



รายงานประจำปี 2557  
ANNUAL REPORT 2014



**NETWORK  
CONNECTING**  
*Smart, Creative &  
Innovative*

# CONTENTS

**171**

Message from the Chairman

**172**

Message from the Chairman  
of Executive Committee  
and Chief Executive Officer

**174**

Policy and  
overall business operations.

**177**

Nature of Business

**188**

Risk Factors

**190**

General Information

**193**

Shareholding Structure

**196**

Dividend Payment Policy

**197**

Management Structure

**214**

Corporate Governance Policy

**233**

Corporate Social Responsibilities

**240**

Internal Control  
and Risk Management

**242**

Connected Transaction

**247**

Board of Director  
and Management Profile

**258**

Management Discussion  
and Analysis

**266**

Financial Report

The investors can obtain additional information about the Company's financial status and others in the Annual Information Statement (Form 56-1) on [www.sec.or.th](http://www.sec.or.th) or the Company's website: [www.masterad.com/](http://www.masterad.com/)



# MESSAGE FROM THE CHAIRMAN

## Dear Shareholders,

The year 2014 was a significant year of change of Master Ad Public Company Limited. I, as Chairman of the Board, would like to take this opportunity to report to you of the changes as follows:

First is the restructuring of shareholders of the Company. VGI Global Media Public Co., Ltd. has become a shareholder of the Company holding 24.89% of the shares which is a great opportunity to have such a strong ally in out of home media to strengthen the business.

The Board approved a change in the number and par value of shares including the issuance of the warrants to purchase common shares of the Company (MACO-W1) from the existing shareholders according to the shareholding ratio in order to increase liquidity in the capital markets and to raise funds for future investment plans, a total of 752,242,375 shares, a par value of 0.10 Baht/share, a capital increase of 75,224,237.50 Baht.

For 2015, the Board has set the goal for the Company to be a leading company with a network of OHM along with innovative and cutting edge technology covering Southeast Asia to accommodate the entering of the AEC or Asean Economics Community

The Company also won the Thailand ICT Excellence Awards 2013 award in Major Core Process Improvement Projects arranged by Thailand Management Association. It was the award for the innovation on the out of home media management system that can respond quickly to customer needs. The award presentation was on June 12, 2014. This award is a reflection of the potential of the Company as a leader in integrated OHM Media.

Regarding the CSR, the Company has supported the communities to use its land so that the students in Khao Yoi, Phetchaburi Province could learn about rice farming and cultivation. This is a real practice, not just a theory, that the students will be proud of themselves.

On behalf of the board of Directors, I would like to thank the clients, the shareholders, the suppliers and our business alliances as well as the management and every employee for the contributions and supports. I also would like to promise that the Company will move forward toward sustainable organization under the principles of good corporate governance.



**Mr. Prasert Veerasathienpornkul**  
Chairman of the Board



## MESSAGE FROM THE CHAIRMAN OF EXECUTIVE COMMITTEE AND CHIEF EXECUTIVE OFFICER

### Dear Shareholders:

2014 was a very challenging year due to the economic and political slowed that continued from 2013. Master Ad had the revenue from selling and service at 622 million Baht with the net profit of 133 million Baht, a 14.15% and 23.18% decrease from 2013 respectively. However, Master Ad has got a new strong alliance in small format media like VGI which helps us to be confident in achieving the goal in 2015 much more efficiently.

Although in 2014, the turnover fell from the previous year but the Company still continued to pay the dividend to the shareholders. This assures that Master Ad has the ability to keep the dividend under the dividend policy not less than 50% of net income after reserved by law.

In 2015, Master Ad has planned to develop existing media and expand the OHM both domestic and international. The opening of the ASEAN Economic Community (AEC), which will take place in late 2015 will be a great opportunity for the expansion of OHM advertisements. We see a lot of opportunities to penetrate the OHM market in ASEAN as well as partnering with potential partners for achieving the goal and sustainability of the Company.

On behalf of Master Ad Public Co., Ltd., I would like to thank the shareholders, investors, analysts, media and all supporters including various agencies, both public and private who have been confident in our vision and support us consistently.

**Mr. Noppadon Tansalarak**  
President and Chief Executive Officer



## AWARDS RECEIVING IN 2014

Consolation prize of NACC Integrity Awards 2013 organized by NCC.



Mr.Noppadon Tansalarak of Master Ad Public Co, Ltd. received the “**Outstanding Entrepreneurship Awards**” by Enterprise Asia & the Organizing Committee of APEA 2014

Thailand ICT Excellence Awards 2013 in Core Process Improvement Projects for Internal Development Process by the Management Association of Thailand in collaboration with 3 organization: National Electronics and Computer Technology Center (NECTEC), Software Park Thailand and the College of Innovation, Thammasat University (CITU).

## Changes and Key Developments

- : Increased the investment in Inkjet Images (Thailand) Company Limited by purchasing common share of 10,000 shares, thereby, increasing the shareholding from 33.33% to 50%
- : Sold out shares of Take A Look Company Limited totally 3,333,334 shares to Samart Multimedia Company Limited. Therefore, Take A Look Company Limited is no longer a subsidiary of Master Ad Plc.
- : Increased the registered capital from 174,999,563 Baht to 300,898,530 Baht and the paid-up capital is 300,896,950 Baht.
- : Master Ad Plc. received a complimentary NACC Integrity Awards 2012 from the Office of National Anti-Corruption Commission.

- : On September 19, 2013 moved from the MAI listed companies to the SET listed companies on on Industry Services Sector Media & Publishing
- : Master Ad Plc. was selected as one of Asia's 200 Best Under a Billion, resulted from the search of top 900 companies across the Asia-Pacific region with the growth in both sales and earnings from 5 million - 1,000 million US dollars for the second year in a row.
- : Master Ad Plc. has won the Best Performance Awards from the SET Awards 2013, organized by the Stock Exchange and the Banking and Finance Journal on November 21, 2013 for the second year in a row.

- : Master Ad Plc. has won the Best Performance Awards from the SET Awards 2013, organized by the Stock Exchange and the Banking and Finance Journal on November 21, 2013 for the second year in a row.

2014

- : VGI Global Media Public Co., Ltd. has become a shareholder of the Company holding 24.43% of the shares purchased from the former shareholders on the Stock Exchange of Thailand on May 12, 2014. (as of December 31, 2014, VGI holds 24.89% of the shares)
- : The synergy of both companies would be of advantages to VGI and MACO by working together to set strategy that is value added as well as enjoying the marketing and advertising campaigns that help promote and take both companies to be the leaders in the integrated advertising network in the country and ASEAN.
- : Resolutions of the Extraordinary General Meeting of Shareholders No. 1/2014 held on September 26, 2014, resolved to change the par value of the shares of 1 Baht per share to 0.10 Baht per share. The agreement is effective from October 3, 2014.
- : Resolutions of the Extraordinary General Meeting of Shareholders No. 1/2014 held on September 26, 2014: approved the issuance and allotment of the warrants to purchase common shares of the Company No. 1 ("Warrant MACO-W1") of 752,242,375 units to the shareholders of the Company in proportion to their shareholding (Right Offering) at the ratios of the existing shares (par value) of 0.10 Baht per share, 4 shares to 1 Warrant MACO-W1 (4: 1); increased the amount of the authorized share capital of 75,224,237.50 Baht from the previous capital of 300,896,950 Baht to 376,121,187.50 Baht by issuing new ordinary shares of 752,242,375 shares at a par value of 0.10 Baht to support the exercise of Warrants MACO-W1; and, approved the amendment of the Memorandum Clause 4 about the registered capital to comply with the increase of the share capital of the Company and had MACO-W1 listed on 14 November 2014.
- : The Board of Directors approved the purchase of shares from We Big Co., Ltd. who was the former shareholders of Green Ad Co., Ltd. for the whole lot of 49% of the total shares. The purchase price was lower than the book value as of August 31, 2014. When the purchase is completed, Master Ad Public Co., Ltd. would have the proportion of shares in Green Ad Co., Ltd. of 100%.
- : Master Ad and More Co., Ltd. (a subsidiary) invested to purchase the ordinary shares in Open Play Co., Ltd., a company that was granted a concession in the area of the gas stations both inside and the exit areas of the PTT gas stations (Jiffy) nationwide. This purchase would cause Open Play Co., Ltd. to be a subsidiary of Master Ad & More Co., Ltd. This operation was completed in November 2014.
- : VGI Global Media Public Co., Ltd. ("VGI") was appointed as advertising agency selling the small size media installed on the streets (Street Furniture) for the Master & More Co., Ltd. (a subsidiary) for a period of 3 years with various media types including the media installed at the stanchions under the BTS stations (City Vision BTS), media installed at the bases of the major viaducts in Bangkok (City Vision Flyover), media installed at the toll gates of the expressway (City Grip Light Express) and media in the area of the new Bus Terminal (Mo Chit Station Media).





## Shareholding Structure of the Group

Master Ad Public Company Limited and the Group established to provide advertising services and production of advertising. Master Ad's primary revenue comes from the rent of advertising media, production of advertisements and provides fully-integrated services in term of idea "Maximize Connecting the moving Life". The shareholding structure and organization of the companies in the Group are as follow:

### Details of the shareholding of the Company and the joint investor in the subsidiaries

#### Master & More Co.,Ltd.

A joint investment with Master Ad Plc. holding 100%.

#### MACO Rite sign Co.,Ltd.

A joint investment with Master Ad Plc. holding 80 % and Ms. Vachiranee Longchin 20%.

#### Green Ad Co.,Ltd.

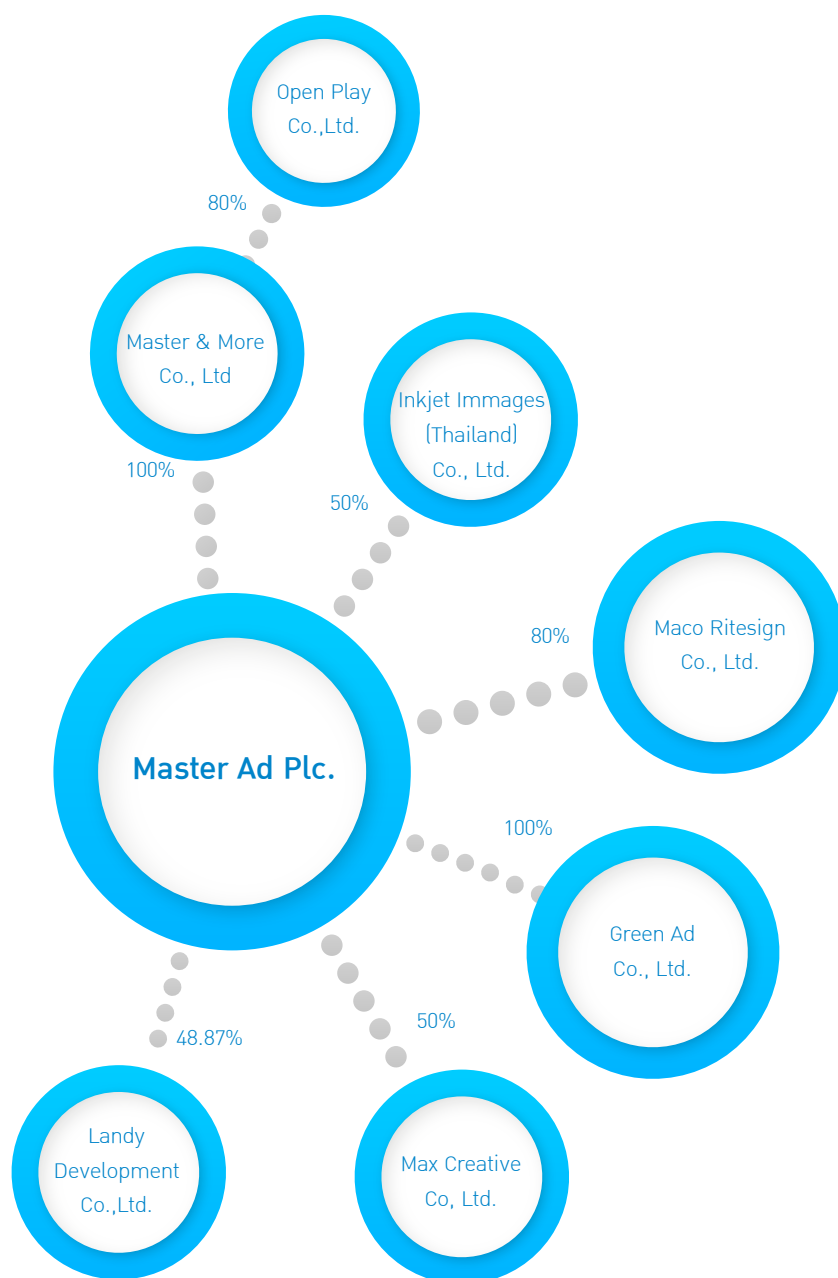
A joint investment with Master Ad Plc. holding 100%

#### Max Creative Co.,Ltd.

A joint investment with Master Ad Plc. holding 50 % and Index Creative Village Plc. 50%.

#### Inkjet Images (Thailand) Co., Ltd.

A joint investment with Master Ad Plc. holding 49.99%, Mr. Phichet Maneerattanaporn 0.01%, PICO (Thailand) Public Co., Ltd. 22.22%, Mr. Lim Chee Min 16.67%, and Ms. Pornthip Lohrattanasaney 11.11%.



#### Landy Development Co.,Ltd.

A joint investment with Master Ad Plc. holding 48.87%, Landy Home (Thailand) 37.98 %, and Daii Group 14.89%.

#### Open Play Co., Ltd.

A joint venture between Master Ad & More Co., Ltd. (a subsidiary) holding 80% and the former shareholder, Mr. Liu Ter Kang, holding 10% and Mr. Thaptaphon Glaiboonna holding 10%.

# NATURE OF BUSINESS

Master Ad Plc. has 2 sources of revenue: the rent of advertising media and the advertising production of various types. The clients mostly would require to use the media together with the production services for the warranty of the advertisement. The revenue structure is as follows:

1. Revenue from service: revenue from the rent of advertising space
2. Revenue from production: revenue from the media production
3. Revenue from sales: revenue from selling the advertising equipment
4. Others: commission and interest

## Revenue Structure

Revenue structure of Master Ad Public Co., Ltd. and its Subsidiaries:

(Unit: M.Baht)

| Revenue structure       | 2014          |            | 2013          |            | 2011          |            |
|-------------------------|---------------|------------|---------------|------------|---------------|------------|
|                         | amount        | %          | amount        | %          | amount        | %          |
| Revenue from services   | 555.78        | 83.50      | 625.37        | 84.25      | 621.89        | 82.95      |
| Revenue from production | 66.27         | 9.96       | 97.26         | 13.10      | 110.48        | 17.74      |
| Revenue from sales      | 0.03          | 0.00       | 1.99          | 0.27       | 0.02          | -          |
| Others                  | 43.52         | 6.54       | 17.62         | 2.37       | 17.32         | 2.31       |
| <b>Total:</b>           | <b>665.60</b> | <b>100</b> | <b>742.24</b> | <b>100</b> | <b>749.71</b> | <b>100</b> |

## Characteristic of Product and Services

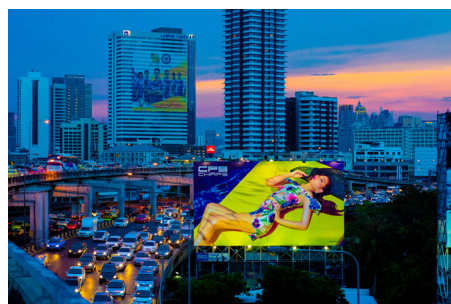
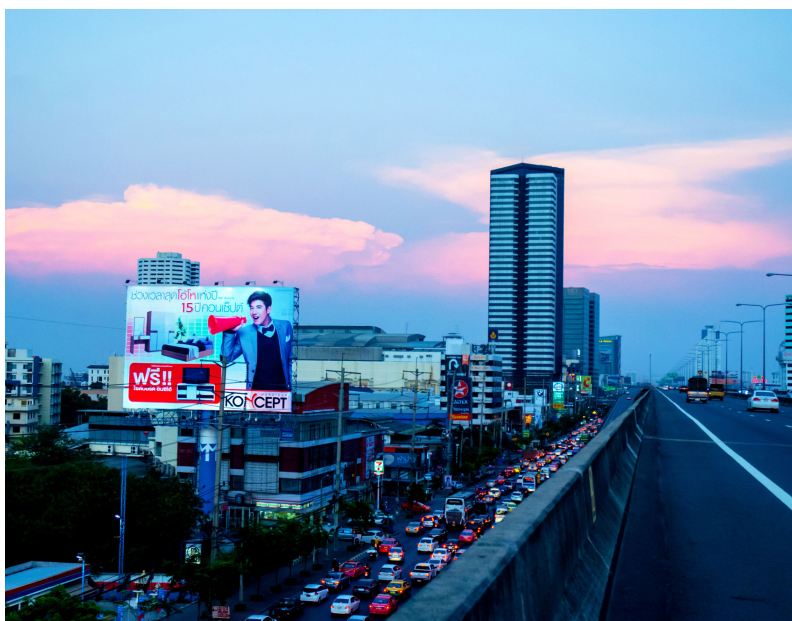
The characteristic of the Company's products and services are Out of Home Media with various forms, sizes, techniques, innovation and presentation to meet the market's demand and different consumer targets with the locations covering the business areas and communities in Bangkok and its vicinity as well as up country. The business operation is handled by Master Ad Public Co., Ltd., Master and More Co., Ltd., Maco Rite Sign Co., Ltd., Inkjet Images (Thailand) Co., Ltd., Green Ad Co., Ltd., and Max Creative Co., Ltd. Scopes of business are based on the size and the types of advertising media which can be categorized into 2 types as follows:

### 1. MACO Space :

- **Billboard:** the large outdoor advertising media visible from a distance installed in locations with great potential both in Bangkok and the provinces.
- **Street Furniture:** the small size advertising media installed in the area near the sidewalks or the road sides.
- **Transit:** the media at the public and private mass transit terminals.

### 2. Non MACO Space :

- **Made To Order:** The media or material manufactured in accordance with client requirements.
- **Event:** Creative design and marketing activities.



## Master Ad Public Co., Ltd.

Master Ad Public Co., Ltd. offers business services and production of the large size advertising billboard. Its major revenue comes from billboard rental and advertising production services that respond to all clients' requirements. The media under the Company's operation are as follows:

### 1. Billboard

Billboard is the most effective advertising media. It has been developed to be modern, distinctive and visual appeal with the installation in many areas, such as along the highways, the main roads, in the business areas and communities both in Bangkok and the provinces. The billboard has a wide range of structures that help create a brand image due to the design, forms and eye catching. Various structures are: Monopole Structure, Double Column Structure, Steel Truss Structure and other structures according to the requirements of the clients.

As of December 31, 2013, the Company has 170 billboard structures available for business which can be divided according to the installation locations as follows:

|  |                |
|--|----------------|
| Along the main roads in Bangkok and suburbs: | 143 billboards |
| Along the main roads in the provinces:       | 27 billboards  |
| Total:                                       | 170 billboards |

As of December 31, 2014, the average usage rate is 73.50% of all the Billboards.

### 2. Networking Billboard

The medium size billboards installed at major intersections and the building of the provinces across the country as well as the shopping area and the communities with heavy traffic. This media reaches the targets effectively. Currently, there are 213 billboards in 69 provinces. As at December 31, 2014, the usage rate of this media is 88.90%.

## Master and More Co., Ltd.

Established to provide services and produce advertising media, Master and More sets priority in small advertising boards such as BTS City Vision, City Vision Flyover, City Grip Light, BTS Walkway, Morchit, Siam Square Billboards, etc. Master and More is a co-investment between Master Ad and Clear Channel International Co., Ltd., producer of leading advertising media in England with long experience in the business at the ratio of 67.5 to 32.5. In 2010, Master Ad Plc. bought all the Master and More's shares from its partner and subsequently Master Ad today holds 100% stake in Master and More. However, Clear Channel International Co., Ltd. remains a good business partner for overseas advertising business through Clear Channel International's network as well as overseas advertising information support. Media Advertising of Master and More Divided into 3 type as follow.



## 1. Street Furniture

Small size media installed nearby sidewalks or street which can be seen at eye level. It is targeted to the urban people, workers in the commercial areas. This media consists of:

- **City Vision BTS**

Billboard in Trivision form of 4.00 x 2.00 meters installed at eye level with the height of 1 m from the ground at the bases under the 20 BTS stations. The company is the only operator allowed to install such billboard at the bases under the BTS stations for a period of 16 years. The total installed the media are 188 billboards as of December 31, 2014. The rate of usage is 56.91%.

- **City Vision Flyover**

Media installed at the bases of the major viaducts in Bangkok that turns the heads of the target groups with Tri Vision technology including the light box to create visual interest and color for major transport routes around Bangkok. At present there are 366 billboards at 19 viaducts with following details:

1. City Vision Flyover 1: 11 viaducts with a total of 117 billboards. As of December 31, 2014 the rate of usage is 42.02%
2. City Vision Flyover 2: 8 viaducts with a total of 249 billboards. As of December 31, 2014 the rate of usage is 50.87%

- **Siam Square Billboard**

The billboard of 7.55 x 7.85 meters installed on the Eye Clinic Building in Siam Square 7 Alley opposite to Digital Gateway, As of December 31, 2014 the average usage rate is 100%.



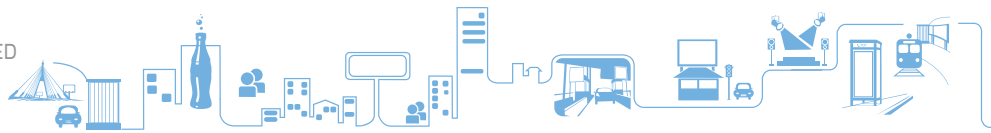
## 2. Transit

The small size media at the public and private mass transit terminals.

- **City Grip Light Express**

Grip Light is an advertising billboard with aluminum frame. The back of the billboard is made of plastic sheet attached to the sheets of acrylic on the front with the ad images printed on transparent vinyl in between making the advertising beautiful and realistic. Griplight is of 0.84 x 0.84 m. installed on the toll booth of the expressway with the following details:

1. At 15 Toll Gates of the First Stage Expressway, a total of 79 billboards. As of December 31, 2014, the usage rate was at 50%.
2. At 6 Toll Gates of the Second Stage Expressway, a total of 45 billboards. As of December 31, 2014, the usage rate was at 0%.



#### • **BTS Walk Way**

BTS Walk Way is an advertising billboard in the category of Transit installed along the corridor connecting the BTS Victory Monument Station and the National Stadium Station, consisting of 3 advertising media formats, namely:

- **City Vision BTS Walkway**, 4 units installed along the corridor connecting the Victory Monument BTS Station and 4 units installed at the National Stadium Station. The billboard is 3.5 x 1.5 m., in vertical position, Trivision display with 3 photos per 1 billboard. As of December 31, 2014, the usage rate was at 55.21%.
- **City Light Box BTS Walkway**, 36 units installed along the corridor connecting the Victory Monument BTS Station and 19 units installed at the National Stadium Station. The billboard comes in 2 sizes: 1.20 x 2.90 m. and 1.2 x 2.80 m. (horizontal). As of December 31, 2014, the usage rate was at 24.39%.

- **Walkway Poster Stand**, 13 units installed along the corridor connecting the Victory Monument BTS Station and 4 units installed at the National Stadium Station. The billboard's size is: 1.80 x 1.20 m. As of December 31, 2014, the usage rate was at 47.06%.

#### • **Mochit Station**

Mochit Station, advertising media at the new Mochit Bus Terminal, consisting of a light box, both inside and outside the station in 3 types:

- **Main Entrance Light box**, a number of 4 units installed at the entrance to the passenger terminal 1.
- **Ground Walkway Light box**, a number of 2 units installed along the corridor of the bus stops and stores to the terminal.
- **Escalator Head Light box**, a number of 1 unit installed on the top of the escalator to the 3<sup>rd</sup> floor of the building which is the terminal to the northeast. As of December 31, 2014, the usage rate was at 25%.

## Inkjet Images (Thailand) Co., Ltd.

Inkjet Images (Thailand) Co., Ltd. was founded on August 15, 1995 with the objective for the production inkjet media to be used in advertising such as:

1. Billboard Media
2. Building Wrap Media
3. Tri vision Media
4. Media on cars, trucks and buses (Feed Graphic Media)
5. Events & Product Launch
6. Exhibition

The company currently has utilized the inkjet printers for its operation that can be classified as follows:

1. **Solvent Oil Based Inkjet** Mainly for outdoor applications. It can be categorized as follows:

- 1.1 6-color inkjet printer for the production of advertising materials of over 1 year duration.
- 1.2 4-color inkjet printer suitable for short term advertising not exceeding 6 months.
- 1.3 1200 DPI, 6-color inkjet printer is designed for applications requiring high contrast that can withstand sunlight upto 2 years with a resolution suitable for outdoor advertising.

The Company also has a laminating machine to prevent prints from scratches. All machines were installed at the headquarters of Master Ad Public Co., Ltd. located at: 28/43-45 Viphavadee Rangsit Rd., Lat Yao, Chatuchak, Bangkok 10900 Thailand. Tel.(66) 2936-3366, Fax.(66) 2936-3636 Email: inkjetimages@yahoo.com

2. **Water Based Inkjet** - Mainly for indoor applications. It can be categorized as follows:

- 2.1 Hight resolution 6-color inkjet printer suitable for indoor advertising at close range especially for the small letters to be printed on the sticker, inkjet printing paper as well as some special materials such as fabric wih the beautiful color contrast.
- 2.2 Die-cut machine for letters suitable for displays, labels as well as the detailed outline draft.
- 2.3 Foam Cutter: Used for cutting foam according to thickness to create dimensions for booth decoration.
- 2.4 Laminating Machine: The Company also has a laminating machine to prevent prints from scratches. All the machines are installed at La Salle Branch, located at 10 La Salle 56 Alley, Sukhumvit Road, Bang Na, Bangkok Metropolis 10260 Tel: 0-2748-6814 Fax: 0-2748-6815

## Landy Development Company Limited

This company was set up in order to provide office rent. Master Ad is renting an office of Landy Development Co. Ltd. on Lat Phrao Road, Soi Lat Phrao 19, as Master Ad is of the opinion as its benefits gained.

## Max Creative Company Limited

Max Creative Public Company Limited is a joint venture between the Company and Index Creative Village Public Co., Ltd. to provide services and contract manufacturing for advertising media as well as promotional activities for both inside and outside home advertisings with the objectives to increase the market share in the out of home media (OHM) and event markets, and to enhance the growth of the organization for ASEAN in terms of ideas, and creativity in advertising and public relations.

## Maco Rite Sign Company Limited

This company was founded in order to run businesses in relation with production and provision of Tri-vision equipment for both local and overseas clients. In this regard, Master Ad PCL gains huge benefits from cost retrenchment due to diminution of importing driving/winding mechanisms required for the Tri-vision system.

## Green Ad Co., Ltd.

Green Ad Co., Ltd. was established to provide advertising services and production of environmental friendly plant wall for out of home and in home advertising, highlighting vertical gardens (Green Wall) with automatic watering and fertilizing system which is an important aspect of the media under the concept "Naturally Innovative." The Company has co-invested with We Big Co., Ltd.; a professional firm in design, development and production of the vertical gardening system. Such co-investment enables the Company to create new and different advertising media that promotes good image on the environment and corporate social responsibility: CSR.





In 2014, the Company purchased additional shares in Green Ad Co., Ltd. from We Big Co., Ltd., the former shareholder, which held 49% of the amount. Since the former shareholders had to conduct business overseas and the Company saw the potential of Green Ad Co., Ltd. that can be of added value in by means of “Green Advertising.” Once the acquisition is completed, Master Ad Public Co., Ltd. would have a proportion of shares in Green Ad Co., Ltd. to 100%.

## Open Play Co., Ltd.

The Board of Directors Master Ad and More Co., Ltd. (a subsidiary) to invest in Open Play Co., Ltd., a company that was granted a concession in the area of the gas stations both inside and the exit areas of the PTT gas stations (Jiffy) nationwide in November 2014. Master Ad & More Co., Ltd. viewed it as bringing the strengths of the two groups to create more value for shareholders as well as increasing the potential of the Company in partnering who is experienced in the out of home media (OHM) and to increase the market share in the Fast Moving Consumer Goods (FMCG) as well as increasing the volume of out of home media.

## Industry Trends and Competitive Conditions

### Competition strategies

The Company has put the emphasis on the operation to enhance competitiveness as follows:

#### 1. Finding the area to install advertising media with business potential

The areas to install the media are factors that are important to the clients in making a decision to use of the services. The Company is focused on selecting and defining the installation location by making a thorough research to quantify the density of the community in each area including the density of traffic. The Company, therefore, has installed a lot of billboards along the expressway of all stages including both medium and large billboards on motorways heading to Suvarnabhumi International Airport. The Company also has expanded

the billboard installations to suburban areas and in the provinces due to the expansion of the urban which will lead to business growth of billboard advertising. The Company has installed advertising billboards in the provinces, especially in the provinces which are the business centers or tourist destinations such as Chiang Mai, Phuket, and Chonburi.

#### 2. The focus on technology

And innovation to increase the value of advertising media and types of the media The Company has focused on using technology to enhance the performance of existing advertising media as well as selecting the new innovations that can add value to advertising media to meet the needs of the market. We also select other advertising media to increase choices for clients by studying various technologies of the international advertising media regularly both from the leading advertising magazine and sending the personnel to observe the foreign advertising media and adapt the appropriate technology. In addition, being the business partner of Clear Channel International Ltd., a leader in housing advertisements from England contributes to information and knowledge exchange in bringing the appeal to the advertising media and increase advertising channels as alternative choices to product owners to achieve marketing objectives.

#### 3. Producing quality work to meet the needs of clients

The Company recognizes that quality work can build trust with clients and contributes to the ongoing business operations. The Company, therefore, gives priority on the quality of work and with its affiliates in the production advertisements to enable the Company to control the quality of the work even more closely. In some work pieces, we have to hire other companies for production. However, the Company has its advertising production department responsible for quality control in terms of color and design to ensure that the work will be according to customer needs.

#### 4. Partnering with those with experience in the business

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

- 4.1 Clear Channel International Co., Ltd., a leading out of home media from the U.K. giving us an opportunity to the exchange of a variety advertising ideas in various forms.
- 4.2 Ink Jet Images Co., Ltd. (Malaysia), contributes to the exchange of technology in the field of printing large advertising which can accommodate the print job either in the form of In Door or Out Door.
- 4.3 VGI Global Media Public Co., Ltd. ("VGI") At present, VGI holds 24.89% of shares in the Company making VGI a major shareholder which leads to the exchange of knowledge and business collaboration. VGI has been appointed as sales representative of the advertising media for the Company. This will help cost management be more efficient and enable the Company to focus on expanding the area to provide more comprehensive services including investment and development of new materials to meet the demand and rapidly changing technologies.

#### 5. Establishing a good relationship with clients

Under the Company's new slogan 'Maximize Connecting the Moving Life' Master Ad Co., Ltd. (Plc) has focused on building strong relationships with clients constantly. In addition to providing fast, quality service and meet the promises made to clients, we also plan for activities that will strengthen clients' relations to enhance brand awareness and be the first in clients' mind.

### Target Groups

The clients can be classified into 2 main categories according to the characteristics of contact as follows:

#### 1. Agency

The advertising agency acts as agent for the owner of a product or service and arrange with the Company for production and install the billboards for the products or services of its clients.

#### 2. Direct Client

Namely, private as well as government organizations and enterprises in general who own the products or services. These clients will contact the Company directly and not through advertising agency so that the Company will handle the production and installation of the billboards in accordance with the format agreed.

#### 3. Proportion of clients for the year 2014.

| Proportion of clients | Amount | %  |
|-----------------------|--------|----|
| Agency                | 42     | 22 |
| Direct                | 134    | 70 |
| Government            | 15     | 8  |

|   | 2014  | 2013  | 2012  |
|---|-------|-------|-------|
| Proportion of 10 major customers to total revenue | 44.92 | 43.96 | 53.97 |



## Distribution and sales channels

In advertising sales of the Company, channels of distribution can be summarized as follows:

1. Through the Company's sales staff, the Company will contact the potential clients for choice of OHM suitable to the products and in the same time introducing the Company to them. The Company has prepared the sales documentation which describes in detail the various media types which is easy to understand and to make decision.
2. Through the media. Since our media is of OHM type, we thus can utilize it as the sales channel. Most of the clients would contact to the Company after seeing our billboards which has the Company's name and telephone number.
3. Through various media, including:
  - Company's website: [www.masterad.com](http://www.masterad.com), where the clients can access initial information of the Company.
  - Web Link to connect the Company's website with various popular websites around the world
  - Other electronics media: e-mail, Facebook (Fan page) and E-newsletter
  - Printed materials
  - Advertising in daily newspapers
  - Advertising in the magazines
  - Advertising in The Advertising Book
  - Advertising in the journal of Billboard Association
  - "Maco Post" a bi-monthly magazine of the Company reporting the activities and promoting our advertising media to over 3,000 clients

These distribution channels have been well managed to maximize our sales. After a client has contacted us, the Clients' Relations will inquire of the client's needs in the primary and forward the client to the Sales and Marketing Department which is experienced in selling the media to handle the client afterwards.

## Pricing Policy

In setting the price for the services and production, the Company's pricing policy has been considered covering the factors as follows:

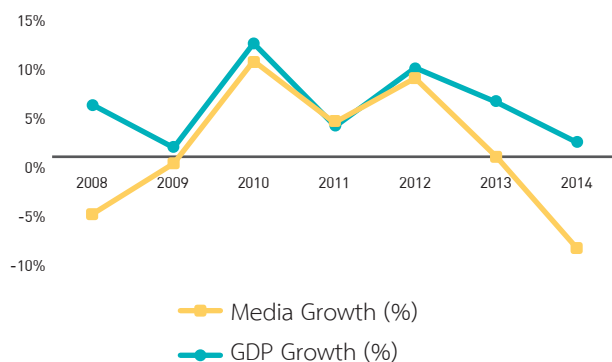
1. The installation location. Since most of our billboard locations are in the prime area with high density of population, the Company is enabled to set the rental price at the higher rates.
2. Costs. Cost of venue rental and construction cost affect the pricing of the billboard rental.
3. Production cost of certain type of the media in terms of size and the resolution of the graphic photos, for example the Trivision type, has a higher production cost. Therefore, the cost of Trivision service is higher than ordinary billboard.
4. Duration. Duration of the advertising media rental must be a continuous period of not less than 3 months. However, if the client contracts for a longer period, the Company will consider reducing the price due to the less risk of the operation and less operating cost.
5. Volume. The volume of the media bought by the client is another factor. Usually, one product uses 2-3 locations of the billboard. To attract the client to use more of the billboards, the Company often offers a lower price if the client is using multiple media or several locations.
6. Operating costs also affects the pricing. The Company has to take into account other related costs both the variable costs associated with the media such as rental, electricity, insurance, taxes, and maintenance costs and the fixed costs such as staff salaries, so that the Company can generate profits from operations.



## Industry Trends and Competitive Conditions in the Industry

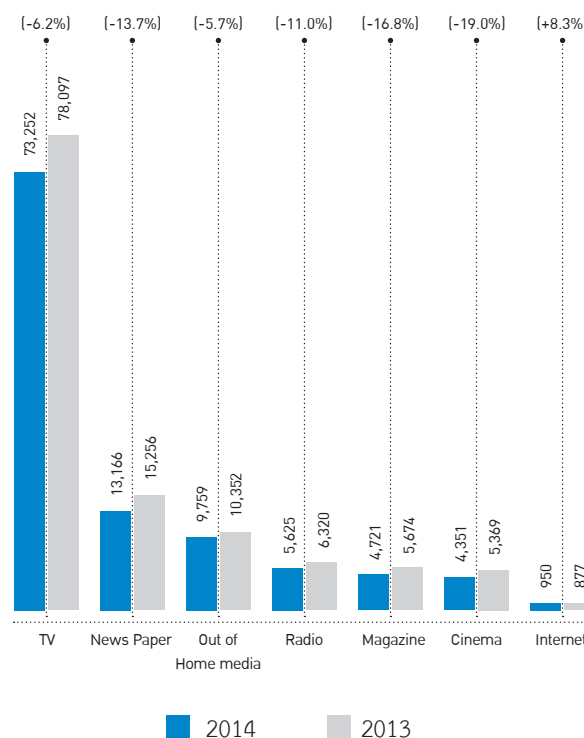
In 2014, Thailand faced obstacles both the economic slowdown and political situation. As a result, consumer confidence fell significantly especially the advertising business. In 2014, the market value was 102,346 million Baht, a 9.51% decrease from the previous year, which was lower than the 10% growth forecast by the Association of Advertising. The operating results of advertising are likely to increase or decrease depending on the country's economic as seen from the relationship between the value of advertising and the GDP from 2008-2014 (Data 1). The overview of the slowed down advertising business in 2014 was due to the uncalm economic and political situation reflected by the GDP that grew only 1.5% in 2014 from 5.6% in 2013 and 8.9% in 2012.

**Data 1** Graph showing the growth of the advertising industry compared with the growth of the GDP in 2008-2014



In 2014, the advertising media in all its forms faced the decrease in value especially the major media namely TV 6.2%, newspapers 13.7%, radio 11%, and magazines 16.8%, while the OHM including the media in public transport, the mall and outdoors had a total market value of 9,759 million Baht, a 5.7% decrease from the previous year or 593 million Baht which was lower than other countries in percentage. (Data 2).

**Data 2** Graph of total spending of advertising media industry in Thailand 2014 compared to 2013 (million Baht).



A significant change in the advertising industry is the widespread of digital media. According to the Association of Digital Advertising (Thailand), the total spending of digital media in Thailand has grown from 4,200 million Baht in 2013 to 5,800 million in 2014 Baht with an average growth rate of 38%. The growth of digital media affects a lot to the conventional media, especially the newspaper. The ad expenditure in the newspaper drops by 13.7%. The growth of digital media is due to its ability to adapt and add the information in a much faster speed as well as the ability to perform the tasks simultaneously in each platform which has made the media more diversities with the ability to reach the target audience more effectively. The trend of digital media to replace the still media is obvious. In 2014, one of the Master Ad's core strategies is to create added value for old media by changing the format from still media to digital media including the development of new media to digital format in order to enhance the communication between the consumers and the media which brings a competitive advantage.



For 2014, A key factor that determines the growth of the advertising business is the ability to sustain economic growth because advertising business is a business that grows in line with the economic growth of the country. If in 2015, Thailand has the ability to sustain economic growth without any negative impact as well as other supportive factors in various industries, advertising business will grow as anticipated. On the other hand, if the negative impact as in the past year whether the political uncertainty or riots that affects the overall economy of the country, the entrepreneurs then would need to reduce the cost of the advertising budget or delay the advertising. Therefore, the advertising business may not grow as expected.

### Providing the Products or Services

In production of the advertisements for the clients, the Company has implemented the following:

1. Contracting and confirming with clients the types of media, advertising period, and details. Mostly the Company will handle the production according to the client's artworks to reduce the process of design and production.
2. The Company then will pass the production process to another company to produce in accordance with the agreements with the clients. At present, the Company does not have the policy to handle the production itself but it will use a team for quality control and production time especially the production of hand labour. We have considered that the advertising production has lower operation cost than investing in equipment for production on its own. Besides, each billboard also has its own printing characteristics. When the Company has received a large volume of work orders, distributing the work to many productions helps the Company to deliver quickly and timely. However, the Company has invested with Inkjet Images (M) SDN BHD from Malaysia to set up Inkjet Images (Thailand) Co., Ltd. to produce inkjet printing which is used widely in advertising. Therefore, when it comes to inkjet printing, the Company will use the service from such affiliate due to versatility in production and time control.

Terms of business are as usual since the Company does not have any obligations to provide the works. If the volume of inkjet printing increases significantly, we might consider increasing of the investment in this business. Furthermore, the Company also assigns the works to other productions such as VR Advertising Co., Ltd., Q Advertising Co., Ltd., P S Outdoor Production Co., Ltd. and Pro Decal Co., Ltd.

3. The production firms will produce the work as assigned using 5-30 days for completion depending on the types of the media. The Company will check the quality according to the specification provided the client i.e. size, material, color and design.
4. Next, the production firms will install the advertising at the location as agreed with the client under the supervision of the Company's representative.
5. After the installation of the billboard, the production department will submit the installation report with the photos to ensure correctness and perfection of the job according to the contract. Upon the approval by the sales department, the client relations department will submit the final photos to the client with a thanking letter.
6. At the end of the installation of the billboard, the Company will remove the advertisement from the installation point. The ownership of the work shall be as specified in the contract. Mostly the clients do not need the rights for the advertisement since it will be no longer usable. If the rights belong to the Company, we will ask the contractor to demolish, dismantle and store such material for other purposes.

### Production for a Project or Special Piece of Work

1. Coordination of concept, direction and media formats along with sales and marketing.
2. Determining the style and approach of the media together with the Project Manager.

3. Negotiating and concluding of the negotiations with affiliate on locations, technology, and content.
4. Preparing the design proposal of the project to the authority of that area.
5. Preparing the feasibility study of the project in the form of the project's financial plan.
6. Entering a contract or a MOU.
7. Supervising the installation and construction.
8. Providing information to assist the sale, training on sale and creating the appealing to the media so that the sales department can understand the selling point in respective to such media to offer to the clients giving more opportunities to close the sale.
7. Selection the qualified suppliers to handle the construction. The suppliers must be of quality and fair. Meanwhile, the pre-sale of the media by the sales department will be conducted to get feedback and suggestions from the client.
8. Construction of the media.
9. Coordinating with the production about the material and production partners.
10. Sales and marketing departments handle the presentation and sell the media to the client.
11. Sales department and related employees provide after-sales service to clients willingly.
12. Project manager evaluates the success of the project.

### Developing the Media

In each media development, the Company will prepare a project plan and feasibility study together with sales and marketing departments, as detailed below:

1. Preparing a business plan.
2. Conducting a marketing research, market trend as well as various media analysis.
3. Conducting SWOT analysis.
4. Setting up the STP Strategy (Segmentation, Target Market and Positioning).
5. Developing the OHM project:
  - 5.1 Locating the potential area with coordination with the alliance relating to the project in terms of location, technology and content.
  - 5.2 Developing of the media to suit the location with appealing design according to the client's requirements.
6. Financial feasibility to consider the possibility of investment in the project.

### After Sales Service

The Company recognizes the importance of providing after sales services under the policy MACO MAX Service. We arrange the photos of the finished billboard delivered to the clients after the clients have signed for the approval as well as reporting the billboard's condition on a monthly basis.

The production team will monitor the condition of the billboards, the neatness and the illumination of all types of advertising media within 25 days of every month in order to report the status of the billboards with photos to the clients throughout the contract.

The Company also recognizes the importance of providing maintenance services and to correct the problem immediately for the sake of effectiveness and maximizing the advertising. The Company has established a Hotline call: 081-811-9811 to receive complaints, defected billboards, billboard conditions and other failures for 24 hours. If a client finishes the contract, the Sales and Marketing Department is responsible to offer more support to encourage the client to continue using the service for a longer term.



# RISK FACTORS

Master Ad Public Co., Ltd. has managed the risk according to the strategy of each business unit with a focus on maintaining a competitive position, investment for business expansion and creating more value to the business. In 2014, risk factors were managed and controlled to a certain level. However, to manage risks amidst the fierce business competition and uncertainty in global economic, the Company has considered the risks that may prevent it from achieving the goals and strategy, while maintaining major risks as follows:

## The Risks to the Business

### 1. Business Risk

The overview of the 2014: Malaysia Airlines Boeing 777 disappeared without a trace in Asia, Ebola virus outbreak began in West Africa early 2014 and the US' Quantitative easing (QE) Program. All these created economic impact on the gold price and exchange rates. Regarding the political situation in Thailand, the rally under Mr. Suthep Thaugsuban continued from 2013 until May 22, 2014 the coup was staged by the National Council for Peace and Order (NHC) under Gen. Prayuth Chan-ocha who later was appointed as Prime Minister on August 24, 2014. This affected the country's economy especially confidence in foreign investment. Tourism was affected and trading in some business sectors came to a halt due to reliance on foreign tourists.

Due to this scenario, in 2014 MACO contributed revenue to 622.08 MB decreased from 2013 around 102.54 or 14.15%. Such events also led to a slowdown in advertising spending by the operators because they need to see the clarity of the economy and the politic such as the real estate, telecom and consumer sectors and so on. However, Master Ad Public Co., Ltd. has been hedged towards the upcoming events by arranging support plans in advertising management so that the clients would return to take advantage and increase the use of the OHM or appoint the potential advertising agencies to increase the sales to meet the goals of Master Ad Public Co., Ltd.

### 2. Financial Risk

Monetary policy in 2014 was lenient enough to contributing to the economic recovery while the inflation outlook remains within target. The Monetary Policy Committee maintained the policy rate at 2.00% per year with the appropriate monetary policy ready to support the continued recovery of the economy along with maintaining the financial stability of the country in the long run, while at the end of 2013 the policy rate was at 2.25% per year.

On the international level, the Federal Reserve System (FED) has concluded about the stimulus as follows:

1. FED's stimulus is helping the US economy to recover. However, the measures can be slow down if FED sees the indicative of more boost.
2. FED may decide on measures to reduce the amount of debt at a rate of US\$ 85,000 per month if the US economy are likely to continue to maintain momentum.
3. The FED's Monetary Policy Committee (FOMC) indicated that the continuous progress in the labor market, confidence that soared toward the future trend or risk during the downside is essential to have occurred before the FED will slow the rate of acquisition debt. This shows that the FED continues to set the high condition to slow down the economy stimulus measures.

Concerning the financial risks in the past year, the Company has not affected at all, even though in 2014, the Company and its subsidiaries invested in the City Vision Flyover II Project as well as acquiring shares of the affiliates which mostly used the working capital of the Company. For exchange rate risk during the last year, the Company did not engage with such transaction. Therefore, there was no impact from currency exchange. Foreign currency futures contract

However in 2014, with the signing of the agreement on a sale of advertising in India and Vietnam, it would have involved the exchange rate, The Company has planned to reduce this risk by entering the foreign currency futures contract to protect against exchange rate fluctuations.



Liquidity risk is the risk that may arise from the possibility that the client may not be able to make payments to the Company within the normal terms of dealing. To manage this risk, the Company has assessed the financial viability of the clients from time to time. This year, the Company could manage the customer accounts effectively comparing with the account receivables that did not grow in proportion to the growing revenues. This year's debt reserve for doubtful debts decreased over 2013 and trade accounts receivable was just 72 days on average while 2013 was 75 days.

For 2014, the Company requested the shareholders' approval for the debentures in advance to backup the event of any major project that requires a lot of investment in an amount not exceeding 1,000 million Baht in the next 3 years to hedge in case the Company can not borrow money from financial institutions in the amount required. In addition, this is also an approach to the financial cost management.

### 3. The risk of regulator control of the billboards

In 2014, The Company continued to maintain the billboard policy that is permissible before the construction and has a working group to catch up continuously with the law amendment to avoid the impact to the operations of the Company. Every year the Company continues to have the inspecting company examine and certify the structure of buildings and billboards that are registered with the Department of Public Works and Planning including coordination with the Association of Advertising to guarantee the stability of every structure of the billboard as observed by the logo "Safety 15/16".

### 4. Risk of changes in the age of digital and online advertising

In 2014, consumer behavior was changing according to the new technologies. Therefore, the growth of digital media, online and smart phones have become the life and behavior of consumers. Due to the economic slowdown and political instability that occurred in 2013 and continued in 2014, the operators were affected to delay the budget for advertising. Advertising as a whole was very sluggish. However, digital advertising is one of the interesting options due to slow

advertising rates compared to other types of advertising. The operators can use the digital advertising as the channels to reach the prospective clients' specific requirements as well as providing a fast and wide range of the prospects information and the ability to interact instantly with the prospect clients. Therefore, digital advertising can meet the demand in terms of value for advertising the products and services for entrepreneurs.

In 2014, Master Ad Public Co, Ltd. planned to accommodate the investment for digital media. However, The slowdown economy and political uncertainty made the investments in digital media slowdown as well. However, Master Ad Public Co, Ltd. still intends to invest in digital media to conform to the world in the digital age. During the year 2014, Master Ad Public Co, Ltd. recruited potential partners to invest in digital media in order to manage costs and be profitable as planned. Also in 2015, Master Ad Public Co, Ltd. has utilized QR Code (Quick Response) and AR Code (Augmented Reality) technologies with the billboards for PTT Poster Project.

## Risk to the Investment of the Shareholders

### 1. Risk from the Management that Relies on the Executive or Major Shareholders

The Company has its image with a major executive who has 10.06% shareholding. Mr. Noppadon Tansalarak has played an important role in managing the Company to get recognition and acceptance in the advertising industry and maintain the good performance continuously. In 2014, the total revenue Company was 133.5 million Baht, a 23.18% decrease comparing to 2013. Under his management throughout 26 years, the Company has reached the 3rd rank of the OHM advertising business. If the Company loses him, the management and the performance of the Company might be affected. However, the Company has restructured the management through the empowerment of management, duties and responsibilities to 3 other Assistant Chief Executives to reduce such risk.

## GENERAL INFORMATION

|   |   |
|---|---|
| Company Name : Master Ad Public Company Limited. (MACO) |   |
| Registration No.  | : 0107546000113   |
| Type of Business  | : Providing advertisement services through the supply of Out of Home Media and engagement in the filed fo Entertainment             |
| Registered capital                                      | : 376,121,187.50 Baht   |
| Paid –up capital  | : 300,896,950 Baht Comprised of 3,008,969,500 ordinary shares.  |
| Par value   | : 0.10 Baht. (as of December 31, 2014)  |
| Headquarter Office                                      | : 1 4 <sup>th</sup> -6 <sup>th</sup> Floor Soi Ladphrao 19, Ladphrao Road, Jomphol, Chatuchak, Bangkok, 10900                       |
| Telephone   | : 0 2938 3388 Fax.0 2938 3489   |
| Website   | : http://www.masterad.com   |
| Investor Relation and                                   | : Tel. 0 2938 3388 Ext. 487   |
| Corporate Secretary Department                          | Fax. 0 2938 3489 Email Address ir@masterad.com  |
| Reference   |   |
| Dutie of Securities Registrar                           | : Thailand Securities Depository Co., Ltd. (TSD)<br>62 The Stock Exchange of Thailand Building.<br>Tel. 0-2229-2888 Fax.02 654 5427 |
| Auditor   | : PricewaterhouseCoopers ABAS Limited (PWC)<br>by Mr.Kajornkiet Aroonpirodkul CPA. 3445   |
| Address   | : 179/74-80 15 Floor Bangkok City Tower South Sathorn Road, Bangkok 10120   |
| Telephone   | : 02 344 1000   |
| Fax   | : 02 286 5050   |

## Information of subsidiaries and associated companies.

### 1. Master & More Co., Ltd.

|                             |   |
|-----------------------------|---|
| Registration No.            | : 0105539107640   |
| Type of Business            | : Provide service and production of small-sized billboard                                   |
| Registered Capital          | : 20,000,000 Baht.  |
| Paid-up Capital             | : 20,000,000 Baht.  |
| Proportion of Share Holding | : 100.00%   |
| Address                     | : 1 6 <sup>th</sup> Floor SoiLadphrao 19, Ladphrao Road, Jomphol, Chatuchak, Bangkok, 10900 |
| Telephone/Fax               | : 02 938 3388 Fax 02 938 3486-7   |
| Website                     | : www.masterad.com  |

### 2. Maco Ritesing Co., Ltd.

|                             |  |
|-----------------------------|--|
| Registration No.            | : 0105546151896  |
| Type of Business            | : Produce Tri-vision equipment drastically                     |
| Registered Capital          | : 5,000,000 Baht   |
| Paid-up Capital             | : 5,000,000 Baht.  |
| Proportion of Share Holding | : 80.00% of Paid-up Capital                                    |
| Address                     | : 28/43-45 Vipavadee-Rangsit Road, Chompol, Chatuchak, Bangkok |
| Telephone/Fax               | : 02 938 3388 Fax 938 3486-7                                   |

### 3. Green Ad Co., Ltd.

|                             |   |
|-----------------------------|---|
| Registration No.            | : 0105553137747   |
| Type of Business            | : Providing advertisement services through the supply of Tree wall panel.                 |
| Registered Capital          | : 5,000,000 Baht.   |
| Paid-up Capital             | : 5,000,000 Baht.   |
| Proportion of Share Holding | : 51.00% of Paid-up Capital   |
| Address                     | : 6 <sup>th</sup> Floor SoiLadphrao 19, Ladphrao Road, Jomphol, Chatuchak, Bangkok, 10900 |
| Telephone/Fax               | : 02 938 3388 Fax 938 3486-7  |



#### 4. Max Creative Co., Ltd.

|                             |   |
|-----------------------------|---|
| Registration No.            | : 0105554077489   |
| Type of Business            | : Event creative and management service                                     |
| Registered Capital          | : 5,000,000 Baht.   |
| Paid-up Capital             | : 5,000,000 Baht.   |
| Proportion of Share Holding | : 50.00% of Paid-up Capital   |
| Address                     | : 545 soi preedeeapanomyong 42 sukumvit 71 Phraknong wattana Bangkok, 10110 |
| Telephone/Fax               | : Telephone/Fax 0 2713 1240   |

#### 5. Landy Development Co., Ltd.

|                             |   |
|-----------------------------|---|
| Registration No.            | : 0105535041831   |
| Type of Business            | : Office rental business  |
| Paid-up Capital             | : 40,000,000 Baht.  |
| Proportion of Share Holding | : 48.87% of Paid-up Capital   |
| Address                     | : 1 <sup>st</sup> Floor SoiLadphrao 19, Ladphrao Road, Jomphol, Chatuchak, Bangkok, 10900 |
| Telephone/Fax               | : 02 938 3388   |

#### 6. Inkjet Images (Thailand) Co., Ltd.

|                             |  |
|-----------------------------|--|
| Registration No.            | : 0105535041831  |
| Type of Business            | : Built up in order to offer computerized advertising graphics         |
| Registered Capital          | : 6,000,000 Baht.  |
| Paid-up Capital             | : 6,000,000 Baht.  |
| Proportion of Share Holding | : 50% of Paid-up Capital   |
| Address                     | : 28/43-45 Vipavadee-rangsit Road, Lardyaow, Chatuchak, Bangkok 10900. |
| Telephone/Fax               | : 02 936 3366 Fax 02 936 3636  |
| Website                     | : www.inkjetimagesthailand.com   |

#### 7. Open Play Co., Ltd.

|                             |   |
|-----------------------------|---|
| Registration No.            | : 0105557038131   |
| Type of Business            | : Services and to production for all types of advertising media.          |
| Registered Capital          | : 5,000,000 Baht.   |
| Paid-up Capital             | : 5,000,000. Baht.  |
| Proportion of Share Holding | : 80% of Paid-up Capital  |
| Address                     | : 77/37 Soi permsin 24/1 Sukhapiban 3 Road, Khongthanon, Saymai Bangkok . |
| Telephone/Fax               | : 02 938 3388 Fax. 02 936 3486-7  |



# SHARE HOLDING STRUCTURE

## Shares of the Company

As of 31 December 2014, the Company recorded registered capital of 300,898,530 Baht, Paid Up Capital 376,121,187.50 Baht. comprising 3,008,969,500 common shares at registered value of THB 0.10 per share. MACO is the listed companies on SET Industry Services Sector Media & Publishing

## Major shareholders

Major shareholder's report as of 31/12/2014 prepared by Thailand Securities Depository Co.,Ltd.

| No. |                                     | Share          | %     |
|-----|-------------------------------------|----------------|-------|
| 1   | VGI.Global Media Plc. <sup>1</sup>  | 749,000,000.00 | 24.89 |
| 2   | Mr.Nares Ngam apichon               | 176,866,900.00 | 5.88  |
| 3   | Mr.Phiched Maneerattanaporn         | 153,016,220.00 | 5.09  |
| 4   | D-Corp Group <sup>2</sup>           | 150,000,000.00 | 4.99  |
| 5   | Mr.Noppadon Tansalarak              | 103,572,940.00 | 3.44  |
| 6   | Ms.Yanisa Tansalarak                | 99,659,650.00  | 3.31  |
| 7   | Mr.Tanphong Tansalarak              | 99,659,560.00  | 3.31  |
| 8   | Ms.Pornrat Maneerattanaporn         | 75,215,260.00  | 2.50  |
| 9   | Mr.Panis Maneerattanaporn           | 55,961,940.00  | 1.86  |
| 10  | Colonel Woman. Kittiya Chantaranima | 43,462,730.00  | 1.44  |

### Remarks:

<sup>1</sup> VGI Global Media Public Co., Ltd. which holds 24.89% is a listed company on the Stock Exchange of Thailand providing Network services, Lifestyle Media, namely:

- (1) Advertising in mass transit (BTS)
- (2) Media in modern trade (Tesco Lotus and Big C)
- (3) Media in offices and others

Major shareholders are Mass Transit Public Co., Ltd. 51% and BTS Group Holding Public Co., Ltd. 10.84%

<sup>2</sup> Decorp Group Co., Ltd. holding 24.89%, investing in stock market with major shareholders: Mr. Tawat Meeprasertsukul, Executive Director of Master Ad Public Co, Ltd. 59%, Ms. Chayanant Meeprasertsukul 20%, Ms. Nitchaya Meeprasertsukul 20%.



## Other securities issued

The Extraordinary General Meeting 1/2014 has approved the issue of Warrants to Purchase Newly Issued Ordinary Shares of Master Ad Public Company Limited (the “MACO-W1 Warrants”). The details as follows. Summary of Key Features of Warrants to Purchase Newly Issued Ordinary Shares of Master Ad Public Company Limited (“MACO-W1 Warrants”)

|                              |   |
|------------------------------|---|
| Name                         | Warrants to Purchase Newly Issued Ordinary Shares of Master Ad Public Company Limited (the “MACO-W1 Warrants”).   |
| Type                         | In named certificate and transferable.  |
| Allocation methods           | MACO-W1 Warrants shall be issued and allocated to existing shareholders of the Company pro rata to their respective shareholdings (Rights Offering) at the allocation ratio of four existing ordinary shares (with a par value of Baht 0.10 per share) for one unit of the MACO-W1 Warrants (4:1)   |
| Number of warrants issued    | 752,242,375 units.  |
| Price per unit               | Baht -0-  |
| Exercise ratio               | One unit of MACO-W1 Warrants for one ordinary share (at the par value of Baht 0.10 per share), unless the exercise ratio is adjusted otherwise pursuant to the conditions concerning the rights adjustment. Any fractions derived from the calculation based on the ratio set forth shall be rounded down.  |
| Exercise price               | Baht 2.00 per share, unless the exercise ratio is adjusted otherwise pursuant to the conditions concerning the rights adjustment.   |
| Issuance date                | To be determined by the Board of Directors or the person authorized by the Board of Directors.  |
| Allocation ratio             | Four existing ordinary shares (at the par value of Baht 0.10 per share) to one unit of MACO-W1 Warrants. In calculating the number of the MACO-W1 Warrants to be allocated to each shareholder, any fractions derived from the calculation based on the allocation ratio set forth shall be rounded down. In this regard, after the calculation of the allocation ratio of the Warrants to the shareholders, any fraction thereof will be cancelled in order that the Warrants will be proportionately allocated to the shareholders.                             |
| Term of the MACO-W1 Warrants | Three years from the issuance date of MACO-W1 Warrants  |
| Exercise period              | The warrant holders shall be entitled to exercise their rights under the MACO-W1 Warrants to purchase newly issued shares of the Company for the first time on the second anniversary of the issuance date. The first exercise date will be the last business day of the first quarter following the second anniversary of the issuance date and the last exercise date will be the date of the third anniversary of the issuance date. In the event that the first or last exercise date does not fall on a business day, it will be the preceding business day. |

|   |  |
|---|--|
| Period for serving a notice of intention to exercise the MACO-W1 Warrants               | The warrant holders who wish to exercise their right to purchase the newly issued ordinary shares of the Company shall notify their intention to exercise the MACO-W1 Warrants within five business days prior to each exercise date. In the event that the intended exercise date does not fall on a business day of the Company, it will be the preceding business day, with the exception of the last exercise date whereby the warrant holders will notify their intention to exercise the MACO-W1 Warrants within a period of 15 business days prior to the last exercise date. |
| Irrevocability of notice of intention to exercise the MACO-W1 Warrants                  | The intention to exercise MACO-W1 Warrants shall be irrevocable when a notice of intention to exercise MACO-W1 Warrants is served.   |
| Numbers of ordinary shares reserved to accommodate the exercise of the MACO-W1 Warrants | No more than 752,242,375 shares with the par value of Baht 0.10 per share, equivalent to 25% of the current total issued shares of the Company   |
| Secondary market of the MACO-W1 Warrants  | The Company will file the application for listing the MACO-W1 Warrants on the Stock Exchange of Thailand as the listed securities.   |
| Secondary market of the shares issued upon of the MACO-W1 Warrants                      | The Company will list ordinary shares issued upon the exercise of the MACO-W1 Warrants on the Stock Exchange of Thailand as the listed securities.   |



## DIVIDEND PAYMENT POLICY

### Dividend Payment Policy of MACO

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

### Dividend Payment Policy Of Subsidiaries

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

The details of dividend payment are as follow:

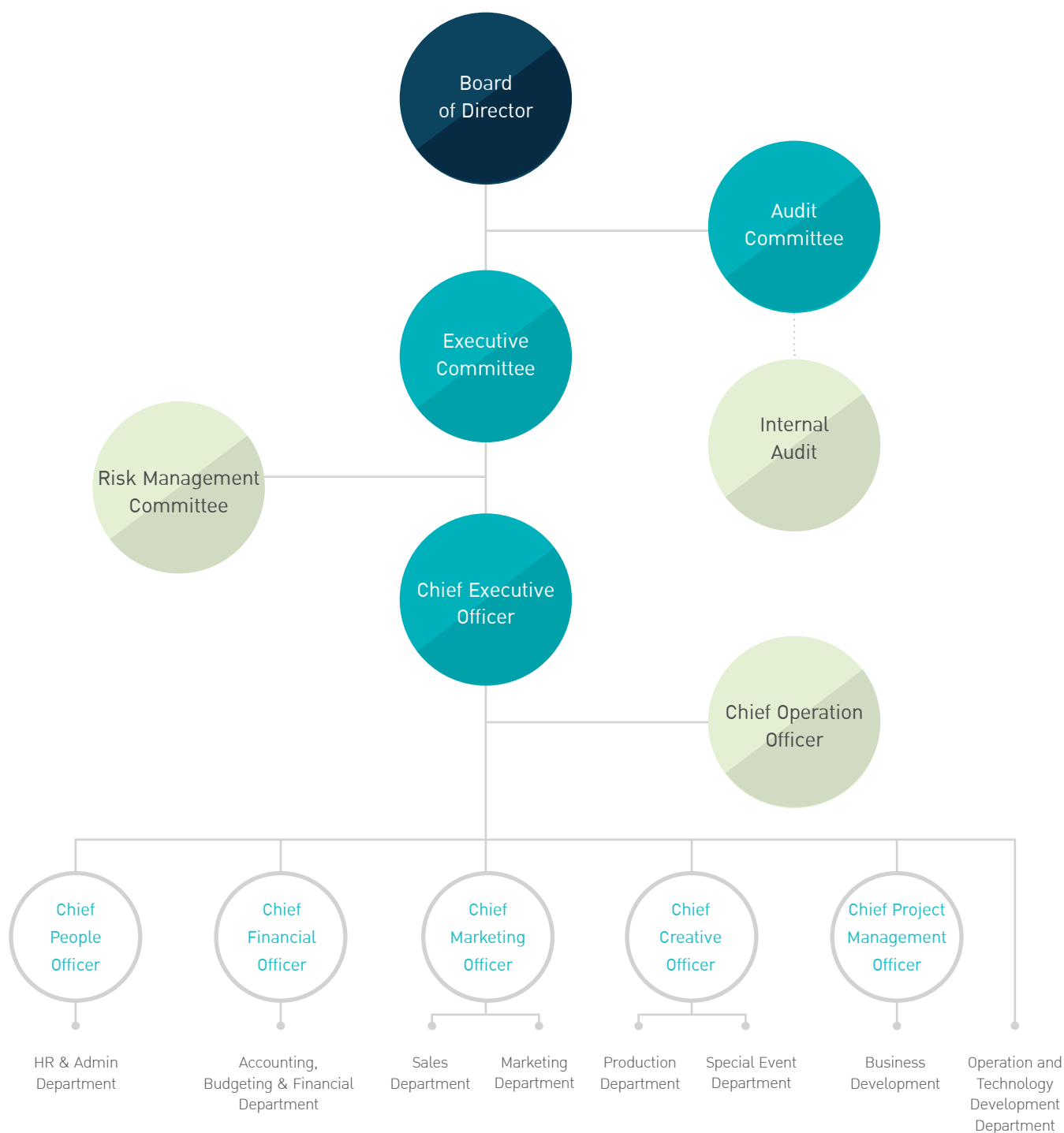
| Payment  | 2014   | 2013   | 2012   | 2011  | 2010  | 2009  | 2008   |
|--|--------|--------|--------|-------|-------|-------|--------|
| 1. Net Profit (million baht)                             | 38     | 196    | 197    | 78.55 | 64.70 | 22.38 | 49.64  |
| 2. Number of shares (million)                            | 300.90 | 300.90 | 175    | 125   | 125   | 125   | 125    |
| 3. Dividend  |        |        |        |       |       |       |        |
| - Interim dividend (baht/share)                          | 0.25   | 0.20   | 0.20   | 0.25  | 0.25  | -     | -      |
| - Annual dividend (baht/share)                           |        | 0.30   | 0.15   | 0.27  | 0.25  | 0.20  | 0.20   |
| Stock dividend (baht/share)                              |        | -      | 0.72   | 0.40  |       |       |        |
| 4. Total dividend (million baht)                         | 75     | 150.45 | 187.25 | 115   | 62.50 | 25.00 | 25.00  |
| 5. Percentage of dividend on net profit after allocation |        |        |        |       |       |       |        |
| of reserve as required by law                            | -*     | 76.76% | 95%    | -*    | -*    | -*    | 50.36% |

Remark: \* Dividend payment paid from Net Profit and Retained earnings (seperate financial statements).



# MANAGEMENT STRUCTURE

As of 31 December 2014, the Company's management structure consists of the Board of Directors and the 3 Sub-committees: The Auditing Committee, the Executive Committee and the Risk Management Committee with the following operational structures:





## Management Structure

The composition of the Board of Directors follows the rules of the Office of Securities and Exchange Commission (SEC) as follows:

- Audit Committee
- Executive Committee
- Risk Management Committee

Follows the rules of the Office of Securities and Exchange Commission (SEC) as follows:

- Having Independent Directors at least one third of the total number of Directors, but not less than three persons,
- Having at least three Audit Directors,

## Board of Directors

Directors are responsible for making operative decisions beneficial to the Company, shareholders and interested parties. They specify vision, policy and budget in the operation jointly with the management. They must have qualifications and not possess characteristics forbidden by the Public Company Act, and not have characteristics indicative of untrustworthiness to manage a public company as announced by the SEC. The number of Directors to be elected in a general meeting of shareholders shall not be less than five and not more than 12. At least one half of the Directors of the Board shall be residents of the Kingdom of Thailand.

As of January 31, 2014, the Board features 9 Directors as follows:

- Non Executive Director 5 persons
- Independent Director 3 persons
- Executive Director 1 Person

### List of Board of Director as of January 31, 2015.

| Name             |                    |  | Meeting of the Board 2014 |                              |
|------------------|--------------------|--|---------------------------|------------------------------|
|                  |                    |  | No. of Meeting            | No. of attending the meeting |
| 1. Mr. Prasert   | Virasathienpornkul | Chairman of Board of Director (Independent Director) and Chairman of Audit Committee | 4                         | 4                            |
| 2. Mr. Noppadon  | Tansalarak         | Executive Director and Chief Executive Officer                                       | 5                         | 5                            |
| 3. Mr. Phiched   | Maneerattanaporn   | Non Executive Director and Executive Committee                                       | 5                         | 5                            |
| 4. Mr. Tawat     | Meeprasertsukul    | Non Executive Director and Executive Committee                                       | 5                         | 5                            |
| 5. Mr. Pornsak   | Limboonyaprasert   | Independent Director and Audit Committee   | 5                         | 4                            |
| 6. Mr. Chaiyasit | Puwapiromkwan      | Non Executive Director   | 3                         | 3                            |
| 7. Mr. Chavin    | Kalayanamitr       | Non Executive Director   | 3                         | 3                            |
| 8. Ms. Daranee   | Phanklin           | Non Executive Director   | 3                         | 3                            |
| 9. Mr. Paisal    | Tarasarnsombat     | Independent Director and Audit Committee   | 3                         | 3                            |

Remark:

1. Executive Director refers to a person who has management authority, receiving monthly salary and appointed as a Director.
2. Non-executive Director refers to a director who has no managerial position in the Company, and no monthly salary,
3. Independent Director refers to a Director who has no managerial position but shall have qualifications as specified by SEC and SET.
2. Review and approve the Company's operational policies and directions proposed by the Executive Committee, except for issues which require approval of the shareholder's meeting, including other issues which are required by the law to be assented by the shareholder's meeting.
3. Oversee the Executive Committee to efficiently adhere to the stipulated policy. Additionally, the Board shall inform the Executive Committee to present issues in substance to the Company's operation as well as connected transactions, among many others, in conformity with the regulations and bylaws of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). As for the significant decision for the business operation, the board members may seek specialized professional advice or comment from external consultants.

### Authorized Director on the Company's Behalf

Mr. Noppadon Tansarak , Mr.Phiched Maneerattanaporn and Mr.Chavin Kalayanamitr the 2 in 3 directors sign together and affix with the company's seal.

### Duties and Responsibilities of Directors

The Company arranges the Board of Directors to review and study the governance and management of the Company. Every director is free to comment on the Company's operations and supervise the operation of the management to be efficient, accurate and transparent with the following scope of authority:

### Scope of Authority and Responsibility

The board members shall have the following authorities and responsibilities.

1. Manage the Company by deploying their best knowledge, capability, and experience for the best interest of the Company's business operation. Such management shall prudently abide by the Company's regulations, objectives, bylaws, and the shareholder's meeting resolution, in order to retain the best interests of the Company and to assume its responsibilities for the shareholders.
4. Supervise the Company adopting efficient internal control systems and internal audits. In addition, the Board has rights to decide and oversee overall operations of the Company, except for the following issues for which they require the approval from the shareholders' meeting before operation.
  - 4.1 Issues which are required by the law to pass the shareholders' meeting resolution first.
  - 4.2 Issues of connected transaction as stipulated by the rules and regulations of the Stock Exchange of Thailand on criteria, approach, and disclosure of a registered company's connected transaction.
  - 4.3 The purchase and sales of important property shall conform to the SET rules and regulations on criteria, approach, and disclosure of receipt and disposal of a registered company's asset.



### Term of Office

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

### Resignation of Directors

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

- 1) Death,
- 2) Resignation,
- 3) Lack of qualifications or having forbidden characteristics per Article 68 of the Public Company Act B.E. 2535 (1992),
- 4) Retire by rotation.
- 5) Shareholders vote for termination in a shareholders' meeting per Article 76 of the Public Company Act B.E. 2535 (1992),
- 6) Termination by a court order,

Director, who wishes to resign, must submit a letter of resignation to the Chairman. If the director vacant due to reasons other than retirement by rotation, The Board of Directors shall appoint a person who is qualified and not prohibited by law to fill the vacancy at the next Board Meeting unless the term of such director is less than 2 months. The person who is the replacement will be in office only for the remaining term of the director replaced.

### Directors Meetings

- 1) The meetings must be at least 4 times a year with scheduling for the year in advance and are subject to convene special meetings as necessary.
- 2) Chairman and Chief Executive Officer will oversee and give consent to the agenda.

- 3) Company Secretary shall send notice of the meeting, the agenda and documents for the meeting to the Directors at least 7 days in advance to allow ample time for the Directors to study prior the meeting.
- 4) Chairman serves as the chairman of the meeting. He is responsible for time allocation of each agenda for the Directors to express their opinions independently on the key issues with regard to the interests of shareholders and stakeholders with fairness.
- 5) In the meeting of the Directors, the Stakeholders with significant involvement in the topic shall leave the meeting during the discussion of such matter.
- 6) Resolution shall be made by majority. If any Director disputes such resolution, the objection shall be recorded in the minutes.
- 7) In consideration of any issue, the Directors are entitled to look at or check the related documents or ask the management to clarify additional information.
- 8) Company Secretary shall take notes and prepare the report within 14 days, keep the minutes and meeting documents, follow-up support for the Board to act in accordance with the laws, regulations and resolutions of the shareholders' meeting as well as coordinate with the relevant parties.
- 9) The Company allows the non-executives to discuss among themselves without the Executive Directors present at the meeting. The non-executive directors are free to give feedback and comments that are valuable and useful to the operations of the Company at least once a year.



## List of Board of Directors and their shareholdings as of December 31, 2014

| Name              | Position   | Appointment Date | Last appointment Date | No. of years as a Director (Year) | No. of share holding As of 31/1/14 | Proportion of share holding (%) | No. of share holding As of 31/12/14 | Proportion of share holding (%) |
|-------------------|--|------------------|-----------------------|-----------------------------------|------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
|                   |  |                  |                       |                                   |                                    |                                 |                                     |                                 |
| 1. Mr. Prasert    | Chairman of the Board of Director and Chairman of Audit Committee (Independent Director) | 18/4/14          | 18/4/14               | 1                                 | -None-                             | -                               | -None-                              | -                               |
| 2. Mr. Noppadon   | Tansalarak   | 19/5/03          | 27/4/12               | 9                                 | 22,151,845                         | 20.32                           | 103,572,940                         | 3.44                            |
| 3. Mr. Phiched    | Maneerattanaporn   | 19/5/03          | 24/4/13               | 9                                 | 38,334,568                         | 10.00                           | 153,016,220                         | 5.09                            |
| 4. Mr. Tawat      | Meeprasertsukul  | 19/5/03          | 24/4/13               | 9                                 | 32,669,064                         | 10.86                           | 150,000,000                         | 4.99                            |
| 5. Mr. Pomsak     | Limboonyaprasert   | 22/4/08          | 18/4/14               | 5                                 | -None-                             | -                               | -None-                              | -                               |
| 6. Mr. Chaivasith | Puwapiromkwan  | 12/5/14          | 12/5/14               | 7 Month                           | -None-                             | -                               | -None-                              | -                               |
| 7. Mr. Chavin     | Kalayanamitr   | 12/5/14          | 12/5/14               | 7 Month                           | -None-                             | -                               | -None-                              | -                               |
| 8. Mr. Paisal     | Tarasamsombat  | 1/8/14           | 1/8/14                | 4 Month                           | -None-                             | -                               | -None-                              | -                               |
| 9. Ms. Daranee    | Phanklin   | 12/5/14          | 12/5/14               | 7 Month                           | -None-                             | -                               | -None-                              | -                               |

## Remarks:

1. Include shares held by spouse, underage children and related entities
2. 2<sup>nd</sup> Director is the executive who attended the Employee Joint Investment Program (EJIP)
3. 1/1/57\* Par value of 1 Baht per share.
4. 31/12/57\*\* Par value of 0.10 Baht per share.



## Report on the holding of the securities of the Directors

The company has a policy that directors must report their shareholding to the Board everytime of change at the next meeting of the Board of Directors from the date of trading the securities.

Report trading securities during the year 2014 the Board of Directors.

| Name                           | Type of Securities | Filing Date | amount     | Price | The methods of Acquisition/<br>Disposition |      |
|--------------------------------|--------------------|-------------|------------|-------|--|------|
|                                |                    |             |            |       |  |      |
| 1. Mr.Tawat Meeprasertskul     | Common share       | 12/5/2014   | 2,579,136  | 9     |  | sell |
| 2. Mr.Noppadon Tansalarak      | Common share       | 12/5/2014   | 11,851,920 | 9     |  | sell |
| 3. Mr.Phiched Maneerattanakorn | Common share       | 12/5/2014   | 19,032,946 | 9     |  | sell |
| 4. Mr.Phiched Maneerattanakorn | Common share       | 10/6/2014   | 3,000,000  | 12    |  | sell |
| 5. Mr.Phiched Maneerattanakorn | Common share       | 14/7/2014   | 1,000,000  | 14    |  | sell |

## Sub Committee

### 1. Audit Committee

As at December 31, 2013, the Audit Committee of the Company comprises three independent committee members as follows:

| Name                             | Position         | Note.  |
|----------------------------------|------------------|--|
| 1. Mr.Prasert Virasathienpornkul | Chairman         | Independent Director,  |
| 2. Mr.Pornsak Limboonyaprasert   | Committee Member | Independent Director, knowledgeable about accounting and finance |
| 3. Mr.Paisal Tarasarnsombat      | Committee Member | Independent Director,  |

### Scope of Authority and Responsibility

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

- To review the company's financial statement for accurate, reliable and sufficient disclosure.
- To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit and annual internal audit plan.
- To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
- To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
- To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.

6. to prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
  - 6.1 an opinion on the accuracy, completeness and creditability of the Company's financial report.
  - 6.2 an opinion on the adequacy of the Company's internal control system,
  - 6.3 an opinion on the compliance with the law on securities and exchange, the exchange's regulations, or the laws relating to the Company's business,
  - 6.4 an opinion on the suitability of an auditor,
  - 6.5 an opinion on the transactions that may lead to conflicts of interests,
  - 6.6 the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - 6.7 an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
  - 6.8 other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.
7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

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

### The term of Office

The Audit Committee as Independent Director shall hold office for a period of not less than 9 years from the first appointed date. If the Audit Committee is to be appointed further, the Board should consider the reason of the necessity to do so.

### Audit Committee's Meetings

Audit Committee should meet at least 4 times a year to consider matters according to the duties as assigned. In each meeting, the agenda must be made clearly ahead of time and submitted to the Audit Committee and the participants in advance with reasonable time to review or request for further information. In 2014, the Audit Committee had 4 meetings.

## 2. The Executive Committee

As of 31 December 2014, the Executive Committee is comprised of 5 members as follows:

| Name           |                  | Position         |
|----------------|------------------|------------------|
| 1. Mr.Noppadon | Tansalarak       | Chairman         |
| 2. Mr.Phiched  | Maneerattanaporn | Committee Member |
| 3. Mr.Tawat    | Meeprasertskul   | Committee Member |
| 4. Mr.Vichit   | Dilokvilas       | Committee Member |
| 5. Ms.Tamonwan | Narintavanich    | Committee Member |

### Scope of Authority and Responsibility

In order to adhere to the Board's policy, the Executive Committee shall assume the following authorities and responsibilities in managing the Company's operation.

1. Control the Company's management by which the Executive Committee shall operate in accord with the policy specified by the Board. The Executive Committee shall periodically report the Company's performance results to the Board of Directors. More than half of the Executive Committee members shall attend the Executive Committee meeting. The Executive Committee's resolution shall be made by majority vote, which shall be over half of the committee votes. The Executive Committee may deem appropriate to change or add, now and then, its meeting process, quorum determination, and voting procedure.

- The Executive Committee shall be unable to approve items or people with vested interest or conflicts of interest or any conflict types against Master Ad or its subsidiaries.

The Executive Committee members shall be in office for 3 years; nonetheless, the terminated directors can be re-elected.

The Executive Committee shall organize or call for meetings as deemed appropriate. In such committee meetings, there shall be at least three committee members in attendance to constitute a quorum. The Executive Committee's resolution shall be made by majority vote. In this regard, directors who have conflicts of interests are not allowed to participate in consideration on a certain agenda item or are ineligible to vote. In the year 2014 have 4 total meeting time.

### 3. Risk Management Committee

The Board appointed the corporate Risk Management Committee consisting of at least five members, of which at least one shall be the Company's director. At December 31, 2014, the Risk Management Committee comprises 7 persons as follows:

| Name-Last name |                | Position            |
|----------------|----------------|---------------------|
| 1. Mr..Anant   | siripasraporn  | Chairman            |
| 2. Mr.Jutha    | Jaruboon       | Member of Committee |
| 3. Ms.Tamonwan | Narinhavanich  | Member of Committee |
| 4. Mrs.Uraiwan | Boonyarataphan | Member of Committee |
| 5. Mr.Yanis    | Tipakorn       | Member of Committee |
| 6. Mrs.Rodjana | Trakulkoosri   | Member of Committee |
| 7. Ms.Seingfon | Rattanabhrom   | Member of Committee |

#### Scope of Authority and Responsibility

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

1. Compile the Risk Management Handbook of Master Ad Public Company Limited
2. Devise a plan for risk prevention or reduction.
3. Propose the Company's risk management policies to the Board for consideration before implementation.
4. Support the high-ranking executives' management by establishing a structure of risk management to comprehensively cover the overall organization, as well as adopting the risk management strategy into practice by issuing regulations and encouraging investment in an appropriate system.
5. Examine, analyze, and assess existing or potential risks and trends which may affect the organization both internally and externally.
6. Evaluate, prepare, and submit a report on adequacy of risk system and control to the Executive Committee and the Board.

7. Function as the hub of managing significant risks reported by risk management coordinators.
8. Review the report on risk management and enhance efficiency in management performance in order to deal with unacceptable risks.
9. Inaugurate an integrated risk management system and link it to the Company's information system.
10. Carry out any other task pertinent to the Company's risk management policies as assigned by The Board.

#### Term of Service

The Risk Management Committee members shall be in office for 3 years; nonetheless, the terminated directors can be re-elected.

#### Risk Management Committee Meeting

The Risk Management Committee shall organize or call for meetings on a monthly basis or as seen appropriate. In such committee meetings, there shall be at least 3 committee members in attendance to form a quorum. The Executive Committee's discretion shall hold majority vote as the meeting resolution. In the year 2014 have 4 total meeting time.

### Corporate Secretary

In order to comply with the corporate governance principle of the listed companies under the responsibilities of the Board Directors and the requirements of the Securities Exchange Act (No. 4) B.E.2551 (2008), the Board of Directors has appointed Ms. Thamonwan Narinhavanit to be the Corporate Secretary starting February 22, 2008 (Profile as per the Appendix 1). Corporate Secretary's duties and responsibility are as follows:



## The Company's Secretary's Qualifications

1. Have comprehensive knowledge and understanding of the Company's business, including roles and duties related to the work of the Company's secretary, for instance, duties of the Board and the Company, having sound knowledge of related laws and regulations, including the continuous pursuit of knowledge and follow-up of data and information for the development of work implementation.
2. Perform duties in accordance with laws, rules and the Company's regulations, with responsibility, caution, integrity and determination, including lending support for the Company's operation, based on the Company's principles of good corporate governance and code of ethics, so that the Company may fulfill its goal.
3. Strictly adhere to virtue and morality, as well as take into account all groups of stakeholders, while not acting in a way that will cause damage to the Company's reputation and good image.
4. Not aim at self-interest out of the Company's business opportunities, and well maintain the Company's secrecy.
5. Have good human relations and an ability to coordinate with other work units or agencies both inside and outside the Company.
2. Keeping reports on gain and loss as reported by the Board of Directors and the Management,
3. Doing other things as prescribed by the Stock Exchange Committee,
4. Delivering copies of reports on gain and loss as reported by the Board of Directors and the Management or other related persons, which is the gain and loss pertaining to the operation of the Company's business, or its subsidiaries, to the Chairman and the Chairman of the Board of Auditors, within 7 days from the date which the Company receives the said reports,
5. Making suggestion on the Law and related rules and procedures on governance of the Board in line with the law.
6. Arranging the meetings of the Board of Directors' Meetings and also of Shareholders' Meetings
7. Coordinating with the Company units to follow the resolutions of the Board of Director and Shareholders' Meetings.
8. Liaise with regulatory agencies such as the stock market and overseeing the disclosure and reporting information to the regulatory agencies and the public as specified by law.

## Corporate Secretary's duties and responsibility

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

1. Preparing and keeping the following documents:
  - (a) Register of Directors,
  - (b) Notice letters and Minutes of the Board of Directors' Meetings, and the Company's Annual Reports,
  - (c) Notice letters and Minutes of Shareholders' Meetings
9. Preparing the orientation to newly appointed director
10. Performing the duty with due responsibility, care and honesty according to the Laws, objectives and regulations of the Company, resolutions of the Board of Directors as well as the resolutions of the Shareholders' Meetings
11. Other duties as assigned from the Company



## Remuneration of the Board of Directors and Management

### Remuneration of the Board of Directors

The remuneration for the Directors of the Company is in accordance with the resolution approved by the shareholders' meeting. The Board of Directors is authorized to determine the remuneration since the Remuneration Committee has not been set up yet. The Board of Directors will consider the remuneration of the Directors by comparing with other companies in the same industry, and present to the shareholders for approval. The Directors, the Audit Committee and the Executive Director will receive the remuneration only when attending the meeting with the amount for each position as follows.

#### 1. Monetary Remuneration

- Chairman of the Board and Chairman of the Audit Committee will receive 20,000 Baht / time each
- Vice Chairman 15,000 Baht / time
- Directors of the Company and the Audit Committee 10,000 Baht / time
- Executive Directors 5,000 Baht / time
- Only Directors and Audit Committee who are independent Directors will receive an annual pension.

#### Remuneration to Directors (Comparison Year 2012-2014) (Monetary remuneration)

Unit : Baht

| Remuneration       | 2014    |                     | 2013    |                  | 2012    |                     |
|--------------------|---------|---------------------|---------|------------------|---------|---------------------|
|                    | Persons | Remuneration        | Persons | Remuneration     | Persons | Remuneration        |
| Meeting Allowances | 13      | 790,000.00          | 8       | 735,000.00       | 10      | 630,000.00          |
| Bonus              | 3       | 530,000.00          | 3       | 680,000.00       | 5       | 1,530,000.00        |
| Other              | None    |                     | None    |                  | None    | None                |
| <b>Total</b>       |         | <b>1,320,000.00</b> |         | <b>1,415,000</b> |         | <b>2,160,000.00</b> |

Remark: Number of directors each year is not the same due to reshuffle during the year

#### 2. Non-monetary remuneration. - None -



Remuneration to Directors in the Year 2014 (Monetary remuneration)

(Unit : Baht)

| No.          | Name                            | Allowances           |                    |                        | Total             | Premium                        | Total               |
|--------------|---------------------------------|----------------------|--------------------|------------------------|-------------------|--------------------------------|---------------------|
|              |                                 | Board<br>of Director | Audit<br>Committee | Executive<br>Committee |                   | Paid on<br>January<br>28, 2014 |                     |
| 1            | Pol.Sub.Lt .Kriengsak Lohachala | 40,000.00            | 40,000.00          |                        | 80,000.00         | -                              | 80,000.00           |
| 2            | Mr.Noppadon Tansalarak          | 50,000.00            |                    | 30,000.00              | 80,000.00         | -                              | 80,000.00           |
| 3            | Mr.Phiched Maneerattanaporn     | 50,000.00            |                    | 30,000.00              | 80,000.00         | -                              | 80,000.00           |
| 4            | Mr.Tawat Meeprasertsukul        | 50,000.00            |                    | 30,000.00              | 80,000.00         | -                              | 80,000.00           |
| 5            | Mr.Vichit Dilokvilas            | 20,000.00            |                    | 20,000.00              | 40,000.00         | -                              | 40,000.00           |
| 6            | Mr.Prasert Virasathienpornkul   | 80,000.00            | 50,000.00          | -                      | 130,000.00        | 360,000.00                     | 490,000.00          |
| 7            | Mr.Pornsak Limboonyaprasert     | 40,000.00            | 30,000.00          | -                      | 70,000.00         | 120,000.00                     | 190,000.00          |
| 8            | Mrs.Ubolrat Bhokamonwong        | 20,000.00            | 20,000.00          | -                      | 40,000.00         | -                              | 40,000.00           |
| 9            | Ms.Tamonwan Narintavanich       | 20,000.00            |                    | 30,000.00              | 50,000.00         | -                              | 50,000.00           |
| 10           | Mr.Chaiyasith Puwapiromkwan     | 30,000.00            |                    | -                      | 30,000.00         | -                              | 30,000.00           |
| 11           | Mr.Chavin Kalayanamitr          | 30,000.00            |                    | -                      | 30,000.00         | -                              | 30,000.00           |
| 12           | Ms.Daranee Phanklin             | 30,000.00            |                    | -                      | 30,000.00         | -                              | 30,000.00           |
| 13           | Mr.Paisal Tarasarnsombat        | 30,000.00            | 20,000.00          | -                      | 50,000.00         | 50,000.00                      | 100,000.00          |
| <b>Total</b> |                                 | <b>490,000.00</b>    | <b>160,000.00</b>  | <b>140,000.00</b>      | <b>790,000.00</b> | <b>530,000.00</b>              | <b>1,320,000.00</b> |

Remark :

- 5<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> Director were out of the position on May 12, 2014
- 10<sup>th</sup>-12<sup>th</sup> Directors were appointed on May 12, 2014
- 13<sup>th</sup> Director was appointed on August 1, 2014
- 1<sup>st</sup> Director was out of the position on September 22, 2014

## Management Team

At February 23, 2015, the Management Team comprises 6 persons as follows:

| Name           |                | Position                |
|----------------|----------------|-------------------------|
| 1. Mr.Noppadon | Tansalarak     | Chief Executive Officer |
| 2. Mr.Yanis    | Tipakorn       | Chief Creative Officer  |
| 3. Mr.Jutha    | Jaruboon       | Chief Operation Officer |
| 4. Ms.Tamonwan | Narinhavanich  | Chief Financial Officer |
| 5. Mr.Narong   | Tresuchon      | Chief Marketing Officer |
| 6. Mrs.Uruiwan | Boonyarataphan | Chief People Officer    |

Remark: Information on Executive Profile page 247-257

The Company shall have the duties and responsibilities of the Chairman and Chief Executive Officer, clearly, not to any one person has unlimited authority.

### Chief Executive Officer

The Chief Executive Officer is the highest position in the management, appointed by the Board of Directors to manage the Company, according to the operation plan and budget approved by the Board of directors, in strict, honest and careful observation of the objectives and regulations of the Board resolutions, withholding principally the Company's and the shareholders' interest, within the authorities and duties of the Chief Executive Officer as assigned by the Board.

### Scope of CEO's Authority and Responsibility

The Chief Executive Officer (CEO) has authority and duties in conducting the business of the company as assigned by the Board of Directors for the best interest of the company. CEO, then, shall strictly perform such duties in accord with the plan or budget approved by the Board with honesty, ethics, and due care. CEO shall completely protect the benefit of the Company and its shareholders. The authority and responsibilities of CEO are as follows:

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

Notwithstanding, exercising power or making-decision of Chief of Executive Committee/ CEO is not allowed, for his own interest, whether directly or indirectly, in such matter.



### Policies on CEO's holding the director position in other companies:

1. Being the Director of not more than 3 companies listed on the Stock Exchange of Thailand.
2. Chief Executive Officer shall serve as a director or consider a qualified executive to be the director in the company that the Company has its shareholdings.

### Separation of the position of Chairman of the Board from Chief Executive Officer

To separate between the duties of policy formulation and routine management, and to enable Directors to monitor, control and measure operation results effectively, Master Ad Plc. has decided that the Chairman and Chief Executive Officer shall be different persons. The Chairman of the Board shall supervise the management of the executives, providing advice, assistance, but without intervening in the everyday management, but let the Chief Executive Officer do that function under the extent of authority given by the Board. Besides, the Chairman of the Board shall possess leadership, making sure that Directors are not under the management's influence, chairing Board and shareholders' meetings in a fair and efficient manner, supporting and encouraging participants to exercise their rights, and observing to the principle of maintaining good governance.

### Succession plans for senior management

If the Chairman's position is vacant, the Board of Directors shall select a board member or a senior management of the Company to hold the office. If no suitable candidates, the Board may select a person of the third party. For the position of the Chief Executive Officer, there have been the members of the senior management being appointed to prepare for to be the Chief Executive Officer in succession as Deputy CEO, a total of 5 persons. In addition, for the position of senior management from the level of the directors onwards, the Personnel Management Department has conducted the Successor Project to prepare the mid-level managers for the career advancement as well.

### Remuneration for the Management

CEO in cooperation with the management has established the Key Performance Indicators (KPIs) on an annual basis. The KPIs will be guidelines for business conduct as well as the performance evaluation measures for Chief of Executive Committee/ CEO and the management of all levels.

As at December 31, 2014, the remunerations of ten top management including Chief of Executive Committee/ CEO of master Ad PCL and its subsidiaries as detailed below.

#### Monetary Remuneration

(Unit : Baht)

| Remuneration                   | 2014               |                      | 2013               |                      | 2012               |                      |
|--------------------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
|                                | No.Of<br>Executive | Amount               | No.Of<br>Executive | Amount               | No.Of<br>Executive | Amount               |
| Salary and other               | 5                  | 26,065,372.67        | 5                  | 33,624,156.47        | 5                  | 31,260,036.47        |
| Contribution to Provident Fund | 5                  | 313,267.00           | 5                  | 352,745.00           | 5                  | 303,398.00           |
| EJIP                           | 4                  | 644,157.00           | 4                  | 472,798.56           | 4                  | 506,770.80           |
| <b>Total</b>                   |                    | <b>27,022,796.67</b> |                    | <b>34,449,700.03</b> |                    | <b>32,070,205.27</b> |

### Details of executives other remuneration

Report on the holding of the securities of the senior executives at December 31, 2014

- Contributions to the Provident Fund: The Company has set up a Provident Fund for executives and employees and contributed by 5% of the salary. In 2014, the Company has contributed to the Provident Fund for executives totaled 313,267 Baht.
- Employee Joint Investment Program (EJIP): An incentive in working and cooperating with the Company for a long time with a period of 3 years from July 1, 2013 -

June 30, 2014. Executives who can join the EJIP must be the permanent employees of the Company and be the staff over the department level. The Company will deduct 5% of the executive salaries and pay for the contributions at the rate of 80% of the amount deducted from the executive salaries. In 2014, there were 4 executives from over the department level joining the program and the Company has contributed for a total of 644,157 Baht

The securities acquired under the Employee Joint investment Program (EJIP) for the executives of the Company will be exempt from the reporting of holding of securities according to Form 59-2.

### Report on the holding of the securities of the Executive Management .

| No. | Name                       | Shares                       |                                | [%]                          |                                |
|-----|----------------------------|------------------------------|--------------------------------|------------------------------|--------------------------------|
|     |                            | January 1, 2014 <sup>1</sup> | December 31, 2014 <sup>2</sup> | January 1, 2014 <sup>1</sup> | December 31, 2014 <sup>2</sup> |
| 1   | Mr.Noppadon Tansalarak     | 22,151,845                   | 103,572,940                    | 7.36                         | 3.44                           |
| 2   | Mr.Jutha Jaruboon          | 11,429                       | 111,263                        | 0.003                        | 0.004                          |
| 3   | Ms.Tamonwan Narinthavanich | 16,016                       | 158,101                        | 0.005                        | 0.005                          |
| 4   | Mrs.Uraiwan Boonyarataphan | 36,253                       | 109,821                        | 0.012                        | 0.004                          |
| 5   | Mr.Yanis Tipakorn          | -                            | 31,817                         | -                            | 0.001                          |

Remark: <sup>1</sup> Par Value 1.00 Baht

<sup>2</sup> Par Value 0.10 Baht



## Personel

### The recruitment and selection

Over the past 26 years, the Company has been recognized as a leader in OHM with quality and up to date management. The Company is Thailand's first recognized by the ISO 9001: 2008 quality standards. The Company is committed to develop the products, services and personnel under the concept: "Smart, Creative & Innovative" as well as the concept on human resource management - Maco's Style of "Work Hard, Work Smart & Work Fun." The Company recognizes the importance of the recruitment and selection process to get the right personnel to work with. This year, the Company has added a variety of channels in recruiting in order to increase the efficiency in searching for the personnel who have quality and potential to support the work of all units in the entire organization. The Company also used selection process to get the suitable personnel such as testing the knowledge to measure the efficacy of the candidate, testing the attitudes and aptitude for each position to ensure that the staff are working happily that is

working at their expertise and having passion for their work. The Company emphasizes the interview process to ensure that the right people will join the organization. This year, the CEO also interviewed the candidates for key positions by himself. The Company also set out proactive work plans, organized MACO Job Fair and participated in the job fares continuously as well as building relationships with leading educational institutions to develop students' skills in preparing them to enter the labour market i.e. giving lecture to students in various disciplines and cooperative education.

### Number of employees of Master Ad Public Co.,Ltd. by main business lines:

| Main Job Line                                 | No. of employees |            |            |
|---|------------------|------------|------------|
|   | 2014             | 2013       | 2012       |
| 1. Executive Department                       | 32               | 41         | 48         |
| 2. Marketing Department                       | 20               | 15         | 16         |
| 3. Sales Department                           | 23               | 32         | 24         |
| 4. Production Department                      | 33               | 40         | 14         |
| 5. Accounting and Financial Department        | 24               | 23         | 21         |
| 6. Administraion Department                   | 26               | 25         | 20         |
| 7. Business Innovation Development Department | 15               | 16         | 20         |
| 8. Legal Division                             | 3                | 2          | 2          |
| <b>Total</b>                                  | <b>176</b>       | <b>194</b> | <b>165</b> |

### The performance management and remuneration

The Company has set to pay the remuneration to the employees according to qualifications, skills and work experience. The minimum salary of the employees is based on the minimum wage set by the government. The Company considers the salary adjustment and bonus once a year by applying the Balanced Scorecard and KPI systems as well as 360 degrees assessment based on the corporate's Core Competency as the tools to consider the performance of each employee, department and the Company's according to the principle of compensation Pay for Performance, as in past years.



#### Details of Compensation to the employees (Excluding Executives)

| Details                              | 2014                 | 2013                 | 2012                 |
|--------------------------------------|----------------------|----------------------|----------------------|
| Salaries and other employee expenses | 66,145,009.92        | 58,843,428.16        | 50,953,107.67        |
| Contributions to the Provident Fund  | 2,159,948.00         | 1,807,772.00         | 1,467,893.00         |
| EJIP                                 | 590,535.04           | 623,271.04           | 562,547.40           |
| <b>Total</b>                         | <b>68,895,492.96</b> | <b>61,274,471.20</b> | <b>52,983,542.07</b> |

#### Details of Employees other remuneration

- Contributions to the Provident Fund: The Company has set up a Provident Fund for executives and employees and contributed by 5% of the salary. In 2014, the Company has contributed to the Provident Fund for employees totaled 2,159,948 Baht.
- Employee Joint Investment Program (EJIP): An incentive in working and cooperating with the Company for a long time with a period of 3 years from July 1, 2013 - June 30, 2014. Executives who can join the EJIP must be the permanent employees of the Company and be the staff over the department level. The Company will deduct 5% of the executive salaries and pay for the contributions at the rate of 80% of the amount deducted from the executive salaries. In 2014, there were 32 persons from over the department level joining the program and the Company has contributed for a total of 590,535.04 Baht

The securities acquired under the Employee Joint investment Program (EJIP) for the executives of the Company will be exempt from the reporting of holding of securities according to Form 59-2.

Additionally, the Company has arranged various sales awards to promote and stimulate continuous sales; namely, New Sales Star of the Year Award, New Customers Sales Award, Top Sales Awards for individual and team, Outstanding Sales Awards for individual and team, and Top Made to Order Sales Award.



# CORPORATE GOVERNANCE

## Corporate Governance Policy

The Company has viewed that corporate governance policy and business ethics is part of the business policy of the Company. The policy of corporate governance and business ethics has been made in writing. The Board is responsible for policy and practice in such matters. The Board also makes sure that the directors, the management and employees are to comply with strictly. The Company has reviewed its corporate governance policy and business ethics regularly. The full version of business policy, corporate governance and ethical business conduct has been published via the Company's website: [www.masterad.com](http://www.masterad.com).

Master Ad Company (Plc) Co., Ltd. is committed to operating under the principles of good corporate governance of the Stock Exchange of Thailand (SET) and the regulations of the Securities and Exchange Commission (SEC) to ensure effective management leading to sustainable growth and add value for shareholders over the long term. In 2014, the Company received the scores on corporate governance as "very good" (Very Good CG Scoring) from the Corporate Governance Report of the Listed Company for the year 2014, for the 8<sup>th</sup> consecutive year. (2006-2014)

In 2014, the Company followed the principles and best practices of good corporate governance for the Listed Company as follows:

### 1. Rights of the Shareholders

The company supports the basic rights of the shareholders and encourages the shareholders to receive news and information from the Company adequately, as well as: attendance and voting at a meeting of the shareholders to appoint or remove the directors, appointment of the auditor, considering the issues that affect the Company such as a dividend payment, determining or altering the memorandum of the regulations or memorandum of association, reduce or increase capital and approval of special items. In 2013, the Company performed the following:

## Shareholder's meeting

In 2014, the Company held the Annual General Meeting of Shareholders on Friday, April 18, 2014 at 2.00 pm. at the small meeting rooms 1-2, Queen Sirikit National Convention Center, 60 Ratchadapisek Road, Khlong Toei, Bangkok 10110, with a total 233 attendees. The number of shares 225,959,711 shares, representing 75.10% of the issued shares. The Board of Directors was in presence including the Chairman of the Board, the Board of Directors and Audit Committee, totaled 7 people with the executives and the Company's auditors attending simultaneously.

### • Before the meeting.

1. The company released a letter to the shareholders through SET system to inform the minority shareholders of the right to submit the issue to be placed on the agenda and to nominate the persons to be considered to be a Director of the Company according to the selecting process prior to the Annual General Meeting of the shareholders, 3 months in advance before the end of the fiscal year in line with the conditions published on the Company's website at [http://www.masterad.com/investor relation](http://www.masterad.com/investor%20relation). In 2014's Annual General Meeting of the Shareholders, no one proposed any agenda or nominated a person to be an independent director of the the company.
2. All the shareholders shall be informed the AGM date, time and agendas via SEC information system and the Company's web site 30 days prior to the meeting date.
3. Arrange for shareholders to submit questions in advance of the meeting of shareholders. Email Address: [ir@masterad.com](mailto:ir@masterad.com) And published guidelines on submitting questions in advance on company website: [www.masterad.com/investor](http://www.masterad.com/investor)

4. Sending invitation letters to the Meeting, stating place, date, time, agenda of the Meeting, with details to be presented to the Meeting, and the reason and opinion of the Board of Directors in each agenda, with proxy letter, annual report and additional detail attached to the report. The said documents were sent to all shareholders whose names appeared on the shareholders registrar as of the closing date, 14 days prior to the meeting date, and advertised in newspapers for 3 consecutive days,
  5. Shareholders who cannot attend the AGM themselves are allowed to appoint proxies, or delegate independent directors as their proxies to vote on their behalf.
- **On the AGM Date**
    1. The Company endeavors to accommodate all shareholders in an equitable manner. Receptionists are adequately provided for all shareholders' disposal. The shareholders are allowed to register since 8.00 am, or 2.00 hours before the AGM. All board members, executives, and the external auditors attend the meeting preside over
    2. Registration and voting via barcode system have been introduced to the meeting for the second year for the shareholders' convenience.
    3. The voting papers are provided in each agenda item for transparency and monitor.
    4. Before commencing the meeting, the chairperson shall announce the number of shareholders and proxies for the meeting's acknowledgement. The Chairperson, then, clarifies the procedures of voting by ballot paper. The resolution depends on the majority vote.
    5. The Chairman of the Meeting conducted the Meeting according to the agenda in the invitation letter, without any change in the order of the agenda, and without requesting the Meeting to consider any matters not specified in the Meeting,
    6. The Chairman allowed explanation and discussion in each agenda, providing equal right to all shareholders in the examination of the company's operation, asking questions and expressing their opinion and the Company recorded important matters in the Meeting Minutes for further examination,
    7. The exercise of voting right for approval in each agenda was on the majority votes, in the format of 1 Share : 1 Vote, except in agenda on approval of Directors' remuneration for the year 2014, which was the resolution of the shareholders at two third of all the votes attending the Meeting and with voting right,
    8. Before any voting in each agenda, the Chairman allowed shareholders to inquire for details and clarification,
    9. The Chairman notified the Meeting to vote openly in each agenda,
    10. Shareholders were allowed to vote in the election of directors individually,
    11. During the Meeting if there were additional shareholders joining the Meeting, the Company counted the number of shares and the new shares each time, and the newly arrived shareholders were given the rights to vote on agenda not yet voted. The Chairman summarized the voting result in each agenda for the Meeting to acknowledge,
    12. The Chairman announced the voting results in numbers of Yes, No and Abstain.



- **After the AGM Date**

1. After the meeting, the Company shall inform the details on resolutions and voting results of each agenda item to all its shareholders via its securities registrar, Thailand Securities Depository Co., Ltd. (TSD) for acknowledgement of all interested parties.
2. The minutes of meeting properly shall be recorded in written form, retained and disseminated within 14 days on the Company's website: <http://www.masterad.com/investor relation>.
3. Besides the 2014 Annual General Meeting of Shareholders, the Company also called for the Extraordinary Meeting of the Shareholders No. 1/2014 for 1 more time on September 26, 2014, at 2.00 pm., Tara Thep Room, 2nd Fl. Tara Thep Hall, Chao Phraya Park Hotel, 247 Ratchadapisek Road, Bangkok 10400, with a total 171 attendees. The number of shares 219,274,898 shares, representing 72.87% of the issued shares. The Board of Directors was in presence including the Chairman of the Board, the Board of Directors and Audit Committee, totaled 9 people with the executives and the Company's auditors attending simultaneously.

The Chairman acted as the chairman of the meeting. The details are as follows:

1. Approval of the change in the number of shares and the par value.
2. Approved the issuance of warrants to purchase common shares of the Company to the shareholders (MACO-W1).
3. Approval of the increase of registered capital to support the exercise of warrants (MACO-W1) and additional amendment of the Memorandum Clause 4 on the registered capital to comply with the Company's increase of the registered capital.
4. Approval of the company's objectives.

In this extraordinary meeting of shareholders, the Company gave the rights to and treated all shareholders equally in the same manner with the 2014 General Meeting in all respects.

The Company has been evaluated the shareholders meeting remained Good for 5 consecutive years (2007-2011). And won Excellent evaluate on year 2012-2014.

## 2. Equal treatment to all shareholders

Master Ad treated all shareholders fairly and equally, whether they are in the management or not, including foreign shareholders, by observing the following:

### Shareholders' Meeting

In 2014, Master Ad Annual General Meeting of shareholders, and treated all shareholders equally as follows:

- The Company opens the opportunity for the minority to offer additional agenda and to nominate a person for election as director in the Annual General Meeting. In 2014, the Company released a letter to shareholders through the system of the Stock Exchange so that the minority shareholders could propose the meeting agenda and nominate person to be elected as director according to the recruitment process prior to the General Meeting of Shareholders 3 months in advance in accordance with the Company as published on the Company's website: [www.masterad.com/investor](http://www.masterad.com/investor)
- The company has a policy to encourage shareholders both minor and institutional investors to attend shareholders meeting by selecting the location with convenient transportation to encourage the shareholders to attend the meeting through various channels of transportation.
- The Company has notified the investors and the SET of the AGM date, time and agenda, comments of the Board, including rules, voting process and voting rights and published on the Company's website at <http://www.masterad.com/investor>, 30 days prior to the meeting date.

- The Company has sent the invitation letter to the meeting with details in both English and Thai 14 days prior to the meeting date.
- Additional agendas without prior notice: In the 2014 Annual General Meeting of shareholders, the Company did not have any additional agendas without prior notice,
- Proxy for the Meetings: for shareholders who could not attend the meetings, proxy was allowed by filing a form in the proxy document Form B attached with the Meeting notice letters, on which shareholders could exercise their voting right. Further the Company offered an alternative by announcing the names of two Independent Directors for those shareholders who could not attend the Meetings to authorize them to vote for them. However in the 2013 Annual General Meeting, A shareholder authorized Mr.Prasert Virasathienpornkul, Chairman of the Audit Committee and independent Director None who attend and vote .
- Voting ballots: Voting was done in the format of 1 Share : 1 Vote, using voting ballots for transparency and examination,
- Allowance of shareholders to use their right to elect Directors one by one: In the 2014 Annual General Meeting, agenda , election of new Directors to replace those whose term ends, the Company allowed shareholders to use their right to elect Directors one by one, by collecting ballots from all shareholders who attended the Meeting, both for Yes and No ballots as well as abstain.

### Measures against Directors and Managers to Use inside Information for Personal Benefit or Others' in any Unlawful Way Accessing to the Company's Information

The Company will not discriminate against any one group of shareholders in particular. All shareholders are entitled to access company information equally for both the minority shareholders and institutional shareholders, according to the disclosure policy evenly and fairly and get adequate information disclosed through various channels as follows:

- Telephone: 02 938 3388 Ext.487
- Website: [www.masterad.com](http://www.masterad.com)
- Investor Relation: [ir@masterad.com](mailto:ir@masterad.com)

CEO is the one who knows in-depth of the inside information. The top management knows the management principles and policies of the Company. All the personnel must maintain confidentiality in respect of their responsibilities so that the confidentiality will not be disclosed to irrelevant persons. The Company shall not disclose significant information that is not publicly available to unauthorized employees or any other person or group of persons (including press and analysts) until the information is disclosed to the public under the following procedures:

- The executive or any personnel who know about the inside information, including investor relations team, are prohibited from the use of the internal information for the benefit of themselves and others in an inappropriate way that exploits other shareholders such as insider trading. No executive or any personnel who know about the inside information, including investor relations team, shall trade the stock within a period of 1 month before the release of the financial statement or before the release of significant information until the Company has notified the Stock Exchange of Thailand.



- The company will communicate the information to investors, analysts, relevant persons in investment, and the shareholders through the Company's authorized persons. They are Mr. Noppadon Tansalarak, CEO; and Ms. Tamonwan Narinthavanich, Assistant Chief Financial Officer; the Investor Relations personnel will act as the primary liaison with analysts, investors and others who require the Company's financial information, results of operations, the Company status, and any action that adversely affects the Company.
- Avoids releasing information on operation results which affect the share price or which may be beneficial to any particular persons before the delivery of the financial statement to the Stock Exchange of Thailand, or within 1 month (Quiet period) prior to the official operating results has been notified through the information system of the SET, except in the case of any issue or event contributing to the distortion of the operating results of the company significantly from the forecast. As a result, misunderstanding might occur. The Company will disclose the information to the Stock Exchange accordingly.
- In case of the analysis's meeting before the financial statement release (Earnings Preview), the Investor Relations must handle this before the Quiet Period and carefully releasing information and must not provide any information with restrictions, such as the revenue and profits of that fiscal period.
- In the event an employee and persons in his family join or hold shares in any business which may have conflicting interest with the Company, he shall inform the Chief Executive Officer in writing, and the Directors and the Management shall report the data to the Corporate Secretary and the Board of Directors. Besides, the Directors and the Management who have the interest shall refrain from any discussions, giving opinions or voting on the said agenda.

### 3. Role of Stakeholders

The Company shall conduct its business by retaining the Company's interest in conjunction with the interest, rights, and equitability of its shareholders and stakeholders, including shareholders, employees, customers, creditors, rivals, as well as responsibilities for the society and the general public. The Company adheres to the following stakeholder treatment principles.

#### • Shareholders

In its business conduct, the Company keeps in mind the best interests of all shareholders and stakeholders in an equitable fashion. In particular, the Company put a strong emphasis on its sustainability and growth in order to promote the long-run competitiveness and satisfactory returns. Further, the shareholders have rights to actively take part in acknowledging and making decision on vital issues concerning any change of fundamental business conduct.

#### • Employees

Every single employee is a component vital to the Company's business conduct. The Company, therefore, stresses the importance of each employee in all work units without any discrimination. The Company always encourages its staff members to unify, trust, and treat each other in a courteous manner, without prejudice, and with respect for human dignity. In this regard, friendly work environment is created along with the provisions of safety, remunerations commensurate with work performance, good welfare, innovative for job burden alleviation, among many others. Most importantly, the employees have to be consistently trained for the betterment of their professionalism, thereby

#### Release of information on gain and loss

The Board of Directors deems it appropriate to issue guidelines on gain and loss data of its Directors and the Management for transparency and prevention of conflicting interest thus:

- Directors are to inform the Company without delay when they or persons in their families join or hold shares in any business which may have conflicting interest, gain or loss, directly or indirectly in any agreements which the Company enters, or hold any securities in the Company or its subsidiaries,



exuding confidence in their own well-being and work standard up to par with employees of other leading companies in the same field.

#### • Suppliers

Playing an important role in purchasing process which is a significant process to determine the cost, quality of goods and services to be used in operations. The Company has established the Supplier Committee to select the supplier fairly with the clear criteria for selection, giving the importance to the suppliers who would help in business operations and support one another, including respect the supplier as an equal partner on the basis of fair competition.

#### • Creditors

The company has practiced itself as a good debtor by taking into account the best interests of both parties, i.e., avoiding the situation that causes a conflict of interest, having payment policy to meet deadlines, and strictly abiding to the creditors including releasing a guarantee of repayment upon the creditor's request and treating the creditors as the partnership.

#### • Customers

The Company is committed to everlasting capture the largest of mind with cutting-edge technology and innovation applications. The Company will emphasize the consistent quality service for customer satisfaction in order to maintain its existing customers as well as attract prospective customers. To accomplish this, the Company shall consistently maintain its quality service along with fulfilling its customer requirements with effectiveness and efficiency, under the slogan "Create Media with Quality." To strengthen close relationship with its customers, the Company provides interesting activities with an emphasis on warmth, thereby inculcating both employees and customers with a sense of familial unity.

#### • Rivals

The Company abides by the standard business competition with equitability and ethics, as well as follows the trading competition laws. The Company shall avert fraudulent means to discredit its competitors. The Company shall not defame competitors by a malign force, nor violates its competitors' rights.

#### • Social and Environment

The company has prepared a report on corporate social responsibility (CSR) Report) under Article 10. Social Responsibility: CSR on page 233

#### • Policies and practices relating to any infringement of intellectual property or copyright

The company's policy is to comply strictly with applicable laws regarding intellectual property rights. When the work or the rights of third parties are used within the company, they must be checked to ensure that the Company does not infringe any intellectual property of others.

- The work result due to performing the duties is the intellectual property of the Company.
- Upon termination of employment, intellectual property as well as works which includes artifacts, etc. must be returned to the Company no matter what form they are.
- Employees who use the Company computer must use the software in accordance with the permission of the copyright owner and only that is allowed by the Company to prevent the violations of intellectual property.
- Work or data of the rights of any third party to be used within the Company must be checked to ensure that it does not infringe the intellectual property of others.



## 4. Information disclosure and transparency

Master Ad maintains its policy of information disclosure and transparency in the monitor and control of the Company. In 2014, the Company disclosed information pertaining to the Company, financial and otherwise completely, clearly and within due time, according to the prescription of the SEC and SET as follows:

- Provision of Reports to SEC and SET within specified time on financial and other matters, such as changes of Directors and Directors' securities holdings
- In case of the analysis's meeting before the financial statement release (Earnings Preview), the Investor Relations must handle this before the Quiet Period and carefully releasing information and must not provide any information with restrictions, such as the revenue and profits of that fiscal period.
- Disclosure of financial status and others, such as types of business operation, competitive situation, business risk, securities holding of Directors and the Management, related matters, and operation according to the policy of business control, in the annual reports and in Form 56-1,
- Disclosure of financial status and others correctly and completely in the Company's website [www.masterad.com](http://www.masterad.com) / Investor relation

### Investor Relation activity on yeard 2014 as follow:

- Opportunity Day 1Q/2014
- SET in The city @ Siam Paragon On November 20-23, 2014
- The Company maintained an Investor Relations Division for shareholders and any persons to contact at

#### Investor Relations Division

Ms.Tamonwan Narinthavanit: Corporate Secretary

Mr.Settawut Peinkoranee

Ms. Sukjai Virunmat: IR-Coordinator

**Tel.** : 02-9383388 ext 487 Fax.: 02-9383489

**E-mail** IR@masterad.com

**Website** [http://www.masterad.com / Investor relation](http://www.masterad.com/Investor%20relation)

**Letter** Corporate Secretary

Master Ad Plc.

No 1, 4<sup>th</sup> -6<sup>th</sup> Floor, Soi Lat Phrao 19,

Lat Phrao Road, Chom Phon Subdistrict,

Chatuchak District, Bangkok 10900

### Disclosure of remuneration of the directors and executives

The Company have disclosed details of remuneration for each individual director and the executives as per the details Director on page 207-208 executive on page 210

### The Preparation of Financial Reports

The Board of Directors has appointed the Audit Committee to review the Company's financial reporting correctly and adequately. The Committee will prepare the report concerning the responsibilities of directors in financial reporting which covers the procedures for the directors of the listed companies according to the Stock Exchange of Thailand. The Audit Committee has selected the auditors for 2013 from PricewaterhouseCoopers ABAS Limited (PWC), the certified auditors from SEC, who are independent and have no personal interest in the Company as follows:

1. Mr. Kajonkiet Aroonpirodkul  
The Certified Public Accountant No. 3445
2. Mr. Chanchai Chaiprasit  
The Certified Public Accountant No. 3760

Each one has been assigned to inspect, make comments and sign the Company's financial statements. The audit fee for the year 2014 would not exceed 880,000 Baht, which was the same rate of other companies of the same size and type of business. The Company's financial statements were certified by the auditors and the auditors have no conditional comments on the statements.

## 5. Responsibilities of directors

The Company requires the Board of Directors to review and study the governance and management of the Company. Every director is free to comment on the Company's operations and to supervise the implementation of the management to be efficient, accurate and transparent. The Board of Directors is representative of the shareholders to create value for the business and return on investment to shareholders. In general, the Board will ask the management to perform. Therefore, the main function of the Board can be divided into 2 areas.

- 1) Determine the direction, policy and strategy of the Company to ensure that the Company will operate in line with the best interests of the shareholders.
- 2) Follow the operation of the management to check, balance and be responsible for the results of the operations of the Company to its shareholders.

### Composition and appointment of directors

Shareholders consider and approve the appointment of directors. The Board of Directors comprises the Chairman, Vice Chairman and other directors with an amount suitable for the business of the Company and operational efficiency which is not less than 5 people. In addition, there must be the directors who are truly independent of management and free from any business or other relationship that might influence their judgments at least 1 in 3 of its members and not less than 3 people. The Board of Directors shall elect a Chairman. If the Board of Directors deems appropriate, it may choose any directors, one or several, to be the vice-president of the Company. The appointment of directors must be in accordance with the regulations of the Company and the relevant legislation. It must be transparent and clear.

In consideration, there must be sufficient educational and professional background of the person for the benefit of the decision of the Board and shareholders. Chief Executive Officer has been appointed as a director on the Board by the position.

### Qualifications of the Board of Directors

1. Director must be a person with knowledge, honest and ethical in business operations and has sufficient time to devote the knowledge, ability and perform the duty to the Company.
2. Qualified and not prohibited by law on public companies and other related laws. He must be entrusted by the management of the Company's according to SEC regulation.
3. Director can also serve as director in other companies, but he shall not impede the duty as a director of the Company and is subject to the guidelines of the Office of the Securities and Exchange Commission (SEC). and the SET.
4. Independent director must have qualifications and independence as set by the Company and in accordance with the guidelines of the Audit Committee as to the SET notification concerning the qualification and scope of the audit committee and be able to care for the interests of all shareholders equally to prevent a conflict of interests. He also must be able to attend the Board of Directors meetings and give opinions freely.

As of January 31, 2015 the Board of Directors of Master Ad Public Co., Ltd. is composed of 9 members.

- 5 Non-executive directors: Mr. Phiched Maneeratanaporn, Mr. Tawat Meeprasertsukul, Mr. Chaiyasit Phuwaphiromkwan, Mr. Chavin Kanlayanamitr and Mrs. Daranee Phanklin
- 3 Independent directors: Mr. Prasert Virasathienpornkul, Mr. Pornsak Limbunaprasert and Mr. Paisal Tarasansombat
- 1 Executive director: Mr. Noppadon Tansalarak



Mr. Prasert Virasathienpornkul, an independent director is the Chairman of the Board and the Chairman of Audit Committee. Mr. Pornsak Limbunyaprasert and Mr. Paisal Tarasansombat, also the independent directors. Mr. Pornsak Limbunyaprasert has the knowledge and expertise in financial accounting.

**Members of the Board Directors and years of tenure are as follows:**

|                  | Name               | Position  | Appointment Date | Last appointment Date | No.of years as a Director (Year) |
|------------------|--------------------|---|------------------|-----------------------|----------------------------------|
| 1. Mr.Prasert    | Virasathienpornkul | Chairman of the Board of Director and Chairman of Audit Committee (Independent Director)  | 18/4/14          | 18/4/14               | 8 Month                          |
| 2. Mr.Noppadon   | Tansalarak         | Director (Authorize Signature)/ Chairman of Executive Committee / Chief Executive Officer | 19/5/03          | 27/4/12               | 11 Year                          |
| 3. Mr.Phiched    | Maneerattanaporn   | Director(Authorize Signature) / Executive Committee                                       | 19/5/03          | 24/4/13               | 11 Year                          |
| 4. Mr.Tawat      | Meeprasertskul     | Director / Executive Committee  | 19/5/03          | 24/4/13               | 11 Year                          |
| 5. Mr.Pornsak    | Limboonyaprasert   | Independent Director / Audit Committee  | 22/4/08          | 18/4/14               | 6 Year                           |
| 6. Mr.Chaiyasith | Puwapiromkwan      | Director  | 12/5/14          | 12/5/14               | 7 Month                          |
| 7. Mr.Chavin     | Kalayanamitr       | Director (Authorize Signature)  | 12/5/14          | 12/5/14               | 7 Month                          |
| 8. Ms.Daranee    | Phanklin           | Director  | 12/5/14          | 12/5/14               | 7 Month                          |
| 9. Mr.Paisal     | Tarasarnsombat     | Independent Director / Audit Committee  | 1/8/14           | 1/8/14                | 4 Month                          |

**Approval authority of the Board of Directors**

The Board of Directors has the authority to make decisions and overseeing the general operation of the Company under the authority of the Directors. (page199)

In 2014, the Board of Directors had the roles and responsibilities to the Company as follows:

1. Considered and approved matters relating to the operations of the Company in 2014 as well as listened and provided feedback on the Company's annual operating plan. The Board of Directors has directed the management to oversee implementation of the policy and plan effectively.
2. Provided the system of internal controls to ensure the efficiency both financial reporting And compliance with rules and policies. To accomplish this, IVL Auditing Firm was engaged to audit the Company's internal control system and report the auditing result directly to the Audit Committee for independency in the performing the duties.
3. Provided the Risk Management Committee in the organization as well as set up the risk management policies to cover the whole organization in order to help reduce business risk and allows the business to be more efficient.

4. Arranged the policies on corporate governance and business ethics in writing so that the directors, management and employees would follow as well as publishing such on the Company's website: [www.masterad.com/investorrelation](http://www.masterad.com/investorrelation).
5. Approval of the quarterly financial statements and financial statements for the year 2014
6. Considering investment program of the Master & More Co., Ltd. (a subsidiary) in the project City Vision Flyover 2
7. Approval of the change in the number of shares and the par value as well as approval of the additional amendment of the Memorandum Clause 4 to reflect the change in number of shares and par value of the Company.
8. Approval the issuance of the warrants to purchase the Company's shares for the existing shareholders in proportion to their shareholding (MACO-W1).
9. Approval of the objectives of the Company.
10. Approval of the investment in Open Play Co., Ltd.
11. Approval of the purchase of shares from existing shareholders of Green Public Co., Ltd.
12. Review and approval of the Company's vision, Mission and strategy to comply with the change of business and technology for competitiveness.

## Integration or segregation of positions

The Company clearly separates the authority and responsibilities of the Chairman and the CEO to prevent any one person to have unlimited authority. The Chairman of the Board is an independent director and does not have any relationship with the management. Details of the separation of authority and duties of the Chairman and the CEO are as follows:

### Authority of the Chairman of the Board

1. Being responsible as the leader of the Committee on monitoring the administration of the executive committee and other sub committees to achieve the objectives as planned.
2. Chairs the meetings of the Board and the shareholders of the Company.
3. Making a decisive vote in the event that the Board of Directors votes and the 2 sides have equal votes.

### Scope of CEO's Authority and Responsibility

The Chief Executive Officer (CEO) has authority and duties in conducting the business of the company as assigned by the Board of Directors for the best interest of the company. CEO, then, shall strictly perform such duties in accord with the plan or budget approved by the Board with honesty, ethics, and due care. CEO shall completely protect the benefit of the Company and its shareholders. The authority and responsibilities of CEO are as follows:

1. Make the Company's critical judgments; formulate Mission, objectives, guidelines, policies; as well as supervise the overall operation, productivity, customer relations, and responsibility for the Board of Directors.
2. Hire, appoint, and relocate personnel as deemed appropriate in terms of number and necessity to be executives or employees of all posts. The CEO also plays a key role in identifying reasonable scopes of authorities and responsibilities, remuneration, as well as in discharging, dismissing, firing employees as deemed appropriate.



3. Stipulate trading terms and conditions, e.g. amount of credit, payment period, sales and purchase contract, amendment of trading terms and conditions, etc.
4. Approve expenditures of a project approved by the Board of Directors. Each expenditure or payment shall not exceed ten million Baht.
5. Peruse the investment in different projects including asset sales and purchase.
6. Implement and represent on behalf of the Company when contacting outsiders in related business in the Company's interests.
7. Approve the appointment of professional consultants critical to the Company's operation.
8. Carry out tasks related to overall administration of the Company.

Notwithstanding, exercising power or making-decision of Chief of Executive Committee/ CEO is not allowed, for his own interest, whether directly or indirectly, in such matter.

### Preparation of reports on joint interest of Directors, executives and related persons,

Master Ad prescribed that a report form be made to report on joint interest of Directors, executives and related persons, as basic information in the monitor and control of the said joint interest. The reports were kept by Corporate Secretary to be used in the audit and control of conflict of interest; if there was any change in the interest, the executives were required to report the changes to the Corporate Secretary for acknowledgement,

### Reporting a change in securities holding

The Company has set policies for executives and employees including employees in subsidiaries to comply strictly on securities trading and use of inside Information. Directors, executives and employees may not use the inside information of the Company or business partners to buy or sell or offer to buy or offer to sell or persuade others to buy or sell or offer to buy or sell the securities of the Company or business partners for their own benefit or other persons and must comply with applicable laws and regulations. Directors and executives have the following duties:

1. Reporting on securities holding and changes under Article 59 of the Securities Exchange Act B.E. 2535 (1992) within 3 days from the date of purchase, sale or transfer to the Securities and Exchange ComMs.ion and not to trade securities of the Company during the 1 month prior to the release of financial statements to the public. (According to the changes in securities holding of the Director on page 201 executive on page 211)
2. Submit the report according to 1 to the Company Secretary on the same day that the report is sent to Securities and Exchange ComMs.ion (SEC).

### Development of directors and executives

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

1. Orientation the Directors that are newly appointed through the Director's Manual so that the Directors would understand the duties and responsibilities. The Company Secretary will explain the operations of the Company to the Directors.
2. Directors who are newly appointed must attend the training course Director Accreditation Program (DAP)
3. The Board of Directors has been encouraged to participate in Director Certification Program (DCP) or other courses. The Company is pleased to support and be out the bear the incurred cost.



In addition to support the Directors to attend the courses of the Association of Directors of Thailand, the Company also has a policy for its Directors to be trained in other relevant programs to improve the competencies of the the Board.

In 2014, the Company had 2 new directors who have not been trained by the Thai Institute of Directors, namely, Mrs. Daranee Phanklin and Mr. Chaiyasit Phuwapromkwan. The Company plans for both of them to participate in the DAP or DCP course, at the beginning of 2015.

#### Training course from the Thai Institute of Directors (IOD)

| Names            |                    | Training Course                       |                                       |
|------------------|--------------------|---------------------------------------|---------------------------------------|
|                  |                    | Directors Certification Program (DCP) | Directors Accreditation Program (DAP) |
| 1. Mr.Prasert    | Virasathienpornkul | 20/02                                 |                                       |
| 2. Mr.Noppadon   | Tansalarak         | 44/04                                 | 07/04                                 |
| 3. Mr.Phiched    | Maneerattanaporn   | -                                     | 33/05                                 |
| 4. Mr.Tawat      | Meeprasertsukul    | 65/05                                 | 07/04                                 |
| 5. Mr.Pornsak    | Limboonyaprasert   | -                                     | 76/08                                 |
| 6. Mr.Chaiyasith | Puwapiromkwan      | -                                     | 2011                                  |
| 7. Mr.Chavin     | Kalayanamitr       | -                                     | -                                     |
| 8. Mr.Paisal     | Tarasarnsombat     | 197/14                                | 21/04                                 |
| 9. Ms.Daranee    | Phanklin           | -                                     | -                                     |

#### The quorum of the Board and subcommittees

In the meeting of the Board and subcommittees, the members must attend at least one-half of the total membership to constitute a quorum. If the Chairman is not present or is unable to perform the duties and the Vice Chairman is preset, the Vice Chairman shall preside over the meeting. If the Vice Chairman is not present at the meeting or can not perform the duties, the members present shall elect a chairman of the meeting. Minimum number of

quorum at the time of voting at a meeting of the committee, there must be at least 2 out of 3 of its members that entitled to vote at the meeting. Decisions of the meeting shall be by majority. Each director has one vote except the director who has an interest in a particular subject will have no voting rights. If a tie, the Chairman of the meeting shall be the arbiter.



Summary of the meeting of the Board of Directors and Committees of the year 2014.

| Name                       |                    | Type of Meeting                                  |             |           |            |           |         |         |
|----------------------------|--------------------|--|-------------|-----------|------------|-----------|---------|---------|
|                            |                    | Risk   |             |           |            |           |         |         |
|                            |                    | Board  | Audit       | Executive | Management | AGM.      | EGM.    |         |
|                            |                    | Position   | of Director | Committee | Committee  | Committee | Meeting | Meeting |
|                            |                    | Number of meeting / conference time of adMs.ion. |             |           |            |           |         |         |
| 1. Mr.Prasert <sup>1</sup> | Virasathienpornkul | B/AC   | 4/4         | 4/4       | -          | -         | 1/1     | 1/1     |
| 2. Mr.Noppadon             | Tansalarak         | B/EC   | 5/5         | -         | 7/7        | -         | 1/1     | 1/1     |
| 3. Mr.Phiched              | Maneerattanaporn   | B/EC   | 5/5         | -         | 7/7        | -         | 1/1     | 1/1     |
| 4. Mr.Tawat                | Meeprasertskul     | B/EC   | 5/5         | -         | 7/7        | -         | 1/1     | 1/1     |
| 5. Mr.Pornsak              | Limboonyaprasert   | B/AC   | 4/5         | 3/4       | -          | -         | 1/1     | 1/1     |
| 6. Mr.Chaisit <sup>1</sup> | Puwapiromkwan      | B  | 3/3         |           |            | -         | -       | 1/1     |
| 7. Chavin <sup>1</sup>     | Kalayanamitr       | B  | 3/3         |           |            | -         | -       | 1/1     |
| 8. Ms.Daranee <sup>1</sup> | Phanklin           | B  | 3/3         |           |            | -         | -       | 1/1     |
| 9. Mr.Paisal <sup>1</sup>  | arasarnsombat      | B/AC   | 3/3         | 2/2       |            | -         | -       | 1/1     |
| 10. Mr.Vichit              | Dilokvilas         | EC   | 1/1         | -         | 5/7        | -         | -       | 1/1     |
| 11. Ms.Tamonwan            | Narintavanich      | EC/RC  | 1/1         | -         | 7/7        | 4/4       | 1/1     | 1/1     |
| 9. Mr.Anant                | Sirapassaraporn    | RC   | -           | -         | -          | 4/4       | 1/1     | 1/1     |
| 10. Mr.Yanis               | Tipakorn           | RC   | -           | -         | -          | 4/4       | 1/1     | 1/1     |
| 11. Mr.Jutha               | Jaruboon           | RC   | -           | -         | -          | 4/4       | 1/1     | 1/1     |
| 12. Mrs.Rojana             | Trakulkusri        | RC   | -           | -         | -          | 4/4       | 1/1     | 1/1     |
| 13. Mrs.Uraiwan            | Boonyarattaphan    | RC   | -           | -         | -          | 4/4       | 1/1     | 1/1     |
| 14. Mrs.Seingfon           | Rattanabhrom       | RC   | -           | -         | -          | 4/4       | 1/1     | 1/1     |

B = Diretor AC=Audit Committee, EC= Executive Committe, RC = Risk Management Committee

Remark:

- <sup>1</sup> No. 1 Directors were appointed on April 18, 2014 /  
No. 6-7 Directors were appointed on May 12, 2014/  
No. 10-11 Direcotors were out of the position on May 12, 2014 /  
No. 9 Director was appointed on August 1, 2014

### Self-assessment of the Board

The Company evaluates the performance of the Board of Directors annually for a review of problems and obstacles in order to improve the performance properly and efficiently. The evaluation form for each individual member (Self-assessment) consists of 6 major topics, namely:

1. The structure and qualification of the Board
2. Roles and responsibilities of the Board
3. The Board of Directors' meeting, the duties of the Director
4. Development of the director and executives.

This is to let the Board to be able to compare the evaluation results evaluate or compare the results of each year in order to improve and develop the performance of the directors. The directors shall have the qualifications and have fulfilled the obligations and responsibilities according to the guidelines of the Committee. (Performance detail in on the Form 56-1)

### Performance Assessment of the Executive Chairman and Chief Executive Officer

The Board has evaluated the performance of the Chief Executive and CEO in 10 aspects as follows:

1. Leadership
2. Strategy formulation
3. Strategy Implementation
4. Financial plan and result
5. Relationship with Board
6. External Relationship
7. Management and Relationship
8. Succeeding
9. Knowledge of product and service
10. Personality

In 2014, the Chief Executive and CEO received the scores as very good on the performance assessment.

### The recruitment and appointment of directors and Top management.

The Company's Articles of Association say that Directors shall be appointed in a shareholders' meeting. The number of Directors shall not be less than five and not more than 12 one half of the Directors shall be local residents. In the event there is a vacancy from reason other than end of office term, Directors shall elect a qualified person to replace him/her in the next Board Meeting. If a Director wants to resign, he/she shall offer a notification in writing and the resignation will take effect as soon as that notification arrives at the Company.

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

- 1) Death,
- 2) Resignation,
- 3) Lack of qualifications or having forbidden characteristics per Article 68 of the Public Company Act B.E. 2535 (1992),
- 4) Shareholders vote for termination in a shareholders' meeting per Article 76 of the Public Company Act B.E. 2535 (1992),
- 5) Termination by a court order,
- 6) Other than termination by the specifications of the Public Company Act, a Director shall be terminated when he/she demonstrates inappropriateness to receive confidence in the management with the public as shareholders per Article 89/3 and shall not hold the Directorship any longer (Article 89/4 of the Securities Act B.E. 2551 (2008).



## Appointment of Directors

Since the Company does not have a nominating committee, the Board of Directors will consider the person to be appointed as a director whether directors who are representatives of the shareholders or independent who have the skills and experience to strengthen the Board. The Board of Directors will consider the basic features according to what has been defined by the Company as follows:

### Independent Directors

To make the independent directors to be truly independent, the Board of Directors has outlined the qualifications of the Independent Directors more stringent than the minimum requirements of the SEC and the SET as follows:

#### Definition of Independent Directors

refers to directors who have qualifications pertinent to independence as required by the announcement of the Stock Exchange of Thailand (SET) on Qualifications and Scope of Work of the Audit Committee, who can watch over all shareholders' highest benefits on an equitable basis whilst averting conflicts of interest, and who can attend the board meeting and provide overtly commentary. Independent directors of the Company shall have the following qualifications.

1. Hold no more than 0.5% of the entire voting shares in the Company, conglomerates, its subsidiaries, joint ventures, or juristic persons with potential conflicts of interests, implicitly including related persons' shares.
2. Do not participate in the management; are not employees, workers, consultants with salary; and are not person with authority over the Company, conglomerates, its subsidiaries, joint ventures, or juristic persons with potential conflicts of interests (at the present time and for at least two years before appointment).
3. Have no close/natural relationships or registration in terms of parents
4. Have neither business connection nor benefits or vested interests, both explicitly and implicitly, in terms of finance and management of the Company, its subsidiaries, affiliates, joint ventures, or persons, which may potentially lead to prejudice.
5. Have never been Auditor of the Company, conglomerates, subsidiaries, joint ventures, or juristic persons who may have potential conflicts of interests, nor major shareholders, non-independent directors, management or management partner of an auditor office which provides audit consultancy to the Company, conglomerates, subsidiaries, joint ventures, or juristic persons who may cause conflicts of interests, except for losing such status for no less than two years counting from the application date to the office.
6. Have never been or was any professional adviser including legal or financial consultant whose fee is more than two million Baht a year for the Company, conglomerates, subsidiaries, joint ventures, or juristic persons who may cause conflicts of interests. In the event of juristic professionals, nonetheless, this clause shall include major shareholders, non-independent directors, management or management partner of such professionals, except for losing such status for no less than two years counting from the application date to the office.
7. Have never been appointed to represent the Company's director, its major shareholder, or shareholder who has connection with the major shareholder of the Company.
8. Possess any other qualification which may hinder him or her from independently commenting on the Company's operation.

### The term of Office

The Audit Committee as Independent Director shall hold office for a period of not less than 9 years from the first appointed date. If the Audit Committee is to be appointed further, the Board should consider the reason of the necessity to do so.

### Nomination of Directors

Since Master Ad has no Board of Recruitment, the Board of Directors has specified a method of recruitment by allowing shareholders to nominate qualified persons based on their qualifications, experience and expertise in the branch which the Company is doing business, to be elected by the Board on the one part, and on the other part reinstatement of Directors whose term ends based on their performance.

The Board of Directors evaluate and select persons with appropriate qualifications and presents their names to the shareholders to elect as Directors in the Annual General Meeting of Shareholders by majority votes of at least one half of shareholders with voting rights presented in the Meeting. In the event there is a vacancy of Directorship for reasons other than retirement by term, such as death or resignation, the remaining Directors may select a qualified person to replace him/her in the following Board meeting, without calling a shareholders' meeting. But if the remaining term of the vacated Director is less than two months, the Board shall not elect a new Director and shall wait for another shareholders' meeting. The resolution of the Board of Directors in the selection of the said additional Director shall be passed by three fourths of the number of the remaining Directors and the person who replaces him/her shall be in office only equal to the remaining term of the Director whom he replaces.

### The criteria and methods To approve the appointment of the following individuals.

1. Individual of the shareholders will have his votes equal to the number of shares held, assuming one share one vote.

2. Each shareholder will utilize all votes he has as per (1) in selecting one or several directors but cannot split the votes to any person in particular. In case of the second nominated have two, the President took a final decision.
3. Individual director who has been nominated must have affirmative votes of more than half of the total votes of the shareholders attending the meeting and entitled to vote. The Company will present information to Director and the General Meeting for consideration together with educational background, work experience, as well as other business and legal disputes (if any). In the case of a director being reflected, there would be more information about the number of meeting attendance, including the work of the director during the past year for the consideration of the shareholders.
4. The Company has prepared a manual for the Board of Directors and provided an orientation for the new to get to know the nature of the business, policies and operations of the Company.

In 2014, The Company provided an opportunity for the shareholders to nominate persons as directors. None of the shareholders propose the qualified candidates. Directors nominated 3 directors who retired by rotation to the Board to serve another term because they performed the directorship so well, namely, Mr. Vichit Dilokvilas, Mr. Pornsak Limbunyaprasert and Ms. Thamonwan Narinthavanit. The Meeting approved the appointment of such persons as Directors as suggested.

Mr. Vichit Dilokvilas and Ms. Thamonwan Narinthavanit resigned from being the directors effective May 12, 2014. At present, Mr. Vichit Dilokvilas still serves as an executive director and Ms. Thamonwan Narinthavanit serves as an executive director, Chief Financial Officer and Corporate Secretary.



## The Nomination and Appointment of the Senior executives

The company has scheduled recruiting for the position. Chief Executive Officer The Executive Committee will be the primary consideration. In screening candidates with the required qualifications. Knowledge, skills and experience to benefit the operations of the company. And understand the business of the company as well. And can be administered to achieve the objective. The goal set by the Board of Directors. And presented to the Board for approval.

## Policy on Connected Transaction between the Company & Its Subsidiaries

Therefore, proposing names and vote for consideration to be Directors in subsidiaries and connected transaction were allowed by the Board of Directors' resolution, which appointed to the committee of subsidiaries or connected. The Directors assigned to assure the reasonable for the best interest of subsidiaries or connected (not to the Company) and the Company regulation that specify who was appointed has to got permission from the Board of Directors' resolution before using vote right or vote the important as same as the case of subsidiaries' activities. Sending Committee to represent the subsidiaries or connected depend on the proportion of shareholding

Moreover, to count the aforementioned value, the multiple connected transaction of the same type, feature, or condition, originated in six consecutive months of an individual or related people, or close relatives shall be treated as a single entity. In this regard, the Company shall abide by the laws, bylaws, announcements, orders, or stipulations on stock and securities, including the best practice on information disclosure of connected transaction as well as the receipt and purchase of the Company's assets or its subsidiaries

## Awards of pride

### Corporate Governance

In 2006-2014, the Company has been evaluated Corporate Governance by the Thai Institute of Directors (IOD) to be Very Good CG Scoring

### An evaluation for the Annual General Meeting of Shareholders.

In 2007 - 2011, the Company received an appraisal of very good for the organizing of its Annual General meeting from the Securities Exchange Commission, the Thai Investor Association, and the Listed Companies Association.

In 2012 - 2014, The Company received an appraisal of excellent for the organizing of its Annual General meeting from the Securities Exchange Commission, the Thai Investor Association, and the Listed Companies Association.

### SET Awards

SET Awards The honor of the success of MACO managed with vision. And the principles of good corporate governance. Throughout the past. The company won the SET Awards as below.

#### 2011

- Top Corporate Governance Report Awards (Type Listed Company in mail)

#### 2012

- Best CEO Awards)
- Best Performance Awards

#### 2013

- Best Performance Awards

### Forbes Asia.

#### Asia's 200 Best Under a Billion

Master Ad Public Co., Ltd. was selected as one of Asia's 200 Best Under a Billion, resulted from the search of top 900 companies across the Asia-Pacific region with the growth in both sales and earnings from 5 million – 1,000 million US dollars for the second year in a row.(2012-2013)

### NACC Integrity Awards 2012

Master Ad Public Co., Ltd. got a complimentary NACC Integrity Awards 2012 and 1013 from the Office of National Anti-Corruption ComMs.ion.

In 2014, Master Ad Public Co, Ltd. received the following awards:

- Thailand ICT Excellence Awards 2013 in Core Process Improvement Projects for Internal Development Process by the Management Association of Thailand in collaboration with 3 organization: National Electronics and Computer Technology Center (NECTEC), Software Park Thailand and the College of Innovation, Thammasat University (CITU).
- Mr.Noppadon Tansalarak Chief Executive Officer of Master Ad Public Co, Ltd. received the “Outstanding Entrepreneurship Awards” by Enterprise Asia & the Organizing Committee of APEA 2014

The above awards reflect the commitment and dedication of the Board and the management to add value to the business. The Company will also adhere to corporate governance and conduct the business with responsibility to society as well as apply best practices to add value to the Company and its shareholders.

### Control of the Use of Inside Information

The Company has set up a system to prevent and detect the use of confidential information for personal gain in any unlawful way. The policy of using inside information has been made in writing that can be summarized in the followings:

#### Policy Regarding the Use of Inside Information

1. The Board of Directors has passed a resolution that the directors of the Company must report any change in shareholding of the Company with the Securities and Exchange ComMs.ion (SEC). Executives or employees involving in trading or any change in the stock holding are be required to report to the Secretary of the Company under Article 59 of the Public Company Act B.E. 2535 (1992) within 3 days after the change and inform the corporate secretary to changing recorded and summarized each individual property in according with pretending to the Board of Director in next conference. There is the penalty provision in case of failing to comply with the regulations.
2. Executives and employees should not do the trading of the Company’s stocks before the release of the financial statements or other information related to the Company’s status including additional important information. The trading by both executives and employees should be done at least a period of 24 hours after the public disclosure has been made Failure to comply with such requirements constitutes a breach of discipline of the company.
3. Executives and employees should not take advantage or use the information from being the executives or the employees of the Company in doing any business that is competing or related to the business of the Company.



- ## Discipline and Termination

## Disclosure of transactions possibly with conflicts of interest

Master Ad has prescribed that Directors and Executives shall disclose items which may have conflicting interest with Master Ad Public Co., Ltd. considering it as an internal control process, inclusive of prescribing the Internal Auditing Office to monitor and solve conflicting interests and report directly to the Board of Auditors. In the past, such problems never arose.

# CORPORATE SOCIAL RESPONSIBILITIES : CSR



Master Ad Public Co, Ltd. has strong determination on social responsibility and environmental by providing support activities, initiating various projects for the community and society as a whole without expecting any reward so that we would be one of the organizations that are truly committed to social responsibility. The Company is preparing a long term plan for the CSR and the Board will determine the vision and guidelines for the operation including the approval of policies and guidelines for other operations based on the suggestion from the management. The Company will conduct the business according to good corporate governance and business ethics and consider the impact of towards those working closely with the business i.e. customers, partners, employees, shareholders, the surrounding community including those indirectly related to business such as regulators and the public in general.

The approach to social responsibility, community and the environment of the Company is aimed to promote awareness of employees. In the mean time, the Company has put this responsibility in the business plan as follows:

## 1. Responsibility for the environment and society in the process:

- Implementation of environmental and social responsibility by providing safety to employees, stakeholders and surrounding communities with focus on safety in every step of the billboards construction process.
- Environmental management within the organization, such as the surroundings and atmosphere in the workplace to meet the standards of the life quality of the people in the organization both morality and ethics, and so on.
- Cognitive training in various fields that are suitable to the employees in each department regularly to develop the knowledge and skills and enhance the performance.



## 2. Responsibility for the environment and society after the process:

Most are supportive to social activities and charities such as donation of old books to schools in the rural communities or religious activities. However, despite the long-term plan for CSR is yet to be considered by the Board but the Company has already performed the CSR which can be summarized as follows:

### Good Corporate Governance

The Board recognizes the importance of the participation of stakeholders in enhancing the performance of the company to build a sustainable company by disclosing critical information related to the business. The stakeholders have been informed adequately and transparently. The stakeholders, shareholders and investors can submit comments, complaints or suggestions or any helpful information by sending postal mail to:

Ms.Tamonwan Narintavanich  
Master Ad Public Company Limited.  
1, 4-6 Floor soi.Ladprao 19 Ladprao road, Chompol,  
Chatuchak, Bangkok, 10900  
or E-mail Address : tamonwan@masterad.com

However, such individuals will continue to gather information to present to the Board for consideration. The Company has a policy to protect the sender. Opinions or recommendations with retention of the comments or suggestions as confidential.

### Anti-corruption Policy

MACO has strictly adhere to virtue and morality, as well as taking into account all groups of stakeholders while not acting in a way that will cause damage to the Company's fame and good image. In 2013, MACO joined the "Collective Action Coalition to anti-corruption" aiming to resolve all corruption according to good corporate governance and responsible policy. MACO has issued "Anti-corruption policy" in writing as the business framework and bring the Company to long-term organization as follows:

### Anti-corruption Policy Framework

1. The directors, executives and employees of the Company and its subsidiaries as well as contractors and other subcontractors shall not support or receive all types of corruption both directly and in directly covering all Company's units. There must be a review of compliance with anti-corruption policy regularly as well as the revised guidelines, legal requirements, regulations, rules, announcements and business changes.
2. Adopting a defensive anti-corruption measure into practice by issuing regulations to be the part of operational business and responsibility of the Board of Directors, Executive, supervisors, employees and also contractors and other subcontractors to offer a suggestion to reach the target goal.
3. Developing anti-corruption measure related law and virtue by assessment of the activities which risk of corruption and issued the manual guideline.
4. Rejecting bribe in all formats in all corporate activities. Donations to political parties are transparent and not intended to persuade government officials or private actions to any inappropriate acts.
5. Providing for appropriate internal control regularly to prevent improper employee practices in particular, sales, marketing, purchasing.
6. Providing knowledge of anti-corruption to Board of Directors, Executive and employee for promoted honesty and responsibility on the Company's assignment.
7. Establishing assessment to show clear and accurate financial statement.
8. Promoting the various channels for employees and shareholders to be able to lodge complaints on suspicion by ensuring the protection without punishment, unfairly transfer or harassment in any way as well as appointing of a person to track the whereabouts of all the complaints.

9. Provided the anti-corruption policy to cover all of personal management procedure, from selecting, promotion, training, assessment, and remuneration for understanding communication's commander to the staff of efficient governance.

## Caring for personnel quality and efficiency development

The Company is confident that quality and potential employee is the most important mechanism that drives the organizations to progress continuously and steadily. Therefore, we continue to focus on the development and empowerment of employees in skills, knowledge and ability including the creation of a positive attitude as the culture in working together constructively. The Company has selected the suitable methods for personnel development which is especially important to promote quality, potential and efficiency as well as to be able to increase competitiveness of the organization. The methods consists of training & development for new staff and the existing personnel.

### 1. Training & development for new staff

- Orientation for new personnel: This is the training to provide education and basic knowledge for new personnel from the first step so that they will have a better understanding about the organization and adapt themselves to work happily.
- On the Job Training: Cooperating with the departments involved in planning and tracking the progress for the training as needed. It includes instruction in basic courses and other programs that follow the the performance of each position until the end of probation period to ensure that the new personnel can apply the knowledge according to the position and nature of business of the Company. The course includes basic welfare in compliance with the law.
- CEO meets new employees: This activity helps the new employees to be aware of the concept, work policies and corporate culture directly from the CEO and motivates all new employees in joining the Company.



### 2. Training & development for the existing personnel

The company has set up a plan for capacity development for individual personnel in accordance with the promotion for employees to perform as targeted and in order to prepare for the upgrade, changes and job transfer which is based on development framework below:

1. Training roadmap development based on the level of the position and length of service so that employees can handle at each position according to the organization's expectations.
2. Individual Development Plan (IDP) which is personnel development as needed so that the individual employees will be able to work as targeted. It consists of developing the knowledge, skills and attitudes with the following methods:
  - 2.1 In-house seminars conducted by internal experienced personnel to transfer the knowledge according to skills and expertise of the lecturer so that the employees can adopt to their practice.





2.2 In-house seminars conducted by guest speakers who are competent and qualified persons in certain subjects to transfer direct experiential knowledge.

2.3 Sending personnel to attend seminar outside the organization according Training Roadmap & IDP plans.

2.4 Arranging the executives and employees to visit the leading companies, trading partners and exhibitions both domestic and abroad for knowledge transfer and exchanging of experience and new technologies.

3. The Company recognizes the importance of improving the efficiency and effectiveness in applying the knowledge gained from training in various fields. We also arrange for the follow-up and monitoring of the training result through the supervisors of the staff who participate such training. The implementation of this capacity development plan is carried out seriously with personnel at all levels. Human resources development plan is to be reviewed to ensure practicality and updating every year.

4. The company has also set up a framework for core competency development by communicating 7 core competencies to the employees consistently. The employees are also encouraged to express according to the assigned competency through various activities, namely: The giving out tickets event to those who behave according to 7 competencies and 360 degree assessment 360 degree with the feed back to individual employee and departments so that employees and supervisors will know the assessment result to improve and develop personal and team potential.



### Employees development to progress their careers

In addition to the training and personnel development, the company also encourages employees for career advancement as well through the training and staff development plan to accommodate the advancement of each individual to grow along with the organization. The company has focused on improving weaknesses and enhancing strengths from the supervisor's assessment, so the staff can have skills and ability for future responsibility as well as being aware of the opportunities for advancement. During the past year, the Company has developed the organization's successor program "MACO Top Team" by assigning various projects for the staff to work together including assigning the Successors to follow-up the corporate strategy and participate with the executive team to learn and work at the same time. The Successors also have the opportunity to present their skills in the areas such as capacity building and preparing the subordinates to move into higher positions. We have found that this is a way to keep the personnel to continue being with the Company.

### Organization's Direction and Communication

The Company realizes the importance of communication because communication is essential to help the staff of all levels have the same vision and goal. Therefore, the Company has conducted various meetings to review and summarize the results for each quarter in all units so that they could make the improvement to meet the target as planned. In addition, we have also arranged an activity to communicate the operational results on a quarterly basis across the organization throughout the year to allow employees at all levels to be aware of the operation and the performance of the Company and departments including the obstacles or impacts that might occur in each quarter. This will lead to further improvement and knowledge sharing with other departments for a smoother operation and better team work.

The Company's management and the Successors of each unit have prepared a strategic plan for the operation of the Company under the policy direction and goals from the Board of Directors. The Company opens an opportunity for the staff of early management level or "Successors" to get involved from the beginning in planning and translating the direction to various units, from strategy to business and budget planning in the same harmony and direction. During the past year, the Company continues letting the employees to participate in communicating business and operation plans which helped everyone understand the goal and contribute to a better cooperation. The management and staff at all levels have also set objectives and Key Performance Indicators: KPIs that propagate into the order from the organization to departments and staffing levels. The management and staff of all levels have also set up the objectives and the KPIs that are translated from organizational level to the department and the staff levels. Such objectives and the KPIs would be used as the criteria for performance assessment which leads to remuneration and annual salary adjustment reviews.



### Strengthening of good corporate relationship

We encourage activities among executives, employees, and between employees and the Company, by arranging recreational activities in various forms, such as CEO Lunch Talk so the staff and all units have the opportunity to share a meal with the CEO and senior executives in a friendly atmosphere, Annual Trip and Welcome Party for the new staff as well as parties between departments and sports activities after work. Last year, the Company also held activities to promote teamwork, so that everyone could work together without distinction of levels, which lead to improved cooperation and understanding. Besides, the Company also provides communication feed-back from employees through an employees satisfaction survey in various aspects. This helps the Company and the executives know and understand employees requirements. The Company is certain that good communication and exchange of ideas between the management and the employees will lead to good relationships and joint attainment of the Company's goal.





## Maintenance of working environment

The Company has improved its offices and working environment for employees, aiming at creating the feeling of being a second home, so that the working place and its environment are conducive to business operation. The Company is mindful of physical health, cleanliness and safety of the staff's lives and property as well as welfare and good working environment such as providing suitable lighting for each nature of works and inspecting drinking water quality. The Company also arranges for 5-S activities in the offices on a continuing basis. There is a quarterly competition for 5-S areas in the Company. It also provides safety officer at the executive level, professional safety officer, and Safety Committee on health and environment in the working place, to take care of welfare and safety in the office and the Company. The Company's also joins the White Factory Project of the Ministry of Labour and Social Welfare, to show its intention to make a work place free of narcotics on a continuous basis.

## Consumer responsibility

- The Company provides the customer with the detailed information of advertising media and clear sale pricing to make it easier for the customer's decision. Media advertising, customer information is advertised as correct information and does not hinder the buyers from the correct content or be misleading.
- We respect the privacy of clients and consumers by not not disclose personal information for benefits that are not in the business of the Company without consent.
- The contracts between suppliers and customers are fair and clearly written, readable and easy to understand. The Company counter-party is allowed to study and inquire the information of the media or the media production contracts before signing.





## Environment

- The company has a policy to use resources cost-effectively and efficiently by turning off lights and air conditioning during the lunch break and after work as well as using the energy according to the needs. We also promote the re-use of the resources such as using the recycled paper, sending the data via email and store the data in the form of electronic files, etc.
- The Company has agreed to the government campaign to save energy. All types of our advertising media have used automatic switch which turns off after 10.00 pm as well as communicating this saving energy policy in writing in the official sales documents to the customer.

## Community and Social Development

- The Company has set a policy to provide 10% percent of the advertising space as a space for the organizations, charity organizations or agencies to communicate the content related to social responsibility. The company has communicated such a policy through the newspaper to keep the public informed thoroughly.
- “Empty Land Creates Value for Thai Farmers” at Amphoe Khao Yoi, Phetchaburi Province. The objective is to contribute to community development, turning the empty land into farm land such as rice. After the harvest, the produce will be given to the schools, communities and foundations.
- The Company with its partners have joined in development of schools in the province in the project “Creative knowledge to kids in rural areas 2<sup>nd</sup>” by improving the landscape and buildings as well as the surrounding structures and offered books and scholarships for children in Wat Don Sai School, Phetchaburi to restore smiles to children and restore the landscape back to the school again.





# INTERNAL CONTROL AND RISK MANAGEMENT

## Internal control system

The company has recognized the importance of continuous internal control. The Board has entrusted to the Audit Committee to review and evaluate the internal control system to ensure its adequacy and appropriateness to the business, effectiveness and efficiency of operations, the use of resources, property maintenance to prevent or minimize the damage, leakage or wastage and corruption, accounting and financial reporting in an accurate and reliable manner, as well as abiding to laws and regulations relating to the business.

The Audit Committee functions and comments freely. The Audit Office of the Auditor IVL Co., Ltd. will audit the Company's internal control system to ensure its effectiveness and being up to date, by monitoring the internal control systems as follows:

1. Sales and revenue collection system
2. Media production and advertising costs system
3. General procurement and property control systems
4. HR system
5. Financial, accounting, budget and taxation systems,

The Office of Internal Audit evaluates the internal controls in accordance with the guidelines of the Board by the preventive policy that is helpful to the organization. The Office of Internal Audit also considers the accuracy of financial reporting, checks for adequate disclosure of the information to ensure transparency, monitors the compliance with the best practices of corporate governance to optimize the effectiveness in operations, including reviews of anti-corruption measure within the organization based on the international standard. The reports are to be submitted to the Auditing Committee on a quarterly basis. The reports would consist of the recommendation (if any) as well as the practice of the management according to such recommendation. At the end of the year, a report will be produced with the guidelines for the prevention of corruption in the organization and is to be reviewed.

In 2014, the Auditing Committee has review the internal control system being assesses by the management and the Office of Internal Audit. No issues or significant deficiencies have been found which is consistent with the opinion of the Company's auditor.

## Risk Management

Master Ad (Plc) Co., Ltd. and its affiliates have recognized and focused risk management in order to mobilize the Company efficiently with stability, financial sound and be able to generate the satisfactory benefit to the shareholders.

Under the business's complexity and continually changing, the Board and directors of the Company have agreed to utilize of the risk management system in the Company as a tool to assist in determining the direction, strategy, and its business operations as well as enhance the capacity building, ceate business opportunities, as well as improve the processes continuously. The risk management system will also help the company to achieve its overall objectives with good corporate governance and to create additional value for shareholders and stakeholders. By adopting risk management as part of corporate culture, employees at all levels have been aware of their responsibilities in the risk management and jointly set the risk management policies as follows:

1. Regarding any acceptable risk with the level of risk acceptable to the Company, the Risk Management committee must give an approval prior to any implementation.
2. The risk management is the responsibility of staff at all levels. Everyone is to be aware of the risks that is taking place in each one's department and the Company and everyone needs to focus on managing risks under the internal control system at adequate and acceptable level.

3. Encourage and support the risk management as an important tool in personnel management. The staff at all levels must understand, cooperate, and use the risk management for a good image as well as strengthen good governance, management excellence, and create confidence to the shareholders / stakeholders of the Company.
4. Promote and develop the use of modern information technology in risk management of the Company. Personnel at all levels must be able to access to information concerning the risk management thoroughly as well as set a reporting system on risk management to the Risk Management Body and Committee effectively.

## Opinions of the Board of Directors on the Internal Control System

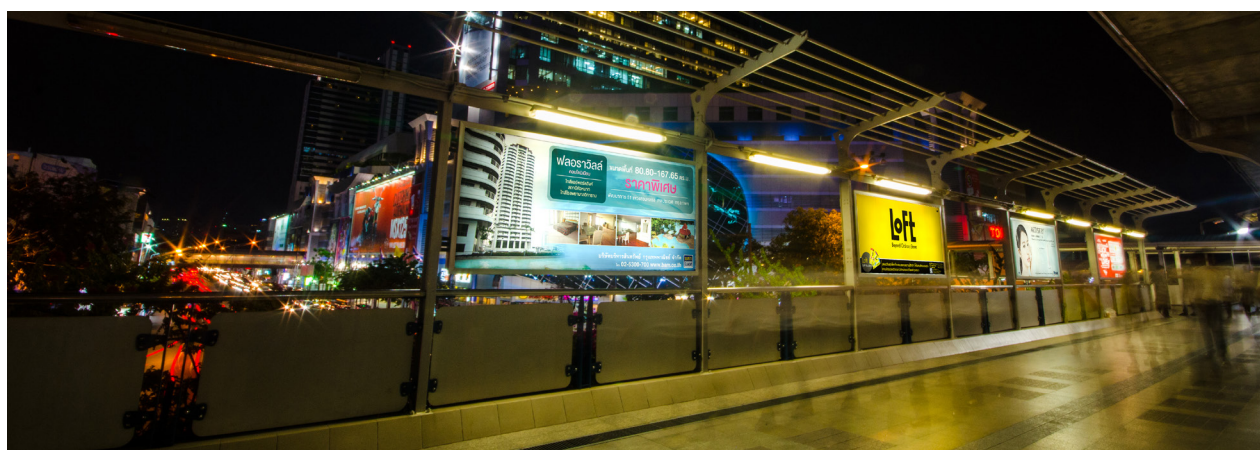
From the Internal Control Report for 2014 as well as the Risk Management Report by the Auditing Committee every quarter, the Board of Directors is of the opinion that the Company's internal control system is adequate and appropriate.

## Information of the Head of Internal Audit and Head of Corporate Governance

- (1) In the meeting 1/2014 of the Audit Committee, IVL Auditing Company was appointed to do the Company's internal auditing in 2014 by Mrs. Wanlee Sibonroeng, the head of Internal Audit with the primary responsibility to handle the internal audit function of the Company. The qualification of the head of internal audit can be found in the Form 56-1.
- (2) Opinion of the Audit Committee to ensure that the head of internal audit has qualification, experience, and with adequate training to perform the duties

The Audit Committee has considered the qualification of IVL Auditing Company and Mrs. Wanlee Sibonroeng as suitable and appropriate to the performance of such duties due to the independence and experience in performing the audit.

- (3) Guidelines for appointment, transfer and dismissal of heads of internal audit The consideration and approval, appointment, transfer and dismissal of the head of internal audit of the company must be approved by the Audit Committee.







## CONNECTED TRANSACTION

### Related Transactions

The Company has significant transactions with persons and related transactions. (Related by shareholders and / or directors and management) Last year, the Company and its affiliates have significant business transactions with persons who may have a conflict of interest, necessity and reasonableness of the transaction as follows:

| Related Company                           | Relationship   |                                |          |                             |          |                         |          |
|---|--|--------------------------------|----------|-----------------------------|----------|-------------------------|----------|
| <b>Inkjet Images (Thailand) Co., Ltd.</b> | <ul style="list-style-type: none"> <li>- Operating the business to produce advertising graphics with computerized inkjet printer</li> <li>- Master Ad Plc. holds 49.99%, Pico (Thailand) Co., Ltd. (Plc) holds 22.22%, Mr. Lim Chee Min holds 16.67%, and Ms. Pornthip Lohrattanasanei holds 11.11% of shares</li> <li>- Co-directors are Mr. Phiched Maneerattanaporn and Ms. Tamonwan Narinthavanich, who are the director and the executive of Master Ad Plc. are the directors of Inkjet Images (Thailand) Co., Ltd.</li> </ul>  |                                |          |                             |          |                         |          |
| <b>Landy Development Co., Ltd.</b>        | <ul style="list-style-type: none"> <li>- Office rental business</li> <li>- Master Ad Plc. holds 48.87%, Landy Home (Thailand) holds 36.24%, DAI Group holds 14.89% of shares</li> <li>- Co-director is Mr. Vichit Dilokwilas, who is an executive director of Master Ad. Public Co., Ltd., is also the director of Landy Development Co., Ltd.</li> </ul>  |                                |          |                             |          |                         |          |
| <b>DAI Group Plc.</b>                     | <ul style="list-style-type: none"> <li>- Production and distribution of prefabricated concrete structures and fences business</li> <li>- Co-Directors are: Mr. Tawat Meeprasertsukul , a director and Executive Director of Master Ad. Plc. and authorized director on behalf of DAI Group Plc., Mr.Prasert Virasathienpornkul is the chairman of Board of Director (Independent Director) and Chairman of Audit Committee of Master Ad. Plc and chairman of Board of Director (Independent Director) and Chairman of Audit Committee of DAI Group Plc., Mr. Pornsak Limboonprasert is the Audit committee and independent director of Master Ad Plc., is a director and Audit Committee of DAI Group Plc.</li> </ul>                                    |                                |          |                             |          |                         |          |
| <b>LandyHome (Thailand) Co., Ltd.</b>     | <ul style="list-style-type: none"> <li>- House construction and engineering services.</li> <li>- Master Ad Plc. and Landy Home (Thailand) Co., Ltd. have Mr. Phichet Maneerattanaporn as the same major shareholder who holds 19.47% of Master Ad Plc. and 95% of Landy Home (Thailand) Co., Ltd.</li> <li>- Co-Director is Mr. Phichet Maneerattanaporn who is a director and Executive Director of Master Ad Public Co.,Ltd., takes a post of authorized director on behalf of Landy Home (Thailand) Co., Ltd.</li> </ul>  |                                |          |                             |          |                         |          |
| <b>VGI Global Media Public Co., Ltd.</b>  | <ul style="list-style-type: none"> <li>- Network services, Lifestyle Media               <ol style="list-style-type: none"> <li>(1) Advertising in mass transit (BTS)</li> <li>(2) Media in modern trade (Tesco Lotus และ Big C)</li> <li>(3) Media in offices and others</li> </ol> </li> <li>- VGI Global Media Public Co., Ltd. is a major shareholder in Master Ad Public Co, Ltd. with 24.89% holdings.</li> <li>- VGI Global Media Public Co., Ltd. sent 3 executives to be the Directors of the Company               <table> <tr> <td>1. Mr. Chaayasit Phuwapromkwan</td><td>Director</td></tr> <tr> <td>2. Mr. Chawin Kanlayanamitr</td><td>Director</td></tr> <tr> <td>3. Ms. Daranee Phanklin</td><td>Director</td></tr> </table> </li> </ul> | 1. Mr. Chaayasit Phuwapromkwan | Director | 2. Mr. Chawin Kanlayanamitr | Director | 3. Ms. Daranee Phanklin | Director |
| 1. Mr. Chaayasit Phuwapromkwan            | Director   |                                |          |                             |          |                         |          |
| 2. Mr. Chawin Kanlayanamitr               | Director   |                                |          |                             |          |                         |          |
| 3. Ms. Daranee Phanklin                   | Director   |                                |          |                             |          |                         |          |

## Connected Transaction (Additional)

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

| Person/juristic entity<br>who may have conflicts   | relations  | Type of items   | Details and Policy  |      | Item value<br>(million baht) |   | Needs and reasons  |
|--|--|---|---|------|------------------------------|---|--|
|  |  |   | In fixing price   |      | 2014                         | 2013  |  |
| Inkjet Images (Thailand)<br>Co. Ltd.<br>Built up in order to<br>offer computerized<br>advertising graphics | 1. A joint investment with Master Ad Plc.<br>holding 49.99%, Mr. Phiched Maneerattanaporn<br>0.01%, PICO (Thailand) Public Co., Ltd.<br>22.22%, Mr. Lim Chee Min 16.67%, and<br>Ms. Pornthip Lohrattanasaney 11.11%. | 1. The company rent<br>an office on Vibhavadi-<br>Rangsit Road, with the<br>space of 2,000 sq.m. in<br>order to use it for<br>advertising media and<br>give 452.05 sq.m. to<br>the joint-venture<br>company to rent for 3<br>years which will be<br>ended on 31 <sup>st</sup><br>December 2016. | 100 baht/sq.m./month<br>which is a higher price<br>than what the company<br>rent from the building<br>owner which is at<br>47.50 baht/ sq.m./<br>month because<br>the company has<br>renovated the rented<br>space to be able to<br>utilize with other<br>facilities. | 0.57 | 0.55                         | To divide the renting space to<br>the joint-venture company.<br>Because there is some space<br>left and able to split some<br>space to rent to the joint-<br>venture which helps to reduce<br>the company's cost. |  |
|  | 2. Mr.Phiched Maneerattanaporn and<br>Ms.Tamonwan Narinhravanich who is<br>the company's director, is its director   |   |   |      | 9.29                         | 10.44   | it is a normal business<br>procedure. To let the joint-<br>venture produce, allows the<br>company to control the work<br>quality as well the time. |



## Connected Transaction (Additional)

| Person/juristic entity<br>who may have conflicts         | relations  | Type of items  | Details and Policy   |  | Item value (million baht)   |  | Type of items  |
|--|--|--|--|--|---|--|--|
|  |  |  | In fixing price  |  | 2014  | 2013   |  |
| Landy Development<br>Co., Ltd.<br>Office rental business | 1. Shareholding by Master<br>Ad Public Company Limited<br>holds 48.87% , Landy<br>Home (Thailand) Co., Ltd.<br>Holds 36.24%, Daii Group<br>Plc. holds 14.89% | 1. The company rent<br>building space of<br>Landy-Masterm<br>building 2 with total<br>space of 2,550.24<br>sq.m. | Building 2 rent is 390 baht/sq.m./<br>month and electricity bill is<br>around 100,000 baht/month<br>Remarks:<br>Rent means the rent and central<br>expense.  |  | 12.52   | 13.13  | Rent the space to do<br>business. The rent is not<br>different from other<br>people.   |
|  | 2. Mr.Vichit Dilokvilas<br>who is the company's<br>director, is its director   |  |  |  |   |  |  |
|  |  | 2. The company is<br>the guarantor for<br>the loan according to<br>the shareholding                              | Credit guarantees in proportion<br>to their shareholding. To finance<br>working capital.<br>Loan of 53 million baht<br>As of December 31, 2014<br>Landy Development<br>Development Co., Ltd.has debt<br>outstanding Baht 22.20 million,<br>representing a debt to equity<br>ratio of 48.87%, amounting to<br>10.85 million baht. |  | The loan<br>amount 53<br>Million Baht.<br>indebtedness<br>22.20 Million<br>Baht | The loan<br>amount 182<br>Million Baht.<br>indebtedness<br>32.39 Million<br>Baht | According to the bank<br>conditions as general<br>business in order to create<br>trust for the joint-venture<br>company when borrowing<br>money from the bank to<br>build a new office building. |

## Measure or Process of Approval for Connected Transaction

The Company has specified its policy and process of approval and implementation of connected transaction and any conflict of interests as follows:

1. In the event that the Company enters into any contract engagement or any connected transaction with a company, its subsidiaries, joint ventures, and/or outsiders, the Company shall strictly peruse the necessity and appropriateness by solely adhering to the best interests of the Company and charging in accord with terms and conditions generally made with arm's-length customer at a reasonable market price.
2. The transaction, which is deemed connected as stipulated by the SEC criteria, shall righteously and completely follow SET and SEC stipulations as well as passed the verification process of the Audit Committee in the event that such connected transaction requires the Board's consideration.
3. A director with conflict of interests in any issue shall refrain from voting on or attending the meeting on that agenda item.
4. In the transaction connected to normal business transaction or common business support transaction, within the management's authority, the Company shall calculate the price as well as terms and conditions on the arm's length basis. If there is no such benchmark, the Company shall compare the price of its products and services to outsiders' under the same or similar terms and conditions. To assure that such price is reasonable for the best interests of the Company, the report prepared by an independent evaluator hired by the Company can be deployed to compare the price for critical connected transaction report. The authorized signatories shall not be the person who is authorized to approve a budget amount and the management who has self-interests in such a transaction.

5. Provision of financial support or guarantee of subsidiaries or connected people shall be cautiously performed for the best interest of the Group. The charges, e.g. interest, guarantee fees, etc., shall be calculated with the market price on the date when the transaction takes place.
6. In the event that the connected transaction has the value which requires the shareholders' ratification by three-fourths majority vote, the major shareholders who are stakeholders are allowed to attend the meeting in order to complete the quorum, but do not have voting rights. The criterion on base of the vote calculation to approve the connected transaction, excluding stakeholders' part, then, is irrelevant to the quorum and number of votes.

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

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

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

In this regard, the Company shall abide by the laws, bylaws, announcements, orders, or stipulations on stock and securities, including the best practice on information disclosure of connected transaction as well as the receipt and purchase of the Company's assets or its subsidiaries, as stipulated by the Stock Exchange of Thailand (SET). This policy becomes effective from September 1, 2008 onwards.





## Policy on Connected Transaction of Futurity

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

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

In this regard, the Company shall abide by the laws, bylaws, announcements, orders, or stipulations on stock and securities, including the best practice on information disclosure of connected transaction as well as the receipt and purchase of the Company's assets or its subsidiaries, as stipulated by the Stock Exchange of Thailand (SET).

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

|  |  |
|--|--|
| office rent for subsidiary and joint venture | The Company expects to allow its subsidiaries and its joint ventures to continually share the area rent at its office on 24/43-45 Vipavadee Rangsit Road., Ladyao Chatuchak Bangkok 10900. |
| graphic production                           | In the event of the graphic jointly produced by the Company, the Company delivers such work for flexibility of controlling performance and time in production.                             |

# BOARD OF DIRECTOR'S AND MANAGEMENT PROFILE

## Board of Director's Profile

|   |   |   |                                |
|---|---|---|--------------------------------|
| 1 | Mr.Prasert Virasathienpornkul Age 55  |   |                                |
|   | Chairman of the Board / Chairman of Audit Committee   |   |                                |
|   | <b>Education</b>  |   |                                |
|   | <ul style="list-style-type: none"> <li>- Master of Business Administration, University of Wisconsin, Madison, USA</li> <li>- B.A in Economics, Chulalongkorn University</li> <li>- Director Certification Program (DCP) 20/02</li> </ul>  |   |                                |
|   | <b>Amount of Share (%)</b> -none-   |   |                                |
|   | <b>Relation among family within the Company</b> -none-  |   |                                |
|   | <b>Working Experience</b>   |   |                                |
| 2 | Present   | Chairman of Board of Director and Chairman of Audit Committee | Dai-I Group Plc.               |
|   | Present   | Independent Director and Audit Committee                      | Capital Nomura Securities Plc. |
|   | Present   | Independent Director and Audit Committee                      | Kantana Group Plc.             |
|   | 1997 - Present  | Managing Director   | Concept Training and           |
|   |   |   |                                |
| 2 | Mr.Noppadon Tansalarak Age 55   |   |                                |
|   | Authorized Director / Chairman of Executive Committee / Chief Executive Officer   |   |                                |
|   | <b>Education</b>  |   |                                |
|   | <ul style="list-style-type: none"> <li>- Master of Business Administration, University of Wisconsin, Madison, USA</li> <li>- B.A in Economics, Chulalongkorn University</li> <li>- Director Certification Program (DCP) 20/02</li> <li>- Master in Engineering. Structural Engineering. University of Southwestern Louisiana USA.</li> <li>- MBA. Thammasat University</li> <li>- Engineering Bachelor Degree, Survey. Chulalongkorn University</li> <li>- Director Accreditation Program (DAP) 7/04</li> <li>- Director Certification Program (DCP) 44/04</li> <li>- Advanced Course for Executive, Class 10, Capital Market Academy</li> <li>- Advanced Diploma for Executives on Politics and Governance in Democracy, Class 15, School of Politics and Public Administration, King Prajadhipok's Institute</li> <li>- Advanced Security Management Course, Class 2, Association of National Defence College</li> <li>- TLCA Leadership Development Program (LDP1)</li> <li>- (Advance Retail Management) Class 1 CP All Plc.</li> <li>- TLCA Executive Development Program2 (EDP2)</li> <li>- Successful Formulation&amp;Execution the Strategy (SFE) Class 6/2010</li> </ul> |   |                                |
|   | <b>Amount of Share (%)</b> 3.44%  |   |                                |
|   | <b>Relation among family within the Company</b> -none-  |   |                                |



3

Mr.Phiched Maneerattanaporn Age 53

Authorized Director / Executive Committee

#### Education

- MSc (Engineering), Civil Engineering, Tokyo University
- Master of Business Administration, Thammasat University
- BSc (Engineering), Civil Engineering, Chulalongkorn University
- Director Accreditation Program (DAP) 33/05

**Amount of Share (%)** 5.09%

**Relation among family within the Company** -none-

#### Working Experience

|                |                             |                                      |
|----------------|-----------------------------|--------------------------------------|
| Present        | Managing Director           | Nikko Planning Development Co., Ltd. |
| Present        | Managing Director           | Nikko Thonburi Co., Ltd.             |
| Present        | Director                    | Master and More Co., Ltd.            |
| Present        | Director                    | Inkjet Images(Thailand) Co., Ltd.    |
| 1988 - Present | Managing Director           | Landy Home (Thailand) Co., Ltd.      |
| 1986 - 1988    | Structural Engineer for the | Hitachi Zosen Co., Ltd.              |

4

Mr.Tawat Meeprasertsukul Age 53

Director / Executive Committee

#### Education

- Master of Business Administration, Thammasat University
- MSc (Structural Engineer), Asia Technology Institute
- BSc (Engineering), Civil Engineering, Chulalongkorn University
- Director Accreditation Program (DAP) 7/04
- Director Certification Program (DCP) 65/05

**Amount of Share (%)** 4.99%

**Relation among family within the Company** -none-

#### Working Experience

|                |                   |  |
|----------------|-------------------|--|
| 2010 - Present | Director          | Thai Appraisal Foundation  |
| 2006 - Present | Director          | Alumni Association of the Faculty of Engineering, Chulalongkorn University |
| 1994 - Present | Managing Director | Daii Group Plc.  |
| Present        | Director          | Master and More Co., Ltd.  |
| 1992 - 2002    | Director          | Landy Development Co., Ltd.  |
| 1987 - 1988    | Project Engineer  | Esso Standard (Thailand) Co., Ltd.   |
| 1985 - 1987    | Project Engineer  | Siam City Cement Public Company Limited                                    |



5

Mr.Pornsak Limboonyaprasert Age 58

Director / Independent Director / Audit Committee

**Education**

- High Diploma in Auditing, Chulalongkorn University
- BA, in Accounting, Chulalongkorn University
- Director Accreditation Program (DAP) 76/08

**Amount of Share (%)** -none-

**Relation among family within the Company** -none-

**Working Experience**

|                |   |                                     |
|----------------|---|-------------------------------------|
| 2014 - Present | Associate Judge of the employer                 | The Central Labour Court            |
| 2008 - Present | Director  | Daii Grop Plc.                      |
| 2013 - Present | Project Manager                                 | Imcopack Corporation                |
| 2005 - Present | Managing Director                               | Auganic Agro Management             |
| 2009 - 2012    | Vice President                                  | Asian Seafoods Coldstorage Plc.     |
| 2005 - 2009    | Advisor US, Anti Dumping on Frozen Shrimp       | Good Luck Co., Ltd.                 |
| 2004 - 2010    | Advisor - Financial and Accounting:             | Imco Foodpack Co., Ltd.             |
| 2003 - 2009    | Financial advisor and internal auditor.         | EFD (Thailand) Co., Ltd.            |
| 2003           | Managing Director                               | Minerva Development Co., Ltd.       |
| 1998- 2003     | Director – Financial Controller                 | Thai Strategic Capital Co., Ltd.    |
| 1993-1998      | Assistant Managing Director                     | SBC Warburg Premier Securities      |
| 1993           | Area Controller – Southeast Asia                | Pepsi-Cola (Thai) Trading Co., Ltd. |
| 1992           | Manager-Accounting, Treasury & Tax              | StarPetroleum Refining Co., Ltd.    |
| 1991-1992      | Corporate Planning and Control Division Manager | Sony Thai Co., Ltd.                 |
| 1990 - 1991    | Assistant Manager                               | Alucon Public Co., Ltd.             |
| 2003           | Managing Director                               | Minerva Development Co., Ltd.       |

6

Mr.Chavin Kalayanamitr Age 57

Authorized Director

**Education**

- Master Degree of Business Administration, University of Phoenix, USA.
- Bachelor Degree of Engineering, California State Polytechnic University Pomona, USA.
- Director Certification Program (DCP) Year 2011

**Amount of Share (%)** -none-

**Relation among family within the Company** -none-

**Working Experience**

|                |   |                       |
|----------------|---|-----------------------|
| 2000 – Present | Executive Committee /Chief Technology Officer | VGI Global Media Plc. |
|----------------|---|-----------------------|

7

Mr.Chaiyasith Puwapiromkwan Age 73

Director

#### Education

- Master of Political Science, Sukhothai Thammathirat Open University.
- Bachelor of Education, Educational College (Srinakharinwirot University)
- Advanced Certificate Course in Politics and Governance Class 2, King Prajadhipok's Institute

**Amount of Share (%)** -none-

**Relation among family within the Company** -none-

#### Working Experience

|                |   |                                       |
|----------------|---|---------------------------------------|
| 2011 - Present | Independent Director and Audit Committee  | BTS Asset                             |
| 2012 - Present | Audit Committee and assessor  | Bansomdejchapraya Rajabhat University |
| 2008 - 2010    | Independent Director and Audit Committee  | BTS Group                             |
| 2004 - 2008    | President - Bansomdejchapraya Alumni Association, Under The Royal Patronage of His Majesty The King | Bansomdejchapraya Rajabhat University |
| 2004 - 2008    | President - Bansomdejchapraya Alumni Association,   | Bansomdejchapraya Rajabhat University |
| 2000 - 2004    | Secretary   | The Bangkok Metropolitan              |
| 2005 - 2011    | Secretary of King Prajadhipok Institute'S Society   | King Prajadhipok's Institute          |
| 1995 - 1996    | Adivor Deputy Prime Minister  | Prime Minister's Office               |
| 1983 - 2012    | Council Member  | Bansomdejchapraya Rajabhat University |
| 1983 - 1990    | Member of the House of Representative   | The House of Representative           |
| 1979 - 1995    | Editor  | Deilimirror Newspaper                 |
| 1979 - 2000    | Director and Secretary  | Thai Citizen Party                    |
| 1975 - 1977    | Secretary to the Minister   | MINISTRY OF INTERIOR (MOI)            |



|   |   |                      |  |
|---|---|----------------------|--|
| 8 | Mr.Paisal Tarasansombat      Age 49   |                      |  |
|   | Independent Director / Audit Committee  |                      |  |
|   | <b>Education</b>  |                      |  |
|   | <ul style="list-style-type: none"> <li>- Diploma , Assumption Commercial College</li> <li>- Diploma in Business Study, Eastbourne College of Art &amp; Technology, United Kingdom</li> <li>- Mini IE, Chulalongkorn University</li> <li>- Top Executive Program : Class 10/2010, Capital Market Academy</li> <li>- Director Accreditation Program(DAP), Class 21/2004</li> <li>- Director Certification Program(DCP), Class 197/2014</li> </ul> |                      |  |
|   | <b>Amount of Share (%)</b> -none-   |                      |  |
|   | <b>Relation among family within the Company</b> -none-  |                      |  |
|   | <b>Working Experience</b>   |                      |  |
| 9 | 2011 - Present  | Director and CEO     | Thai Metal Trade Plc. / Steel Service Center |
|   | 2004 - Present  | Director             | CONNEX Business Online Co., Ltd.             |
|   | 1986 - Present  | Director             | Soon Huat Steel Co.,Ltd. / Property Lessor   |
|   | 2008 - 2011   | Director             | Thai Metal Trade Plc. / Steel Service Center |
|   | <b>Ms.Darane Phanklin      Age 50</b>   |                      |  |
|   | Director  |                      |  |
|   | <b>Education</b>  |                      |  |
|   | <ul style="list-style-type: none"> <li>- Master Degree of Business Administration, Dhurakij Pundit University</li> <li>- Bachelor of Accountancy, Dhurakij Pundit University</li> </ul>   |                      |  |
|   | <b>Amount of Share (%)</b> -none-   |                      |  |
|   | <b>Relation among family within the Company</b> -none-  |                      |  |
|   | <b>Working Experience</b>   |                      |  |
|   | 2008 - Present  | Financial Controller | VGI Global Media Plc.                        |
|   | 2000 - 2008   | Financial Manager    | VGI Global Media Plc.                        |



|    |  |  |  |
|----|--|--|--|
| 10 | Mr. Vichit Dilokwilas  |  | Age 76   |
|    | Executive Committee  |  |  |
|    | Education  |  |  |
|    | <ul style="list-style-type: none"> <li>- Mini MBA, Thammasat University</li> <li>- Associate Degree, Rajamangala University of Technology, Bangkok Technology College</li> <li>- Director Accreditation Program (DAP) 33/05</li> </ul> |  |  |
|    | Amount of Share (%)  |  | 4.57%  |
|    | Relation among family within the Company   |  | -none-   |
|    | Working Experience   |  |  |
|    | Present  | Director   | Landy Development  |
|    | 1981 - 1999  | Director of Building Maintenance and cleanliness | Expressway and Rapid Transit Authority of Thailand (ETA) |
|    | 1963 - 1981  | Chief, Bangkok location,                         | State Railway of Thailand                                |



11

Ms.Tamonwan Narinthavanich Age 51

Executive Committee / Chief Financial Officer / Company Secretary

**Education**

- MBA of Financial, University of the Thai Chamber of Commerce (CEO MBA)
- Bachelor of Accounting, Sukhothaithammathirat Open University
- Institute of Metropolitan development Mahanakorn 3
- Super Entrepreneur Program for Society : SEP - S1
- Director Accreditation Program (DAP) 76/2008
- Director Certification Program (DCP) 177/2013
- Role of the Compensation Committee 16/2013
- Corporate Secretary Program 12/2005
- Finance for non finance Director 17/2010
- TLCA Executive Development Program EDP9 (2012)

**Amount of Share (%)** 0.005%

**Relation among family within the Company** -none-

**Working Experience**

|             |   |                              |
|-------------|---|------------------------------|
| Present     | Director                                | Open Play Co., Ltd.          |
| Present     | Director                                | Inkjet Images Co., Ltd.      |
| Present     | Director                                | Master and More Co., Ltd.    |
| Present     | Director                                | Green Ad Co., Ltd.           |
| 2013-2014   | Asst.Chief Executive Director           | Master Ad Plc.               |
| 2013        |   | Corporate Governance Center  |
| 2011 - 2012 | Accounting & Financial Director         | Master Ad Plc.               |
| 2005 - 2010 | Vice Director - Accounting & Financial  | Master Ad Plc.               |
| 2001 - 2004 | Asst. Director - Accounting & Financial | Master Ad Plc.               |
| 1996 - 2000 | Accounting & Financial Manager          | Master Ad Plc.               |
| 1989 - 1990 | Accountant                              | Umnart & Associate Co., Ltd. |
| 1986 - 1989 | Asst. Accountant                        | Vissavasahaphan Co., Ltd.    |

## Executive Management's Profile

|   |  |                                 |                               |
|---|--|---------------------------------|-------------------------------|
| 1 | Mr.Jutha Jaruboon  |                                 | Age 57                        |
|   | Chief Operation Officer  |                                 |                               |
|   | Education  |                                 |                               |
|   | <ul style="list-style-type: none"> <li>- Bachelor's Degree in Public Administration Police Cadet School</li> <li>- Finance for non Finance Executive KM School (฿ 2551)</li> </ul> |                                 |                               |
|   | Amount of Share (%) 0.004%   |                                 |                               |
|   | Working Experience   |                                 |                               |
| 2 | 2013-2014  | Asst.CEO Business Relation      | Master Ad PLC.                |
|   | 2004 - 2012  | Vice-President Operation Office | Master Ad PLC.                |
|   | 1998-2004  | General Manager                 | Airline Business School       |
|   | 1990-1998  | Manager                         | Pacific Leather Co., Ltd.     |
|   | Mr.Yanis Tipakorn  |                                 |                               |
|   | Age 56   |                                 |                               |
| 2 | Chief Creative Officer   |                                 |                               |
|   | Education  |                                 |                               |
|   | <ul style="list-style-type: none"> <li>- Bachelor of Arts Chulalongkorn University</li> </ul>  |                                 |                               |
|   | Amount of Share (%) 0.001%   |                                 |                               |
|   | Working Experience   |                                 |                               |
|   | 2007 - 2014  | Chief Innovative Officer        | Master Ad PLC.                |
| 2 | 2004-2006  | General Manager                 | Dentsu Plus Co., Ltd.         |
|   | 2003-2004  | Creative Director               | Bezz Co., Ltd                 |
|   | 1996-2003  | Creative Director               | Low World Wide Co., Ltd.      |
|   | 1990-1996  | Creative Group Head             | Fareast Advertising Co., Ltd. |
|   | 1985-1990  | Senior Copywriter               | Leo Bernet Co., Ltd.          |
|   | 1984-1985  | Copy Writer                     | Fareast Advertising Co., Ltd. |



3

Mr.Narong Trisuchon Age 48

Chief Marketing Officer

**Education**

- National University, San Diego, CA
- Master of Business Administration, Major Marketing and Financial Management, Bangkok University
- Bachelor of Business Administration, Major Marketing

**Amount of Share (%)** -ไม่มี-

**Working Experience**

|             |  |                           |
|-------------|--|---------------------------|
| 2007 - 2015 | Managing Director International Business | TBWA (Thailand) Co., Ltd. |
| 2003 - 2007 | Chief Operating Officer                  | OMD Thailand., Co., Ltd.  |

4

Ms.Uraiwan Boonyarattaphan Age 42

Chief People Officer

**Education**

- Master Degree of Public Administration Dhurakij Pundit University
- Bachelor of History, Kasetsart University
- Quality and Standard, National Productivity Institute
- TLCA Executive Development Program (EDP13) 2014

**Amount of Share (%)** 0.004%

**Working Experience**

|             |                                |                |
|-------------|--------------------------------|----------------|
| 2013 - 2014 | Asst.CEO HR. Admin&MIS         | Master Ad PLC. |
| 2010 - 2012 | Administration Director        | Master Ad PLC. |
| 2003 - 2009 | Acting Administration Director | Master Ad PLC. |
| 2002 - 2003 | Asst. Administration Director  | Master Ad PLC. |
| 1999 - 2002 | Administration Manager         | Master Ad PLC. |
| 1997 - 1999 | Administration Section Manager | Master Ad PLC. |

Detail the Board of Directors and Management of Master Ad Plc. Subsidiaries and associates as of December 31, 2014

| Name             |                    |            | Master Ad Plc.<br>Co.,Ltd | Subsidiaries            |                         |                        |                    | Associate                           |                     |
|------------------|--------------------|------------|---------------------------|-------------------------|-------------------------|------------------------|--------------------|-------------------------------------|---------------------|
|                  |                    |            |                           | Master & More Co., Ltd. | Maco Ritesing Co., Ltd. | Max Creative Co., Ltd. | Green Ad Co., Ltd. | Inkjet Immages (Thailand) Co., Ltd. | Open Play Co., Ltd. |
| 1. Mr.Prasert    | Virasathienpornkul | C, ID, CAC |                           |                         |                         |                        |                    |                                     |                     |
| 2. Mr.Noppadon   | Tansalarak         | D, CE, CEO | D                         | D                       | D                       | D                      |                    |                                     |                     |
| 3. Mr.Phiched    | Maneerattanaporn   | D, E       | D                         |                         |                         |                        | D                  |                                     |                     |
| 4. Mr.Tawat      | Meeprasertskul     | D, E       | D                         |                         |                         |                        |                    |                                     |                     |
| 5. Mr.Pornsak    | Limboonyaprasert   | ID, AC     |                           |                         |                         |                        |                    |                                     |                     |
| 7. Mr.Chavin     | Kalayanamitr       | D          |                           |                         |                         |                        |                    |                                     |                     |
| 6. Mr.Chaiyasith | Puwapiromkwan      | D          |                           |                         |                         |                        |                    |                                     |                     |
| 9. Ms.Daranee    | Phanklin           | D          |                           |                         |                         |                        |                    |                                     |                     |
| 8. Mr.Paisal     | Tarasarnsombat     | ID, AC     |                           |                         |                         |                        |                    |                                     |                     |
| 10.Mr.Vichit     | Dillokvilas        | E          |                           |                         |                         |                        |                    |                                     | D                   |
| 11.Ms.Tamonwan   | Narintavanich      | E, CFO, S  | D                         |                         |                         | D                      | D                  | D                                   |                     |

Note:

- C = Chairman
- D = Director
- ID = Independent Director
- CAC = Chairman of the Audit Committee
- AC = Audit Committee
- CE = Chairman of The Executive Committee
- E = Executive Committee
- CEO = Chief Executive Officer
- S = Company Secretary



# MANAGEMENT DISCUSSION AND ANALYSIS

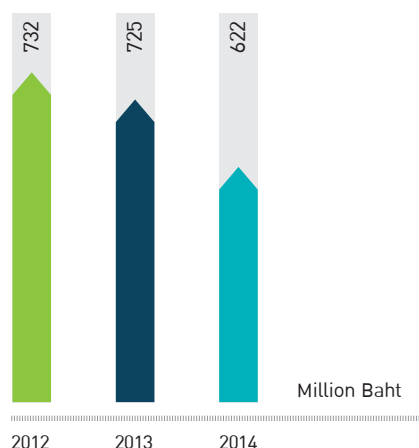
2014 economy overview, from Thailand economy recession and unstable of politic are factors to business to point at spending efficiency on limited of budget by decreased advertising spending on every platform and compensated in marketing activity such as event marketing and promotion. From Nielsen(Thailand) informations, advertising spending in 2014(Jan-Dec 2014) was around 102,346 MB, decreased from the same period of previous year to 9.51%, and outdoor advertising was decreased by 4.25% of total spending advertising.

2014 company overview, MACO contributed revenue to 622.08 MB decreased from 2013 around 102.54 MB or 14.15%, contributed net profit to 133.47 MB decreased from 2013 around 40.28 MB or 23.18%, total asset is 165.40 MB, total liability is 165.40 MB and total equity is 674.96 MB. Significant of Master Ad Co.,Ltd. operation result in 2014 detail as below.

## Performance

Performance and Financial Statement 2014 of Master Ad Public Company Limited

### Revenue

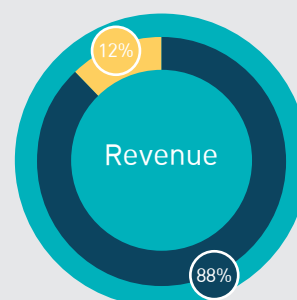


In 2014, the company and its subsidiaries have revenue from sale and service 622.08 MB, decreasing from 2013 by 14.15% or 102.54 MB, by the main revenues are advertisement service and contractor.

Overview causes of revenue decreasing are the hesitation of entrepreneur in advertising spending and at the end of a year, Economy have slowly recovered. Furthermore Government spendings decreased from Projects have pending account.

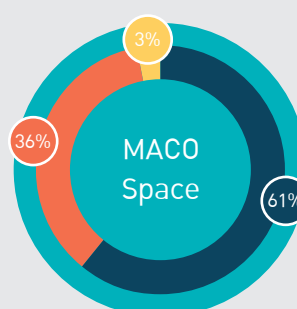
#### Revenue

- MACO Space
- Non MACO Space



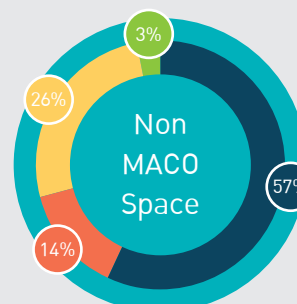
#### MACO Space

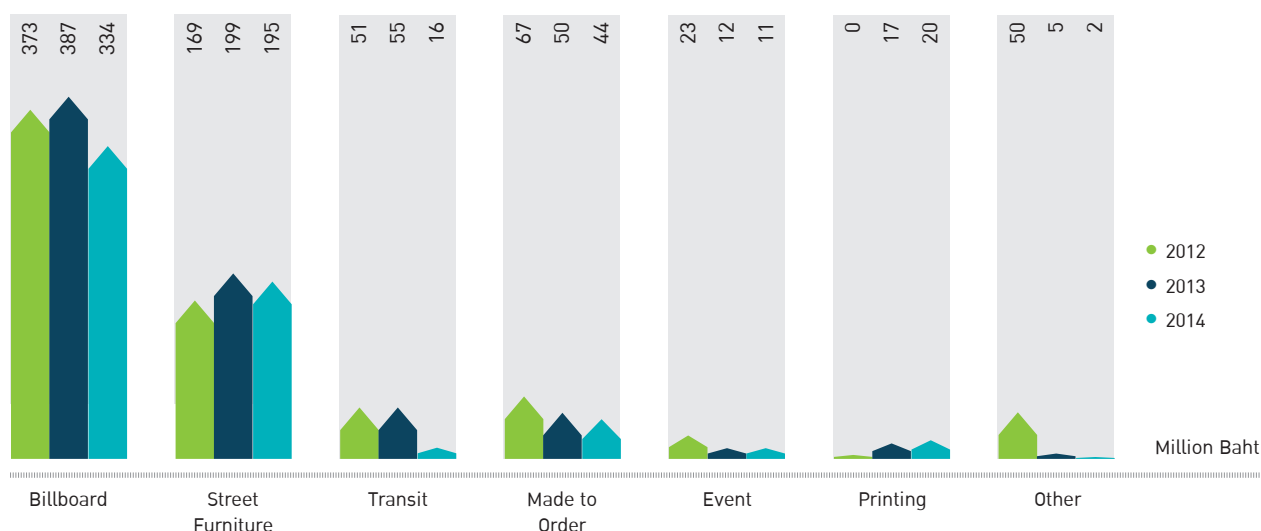
- Billboard
- Street Furniture
- Transit



#### Non MACO Space

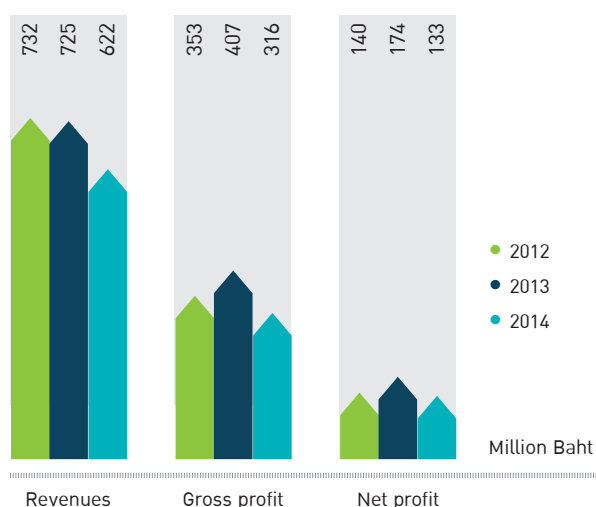
- Made to Order
- Event
- Printing
- Other





Revenue from sale and service and contractor divided to be 2 categories, “MACO Space” which generated 88% and “Non MACO Space” which generated 12%, MACO Space are include with Billboard, Street Furniture and Transit, Non MACO Space are include with Event, Made to Order and Printing. 2014 revenue of MACO Space decreasing by 15.04% and Non MACO Space revenue decreasing by 7.28% due to the hesitation of entrepreneur in advertising spending in the situation of economic have just recovered

#### • Gross profit

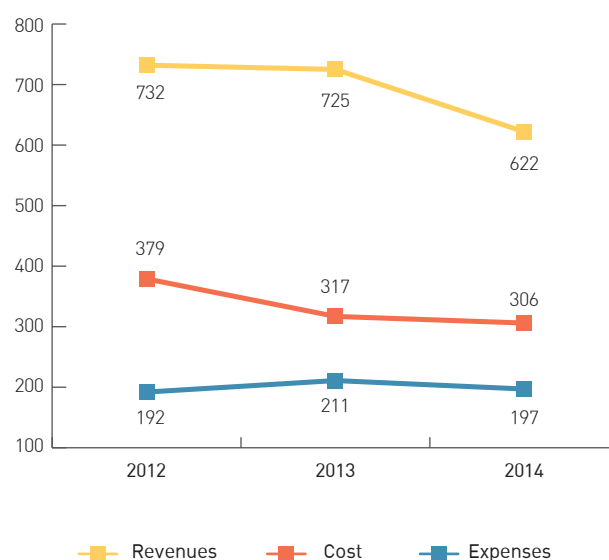


In 2014, the company and its subsidiaries have gross profit 316.35 MB. Decreasing when compare to the same period in 2013, by 22.32% or 90.89 MB. The main caused is the decreasing of advertising revenue decreased.

#### • Other income

In 2014, the company and its subsidiaries have other income 43.71 MB. Increasing when compare to the same period in 2013, by 148.07% or 26.09 MB. the main causes are increasing of saving interest, gain on reversal of an allowance for doubtful adjusted back.

#### • Cost of operating expense



In 2014, the company and its subsidiaries have cost of good sold and service 305.72 MB. Decreasing when compare to the same period in 2013, by 3.67% or 11.66 MB. the main caused is the decreasing of service and media contractor cost by decreasing of revenue.





In 2014, the company and its subsidiaries have cost of good sold and service to be 49.20% of revenue sale and service by cost of good sold of main product from services and contractor are include with Depreciation Cost, Rental, Sign tax, Electrical, Insurance and maintenance.

The company and its subsidiaries have cost of good sold 67.60 MB and cost of service 128.15 MB, cost of good sold decreasing by 12.66% and cost of service increasing by 3.83% due to the efficiency of cost manage to accord with decreasing revenue.

Million Baht

|                         | Consolidated                           |        |  |        |                  |         |
|-------------------------|--|--------|--|--------|------------------|---------|
|                         | For the year ended<br>31 December 2014 |        | For the year ended<br>31 December 2013 |        | Diff 2014 - 2013 |         |
| Selling expenses        | 67.60                                  | 29.76% | 77.40                                  | 30.53% | (10)             | -12.66% |
| Administrative expenses | 128.15                                 | 56.41% | 133.26                                 | 52.57% | (5)              | -3.83%  |
| Finance costs           | 1.27                                   | 0.56%  | 0.68                                   | 0.27%  | 1                | 86.76%  |
| Income tax              | 30.15                                  | 13.27% | 42.15                                  | 16.63% | (12)             | -28.47% |

#### • Finance costs.

In 2014, the company and its subsidiaries have finance cost 1.27 MB. Increasing when compare to the same period in 2013, by 86.76% or 0.59 MB. The main caused of increasing is interest of proMs.ory note in subsidiary company which loaned in 2013 to be working capital in subsidiary company.

#### • Share of associates profit.

In 2014, the company and its subsidiaries have share of associated profit from investments by decreased 24.55% or 0.82 MB when compare to the same period in 2013. The main caused is a changing of investment types in associated company to subsidiaries company for Inkjet Images (Thailand) company limited. Thus this investment affected to decrease of profit sharing 0.70 MB. and share of associated profit from investments in Landy Development Company Limited increased by 0.12 MB.

#### • Income tax.

In 2014, the company and its subsidiaries have income tax expense 30.15 MB. Decreasing when compare to same period in 2013, by 28.47% or 12.00 MB. the main caused of decreasing are

1. The effect of Accounting Standards issues 12 for in case of "income tax" which is promulgated and affected in 2013. There is a effect to decrease income tax expense 6.47 MB.
2. 2014, the company and its subsidiaries have Income tax for taxable income 31.30 MB compared to the same period in 2013 decreasing by 5.53 MB, due to performance of its subsidiaries decreasing.

## Financial Statement

### Composition of Asset

*Million Baht*

|                          | Consolidate               |                           |                   |
|--------------------------|---------------------------|---------------------------|-------------------|
|                          | At 31<br>December<br>2014 | At 31<br>December<br>2013 | Diff<br>2014-2013 |
| Assets                   |                           |                           |                   |
| Total current assets     | 551.40                    | 631.48                    | (80.08)           |
| Total non-current assets | 288.96                    | 223.71                    | 65.25             |
| Total assets             | 840.36                    | 855.19                    | (14.83)           |

The company and its subsidiaries have asset structure ratio between the current assets and fixed assets to 1 : 0.52. characteristic of business , almost of current asset are cash, cash equivalents and account receivable.

Fixed assets are include with Land, building and Equipment, almost is advertising media. The company and its subsidiaries have total assets 840.36 MB, devide into current assets 551.40 MB which accounted for 65.61% of total assets by decreasing 12.68% when compare to the same period in 2013. The main causes are dividend paid to shareholder and investment in Flyover II project.

## Quality of Assets

As for the quality of trade receivable, The company and its subsidiaries have payment policy of no more than 60 days. As of December 31, 2014 and December 31, 2013, Receivable turnovers were 80 days and 76 days, respectively. Collection period in 2014 was longer than the policy of Master Ad Public Co.,Ltd. Because some of the clients were government agencies with pending accounts receivable at an average of 90 days of settlements. However, The company has managed the account receivables closely, starting from open the sale to closing the sale, deliveries, after sale service, till to the collection stge together with the sales Department, in order to manage the receivable with better efficiency.

Overdue receivable were sent by the Accelerated Debts Division to the Legal Section for action, and the company set reserves for bad debts as appropriate on a case by case.

|  | Consolidated              |                           |
|--|---------------------------|---------------------------|
|  | At 31<br>December<br>2014 | At 31<br>December<br>2013 |
|  | Baht'000                  | Baht'000                  |
| Trade accounts receivable              |                           |                           |
| Current                                | 107,900                   | 115,306                   |
| Overdue less than 3 months             | 11,372                    | 26,475                    |
| 3 - 6 months                           | 1,281                     | 2,718                     |
| 6 - 12 months                          | 6,092                     | 1,142                     |
| Over 12 months                         | 13,912                    | 37,484                    |
| Total                                  | 140,557                   | 183,125                   |
| Less Allowance for doubtful account    | (13,597)                  | (36,889)                  |
| Total trade and other receivables, net | 126,960                   | 146,236                   |

Aging of receivables can be summarized as follows(Proportion of total receivables against the debtor)

- Current 85%
- Within 3 months 9%
- Over 3 Months 6%



## Liquidity

### • Cash Flow

|  | Consolidated       |          |
|--|--------------------|----------|
|  | For the year ended |          |
|  | 31 December        |          |
|  | 2014               | 2013     |
|  | Baht'000           | Baht'000 |
| Cash flows from operating activities       |                    |          |
| Profit before income tax                   | 165,567            | 216,864  |
| Change in operating assets and liabilities | 163,010            | 230,419  |
| Cash received from operating activities    | 118,496            | 194,401  |
| Cash received from (payment in)            |                    |          |
| investing activities                       | (103,465)          | (71,129) |
| Cash payment in financing activities       | (133,654)          | (88,503) |
| Increase in cash and cash equivalents      | (118,623)          | 34,769   |
| Opening balance of cash and                |                    |          |
| cash equivalents                           | 267,271            | 232,502  |
| Closing balance of cash and                |                    |          |
| cash equivalents                           | 148,648            | 267,271  |

In 2014, the principal source of fund for the company and its subsidiaries came from its net profit, and when considered both of working capital, the company and its subsidiaries have a cash flow from the operating activities 118.62 MB by the company and its subsidiaries were used cash flow to General Expenses and operating expenses in 2014. The company paid a dividend to its shareholders 169.36 MB, Resulting in cash flow used in financing activities 133.65 MB. When considered cash flow of the company and its subsidiaries from all activities, The company have net decrease cash flow 118.62 MB. In 2014, the company and its subsidiaries have a policy on management and cost control as well as manage trade receivables continuously, in order to get more cash flow for business and support the future growth of the company. In 2014, the company had cash flow from investing activities, the company had deposited the surplus cash in fixed account to increase revenue for the company with no risk an amount of 35.96 MB. In 2014, The company had cash and cash equivalents 148.65 MB.

### • Liquidity

Million Baht

|                           | Consolidate    |        |                |        |                |
|---------------------------|----------------|--------|----------------|--------|----------------|
|                           | At 31 December |        | At 31 December |        | Diff 2014-2013 |
|                           | 2014           |        | 2013           |        |                |
| Cash and cash equivalents | 148.65         | 17.69% | 267.27         | 31.25% | (118.62)       |
| Temporary investments     | 187.76         | 22.34% | 151.17         | 17.68% | 36.59          |
| Total current assets      | 551.40         |        | 631.48         |        | (80.08)        |
| Total current liabilities | 136.87         |        | 131.22         |        | 5.65           |
| Total assets              | 840.36         |        | 855.19         |        | (14.83)        |

In 2014, the company and its subsidiaries have liquidity ratio and quick ratio 4.03 and 4.01, respectively. Decreasing from 0.78 and 0.70, respectively in 2013, Due to invest in fixed asset for Flyover II project, the increase in current assets from temporary investments, while Current liabilities have declined because the payments from account payable and repaying to the creditors. The company had manage cash on hand for return that low risk, Cost management of service made cash on hand and cash equivalents as well as short-term investments to generate the business as amount 40.03% of total assets.

| Liquidity Ratio                |        | 2013    | 2014    |
|--------------------------------|--------|---------|---------|
| Current Ratio                  | (As)   | 4.81    | 4.03    |
| Quick Ratio or Acid Test Ratio | (As)   | 4.71    | 4.01    |
| Account Receivable Turnover    | (As)   | 4.80    | 4.54    |
| Average Collection Period      | (As)   | 76      | 80      |
| Profitability Ratio            |        | 2013    | 2014    |
| Return On Assets or ROA        | %      | 27.04%  | 19.68%  |
| Return On Fix Assets           | %      | 242.86% | 148.06% |
| Total Assets Turnover          | (Turn) | 0.85    | 0.73    |

In 2014, The investment almost used in temporary investment, fixed account deposits, equipment and computer programs.

#### • Sources of Capital Fund

The capital fund structure and working capital of the company and its subsidiaries in 2014 from operating profit. Debt to Equity ratio between 2014 and 2013 showed as increase of 0.25 and 0.21, respectively. In 2014, Shareholders decreased due to dividend paid in 2013 and the interim 2014 as follows:

#### • Investment

| Annual General /<br>Board of director<br>meeting | Meeting<br>Date   | Dividend<br>for the year | Type of<br>payment | Payment<br>rate per<br>share<br>(Baht) | Amount<br>(Baht) | No.<br>Common<br>share (share) | Payment date | Note  |
|--|-------------------|--------------------------|--------------------|--|------------------|--------------------------------|--------------|-------|
| Annual General<br>Meeting 2012                   | 24 April<br>2013  | 2012                     | Cash               | 0.15                                   | 26,249,784       | 174,998,563                    | 2 May 2013   | Cash  |
|  |                   |                          |                    | 0.72                                   | 125,998,965      | 174,998,563                    | 15 May 2013  | Stock |
| 3/2013<br>Board of director                      | 13 August<br>2013 | Interim<br>2013          | Cash               | 0.20                                   | 60,179,390       | 300,896,950                    | 3 Sep 2013   | Cash  |
| Annual General<br>Meeting 2013                   | 18 April<br>2013  | 2013                     | Cash               | 0.30                                   | 90,269,085       | 300,896,950                    | 16 May 2014  | Cash  |
| 3/2014<br>Board of director                      | 18 August<br>2014 | 2014                     | Cash               | 0.25                                   | 75,224,238       | 300,896,950                    | 29 Sep 2014  | Cash  |



## • Liabilities

In 2014, the company and its subsidiaries have current liabilities 136.87 MB, and non-current liabilities 28.53 MB, total liabilities 165.40 MB increasing from 2013 by 18.97 MB. The main cause of increasing is interest of proMs.ory note in subsidiary company 36.36 MB for investment in Fixed asset and repaying to the creditors 17.39 MB

Increasing of number in above table , Debt to Asset increased to 17.32% in 2013, and 19.68% in 2014, but Debt ratio and financial risk still low. If company have more investment in 2015 when cash difficit, company still have potential to increase debt and able to repay debt to the financial institutions.

Million Baht

|                                     | Consolidate               |                           |                   |
|-------------------------------------|---------------------------|---------------------------|-------------------|
|                                     | At 31<br>December<br>2014 | At 31<br>December<br>2013 | Diff<br>2014-2013 |
| Currentliabilities                  | 136.87                    | 131.22                    | 5.65              |
| Non-current liabilities             | 28.53                     | 15.21                     | 13.32             |
| Total liabilities                   | 165.40                    | 146.43                    | 18.97             |
| Total assets                        | 840.36                    | 855.19                    | (14.83)           |
| Total liabilities /<br>Total assets | 19.68%                    | 17.12%                    | 2.56%             |

## • Sharholder's equity

In 2014, the company and its subsidiaries have sharholder's equity 674.96 MB decreasing from 2014 by 33.80 MB or 4.77% the main cause of paid dividend.

## Audit Fee

The Audit Fee for the company and subsidiaries paid comparison as of 31 December .

| No.          | Paid by                           | Audit Fee        |                  |                  |
|--------------|-----------------------------------|------------------|------------------|------------------|
|              |                                   | 2014             | 2013             | 2012             |
| 1            | Master Ad Public Plc.             | 880,000          | 860,000          | 850,000          |
| 2            | Master and More Co., Ltd.         | 550,000          | 530,000          | 465,000          |
| 3            | Inkjet Images (Thailand)Co., Ltd. | 215,000          | 210,000          | 200,000          |
| 4            | Maco Rite Sign Co., Ltd.          | 90,000           | 90,000           | 95,000           |
| 5            | Landy Development Co., Ltd.       | 170,000          | 170,000          | 190,000          |
| 6            | Green Ad Co., Ltd.                | 60,000           | 40,000           | 600,000          |
| 7            | Max Creative Co., Ltd.            | -                | -                | 51,000           |
| 8            | Open pLay Co., Ltd.               | 90,000           | -                | -                |
| <b>Total</b> |                                   | <b>2,055,000</b> | <b>1,900,000</b> | <b>1,931,000</b> |

(Non-Audit Fee)                      - None -





## FINANCIAL REPORT

- The Board of Director's Responsibilities in Respect of The Financial Statement
- Audit Committee's Report
- Auditor's Report
- Financial Statement
- Notes to Consolidated and Company Financial Statements



# THE BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT

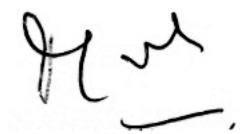
## OF THE FINANCIAL STATEMENTS TO SHAREHOLDERS,

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

To accomplish this task, the Board of Directors has appointed the Audit Committee to verify the accounting policy and the quality of quarterly financial statements before submitting for the Board's acknowledgement. The Audit

Committee's comments on these issues are included in the Audit Committee's Report shown in this Annual Report. Specifically, the Audit Committee remarks on both the Company's and its subsidiaries' financial statements in the Audit Committee's Report that the Company's financial status, performance results and cash flow are deemed substantially accurate in accord with the Generally Accepted Accounting Principles.

Based upon such supervision and practices, the Board of Directors believe that the overall financial statements and the Company's separate financial statements prepared for the year ended December 31, 2013, have shown accurate, reliable financial status, performance results, and cash flow conforming to the Generally Accepted Accounting Principles and the related laws, regulations and announcements.



**Mr. Prasert Virasathienpornkul**  
Chairman of Board of Director



**Mr. Noppadon Tansalarak**  
Chief Executive Officer



## AUDITING COMMITTEE'S REPORT

The Auditing Committee has performed the duties according to the scope of responsibilities approved by the Board of Directors. The key functions include reviewing the Company's financial reports to ensure its accuracy and adequacy, reviewing the Company's internal audit control system for its efficiency and effectiveness as well as making sure of the Company's corporate governance according to good corporate practices. In 2014, the Auditing Committee arranged 4 meeting which can be summarized as follows:

**1. Jointly reviewed and approved the financial statements of the Company,**

quarterly financial statements, and annual financial statement before forwarding to the Board. The meetings were arranged together with the Company's auditor to listen on the explanation, the observations and the suggestions. The opinion was that the financial statements were prepared correctly as it should with adequacy and in accordance with accounting standards.

**2. Overseeing that the Company has internal control and supervision of internal controls effectively**

The Company assigns the Office of Internal Audit to examine the internal audit controls on a quarterly basis and reports directly to the Audit Committee. Various observations of the Office of Internal Audit will be considered and modified so that the internal control system is effective and efficient. The report of the Audit Office revealed that the system of internal audit control and management is satisfactory.

**3. Connected transactions review**

The Audit Committee has reviewed the connected transaction with the companies in the group and inter-business groups to ensure that the Company has followed the normal business conditions and fully discloses of information adequately.

**4. Ensuring compliance with the Company's Principles of Good Corporate Governance**

The Auditing Committee monitors the Company's compliance with the Securities and Stock Exchange laws and other relevant laws strictly especially in regard to the transaction and items that may have a conflict of interest in order to comply with good corporate governance principles.

In 2014, the Auditing Committee commented that the Company has followed the good corporate governance principles effectively resulting that the assessment result from the Thai Institute of Directors (IOD) to the Company is rated as "very good", the assessment result on corporate governance report is rated as "excellent" and the assessment result of the Annual General Meeting of Shareholders is also "excellent".

**5. The selection of the Auditor for the year 2015**

The Audit Committee has considered for the auditors with regards to the availability, scope of services, audit fees as announced by the SEC on the requirements regarding the auditor and others. The Committee has resolved to propose to the Board of Directors to seek the approval from the shareholders' meeting to appoint: Mr. Kajornkiat Arunphirotkul and/or Mr. Chanchai Chaiprasit, the auditors from Pricewater House Coopers Co., Ltd. (PWC) as the auditors for the year 2015.

The Audit Committee has commented that the management of the Company has given the priority to the operation under the good governance and the effective internal audit control.

(Mr. Prasert Virasathienpornkul)  
Chairman of Audit Committee



# AUDITOR'S REPORT

## To the Shareholders and the Board of Directors of Master Ad Public Company Limited

I have audited the accompanying consolidated and company financial statements of Master Ad Public Company Limited and its subsidiaries and of Master Ad Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

### 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 company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Master Ad Public Company Limited and its subsidiaries and of Master Ad Public Company Limited as at 31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**Kajornkiet Aroonpirodkul**

Certified Public Accountant (Thailand) No. 3445  
PricewaterhouseCoopers ABAS Ltd.

Bangkok

23 February 2015



# STATEMENT OF FINANCIAL POSITION

Master Ad Public Company Limited

As at 31 December 2014

|  | Notes | Consolidated       |                    | Company            |                    |
|--|-------|--------------------|--------------------|--------------------|--------------------|
|  |       | 2014               | 2013               | 2014               | 2013               |
|  |       | Baht               | Baht               | Baht               | Baht               |
| <b>Assets</b>                                    |       |                    |                    |                    |                    |
| <b>Current assets</b>                            |       |                    |                    |                    |                    |
| Cash and cash equivalents                        | 6     | 148,648,660        | 267,271,389        | 117,397,301        | 211,180,625        |
| Short-term investments                           | 7     | 187,758,033        | 151,171,165        | 173,486,201        | 137,298,281        |
| Trade and other receivables, net                 | 8     | 194,088,541        | 189,527,592        | 119,392,011        | 120,067,252        |
| Inventories                                      | 9     | 2,829,745          | 12,930,973         | 1,993,037          | 9,526,135          |
| Loans to related party                           | 30    | -                  | -                  | -                  | 4,000,000          |
| Loans to third party                             |       | 9,127,066          | -                  | -                  | -                  |
| Accrued dividends income                         |       | -                  | -                  | 49,999,950         | 59,999,940         |
| Other current assets                             |       | 8,946,774          | 10,577,080         | 4,746,687          | 6,305,646          |
| <b>Total current assets</b>                      |       | <b>551,398,819</b> | <b>631,478,199</b> | <b>467,015,187</b> | <b>548,377,879</b> |
| <b>Non-current assets</b>                        |       |                    |                    |                    |                    |
| Investments in subsidiaries                      | 10.1  | -                  | -                  | 89,916,330         | 89,083,330         |
| Investments in associates and joint venture, net | 10.2  | 28,490,035         | 25,970,293         | 16,494,814         | 16,494,814         |
| Restricted deposit at financial institutions     |       | 5,951,672          | 6,452,059          | 1,951,672          | 2,452,059          |
| Investment property                              | 11    | 35,316,836         | 35,316,836         | 35,316,836         | 35,316,836         |
| Buildings and equipment, net                     | 12    | 139,491,517        | 85,867,934         | 8,551,337          | 7,113,977          |
| Intangible assets, net                           | 13    | 151,468            | 775,658            | 151,462            | 753,581            |
| Goodwill   |       | 13,997,552         | 13,997,552         | -                  | -                  |
| Deferred tax assets                              | 14    | 4,637,008          | 3,494,902          | 2,831,333          | 1,875,136          |
| Prepaid rent for billboards space, net           | 15    | 10,396,473         | 18,324,211         | -                  | -                  |
| Other non-current assets, net                    | 16    | 50,527,836         | 33,514,348         | 35,009,410         | 28,534,196         |
| <b>Total non-current assets</b>                  |       | <b>288,960,397</b> | <b>223,713,793</b> | <b>190,223,194</b> | <b>181,623,929</b> |
| <b>Total assets</b>                              |       | <b>840,359,216</b> | <b>855,191,992</b> | <b>657,238,381</b> | <b>730,001,808</b> |

The notes to the consolidated and company financial statements form an integral part of the financial statements.

# STATEMENT OF FINANCIAL POSITION (Cont'd)

Master Ad Public Company Limited

As at 31 December 2014

|   |       | Consolidated |             | Company    |            |
|---|-------|--------------|-------------|------------|------------|
|   | Notes | 2014         | 2013        | 2014       | 2013       |
|   |       | Baht         | Baht        | Baht       | Baht       |
| Liabilities and shareholders' equity                              |       |              |             |            |            |
| Current liabilities   |       |              |             |            |            |
| Short-term borrowings from financial institutions                 | 17.1  | 23,000,000   | -           | -          | -          |
| Trade and other payables  | 18    | 86,918,143   | 106,387,842 | 44,658,836 | 73,014,792 |
| Current portion of long-term borrowing from financial institution | 17.2  | 6,538,000    | -           | -          | -          |
| Current portion of finance lease liabilities                      |       | 135,672      | 135,672     | -          | -          |
| Accrued income tax  |       | 6,279,335    | 8,106,290   | 2,360,295  | -          |
| Undue output VAT  |       | 10,032,602   | 12,627,790  | 5,173,250  | 6,825,151  |
| Accrued dividends   |       | 136,333      | 103,642     | 136,284    | 103,581    |
| Other current liabilities   |       | 3,828,187    | 3,861,135   | 2,325,715  | 2,347,052  |
| Total current liabilities   |       | 136,868,272  | 131,222,371 | 54,654,380 | 82,290,576 |
| Non-current liabilities   |       |              |             |            |            |
| Long-term borrowing from financial institution                    | 17.2  | 5,701,230    | -           | -          | -          |
| Finance lease liabilities   |       | 102,291      | 235,095     | -          | -          |
| Employee benefit obligations                                      | 19    | 19,295,192   | 12,467,989  | 15,131,956 | 9,721,597  |
| Other non-current liabilities                                     |       | 3,435,560    | 2,508,118   | 2,127,200  | 2,555,229  |
| Total non-current liabilities                                     |       | 28,534,273   | 15,211,202  | 17,259,156 | 12,276,826 |
| Total liabilities   |       | 165,402,545  | 146,433,573 | 71,913,536 | 94,567,402 |

The notes to the consolidated and company financial statements form an integral part of the financial statements.





# STATEMENT OF FINANCIAL POSITION (Cont'd)

Master Ad Public Company Limited

As at 31 December 2014

|   |       | Consolidated |             | Company     |             |
|---|-------|--------------|-------------|-------------|-------------|
|   | Notes | 2014         | 2013        | 2014        | 2013        |
|   |       | Baht         | Baht        | Baht        | Baht        |
| Liabilities and shareholders' equity (Cont'd) |       |              |             |             |             |
| Shareholders' equity                          |       |              |             |             |             |
| Share capital                                 |       |              |             |             |             |
| Authorised share capital                      |       |              |             |             |             |
| Ordinary shares, 3,761,211,875 shares         |       |              |             |             |             |
| of par Baht 0.1 each (2013 : 300,898,530      |       |              |             |             |             |
| shares of par Baht 1 each)                    | 20    | 376,121,188  | 300,898,530 | 376,121,188 | 300,898,530 |
| Issued and paid-up share capital              |       |              |             |             |             |
| Ordinary shares, 3,008,969,500 shares         |       |              |             |             |             |
| of paid-up Baht 0.1 each (2013 : 300,896,950  |       |              |             |             |             |
| shares of paid-up Baht 1 each)                | 20    | 300,896,950  | 300,896,950 | 300,896,950 | 300,896,950 |
| Share premium                                 | 20    | 167,084,833  | 167,084,833 | 167,084,833 | 167,084,833 |
| Retained earnings                             |       |              |             |             |             |
| Appropriated - legal reserve                  | 21    | 30,089,695   | 30,089,695  | 30,089,695  | 30,089,695  |
| Unappropriated                                |       | 135,681,641  | 168,096,799 | 84,473,135  | 135,086,195 |
| Other components of equity                    |       | 24,613,867   | 24,034,789  | 2,780,232   | 2,276,733   |
| Equity attributable to owners of the parent   |       | 658,366,986  | 690,203,066 | 585,324,845 | 635,434,406 |
| Non-controlling interests                     |       | 16,589,685   | 18,555,353  | -           | -           |
| Total shareholders' equity                    |       | 674,956,671  | 708,758,419 | 585,324,845 | 635,434,406 |
| Total liabilities and shareholders' equity    |       | 840,359,216  | 855,191,992 | 657,238,381 | 730,001,808 |

The notes to the consolidated and company financial statements form an integral part of the financial statements.

# STATEMENTS OF COMPREHENSIVE INCOME

Master Ad Public Company Limited  
For the year ended 31 December 2014

|  | Notes | Consolidated       |                    | Company            |                    |
|--|-------|--------------------|--------------------|--------------------|--------------------|
|  |       | 2014               | 2013               | 2014               | 2013               |
|  |       | Baht               | Baht               | Baht               | Baht               |
| Revenues from services and sales                                 | 24    | 622,078,470        | 724,622,992        | 391,441,036        | 471,837,884        |
| Cost of services and sales                                       |       | (305,725,190)      | (317,385,817)      | (215,946,171)      | (227,450,415)      |
| <b>Gross profit</b>  |       | <b>316,353,280</b> | <b>407,237,175</b> | <b>175,494,865</b> | <b>244,387,469</b> |
| Other income   | 25    | 43,708,302         | 17,621,419         | 44,242,384         | 31,631,657         |
| Dividends income   | 22    | -                  | -                  | 53,899,937         | 100,499,897        |
| Selling expenses   |       | (67,595,184)       | (77,395,618)       | (45,108,860)       | (48,944,037)       |
| Administrative expenses  |       | (128,148,942)      | (133,260,571)      | (98,526,326)       | (105,413,560)      |
| Impairment loss on investment in associate                       |       | -                  | -                  | -                  | (2,500,000)        |
| Finance costs  |       | (1,270,369)        | (678,868)          | (2,261)            | (353,030)          |
| Share of profit in associates                                    | 10.2  | 2,519,742          | 3,340,416          | -                  | -                  |
| <b>Profit before income tax</b>                                  |       | <b>165,566,829</b> | <b>216,863,953</b> | <b>129,999,739</b> | <b>219,308,396</b> |
| Income tax   | 27    | (30,154,592)       | (42,149,868)       | (14,624,122)       | (23,223,082)       |
| <b>Net profit for the year</b>                                   |       | <b>135,412,237</b> | <b>174,714,085</b> | <b>115,375,617</b> | <b>196,085,314</b> |
| <b>Other comprehensive income</b>                                |       |                    |                    |                    |                    |
| Gain on remeasuring available-for-sale investments, net of tax   | 27    | 500,566            | 607,795            | 503,499            | 608,077            |
| Actuarial losses on defined employee benefit plans, net of tax   | 27    | (488,715)          | -                  | (495,905)          | -                  |
| <b>Total comprehensive income for the year</b>                   |       | <b>135,424,088</b> | <b>175,321,880</b> | <b>115,383,211</b> | <b>196,693,391</b> |
| <b>Net profit for the year attributable to :</b>                 |       |                    |                    |                    |                    |
| Owners of the parent   |       | 133,469,095        | 173,750,125        | 115,375,617        | 196,085,314        |
| Non-controlling interests  |       | 1,943,142          | 963,960            | -                  | -                  |
| <b>Net profit for the year</b>                                   |       | <b>135,412,237</b> | <b>174,714,085</b> | <b>115,375,617</b> | <b>196,085,314</b> |
| <b>Total comprehensive income for the year attributable to :</b> |       |                    |                    |                    |                    |
| Owners of the parent   |       | 133,578,231        | 174,357,920        | 115,383,211        | 196,693,391        |
| Non-controlling interests  |       | 1,845,857          | 963,960            | -                  | -                  |
| <b>Total comprehensive income for the year</b>                   |       | <b>135,424,088</b> | <b>175,321,880</b> | <b>115,383,211</b> | <b>196,693,391</b> |
| <b>Earnings per share</b>  | 28    |                    |                    |                    |                    |
| Basic earnings per share   |       | 0.04               | 0.06               | 0.04               | 0.07               |

The notes to the consolidated and company financial statements form an integral part of the financial statements.

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Master Ad Public Company Limited

For the year ended 31 December 2014

Baht

|   |                                  | Consolidated                         |                    |  |  |                                  |                            |                           |
|---|----------------------------------|--------------------------------------|--------------------|--|--|----------------------------------|----------------------------|---------------------------|
|   |                                  | Attributable to owners of the parent |                    |  |  |                                  |                            |                           |
|   |                                  | Other components of equity           |                    |  |  |                                  |                            |                           |
|   |                                  | Retained earnings                    |                    | Change in parent's ownership interests in subsidiary | Gain on remeasuring available-for-sale investments | Total other components of equity | Total owners of the parent | Non-controlling interests |
| Notes   | Issued and paid-up share capital | Appropriated-legal reserve           | Share premium      |  |  |                                  |                            |                           |
|   | 300,896,950                      | 30,089,695                           | 167,084,833        | 21,757,648   | 2,277,141  | 24,034,789                       | 690,203,066                | 18,555,353                |
| <b>Balance as at 1 January 2014</b>                                 |                                  |                                      |                    |  |  |                                  |                            | <b>708,758,419</b>        |
| <b>Changes in equity for the year ended 31 December 2014</b>        |                                  |                                      |                    |  |  |                                  |                            |                           |
| Actuarial loss on defined employee benefit plans, net of tax        | 27                               | -                                    | -                  | (391,430)  | -  | -                                | (391,430)                  | (97,285)                  |
| Gain on remeasuring available-for-sale investments, net of tax      | 27                               | -                                    | -                  | -  | 500,566  | 500,566                          | 500,566                    | -                         |
| Increase in non-controlling interests from investment in subsidiary | 10.1                             | -                                    | -                  | -  | -  | -                                | -                          | 1,000,000                 |
| Step-up acquisition of investment in a subsidiary                   | 10.1                             | -                                    | -                  | 78,512   | -  | 78,512                           | 78,512                     | (911,512)                 |
| Dividends paid  | 22                               | -                                    | -                  | (165,492,823)  | -  | -                                | (165,492,823)              | (3,900,013)               |
| Net profit for the year   |                                  | -                                    | -                  | 133,469,095  | -  | -                                | 133,469,095                | 1,943,142                 |
| <b>Balance as at 31 December 2014</b>                               |                                  | <b>300,896,950</b>                   | <b>167,084,833</b> | <b>21,836,160</b>                                    | <b>2,777,707</b>                                   | <b>24,613,867</b>                | <b>658,366,986</b>         | <b>674,956,671</b>        |

The notes to the consolidated and company financial statements form an integral part of the financial statements.



## For the year ended 31 December 2014



**Master Ad Public Company Limited**

The notes to the consolidated and company financial statements form an integral part of the financial statements.



# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Cont'd)

Master Ad Public Company Limited

For the year ended 31 December 2014

Baht

| Company  |                                  |               |                            |                |   |               |
|--|----------------------------------|---------------|----------------------------|----------------|---|---------------|
| Notes  | Issued and paid-up share capital | Share premium | Retained earnings          |                | Other components of equity                          |               |
|  |                                  |               | Appropriated-legal reserve | Unappropriated | Gain on remeasuring available-for-sale- investments | Total         |
| <b>Balance as at 1 January 2014</b>                          |                                  |               |                            |                |   |               |
|  | 300,896,950                      | 167,084,833   | 30,089,695                 | 135,086,195    | 2,276,733   | 635,434,406   |
| <b>Changes in equity for the year ended 31 December 2014</b> |                                  |               |                            |                |   |               |
| 27   | -                                | -             | -                          | (495,905)      | -   | (495,905)     |
| 27   | -                                | -             | -                          | -              | 503,499   | 503,499       |
| 22   | -                                | -             | -                          | (165,492,772)  | -   | (165,492,772) |
|  | -                                | -             | -                          | 115,375,617    | -   | 115,375,617   |
| <b>Balance as at 31 December 2014</b>                        |                                  |               |                            |                |   |               |
|  | 300,896,950                      | 167,084,833   | 30,089,695                 | 84,473,135     | 2,780,232   | 585,324,845   |
| <b>Balance as at 1 January 2013</b>                          |                                  |               |                            |                |   |               |
|  | 174,999,563                      | 167,084,833   | 17,500,000                 | 157,053,273    | 2,085,820   | 518,723,489   |
|  | -                                | -             | -                          | 6,864,525      | (417,164)   | 6,447,361     |
| <b>Balance after adjustment</b>                              |                                  |               |                            |                |   |               |
|  | 174,999,563                      | 167,084,833   | 17,500,000                 | 163,917,798    | 1,668,656   | 525,170,850   |
| <b>Changes in equity for the year ended 31 December 2013</b> |                                  |               |                            |                |   |               |
| 20, 22   | 125,897,387                      | -             | -                          | (125,897,387)  | -   | -             |
| 21   | -                                | -             | 12,589,695                 | (12,589,695)   | -   | -             |
| 27   | -                                | -             | -                          | -              | 608,077   | 608,077       |
| 22   | -                                | -             | -                          | (86,429,835)   | -   | (86,429,835)  |
|  | -                                | -             | -                          | 196,085,314    | -   | 196,085,314   |
| <b>Balance as at 31 December 2013</b>                        |                                  |               |                            |                |   |               |
|  | 300,896,950                      | 167,084,833   | 30,089,695                 | 135,086,195    | 2,276,733   | 635,434,406   |

The notes to the consolidated and company financial statements form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

Master Ad Public Company Limited  
For the year ended 31 December 2014

|  |       | Consolidated |             | Company      |               |
|--|-------|--------------|-------------|--------------|---------------|
|  | Notes | 2014         | 2013        | 2014         | 2013          |
|  |       | Baht         | Baht        | Baht         | Baht          |
| Cash flows from operating activities                     |       |              |             |              |               |
| Profit before income tax                                 |       | 165,566,829  | 216,863,953 | 129,999,739  | 219,308,396   |
| Adjustments for:   |       |              |             |              |               |
| Depreciation and amortisation charge                     | 26    | 21,357,367   | 18,598,284  | 4,424,044    | 6,020,718     |
| Gain from disposal of equipment                          |       | (1,938,565)  | (2,089,716) | (635,335)    | (2,087,006)   |
| Gain from disposal of investment in associate            |       | -            | (100,000)   | -            | (100,000)     |
| Reversal of allowance for impairment of equipment        | 12    | (2,276,717)  | -           | -            | -             |
| Equipment written-off                                    |       | 389,223      | 59,482      | 389,223      | 59,482        |
| Share of profit of associates                            | 10.2  | (2,519,742)  | (3,340,416) | -            | -             |
| Dividends income   |       | -            | -           | (53,899,937) | (100,499,898) |
| (Reversal) allowance for doubtful debt and bad debt, net |       | (14,671,740) | 2,970,369   | (4,449,702)  | 2,858,315     |
| Reversal of liabilities                                  | 25    | (5,597,969)  | -           | (5,597,969)  | -             |
| Loan to related party written-off                        |       | -            | 295,000     | -            | 295,000       |
| Impairment loss on investment in associate               |       | -            | -           | -            | 2,500,000     |
| Employee benefit obligations expense                     | 19    | 6,885,035    | 1,623,065   | 5,349,477    | 1,321,777     |
| Interest expense   |       | 1,836,648    | 678,868     | 2,261        | 353,030       |
| Interest income  |       | (6,020,080)  | (5,139,814) | (5,650,841)  | (4,797,205)   |
| Change in operating assets and liabilities               |       |              |             |              |               |
| Decrease (increase) in operating assets :                |       |              |             |              |               |
| - Trade and other receivables, net                       |       | 10,510,791   | 4,399,440   | 5,124,943    | 2,335,347     |
| - Inventories  |       | 10,101,228   | (5,467,576) | 7,533,098    | (4,922,180)   |
| - Other current assets                                   |       | 1,508,815    | 150,227     | 1,437,470    | 406,068       |
| - Prepaid rent for billboards space, net                 |       | 7,927,738    | 2,158,486   | -            | -             |
| - Other non-current assets, net                          |       | (17,013,578) | 2,654,319   | (6,475,304)  | 823,395       |
| Increase (decrease) operating liabilities:               |       |              |             |              |               |
| - Trade and other payables                               |       | (26,802,054) | 870,273     | (22,757,987) | 3,142,605     |
| - Undue output VAT                                       |       | (2,595,188)  | (1,315,511) | (1,651,901)  | (1,280,483)   |
| - Other current liabilities                              |       | (32,948)     | (309,451)   | (21,337)     | (560,985)     |
| - Employee benefit obligations                           | 19    | (668,724)    | (922,800)   | (559,000)    | (922,800)     |
| - Other non-current liabilities                          |       | 927,442      | (901,588)   | (428,029)    | 11,123        |

The notes to the consolidated and company financial statements form an integral part of the financial statements.





# STATEMENTS OF CASH FLOWS (Cont'd)

Master Ad Public Company Limited  
For the year ended 31 December 2014

|   | Notes | Consolidated         |                     | Company           |                    |
|---|-------|----------------------|---------------------|-------------------|--------------------|
|   |       | 2014                 | 2013                | 2014              | 2013               |
|   |       | Baht                 | Baht                | Baht              | Baht               |
| Cash flows from operating activities  |       | 146,873,811          | 231,734,894         | 52,132,913        | 124,264,699        |
| Interest received   |       | 6,020,080            | 5,732,018           | 5,650,841         | 5,389,408          |
| Interest paid   |       | (1,270,369)          | (678,868)           | (2,261)           | (353,030)          |
| Corporate income tax paid   |       | (33,127,350)         | (42,386,365)        | (13,221,922)      | (26,925,907)       |
| <b>Net cash received from operating activities</b>  |       | <b>118,496,172</b>   | <b>194,401,679</b>  | <b>44,559,571</b> | <b>102,375,170</b> |
| <b>Cash flows from investing activities</b>   |       |                      |                     |                   |                    |
| Cash payment for short-term investments   | 7     | (35,986,105)         | (68,583,476)        | (35,558,546)      | (67,407,222)       |
| Cash receipt from disposal of short-term investments  | 7     | 25,677               | -                   | -                 | -                  |
| Cash receipt from restricted deposit at financial institutions                                |       | 500,387              | -                   | 500,387           | -                  |
| Cash payment for loans to related parties   |       | -                    | -                   | (25,000,000)      | (20,000,000)       |
| Cash receipt from loans to related parties  |       | -                    | 200,000             | 29,000,000        | 16,200,000         |
| Cash payment for loan to third party  |       | (13,000,000)         | -                   | -                 | -                  |
| Cash receipt from loan to third party   |       | 3,872,934            | -                   | -                 | -                  |
| Cash receipt from disposal of investments in associate  |       | -                    | 100,000             | -                 | 100,000            |
| Cash payment for investments in associate   | 10.2  | (833,000)            | (5,500,000)         | (833,000)         | (5,500,000)        |
| Cash receipt from sales of equipment  |       | 4,434,291            | 2,116,369           | 2,816,271         | 2,112,391          |
| Cash payment for acquisition of equipment and computer software                               |       | (62,479,366)         | (2,917,454)         | (7,707,864)       | (2,631,649)        |
| Cash increased from change of status from investment in associate to investment in subsidiary |       | -                    | 2,955,221           | -                 | -                  |
| Dividends receipt from subsidiaries and associates  | 22    | -                    | 499,997             | 63,899,927        | 94,499,904         |
| <b>Net cash received from (payment in) investing activities</b>                               |       | <b>(103,465,182)</b> | <b>(71,129,343)</b> | <b>27,117,175</b> | <b>17,373,424</b>  |

The notes to the consolidated and company financial statements form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS (Cont'd)

Master Ad Public Company Limited  
For the year ended 31 December 2014

|  |       | Consolidated  |              | Company       |              |
|--|-------|---------------|--------------|---------------|--------------|
|  | Notes | 2014          | 2013         | 2014          | 2013         |
|  |       | Baht          | Baht         | Baht          | Baht         |
| Cash flows from financing activities                 |       |               |              |               |              |
| Cash receipt from short-term borrowings              |       |               |              |               |              |
| from financial institution                           | 17    | 23,000,000    | -            | -             | -            |
| Cash receipt from long-term borrowing from           |       |               |              |               |              |
| financial institution                                | 17    | 12,239,230    | -            | -             | -            |
| Cash repayment for loans to related parties          |       | -             | (2,000,000)  | -             | -            |
| Cash receipt from shares subscription receivable     |       | 600,000       | -            | -             | -            |
| Cash repayment for finance lease liabilities         |       | (132,804)     | (110,755)    | -             | -            |
| Dividends payments                                   |       | (169,360,145) | (86,392,642) | (165,460,070) | (86,392,702) |
| Net cash payment in financing activities             |       | (133,653,719) | (88,503,397) | (165,460,070) | (86,392,702) |
| Net increase (decrease) in cash and cash equivalents |       | (118,622,729) | 34,768,939   | (93,783,324)  | 33,355,892   |
| Opening balance of cash and cash equivalents         |       | 267,271,389   | 232,502,450  | 211,180,625   | 177,824,733  |
| Closing balance of cash and cash equivalents         |       | 148,648,660   | 267,271,389  | 117,397,301   | 211,180,625  |

## Non-cash transactions

Significant non-cash transactions during the year ended 31 December are as follow:

|   |    |            |             |         |             |
|---|----|------------|-------------|---------|-------------|
| Increase in fair value of short-term investments, |    |            |             |         |             |
| recognised under shareholders' equity             | 7  | 626,440    | 760,365     | 629,374 | 760,095     |
| Stock dividends                                   | 22 | -          | 125,897,387 | -       | 125,897,387 |
| Shares subscription receivable                    |    | 400,000    | -           | -       | -           |
| Accounts payable - purchases of assets            | 18 | 12,364,046 | -           | -       | -           |

The notes to the consolidated and company financial statements form an integral part of the financial statements.

Master Ad Public Company Limited  
For the year ended 31 December 2014

Master Ad Public Company Limited (the Company) is a public limited company which is listed on Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

On 19 September 2013, the Company registered to move its securities listed on Market for Alternative Investment (MAI) to the Stock Exchange of Thailand.

The Group is principally engaged in the business of advertising, leasing of property and purchase/sale of electronic billboard.

## 2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## 2.2 New financial reporting standards and revised financial reporting standards

- 1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group:

|                       |  |
|-----------------------|--|
| TAS 1 (revised 2012)  | Presentation of financial statements                                     |
| TAS 7 (revised 2012)  | Statement of cash flows  |
| TAS 12 (revised 2012) | Income taxes   |
| TAS 17 (revised 2012) | Leases   |
| TAS 18 (revised 2012) | Revenue  |
| TAS 19 (revised 2012) | Employee benefits  |
| TAS 21 (revised 2012) | The effects of changes in foreign exchange rates                         |
| TAS 24 (revised 2012) | Related party disclosures  |
| TAS 28 (revised 2012) | Investments in associates  |
| TAS 31 (revised 2012) | Interest in joint ventures   |
| TAS 34 (revised 2012) | Interim financial reporting  |
| TAS 36 (revised 2012) | Impairment of assets   |
| TAS 38 (revised 2012) | Intangible assets  |
| TFRS 2 (revised 2012) | Share-based payment  |
| TFRS 3 (revised 2012) | Business combinations  |
| TFRS 5 (revised 2012) | Non-current assets held for sale and discontinued operations             |
| TFRS 8 (revised 2012) | Operating segments   |
| TFRIC 1               | Changes in existing decommissioning, restoration and similar liabilities |
| TFRIC 4               | Determining whether an arrangement contains a lease                      |
| TFRIC 10              | Interim financial reporting and impairment                               |
| TFRIC 13              | Customer loyalty programmes  |
| TFRIC 17              | Distributions of non-cash assets to owners                               |
| TSIC 15               | Operating leases - incentives  |
| TSIC 27               | Evaluating the substance of transactions in the legal form of a lease    |
| TSIC 29               | Service concession arrangements: Disclosure                              |
| TSIC 32               | Intangible assets - Web site costs                                       |

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.



TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Group.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. This standard has no impact to Group.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) clarifies about intangible assets acquired in a business combination that is separable. Intangible assets should be recognised separately from goodwill. Complementary assets may only be recognised as a single asset if they have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The management is currently assessing the impact of TRIC 4. This interpretation has no impact to the Group.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. This interpretation has no impact to Group.



TFRIC17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to Group.

TSIC15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 “Leases”. This guidance explains examples that individually demonstrate that an arrangement may not, in substance, involve a lease under TAS 17. The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS38 “Intangible Assets”. This interpretation has no impact to the Group.

- 2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the group and are not early adopted:

- a) Financial reporting standards, which are expected to have a significant impact to the group:

|                       |  |
|-----------------------|--|
| TAS 1 (revised 2014)  | Presentation of financial statements         |
| TAS 16 (revised 2014) | Property, plant and equipment                |
| TAS 19 (revised 2014) | Employee benefits                            |
| TAS 27 (revised 2014) | Separate financial statements                |
| TAS 28 (revised 2014) | Investments in associates and joint ventures |
| TAS 34 (revised 2014) | Interim financial reporting                  |
| TFRS 10               | Consolidated financial statements            |
| TFRS 11               | Joint arrangements                           |
| TFRS 12               | Disclosure of interests in other entities    |
| TFRS 13               | Fair value measurement                       |

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.



TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. The group is yet to assess the full impact of the amendments.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The group is yet to assess the full impact of the amendments.

TAS 27 (revised 2014) provides the requirements relating to separate financial statements.

TAS 28 (revised 2014) provides the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. The group is yet to assess the full impact of the amendments.

TFRS 11 defines that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the group.

TFRS 12 requires entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. The group is yet to assess the full impact of the amendments.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. The group is yet to assess the full impact of the amendments.



b) Financial reporting standards with minor changes and do not have impact to the group are as follows:

|                         |  |
|-------------------------|--|
| TAS 2 (revised 2014)    | Inventories  |
| TAS 7 (revised 2014)    | Statement of cash flows  |
| TAS 8 (revised 2014)    | Accounting policies, changes in accounting estimates and errors              |
| TAS 10 (revised 2014)   | Events after the reporting period  |
| TAS 12 (revised 2014)   | Income taxes   |
| TAS 17 (revised 2014)   | Leases   |
| TAS 18 (revised 2014)   | Revenue  |
| TAS 21 (revised 2014)   | The effects of changes in foreign exchange rates                             |
| TAS 23 (revised 2014)   | Borrowing costs  |
| TAS 24 (revised 2014)   | Related party disclosures  |
| TAS 26 (revised 2014)   | Accounting and reporting by retirement benefit plans                         |
| TAS 29 (revised 2014)   | Financial reporting in hyperinflationary economies                           |
| TAS 33 (revised 2014)   | Earnings per share   |
| TAS 36 (revised 2014)   | Impairment of assets   |
| TAS 37 (revised 2014)   | Provisions, contingent liabilities and contingent assets                     |
| TAS 38 (revised 2014)   | Intangible assets  |
| TAS 40 (revised 2014)   | Investment property  |
| TFRS 2 (revised 2014)   | Share-based payment  |
| TFRS 3 (revised 2014)   | Business combinations  |
| TFRS 5 (revised 2014)   | Non-current asset held for sale and discontinued operations                  |
| TFRS 8 (revised 2014)   | Operating segments   |
| TSIC 15 (revised 2014)  | Operating leases - Incentives  |
| TSIC 25 (revised 2014)  | Income taxes - changes in the tax status of an entity or its shareholders    |
| TSIC 27 (revised 2014)  | Evaluating the substance of transactions involving the legal form of a lease |
| TSIC 31 (revised 2014)  | Revenue - barter transactions involving advertising services                 |
| TSIC 32 (revised 2014)  | Intangible assets - Web site costs   |
| TFRIC 1 (revised 2014)  | Changes in existing decommissioning, restoration and similar liabilities     |
| TFRIC 4 (revised 2014)  | Determining whether an arrangement contains a lease                          |
| TFRIC 10 (revised 2014) | Interim financial reporting and impairment                                   |
| TFRIC 13 (revised 2014) | Customer loyalty programmes  |
| TFRIC 17 (revised 2014) | Distributions of non-cash assets to owners                                   |

- c) New financial reporting standard which is effective on 1 January 2016.

TFRS4 (revised 2014) Insurance contract

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

## 2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

### (1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.



## (2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

## (3) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. (See Note 2.13 for the impairment of assets including goodwill).

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the Company's separate financial statements, investments in associates are accounted for using the cost method.

A list of the Group's principal associates and the effects acquisitions and disposals of associates are shown in Note 10.

#### (4) Joint Ventures

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation in the consolidated financial statements. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises that portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

In the Company's separate financial statements, interest in jointly controlled entities are accounted for using the cost method.

A list of the Group's principal joint ventures is set out in Note 10. The effects of acquisitions and disposals of joint ventures are shown in Note 10.

## 2.4 Foreign currency translation

### (a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The interim consolidated financial statements are presented in Baht, which is the company's functional and the group's presentation currency.

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.



## 2.5 Cash and cash equivalents

In the consolidated and Company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are not used as collateral and bank overdrafts (if any). In the consolidated and Company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

## 2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the statement of comprehensive income within administrative expenses.

## 2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour and other direct costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

## 2.8 Investments

The classification of investments is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Available-for-sale investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of available for sale investments are recognised in equity.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

## 2.9 Investment Property

Land that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and subsequently carried out at cost less any accumulated impairment (if any).

## 2.10 Building and equipment

Building and equipment are stated at historical cost less accumulated depreciation and impairment (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to the consolidated and Company statements of income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual value over their estimated useful lives of the related assets. The estimated useful lives are as follows:

|  |             |
|--|-------------|
| Building and building improvements     | 20 years    |
| Office decorations and equipment       | 3 - 5 years |
| Tools, equipment and printing machines | 5 years     |
| Vehicles                               | 5 years     |
| Billboard stands                       | 5, 9 years  |
| Other medias                           | 5 years     |

Tri-vision equipment held for usage is calculated depreciation expense when it is installed and ready to use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.13).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the statement of comprehensive income.

## 2.11 Intangible assets

### Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method to allocate the cost of computer software over their estimated useful lives 5 years.





## 2.12 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

## 2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2.14 Prepaid rent for billboards space

Prepaid rent for billboards space is prepaid expense made under the media space rental agreement for the period of 10 years. The balance is amortised as actual usage of media space over the rental period within 2022. Amortised prepaid rent for billboards space is included as cost of service in the statement of comprehensive income.

## 2.15 Leases

### Where a Group company is the lessee

Leases of building and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

#### Where a Group company is the lessor

Assets leased out under operating leases are included in building and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### 2.16 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

### 2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



## 2.18 Employee benefits

(a) Defined contribution plan

The Group operates a provident fund, being a defined contribution plan, the asset for which is held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the Group.

The Group's contributions to the provident fund are charged to the statement of comprehensive income in the year to which they relate.

(b) Defined benefit plan

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labour Law depending on many factors such as age, years of service and compensation.

Other long-term benefit is long service award plan, company rewards gold to the employees who complete 10, 15, 20, 25, 30, 35 and 40 year of service.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the statement of comprehensive income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

## 2.19 Employee Joint Investment program ('EJIP')

The Group's contributions to the EJP members are charged to the statement of comprehensive income in the year to which they are related.

## 2.20 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense

## 2.21 Share capital

**Ordinary shares are classified as equity.**

Incremental external costs directly attributable to the issue of new shares, other than in connection with business combination, are shown in equity as a deduction from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the statement of comprehensive income.

## 2.22 Revenue recognition

Revenue comprised the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Revenue from a barter transaction involving advertising measures at the fair value of the advertising services it provides in a barter transaction, by reference only to non-barter transactions that involve advertising similar to the advertising in the barter transaction, occur frequently and represent a predominant number of transactions and amount that has a reliably measurable fair value and do not involve the same counterparty as in the barter transaction.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Rental income is recognised on an accrual basis in accordance with the relevant rental agreements.

Dividend income is recognised when the right to receive payment is established.

## 2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.



## 2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as board of director that makes strategic decisions.

The Group does not report operating segments due to the fact that the information internally used by the chief operating decision-maker is determined as one segment which is advertising.

### 3 Financial risk management

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### 3.1.1 Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

### 3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets and liabilities. The Group does not use any derivative financial instruments to manage exposure from fluctuation in interest rate on specific borrowing.

### 3.1.3 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

### 3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

### 3.2 Fair value estimation

The fair value of available-for-sale investments is based on quoted market prices at the end of the reporting period.

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

## 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 4.1 Buildings and equipment and intangible assets

Management determines the carrying value of buildings and equipment and intangible assets based on estimates, assumptions, and judgments in respect of remaining useful lives and residual values of these assets. These estimates, assumptions, and judgments reflect both historical experience and expectations regarding future operations, utilisation, and performance.

### 4.2 Impairment of assets

The Group assesses impairment of assets whenever events or changes in circumstances indicate the carrying amount of assets exceed their recoverable amounts. The recoverable amount is estimated by management.

### 4.3 Income taxes and deferred income taxes

Deferred tax assets and liabilities are recognised for temporary difference arising between tax bases of assets and liabilities and their carrying amount for accounting purposes as at the date of statement of financial position. Significant management judgment is used in considering whether it is highly probable that the Group will generate sufficient taxable profits from its future operations to minimise these deferred tax assets. The Group's assumptions regarding the future taxable profits and the anticipated timing of minimise of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on financial position and results of operations.

### 4.4 Employee benefits

The present value of post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 19.



## 5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

## 6 Cash and cash equivalents

|                                 | Consolidated |          | Company  |          |
|---------------------------------|--------------|----------|----------|----------|
|                                 | 2014         | 2013     | 2014     | 2013     |
|                                 | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Cash on hand                    | 658          | 903      | 624      | 879      |
| Deposit held at call with banks | 92,741       | 132,808  | 61,640   | 76,896   |
| Short-term bank deposit         | 55,250       | 133,560  | 55,133   | 133,406  |
| Total cash and cash equivalents | 148,649      | 267,271  | 117,397  | 211,181  |

At 31 December 2014, the interest rates on bank deposits ranged from 0.10% to 2.75% per annum (2013: 0.60% to 2.80% per annum).



## 7 Short-term investments

|   | Consolidated |          | Company  |          |
|---|--------------|----------|----------|----------|
|   | 2014         | 2013     | 2014     | 2013     |
|   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Fixed deposits with maturity of over 3 months                 | 149,198      | 113,251  | 134,926  | 99,407   |
| Available-for-sale investments                                | 35,085       | 35,074   | 35,085   | 35,045   |
| Total   | 184,283      | 148,325  | 170,011  | 134,452  |
| Add Revaluation adjustments in available-for-sale investments | 3,475        | 2,846    | 3,475    | 2,846    |
| Total short-term investments                                  | 187,758      | 151,171  | 173,486  | 137,298  |

The movements of short-term investments during the years ended 31 December are as follows:

|  | Consolidated |          | Company  |          |
|--|--------------|----------|----------|----------|
|  | 2014         | 2013     | 2014     | 2013     |
|  | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Opening balance  | 151,171      | 69,131   | 137,298  | 69,131   |
| As a result of change of status from investment in associate to investment in subsidiary | -            | 12,697   | -        | -        |
| Additions  | 35,986       | 68,583   | 35,559   | 67,407   |
| Disposals  | (25)         | -        | -        | -        |
| Change in fair value of available-for-sale investments                                   | 626          | 760      | 629      | 760      |
| Closing balance  | 187,758      | 151,171  | 173,486  | 137,298  |

## 8 Trade and other receivables, net

|   | Consolidated |          | Company  |          |
|---|--------------|----------|----------|----------|
|   | 2014         | 2013     | 2014     | 2013     |
|   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Trade accounts receivable                             | 136,672      | 180,214  | 73,373   | 98,083   |
| Trade accounts receivable - related parties (Note 30) | 3,885        | 2,911    | 554      | 417      |
| <u>Less</u> Allowance for doubtful account            | (13,597)     | (36,889) | (8,568)  | (16,848) |
| Trade accounts receivable, net                        | 126,960      | 146,236  | 65,359   | 81,652   |
| Accrued incomes                                       | 21,935       | 2,944    | 21,878   | 1,151    |
| Accounts receivable - related parties(Note 30)        | -            | -        | 1,454    | 3,865    |
| Prepaid expenses                                      | 30,679       | 29,923   | 22,122   | 23,811   |
| Shares subscription receivable                        | 400          | -        | -        | -        |
| Other receivables                                     | 14,115       | 10,425   | 8,579    | 9,588    |
| Total trade and other receivables, net                | 194,089      | 189,528  | 119,392  | 120,067  |

Aging of trade accounts receivable can be analysed as follows:

|  | Consolidated |          | Company  |          |
|--|--------------|----------|----------|----------|
|  | 2014         | 2013     | 2014     | 2013     |
|  | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Trade accounts receivable                  |              |          |          |          |
| Current                                    | 107,900      | 115,306  | 55,838   | 65,833   |
| Overdue less than 3 months                 | 11,372       | 26,475   | 5,427    | 14,261   |
| 3 - 6 months                               | 1,281        | 2,718    | -        | 987      |
| 6 - 12 months                              | 6,092        | 1,142    | 5,104    | 542      |
| Over 12 months                             | 13,912       | 37,484   | 7,558    | 16,877   |
| Total                                      | 140,557      | 183,125  | 73,927   | 98,500   |
| <u>Less</u> Allowance for doubtful account | (13,597)     | (36,889) | (8,568)  | (16,848) |
| Total trade accounts receivable, net       | 126,960      | 146,236  | 65,359   | 81,652   |

## 9 Inventories

|                   | Consolidated |          | Company  |          |
|-------------------|--------------|----------|----------|----------|
|                   | 2014         | 2013     | 2014     | 2013     |
|                   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Raw materials     | 730          | 2,398    | -        | -        |
| Work in process   | 1,295        | 9,640    | 1,220    | 8,753    |
| Finished goods    | 805          | 893      | 773      | 773      |
| Total inventories | 2,830        | 12,931   | 1,993    | 9,526    |

The cost of inventories recognised as expense and included in “cost of services and sales” amounted to Baht 27,701,396 and Baht 25,849,566 in consolidated and company financial statements, respectively (2013 : Baht 34,171,719 and Baht 28,658,583, respectively).

## 10 Investments in subsidiaries, associates and interest in joint venture

The investments of the Group as at the statement of financial position date are as follows:

|                                     |   | Percentage of holdings % |                  |                  |
|-------------------------------------|---|--------------------------|------------------|------------------|
| Name                                | Nature of business  | Country of incorporation | 31 December 2014 | 31 December 2013 |
| <b><u>Subsidiaries</u></b>          |   |                          |                  |                  |
| Master and More Co., Ltd.           | Produce and providing outdoor advertising media service             | Thailand                 | 100.00           | 100.00           |
| With subsidiary as follow:          |   |                          |                  |                  |
| - Open Play Co., Ltd.               | Providing outdoor advertising service                               | Thailand                 | 80.00            | -                |
| Maco Rite Sign Co., Ltd.            | Produce and sell of tri-vision equipment                            | Thailand                 | 80.00            | 80.00            |
| Green Ad Co., Ltd.                  | Providing advertising service through the supply of tree wall panel | Thailand                 | 100.00           | 51.00            |
| Inkjet Images (Thailand) Co., Ltd.* | Production of advertising media and billboards                      | Thailand                 | 50.00            | 50.00            |
| <b><u>Associates</u></b>            |   |                          |                  |                  |
| Landy Development Co., Ltd.         | Rental of office building   | Thailand                 | 48.87            | 48.87            |
| Max Creative Co., Ltd.              | Produce and providing advertising media service                     | Thailand                 | 50.00            | 50.00            |
| <b><u>Joint Venture</u></b>         |   |                          |                  |                  |
| INDEX D103 MACO                     | Design and manage exhibition in Yeosu International Exposition 2012 | Thailand                 | 20.00            | 20.00            |

\* Since 1 July 2013, Inkjet Images (Thailand) Co., Ltd. changed the status from associate to subsidiary.



## 10 Investments in subsidiaries, associates and interest in joint venture

### 10.1 Investments in subsidiaries

The movements of investments in subsidiaries during the year ended 31 December 2014 are as follows:

|                          | Company  |
|--------------------------|----------|
|                          | Baht'000 |
| Opening net book balance | 89,083   |
| Additions                | 833      |
| Closing net book balance | 89,916   |

#### Acquisition of investment

##### Company

##### Green Ad Co., Ltd.

The Company purchased Green Ad Co., Ltd.'s shares during the year from non-controlling interest amounting to Baht 0.83 million. Consequently the Company's shareholding proportion in the subsidiary as at 31 December 2014, increased to 100% (2013: 51%). The carrying amounts of shareholders of the parent and non-controlling interests were adjusted to reflect change in controlling interest. The Group recognised loss amounting to Baht 78,512 directly in the equity attributed to the shareholders of the parent in the consolidated financial statements. The loss represented difference between the adjusted non-controlling interests and the fair value of the consideration received.

#### Consolidated

##### Open Play Co., Ltd.

During the year, Master and More Co., Ltd. acquired 40,000 ordinary shares of Open Play Co., Ltd., a newly established company at par of Baht 100 per share, totaling Baht 4 million, representing 80% interest.

### 10.2 Investments in associates

The movements during the year ended 31 December 2014 are as follows:

|                          | Consolidated | Company  |
|--------------------------|--------------|----------|
|                          | Baht'000     | Baht'000 |
| Opening net book balance | 25,970       | 16,495   |
| Share of profit          | 2,520        | -        |
| Closing net book balance | 28,490       | 16,495   |

The Group's share of the result of its associates, all of which are unlisted, and its share of the assets and liabilities are as follows:

| Name                        | 2014               |                         |                      |                           |                    |                            |
|-----------------------------|--------------------|-------------------------|----------------------|---------------------------|--------------------|----------------------------|
|                             | Assets<br>Baht'000 | Liabilities<br>Baht'000 | Revenues<br>Baht'000 | Profit (loss)<br>Baht'000 | % interest<br>held | Profit sharing<br>Baht'000 |
| Landy Development Co., Ltd. | 91,870             | 33,556                  | 24,719               | 5,156                     | 48.87              | 2,520                      |
| Max Creative Co., Ltd.      | 13,366             | 10,279                  | 316                  | (117)                     | 50.00              | -                          |

| Name                                | 2013               |                         |                      |                           |                    |                            |
|-------------------------------------|--------------------|-------------------------|----------------------|---------------------------|--------------------|----------------------------|
|                                     | Assets<br>Baht'000 | Liabilities<br>Baht'000 | Revenues<br>Baht'000 | Profit (loss)<br>Baht'000 | % interest<br>held | Profit sharing<br>Baht'000 |
| Landy Development Co., Ltd.         | 96,938             | 43,780                  | 23,856               | 5,459                     | 48.87              | 2,667                      |
| Max Creative Co., Ltd.              | 9,316              | 6,112                   | 361                  | (1,765)                   | 50.00              | -                          |
| Inkjet Images (Thailand) Co., Ltd.* | 36,088             | 4,008                   | 14,860               | 836                       | 33.34              | 673                        |

\* share of revenues, assets and liabilities before changing of investment status on 1 July 2013

The Group has not recognised loss for the year of Max Creative Co., Ltd. amounting to Baht 117,478 (2013: Baht 998,595). The accumulated loss in that associate not recognised was Baht 2,794,092 (2013: Baht 1,795,497).

### 10.3 Investment in a joint venture

The Group's share of the result of its joint venture, which is unlisted, and its share of the assets and liabilities are as follows:

| INDEX D103 MACO | 2014     | 2013     |
|-----------------|----------|----------|
|                 | Baht'000 | Baht'000 |
| Assets          | 274      | 290      |
| Liabilities     | 2        | 15       |
| Revenues        | 42       | 4,869    |
| Profit (loss)   | (4)      | 469      |

## 11 Investment property

The investment property represents land not used in operations and held for currently undetermined future usage. Investment property is stated at cost.

Fair value of the investment property is Baht 64.92 million. The fair value was appraised in 2010, by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued.

The Group has mortgaged investment property as collateral for bank overdrafts, promissory notes and bank guarantee credit facilities totaling Baht 98 million (2013: Baht 103 million) (Note 17).



## 12 Buildings and equipment, net

Baht '000

| Consolidated  |                                    |                                 |  |          |                 |             |                      |                 |           |
|---|------------------------------------|---------------------------------|--|----------|-----------------|-------------|----------------------|-----------------|-----------|
|   | Building and building improvements | Office decoration and equipment | Tools, equipment and printing machines | Vehicles | Billboard stand | Other media | Tri-vision equipment | Work in process | Total     |
| At 1 January 2013   |                                    |                                 |  |          |                 |             |                      |                 |           |
| Cost  | 4,742                              | 47,250                          | 5,503                                  | 7,856    | 261,472         | 8,246       | 19,974               | 8,834           | 363,877   |
| Less Accumulated depreciation   | (2,015)                            | (41,209)                        | (5,308)                                | (6,686)  | (206,221)       | (6,876)     | -                    | -               | (268,315) |
| Less Allowance for impairment   | -                                  | -                               | -                                      | -        | -               | -           | (2,277)              | -               | (2,277)   |
| Net book value  | 2,727                              | 6,041                           | 195                                    | 1,170    | 55,251          | 1,370       | 17,697               | 8,834           | 93,285    |
| For the year ended 31 December 2013                                       |                                    |                                 |  |          |                 |             |                      |                 |           |
| Opening net book value  | 2,727                              | 6,041                           | 195                                    | 1,170    | 55,251          | 1,370       | 17,697               | 8,834           | 93,285    |
| Additions   | -                                  | 1,125                           | 7                                      | 80       | 1,582           | 1,369       | -                    | 15              | 4,178     |
| Transfer in (out)   | -                                  | (33)                            | 33                                     | -        | 200             | -           | -                    | (200)           | -         |
| Disposals, net  | -                                  | (86)                            | -                                      | -        | -               | -           | -                    | -               | (86)      |
| Change of status from investment in associate to investment in subsidiary | 1,224                              | 615                             | 3,278                                  | 519      | -               | -           | -                    | -               | 5,636     |
| Depreciation (Note 26)  | (296)                              | (3,127)                         | (1,101)                                | (480)    | (10,949)        | (1,192)     | -                    | -               | (17,145)  |
| Closing net book value  | 3,655                              | 4,535                           | 2,412                                  | 1,289    | 46,084          | 1,547       | 17,697               | 8,649           | 85,868    |

Baht '000

| Consolidated                         |                                    |                                 |  |          |                 |             |                      |                 |           |
|--------------------------------------|------------------------------------|---------------------------------|--|----------|-----------------|-------------|----------------------|-----------------|-----------|
|                                      | Building and building improvements | Office decoration and equipment | Tools, equipment and printing machines | Vehicles | Billboard stand | Other media | Tri-vision equipment | Work in process | Total     |
| At 1 January 2014                    |                                    |                                 |  |          |                 |             |                      |                 |           |
| Cost                                 | 7,062                              | 46,707                          | 30,499                                 | 7,910    | 236,397         | 9,615       | 19,974               | 8,649           | 366,813   |
| Less Accumulated depreciation        | (3,407)                            | (42,172)                        | (28,087)                               | (6,621)  | (190,313)       | (8,068)     | -                    | -               | (278,668) |
| Less Allowance for impairment        | -                                  | -                               | -                                      | -        | -               | -           | (2,277)              | -               | (2,277)   |
| Net book value                       | 3,655                              | 4,535                           | 2,412                                  | 1,289    | 46,084          | 1,547       | 17,697               | 8,649           | 85,868    |
| For the year ended 31 December 2014  |                                    |                                 |  |          |                 |             |                      |                 |           |
| Opening net book value               | 3,655                              | 4,535                           | 2,412                                  | 1,289    | 46,084          | 1,547       | 17,697               | 8,649           | 85,868    |
| Additions                            | 181                                | 1,583                           | 1,911                                  | 3,802    | 3,171           | -           | -                    | 64,023          | 74,671    |
| Transfer in (out)                    | -                                  | -                               | -                                      | -        | 78,739          | -           | (19,974)             | (58,765)        | -         |
| Disposals, net                       | -                                  | (28)                            | (314)                                  | -        | (2,167)         | -           | -                    | -               | (2,509)   |
| Reversal of allowance for impairment | -                                  | -                               | -                                      | -        | -               | -           | 2,277                | -               | 2,277     |
| Depreciation (Note 26)               | (360)                              | (2,755)                         | (1,480)                                | (998)    | (14,641)        | (581)       | -                    | -               | (20,815)  |
| Closing net book value               | 3,476                              | 3,335                           | 2,529                                  | 4,093    | 111,186         | 966         | -                    | 13,907          | 139,492   |
| At 31 December 2014                  |                                    |                                 |  |          |                 |             |                      |                 |           |
| Cost                                 | 7,243                              | 46,684                          | 25,510                                 | 8,361    | 306,686         | 9,616       | -                    | 13,907          | 418,007   |
| Less Accumulated depreciation        | (3,767)                            | (43,349)                        | (22,981)                               | (4,268)  | (195,500)       | (8,650)     | -                    | -               | (278,515) |
| Net book value                       | 3,476                              | 3,335                           | 2,529                                  | 4,093    | 111,186         | 966         | -                    | 13,907          | 139,492   |





Baht'000

|  | Company                         |                     |          |                 |             | Total           |
|--|---------------------------------|---------------------|----------|-----------------|-------------|-----------------|
|  | Office decoration and equipment | Tools and equipment | Vehicles | Billboard stand | Other media | Work in process |
| <b>At 1 January 2013</b>                   |                                 |                     |          |                 |             |                 |
| Cost                                       | 38,178                          | 2,744               | 6,097    | 128,222         | 8,158       | -               |
| Less Accumulated depreciation              | (32,914)                        | (2,610)             | (5,548)  | (127,586)       | (6,842)     | -               |
| Net book value                             | 5,264                           | 134                 | 549      | 636             | 1,316       | -               |
| <b>For the year ended 31 December 2013</b> |                                 |                     |          |                 |             |                 |
| Opening net book value                     | 5,264                           | 134                 | 549      | 636             | 1,316       | -               |
| Additions                                  | 1,050                           | -                   | -        | 1,581           | 1,260       | -               |
| Transfer in (out)                          | (33)                            | 33                  | -        | -               | -           | -               |
| Disposals, net                             | (85)                            | -                   | -        | -               | -           | -               |
| Depreciation (Note 26)                     | (2,610)                         | (112)               | (213)    | (500)           | (1,156)     | -               |
| Closing net book value                     | 3,586                           | 55                  | 336      | 1,717           | 1,420       | -               |
| <b>At 1 January 2014</b>                   |                                 |                     |          |                 |             |                 |
| Cost                                       | 35,446                          | 2,777               | 4,439    | 103,146         | 9,419       | -               |
| Less Accumulated depreciation              | (31,860)                        | (2,722)             | (4,103)  | (101,429)       | (7,999)     | -               |
| Net book value                             | 3,586                           | 55                  | 336      | 1,717           | 1,420       | -               |

Baht'000

|  | Company                         |                     |          |                 |             | Total           |
|--|---------------------------------|---------------------|----------|-----------------|-------------|-----------------|
|  | Office decoration and equipment | Tools and equipment | Vehicles | Billboard stand | Other media | Work in process |
| <b>For the year ended 31 December 2014</b> |                                 |                     |          |                 |             |                 |
| Opening net book value                     | 3,586                           | 55                  | 336      | 1,717           | 1,420       | -               |
| Additions                                  | 1,109                           | 7                   | 3,198    | 3,171           | -           | 51              |
| Disposals, net                             | (28)                            | -                   | -        | (2,167)         | -           | -               |
| Depreciation (Note 26)                     | (2,137)                         | (23)                | (593)    | (609)           | (542)       | -               |
| Closing net book value                     | 2,530                           | 39                  | 2,941    | 2,112           | 878         | 51              |

**At 31 December 2014**

|                               |          |         |         |          |         |    |
|-------------------------------|----------|---------|---------|----------|---------|----|
| Cost                          | 35,058   | 2,784   | 4,768   | 94,696   | 9,418   | 51 |
| Less Accumulated depreciation | (32,528) | (2,745) | (1,827) | (92,584) | (8,540) | -  |
| Net book value                | 2,530    | 39      | 2,941   | 2,112    | 878     | 51 |

|   | Consolidated        |                     |                     | Company             |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2014                | 2013                | 2014                | 2013                | 2014                | 2013                |
| <b>Depreciation was charged to the statements of comprehensive income as follows:</b> | <b>Million Baht</b> | <b>Million Baht</b> | <b>Million Baht</b> | <b>Million Baht</b> | <b>Million Baht</b> | <b>Million Baht</b> |
| Cost of services and sales  | 16.37               | 12.80               | 0.89                | 1.38                |                     |                     |
| Administrative expenses   | 4.45                | 4.35                | 3.01                | 3.21                |                     |                     |
|   | 20.82               | 17.15               | 3.90                | 4.59                |                     |                     |



Leased assets included above, where the Group and the Company is a lessee under a finance lease, comprise vehicles as follows:

|                                      | Consolidated |          |
|--------------------------------------|--------------|----------|
|                                      | 2014         | 2013     |
|                                      | Baht'000     | Baht'000 |
| Cost                                 | 659          | 659      |
| <u>Less</u> Accumulated depreciation | (282)        | (154)    |
| Net book amount                      | 377          | 505      |

## 13 Intangible assets, net

|  | Consolidated      |                            |          |
|--|-------------------|----------------------------|----------|
|  | Computer software | Software under development | Total    |
|  | Baht'000          | Baht'000                   | Baht'000 |
| <b>At 1 January 2013</b>                   |                   |                            |          |
| Cost                                       | 9,459             | 255                        | 9,714    |
| <u>Less</u> Accumulated amortisation       | (7,485)           | -                          | (7,485)  |
| Net book value                             | 1,974             | 255                        | 2,229    |
| <b>For the year ended 31 December 2013</b> |                   |                            |          |
| Opening net book value                     | 1,974             | 255                        | 2,229    |
| Amortisation charges (Note 26)             | (1,453)           | -                          | (1,453)  |
| Closing net book value                     | 521               | 255                        | 776      |
| <b>At 1 January 2014</b>                   |                   |                            |          |
| Cost                                       | 9,459             | 255                        | 9,714    |
| <u>Less</u> Accumulated amortisation       | (8,938)           | -                          | (8,938)  |
| Net book value                             | 521               | 255                        | 776      |

|  | Consolidated      |                            |          |
|--|-------------------|----------------------------|----------|
|  | Computer software | Software under development | Total    |
|  | Baht'000          | Baht'000                   | Baht'000 |
| <b>For the year ended 31 December 2014</b> |                   |                            |          |
| Opening net book value                     | 521               | 255                        | 776      |
| Additions                                  | 172               | -                          | 172      |
| Disposals, net                             | -                 | (255)                      | (255)    |
| Amortisation charges (Note 26)             | (542)             | -                          | (542)    |
| Closing net book value                     | 151               | -                          | 151      |
| <b>At 31 December 2014</b>                 |                   |                            |          |
| Cost                                       | 9,631             | -                          | 9,631    |
| <u>Less</u> Accumulated amortisation       | (9,480)           | -                          | (9,480)  |
| Net book value                             | 151               | -                          | 151      |
|  | Company           |                            |          |
|  | Computer software | Software under development | Total    |
|  | Baht'000          | Baht'000                   | Baht'000 |
| <b>At 1 January 2013</b>                   |                   |                            |          |
| Cost                                       | 8,579             | 255                        | 8,834    |
| <u>Less</u> Accumulated amortisation       | (6,652)           | -                          | (6,652)  |
| Net book value                             | 1,927             | 255                        | 2,182    |
| <b>For the year ended 31 December 2013</b> |                   |                            |          |
| Opening net book value                     | 1,927             | 255                        | 2,182    |
| Amortisation charges (Note 26)             | (1,428)           | -                          | (1,428)  |
| Closing net book value                     | 499               | 255                        | 754      |



|  | Company           |                            |          |
|--|-------------------|----------------------------|----------|
|  | Computer software | Software under development | Total    |
|  | Baht'000          | Baht'000                   | Baht'000 |
| <b>At 1 January 2014</b>                   |                   |                            |          |
| Cost                                       | 8,579             | 255                        | 8,834    |
| <u>Less</u> Accumulated amortisation       | (8,080)           | -                          | (8,080)  |
| Net book value                             | 499               | 255                        | 754      |
| <b>For the year ended 31 December 2014</b> |                   |                            |          |
| Opening net book value                     | 499               | 255                        | 754      |
| Additions                                  | 172               | -                          | 172      |
| Disposals, net                             | -                 | (255)                      | (255)    |
| Amortisation charges (Note 26)             | (520)             | -                          | (520)    |
| Closing net book value                     | 151               | -                          | 151      |
| <b>At 31 December 2014</b>                 |                   |                            |          |
| Cost                                       | 8,751             | -                          | 8,751    |
| <u>Less</u> Accumulated amortisation       | (8,600)           | -                          | (8,600)  |
| Net book value                             | 151               | -                          | 151      |

## 14 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

|   | Consolidated |              | Company      |              |
|---|--------------|--------------|--------------|--------------|
|   | 2014         | 2013         | 2014         | 2013         |
|   | Baht'000     | Baht'000     | Baht'000     | Baht'000     |
| <b>Deferred tax assets:</b>                             |              |              |              |              |
| Deferred tax assets to be recovered within 12 months    | 1,078        | 979          | 500          | 500          |
| Deferred tax assets to be recovered after 12 months     | 4,309        | 3,140        | 3,026        | 1,944        |
|   | <u>5,387</u> | <u>4,119</u> | <u>3,526</u> | <u>2,444</u> |
| <b>Deferred tax liabilities:</b>                        |              |              |              |              |
| Deferred tax liabilities to be settled within 12 months | (55)         | (55)         | -            | -            |
| Deferred tax liabilities to be settled after 12 months  | (695)        | (569)        | (695)        | (569)        |
|   | <u>(750)</u> | <u>(624)</u> | <u>(695)</u> | <u>(569)</u> |
| Deferred tax assets, net                                | <u>4,637</u> | <u>3,495</u> | <u>2,831</u> | <u>1,875</u> |

The gross movements in the deferred income tax account are as follows:

|                                      | Consolidated |              | Company      |              |
|--------------------------------------|--------------|--------------|--------------|--------------|
|                                      | 2014         | 2013         | 2014         | 2013         |
|                                      | Baht'000     | Baht'000     | Baht'000     | Baht'000     |
| Opening net book balance             | 3,495        | 8,962        | 1,875        | 6,447        |
| Charged (credited) to profit or loss | 1,146        | (5,315)      | 958          | (4,420)      |
| Charged directly to equity           | (4)          | (152)        | (2)          | (152)        |
| Ending net book balance              | <u>4,637</u> | <u>3,495</u> | <u>2,831</u> | <u>1,875</u> |



The movements in deferred tax assets and liabilities during the years are as follows:

|                                      | Consolidated                                      |  |                            |  |          |
|--------------------------------------|---|--|----------------------------|--|----------|
|                                      | Employee benefit obligation                       | Allowance for impairment of assets                     | Tax losses carried forward | Allowance for impairment of investment | Total    |
|                                      | Baht'000  | Baht'000   | Baht'000                   | Baht'000                               | Baht'000 |
| Deferred tax assets                  |   |  |                            |  |          |
| At 1 January 2013                    | 2,134   | 455  | 1,860                      | 5,000                                  | 9,449    |
| Charged (credited) to profit or loss | 360   | -  | (1,190)                    | (4,500)                                | (5,330)  |
| At 31 December 2013                  | 2,494   | 455  | 670                        | 500                                    | 4,119    |
| At 1 January 2014                    | 2,494   | 455  | 670                        | 500                                    | 4,119    |
| Charged (credited) to profit or loss | 1,244   | (455)  | 357                        | -                                      | 1,146    |
| Charged directly to equity           | 122   | -  | -                          | -                                      | 122      |
| At 31 December 2014                  | 3,860   | -  | 1,027                      | 500                                    | 5,387    |
|                                      | Consolidated                                      |  |                            |  |          |
|                                      | Unrealised gains on available-for-sale investment | Temporary differences from investment in joint venture |                            | Total                                  |          |
|                                      | Baht'000  | Baht'000   |                            | Baht'000                               |          |
| Deferred tax liabilities             |   |  |                            |  |          |
| At 1 January 2013                    |   | 418  |                            | 69                                     | 487      |
| Credited to profit or loss           |   | -  |                            | (15)                                   | (15)     |
| Charged directly to equity           |   | 152  |                            | -                                      | 152      |
| At 31 December 2013                  |   | 570  |                            | 54                                     | 624      |
| At 1 January 2014                    |   | 570  |                            | 54                                     | 624      |
| Charged directly to equity           |   | 126  |                            | -                                      | 126      |
| At 31 December 2014                  |   | 696  |                            | 54                                     | 750      |



|                                      | Company                     |  |          |
|--------------------------------------|-----------------------------|--|----------|
|                                      | Employee benefit obligation | Allowance for impairment of investment in associates | Total    |
|                                      | Baht'000                    | Baht'000   | Baht'000 |
| <b>Deferred tax assets</b>           |                             |  |          |
| At 1 January 2013                    | 1,865                       | 5,000  | 6,865    |
| Charged (credited) to profit or loss | 79                          | (4,500)  | (4,421)  |
| At 31 December 2013                  | 1,944                       | 500  | 2,444    |
| At 1 January 2014                    | 1,944                       | 500  | 2,444    |
| Charged to profit or loss            | 958                         | -  | 958      |
| Charged directly to equity           | 124                         | -  | 124      |
| At 31 December 2014                  | 3,026                       | 500  | 3,526    |

|                                 | Company   |     |
|---------------------------------|---|-----|
|                                 | Unrealised gains on available-for-sale investment |     |
|                                 | Baht'000  |     |
| <b>Deferred tax liabilities</b> |   |     |
| At 1 January 2013               |   | 418 |
| Charged directly to equity      |   | 152 |
| At 31 December 2013             |   | 570 |
| At 1 January 2014               |   | 569 |
| Charged directly to equity      |   | 126 |
| At 31 December 2014             |   | 695 |

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 5,137,209 (2013: Baht 3,351,354), that can be carried forward against future taxable income. These tax losses will expire in 2019.



15 Prepaid rent for billboards space, net

|  | Consolidated |          |
|--|--------------|----------|
|  | 2014         | 2013     |
|  | Baht'000     | Baht'000 |
| Opening net book value   | 20,482       | 22,640   |
| Recognised as expense during the year                                | (4,284)      | (2,158)  |
| Closing net book value   | 16,198       | 20,482   |
| <u>Less</u> Current portion, included in trade and other receivables | (5,802)      | (2,158)  |
| Prepaid rent for billboards space, net                               | 10,396       | 18,324   |

16 Other non-current assets, net

|  | Consolidated |          | Company  |          |
|--|--------------|----------|----------|----------|
|  | 2014         | 2013     | 2014     | 2013     |
|  | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Equipment held for future usage  | 13,812       | 13,930   | 11,935   | 12,205   |
| Goods and service under barter trade agreement<br>which can be utilised more than 1 year                       | 10,005       | 10,685   | 10,005   | 10,685   |
| Deposit for billboard rental   | 5,252        | 5,606    | 5,252    | 5,607    |
| Guarantee for advertising media's marketing<br>management and sales agreement (Note 30)                        | -            | -        | 9,000    | -        |
| Deferred expense over 1 year   | 15,134       | -        | -        | -        |
| Others   | 10,014       | 7,662    | 2,506    | 4,406    |
| Total  | 54,217       | 37,883   | 38,698   | 32,903   |
| Less Allowance for goods and service<br>under barter trade agreement which<br>can be utilised more than 1 year | (3,689)      | (4,369)  | (3,689)  | (4,369)  |
| Other non-current assets, net  | 50,528       | 33,514   | 35,009   | 28,534   |

Guarantee for advertising media's marketing management and sales agreement represents amount the company paid to subsidiary as performance guarantee. This amount will be deducted from services charged by subsidiary for the last 3 months of the agreement period.

Deferred expense represents cost of billboards stands of which risk and rewards will be transferred to a government agency at the end of the rental period. Deferred expense is amortised over rental period.

## 17 Borrowings

### 17.1 Short-term borrowings from financial institutions

As at 31 December 2014, a subsidiary has short-term borrowings in form of promissory notes amounting to Baht 23 million (2013: nil). The short-term borrowings are free of collateral and have effective interest between 4.90% to 5.75% per annum.

### 17.2 Long-term borrowing from financial institution

|                                | Consolidated |          | Company  |          |
|--------------------------------|--------------|----------|----------|----------|
|                                | 2014         | 2013     | 2014     | 2013     |
|                                | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Due within 1 year              | 6,538        | -        | -        | -        |
| Due between 1 year and 5 years | 5,701        | -        | -        | -        |
| Total                          | 12,239       | -        | -        | -        |

The movements of long-term borrowing during the year ended 31 December are as follows:

|                          | Consolidated |          |
|--------------------------|--------------|----------|
|                          | 2014         | 2013     |
|                          | Baht'000     | Baht'000 |
| Opening net book balance | -            | -        |
| Additions                | 12,239       | -        |
| Closing net book balance | 12,239       | -        |

Long-term borrowing from financial institution is dominated in Thai Baht, purposed for the construction of billboards. The borrowings is guaranteed by a subsidiary. As at 31 December 2014, long-term borrowing has an effective interest rate of 5.87% per annum.

The carrying amounts of long-term borrowing approximate their fair values.

### 17.3 Credit facilities

Credit facilities for bank overdrafts, promissory notes, letter of guarantee, short-term borrowings and long-term borrowing from financial institutions, with unused balance are as follow:

|                   | Consolidated |              | Company      |              |
|-------------------|--------------|--------------|--------------|--------------|
|                   | 2014         | 2013         | 2014         | 2013         |
|                   | Million Baht | Million Baht | Million Baht | Million Baht |
| Total facilities  | 468.20       | 447.50       | 313.50       | 323.50       |
| Unused facilities | 403.09       | 423.45       | 306.15       | 313.25       |

Credit facilities of Baht 147 million are collateralised by the mortgage of investment property (Note 11), restricted deposit at financial institution and the subsidiary. The remaining credit facilities are free of collateral.



## 18 Trade and other payables

|  | Consolidated |          | Company  |          |
|--|--------------|----------|----------|----------|
|  | 2014         | 2013     | 2014     | 2013     |
|  | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Trade accounts payable                             | 31,122       | 47,965   | 12,996   | 27,161   |
| Trade accounts payable - related parties (Note 30) | 2,557        | -        | 5,429    | 3,314    |
| Accounts payable - related parties (Note 30)       | 100          | 118      | 294      | 154      |
| Accrued expenses                                   | 35,262       | 53,530   | 20,705   | 38,826   |
| Income received in advance                         | 5,083        | 3,514    | 4,850    | 3,415    |
| Accounts payable - purchases of assets             | 12,364       | -        | -        | -        |
| Other payables                                     | 430          | 1,261    | 385      | 145      |
| Total trade and other payables                     | 86,918       | 106,388  | 44,659   | 73,015   |

## 19 Employee benefit obligations

|   | Consolidated |          | Company  |          |
|---|--------------|----------|----------|----------|
|   | 2014         | 2013     | 2014     | 2013     |
|   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Employee benefit obligations                | 19,295       | 12,468   | 15,132   | 9,722    |
| Charge to statement of comprehensive income | 6,885        | 1,623    | 5,349    | 1,322    |

The movements in the defined benefit obligations during the year are as follows:

|  | Consolidated |          | Company  |          |
|--|--------------|----------|----------|----------|
|  | 2014         | 2013     | 2014     | 2013     |
|  | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| At 1 January                                 | 12,468       | 10,670   | 9,722    | 9,323    |
| Effect from change of status from investment |              |          |          |          |
| in associate to investment in subsidiary     | -            | 1,098    | -        | -        |
| Actuarial losses                             | 611          | -        | 620      | -        |
| Current service costs                        | 1,910        | 1,198    | 1,432    | 965      |
| Past service costs                           | 4,260        | -        | 3,354    | -        |
| Interest costs                               | 715          | 425      | 563      | 357      |
| Employee benefits paid                       | (669)        | (923)    | (559)    | (923)    |
| At 31 December                               | 19,295       | 12,468   | 15,132   | 9,722    |

The amounts recognised in the statement of comprehensive income are as follows:

|  | Consolidated |          | Company  |          |
|--|--------------|----------|----------|----------|
|  | 2014         | 2013     | 2014     | 2013     |
|  | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Current service costs                        | 1,910        | 1,198    | 1,432    | 965      |
| Past service costs                           | 4,260        | -        | 3,354    | -        |
| Interest costs                               | 715          | 425      | 563      | 357      |
| Total, included in "Administrative expenses" | 6,885        | 1,623    | 5,349    | 1,322    |

The principal actuarial assumptions used are as follows:

|   | Percentage   |           |           |           |
|---|--------------|-----------|-----------|-----------|
|   | Consolidated |           | Company   |           |
|   | 2014         | 2013      | 2014      | 2013      |
| Discount rate                           | 4.3          | 4.1       | 4.3       | 4.1       |
| Inflation rate                          | 3.0          | 3.0       | 3.0       | 3.0       |
| Future salary increases (monthly staff) | 3.5 - 9.0    | 3.0 - 9.0 | 3.5 - 9.0 | 3.0 - 9.0 |

## 20 Share capital and share premium

|                                    | Consolidated and Company    |                                  |                                  |               |          |
|------------------------------------|-----------------------------|----------------------------------|----------------------------------|---------------|----------|
|                                    | Number of authorised shares | Issued and paid-up share capital | Issued and paid-up share capital | Share premium | Total    |
|                                    | Shares                      | Shares                           | Baht'000                         | Baht'000      | Baht'000 |
| At 1 January 2013                  | 175,000,000                 | 174,999,563                      | 175,000                          | 167,085       | 342,085  |
| Reduction of authorised shares     | (437)                       | -                                | -                                | -             | -        |
| Increase of authorised shares      | 125,898,967                 | 125,897,387                      | 125,897                          | -             | 125,897  |
| At 31 December 2013                | 300,898,530                 | 300,896,950                      | 300,897                          | 167,985       | 467,982  |
| Reduction of authorised shares     | (1,580)                     | -                                | -                                | -             | -        |
| Balance before change in par value | 300,896,950                 | 300,896,950                      | 300,897                          | 167,085       | 467,982  |
| Balance after change in par value  | 3,008,969,500               | 3,008,969,500                    | 300,897                          | 167,085       | 467,982  |
| Increase of authorised shares      | 752,242,375                 | -                                | -                                | -             | -        |
| At 31 December 2014                | 3,761,211,875               | 3,008,969,500                    | 300,897                          | 167,085       | 467,982  |



## 2014

At the Annual General Meeting of Shareholders held on 18 April 2014, the shareholders approved the reduction of registered share capital from Baht 300,898,530 to Baht 300,896,950 by cancelling 1,580 unissued shares at a par value of Baht 1 each. The Company registered the changes in the share capital with the Ministry of Commerce on 30 April 2014.

The Extraordinary General Shareholders' Meeting of the Company held on 26 September 2014, the shareholders approved the change in par value of the Company's ordinary shares from Baht 1 per share, for 300,896,950 shares, to Baht 0.1 per share, for 3,008,969,500 shares by splitting one ordinary share at a par value of Baht 1 per share into 10 ordinary shares at a par value of Baht 0.1 per share, and approved a change of the Company's Memorandum of Association in accordance to such change in the par value. The Company registered the change in the par value with the Ministry of Commerce on 29 September 2014.

The Extraordinary General Shareholders' Meeting of the Company held on 26 September 2014, the shareholders approved an increase in registered share capital from Baht 300,896,950 to Baht 376,121,187.50 by issuing 752,242,375 new shares with a par value of Baht 0.1 per share, to be allotted for warrant (MACO-W1). The Company registered the change in the share capital with the Ministry of Commerce on 30 September 2014.

The total authorised number of ordinary shares is 3,761,211,875 shares (2013: 300,898,530 shares) with a par value of Baht 0.1 per share (2013: Baht 1.00 per share). The issued and fully paid-up ordinary shares is 3,008,969,500 shares (2013: 300,896,950 shares).

## 2013

At the Annual General Meeting of Shareholders held on 24 April 2013, the shareholders approved the following matters:

- Reduction of registered share capital from Baht 175,000,000 to Baht 174,999,563 by cancelling the 437 unissued shares at a par value of Baht 1 each.
- Increase of registered share capital from Baht 174,999,563 to Baht 300,898,530 by issuing of new 125,898,967 shares with a par value of Baht 1 per share, to be allotted for stock dividends.

The registrations of share capital reduction and increase were completed on 9 May 2013 and 17 May 2013, respectively.

## 21 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as legal reserve at least 5% of its annual net profit after accumulated deficits brought forward (if any) until the reserve is not less than 10% of the authorised share capital. The legal reserve is non-distributable.

During the year ended 31 December 2013, the Company provided additional legal reserve amounting to Baht 12,589,695 in connection with an increase of authorised share capital.

## 22 Dividends

### Company

#### 2014

At the Annual General Meeting of Shareholders no.1/2014 held on 18 April 2014, the shareholders approved to pay annual dividends for the year 2013 in respect of the net profit from 1 July 2013 to 31 December 2013 at the rate of Baht 0.30 per share for 300,896,950 ordinary shares, totaling Baht 90.27 million. The dividends were paid on 16 May 2014.

At the Board of Directors meeting no.3/2014 held on 18 August 2014 approved to pay interim dividends in respect of the net profit from 1 January 2014 to 30 June 2014 and retained earnings of the company at the rate of Baht 0.25 per share for 300,896,950 ordinary shares, totaling Baht 75.22 million. The dividends were paid on 29 August 2014.

#### 2013

At the Annual General Meeting of Shareholders held on 24 April 2013, the shareholders approved the annual dividend payment for the year ended on 31 December 2012, as followings:

- Dividend paid by cash of Baht 0.15 per share for 174,999,563 shares, totalling Baht 26.25 million.
- Dividend paid by stock dividends at rate of 1 stock dividend per 1.39 existing share of 174,999,563 shares, totalling 125,898,967 of stock dividends at par value of Baht 1 each, totalling Baht 125.89 million, equivalent to dividends of Baht 0.72 per share.

These dividends were paid on 17 May 2013.

The Board of Directors Meeting held on 13 August 2013 approved to pay an interim dividend from the Company's net profit from 1 January 2013 to 30 June 2013 at the rate of Baht 0.20 per share for 300,896,950 ordinary shares, totaling Baht 60.18 million. The dividends were paid on 3 September 2013.

### Consolidated

#### Subsidiary

#### 2014

The Board of Directors meeting of Inkjet Images (Thailand) Co., Ltd. held on 13 February 2014 approved to pay annual dividends in respect of the net profit for the year ended 31 December 2013 of Baht 3 per share, totaling Baht 1.8 million. The dividends were paid on 3 March 2014.

The Board of Directors meeting of Inkjet Images (Thailand) Co., Ltd. held on 21 August 2014 approved to pay annual dividends in respect of the retained earnings and net profit for the year ended 31 December 2013 of Baht 10 per share, totaling Baht 6 million. The dividends were paid on 10 September 2014.

The Board of Directors meeting of Master and More Co., Ltd. held on 24 December 2014 approved to pay interim dividends in respect of the retained earnings and net profit for the period ended 30 September 2014 of Baht 25 per share, totaling Baht 50 million.





## 2013

The Board of Directors Meeting of Master and More Co., Ltd. held on 20 June 2013 approved to pay an interim dividend in respect of the retained earnings as at 31 March 2013 of Baht 20 per share, totaling Baht 40 million. The dividends were paid on 19 July 2013.

The Board of Directors Meeting of Master and More Co., Ltd. held on 26 December 2013 approved to pay an interim dividend in respect of the retained earnings as at 30 September 2013 of Baht 30 per share, totaling Baht 60 million. The dividends were paid on 27 January 2014.

## 23 Warrant

The Extraordinary General Meeting of Shareholder No. 1/2014 held on 26 September 2014, approved to issue warrants to purchase the Company's ordinary shares by way of rights issuance.

Warrants of Master Ad Public Company Limited No. 1 (MACO-W1) are detailed as follows:

|                     |   |
|---------------------|---|
| Number of warrants: | 752,242,375 units   |
| Offering price:     | Subscription ratio of 4 ordinary shares to 1 warrant at offering price at Baht 0.00 per warrant   |
| Conversion ratio:   | 1 warrant per 1 ordinary share  |
| Exercise price:     | Baht 2.00 per ordinary share  |
| Exercise period:    | On the last working day of every quarter (March, June, September, and December) each year until the expiration of the warrants. The first exercise date will be on the last working day of December 2016. |
| Tenor of warrant:   | The last exercise date will be on the date on which MACO-W1 reaches its 3-year term from the issuance date which shall therefore between 3 November 2014 and 2 November 2017.                             |

The Company allotted and issued 752,242,375 warrant units at an offering price of Baht 0.00 per warrant, totalling Baht 0.00, to the shareholders, warrants were traded in the Stock Exchange of Thailand (SET) on 14 November 2014.

## 24 Sales of goods and services

|                                   | Consolidated |          | Company  |          |
|-----------------------------------|--------------|----------|----------|----------|
|                                   | 2014         | 2013     | 2014     | 2013     |
|                                   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Services income                   | 622,050      | 722,629  | 391,441  | 469,928  |
| Revenues from sales of goods      | 28           | 1,994    | -        | 1,910    |
| Total sales of goods and services | 622,078      | 724,623  | 391,441  | 471,838  |

The amount of Baht 21,997,072 and Baht 4,035,000 in the consolidated and company financial statements, respectively. (2013: Baht 20,542,229 and Baht 1,320,000, respectively) are revenue from barter of goods and services.

## 25 Other income

|   | Consolidated |          | Company  |          |
|---|--------------|----------|----------|----------|
|   | 2014         | 2013     | 2014     | 2013     |
|   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Gain on disposal of equipment               | 1,962        | 2,099    | 659      | 2,097    |
| Reversal of allowance for doubtful accounts | 20,289       | 4,024    | 10,067   | 1,957    |
| Reversal of liabilities                     | 5,598        | -        | 5,598    | -        |
| Interest income                             | 6,020        | 5,140    | 5,651    | 4,797    |
| Commission fee                              | -            | -        | 10,735   | 11,325   |
| Others                                      | 9,839        | 6,358    | 11,532   | 11,456   |
| Total other income                          | 43,708       | 17,621   | 44,242   | 31,632   |

## 26 Expenses by nature

The following significant expenditure items, classified by nature, have been charged in arriving at the operating profit:

|   | Consolidated |          | Company  |          |
|---|--------------|----------|----------|----------|
|   | 2014         | 2013     | 2014     | 2013     |
|   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Rental and services                           | 71,693       | 81,745   | 23,138   | 31,952   |
| Rental for billboard stands                   | 115,153      | 103,617  | 116,298  | 103,617  |
| Other costs                                   | 101,276      | 118,345  | 80,332   | 93,968   |
| Salaries and other employee benefit           | 100,233      | 102,540  | 72,009   | 78,947   |
| Depreciation and amortization                 | 21,358       | 18,598   | 4,424    | 6,021    |
| Sales promotion                               | 38,434       | 57,144   | 22,717   | 29,283   |
| Utilities                                     | 16,355       | 15,873   | 14,303   | 13,701   |
| Allowance for doubtful accounts and bad debts | 5,617        | 3,243    | 5,617    | 3,153    |
| Director remuneration and meeting fee         | 1,550        | 1,575    | 1,360    | 1,475    |
| Deferred expenses on billboard project        | 1,936        | 927      | -        | -        |
| Loss from impairment of investment            | -            | -        | -        | 2,500    |



## 27 Income tax

|   | Consolidated |          | Company  |          |
|---|--------------|----------|----------|----------|
|   | 2014         | 2013     | 2014     | 2013     |
|   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| <b>Current tax:</b>   |              |          |          |          |
| Current income tax on profit of the year                    | 31,301       | 36,835   | 15,582   | 18,802   |
| <b>Deferred tax:</b>  |              |          |          |          |
| Origination and reversal of temporary differences (Note 14) | (1,146)      | 5,315    | (958)    | 4,421    |
| Total income tax  | 30,155       | 42,150   | 14,624   | 23,223   |

The taxes on the Group's profits before income tax differ from the theoretical amount that would arise using the tax rate applicable to profits of the consolidated entities as follows:

|   | Consolidated |          | Company  |          |
|---|--------------|----------|----------|----------|
|   | 2014         | 2013     | 2014     | 2013     |
|   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Profit before income tax                          | 165,567      | 216,864  | 130,000  | 219,308  |
| Tax calculated at a tax rate of 20%               | 33,113       | 43,373   | 26,000   | 43,862   |
| Tax effect of:                                    |              |          |          |          |
| Associates' results reported net of tax           | (504)        | (776)    | -        | -        |
| Income not subject to tax                         | (3,040)      | (2,070)  | (11,670) | (21,349) |
| Expenses not deductible for tax purpose           | 632          | 1,057    | 340      | 894      |
| Expenses double deduction for tax purpose         | (46)         | (184)    | (46)     | (184)    |
| Utilisation of previously unrecognised tax losses | -            | 750      | -        | -        |
| Tax charge  | 30,155       | 42,150   | 14,624   | 23,223   |

The weighted average applicable tax rate was 18% and 11% in consolidated and company, respectively (2013: 19% and 11%, respectively).

The tax (charge)/credit relating to component of other comprehensive income are as follows:

|   | Consolidated |          |           |              |          |           |
|---|--------------|----------|-----------|--------------|----------|-----------|
|   | 2014         |          |           | 2013         |          |           |
|   | Tax (charge) |          |           | Tax (charge) |          |           |
|   | Before tax   | credit   | After tax | Before tax   | credit   | After tax |
|   | Baht'000     | Baht'000 | Baht'000  | Baht'000     | Baht'000 | Baht'000  |
| Gain on remeasuring<br>available-for-sale investments | 626          | (125)    | 501       | 760          | (152)    | 608       |
| Actuarial gain/loss<br>on defined benefit obligations | (611)        | 122      | (489)     | -            | -        | -         |
| Other comprehensive income                            | 15           | (3)      | 12        | 760          | (152)    | 608       |

|   | Company      |          |           |              |          |           |
|---|--------------|----------|-----------|--------------|----------|-----------|
|   | 2014         |          |           | 2013         |          |           |
|   | Tax (charge) |          |           | Tax (charge) |          |           |
|   | Before tax   | credit   | After tax | Before tax   | credit   | After tax |
|   | Baht'000     | Baht'000 | Baht'000  | Baht'000     | Baht'000 | Baht'000  |
| Gain on remeasuring<br>available-for-sale investments | 629          | (126)    | 503       | 760          | (152)    | 608       |
| Actuarial gain/loss<br>on defined benefit obligations | (620)        | 124      | (496)     | -            | -        | -         |
| Other comprehensive income                            | 9            | (2)      | 7         | 760          | (152)    | 608       |

## 28 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of paid-up ordinary shares in issue during the year.

|  | Consolidated  |               | Company       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2014          | 2013          | 2014          | 2013          |
| Net profit attributable to owners of the parent (Baht'000) | 133,469       | 173,750       | 115,376       | 196,085       |
| Weighted average number of ordinary shares                 |               |               |               |               |
| in issue during the year (Shares)                          | 3,008,969,500 | 3,008,969,500 | 3,008,969,500 | 3,008,969,500 |
| Basic earnings per share (Baht per share)                  | 0.04          | 0.06          | 0.04          | 0.07          |



During 2014, the Company had the change in par value of the Company's ordinary shares from a par value of Baht 1 per share to a par value of Baht 0.1 per share (Note 20). For the basic earnings per share to be comparable, the weighted average number of ordinary shares in issue for the year ended 31 December 2013 was revised as if the change in par value occurred at the beginning of the year.

There are no potential dilutive ordinary shares during the years ended 31 December 2014 and 2013 due to the fact that the average share price during the date of warrants issuance to 31 December 2014 was lower than the exercise price.

## 29 Employee Joint Investment Program

At the Board of Director Meeting held on 19 July 2010, the Board signed an agreement for Employee Joint Investment Program ("EJIP"). The period of the EJIP is for three years commencing from 19 July 2010 to 31 July 2013. EJIP members shall contribute not over than 5% of their monthly basic salaries. The Company shall contribute 80% of EJIP member's contribution amount. The fund is managed by Philip Securities (Thailand) Public Company Limited. The contributed amount to the fund shall be used to purchase common shares of Master Ad Public Company Limited (MACO) within the specified period. Employees who join EJIP have to retain their member status until end of the period of the program, except their employment status are ended.

As at 13 May 2013, the Board of Director Meeting approved for Employee Joint Investment Program ("EJIP") No. 2. The period of the EJIP is for three years commencing from 1 July 2013 to 30 June 2016 and the conditions of the program are same as the first program.

During the year ended 31 December 2014, the Company and subsidiaries contributed to the fund of Baht 1.10 million and Baht 0.14 million, respectively (2013: Baht 0.96 million and Baht 0.14 million, respectively).

## 30 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholders of the Company are "Tansarak" family, "Maneerattanaporn" family, D Corp Group Co., Ltd. and VGI Global Media Public Company Limited at the proportion of 10.07%, 9.44%, 4.99% and 24.89%, respectively (31 December 2013: 20.17%, 18.83%, 10.88% and 0.00%, respectively). The remaining shares are widely held. The significant investments in subsidiaries, associates and joint ventures are set out in note 10.

The following material transactions were carried out with related parties:

i) Sales of goods and services

| For the years ended 31 December           | Consolidated |          | Company  |          |
|---|--------------|----------|----------|----------|
|   | 2014         | 2013     | 2014     | 2013     |
|   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Billboards rental income:                 |              |          |          |          |
| Subsidiaries                              | -            | -        | 4,531    | 4,275    |
| Commission income:                        |              |          |          |          |
| Subsidiaries                              | -            | -        | 10,735   | 11,324   |
| Dividends income:                         |              |          |          |          |
| Subsidiaries                              | -            | -        | 53,900   | 100,000  |
| Associates                                | -            | -        | -        | 500      |
|   | -            | -        | 53,900   | 100,500  |
| Consulting and accounting service income: |              |          |          |          |
| Subsidiaries                              | -            | -        | 744      | 720      |
| Associates                                | -            | 24       | -        | 24       |
|   | -            | 24       | 744      | 744      |
| Office rental income:                     |              |          |          |          |
| Subsidiaries                              | -            | -        | 3,523    | 3,240    |
| Associates                                | -            | 271      | -        | 271      |
|   | -            | 271      | 3,523    | 3,511    |
| Other income:                             |              |          |          |          |
| Subsidiaries                              | -            | -        | 2,057    | 1,833    |
| Associates                                | -            | 101      | -        | 101      |
|   | -            | 101      | 2,057    | 1,934    |



## ii) Purchases of goods and services

| For the years ended 31 December | Consolidated  |               | Company       |               |
|---------------------------------|---------------|---------------|---------------|---------------|
|                                 | 2014          | 2013          | 2014          | 2013          |
|                                 | Baht'000      | Baht'000      | Baht'000      | Baht'000      |
| Cost of services:               |               |               |               |               |
| Subsidiaries                    | -             | -             | 10,436        | 4,382         |
| Associates                      | -             | 4,606         | -             | 4,606         |
| Shareholder                     | 4,281         | -             | -             | -             |
|                                 | <u>4,281</u>  | <u>4,606</u>  | <u>10,436</u> | <u>8,988</u>  |
| Selling expenses:               |               |               |               |               |
| Subsidiaries                    | -             | -             | 96            | 92            |
| Administrative expenses:        |               |               |               |               |
| Subsidiaries                    | -             | -             | 266           | 182           |
| Associates                      | 12,517        | 12,525        | 12,517        | 12,525        |
|                                 | <u>12,517</u> | <u>12,525</u> | <u>12,783</u> | <u>12,707</u> |

## iii) Outstanding balances arising from sales/purchases of goods and services

| As at 31 December          | Consolidated |              | Company    |            |
|----------------------------|--------------|--------------|------------|------------|
|                            | 2014         | 2013         | 2014       | 2013       |
|                            | Baht'000     | Baht'000     | Baht'000   | Baht'000   |
| Trade account receivables: |              |              |            |            |
| Subsidiaries               | -            | -            | 554        | 417        |
| Associates                 | 3,885        | 2,911        | -          | -          |
|                            | <u>3,885</u> | <u>2,911</u> | <u>554</u> | <u>417</u> |
| Other receivables:         |              |              |            |            |
| Subsidiaries               | -            | -            | 1,454      | 3,865      |
| Prepaid expenses:          |              |              |            |            |
| Subsidiaries               | -            | -            | 1,000      | -          |
| Accrued dividends income:  |              |              |            |            |
| Subsidiaries               | -            | -            | 50,000     | 60,000     |



| As at 31 December  | Consolidated |            | Company      |              |
|--|--------------|------------|--------------|--------------|
|  | 2014         | 2013       | 2014         | 2013         |
|  | Baht'000     | Baht'000   | Baht'000     | Baht'000     |
| Trade accounts payable:  |              |            |              |              |
| Subsidiaries   | -            | -          | 5,429        | 3,314        |
| Shareholder  | 2,557        | -          | -            | -            |
|  | <u>2,557</u> | <u>-</u>   | <u>5,429</u> | <u>3,314</u> |
| Other payables:  |              |            |              |              |
| Subsidiaries   | -            | -          | 216          | 72           |
| Associates   | 78           | 82         | 78           | 82           |
| Related party  | 22           | 36         | -            | -            |
|  | <u>100</u>   | <u>118</u> | <u>294</u>   | <u>154</u>   |
| Guarantee according right transferring of marketing and sales of advertising media agreement : |              |            |              |              |
| Subsidiaries   | -            | -          | 9,000        | -            |

#### iv) Loan to related party

| As at 31 December | Consolidated |          | Company  |          |
|-------------------|--------------|----------|----------|----------|
|                   | 2014         | 2013     | 2014     | 2013     |
|                   | Baht'000     | Baht'000 | Baht'000 | Baht'000 |
| Loan to:          |              |          |          |          |
| Subsidiary        | -            | -        | -        | 4,000    |

Loan to a subsidiary has been granted without collateral and bears interest at 3 percent per annum. The loan is due at call.

#### v) Key management compensation

| For the years ended 31 December   | Consolidated  |               | Company       |               |
|-----------------------------------|---------------|---------------|---------------|---------------|
|                                   | 2014          | 2013          | 2014          | 2013          |
|                                   | Baht'000      | Baht'000      | Baht'000      | Baht'000      |
| Short-term employee benefits      | 30,340        | 42,840        | 23,328        | 30,629        |
| Post-employment benefits          | 834           | 668           | 693           | 592           |
| Other long-term employee benefits | 839           | 37            | 542           | 23            |
|                                   | <u>32,013</u> | <u>43,545</u> | <u>24,563</u> | <u>31,244</u> |



## 31 Commitments and contingencies

## Commitments

As at 31 December 2014, the Group has the following outstanding commitments:

- A subsidiary has capital commitments under non-cancellable billboards construction agreement amounting to Baht 23.63 million.
- Commitments under space rental agreement for the installation of billboards and electricity usage. These agreements are collateralised by bank guarantees issued by local banks.

|             | Consolidated | Company      |
|-------------|--------------|--------------|
|             | Million Baht | Million Baht |
| Commitments | 12.16        | 7.35         |

- Commitments under long-term lease and service agreements, mainly relating to the rental of space for advertising. Summarised below are the future rental and service fees under the agreements :

|             | Consolidated | Company      |
|-------------|--------------|--------------|
|             | Million Baht | Million Baht |
| Within 2015 | 149.35       | 97.86        |
| 2016 - 2018 | 251.63       | 102.25       |
| 2019 onward | 152.22       | -            |
| Total       | 553.20       | 200.11       |

Significant conditions are as follows;

- a) Monthly payment and 1 month deposit that will be refunded when agreement is terminated.
- b) Option to renew agreements every 3 years with rental adjustment at market condition.

## Contingencies

The Company provides guarantee for Landy Development Co., Ltd., associate, in respect of bank borrowing amounting to Baht 89 million.

## 32 Litigation

In 2009, the Court of First Instance ordered the subsidiary to pay indemnification to a supplier for the service fee and lease of advertising media amounting to Baht 7.55 million. The case is currently undergoing in the Supreme Court. The subsidiary has placed bank guarantee amounting to Baht 11.45 million with the Court. As at 31 December 2014, the subsidiary has provided for the liabilities for indemnification and interest expense totaling Baht 11.46 million included in trade and other payables.





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