchanged from the approved principle of those transactions by The Board of Director Meeting No. 3/2008, complied with section 89/12 (1) of The Securities and Exchange Act (No.4) B.E.2551. In addition, the Company expects the connected transactions occurred at present have a tendency to keep on continuing. However, the Company has the approval procedures of the said items by authorized person specified at the amount limits.

For other related transactions not classified as the regular business must receive prior approval from the Board of directors and the Independent Directors attending the meeting as well. The directors who have vested interest in any matters have no right to vote in them. But they shall disclose the type and value of the related item with a reason for making the related item, including having to disclose it in the annual report.

The followings are related party transactions between the Company and its subsidiaries and related companies.

Nature of Transaction	Person / Company	Relationship	Transaction amount (Baht) For the years ended 31 December		Pricing Policy	Remark
			2015	2014		
1) Consulting and management services income	Chuo Business Venture Co., Ltd.	held 40% of total shares	91,273	200,575	At the agreed price	The Company charges management fee from related parties for services of office rental, utility expenses, Accounting, IT and Human resources services, and so on
	Geo Brain (Thailand) Co., Ltd	held 10% of total shares	242,959	113,400		
	Boffo Co., Ltd.	held 10% of total shares	28,298	-		
	<b>Total</b>		<b>362,530</b>	<b>313,975</b>		
2) Gain on sales of investment in subsidiary	Geo Brain Corporation	The Company's shareholder	23,209,555	-	At the agreed price	As of operating loss in Chuo Senko Advertising (Thailand) Co., Ltd. The Company sold 20% of investment in Chuo Senko Advertising (Thailand) Co., Ltd. to Geo Brain Corporation
	<b>Total</b>		<b>23,209,555</b>	<b>-</b>		
3) Service costs	Geo Brain (Thailand) Co., Ltd	held 10% of total shares	-	4,000	At the agreed price	The company hired to work on special assignments.
	<b>Total</b>		<b>-</b>	<b>4,000</b>		
4) Consulting and management services fee	Asia Business Support Association Co., Ltd.	The Company's shareholder / Common directors /	632,903	6,280,381	At the agreed price	Consultancy fee of planning, managing and investment Consultancy fee of investment and increase capital
	Chuo Business Venture Co., Ltd.	held 10% of total shares	762,371	400,000		
	<b>Total</b>		<b>1,395,274</b>	<b>6,680,381</b>		
5) Loss on sales of investment in	Mr. John Worrall D'Arcy Grove	The Company's Director in subsidiaries / An Advisory for strategy of operating in the Company	-	2,983,000	At the agreed price	As of operating loss in Ad Asia Co., Ltd. Chuo Senko Dynamics (ROH) Co., Ltd which held 100% by the Company sold 76% of investment in Ad Asia Co., Ltd. to Mr. John Worrall D'Arcy Grove who is a related person of the Company's group
	<b>Total</b>		<b>-</b>	<b>2,983,000</b>		



# FINANCIAL POSITION & OPERATION RESULTS

## FINANCIAL RATIOS

		Consolidated			Company		
		2015	2014	2013	2015	2014	2013
LIQUIDITY RATIOS							
Current Ratio	Times	1.47	1.20	1.04	4.66	0.97	0.89
Quick Ratio	Times	1.36	1.13	0.98	4.00	0.86	0.82
Cash Ratio	Times	(0.37)	(0.44)	(0.09)	(2.34)	(0.67)	(0.05)
Accounts Receivable Turnover	Times	7.36	10.98	10.71	43.00	16.55	14.30
Collection Period	Days	49	33	34	8	22	25
Accounts Payable Turnover	Times	6.42	5.79	5.62	40.39	8.06	7.03
Payment Period	Days	56	62	64	9	45	51
Cash Cycle	Days	(7)	(29)	(30)	(1)	(23)	(26)
PROFITABILITY RATIOS							
Gross Profit Margin	%	28.67%	59.58%	62.18%	48.45%	62.05%	62.53%
Net Profit Margin	%	-42.45%	2.92%	5.31%	-304.66%	10.31%	14.47%
Return on Equity	%	-50.00%	6.38%	15.06%	-47.14%	13.98%	27.93%
EFFICIENCY RATIOS							
Return on Assets	%	-20.55%	2.05%	2.91%	-32.86%	6.68%	7.02%
Return on Fixed Assets	%	-454.44%	92.05%	119.80%	-1144.59%	243.89%	256.55%
Total Assets Turnover	Times	0.48	0.70	0.55	0.11	0.65	0.49
FINANCIAL POLICY RATIOS							
Debt to Equity Ratio	Times	1.43	2.11	4.16	0.43	1.09	2.98
Interest Coverage Ratio	Times	(51.50)	4.19	3.	(129.60)	25.08	20.54
Dividend Payout Ratio	%	-	-	-		39.65%	30.44%
STOCK INFORMATION							
Book Value per share	Baht	4.80	8.16	11.90	5.68	9.82	12.94
Earnings per share	Baht	(3.01)	0.57	1.79	(3.36)	1.51	3.61
Dividend per share	Baht	-	-	-	-	0.60	1.10

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY OVERVIEW

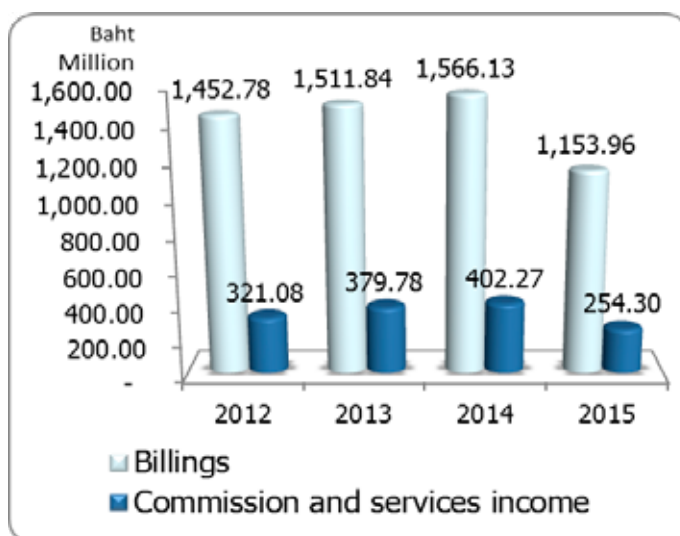
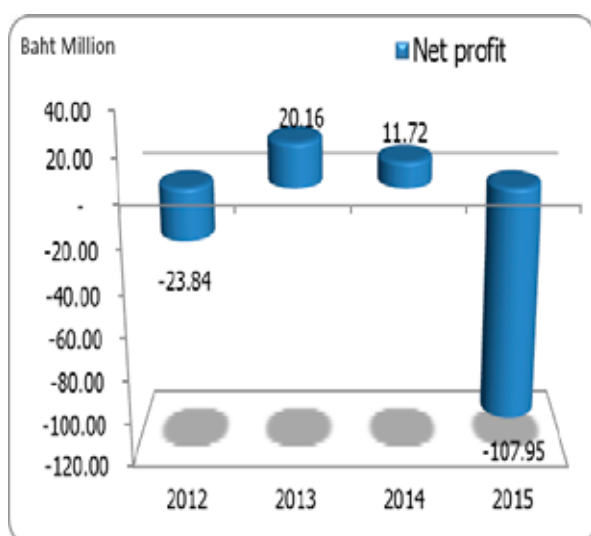
The economy is the main factor which affects the growth of the advertising business. The main business operations come from advertising expenditures of many organizations, e.g. government and private sector. If the economy is growing, most organizations tend to increase advertising budget to stimulate sales and services, and this can drive advertising business growth. On the other hand, if there is economic slowdown, the organizations tend to reduce in advertising cost, this cause advertising business has slowed down.

In the year 2015 the world economy has increased only slightly compared to the previous year. Although the United States economy And the economy of the euro zone recovery and growth, improved, but on the other hand, China's economy. For many countries in Southeast Asia experienced a slowed in the economy as a result of slowed growth in China and Japan. Going forward, renewed growth is expected as a result of the support for the integration of the ASEAN Economic Community (AEC: ASEAN ECONOMICS COMMUNITY) in 2016.

Thailand's overall economy in 2015 has still not recovered, since the business decline in exports of goods and services, including the decline in sales of automotive industries in the country. In the second half, the economy grew only slightly thanks to the decline in oil prices and an increase in domestic spending.

The overall advertising expenditure was 122 billion baht (2014: 102 billion baht), up 3.34 percent year-on-year. Unfortunately however, the company had operating losses in 2015 due to the slow recovery of the domestic economy, cancellations in planned client projects and increased competition. For this reason, the Company has adjusted its strategy including new offerings, selling of assets, and restructuring of the company.

For the fiscal year 2015, the group reported a consolidated net loss for the year of 107.95 million Baht, which decreased 119.67 million Baht or 1,021.08%, year-on-year compared to net profit for the year 2014 amounting to Baht 11.72 million. The main causes are as follows:

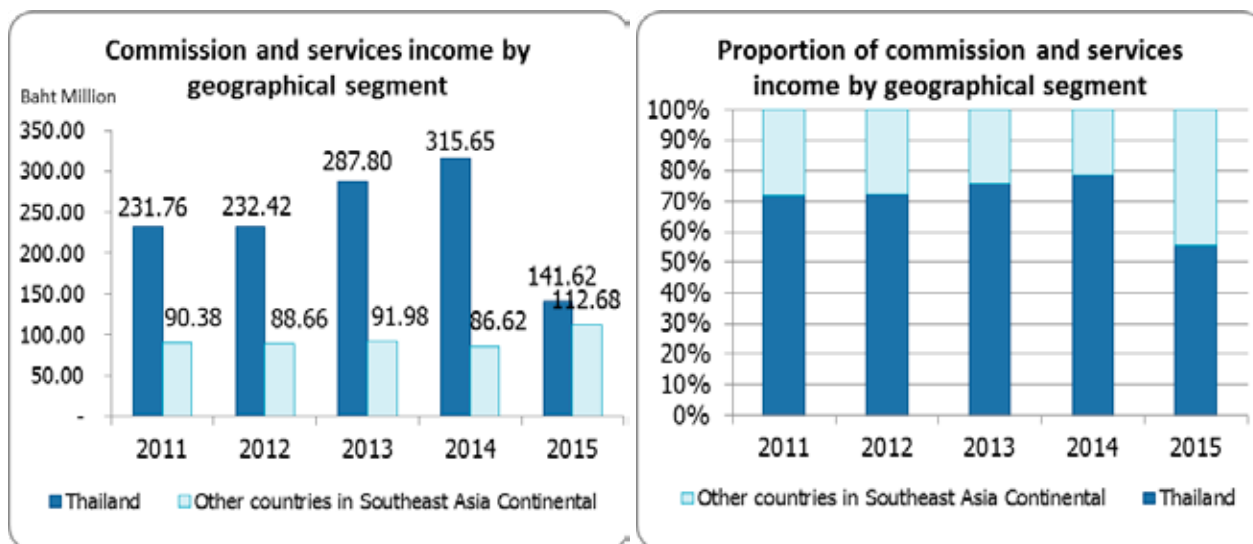


- **Income & direct services cost**

Although in 2015 the advertising industry advertising expenditure increased 3.341 percent from the previous year, the competition is very high in the country. As a result, the Group's total billings of the Group for the year 2015 amounted to 1153.96 million baht (2014: 1,566.13 million baht), a decrease of 412.17 million baht, representing a decrease of 26.32%. The Company's total billings amounted to 221.83 million baht (2014: 1,139.84 million baht), a decrease of 918.01 million baht or 80.54 percent, due to the placing the main operating business in a separate subsidiary (Chuo Senko Advertising (Thailand) Co., Ltd.). For its subsidiaries, billing amounted to 932.13 million baht (2014: 426.29 million baht), an increase of 505.84 million baht or 118.66 percent as a result of the restructuring of the company.

Fees and services of the Group in 2015 amounted to 254.30 million baht (2014: 402.27 million baht), a decrease of 147.97 million baht, representing 36.78 percent, which could be classified by geographical segment as follow: Domestic 141.62 million baht in revenue, other countries in Southeast Asia and South Asia (including India, Indonesia, Philippines, Vietnam, Cambodia and Myanmar), 112.68 million baht in revenue.

The main results of the Company, fees and local services in Thailand, decreased from 315.65 million baht in 2014 to 141.62 million baht in 2015, a decrease of Baht 174.03 million or 55.13 percent lower because the main customers of the Group canceled or delaying the plan due to the slow economic condition in Thailand, as mentioned above.



For the market in the Southeast Asia, revenue increased from 86.62 million baht in 2014 to 112.68 million baht in 2015, an increase of 26.06 million baht, representing 30.09 percent as a result of economic conditions. This increased the Group's proportion of commission and services from Other Countries to over 40%.

In terms of expenses, direct cost increased by 18.77 million baht, or 11.54 percent from 162.61 million baht in the year 2014 to 181.38 million baht in 2015 due to the group's business expansion by investing in subsidiaries in the country and abroad as well as increased staff costs most of the employees' salaries as well as other costs related to staff. For the Company's direct costs of services for the year 2015 of 20.40 million baht (2014: 113.58 million baht), a decrease of 93.18 million baht, representing 82.04 percent due to the transfer of employees with direct operations to the subsidiary; Chuo Senko Advertising (Thailand) Co., Ltd. The gross profit ratio for 2015 decreased from the previous year, from 59.58 percent to 28.67 percent for the Group Company.

- **Other Income**

Other income of the year 2015 increased to 37.51 million baht (2014: 8.14 million baht), an increase of 29.37 million baht or 360.81 percent in 2015, due to the Group's profit from the sale of investments in subsidiaries of 23.10 million baht and interest income of 2.56 million baht for the year 2014, the group's profit from sale of investment of Baht 1.47 million and interest income of 3.17 million baht.

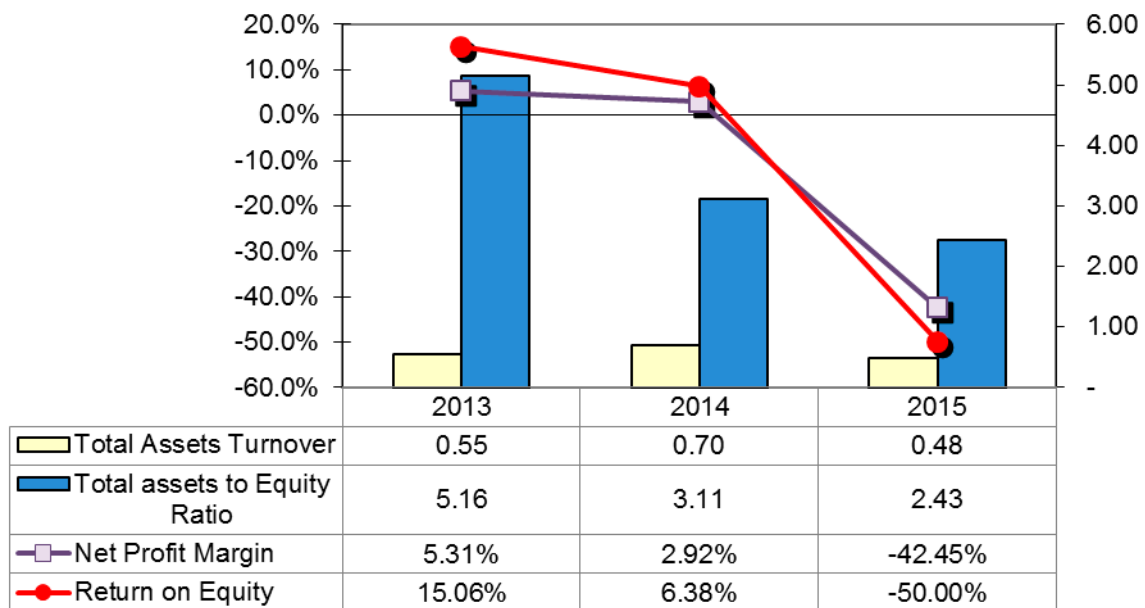
- **Administrative Expenses and Management Benefit Expenses**

(Unit: Baht million)

	<b>Consolidation</b>			
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
Administrative Expenses	158.34	176.08	-17.74	-10.07%
Directors and Management's				
benefits	51.76	61.39	-9.63	-15.69%
Total	210.10	237.47	-27.37	-11.53%

Although the group Company has a direct cost of services increased from the previous year, as mentioned, the Group seeks to manage and control the cost of administering a decrease from the previous year. The cost of administration for the year 2015 of Baht 158.34 million (2014: Baht 176.08 million), a decrease of Baht 17.74 million, representing 10.07 percent of the cost of a major decline. Office expenses, consulting fees and increased foreign exchange gains compared to the previous year, for executive compensation, decreased 9.63 million baht or 15.69 percent.





The diagram above shows that the Group's net profit margin for the year 2015 was reduced by 42.45 percent (2014: 2.92 percent) and the rate of return on equity for year 2015 was a negative 50.00 percent (2014: 6.38 percent), as a result the group suffered a loss from operations due to reasons mentioned above.

Other metrics such as return on equity, assets turnover, and ratio of total assets to shareholders' equity can be analyzed as follows:

#### ▶ Asset turnover

This ratio indicates the efficient use of assets, compared with sales for the year 2015 asset turnover stood at 0.48 times (2014: 0.70 times) due to a decline in commission income, and services. The economic downturn made asset turnover decrease from the previous year.

#### ▶ Ratio of total assets to shareholders' equity

This ratio represents the ratio of debt to capital sources for the year 2015. The total assets to shareholders equal to 2.43 times (2014: 3.11 times) a decline from the previous year. During the year the Company made a capital increase which increased shareholders' equity. Current assets also decreased.

## FINANCIAL POSITIONS

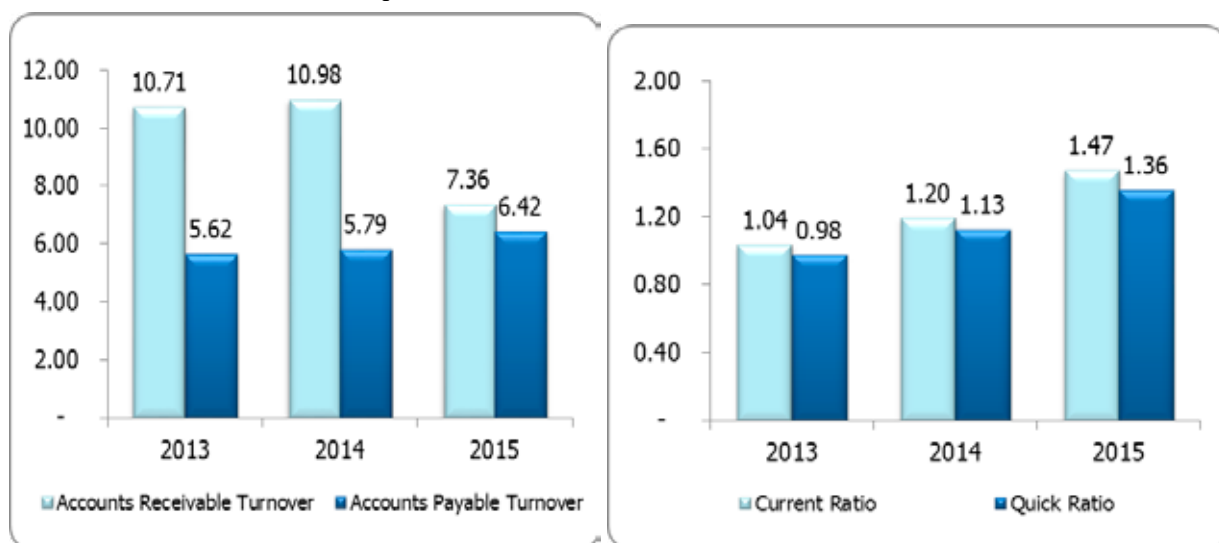
As at 31 December 2015 the Group had cash and cash equivalents and short-term investments amounted to 143.17 million baht, representing 27.26 of total assets (2014 : 93.95 million baht, representing 16.43 of total assets), up from the year 2014 in the amount of 49.22 million baht, an increase of 52.39 percent.

The quality of assets in the year 2015 is considered in the allowance for impairment as follows.

1. The allowance for impairment for investment for the subsidiary and the shareholders capital deficiency.
2. Allowance for loss in subsidiaries. The Company has transferred some business to its subsidiary, Chuo Senko Advertising (Thailand) Co., Ltd. which suffered losses this year. We expect the company have a burden to help financially.

Allowance for doubtful accounts, while the average collection period is approximately 30-50 days, while the credit policy of the Group is estimated at 30 days, therefore ageing analysis is done for a portion of accounts receivable, (see the notes to the financial statements for the year 2015 No. 4)

The liquidity of the Group can be determined from the current ratio and quick ratio in 2015. The quick ratio increased due to a decrease in current liabilities most of the debt settlement and an increase in cash from the capital increase during the year. The current ratio of the Group for the year 2015 was 1.47 times (2014: 1.20 times) and quick ratio for 2015 was 1.36 times (2014: 1.13 times).



## CAPITAL RESOURCES

In 2015, the Group's ratio of shareholders' equity equaled 1.43 times (2014: 2.11 times), down from the previous year by analyzing the sources of funding are as follows:

The group's sources of debt funding most of the liabilities from operations and non-interest-bearing liabilities consisting of accounts payable and other payables, including 160.72 million baht representing 51.96 percent of total liabilities (2014: 218.55 million baht representing 56.28 percent of total liabilities), which decreased from the year 2014 by 57.83 million baht. While advances received from customers were 59.54 million baht representing 19.25 percent of total liabilities (2014: 75.15 million baht representing 19.35 percent of total liabilities) decreased by 15.61 million baht, representing a decrease of 20.77 percent and accrued costs of 4.83 million baht or 1.56 per cent of total liabilities (2014: 17.36 million baht, representing 4.47 percent of total liabilities) decreased by 12.53 million baht, down 72.18 percent.

During the normal course of advertising business, when the Company receives an advertising project from clients, some work must be carried out by specialist vendors; therefore the Company has to make the payment to these companies prudently, creating a cash drain. As soon as the project has been completed, the Company can bill and collect its debts from clients. Thus, the balance of current liabilities is higher than in other industries. The said current liabilities included trade creditors and a high proportion of amounts due to related companies. By determining the debts structure in terms of current liabilities and non-current liabilities, it will be indicated that current liabilities is relatively high because the nature of the advertising business operations requires high working capital.

The ratio of short-term liabilities of the Group's debt is mainly held as operating working capital, which accounted for 48.05 percent of total assets, so the source of the funds should only be considering for interest-bearing liabilities. The ratio of interest bearing debt to equity holders of the share was only 0.04 percent (2014: 0.04 times) demonstrates the minimal use of funding from the debt (Financial Leverage) for the Group.

**CASH FLOWS**

The Groups' cash flow consists of the net cash flow from (used in) the following activities.

	(Unit: Baht million)		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Cash flow from operating activities	(94.58)	(146.53)	(44.44)
Cash flow from investing activities	(13.58)	(6.31)	18.32
Cash flow from financing activities	<u>153.56</u>	<u>41.98</u>	<u>(9.37)</u>
Net	45.40	(110.86)	35.49)
Decrease in translation adjustments	<u>3.82</u>	<u>0.72</u>	<u>3.55</u>
Net cash increase (decrease)	<u>49.22</u>	<u>(110.14)</u>	<u>31.94)</u>

- **Cash flows from operations Activities:**

In 2015, cash flow from operating activities amounted to 94.58 million baht (in 2014, cash flow used by operating activities was 146.53 million baht) in cash earnings for the year, adjusted by non-cash items. The adjustments include recognizing depreciation and amortization of 9.51 million baht, an allowance for loss from impairment of long-term investments amounting to 2 million baht, and an allowance for loss on impairment of other assets of 7.88 million baht, loss on disposal and write-off amounting to 4 million baht, provision for employee benefit of 4.58 million baht, share of loss from investments in associated companies amounted to 1.76 million baht and expenses, interest expenses of 1.97 million baht. On the other side is major adjustments subtracted Reversal of allowance for doubtful accounts in the amount of 5.43 million baht gain on disposal of investment in subsidiaries amounting to 23.10 million baht profit from the exchange rate is not the actual number of 1.63 million baht and interest income and dividends of 2.60 million baht million baht. The cash flow decreased by 104.00 million baht.

Although cash flow from operating activities from the net working capital of 29.31 million baht in assets resulting from operations increased by 103.29 million baht, the cash flow derived from operations and operating liabilities decreased by 73.98 million baht, which is a source of cash flow. The Group's cash flow is paid out to the employee benefits of 2.08 million baht and income tax of 17.15 million baht, resulting in net working capital, the cash used by operating activities.

- **Cash flow from investing activities:**

The Group Company is a business group, the capital expenditure consists mainly of buying new assets to replace the old expired assets or to increase performance providing financial support to its subsidiaries for liquidity operations and investments in subsidiaries or joint ventures with reputable companies and expertise in the advertising business, which in 2015, the Group's cash flow used in investing activities of Baht 13.58 million (In 2014, cash flow used by investing activities amounted to Baht 6.31 million), mainly due to the acquisition and loans to individuals and others for business interests together.

- **Cash flow from financing activities:**

In 2015, cash flow from financing activities increased by 153.56 million baht (In 2014 Cash flow provided by financing activities amounted to 41.98 million baht) by the year 2015, the Company had a capital increase of 168.75 million baht and paid dividend payment of Baht 13.49.



## BOARD OF DIRECTOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the consolidated financial statements of Chuo Senko (Thailand) Public Company Limited and its subsidiaries and the company financial statements of Chuo Senko (Thailand) Public Company Limited, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, on consistent basis, using careful judgment and their best estimation. Important information is adequately and transparently disclosed in the note to financial statements to the Company's shareholders and investors.

The Board of Directors has provided and maintained a risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, with integrity and adequate to protect its assets and uncover weaknesses in order to prevent fraud or materially irregular operation.

In this regard, the Audit Committee is responsible for reviewing the accounting policy and financial reports, internal controls, internal audit and risk management systems. Comments on these issues have been included in the Audit Committee Report which is presented in this annual report.

The consolidated financial statements of the Company and its subsidiaries and the company financial statements have been examined by an external auditor, ANS Audit Co., Ltd. In conducting their audit and to express an opinion in accordance with generally accepted auditing standards, the Company has supported them with all of the Company's records and related data. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors believes that the Company's overall internal control system has functioned up to a satisfactory level and rendered credibility and reliability to the consolidated financial statements of Chuo Senko (Thailand) Public Company Limited and its subsidiaries and the company financial statements of Chuo Senko (Thailand) Public Company Limited for the year ended 31 December 2015, that they have been prepared according to generally accepted accounting principles and related regulations.



(Mr. Katsuyuki Mizumachi)  
Chairman



(Mr. Haruhiko Shin)  
President & CEO

# AUDIT COMMITTEE REPORT

## Audit Committee Report

The Committee had performed according to the assignment from the Board of Directors. The Committee conducted as independent. The Committee has focused on the good corporate governance, including duties as assigned, trustful, reliable, fair, audited or certified, balance for the benefit which not only shareholders but also to employees and other stakeholders.

Major activities performed by the Committee were as follows:

1. **Financial Statements:** Reviewed quarterly and annual financial statements for the year 2015, regarding the disclosure of significant information rendered by the Internal Audit Department, the External Auditor and the Management, to ensure the accuracy, reliability, and adequacy presented in accordance with the general accepted accounting principles. On Behalf of the Audit Committee would like to informed the significant matters for consideration as follows:-

In May 2015, the Company PT Chuo Senko Consultant provides financial assistance to company PT Citra Komunikasi of 1.2 million US dollar for support an operating the project under the new Service entrustment agreement.

In October 2015 the company provides loan to a subsidiary in Singapore, for invest in the Chuo senko India, amounted 12.48 million baht (350,000 US dollars).

As at September 30, 2558 financial statements of Company had set aside the provision for investments in convertible bonds from investments in Chuo Senko Advertising India private limited (CSI) fully value in the amount of Baht 25.54 million (Rupees 49.53 million), according to the consensus opinion of the auditors and the audit committee.

2. **Internal Control and Internal Audit:** Reviewed and assessing internal control and internal audit works and considering audit findings or issues raised by the external auditor and internal audit department. Assessing the independence of internal audit department and approving audit plan, key performance indicators of auditing, reviewed and acknowledged internal audit result, followed up management actions and progresses of internal and external audit findings and recommendations and reviewed and updated the Internal Audit Charter.
3. **Regulatory Compliance:** Reviewed that the efficiency abided by the SEC and SET rules and regulations, other related laws, the Company's good corporate governance and Code of Ethics Policies, through coordination with Management and Internal Audit Department. And auditors The Audit Committee has worked with the auditor in the framework of governance, with the substance over form as key principle, Audit Committee 's raised serious concern to the board and the management on the related parties and connected transactions.

4. **External Auditor (CPA):** Considered and recommended the appointment of external auditor and their audit fee for the year 2015. The Committee, in coordination with the Internal Audit Department and the Management, considered the independence and the qualities of the audit skill and approved the audit fee and recommended to appointment Mr. Atipong AtipongSakul Certified Public Accountant No. 3500 of ANS Audit Company Limited as an external auditor. For the year 2015, the Committee conducted 2 meeting with the External Auditor.
5. **Corporate Government Policy:** Reviewed and assessed the appropriateness of the Company's corporate governance policy, laws, and relevant regulations and code of conducts.

On behalf of the Audit Committee



Mr. Wirash Kanchanapibul  
Chairman of Audit Committee  
23 March 2016

# FINANCIAL STATEMENTS

## **To the Shareholders and the Board of Directors of**

### **Chuo Senko (Thailand) Public Company Limited and its subsidiaries**

I have audited the accompanying consolidated and separate financial statements of Chuo Senko (Thailand) Public Company Limited and its subsidiaries, and of Chuo Senko (Thailand) Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2015, and the related consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of Chuo Senko (Thailand) Public Company Limited and its subsidiaries and of Chuo Senko (Thailand) Public Company Limited respectively as at December 31, 2015, and the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**Emphasis of Matter**

I draw attention to the following Notes to financial statements:

1. As discussed in Note 1, Note 5 and Note 9 to the consolidated financial statements, the Company changed its business structure and, therefore, has significant transactions with its related companies. The effects of these transactions were reflected in the financial statements on the basis determined by the Company and the related companies. In addition, on September 21, 2015, a subsidiary disposed of its investment in Ad-Asia Company Limited at Baht 1 resulting in a loss on disposal of Baht 0.11 million in the consolidated statement of profit and loss. The consolidated financial statements for the year ended December 31, 2015 still include the accounts of Ad-Asia Company Limited.
2. As discussed in Note 5.5 to the consolidated financial statements, the Company has certain transactions with its shareholders.
3. As discussed in Note 6 to the consolidated financial statements, cash on hand in the amount of USD 140,000 (Baht 4.97 million) in the consolidated financial statements as at December 31, 2015 represents cash of a common control subsidiary, Ad-Asia Company Limited. These funds were transferred from the Company to support its subsidiaries in Myanmar in the form of cash through Ad-Asia Company Limited. Such cash is being held by a related person.
4. As discussed in Note 9.1 and Note 11 to the consolidated financial statements, on October 26, 2015, the Company provided a loan to Ad Asia Advertising (S) Pte Ltd. "AAS", a subsidiary, in the amount of USD 350,000. Such subsidiary entered into a loan agreement with the Company in order to re-lend this amount to Ad India Pte Ltd. "AIS" for the purpose of raising capital in Chuo Senko Advertising India Pvt Ltd. "CSI" by the same amount (equivalent to 22,514,980 rupees). According to the loan agreement between AAS and AIS, AIS has placed the shares in CSI as collateral.

On November 5, 2015, the subsidiary, Chuo Senko India Advertising India Pvt. Ltd. "CSI" increased its capital by Rupee 22,514,980 (equivalent to Baht 12.84 million). The Company did not participate the increased capital. As a result, the Company's proportion interest in the investment decreased to 8.36 percent. The change incurred a difference of Baht 11.15 million as presented in shareholders' equity.

Such a capital increase represents funds from the shareholder, Ad India Pte Ltd. "AIS", borrowed from Ad Asia Advertising (S) Pte Ltd. "AAS", a subsidiary of the Company.

5. As discussed in Note 11 to the consolidated financial statements, a subsidiary in Indonesia granted a loan in the amount of USD 1.2 million to a major customer that engages in the same business as the Company.
6. As discussed in Note 23 to the consolidated financial statements, the Company incurred certain marketing research costs and related expenses.

My conclusion is not qualified in respect of the above matters.

#### **Other Matter**

The consolidated and separate statements of financial position as at December 31, 2014 of Chuo Senko (Thailand) Public Company Limited and its subsidiaries, and of Chuo Senko (Thailand) Public Company Limited, respectively which have been presented herewith for comparative purposes were audited by previous auditor, whose report dated February 27, 2015 expressed an unqualified opinion.

Atipong AtipongSakul

Certified Public Accountant Registration Number 3500

ANS Audit Company Limited

Bangkok, February 25, 2016



## STATEMENTS OF FINANCIAL POSITION

Chuo Senko (Thailand) Pubublic Company Limited and its Subsidiaries

As at December 31, 2015

		Unit: Baht			
		Consolidated Financial Statements		Separated Financial Statements	
Notes		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	143,170,715.50	93,952,680.10	85,517,595.11	21,205,902.56
Trade and other receivables					
Trade receivables - net - others	7	155,926,074.53	136,478,505.69	904,825.45	62,667,223.71
- related companies	5.1	-	-	1,793,480.44	3,137,061.27
Unbilled receivables		23,693,993.56	134,206,022.22	1,834,863.12	64,892,167.68
Other receivables - others	7	16,758,567.85	14,315,798.64	1,481,891.46	2,579,180.31
- related companies	5.1	2,493,768.01	721,338.16	30,227,710.72	9,677,673.81
Current portion of long-term loans to related parties	5.2	747,500.00	820,426.64	18,313,685.32	14,328,908.95
Current portion of long-term loans to other company	11	9,300,020.70	9,936,316.86	-	-
Other current assets	8	19,122,623.59	12,034,175.74	1,777,248.83	6,599,086.21
<b>Total Current Assets</b>		<b>371,213,263.74</b>	<b>402,465,264.05</b>	<b>141,851,300.45</b>	<b>185,087,204.50</b>
<b>NON-CURRENT ASSETS</b>					
Investment in associated company	9.1	2,617,737.62	2,504,676.22	2,000,000.00	2,000,000.00
Investment in subsidiary - net	9.1	-	-	68,160,841.14	90,331,868.41
Other long-term investments	10	1,862,500.00	3,778,125.00	1,862,500.00	1,778,125.00
Investment in convertible bond of subsidiary company	9.2	-	-	25,171,146.01	27,037,856.01
Long-term loans to related parties	5.2	1,069,400.00	1,146,900.00	44,312,516.25	35,185,659.70
Long-term loans to other company	11	31,016,335.28	29,800,537.09	-	-
Equipment - net	12	21,894,775.73	22,641,477.36	10,125,722.37	15,677,363.02
Intangible assets - net	13	3,609,048.92	1,750,293.10	3,225,088.63	1,671,645.96
Deferred income tax assets	18	11,854,946.96	16,382,371.60	4,433,222.80	16,382,371.60
Other non-current assets					
Restricted bank deposits	27.2	46,630,000.00	46,500,000.00	46,630,000.00	46,500,000.00
Withholding tax		18,942,988.18	32,296,155.65	8,429,154.21	30,462,340.43
Others		14,533,631.40	12,660,400.29	10,734,541.83	10,343,685.03
<b>Total non-current assets</b>		<b>154,031,364.09</b>	<b>169,460,936.31</b>	<b>225,084,733.24</b>	<b>277,370,915.16</b>
<b>Total assets</b>		<b>525,244,627.83</b>	<b>571,926,200.36</b>	<b>366,936,033.69</b>	<b>462,458,119.66</b>

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF FINANCIAL POSITION

Chuo Senko (Thailand) Pubpublic Company Limited and its Subsidiaries

As at December 31, 2015

		Unit: Baht			
		Consolidated Financial Statements		Separated Financial Statements	
Notes		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
LIABILITIES AND SHAREHOLDER'S EQUITY					
CURRENT LIABILITIES					
Trade and other payables					
		140,105,419.11	200,973,012.63	3,009,406.55	103,764,122.17
	- related companies	5.3	-	1,502,962.66	532,684.95
	Other payables - others	14	20,617,304.74	17,147,745.00	5,508,018.99
	- related companies	5.3	-	428,000.00	11,029,803.36
					747,859.71
	Advances received from customers		59,535,793.53	75,154,499.54	2,569,251.11
					57,589,903.26
	Accrued costs		4,834,393.53	17,363,559.46	315,404.72
					5,875,006.45
Current portion of liabilities under financial					
	lease agreements	15	2,476,640.24	2,448,832.03	1,588,829.18
					1,894,419.08
	Corporate income tax payable		221,629.26	32,488.33	-
					-
	Other current liabilities	16	24,598,874.74	23,190,582.94	4,917,587.54
					11,458,864.78
Total current liabilities			252,390,055.15	336,738,719.93	30,441,264.11
					190,680,992.21
NON-CURRENT LIABILITIES					
Convertible Bond					
			798,063.00	807,063.38	-
					-
	Liabilities under financial lease agreements - net	15	5,151,007.03	4,795,148.65	3,206,319.48
					4,795,148.65
	Employee benefit obligations	17	45,592,965.01	41,783,858.01	18,166,114.00
					41,783,858.01
	Provision for long-term demolition		4,000,000.00	4,000,000.00	4,000,000.00
					4,000,000.00
	Deferred income tax liabilities	18	166,062.15	130,212.10	141,000.00
					124,125.00
	Reserve losses in subsidiaries	23	-	-	55,161,590.73
					-
	Other non-current liabilities		1,239,234.55	42,376.60	42,376.61
					42,376.61
Total non-current liabilities			56,947,331.74	51,558,658.74	80,717,400.82
					50,745,508.27
Total liabilities			309,337,386.89	388,297,378.67	111,158,664.93
					241,426,500.48

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF FINANCIAL POSITION

Chuo Senko (Thailand) Pubublic Company Limited and its Subsidiaries

As at December 31, 2015

		Unit: Baht			
		Consolidated Financial Statements		Separated Financial Statements	
	Notes	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>LIABILITIES AND SHAREHOLDER'S EQUITY (CONTINUED)</b>					
SHAREHOLDERS' EQUITY					
Share capital - Baht 5 each					
Registered					
Ordinary share 45,000,000 shares					
(December 31, 2014 : Common shares					
22,500,000 shares)	19	225,000,000.00	112,500,000.00	225,000,000.00	112,500,000.00
Issued and paid up					
Ordinary share 45,000,000 shares					
(December 31, 2014 : Common shares					
22,500,000 shares)		225,000,000.00	112,500,000.00	225,000,000.00	112,500,000.00
Premium on capital share		80,962,500.00	24,712,500.00	80,962,500.00	24,712,500.00
Surplus from change in proportion of interest					
in subsidiary company	9.1	11,152,734.36	-	-	-
Retained earnings (deficit)					
Appropriated - Legal reserve	20	11,250,000.00	11,250,000.00	11,250,000.00	11,250,000.00
Unappropriated		(73,337,471.50)	48,104,523.32	(61,999,131.24)	72,072,619.18
Other components of equity		(6,069,098.53)	(7,600,934.60)	564,000.00	496,500.00
Total Equity of the parent		248,958,664.33	188,966,088.72	255,777,368.76	221,031,619.18
Non - controlling interests	9.1	(33,051,423.39)	(5,337,267.03)	-	-
Total shareholders' equity		215,907,240.94	183,628,821.69	255,777,368.76	221,031,619.18
<b>Total liabilities and shareholders' equity</b>		<b>525,244,627.83</b>	<b>571,926,200.36</b>	<b>366,936,033.69</b>	<b>462,458,119.66</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Chuo Senko (Thailand) Pubpublic Company Limited and its Subsidiaries  
As at December 31, 2015

		Unit: Baht			
		Consolidated Financial Statements		Separated Financial Statements	
		2015	2014	2015	2014
	Notes	"RESTATE"		"RESTATE"	
<b>REVENUE</b>	5.4, 22, 23				
Commission and services income		254,295,134.49	402,271,491.43	39,577,686.65	299,306,551.98
Gain on sales of fixed assets		714,787.79	258,022.38	792,359.24	252,857.72
Gain on sales of investments in subsidiary	9.1	23,102,363.70	-	23,209,555.28	-
Gain on sale of short-term investment		-	1,474,162.29	-	1,474,162.29
Management fee		362,530.46	313,975.10	72,183,358.89	17,200,997.83
Other income		13,330,359.63	6,092,703.72	11,099,576.73	5,812,235.03
Total revenues		291,805,176.07	410,410,354.92	146,862,536.79	324,046,804.85
<b>EXPENSES</b>					
Cost of sales and services		181,379,295.49	162,612,690.77	20,400,373.74	113,584,066.15
Administrative expenses		210,101,076.10	237,477,389.99	103,062,185.31	165,729,779.07
Provision for investment in subsidiaries	9.1	-	-	24,902,229.91	2,999,700.00
Provision for loss in subsidiaries	23	-	-	76,171,146.01	-
Allowance for doubtful account of subsidiary receivable	5.1	-	-	33,161,573.26	2,894,568.88
Loss on sales of investment in subsidiary	9.1	-	2,983,000.00	-	-
Financial costs		1,969,407.27	1,628,537.24	855,186.59	1,548,442.50
Total expenses		393,449,778.86	404,701,618.00	258,552,694.82	286,756,556.60
Share of loss on investment in associates		1,757,823.80	514,920.92	-	-
Profit (loss) before income tax		(103,402,426.59)	5,193,816.00	(111,690,158.03)	37,290,248.25
Income tax	18	9,559,196.30	8,168,327.92	8,888,792.39	6,417,362.25
<b>NET PROFIT (LOSS) FOR THE YEARS</b>		(112,961,622.89)	(2,974,511.92)	(120,578,950.42)	30,872,886.00
Other comprehensive income (loss) :					
<i>Items that will not be reclassified to profit or loss</i>					
Gain (loss) on actuarial assumptions		-	1,539,741.61	-	1,539,741.61
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of financial statements		1,464,336.07	(1,589,869.31)	-	-
Gain (loss) on changes in value of available-for-sale investments		67,500.00	(866,388.85)	67,500.00	(866,388.85)
Other comprehensive income (loss) for the years		1,531,836.07	(916,516.55)	67,500.00	673,352.76
Total comprehensive income (loss) for the years		(111,429,786.82)	(3,891,028.47)	(120,511,450.42)	31,546,238.76
<b>Total income (loss) attributable to</b>					
Owners of the parent		(107,949,194.82)	11,722,195.58	(120,578,950.42)	30,872,886.00
Non-controlling interest		(5,012,428.07)	(14,696,707.50)	-	-
		(112,961,622.89)	(2,974,511.92)	(120,578,950.42)	30,872,886.00
<b>Total comprehensive income (loss) attributable to</b>					
Owners of the parent		(106,417,358.75)	10,805,679.03	(120,511,450.42)	31,546,238.76
Non-controlling interest		(5,012,428.07)	(14,696,707.50)	-	-
		(111,429,786.82)	(3,891,028.47)	(120,511,450.42)	31,546,238.76
<b>BASIC EARNING (LOSS) PER SHARE</b>					
Earnings (loss) per share of the Equity holders of the parent	22	(3.01)	0.57	(3.36)	1.51
Number of weighted average ordinary shares (share)		35,876,713	20,404,110	35,876,713	20,404,110

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN DHAREHOLDER'S EQUITY

Chuo Senko (Thailand) Pubpublic Company Limited and its Subsidiaries

As at December 31, 2015

Unit: Baht												
Consolidated Financial Statements												
	Retained earnings (Deficit)				Other components of equity							
	Issued and paid-up share capital	Premium on capital share	Surplus on capital from change in proportion of interest in subsidiary company	Appropriated - Legal reserve	Unappropriated	Exchange differences on translation of financial statements	Gain (loss) on actuarial assumptions	Gain (loss) on changes in value of available-for-sale investments	Other comprehensive income (loss)			
									Gain (loss) on components of shareholders' equity	Total other components of equity attributable to owners of the Company	Non Controlling Interest	
Notes												Total
	56,250,000.00	24,712,500.00	-	5,625,000.00	52,838,296.13	(6,807,565.29)	-	1,362,888.85	(5,144,676.44)	134,281,119.69	(422,683.67)	133,858,436.02
19	56,250,000.00	-	-	-	-	-	-	-	-	56,250,000.00	3,404,718.18	59,654,718.18
	-	-	-	-	-	-	-	-	-	-	6,377,405.96	6,377,405.96
	-	-	-	-	1,539,741.61	-	(1,539,741.61)	-	(1,539,741.61)	-	-	-
	-	-	-	-	11,722,195.58	(1,589,869.31)	1,539,741.61	(866,388.85)	(916,516.55)	10,805,679.03	(14,696,707.50)	(3,891,028.47)
20	-	-	-	5,625,000.00	(5,625,000.00)	-	-	-	-	-	-	-
	-	-	-	-	(12,370,710.00)	-	-	-	-	(12,370,710.00)	-	(12,370,710.00)
	112,500,000.00	24,712,500.00	-	11,250,000.00	48,104,523.32	(8,097,434.60)	-	496,500.00	(7,600,934.60)	188,966,088.72	(5,337,267.03)	183,628,821.69
	112,500,000.00	24,712,500.00	-	11,250,000.00	48,104,523.32	(8,097,434.60)	-	496,500.00	(7,600,934.60)	188,966,088.72	(5,337,267.03)	183,628,821.69
19	112,500,000.00	56,250,000.00	-	-	-	-	-	-	-	168,750,000.00	12,674,184.85	181,424,184.85
	-	-	-	-	-	-	-	-	-	-	(3,213,623.50)	(3,213,623.50)
9.1	-	-	-	-	-	-	-	-	-	-	(21,009,555.28)	(21,009,555.28)
9.1	-	-	11,152,734.36	-	-	-	-	-	-	11,152,734.36	(11,152,734.36)	-
	-	-	-	-	(107,949,194.82)	1,464,336.07	-	67,500.00	1,531,836.07	(106,417,358.75)	(5,012,428.07)	(111,429,786.82)
21	-	-	-	-	(13,492,800.00)	-	-	-	-	(13,492,800.00)	-	(13,492,800.00)
	225,000,000.00	80,962,500.00	11,152,734.36	11,250,000.00	(73,337,471.50)	(6,633,098.53)	-	564,000.00	(6,069,098.53)	248,958,664.33	(33,051,423.39)	215,907,240.94

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN DHAREHOLDER'S EQUITY

Chuo Senko (Thailand) Public Company Limited and its Subsidiaries

As at December 31, 2015

Unit: Baht

	Separated Financial Statements							
	Retained earnings (Deficit)			Other components of equity				
	Issued and paid - up share capital	Premium on capital share	Appropriated - Legal reserve	Unappropriated	Gain (loss) on actuarial assumptions	Gain (loss) on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total
Notes								
<b>Balance as of January 1, 2014</b>	56,250,000.00	24,712,500.00	5,625,000.00	57,655,701.57	-	1,362,888.85	1,362,888.85	145,606,090.42
<b>Changes in equity for the year:</b>								
Share increase	56,250,000.00	-	-	-	-	-	-	56,250,000.00
Transferred to retained earnings	-	-	-	1,539,741.61	(1,539,741.61)	-	(1,539,741.61)	-
Comprehensive income (loss) for the year	-	-	-	30,872,886.00	1,539,741.61	(866,388.85)	673,352.76	31,546,238.76
Transfer to Unappropriated retained earnings	-	-	5,625,000.00	(5,625,000.00)	-	-	-	-
Dividend Paid	-	-	-	(12,370,710.00)	-	-	-	(12,370,710.00)
<b>Balance as of December 31, 2014</b>	112,500,000.00	24,712,500.00	11,250,000.00	72,072,619.18	-	496,500.00	496,500.00	221,031,619.18
<b>Balance of January 1, 2015</b>	112,500,000.00	24,712,500.00	11,250,000.00	72,072,619.18	-	496,500.00	496,500.00	221,031,619.18
<b>Changes in equity for the year:</b>								
Share increase	112,500,000.00	56,250,000.00	-	-	-	-	-	168,750,000.00
Comprehensive income (loss) for the year	-	-	-	(120,578,950.42)	-	67,500.00	67,500.00	(120,511,450.42)
Dividend Paid	-	-	-	(13,492,800.00)	-	-	-	(13,492,800.00)
<b>Balance as of December 31, 2015</b>	225,000,000.00	80,962,500.00	11,250,000.00	(61,999,131.24)	-	564,000.00	564,000.00	255,777,368.76

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

Chuo Senko (Thailand) Pubublic Company Limited and its Subsidiaries

As at December 31, 2015

	Unit: Baht			
	Consolidated Financial Statements		Separated Financial Statements	
	2015	2014	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>				
Net profit (loss) before income tax for the years	(103,402,426.59)	5,193,816.00	(111,690,158.03)	37,290,248.25
Adjustments to reconcile comprehensive net profit (loss) to - net cash provided by (used in) operating activities				
Depreciation and amortization	9,509,887.79	10,327,061.65	5,564,477.37	8,558,782.31
Provision for doubtful accounts increase (decrease)	(5,430,954.52)	18,716.58	(337,700.00)	1,888,199.24
Loss on impairment of other long-term investments	2,000,000.00	-	-	-
Impairment loss on other assets	7,877,948.54	19,997.70	7,049,747.99	-
(Gain) loss on sales of investment in subsidiary	(23,102,363.70)	2,983,000.00	(23,209,555.19)	-
Loss from impairment of investment in subsidiary	-	-	24,902,229.91	2,999,700.00
Reserve losses in subsidiaries	-	-	76,171,146.01	-
Allowance for doubtful account of subsidiary receivable	-	-	33,161,573.26	-
Loss from disposal and write off on intangible assets	469,070.79	-	-	-
Gain (loss) from disposal and write off on fixed assets	3,997,786.11	(257,961.38)	(792,276.98)	(252,796.72)
Gain on short-term investments	-	(1,474,162.29)	-	(1,474,162.29)
Provision for employee benefit obligations	4,582,611.00	4,689,807.96	1,355,129.00	4,689,807.96
Unrealized (gain) loss on exchange rate	(1,630,462.37)	1,245.03	(2,504,169.08)	(490,462.74)
Share of loss from investment in associated companies	1,757,823.80	514,920.92	-	-
Dividend received	(39,187.50)	(44,062.50)	(39,187.50)	(44,062.50)
Interest income	(2,556,254.14)	(3,172,329.91)	(2,165,347.52)	(2,779,060.52)
Gain on sales of assets to subsidiary	-	-	(3,835,025.69)	-
Financial costs	1,969,407.27	1,628,537.24	855,186.59	1,548,442.50
Net income (loss) from operations before changes of - operating assets and liabilities	(103,997,113.52)	20,428,587.00	4,486,070.14	51,934,635.49
Changes in operating assets and liabilities				
Operating assets (increase) decrease				
Trade and other receivables	(16,042,221.70)	(1,230,167.42)	15,242,640.46	6,416,441.32
Unbilled receivables	110,512,028.67	(12,862,165.82)	63,057,304.56	(7,480,051.97)
Other current assets	(7,088,447.86)	2,509,449.44	4,821,837.38	(247,935.89)
Other non-current assets	15,912,667.51	(2,625,018.63)	17,395,041.90	(2,649,094.56)
Increase (decrease) in operating liabilities;				
Trade and other payables	(47,629,935.05)	190,616.46	(103,102,078.22)	(11,621,983.92)
Advances received from customers	(15,618,706.01)	(173,396,970.82)	(55,020,652.15)	(184,475,442.07)
Accrued costs	(12,529,165.93)	7,027,987.74	(5,784,601.73)	3,868,100.71
Other current liabilities	1,408,291.80	586,071.57	(6,541,277.34)	(17,893.83)
Other non-current liabilities	389,795.10	(1,754,946.28)	-	569.40
Cash used in operating activities	(74,682,806.99)	(161,126,556.76)	(65,445,715.00)	(144,272,655.32)
Payment of employee benefits	(2,078,318.00)	(3,108,131.37)	(577,500.00)	(3,108,131.37)
Interest paid	(664,593.27)	(475,683.20)	(493,042.59)	(395,588.46)
Income taxes refunded	17,785,898.70	34,108,632.72	17,785,898.70	34,098,401.29
Income taxes paid	(34,939,209.20)	(15,924,609.10)	(22,479,506.16)	(13,883,013.79)
Net cash used in operating activities	(94,579,028.76)	(146,526,347.71)	(71,209,865.05)	(127,560,987.65)

The accompanying notes form an integral part of these financial statements.



# STATEMENTS OF CASH FLOWS

Chuo Senko (Thailand) Pubublic Company Limited and its Subsidiaries

As at December 31, 2015

	Unit: Baht			
	Consolidated Financial Statements		Separated Financial Statements	
	2015	2014	2015	2014
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>				
Acquisition of intangible assets	(3,384,594.44)	(1,058,200.00)	(2,905,712.00)	(1,039,200.00)
Acquisition of equipment	(9,783,709.15)	(6,485,310.37)	(2,977,221.08)	(2,961,143.13)
Proceeds from sale of equipment	1,100,906.41	418,558.07	792,368.24	364,299.06
Increase in loans to other parties	(12,509,464.70)	(42,004,064.10)	-	-
Acquisition of investment in associated company	(1,978,076.69)	(3,019,597.14)	-	(2,000,000.00)
Payments of loan to related persons and parties	(984,000.00)	(86,945.69)	(24,869,210.00)	(50,438,301.14)
Advance payment to related parties	(1,739,156.33)	(600,000.00)	(3,667,023.70)	(630,150.00)
Receipt of loan repayments from related persons and parties	1,134,426.64	-	14,023,677.58	22,536,122.90
Receipt of loan repayments from others	9,437,134.80	15,401,475.76	-	-
Proceeds from sales of short term investment	-	17,917,939.06	-	17,917,939.06
Decrease (increase) in fixed deposits	(130,000.00)	8,000,000.00	(130,000.00)	8,000,000.00
Cash received from sales of investment in subsidiary	2,200,000.00	4,617,000.00	6,600,000.00	-
Investment in convertible bond of associated company	-	-	-	(13,055,359.82)
Dividend received	39,187.50	44,062.50	39,187.50	44,062.50
Acquisition of investment in subsidiaries	-	-	(6,906,202.64)	(29,554,740.00)
Payment to invest in other long-term investments	-	(2,200,000.00)	-	(200,000.00)
Interest received	3,019,718.83	2,747,382.07	2,158,912.77	2,690,748.62
Net cash used in investing activities	(13,577,627.13)	(6,307,699.84)	(17,841,223.33)	(48,325,721.95)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Convertible bond	798,063.00	807,063.38	-	-
Dividend paid	(13,492,800.00)	(12,370,710.00)	(13,492,800.00)	(12,370,710.00)
Received form increase in share capital	168,750,000.00	56,250,000.00	168,750,000.00	56,250,000.00
Repayment of liabilities under financial lease agreements	(2,496,586.64)	(2,710,166.37)	(1,894,419.07)	(1,973,971.56)
Net cash provided by financing activities	153,558,676.36	41,976,187.01	153,362,780.93	41,905,318.44
Effects of translation of financial statements	3,816,014.93	720,285.34	-	-
Increase (decrease) in cash and cash equivalents, net	49,218,035.40	(110,137,575.20)	64,311,692.55	(133,981,391.16)
Cash and cash equivalents, at beginning of the years	93,952,680.10	204,090,255.30	21,205,902.56	155,187,293.72
Cash and cash equivalents, at ending of the years	143,170,715.50	93,952,680.10	85,517,595.11	21,205,902.56

The accompanying notes form an integral part of these financial statements.

# NOTES TO FINANCIAL STATEMENTS

Chuo Senko (Thailand) Pubpublic Company Limited and its Subsidiaries

As at December 31, 2015

## 1. GENERAL INFORMATION

Chuo Senko (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in providing media buying services and advertising production services. The registered office of the Company is at 622 Emporium Tower, 18th Floor, Sukhumvit Road, Kwang Klongton, Khet Klongtoey, Bangkok.

Starting January 1, 2015, the Company has changed its business structure whereby the Company commenced to be a holding company and transferred its operating employees to Chuo Senko Advertising (Thailand) Co., Ltd which is a subsidiary company. The subsidiary carries the Company’s main business instead.

## 2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

**Basis for preparation of the consolidated financial statements**

- a) The consolidated financial statements are consolidated the accounts of Chuo Senko (Thailand) Public Company Limited (“the Company”) and the subsidiaries (“Group of companies” and “the Company and the subsidiaries”) as follows:

Company	Type of business	Country of incorporation	Shareholding (%)	
			2015	2014
Be 1 Communications Co., Ltd. (Being in liquidation)	Production and advertising services	Thailand	-	51
Chuo Senko Vietnam Design Services One Member Co., Ltd.	Production and advertising services	Vietnam	100	100
Chuo Senko (Cambodia) Holding Co., Ltd.	Production and advertising services	Cambodia	100	100
JM Chuo Senko Sdn. Bhd. (Being in liquidation)	Production and advertising services	Malaysia	-	100
PT. Chuo Senko Consultant	Business management consulting services	Indonesia	99	99
Wonder Asia Co., Ltd.	Marketing and event services	Thailand	100	100
Chuo Senko Dynamics (ROH) Co., Ltd.	Regional operating headquarter	Thailand	100	84
RDSS Co., Ltd.	Shop decoration services	Thailand	100	100
Digital DNA Co., Ltd.	Online marketing services	Thailand	100	100
Chuo Senko Myanmar Pte Ltd.	Production and advertising services	Singapore	97	84
Tangram Associates Co., Ltd.	Product & Business development consulting services	Thailand	60	60
CSF Limited	Design consultation services	Hong Kong	60	60
Chuo Senko Advertising (Thailand) Co., Ltd.	Production and advertising services	Thailand	80	100
Chuo Senko International (Thailand) Co.,Ltd. (Under Company’s control)	Production and advertising services	Thailand	30	-

Company	Type of business	Country of incorporation	Shareholding (%)	
			2015	2014
Ad-Asia Company Limited (0% Held by Chuo Senko Dynamics (ROH) Co., Ltd.)	Production and advertising services	Thailand	-	20
Ad Asia Advertising (S) Pte Ltd. (100% held by Chuo Senko Dynamics (ROH) Co., Ltd.)	Production and advertising services	Singapore	100	84
Chuo Senko Myanmar Co.,Ltd (100% held by Chuo Senko Myanmar Pte.)	Production and advertising services	Myanmar	97	84
Ad Asia Co.,Ltd. (100% held by Ad Asia Advertising (S) Pte Ltd)	Production and advertising services	Myanmar	100	84
Town Page Co.,Ltd. (100% held by Chuo Senko Myanmar Pte.)	Production and advertising services	Myanmar	97	84
Chilli Advertising Co.,Ltd. (100% held by Ad Asia Advertising (S) Pte Ltd)	Production and advertising services	Myanmar	100	84
Red Bull Co.,Ltd. (100% held by Ad Asia Advertising (S) Pte Ltd)	Production and advertising services	Myanmar	100	84
Chuo Senko India Advertising India Private Limited. (Under company's controlling)	Production and advertising services	India	8	46
Chuo Senko Philippines Inc. (40% held by CSF Limited) (Under company's controlling)	Business of event, exhibition, seminar Organizer services	Philippines	24	24

- b) Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- c) Subsidiaries are fully consolidated as from 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) Assets and liabilities denominated in foreign currencies in the financial statement of the subsidiary are translated into Thai Baht at exchange rates at the end of reporting period. Revenue and expenses are translated into Thai Baht at exchange rates using monthly average exchange rates. The difference from currency translation is presented in "Difference on exchange rate from currency translation" in the Statements of Changes in Shareholders' Equity.

- f) Material balances and transactions between the Company and its subsidiaries 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.

The separate financial statements are prepared for public interest and present the investments in subsidiaries under the cost method.

### **New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiaries. However, some of these standards involve changes to key principles, which are summarized below:

#### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognize such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognize them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and brought forward retained earnings in the financial statements.

**IFRS 10 Consolidated Financial Statements**

IFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company and its subsidiaries' financial statements.

**IFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

**IFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

**(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

### 3. Significant accounting policies

#### Revenue recognition

Service income is recognised when services are completed and invoiced. Service income is stated at the invoiced amount, excluding costs, output tax and discounts.

Commission income is recognised when media placements appeared and invoiced. Commission income is stated at the invoiced amount, after deducting costs.

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

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

#### 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.

#### Trade accounts receivable

Trade 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.

#### Investments

Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

Investments in subsidiaries are accounted for in the separate financial statements using the cost method. The Company performs impairment reviews in respect of the investment whenever there is an indication that it may be impaired.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and their fair value on the date of reclassification are recorded in profit or loss or recorded as surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### Building improvements and equipment/Depreciation

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



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

Building improvements	6 year
Furniture, fixtures and office equipment	3 – 5 year
Vehicles	5 year
Demolition costs	Term of lease

Depreciation is included in determining income.

An item of building improvements 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.

### **Intangible assets**

Intangible assets are carried at cost less any accumulated amortisation and any accumulated 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:

Computer software	3 – 10 years
Patents	3 years
Expenditure on acquired website fee	3 years

### **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 operations of the Company and its subsidiaries.

**Long-term leases**

Leases of buildings and 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 other long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

**Employee benefits***Short-term benefits*

The Group recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

The Company and its subsidiaries, and its 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 contributions of the Company and its subsidiaries are expenses when incurred.

*Post-employment benefits – defined benefit plan*

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 benefits plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The employee benefits liabilities in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognizes actuarial gains or losses in the other comprehensive income and loss in the period in which they arise.

**Foreign currencies***Functional and presentation currency*

The financial statements of each entity within the Group are presented in the functional currency which is the currency of the primary economic environment in which the entity operates. The financial statements of the Group are presented in the presentation currency as Thai Baht in accordance with the regulatory requirements in Thailand.

*Foreign currency transactions*

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Gain or loss on translating is recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies at the end of reporting period date are translating into the functional currency using the exchange rate at the date of transaction.

*Translation of the Group's financial statements*

The financial statements of the Group are translated into the presentation currency using the following exchange rate:

- The Group's assets and liabilities are translated at the closing rate as at the end of reporting period date.
- The Group's revenues and expenses are translated at the average exchange rates during the periods which are approximate the exchange rates at the dates of transactions; and
- Share capital is translated at historical rates.

Exchange differences on translating financial information are recognized in the other comprehensive income and presented in the exchange differences as a separate component of shareholders' equity until the disposal of the foreign operation.

**Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **Basic earnings (loss) per share**

Basic earnings (loss) per share are determined by dividing the net income (loss) for the year by the weighted average number of shares outstanding during the year .

#### **Segment information**

Segment information is presented in respect of the Company and subsidiaries businesses. The primary format and business segments is based on the Company's and subsidiaries' management and internal reporting structure.

### **4. Significant accounting judgments and estimates**

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

#### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment 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 judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

**Impairment of equity investments**

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

**Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the building improvements and equipment whenever events or changes in circumstances indicate that an asset may be impaired. 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.

An impairment loss is recognised in profit or loss.

**Building improvements and equipment/Depreciation**

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

In addition, the management is required to review building improvements and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

**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.

**5. Related parties transactions and balances**

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

Company	Country of incorporation	Relationship	Related by
Be 1 Communications Co., Ltd. (Liquidated)	Thailand	Subsidiary	Common shareholder and director
Chuo Senko Vietnam Design Services One Member Co., Ltd.	Vietnam	Subsidiary	Direct shareholder
Chuo Senko (Cambodia) Holding Co., Ltd.	Cambodia	Subsidiary	Direct shareholder
JM Chuo Senko Sdn. Bhd. (Liquidated)	Malaysia	Subsidiary	Direct shareholder
PT. Chuo Senko Consultant	Indonesia	Subsidiary	Direct shareholder
Wonder Asia Co., Ltd.	Thailand	Subsidiary	Common shareholder and director
Chuo Senko Dynamics (ROH) Co., Ltd.	Thailand	Subsidiary	Common shareholder and director
RDSS Co., Ltd.	Thailand	Subsidiary	Common shareholder and director
Digital DNA Co., Ltd.	Thailand	Subsidiary	Common shareholder and director
Chuo Senko Myanmar Pte Ltd.	Singapore	Subsidiary	Common shareholder and director
Tangram Associates Co., Ltd.	Thailand	Subsidiary	Common shareholder and director
CSF Limited	Hong Kong	Subsidiary	Common shareholder and director
Chuo Business Venture Co., Ltd.	Thailand	Associate	Direct shareholder
Chuo Senko Advertising (Thailand) Co., Ltd.	Thailand	Subsidiary	Common shareholder and director
Chuo Senko International (Thailand) Co., Ltd. (Under Company's control)	Thailand	Subsidiary	Common shareholder and director

Company	Country of incorporation	Relationship	Related by
Ad-Asia Company Limited (0% held by Chuo Senko Dynamics (ROH) Co., Ltd.)	Thailand	Subsidiary	Financial control
Ad Asia Advertising (S) Pte Ltd. (100% held by Chuo Senko Dynamics (ROH) Co., Ltd.)	Singapore	Subsidiary	Indirect shareholder via subsidiary
Chuo Senko Myanmar Co.,Ltd. (100% held by Chuo Senko Myanmar Pte.)	Myanmar	Subsidiary	Indirect shareholder via subsidiary and common director
Ad Asia Co.,Ltd. □ (100% held by Ad Asia Advertising (S) Pte Ltd)	Myanmar	Subsidiary	Indirect shareholder via subsidiary and common director
Town Page Co.,Ltd (100% held by Chuo Senko Myanmar Pte.)	Myanmar	Subsidiary	Indirect shareholder via subsidiary and common director
Chilli Advertising Co.,Ltd (100% held by Ad Asia Advertising (S) Pte Ltd)	Myanmar	Subsidiary	Indirect shareholder via subsidiary and common director
Red Bull Co.,Ltd. □ (100% held by Ad Asia Advertising (S) Pte Ltd)	Myanmar	Subsidiary	Indirect shareholder via subsidiary and common director
Chuo Senko India Advertising India Private Limited (Under company's controlling)	India	Subsidiary	Direct shareholder with power of control
Chuo Senko Philippines Inc (40% held by CSF Limited) (Under company's controlling)	Philippines	Subsidiary	Indirect shareholder via subsidiary and common director
Media Intelligence (Myanmar) Limited (20% held by Chilli Advertising Co.,Ltd.)	Myanmar	Associate	Indirect shareholder via subsidiary
Asian Event and Exhibition Group (Myanmar) Co., Ltd (30% held by Chilli Advertising Co.,Ltd.)	Myanmar	Associate	Indirect shareholder via subsidiary

#### **Related person and companies**

Mr. John Warrall D' Arcy Grove	The Company's shareholder/ a director of subsidiary company/an advisor for strategy of operating in the Company.
Asia Business Support Association Co., Ltd.	The Company's shareholder
Striders Corporation	The Company's shareholder



The Company had certain accounting transactions with its subsidiaries. The separate financial statements have included the results of such transactions based on the agreements between the Company and the subsidiaries. These companies are related by shareholding by the Company and having joint management.

Balance of assets, liabilities, accounting and trading transactions with subsidiaries which are presented in the statements of financial position as at December 31, 2015 and 2014 are as follows:

### 5.1 Trade and other receivables

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>Trade receivables</b>				
Trade receivable - subsidiaries	-	-	3,468,720.80	5,413,617.23
<u>Less</u> Allowance for doubtful accounts	-	-	(1,675,240.36)	(2,276,555.96)
Trade receivable - net	-	-	1,793,480.44	3,137,061.27
<b>Other receivables</b>				
Other receivables	154,611.68	721,338.16	62,910,171.53	13,486,676.73
Advances	600,000.00	-	4,297,173.70	30,150.00
Advances to director	1,739,156.33	-	-	-
Accrued interest	-	-	226,323.01	163,458.04
Total	2,493,768.01	721,338.16	67,433,668.24	13,680,284.77
<u>Less</u> Allowance for doubtful accounts	-	-	(37,205,957.52)	(4,002,610.96)
Other receivables - Net	2,493,768.01	721,338.16	30,227,710.72	9,677,673.81

As at December 31, 2015 and 2014, the Group had outstanding balances of trade receivable aged by number of months as follows:

Ages of receivable	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Not yet due	-	-	-	466,022.47
Past due:				
Less than 3 months	-	-	715,611.30	277,008.94
Over 3 months but not over 6 months	-	-	-	891,975.86
Over 6 months but not over 12 months	-	-	-	1,502,054.00
Over 12 months	-	-	2,753,109.50	2,276,555.95
Total	-	-	3,468,720.80	5,413,617.22
<u>Less</u> Allowance for doubtful accounts	-	-	(1,675,240.36)	(2,276,555.95)
Total trade receivable - net	-	-	1,793,480.44	3,137,061.27

## 5.2 Long-term loan to related parties

	Unit: Baht				
	Consolidated financial statements				
	December 31, 2014	Increase during the period	Decrease during the period	Transfer in (Transfer out)	December 31, 2015
<b>Long-term loan to related parties</b>					
Directors and employees					
The Company	1,960,665.84	600,000.00	(347,000.00)	1,365,165.84	3,578,831.68
Subsidiary	6,660.80	384,000.00	(787,426.64)	(1,365,165.84)	(1,761,931.68)
Total	1,967,326.64	984,000.00	(1,134,426.64)	-	1,816,900.00
<u>Less</u> Current portion	(820,426.64)				(747,500.00)
Total long-term loan to related person and parties - net	1,146,900.00				1,069,400.00

As at December 31, 2015 and 2014, the Group provides loans to their directors and employees according to the Group's policy.

		Unit: Baht					
		Separated Financial Statement					
	Balance as at December 31, 2014	Increase during the period	Decrease during the period	Transfer in/ (Transfer out)	Unrealized loss on exchange rate	Balance as at December 31, 2015	Agreement conditions
Long-term loan to related parties							
Subsidiaries							
PT. Chuo Senko Consultant	39,375,360.00	-	(9,843,000.00)	-	2,798,610.00	32,330,970.00	Interest rate at 3% per annum, repayment schedule is USD 0.3 million in December 2014 and USD 0.15 million for 8 periods in May and November in year 2015 to year 2018
Chuo Senko (Myanmar) Co., Ltd	959,726.81	-	(308,759.76)	-	58,970.40	709,937.45	Interest rate at 2% per annum, repayment schedule is USD 2,500 quarterly, starting in September 2014 to September 2017 for 13 periods.
Ad Asia Co., Ltd (Myanmar)	-	8,521,800.00	(426,090.00)	-	94,802.40	8,190,512.40	1st loan: Interest rate at 3% per annum. Quarterly repayment for interest only commencing September 2015 and the principle amounting to USD 100,000 shall be paid at one time payment in July 2018.
Ad Asia Advertising (S) Pte Ltd.	-	12,477,500.00	-	-	95,655.00	12,573,155.00	2nd loan: Interest rate at 3% per annum. Quarterly repayment schedule is USD 12,000 commencing in December 2015 and the last payment amount USD 8,000 in August 2018.
Chuo Senko Vietnam Design Services One Member Co., Ltd.	3,281,280.00	3,596,000.00	(3,223,140.00)	-	(61,810.00)	3,592,330.00	Interest rate at 2% per annum. The principle amounting to USD 350,000 shall be paid at one time payment in September 2018 .
Chuo Senko Philippines Inc	3,937,536.00	-	-	-	373,260.72	4,310,796.72	Interest rate at 4% per annum, repayment schedule is USD 100,000 in December 2014 and March 2015 for 2 periods.
Tangram Associates Co., Ltd.	-	100,000.00	(30,000.00)	-	-	70,000.00	Interest rate at 3% per annum, repayment schedule is USD 10,000 quarterly, starting in March 2016 to December 2018 for 12 periods.
Directors and employees	1,960,665.84	600,000.00	(347,000.00)	(1,365,165.84)	-	848,500.00	Interest rate at 3% per annum, repayment schedule is Baht 10,000 quarterly, starting in June 2015 to September 2017 for 10 periods.
Total	49,514,568.65	25,295,300.00	(14,177,989.76)	(1,365,165.84)	3,359,488.52	62,626,201.57	Company's policy
Less: Current portion	(14,328,908.95)					(18,313,685.32)	
Total Long-term loan to related persons and parties	35,185,659.70					44,312,516.25	

**5.3 Trade and Other payable**

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>Trade payable - related companies</b>				
Ad Asia Co., Ltd.	-	-	20,265.80	-
Chuo Senko Advertising (Thailand) Co., Ltd.	-	-	7,115.50	-
Digital DNA Co., Ltd.	-	-	1,475,581.36	532,684.95
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,502,962.66</b>	<b>532,684.95</b>
<b>Other payable - related companies</b>				
RDSS Co., Ltd.	-	-	-	53,500.00
Chuo Senko Advertising (Thailand) Co., Ltd.	-	-	10,372,665.65	-
Chuo Business Venture Co., Ltd.	-	428,000.00	-	428,000.00
Chuo Senko Dynamics (ROH) Co., Ltd.	-	-	-	199,127.00
Chuo Senko (Vietnam) Design Services One Member Co., Ltd.	-	-	592,130.38	-
PT. Chuo Senko Consultant	-	-	65,007.33	67,232.71
<b>Total</b>	<b>-</b>	<b>428,000.00</b>	<b>11,029,803.36</b>	<b>747,859.71</b>

**5.4 Significant Related Party Transactions**

Significant Related Party Transactions for the year ended December 31, 2015 and 2014 are as follows:

Unit: Thousands Baht					
	Consolidated		Separate financial		Inter-companies pricing policy
	financial statements		statements		
	2015	2014	2015	2014	
<b>Trading transactions with subsidiaries</b>					
Commission and advertising production income (billing)	-	-	1,433	4,559	Cost plus marginal profit
Interest income	-	-	1,464	1,181	At rate 5% per annum
Consulting and management services income	-	-	71,821	16,887	At the agreed price
Service costs	-	-	20,400	8,429	Cost plus marginal profit
Consulting and management fee	-	-	1,967	-	At the agreed price
Other expenses	-	-	134	3,532	At the agreed price
<b>Trading transactions with related company</b>					
Service costs	-	4	-	4	At the agreed price
Consulting and management services income	363	314	363	314	At the agreed price
Gain on sale of investment in subsidiary	23,210	-	23,210	-	At the agreed price
Consulting and management fee	1,395	-	1,395	-	At the agreed price
Other expenses	-	6,680	-	6,680	At the agreed price
Loss on sale of investment in subsidiary	-	2,983	-	-	At the agreed price

**5.5 Transactions with the Company's shareholders**

During the year ended December 31, 2015, the Company has the following transactions with the Company shareholders:

Rental fee paid to Striders Corporation, a shareholder of totaling Baht 2.77 million.

Expenses related to the Company shareholder who is the Company's strategic advisor.

1. Professional fee paid of Baht 4.11 million
2. Travel expenses of Baht 0.92 million.

**5.6 Management Remunerations**

The Company and its subsidiaries recorded remunerations for directors and the management for the year ended December 31, 2015 and 2014 as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Benefits – Short-term	47,177,343.79	56,702,547.17	29,260,483.82	38,245,422.50
Benefits – After retirement	3,305,960.00	3,383,965.00	1,069,617.04	3,383,965.00
Benefits – Other Long-term	1,276,654.00	1,305,843.00	285,512.00	1,305,843.00
Total	51,759,957.79	61,392,355.17	30,615,612.86	42,935,230.50

**6. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents of the Company as at December 31, 2015 and 2014 consisted of;

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Cash on hand	7,527,633.70	3,799,065.68	14,878.50	80,000.00
Cash at banks	135,643,081.80	90,153,614.42	85,502,716.61	21,125,902.56
Total	143,170,715.50	93,952,680.10	85,517,595.11	21,205,902.56

Saving accounts and Current accounts carried interest at the floating rates set by the banks.

Cash on hand of USD 140,000 (Baht 4.97 million) in the consolidated financial statements as at December 31, 2015 represents cash of a common control subsidiary, Ad-Asia Company Limited (see Note 5). The Fund has been transferred from the Company to support its subsidiaries in Myanmar via cash through Ad-Asia Company Limited. Such cash is being held by a related person.

**7. TRADE AND OTHER RECEIVABLES - NET**

Trade and other receivables - net as at December 31, 2015 and 2014 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>Trade receivable</b>				
Trade receivables - Other companies	156,711,626.67	142,695,587.83	1,690,377.59	63,452,775.85
<u>Less</u> Allowance for doubtful account	(785,552.14)	(6,217,082.14)	(785,552.14)	(785,552.14)
Total trade receivable - net	<u>155,926,074.53</u>	<u>136,478,505.69</u>	<u>904,825.45</u>	<u>62,667,223.71</u>
<b>Other receivables</b>				
Prepaid expenses	5,306,901.75	3,017,593.00	656,470.81	1,112,847.26
Accrued interest receivable	190,323.33	653,788.02	97,263.82	148,855.81
Deposit	1,341,557.41	1,136,562.65	-	25,000.00
Advance payment	2,412,426.92	2,916,793.13	452,496.94	974,541.29
Other	7,507,358.44	6,591,061.84	275,659.89	317,935.95
Total Other receivables	<u>16,758,567.85</u>	<u>14,315,798.64</u>	<u>1,481,891.46</u>	<u>2,579,180.31</u>

As at December 31, 2015 and 2014, the Company and its subsidiaries have overdue trade receivable which aging is as follows:

Ages of receivable	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Not yet due	111,154,472.20	84,205,452.23	469,772.80	34,470,353.91
Overdue				
Less than 3 months	41,857,267.41	50,141,034.77	171,200.00	27,023,758.21
Over 3 months but not over 6 months	1,069,902.77	545,597.80	-	278,097.80
Over 6 months but not over 12 months	740,410.33	112,350.00	104,432.00	112,350.00
Over 12 months	1,889,573.96	7,691,153.03	944,972.79	1,568,215.93
Total	<u>156,711,626.67</u>	<u>142,695,587.83</u>	<u>1,690,377.59</u>	<u>63,452,775.85</u>
<u>Less</u> Allowance for doubtful accounts	<u>(785,552.14)</u>	<u>(6,217,082.14)</u>	<u>(785,552.14)</u>	<u>(785,552.14)</u>
Total trade receivable - net	<u>155,926,074.53</u>	<u>136,478,505.69</u>	<u>904,825.45</u>	<u>62,667,223.71</u>



Transactions of allowance for doubtful accounts during the year ended December 31, 2015, are as follows:

	Unit: Baht	
	Consolidated financial statements	Separate financial statements
Beginning balance as at January 1, 2015	6,217,082.14	785,552.14
Increase (decrease) during the year	(5,431,530.00)	-
Ending balance as at December 31, 2015	785,552.14	785,552.14

## 8. OTHER CURRENT ASSETS

Other current assets as at December 31, 2015 and 2014 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Value Added Tax receivable	10,970,382.94	11,692,572.33	1,576,617.47	6,558,913.83
Other	8,152,240.65	341,603.41	200,631.36	40,172.38
Total	19,122,623.59	12,034,175.74	1,777,248.83	6,599,086.21

## 9. INVESTMENT IN RELATED COMPANIES

## 9.1 Investment in associated and subsidiaries

As at December 31, 2015 and 2014, the Company has invested in the associated and subsidiary company as follows:

Unit: Million Baht

Company	Country of incorporation	% of shared holding		Paid-up capital		Cost method		Book value		Dividend income	
		2558	2557	2558	2557	2558	2557	2558	2557	2558	2557
<b>Subsidiaries</b>											
Be 1 Communications Co., Ltd. <sup>1)</sup>	Thailand	-	51	-	16	-	8	-	0.12	-	-
Wonder Asia Co., Ltd.	Thailand	100	100	3	3	3	3	0.54	2.61	-	-
Chuo Senko Dynamics (ROH) Co., Ltd.	Thailand	100	84	30	30	29	25	17.99	25.29	-	-
RDSS Co., Ltd.	Thailand	100	100	3	3	3	3	(1.80)	(1.59)	-	-
Digital DNA Company Limited	Thailand	100	100	1	1	1	1	8.36	4.78	-	-
Tangram Associates Co., Ltd.	Thailand	60	60	10	10	6	6	(1.74)	(0.72)	-	-
Chuo Senko Vietnam Design Services One Member Co., Ltd.	Vietnam	100	100	22	22	16	16	7.56	11.60	-	-
Chuo Senko (Cambodia) Holding Co., Ltd.	Cambodia	100	100	-	-	-	-	2.26	3.16	-	-
JM Chuo Senko Sdn. Bhd <sup>1)</sup>	Malaysia	-	100	-	7	-	11	-	-	-	-
PT. Chuo Senko Consultant	Indonesia	99	99	6	6	6	6	15.97	9.75	-	-
Chuo Senko Myanmar PTE	Singapore	97	84	9	9	9	8	4.54	7.09	-	-
CSF Limited	Hongkong	60	60	7	3	4	2	4.77	2.80	-	-
Chuo Senko Advertising India Private Limited	India	8	46	16	3	1	1	(15.95)	(24.02)	-	-
Chuo Senko International (Thailand) Co., Ltd.	Thailand	30	-	0.3	-	-	-	0.96	-	-	-
Chuo Senko Advertising (Thailand) Co., Ltd.	Thailand	80	100	22	22	18	22	(83.05)	21.72	-	-
<b>Associated</b>											
Chuo Business Venture Co., Ltd.	Thailand	40	40	5	5	2	2	3.94	4.55	-	-
Total						98	114				
Less Loss on impairment of investments in subsidiaries						(28)	(22)				
Total investments in subsidiaries - net						70	92				

1) Liquidated

**Acquisition of Investment during the year**

During the 1<sup>st</sup> Quarter 2015, CSF Limited, registered in Hong Kong, of which the Company has held 60% of the total shares had increased in ordinary shares of 845,520 shares at a par value of HKD 1 per share. The Company had additional invested in ordinary shares of such company of 507,312 shares at a par value of HKD 1 per share for a total of HKD 507,312.00 or approximately Baht 2 million. After the increase of the investment, the Company maintains to represent 60% of the registered capital of such company.

During the 3<sup>rd</sup> Quarter 2015, the Company entered into a share purchase agreement with a shareholder partner of Chuo Senko Dynamics (ROH) Co., Ltd. to purchase 4,800 ordinary shares in Chuo Senko Dynamics (ROH) Co., Ltd. at the price Baht 780.26 per share and total amount of Baht 3,745,248.

During the 3<sup>rd</sup> Quarter 2015, the Company entered into a share purchase agreement with a shareholder partner of Chuo Senko Myanmar Pte Ltd. to purchase 400 ordinary shares in Chuo Senko Myanmar Pte. Ltd. at the price USD 65.45 per share of total amount of USD 26,180.

During the 3<sup>rd</sup> Quarter 2015, the Company invested in 300 ordinary shares of Chuo Senko International (Thailand) Co., Ltd at par value Baht 1,000 per share. The Company has paid up capital amounting to Baht 75,000.

**Sale of investments during the year**

In March 2014, Chuo Senko Dynamics (ROH) Co., Ltd. (84% of shares held by the Company) received amount of Baht 4,617,000 for sales 76,000 ordinary shares of Ad Asia Co., Ltd. (100% of shares held by Chuo Senko Dynamics (ROH) Co., Ltd.) from related person and a company. The sales and purchase agreement has been signed by all parties on August 1<sup>st</sup>, 2014. After the transaction completed, Chuo Senko Dynamics (ROH) Co., Ltd. has recorded for loss on sales on investment in subsidiary company amounting to Baht 2,983,000 in 3<sup>rd</sup> Quarter 2014 and decrease of percentage of investment from 100% to 24% of the registered capital of such company.

On September 21, 2015, Chuo Senko Dynamic (ROH) Co., Ltd. disposed its investment in Ad-Asia Co., Ltd. at Baht 1 resulting in loss on disposal of Baht 0.11 million in the consolidated statements of profit or loss.

On December 15, 2015, the Company sold investment in ordinary share of Chuo Senko Advertising (Thailand) Co, Ltd for 880,000 shares at price Baht 7.50 each. The Company has already received for fully payment amounting to Baht 6,600,000, resulting in gain on disposal of Baht 23.21 million in the consolidated statements of profit or loss.

The book value of net assets in Ad Asia Co., Ltd and Chuo Senko Advertising (Thailand) Co, Ltd as at the selling date has been presented as follows:

Unit: Baht		
	Ad Asia Co.,Ltd.	Chuo Senko Advertising (Thailand) Co.,Ltd.
	As at September 30,2015	As at December 31,2015
Cash and equivalents	8,078,060.92	19,443,991.57
Trade and other receivables	4,630,631.41	49,867,145.40
Other current assets	6,544,430.35	16,162,189.59
Equipment	229,287.59	7,212,820.52
Other non-current assets	1,329,233.50	15,538,899.95
Trade and other payables	(10,771,127.11)	(102,725,767.03)
Deposit from client	(3,981,978.70)	(51,777,120.45)
Other current liabilities	(5,608,903.35)	(8,227,087.47)
Other non-current liabilities	-	(28,542,848.47)
Net assets	449,634.61	(83,047,776.39)
Cash received	1.00	6,600,000.00
Gain (loss) on sale of investment in subsidiaries	(107,191.58)	23,209,555.28

#### Change of proportion interest in investments during the year

On November 5, 2558, the subsidiary, Chuo Senko India Advertising India Private Limited "CSI" increased capital amount of Rupee 22,514,980 (equivalent to Baht 12.84 million). The Company did not participate the increased capital. As a result, the proportion interest in investment decreased to 8.36 percent. The change incurred the difference of Baht 11.15 million as presented in shareholders' equity.

Such a capital increase represent fund from the shareholder, the Ad India Pte Ltd. "AIS", which was borrowed from the Ad Asia Advertising (S) Pte Ltd. "AAS", a subsidiary of the Company (see Note 11).

The following subsidiaries have material Non-controlling interests.

			Unit: Baht	
			December 31, 2015	
Name of subsidiaries	Type of business	Ownership interests held by NCI (percentage)	Comprehensive income	
			attributable to Non-controlling interest	Accumulated Non-controlling interest
Ad Asia Co.,Ltd.	Thai	100%	2,446,944.47	(614,282.94)
CSF Limited	Hongkong	40%	(844,317.58)	1,908,086.90
Chuo Senko Advertising India Pvt Ltd.	India	91.64%	(4,051,415.85)	(14,612,702.02)
Chuo Senko Advertising (Thailand) Co., Ltd.	Thai	20%	-	(16,609,555.28)
Chuo Senko Philippines Inc.	Philippines	76%	(2,030,057.30)	(3,138,074.33)
Other companies	-	-	(533,581.81)	15,104.28
Total			(5,012,428.07)	(33,051,423.39)

The following is summarized financial information of subsidiaries before inter-company elimination.

						Unit: Baht
		Chuo Senko Advertising India Pvt Ltd.	Chuo SenkoAdvertising (Thaialand) Co.,Ltd.	Chuo Senko Philippines Inc.	Total	
As at December 31, 2015		Ad Asia Co.,Ltd.	CSF Limited			
Current assets	16,341,115.13	6,775,937.68	20,441,745.58	85,473,326.56	22,163,893.67	151,196,018.62
Non-current assets	1,587,735.38	408,001.50	108,077.37	22,751,720.47	3,735,554.52	28,591,089.24
Current liabilities	(18,543,133.45)	(2,413,721.92)	(8,690,734.05)	(162,729,974.95)	(30,028,493.36)	(222,406,057.73)
Non-current liabilities	-	-	(27,804,857.14)	(28,542,848.47)	-	(56,347,705.61)
Net assets	(614,282.94)	4,770,217.26	(15,945,768.24)	(83,047,776.39)	(4,129,045.17)	(98,966,655.48)
Net assets attributable to						
Non-controlling interests	(614,282.94)	1,908,086.90	(14,612,702.02)	(16,609,555.28)	(3,138,074.33)	(33,066,527.67)
Other companies						15,104.28
Total						(33,051,423.39)

	Unit: Baht					
			Chuo Senko Advertising India Pvt Ltd.	Chuo Senko Advertising (Thailand) Co.,Ltd.	Chuo Senko Philippines Inc.	Total
	Ad Asia Co.,Ltd.	CSF Limited				
For the year ended December 31, 2015						
Revenues						
Net profit for the year Attributable to						
Non-controlling interests	2,446,944.47	(844,317.58)	(4,051,415.85)	-	(2,030,057.30)	(4,478,846.26)
Total other comprehensive income (loss)						
attributable to non-controlling interests	-	-	-	-	-	-
Total comprehensive income (loss) for the year	2,446,944.47	(844,317.58)	(4,051,415.85)	-	(2,030,057.30)	(4,478,846.26)
Other company						(533,581.81)
Total						(5,012,428.07)
Dividends paid to						
Non-controlling interests	-	-	-	-	-	-
Net cash provided by (used in)						
Operating activities	1,172,556.17	(7,813,474.29)	(11,451,803.39)	(1,416,196.75)	(6,439,896.66)	(25,948,814.92)
Investing activities	114,764.00	1,772,211.43	(116,646.63)	(1,169,811.68)	(508,498.92)	92,018.20
Financing activities	-	5,384,675.40	12,223,382.64	-	9,361,589.79	26,969,647.83
Cash and cash equivalents						
increase (decrease) - net	1,287,320.17	(656,587.46)	654,932.62	(2,586,008.43)	2,413,194.21	1,112,851.11

**Share of profit (loss) and dividend received**

During the year, the Company has recognised its share of profit (loss) from investment in associate company in the consolidated financial statements and dividend income in the separate financial statements as follows:

Unit: Baht				
Name of associates	Consolidated financial statement		Separate financial statements	
	Share of profit (loss) on investment in associate		Dividend received from associate	
	2558	2557	2558	2557
Chuo Business Venture Co.,Ltd.	(180,580.54)	(223,563.73)	-	-
Asian Event And Exhibition Group (Myanmar)	(135,988.03)	17,524.04	-	-
Media Intelligence (Myanmar) Ltd.	(1,441,255.23)	(308,881.23)	-	-
	(1,757,823.80)	(514,920.92)	-	-

Summarised financial information and reconciliation of the equity of the associates in the consolidated financial statements were as follows:

Unit: Baht				
	Chuo Business Venture Co.,Ltd.	Asia Event And Exhibition Group (Myanmar)	Media Intelligence (Myanmar) Ltd.	Total
<b>As at December 31, 2015</b>				
Current assets	4,387,711.66	1,107,692.38	4,306,079.48	9,801,483.52
Non-current assets	23,988.82	143,355.07	982,180.84	1,149,524.73
Current liabilities	(470,620.15)	-	(1,958,328.03)	(2,428,948.18)
Non-current liabilities	-	-	-	-
<b>Net assets of associate</b>	<b>3,941,080.33</b>	<b>1,251,047.45</b>	<b>3,329,932.29</b>	<b>8,522,060.07</b>
Percentage of shares held in associated companies	40%	30%	20%	
<b>Book value of investment in associated companies</b>	<b>1,576,432.13</b>	<b>375,314.24</b>	<b>665,991.25</b>	<b>2,617,737.62</b>
<b>For the year ended December 31, 2015</b>				
Net loss for the year	(451,451.34)	(453,293.41)	(7,206,276.16)	(8,111,020.91)
Other comprehensive income (loss) for the years	-	-	-	-
<b>Comprehensive loss for the year</b>	<b>(451,451.34)</b>	<b>(453,293.41)</b>	<b>(7,206,276.16)</b>	<b>(8,111,020.91)</b>

## 9.2 Investment in subsidiary's convertible bond

In 2013, Chuo Senko Advertising India Private Limited which is subsidiary company (under company's controlling) issued 3 years Convertible bond 275,000 units at the price 100 INR per share. The Company purchased convertible bond 260,300 shares at amount of Baht 13,982,496.19 (equivalent to 26,030,000 INR) with the interest zero rate per annum.

In 2014, Chuo Senko Advertising India Private Limited which is subsidiary company (under company's controlling) issued 3 years Convertible bond 235,000 units at the price 100 INR per share. The Company purchased 235,000 shares at amount of Baht 13,055,359.82 (equivalent to 23,500,000 INR) with the interest zero rate per annum.

Therefore, as of December 31, 2015 Chuo Senko Advertising India Private Limited had issued 510,000 units Convertible bond at the price 100 INR per unit and the total 51,000,000 INR. The Company purchased the Convertible bond total number of 495,300 units, total amount of Baht 25,171,146.01 (equivalent to 49,530,000 INR).



**10. OTHER LONG - TERM INVESTMENTS**

Other long-term investments as at December 31, 2015 and 2014 consisted of:

Company	Share Holding (%)		Unit: Baht	
	Consolidated financial statements			
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
City Sports and Recreation Public Company Limited	0.09	0.09	457,500.00	457,500.00
Geo Brain (Thailand) Company Limited	10	10	200,000.00	200,000.00
Boffo Company Limited	10	10	2,000,000.00	2,000,000.00
Asia Business Support Association Co., Ltd. (shareholder of the Company)	5	5	500,000.00	500,000.00
Total Other long-term investments			3,157,500.00	3,157,500.00
<u>Add</u> Changes in fair value of investments			705,000.00	620,625.00
<u>Less</u> Loss on impairment of other long-term investment			(2,000,000.00)	-
Other long-term investments - net			1,862,500.00	3,778,125.00

Company	Share Holding (%)		Unit: Baht	
	Separate financial statements			
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
City Sports and Recreation Public Company Limited	0.09	0.09	457,500.00	457,500.00
Geo Brain (Thailand) Company Limited	10	10	200,000.00	200,000.00
Asia Business Support Association Co., Ltd. (shareholder of the Company)	5	5	500,000.00	500,000.00
Total Other long-term investments			1,157,500.00	1,157,500.00
<u>Add</u> Changes in fair value of investments			705,000.00	620,625.00
Other long-term investments - net			1,862,500.00	1,778,125.00

**11. LONG-TERM LOAN TO OTHER COMPANIES**

Long – term loan to other company as at December 31, 2015 and 2014 consisted of:

	Unit: Baht	
	Consolidated financial statements	
	December 31, 2015	December 31, 2014
Long-term loan to other companies	39,736,853.95	15,401,475.76
<u>Add Increase</u>	12,509,464.70	42,004,064.10
<u>Less Repayment</u>	(9,437,134.80)	(15,401,475.76)
Differences from translation of currency	(2,492,827.87)	(2,267,210.15)
Total	40,316,355.98	39,736,853.95
<u>Less Current portion</u>	(9,300,020.70)	(9,936,316.86)
Long-term loan to other companies – net	31,016,335.28	29,800,537.09

**Loan to Indonesia**

In year 2012, a subsidiary lent loan amounting to USD 1.2 million to a company who is the major customer of a subsidiary in Indonesia and engages in the same business as the Company for using as working capital. This loan is repayable semi-annually installments at USD 0.3 million each, starting from June 2013, and bears interest at a rate of 4% per annum. The loan is secured by the assignment of rights to collections under service agreements between this company and its client. As at December 31, 2014, the loan has been fully repayment.

In year 2014, a subsidiary lent loan amounting to USD 1.2 million to a company who is the major customer of a subsidiary in Indonesia and engages in the same business as the Company for using as working capital on May 2015 and August 2015, USD 0.6 million each. This loan is repayable semi-annually installments at USD 0.15 million each, starting from May 2015, and bears interest at a rate of 4% per annum. The loan is secured by the assignment of rights to collections under service agreements between this company and its client.

**Loan for India**

On October 26, 2015, the Company provided loan to Ad Asia Advertising (S) Pte Ltd. "AAS", a subsidiary, amount of USD 350,000. Such subsidiary has entered into a loan agreement for the purpose of loan to Ad India Pte Ltd. "AIS" for raising capital in Chuo Senko Advertising India Pvt Ltd. "CSI" at the same amount (equivalent to 22,514,980 rupees). According to the loan agreement between AAS and AIS, AIS has placed the shares in CSI shares as collateral.

**12. EQUIPMENT - NET**

During the year ended December 31, 2015, the Company and the subsidiaries have following movements in the equipment - net:

Unit: Baht					
Consolidated financial statements					
	Movement during the year				As at December 31, 2015
	As at January 1, 2015	Increase/ Transfer	Decrease/ Transfer	Differences from translation of currency	
<b>Cost</b>					
Building improvements	9,153,423.10	1,431,835.80	-	-	10,585,258.90
Furniture, fixtures and office equipment	39,447,446.13	3,274,558.66	(4,467,780.78)	197,783.98	38,452,007.99
Vehicles	31,419,230.03	4,541,450.15	(2,540,114.00)	87,016.65	33,507,582.83
Demolition cost	1,776,047.84	-	-	-	1,776,047.84
Assets under construction	-	900,000.00	-	-	900,000.00
<b>Total</b>	<b>81,796,147.10</b>	<b>10,147,844.61</b>	<b>(7,007,894.78)</b>	<b>284,800.63</b>	<b>85,220,897.56</b>
<b>Accumulated depreciation</b>					
Building improvements	(8,671,407.96)	(362,973.24)	-	-	(9,034,381.20)
Furniture, fixtures and office equipment	(32,275,765.70)	(3,533,381.86)	3,116,222.79	(138,567.58)	(32,831,492.35)
Vehicles	(16,431,448.24)	(4,554,586.19)	1,309,097.30	(7,263.31)	(19,684,200.44)
Demolition cost	(1,776,047.84)	-	-	-	(1,776,047.84)
<b>Total</b>	<b>(59,154,669.74)</b>	<b>(8,450,941.29)</b>	<b>4,425,320.09</b>	<b>(145,830.89)</b>	<b>(63,326,121.83)</b>
<b>Equipment - net</b>	<b>22,641,477.36</b>				<b>21,894,775.73</b>
Depreciation for the year 2014					9,118,224.94
Depreciation for the year 2015					8,450,941.29

Unit: Baht						
Separated financial statements						
	Movement during the year					As at December 31, 2015
	As at January 1, 2015	Increase/ Transfer	Decrease/ Transfer	Transfer to subsidiary	Differences from translation of currency	
<b>Cost</b>						
Building improvements	9,079,679.10	1,431,835.80	-	-	-	10,511,514.90
Furniture, fixtures and office equipment	34,023,343.42	645,385.28	(298,409.82)	(4,146,576.22)	-	30,223,742.66
Vehicles	26,025,955.12	-	(1,290,114.00)	(11,301,000.00)	-	13,434,841.12
Demolition cost	1,776,047.84	-	-	-	-	1,776,047.84
Assets under constuction	-	900,000.00	-	-	-	900,000.00
<b>Total</b>	<b>70,905,025.48</b>	<b>2,977,221.08</b>	<b>(1,588,523.82)</b>	<b>(15,447,576.22)</b>	<b>-</b>	<b>56,846,146.52</b>
<b>Accumulated depreciation</b>						
Building improvements	(8,660,057.91)	(350,680.16)	-	-	-	(9,010,738.07)
Furniture, fixtures and office equipment	(29,435,499.28)	(1,734,456.70)	298,321.56	2,815,202.35	-	(28,056,432.07)
Vehicles	(15,356,057.43)	(2,596,141.97)	1,290,111.00	8,784,882.23	-	(7,877,206.17)
Demolition cost	(1,776,047.84)	-	-	-	-	(1,776,047.84)
<b>Total</b>	<b>(55,227,662.46)</b>	<b>(4,681,278.83)</b>	<b>1,588,432.56</b>	<b>11,600,084.58</b>	<b>-</b>	<b>(46,720,424.15)</b>
<b>Equipment - net</b>	<b>15,677,363.02</b>					<b>10,125,722.37</b>
Depreciation for the year 2014						7,361,987.57
Depreciation for the year 2015						4,681,278.83

As of December 31, 2015 and 2014, the balance of net book value of vehicles acquired under financial lease, in consolidated financial statement are approximately Baht 6 million and Baht 6 million respectively, and in separate financial statement are approximately Baht 5 million and Baht 6 million respectively.

As of December 31, 2015 and 2014 the cost of some parts of building improvements and equipment which fully depreciated and still utilized, in consolidated financial statement are approximately Baht 47 million and Baht 45 million respectively, and in separate financial statement are approximately Baht 37 million and Baht 44 million respectively.

**13. INTANGIBLE ASSETS - NET**

Intangible assets, computer software as at December 31, 2015 and 2014 consisted of:

Unit: Baht					
Consolidated financial statements					
	Movement during the year				As at December 31, 2015
	As at January 1, 2015	Increase/ Tranfer	Decrease/ Tranfer	Differences from translation of currency	
<b>Cost</b>					
Computer software	8,229,364.48	1,444,227.11	-	2,127.66	9,675,719.25
Computer software under installation	-	1,471,296.00	-	-	1,471,296.00
Patents	142,624.99	-	-	-	142,624.99
<b>Total</b>	<b>8,371,989.47</b>	<b>2,915,523.11</b>	<b>-</b>	<b>2,127.66</b>	<b>11,289,640.24</b>
<b>Accumulated Amortization</b>					
Computer software	(6,496,489.86)	(1,041,529.57)	-	52.10	(7,537,967.33)
Patents	(125,206.51)	(17,417.48)	-	-	(142,623.99)
<b>Total</b>	<b>(6,621,696.37)</b>	<b>(1,058,947.05)</b>	<b>-</b>	<b>52.10</b>	<b>(7,680,591.32)</b>
<b>Intangible assets - net</b>	<b>1,750,293.10</b>				<b>3,609,048.92</b>

Unit: Baht					
	Separated financial statements				
	Movement during the year				As at December 31, 2015
	As at	Increase/	Decrease/	from translation	
	January 1, 2015	Transfer	Transfer	of currency	
<b>Cost</b>					
Computer software	8,052,253.11	1,434,416.00	-	(3,469,213.50)	6,017,455.61
Computer software in installment	-	1,471,296.00	-	-	1,471,296.00
Patents	142,624.99	-	-	-	142,624.99
<b>Total</b>	<b>8,194,878.10</b>	<b>2,905,712.00</b>	<b>-</b>	<b>(3,469,213.50)</b>	<b>7,631,376.60</b>
<b>Accumulated Amortization</b>					
Computer software	(6,398,025.63)	(865,781.06)	-	3,000,142.71	(4,263,663.98)
Patents	(125,206.51)	(17,417.48)	-	-	(142,623.99)
<b>Total</b>	<b>(6,523,232.14)</b>	<b>(883,198.54)</b>	<b>-</b>	<b>3,000,142.71</b>	<b>(4,406,287.97)</b>
<b>Intangible assets - net</b>	<b>1,671,645.96</b>				<b>3,225,088.63</b>

#### 14. OTHER PAYABLE

Other payable as at December 31, 2015 and 2014 consisted of:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Accrued expenses	10,842,598.06	10,114,862.32	3,590,857.63	5,187,917.68
Other payable	9,774,706.68	7,032,882.68	1,917,161.36	3,630,214.13
<b>Total</b>	<b>20,617,304.74</b>	<b>17,147,745.00</b>	<b>5,508,018.99</b>	<b>8,818,131.81</b>

**15. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET**

Liabilities under financial lease agreements as at December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>Due within one year</b>				
Minimum payments	2,764,451.83	2,752,836.72	1,773,028.99	2,180,913.41
Deferred interest	(287,811.59)	(304,004.69)	(184,199.81)	(286,494.33)
Liabilities under financial lease - net	2,476,640.24	2,448,832.03	1,588,829.18	1,894,419.08
<b>Due over one year but not later than five years</b>				
Minimum payments	5,354,918.17	5,075,221.08	3,302,192.10	5,075,221.08
Deferred interest	(203,911.14)	(280,072.43)	(95,872.62)	(280,072.43)
Liabilities under financial lease - net	5,151,007.03	4,795,148.65	3,206,319.48	4,795,148.65

According to conditions in certain agreements, the Company and the subsidiary entitled whether to buy the assets under the certain agreements at the final payment of the loans. The Company and the subsidiary have to abide by the conditions in the agreements.

**16. OTHER CURRENT LIABILITIES**

Other current liabilities as at December 31, 2015 and 2014 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Value added tax – Sale tax	17,407,754.43	14,654,290.28	3,082,861.23	4,551,876.34
Withholding tax	7,191,113.09	8,536,292.66	889,726.31	6,906,988.44
Other	7.22	-	225,000.00	-
Total	24,598,874.74	23,190,582.94	4,197,587.54	11,458,864.78

**17. EMPLOYEE BENEFITS OBLIGATION**

Movements of the present value of employee benefits obligation and employee benefit expenses for the year ended December 31, 2015 and 2014 included in the statement of profit or loss and other comprehensive income are as follows:

	Unit: Baht					
	Consolidated financial statements					
	For the year ended			For the year ended		
	December 31, 2015			December 31, 2014		
	Severance benefits	Other long-term employees benefits	Total	Severance benefits	Other long-term employees benefits	Total
Employee benefits obligation at beginning of the years	32,151,032.97	9,632,825.04	41,783,858.01	31,689,162.01	8,899,906.98	40,589,068.99
Current service cost	3,305,960.04	1,276,650.96	4,582,611.00	3,383,964.96	1,305,843.00	4,689,807.96
Interest cost	1,005,292.97	299,521.03	1,304,814.00	864,012.00	288,842.04	1,152,854.04
Gain from actuarial assumptions	-	-	-	(1,252,174.63)	(287,566.98)	(1,539,741.61)
Benefits paid during the years	(519,068.00)	(1,559,250.00)	(2,078,318.00)	(2,533,931.37)	(574,200.00)	(3,108,131.37)
Employee benefits obligation at ending of the years	35,943,217.98	9,649,747.03	45,592,965.01	32,151,032.97	9,632,825.04	41,783,858.01

	Unit: Baht					
	Separate financial statements					
	For the year ended			For the year ended		
	December 31, 2015			December 31, 2014		
	Severance benefits	Other long-term employees benefits	Total	Severance benefits	Other long-term employees benefits	Total
Employee benefits obligation at beginning of the years	32,151,032.97	9,632,825.04	41,783,858.01	31,689,162.01	8,899,906.98	40,589,068.99
Current service cost	1,069,617.04	285,511.96	1,355,129.00	3,383,964.96	1,305,843.00	4,689,807.96
Interest cost	278,877.97	83,266.03	362,144.00	864,012.00	288,842.04	1,152,854.04
Transfer to subsidiary	(17,953,312.97)	(6,804,204.04)	(24,757,517.01)	-	-	-
Gain from actuarial assumptions	-	-	-	(1,252,174.63)	(287,566.98)	(1,539,741.61)
Benefits paid during the years	-	(577,500.00)	(577,500.00)	(2,533,931.37)	(574,200.00)	(3,108,131.37)
Employee benefits obligation at ending of the years	15,546,215.01	2,619,898.99	18,166,114.00	32,151,032.97	9,632,825.04	41,783,858.01



Long-term employee benefit expenses included in the statements of profit or loss were as follows:

	Unit: Baht	
	Consolidated financial statements	
	For the year ended	For the year ended
	December 31, 2015	December 31, 2014
Current service cost	4,582,611.00	4,689,807.96
Interest cost	1,304,814.00	1,152,854.04
Total expense recognized in profit or loss	5,887,425.00	5,842,662.00

	Unit: Baht	
	Separate financial statements	
	For the year ended	For the year ended
	December 31, 2015	December 31, 2014
Current service cost	1,355,129.00	4,689,807.96
Interest cost	362,144.00	1,152,854.04
Total expense recognized in profit or loss	1,717,273.00	5,842,662.00

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements and Separate financial statements	
	2015	2014
	(% per annum)	(% per annum)
Discount rate	3.7	3.7
Expected rate of salary increase	4.0 - 8.0	4.0 - 8.0
Employee turnover rate (depending on age range)	13.0 - 27.0	13.0 - 27.0

**18. DEFERRED TAX**

Deferred tax as at December 31, 2015 and 2014 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Deffered tax assets	11,854,946.96	16,382,371.60	4,433,222.80	16,382,371.60
Deffered tax liabilities	(166,062.15)	(130,212.10)	(141,000.00)	(124,125.00)
Deffered tax assets - net	11,688,884.81	16,252,159.50	4,292,222.80	16,258,246.60

Movements in deferred tax assets and deferred tax liabilities during the year were as follows:

	Unit: Baht			
	Consolidated financial statement			
	Movement increase (decrease)			
	Statement of		Other	
	January 1, 2015	income	comprehensive income	December 31, 2015
<b>Deffered tax assets</b>				
Allowance for impairment of investment	1,625,600.00	(1,625,600.00)	-	-
Employee benefit obligations	8,356,771.60	761,822.00	-	9,118,593.60
Benefits from accumulated tax loss	5,600,000.00	(3,663,646.64)	-	1,936,353.36
Provision for long-term demolition	800,000.00	-	-	800,000.00
Total deffered tax assets	16,382,371.60	(4,527,424.64)	-	11,854,946.96
<b>Deffered tax liabilities</b>				
Investment in marketable securities	(130,212.10)	-	(35,850.05)	(166,062.15)
Total deffered tax liabilities	(130,212.10)	-	(35,850.05)	(166,062.15)

Unit: Baht					
Separate financial statement					
Movement increase (decrease)					
Other					
	Statement of	comprehensive	Transfer to		
January 1, 2015	income	income	subsidiary		December 31, 2015
<b>Deferred tax assets :</b>					
Allowance for impairment of investment	1,625,600.00	(1,625,600.00)	-	-	-
Employee benefit obligations	8,356,771.60	227,954.60	-	(4,951,503.40)	3,633,222.80
Benefits from accumulated tax loss	5,600,000.00	(5,600,000.00)	-	-	-
Provision for long-term demolition	800,000.00	-	-	-	800,000.00
Total deferred tax assets	16,382,371.60	(6,997,645.40)	-	(4,951,503.40)	4,433,222.80
<b>Deferred tax liabilities :</b>					
Investment in marketable securities	(124,125.00)	-	(16,875.00)	-	(141,000.00)
Total deferred tax liabilities	(124,125.00)	-	(16,875.00)	-	(141,000.00)

Income tax expenses for the year ended December 31, 2015 and 2014 are as follows:

Unit: Baht				
Consolidated financial statements		Separate financial statements		
2015	2014	2015	2014	
Income tax expenses for the period	5,031,771.66	10,007,285.72	1,891,146.99	8,256,320.05
Deferred income tax	4,527,424.64	(1,838,957.80)	6,997,645.40	(1,838,957.80)
Income tax expenses	9,559,196.30	8,168,327.92	8,888,792.39	6,417,362.25

The reconciliation of the income tax expenses and the result of the multiplying of the accounting profit with tax rate for the year ended December 31, 2015 and 2014 are presented as the following:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit (loss) before	(103,402,426.59)	5,193,816.00	(111,690,158.03)	37,290,248.25
Corporate income tax rates	20%	20%	20%	20%
Corporate income tax by tax rates	(20,680,485.32)	1,038,763.20	(22,338,031.61)	7,458,049.65
Non deductible expenses	4,142,353.21	1,935,807.98	25,786,736.11	585,683.44
Allowance by the Revenue Code	(2,183,397.92)	(29,510.84)	(1,785,512.11)	(26,370.84)
Recognise tax loss carry forward	-	(1,600,000.00)	-	(1,600,000.00)
Net loss in current year are not				
recognized as deferred tax	21,055,126.33	6,823,267.59	-	-
Unutilized deferred tax assets	7,225,600.00	-	7,225,600.00	-
Income tax expense	9,559,196.30	8,168,327.93	8,888,792.39	6,417,362.25
Average effective tax rate	-9%	157%	-8%	17%

The Company and the subsidiaries used income tax rates of 20% for the calculation of corporate income tax for the year ended December 31, 2014 attributable to the Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rates from 30% to 20% on net profit for the accounting periods beginning on January 1, 2013 to December 31, 2014. According to the Royal Decree No. 577 B.E. 2557 dated November 10, 2014, the corporate income tax rates will be continue at 20 % on net profit for the accounting periods beginning on January 1, 2015 to December 31, 2015.

Income tax rates for the year ended December 31, 2015 and 2014 are as follows:

	2015	2014
The Company and subsidiaries in Thailand	20%	20%
Overseas subsidiaries	16.5% - 30%	17% - 30%

## 19. SHARE CAPITAL

On February 4, 2014, the Board of Directors' Meeting No.2/2014 has resolved to increase the capital totaling Baht 56,250,000 from the registered capital of Baht 56,250,000 to Baht 112,500,000 by authorizing 11,250,000 ordinary shares with a par value of Baht 5 per share, which has been approved from the Extraordinary Shareholders' Meeting No.2/2014 held on March 6<sup>th</sup>, 2014. The resolution has been registered to the Ministry of Commerce on March 10, 2014. The Company registered the increase in paid up share capital to the Ministry of Commerce on April 18, 2014.

On May 12, 2015, the Extraordinary General Meeting of Shareholders No.1/2015 has resolved to increase the capital totaling Baht 112,500,000 from the registered capital of Baht 112,500,000 to Baht 225,000,000 by authorizing 22,500,000 ordinary shares with a par value of Baht 5 per share, at the offering price of Bath 7.50 per share in order to issue and offer the ordinary shares of the Company to the existing shareholders in proportion to their respective shareholdings. The Company registered the increase in paid up share capital to the Ministry of Commerce on May 29, 2015.

## **20. LEGAL RESERVE**

Section 116 of the Public Companies Act B.E.2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the authorized capital. The legal reserve is not available for dividend distribution. The Company has fully provided the legal reserve in the accounts.

## **21. DIVIDEND PAYMENT**

At the Annual Shareholders’ Meeting held on April 30, 2014, the shareholders approved the payment of dividend for the year 2013 at Baht 1.10 per share, totaling an amount of Baht 12,375,000. The dividend payment shall be made to the shareholders entitling to attend and vote at the Annual General Meeting of Shareholders and receive dividend as recorded on March 11, 2014. Also, March 12, 2014 shall be the book closing date on which the shareholders list as specified in Section 225 of the Securities and Exchange Act. The dividend payment was made on May 21, 2014.

At the Annual Shareholders’ Meeting held on April 29, 2015, the shareholders approved the payment of dividend for the year 2014 at Baht 0.60 per share, totaling an amount of Baht 13,500,000. The dividend payment shall be made to the shareholders entitling to attend and vote at the Annual General Meeting of Shareholders and receive dividend as recorded on March 11, 2015. Also, March 12, 2015 shall be the book closing date on which the shareholders list as specified in Section 225 of the Securities and Exchange Act. The dividend payment was made on May 21, 2015.

**22. BASIC EARNINGS (LOSS) PER SHARE**

Basic earnings (loss) per share for the year ended December 31, 2015 and 2014 are calculated as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	Decemembr 31, 2015	Decemembr 31, 2014	Decemembr 31, 2015	Decemembr 31, 2014
Net profit (loss) attributable to shareholders				
of the parent (Baht)	(107,949,194.82)	11,722,195.58	(120,578,950.42)	30,872,886.00
Number of ordinary share outstanding				
at beginning of the years	22,500,000.00	11,250,000.00	22,500,000.00	11,250,000.00
Effect of shares issued during the periods	13,376,713.00	9,154,110.00	13,376,713.00	9,154,110.00
Weighted average number of ordinary shares				
outstanding during the years (basic)	35,876,713.00	20,404,110.00	35,876,713.00	20,404,110.00
Basic earnings (loss) per share (Baht)	(3.01)	0.57	(3.36)	1.51

**23. EXPENSES BY NATURE**

The significant expenses classified by nature for the year ended December 31, 2015 and 2014 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Salary, wage and other employee benefits	243,067,602.43	264,139,848.06	50,708,976.87	183,372,427.46
Depreciation and amortization	9,509,887.79	10,327,061.65	5,564,477.37	8,558,782.31
Rental expenses from				
operating lease agreements	36,063,753.55	32,969,772.38	22,588,347.20	18,672,210.00
Consulting and management fees	26,233,441.48	33,635,051.49	11,784,193.33	27,122,026.72
Provision for investment in subsidiaries	-	-	24,902,229.91	2,999,700.00
Provision for loss in subsidiaries	-	-	76,171,146.01	-
Allowance for doubtful account in subsidiary	-	-	33,161,573.26	2,894,568.88

During the year ended December 31, 2015, the Company incurred the following expenses:

1. Marketing research fee paid to Inspire Communication Corporation (ICC) of totaling Baht 2.8 million and salary and social insurance of Baht 1.7 million paid to the same entity.
2. The subsidiary in Indonesia also incurred marketing research expenses of Baht 5.30 million during the same period presented in unbilled receivables.

## 24. FINANCIAL INFORMATION BY SEGMENT

The businesses of the Company and its subsidiaries mainly involve the single industry segment of the media buying and advertising products on services and are mainly carried on both in Thailand and overseas which operated by subsidiaries.

The financial information of the Company and its subsidiaries by geographical segment, for the year ended December 31, 2015 and 2014 are as follows:

Unit: Million Baht					
Consolidated financial statements					
	Thailand		Overseas		Consolidated financial statements
	2015	2014	2015	2014	2015 2014
Commission and service income	141	316	113	86	254 402
Cost of services	(136)	(122)	(45)	(41)	(181) (163)
<b>Segment profit</b>	<b>5</b>	<b>194</b>	<b>68</b>	<b>45</b>	<b>73 239</b>
Unallocated income (expenses):					
Other income					15 8
Gain on sale of investment in subsidiaries					23 -
Administrative expenses					(158) (179)
Director and management remunerations					(52) (61)
Financial cost					(2) (2)
Share of loss on investment in associates					(2) -
Income tax expense					(10) (8)
<b>Net loss for the period</b>					<b>(113) (3)</b>

Transfer prices between business segments of the Company and its subsidiaries are as set out in Note 5.4 to the financial statements.

**Major customer information**

For year ended December 31, 2015 and 2014, the Company and subsidiaries have revenues from 11 major customers and 32 major customers in Thailand and from Overseas in the amount totaling Baht 212 million and Baht 377 million respectively.

**25. PROVIDENT FUND**

The Company and its employees agreed to establish employees' provident fund under authorization from Ministry of Finance as per provident fund legislation 1987. This provident fund is comprised of a portion of 5% from employee's salary and a portion that is contributed at the same amount from company. The provident fund is managed by MFC Asset Management Public Company Limited. Employees entitle to receive money from the provident fund if he/she resign and comply with its regulation. The Company and subsidiaries contributed to the fund for the year ended December 31, 2015 and 2014 amounting to Baht 5.05 million and Baht 5.30 million respectively.

**26. FINANCIAL INSTRUMENTS****Policy to manage financial risk**

The Group Companies expose to risks regarding to the change of market interest rate, currency exchange rate and from nonperformance of contractual obligations by counter parties. The Group will consider to using appropriate financial instruments when it considers necessary to manage such risk. However, the Group does not have any policy to hold or issue any financial instruments for speculation or for trading.

**Foreign currency risk**

As at December 31, 2015 and 2014, the Group has exposure to foreign currency risks relating primarily to sales and purchases in foreign currency. The Group had the non-hedged financial assets and liabilities.

**Forward foreign exchange contracts**

As at December 31, 2015 and 2014, the Group Companies had outstanding forward foreign exchange contracts with the Banks for hedging its sales and anticipated long-term loan to a related company in foreign currency. The settlement dates on open forward contracts are within 3 years as follows:

Hedging transaction	Unrealized gain (loss) from					
	Foreign currency (USD)		Amount of contract (Baht)		fair value (Baht)	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Consolidated financial statements	900,000	1,200,000	29,811,000	39,375,360	(2,519,970)	309,360
Separate financial statements	900,000	1,200,000	29,811,000	39,375,360	(2,519,970)	309,360



**Interest Rate Risk**

Interest rate risk occurs when the value of financial instruments change in accordance with the fluctuation of market interest rates, which may affect interest income and interest expense of the present and future years.

As at December 31, 2015 and 2014, the Group did not have significant interest bearing loans or liabilities. Therefore, the Group is not materially exposed to interest rate risk.

**Credit Risk**

The Group provides credit terms on many trade transactions for customers after confirming their credit worthiness. The collection of accounts receivables is closely monitored. The Group focus collection on all accounts overdue and will make a provision for accounts receivable on overdue accounts for more than 1 year. At this time there is no reason to expect major or significant losses arising from the collection of trade receivables.

The trade receivable aging schedule had been disclosed in Note 7 to the financial statements.

**Fair value of financial instruments**

The following methods and assumptions are used to estimate a fair value of each class of the Company's financial instruments.

- Financial assets are shown at estimated fair value
- Financial liabilities are shown at the book value which is considered fair value because such liabilities will be matured in short-term and long-term loan bears the floating interest rate.

**27. COMMITMENTS AND CONTINGENT LIABILITIES****27.1 Operating lease commitments**

The Company and its subsidiaries had entered into lease agreements in respect of the lease of office buildings space.

As at December 31, 2015, the future minimum rentals payable under these non-cancellable operating lease contracts of the Company and its subsidiaries are as follows:

Payable within	Unit: Million Baht	
	Consolidated financial statement	Separate financial statement
Due within one year	28	24
Due over one year but not later than five years	33	29
Total	61	53

**27.2 GUARANTEE**

As at December 31, 2015, there were outstanding bank guarantees of approximately Baht 0.1 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee for the electricity usage amounting to Baht 0.13 million.

In addition, the Company has overdraft credit line with bank amounting to Baht 46.63 million which is guaranteed by fixed deposit.

**27.3 OTHER SERVICE COMMITMENTS**

The Company has entered into several agreements with related and non-related parties, whereby it receives certain services related to marketing and corporate business. These agreements have terms of 1 to 2 years.

As at December 31, 2015 and 2014, the Company has outstanding service fee commitments totaling Baht 8.57 million and 12 million, respectively.

**28. EVENTS AFTER THE REPORTING PERIOD**

On January 25, 2016, the Company had loan to Chuo Senko Advertising (Thailand) Co., Ltd on the purpose for operation expenses amounting to Baht 20 million with the interest rate of 3% p.a. and term of payment within 1-2 years. The repayment of principle and interest will be made quarterly commencing March 2016.

On February 9, 2016, the Company purchased share capital of JRA Fiji Consultants from exited shareholder of 600,000 shares at the amount USD 1 per share or approximately Baht 21.24 million which is 40% of its total shares.

The Extra-ordinary Meeting of shareholders No.1/2016 held on February 19, 2016 had resolution to approve the increase of registered capital of the Company in the amount of Baht 112,500,000, from Baht 225,000,000 to Baht 337,500,000, by authorizing 22,500,000 ordinary shares with a par value of Baht 5 per share in order to issue and offer the ordinary shares of the Company to the existing shareholders in proportion to their respective shareholdings.

**29. CAPITAL MANAGEMENT**

The Board's policy is to maintain a strong capital base so as to maintain assurance of shareholder, investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity, excluding Non-controlling interests and also monitors the level of dividends to ordinary shareholders.

**30. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been approved by the Company's authorized directors on February 25, 2016.