



CONTINUING TO GROW OUR OVERSEAS MARKETS



ANNUAL REPORT **2020**

FOR THE THREE MONTHS ENDED MARCH 31, 2020

MASTER AD PUBLIC COMPANY LIMITED



CONTINUING TO GROW OUR OVERSEAS MARKETS

Master Ad Public Company Limited or “MACO”
is one of the leaders in the outdoor media industry
with diverse media advertising of static and digital
media, covering Thailand and ASEAN



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1.1 Our Vision and Mission

VISION

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

MISSION

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



1.2 Financial Highlights

	2018	2019	Mar 2020	YoY%
STATEMENT OF COMPREHENSIVE INCOME (THB mn)				
Revenue from services ⁽¹⁾	1,696	2,954	612	-79.3%
Domestic Advertising	1,054	1,042	182	-82.5%
International Advertising	-	316	87	-72.5%
System Integration	642	1,596	343	-78.5%
Cost of sales	901	1,901	465	-75.5%
Gross profit	795	1,052	147	-86.0%
EBITDA	441	459	-68	-114.8%
Net profit	272	161	-129	-180.1%
STATEMENT OF FINANCIAL POSITION (THB mn)				
Total assets	4,164	4,879	9,187	
Total liabilities	1,290	1,855	4,883	
Total shareholders' equity	2,874	3,024	4,304	
PER SHARE DATA (THB / share)				
Earnings per share	0.07	0.04	-0.00	
Dividend per share ⁽²⁾	0.04	0.03	0.00	
Book value per share	0.78	0.70	0.80	
KEY RATIOS				
Gross profit margin (%)	46.9%	35.6%	24.0%	
EBITDA margin (%)	26.0%	15.5%	-11.2%	
Net profit margin (%)	16.1%	5.4%	-21.0%	
Debt to equity (times)	0.0X	0.2X	0.3X	
ROA (%)	10.2%	5.1%	-1.5%	
ROE (%)	13.7%	6.1%	-0.2%	
SHARE INFORMATION (as of 31 March 2020)				
Share price (THB)	1.52	1.43	0.56	
Outstanding shares (shares mn)	4,127	4,332	5,412	
Market capitalisation (THB mn)	6,273	6,195	3,031	
Par value (THB per share)	0.10	0.10	0.10	

Note:

⁽¹⁾Excludes other income

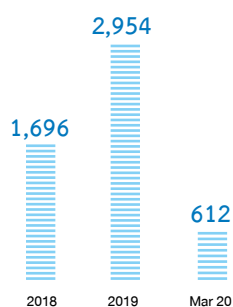
⁽²⁾The total dividend payment from 2019 operations was THB 139mn

Revenue Structure



Revenue from services

(THB mn)



-79.3%



EBITDA

(THB mn)



-114.8%



Net profit

(THB mn)



-180.1%

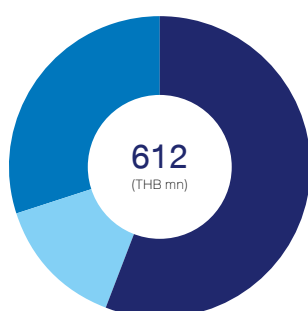
Revenue Contribution

● Domestic Advertising

● System Integration

29.8%

56.0%



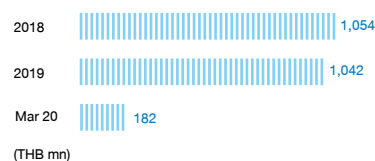
● International Advertising

14.2%

Revenue by Business units (THB mn)



Domestic Advertising

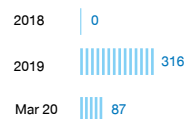


-82.5%

(THB mn)



International Advertising

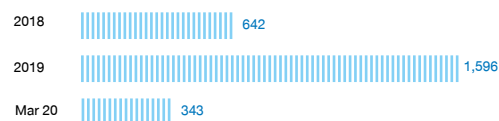


-72.5%

(THB mn)



System Integration



-78.5%

(THB mn)

1.3 Message from the Chairman and Chief Executive Officer

Our plans will be ready to continue working in the international market once COVID-19 crisis is part. We will continue to become the leader of the Out-Of-Home media business in ASEAN as originally planned.



Since the beginning of the year 2020, all countries around the world have been affected by the spread of COVID-19. It is the most severe pandemic and has affected the world economy badly. Recently, the Bank of Thailand has lowered its GDP forecasts for 2020 in Thailand to a negative 8.1% from a negative 5.3%. This is considered the worst economic contraction in Thai history, even more severe than the Tom Yum Kung crisis in 1997. The Asian Development Bank predicts that the GDP of ASEAN countries will only grow 1.0%, down from the previous year's growth rate of 4.4%, making 2020 a most challenging year for businesses in Thailand and any expansion of the business networks in international markets, especially ASEAN.

At present, Master Ad Public Company Limited ("MACO") has modified its business strategy from being just a provider of Out-of-Home advertising media in Thailand to laying a foundation for expansions of the Out-of-Home media business into international markets, especially in the ASEAN market. Material changes to MACO business during January - March 2020 was that the Company has restructured the advertising media business in Thailand. Plan B Media Public Company Limited ("PlanB"), the leader of Out-of-Home media of Thailand, has become a 19.96% shareholder in MACO. As part of this deal, PlanB will become responsible for managing, selling, and marketing all of MACO's domestic advertising media. The Company will only remain as a media owner in the country. This allows the Company to focus its attention on expanding the business into international markets. This the collaboration will help reduce MACO's costs by combining the experienced sales and marketing teams of MACO and PlanB and allow the Company to jointly develop and create advertising media packages that can better attract the attention of consumers and media buyers. As a result of discussions between the two management teams, the Company will write-off non-profitable billboards and retain those billboards with better locations that can offer the most effective advertising media exposure. These superior locations will allow the Company to create better and more cost-effective advertising returns. The Company is confident that, with an extensive billboard network of the group in the excellent locations, combined with a wider variety of media contents from PlanB, the Company will be able to increase its market shares in the competitive Out-of-Home Thai media market.

As for international markets, the Company has seen continued an improvement over the past years, especially in Malaysia. Performance in Malaysia reached breakeven earnings since before interest and tax, from our advertising media operations focused on mass transportation systems and airports. In Indonesia, where the Company has the right to manage advertising media on the first MRT line of Jakarta, the Company turned a profit for its first year of operations in April 2019. Unfortunately, the impact of the Coronavirus outbreak has thrown this initial success in our international media business into disarray. We are looking to renegotiate some terms and we will strive to build on our success so far. Our

plans will be ready to continue working in the international market once the COVID-19 crisis is past. We will continue to become the leader of the Out-of-Home media business in ASEAN as originally planned.

Since the COVID-19 pandemic started in early 2020, the Company has given priority to the health and safety of all our employees. The Company has closely watched and monitored the pandemic situation, and has established measures to prevent the spread of the COVID-19 in our offices including; temperature recording each time before entry into the office building, reducing any exposure that may be a source of disease spread, allocating sanitary masks, providing hand washing gels at various points, and spraying disinfectant regularly in the office. Apart from internal action taken within the Company, we have also taken this opportunity to contribute to society at large through sharing advertising space for COVID-19 content free of charge, including publishing a list of hospitals with screening services through the video series "COVID-19 easy to prevent, early detection, early treatment" that is broadcast nationwide on the Company's digital screens. In addition, we have collaborated with the Department of Mental Health to publicize ways by which individuals can manage stress during the quarantine and have also supported providing necessary personal protection equipment for the Khlong Toei community. These are our modest efforts to create a sustainable feeling of social responsibility for all stakeholders in our community

I would, on behalf of the Board of Directors, our executives, and employees, also like to express our concern and deliver words of encouragement to all our stakeholders who maybe affected by the pandemic situation of COVID-19. Last, but certainly not least, I would like to express gratitude to the management team, all our staffs, for the commitment they have shown in executing the Company's strategy with full dedication to enable us to overcome this crisis together.



Mr. Phoon Chiong Kit
Chairman of the Board of Directors and
Chief Executive Officer

1.4 Report of the Audit Committee

The Audit Committee has performed its duties in accordance with the scope of authority and duties as approved by the Board of Directors. The important duties are to review the Company's financial report to be accurate and sufficiently disclosed, to determine the connected transactions, to ensure that the Company has an appropriate and effective internal control and audit system as well as ensuring that the Company has good corporate governance and complies with good corporate governance principles.



For the three-month accounting period ended March 31, 2020, the Audit Committee held 1 meeting, in which consultation was made with the Company management, the auditors, the internal auditors, and the Risk Management Committee in relevant matters and meeting with the auditor without the Company management which can be summarized as follows.

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

The Audit Committee has reviewed the financial statements of the Company both the quarterly financial statement and the annual financial statement which have been reviewed and audited by the authorized auditor. In the agenda relating to the consideration of the quarterly financial statement and the annual financial statement, the auditor will report the audit and review of the financial statement directly to the Audit Committee. The Audit Committee has inquired the auditor about the accuracy and completeness, material accounting adjustments, and sufficiency of information disclosure to ensure that the Company's financial statement is in accordance with the generally accepted accounting standards and comply with the laws and related announcements.

2. Review of risk management

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

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

The Audit Committee has assessed the internal control of the Company in 5 areas including Control Environment, Risk Management, Control Activities, Information & Communication, and Monitoring Activities. The Audit Committee is of the opinion that the Company has an internal control system that is adequate and suitable for business operations and there is no material deficiency in the internal control of the Company.

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

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

5. The selection of auditors

The Audit Committee has considered the selection of auditors based on readiness, the scope of service, audit fee rates according to the announcement of SEC in terms of auditors and other requirements and resolved to propose to the Board of Directors for approval from the shareholders' meeting to appoint Miss Siraporn Uaa-anantkun Certified Public Accountant Registration No. 3844 or Mrs. Chonlaros Suntiasvaraporn Certified Public Accountant Registration No. 4523 or Mr. Chatchai Kasemsrithanawat Certified Public Accountant Registration No. 5813 Auditor from the EY Office Limited as the Auditor for the three-month period ended March 31, 2020.

The Audit Committee's overall opinion

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



(Mr. Voraphot Chanyakomol)
Chairman of the Audit Committee

1.5 Our Board of Directors



1

Mr. Phoon Chiong Kit

Chairman of the Board, Authorized Director

2

Mr. Chaiyasit Puvapiromquan

Authorized Director and
Corporate Governance Committee

3

Mr. Siew Ko Chuen

Authorized Director and
Corporate Governance Committee

4

Mr. Voraphot Chanyakomol

Independent Director,
Chairman of the Audit Committee

5

Mr. Danai Tangsriviriyakul

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

6

Mr. Chalush Chinthammit

Independent Director, Audit Committee,
Member of Nomination and Remuneration Committee
and Member of Corporate Governance Committee

1.6 Our Management



1

Mr. Phoon Chiong Kit

Chairman of the Executive Committee,
Chief Executive Officer (CEO) and
Chairman of the Risk Management Committee

2

Mr. Siew Ko Chuen

Executive Committee

3

Miss. Tamonwan Narintavanich

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

4

Miss. Rodjana Trakulkoosri

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

5

Mrs. Uraiwan Boonyarataphan

Executive Committee, Chief People Officer (CPO)
and Risk Management Committee

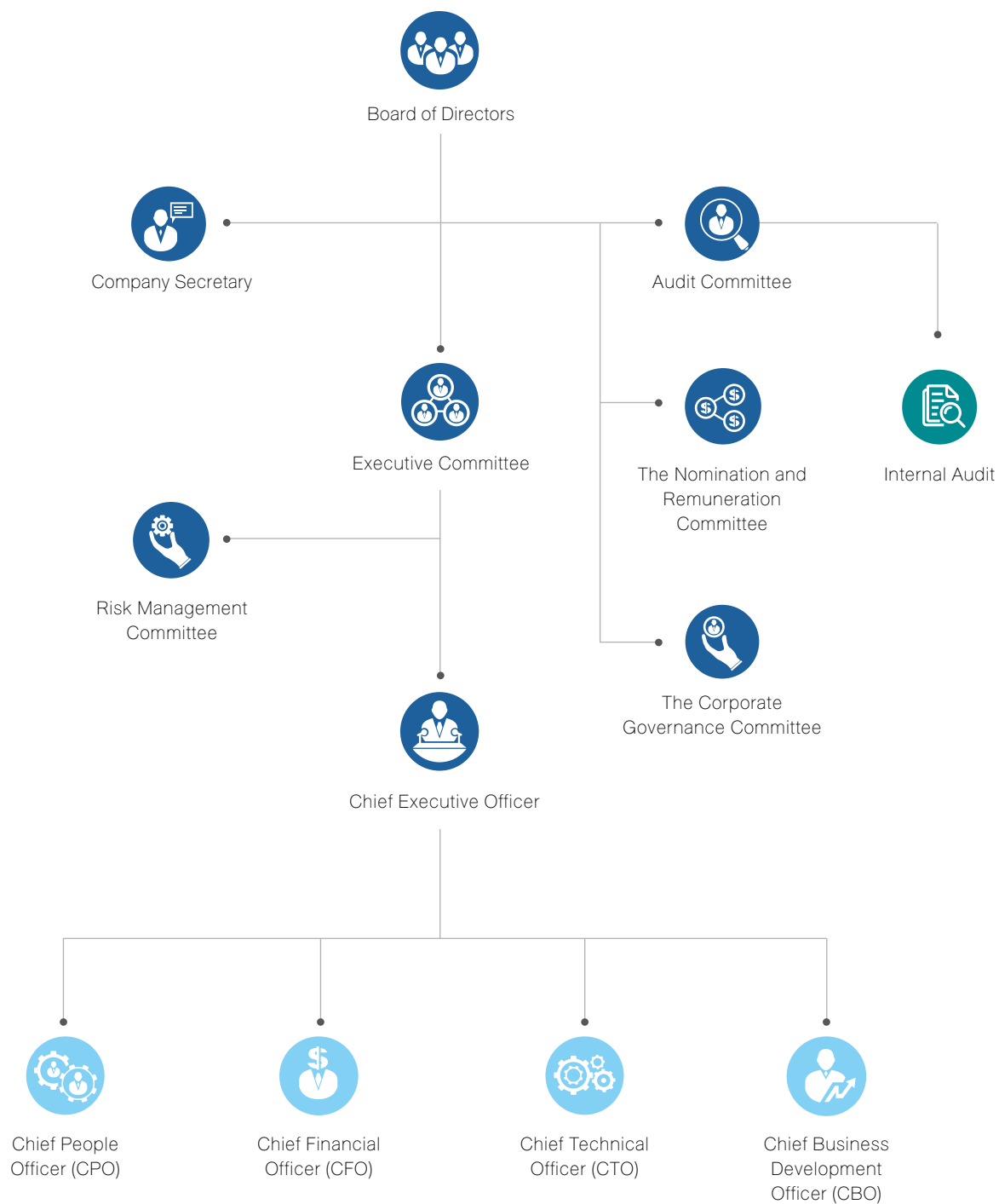
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Mr. Panaikorn Nuchmak

Executive Committee, Chief Technical Officer (CTO)
and Risk Management Committee

1.7 Management Structure

As of March 31, 2020, the Company's management structure consists of the Board of Directors and the 5 Sub-committees: The Audit Committee, the Executive Committee, the Nomination and Remuneration Committee the Corporate Governance Committee and the Risk Management Committee with the following operational structures:



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2.1 Important Events in 3M 2020



January 2020

- On January 14, 2020, the Extraordinary General Meeting of Shareholders approved the following transactions: 1) invested 50.0% in Hello Bangkok LED Co., Ltd. with a total investment of THB 1,950mn, 2) offering 1,080mn Private Placement shares at the price of THB 1.4381 per share to Plan B Media Public Co., Ltd. ("PlanB"), a total of THB 1,553mn, and 3) assign PlanB as the manager of all outdoor advertising assets in the country for MACO. The transaction was completed on January 30, 2020.

- The investment of PlanB in MACO in a proportion of 19.96% has resulted in the shareholding of VGI Public Co., Ltd. ("VGI") decreased from 33.17% to 26.55%. VGI, therefore, has no longer power in MACO. The Company, therefore, changed the status from a subsidiary to an associated company of VGI after the transaction is completed.



March 2020

- MACO has expanded the out-of-home media network to Vietnam through a 25.0% investment in the VGI Vietnam Joint Stock Company ("VGI Vietnam"), the digital outdoor media provider with the largest network in the country through VGI MACO (Singapore) Private Limited ("VGIMS"). The investment value in VGI Vietnam at this time is VND 3.5bn, or about THB 457.2mn (received from MACO THB 342.9mn and from VGI THB 114.3mn).

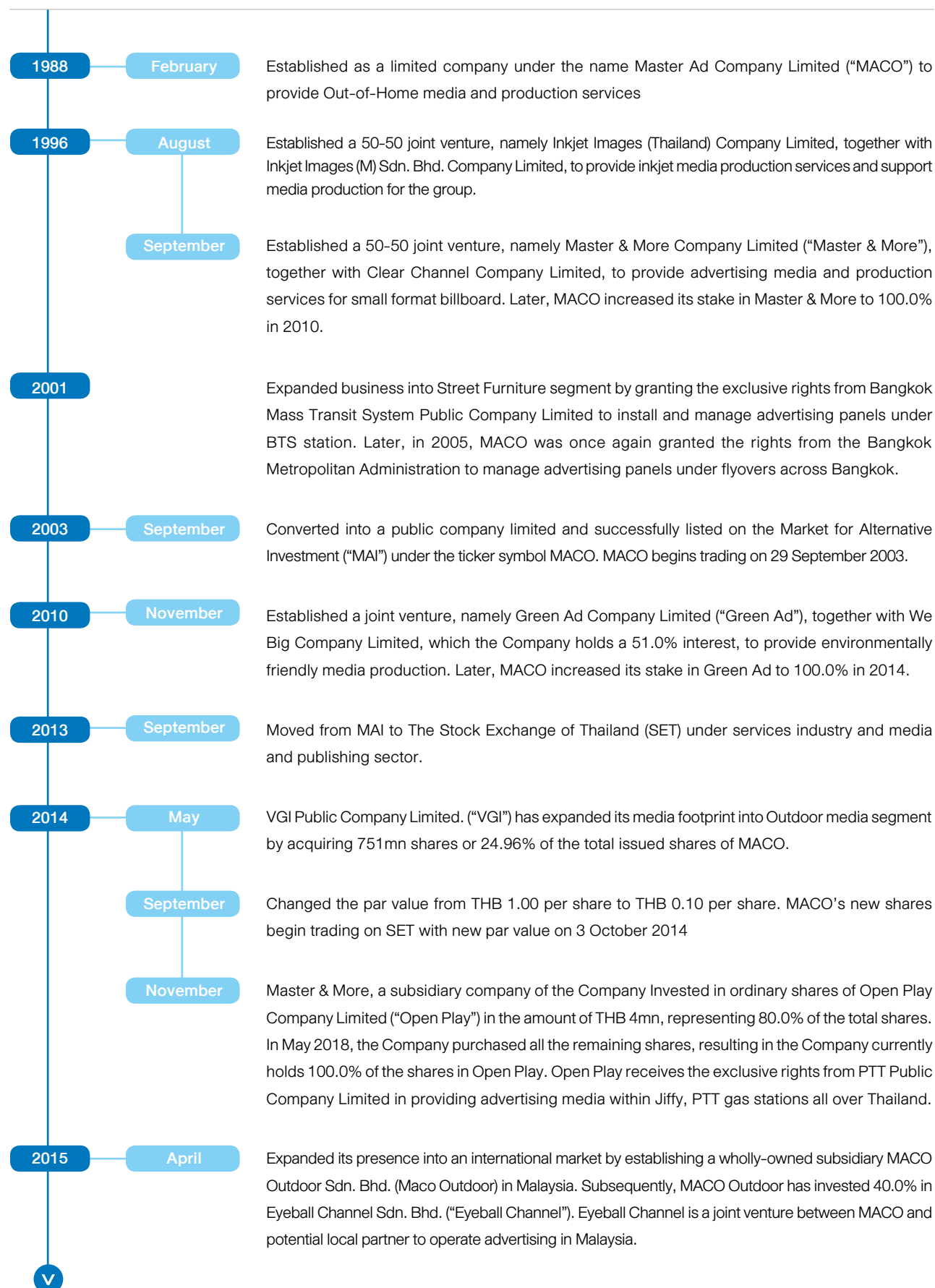


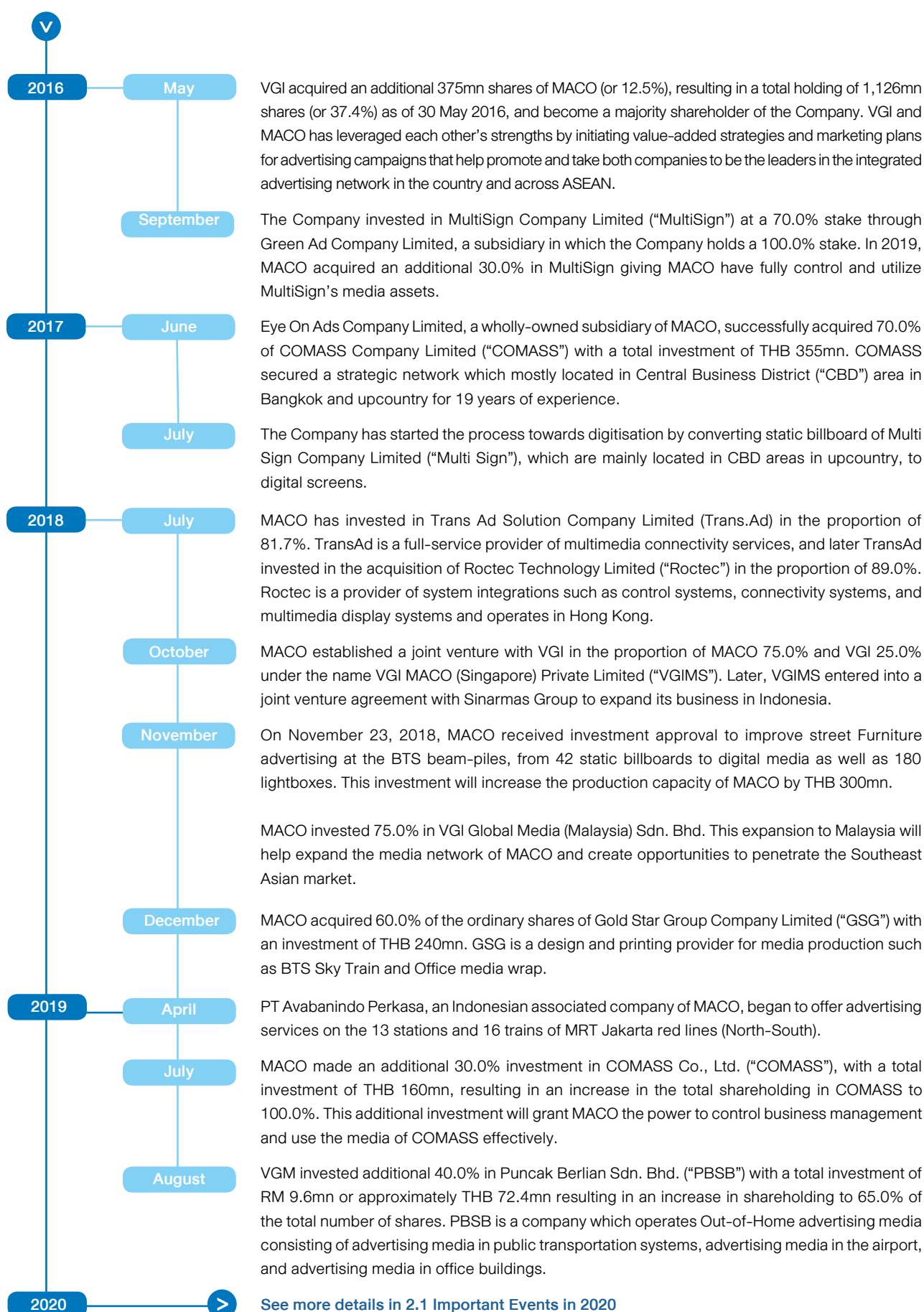
Awards and Recognition

● MACO won the Best Investor Relations Award from SET Awards 2019. The award was given to listed companies with outstanding performance in investor relations activities organized by the Stock Exchange of Thailand (SET) and Money & Banking Magazine. MACO is one of the companies that received this award in the group of companies with a market capitalization between THB 3,000 and 10,000mn.



2.2 Our History





2.3 Business Overview of the company



The business of the Company

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

During January 2020, MACO invested in Hello Bangkok LED Co., Ltd., a billboard operator with years of experience and billboards installed in the heart of the business district in Bangkok and other provinces. At the same time, MACO has assigned Plan B Media Public Co., Ltd. to manage all of the advertising media in Thailand. When combined with the affiliated company (Trans.Ad Group), which provides multimedia design and implementation services to the group, MACO will become the leader and owner of an outdoor advertising network in Thailand. This business structure

change demonstrates the vision of integrating the domestic strength of the Company as a foundation for strong growth in the future, which will help make MACO is able to efficiently focus on expanding the business to international markets as planned.

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

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



1. Advertising Media Business

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



1.1 Domestic advertising media

1.1.1 Billboards

Large-format Billboards

Large-format Billboards are mostly installed at key strategic locations such as expressways, city gateways and central business zones where heavy traffic congestions occur and high frequency exposure with a network of more than 330 panels both in Bangkok and upcountry.

Small size billboards

Small size billboards installed at major intersections in upcountry throughout Thailand such as heavy traffic areas, commercial areas such as shopping malls, markets, and educational areas. Currently, there are a total of 341 billboards covering all over Thailand.



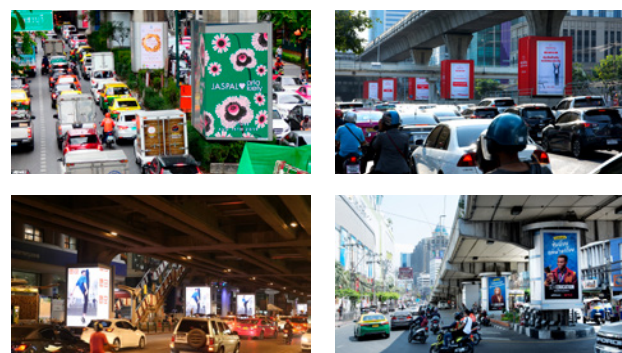
Digital Billboards

Digital media is considered to be a very popular media which is supported by the ability to change, edit, or add information more conveniently and quickly as well as being able to stand out in the marketing campaign. MACO has begun to transform some large static billboards in prime locations into digital billboards. Currently, MACO offers a total of 25 digital billboards in 22 strategic provinces such as Chiang Mai, Khon Kaen, Udon Thani, Phuket and Rayong which are the major cities of each region.



1.1.2 Street Furniture

Street Furniture advertising media is another type of media that is outstanding both in terms of location and presentation techniques. It can reach the target like urban people, workers in the business areas and able to meet the demand of the advertisers who want to present marketing campaigns in the downtown areas. MACO has the right to manage Street Furniture advertising media, at 1) Advertising media in the area of the beam-piles under the BTS Skytrain stations, which the Company has the exclusive right from Bangkok Mass Transit System Public Company Limited to install and manage more than 222 advertising media (180 lightboxes and 42 digital screens) at the beam-piles of 21 BTS stations. This new and improved media will help the Company to create creative and attractive media advertisements and increase revenue in the future and 2) the 312 billboards under 18 intersection bridges across Bangkok of which MACO has received management rights from Bangkok Metropolitan.



1.2 Advertising media abroad

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

1.2.1 Advertising media in public transportation systems

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



1.2.2 Advertising media in the airports

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

1.2.3 Advertising media in Office Building

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

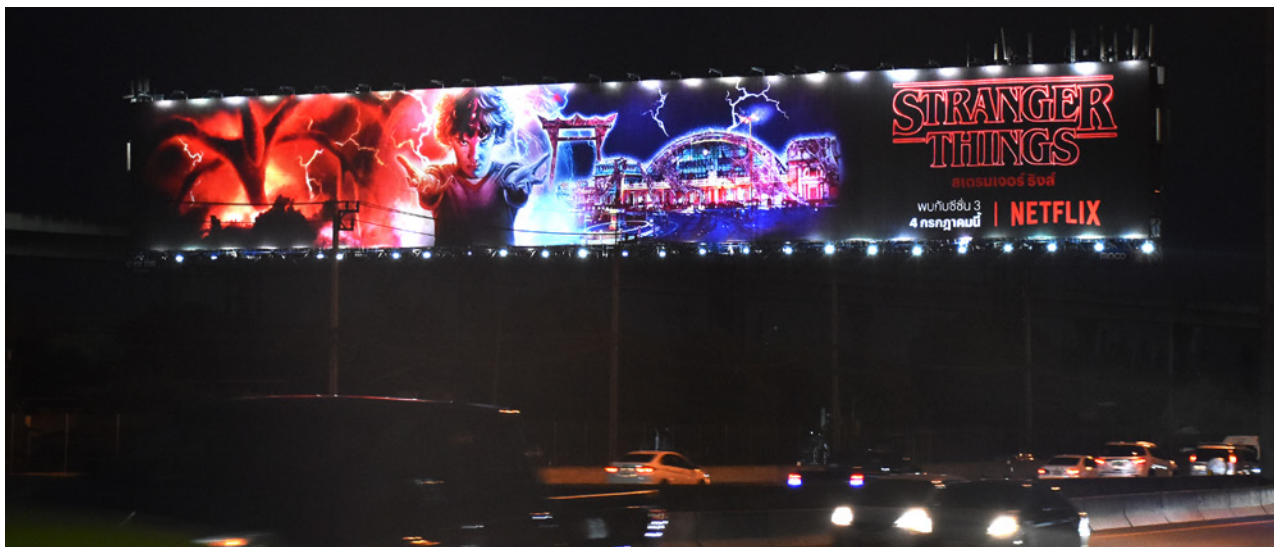


2. System Integration



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





MACO is one of the leaders of the diverse Out-of-Home media industry, covering Thailand and ASEAN. The Company has continuously expanded its business in order to increase its competitiveness, including providing media services with international standards 24 hours a day in order to meet the needs of manufacturers and service providers in marketing communications through Out-of-Home advertising media for successful marketing plans.

The Company's goal is to be a leader in the Out-of-Home media business in both Thailand and the Asian region. The Company focuses on finding, developing, and expanding potential areas for Out-of-Home advertising media to strengthen the Company's diverse network in order to provide advertising media services that meet the needs of customers. The location of the advertising media must cover the audience base and be the most prominent spot in the area in order to create a high value-added for customers to use the service of the company. The Company has put great importance in the search of a location for advertising media installation. The installation area must be the most prominent point of interest in order to be worth the investment of the owner of the products and services.

Target Customers

The Company has target customers which can be classified into 2 main categories as follows

1) Agency Group

The agencies are responsible for planning various media strategies for owners of products and services of large or multinational companies with a variety of goods and products, including a large marketing budget. The agencies, therefore, plays an important role in determining the advertising budget plan and the selection of suitable advertising media for the owners of products and services

by acting as the agent to contact the production and media installation companies. With the agencies' experience and expertise in selecting the media properly, they can look for a company that has a quality media network, suitable for marketing campaigns, and able to deliver campaigns to target clients. In 2019, the Company earned revenue from the agency clients proportionately at 62% of its service revenue.

2) Direct Customer

Most of this type of customer group is small and medium-sized enterprises (SMEs), private companies, including government organizations and general state enterprises that own products or services directly and want to contact the media companies for planning, production, and installation of the media without going through the agencies. Such customers are looking for companies that can provide a full range of advertising media, from consulting to marketing planning, content development, including creating media networks and looking for media production. In 2019, the Company earned income from direct customers representing 38% of its revenue from services.

For Thailand from 2020 onwards, MACO has revised its business practices from Out-of-Home Media provider, which covers sales and marketing management, to be only the owner of advertising media in Thailand, responsible for construction, procurement, installation, and advertisement media maintenance. The Company has granted the right in managing all advertising media in Thailand owned by the Company and its subsidiaries to Plan B Media Public Company Limited ("PlanB") for a total of 5 years until December 31, 2024. PlanB will be responsible for sales, marketing, and contracting with customers including managing all advertising media. MACO will continue to develop and expand the Out-of-Home Media of the Company both domestically and internationally.



1) Procurement of products and services

Procurement of advertising media installation sites

In arranging the advertising media installation location, the Company has the following steps:

1.1 The Company has a business development team that studies, explores, and researches areas with potential and are strategic locations, focusing on large static billboards that attract the eyes of people on the go and effective in reaching the target consumer groups. The team also studies the investment feasibility according to the Company policy. The Company conducts a preliminary survey with the agency or the owners of products and services to ensure that it can meet the needs and enhance the image of the products and services. After that, the management team and relevant team will be convened to find conclusions in the formulation of the advertising media installation plan, as well as submitting an approval for the marketing plan and project feasibility.



1.2 The Company liaises, rents the space and/or proposes to develop the project or install advertising media with the location owner, whether public or private. The Company will offer rental fees or other forms of compensation, such as revenue sharing to location owners or concession owners, as the case may be. In order to enter into the rental agreement, the Company intends to be a contracting party to receive the right to use the area directly. Unless the Company foresees the potential of those advertising media after the rights have been given. The Company has internal processes to review, examine, and evaluate the feasibility and return on investment in order to ensure the assignment of rights, investment, or acquisition will bring business benefits to the Company.





1.3 The Company designs and determines the materials used in the construction of the advertising media installation by a team of leading designers and engineers who have the expertise to meet the standards set by the agency or the lessor and the Company will select the contractor and submit the application for permission to install the advertising media to the government agencies in that area. During the construction, there will be an engineering team to inspect and control every step to ensure no errors, as well as controlling the budget and the construction period in accordance with the plan so that the advertising media comes out to the standards set by the Company.

From 2020 onwards until December 31, 2024, the Company has revised its business practices and granting media management rights in Thailand belonging to the Company and subsidiaries to Plan B Media Public Company Limited ("PlanB"). There is a contractual stipulation that if PlanB is granted the right to install a static billboard on a private area ("traditional advertising media"), PlanB must give the Company the right to procure, construct and own its traditional advertising media first. If the Company does not wish to do so or does not do so within the specified period, PlanB has the right to procure, construct and own such traditional advertising media instead, under the same conditions as proposed to the Company.

The right to construct and own the advertising media in the form of billboards or LED screens on the beam-piles under the BTS station and flyovers under the concession with Bangkok Metropolitan shall belong to the Company. Moreover, if in the future PlanB is granted the right to construct and own the aforementioned advertising media, PlanB will grant the rights to the Company in procuring and creating such advertising media first. If the Company does not wish to receive such rights, PlanB shall have the right to conduct the said project on its own.



2) Production of advertising for each type of media

2.1 Static advertising media

After the conclusion of the advertisement, the Company will be responsible for the production or procurement and selection of the printing suppliers from the approved vendor list with the work, the price, and the delivery according to the standard set by the Company. The materials used in the production of advertising media are of the quality based on the material warranty period, divided into 3 months, 6 months, and 12 months warranty so that customers can plan the budget for advertisement production according to the customers' marketing plan. The materials selected by the Company are of high quality to meet the standards suitable for the lighting of each area and at the same time, are worth the investment that satisfies the agencies or owners of products and services.

2.2 Digital advertising media

The Company's digital media unit is able to provide advertising design services with agencies or the owner of the products and services from the presentation of the storyboard, production plans and the advertisement details to the agency or the owners of the products and services for consideration and exchanging ideas to summarize in all details. The Company will then produce the work in the form of animated graphics to be a complete commercial movie ready to use. When the complete movie is ready for the digital screen, the Company will take the movie advertisements into the system and broadcast to the media according to the needs of customers.



3) Billboard inspection and delivery to customers

The Company has systematic standards for taking care of advertising media and advertising products for customers as follows:

3.1 The engineering team will carry out regular inspections and check on advertising media to ensure the media is ready for service. For advertising media that has been approved by customers, the team will perform the inspection before the installation of the billboard.

3.2 After each installation of the advertisement, the Company sets the standard for delivery and inspection of the work condition. The Company will send pictures of the advertisements to customers as evidence that the services are according to the agreement together with a report within 7 days after displaying the advertisement. Besides, every



month, the Company will inspect billboards, electrical systems, and advertising images of customers, as well as prepare a summary report of the advertising media of the Company with accompanying pictures and send to customers every month to confirm that the Company has advertised on time, in the form as agreed upon. The Company will report to customers in the last week of every month.

3.3 The Company will communicate with customers to inquire about customer feedback to ensure that customers are satisfied with the services to make them come back to use the Company's advertising media continuously.

Distribution channels and dissemination of the Company's information

The Company provides various methods of disseminating information to connect the Company with a wide range of target groups including shareholders, customers, the media and other stakeholders. These informational channels will help the business partner to access the necessary information resources. At present, the Company manages a distribution channels and disseminates information through 3 main channels, namely:

1. Dissemination of information through the Company's website

The Company puts the importance of information dissemination through the website: www.masterad.com that collects the Company's business and product information, the important business news of the Company and subsidiaries both at home and abroad as well as useful information regarding the out-of-home media business. On the website of the Company is also a way to receive comments from customers, shareholders and the general public. The information can be sent to webmaster@masterad.com. The Company has a team to receive comments and replies.

2. Dissemination of information through other online media

To be consistent with the lifestyle and media usage patterns in search of information, the Company has been now using online media to communicate with various target groups such as Facebook and YouTube to communicate information on advertising media and publish relevant news as well as using E-Newsletter to customers every month.

3. Dissemination of information and distribution channels through sales representatives

When customer contacts the Company through provided channels such as website and telephone number, the Client Relations team will inquire of the client's needs in the primary and transfer the matter to the Sales Department which has specific knowledge in each media. The Company has prepared sales presentation documents which describe details of various media, advising an effective decision to the customers. From 2020 onwards, the Company has granted management rights to sell all advertising media in Thailand to Plan B Media Public Company Limited.

4. Media Advertising of the Company

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

Pricing Policy

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

2.4 Corporate Profile

Company Name	:	Master Ad Public Company Limited. (MACO)
Registration No.	:	0107546000113
Type of Business	:	Providing advertisement services through the supply of Out-of-home Media and engagement in the field of Entertainment
Market	:	SET
Industry	:	Services
Sector	:	Media & Publishing
Registered capital	:	678,752,372.80 Baht
Paid – up capital	:	541,198,091.40 Baht Comprised of 5,411,980,914 Ordinary Shares.
Par value	:	0.10 Baht.

Headquarter Office	:	1, 4 th -6 th Floors Soi Ladphrao 19, Ladphrao Road, Jomphol, Chatuchak, Bangkok, 10900
Telephone	:	02 938 3388 Fax.02 938 3489
Website	:	www.masterad.com

Investor Relation	:	Tel. 0-2273-8639 E-mail address: Waritha@masterad.com
Company Secretary	:	Tel. 02 938 3388 Ext. 480, 487 E-mail address: tamonwan@masterad.com ; sukjai@masterad.com

Reference

Duties of Securities Registrar	:	Thailand Securities Depository Co., Ltd. (TSD) No. 93, 14 floor Ratchapisek Road, Dindaeng Bangkok 10400 Tel. 02 009 9000 Fax. 02 009 992
Auditor	:	EY Office Company Limited By Ms. Siraporn Ouaanunkun CPA. No. 3844 and/or Mrs. Chonlaros Suntiasvaraporn CPA. No. 4523 and/or Mr. Chatchai Kasemsrithanawat CPA. No. 5813
Address	:	No. 193/136-137 Lakeratchada Complex 33 floor New Ratchada Klongtoey Bangkok 10110
Tel.	:	02 264 0777, 02 661 9190
Fax	:	02 264 0789-90

2.5 Shareholding structure

As of March 31, 2020 the Company recorded registered capital of 678,752,372.80 Baht, Paid Up Capital 541,198,091.40 Baht. Comprising 5,411,980,914 common shares at a registered value of THB 0.10 per share.

Top 10 Major Shareholders (22 May 2020)

No.	Name	No. of Shares	% of Total
1	VGI Public Company Limited ¹	1,438,367,596.00	26.58
2	Mr.Nares Ngamapichon	1,082,500,000.00	20.00
3	BTS Group Holding Public Company Limited ²	789,150,660.00	14.58
4	Thai NVDR	688,558,834.00	12.72
5	Plan B Media Public Company Limited ³	540,000,000.00	9.98
6	Mr.Worrawut Achariyasripong	79,263,100.00	1.46
7	Mr.Noppadon Tansalarak	67,453,899.00	1.25
8	Mr.Wattana Charoennavarat	36,640,000.00	0.68
9	Mrs.Duangporn Kositsakul	31,980,000.00	0.59
10	Miss Pornrat Maneerattanaporn	31,800,000.00	0.59
	Total	4,785,714,089.00	88.43

Remark :

¹ VGI Global Media Public Company Limited which holds 26.55% of shares, is a listed company on the Stock Exchange of Thailand operating outdoor advertising media and digital services, with the major shareholders being Bangkok Mass Transit System Company Limited holding 3,854,351,500 shares or accounting for 45.02% shareholding and BTS Group Holdings Public Company Limited which holds 1,816,739,640 shares, or accounting for 21.22% shareholding (information as of July 19, 2019).

² BTS Group Holdings Public Company Limited, a 14.58% shareholder, is a listed company on the Stock Exchange of Thailand, operating 4 main businesses which are (1) Mass Transit Business (BTS sky train and BRT special buses) (2) Advertising media (3) Real estate business and (4) Service business. The main shareholders are Mr. Keeree Kanjanapas holding 2,058,441,052 shares or representing 15.65%, Mr. Kawin Kanjanapas holds 602,705,195 shares or 4.58% (as of April 22, 2020).

³ Plan B Media Public Company Limited, which holds 9.98% shares, is a listed company in the Stock Exchange of Thailand, providing services and producing outdoor advertising media that is divided into 7 main businesses, namely, (1) Transit Media (2) Classic Media (3) Dynamic Media (4) Advertising within department stores (Retail Media) (5) Airport Media (6) Online Media and (7) Engagement Marketing. The major shareholders are Mr. Palin Lojanakosin, holding 974,068,100 shares, representing 25.09% and VGI Global Media Public Company Limited holding 732,234,105 shares or 18.86%. (Information as of March 13, 2020)

Other Securities Issued

The Extraordinary General Meeting of shareholders No. 1/2018 on July 18, 2018 has approved the issue of Warrants to Purchase Newly Issued Ordinary Shares of Master Ad Public Company Limited (the “MACO-W2 Warrants”). The details as follows.

Name of warrants	:	Warrants to purchase the newly issued ordinary shares of Master Ad Public Company Limited No.2 (MACO-W2)
Allocation method	:	Issue and allocate to existing shareholders of the Company who subscribe and being allocated newly issued shares, at the allocation ration of 1 newly issued ordinary shares for 2 units of Warrants. The Company will determine the date for determining the names of shareholders who shall be entitled to subscribe for the newly issued ordinary shares and the MACO-W2 Warrants (Record Date) on July 26, 2018.
Number of warrants issued and allocated	:	Up to 1,375,564,146 Units
Numbers of ordinary shares reserved to accommodate the exercise of the Warrants	:	1,375,564,146 shares, with a par value of THB 0.10 per share, equivalent to 40 percent of the total issued ordinary shares of the Company.
the number of ordinary shares outstanding	:	1,375,542,814 Shares with a par value of THB 0.10 per share
Term of warrants	:	3 years from from the issuance date. The Company shall not extend the term of the Warrants after the issuance.
Offering Price	:	THB 0 per unit
Issuance date	:	30 August 2018
Trading Date	:	14 September 2018
Expiration Date	:	27 August 2021
Exercise ratio	:	1 unit of Warrants for 1 ordinary share, unless the exercise ratio is adjusted otherwise pursuant to the conditions concerning the rights adjustment.
Exercise price	:	THB 2.10 per share, unless the exercise price is adjusted otherwise pursuant to the conditions concerning the rights adjustment
Exercise period	:	<p>The warrant holders shall be entitled to exercise their rights under the Warrants to purchase the newly issued ordinary shares of the Company on the last Business Day of every quarter of each calendar year (i.e. the last Business Day of March, June, September and December) after the 2nd anniversary from the issuance date (the “Exercise Date”). The first Exercise Date will be on Wednesday, September 30, 2020.</p> <p>The Warrants remaining from the exercise of rights or not being exercised on the Exercise Date may be accumulated so that they can be exercised on the next Exercise Date for the entirety of the warrant term. However, upon the end of the term of the Warrants, all of the Warrants that have not been exercised shall be cancelled and terminated.</p> <p>The last Exercise Date will be the date of the 3rd anniversary from the issuance date.</p> <p>In the event that the last Exercise Date is not a Business Day, the Exercise Date shall be postponed to the next Business Day</p>

<p>Period for serving a notice of intention to exercise the Warrants :</p>	<p>The warrant holders who wish to exercise their rights to purchase the newly issued ordinary shares of the Company shall deliver a notification of intention to exercise the Warrants during 8.30 a.m. until 3.30 p.m. within the period of 5 Business Days prior to each Exercise Date, save for the last Exercise Date in which the notification of intention to exercise the Warrants shall be delivered within the period of 15 Business Days prior to the last Exercise Date.</p>
<p>Irrevocability of notice of intention to exercise the Warrants :</p>	<p>The intention to exercise the Warrants shall be irrevocable upon the notification of intention to exercise the Warrants is served</p>
<p>Secondary market for the Warrants :</p>	<p>The Company will file the application for listing the Warrants on the Stock Exchange of Thailand as the listed securities.</p>
<p>Conditions of the Adjustment of Rights under the Warrants :</p>	<p>In order for the adjustment to be made for the purpose of preserving the interests of the Warrant Holders and not to be less favorable than those currently available to them, the Company shall adjust the exercise price and/or the exercise ratio to purchase the Company's newly issued ordinary shares at any time throughout the term of the Warrants, if any of the events set out below occur:</p> <ol style="list-style-type: none"> 1. In case of a change in par value of the Company's ordinary share as a result of a combination or split of shares, the adjustment of exercise price and exercise ratio shall become effective immediately once the change in the par value of the Company's 2. In case the Company issues and offers newly issued ordinary shares to its existing shareholders and/or to the public and/or to specific investors at the "net price per share of the company's newly issued ordinary shares" below 90 (ninety) percent of the "market price per share of the company's ordinary shares". 3. In case the Company offers any new securities to its existing shareholders and/or to the public offering and/or to specific investors through private placement and such securities are entitled to convert/change to ordinary shares or the rights to purchase the ordinary shares (the "newly issued securities with convertible rights"), such as convertible debentures or warrants to purchase the ordinary shares, at the "net price per share of the newly issued ordinary shares reserved for the exercise" of such rights below 90 (ninety) percent of the "market price per share of the company's ordinary shares". 4. In case the Company declares dividend payment, in the form of stock dividend, whether in whole or in part, to its shareholders, 5. In the event that the Company distributes dividends in cash in excess of 90 (ninety) percent of the Company's net profit according to the consolidated financial statements of the Company (which has been reviewed) after the deduction of the net loss, legal reserve, minority shareholders' equity and income tax from the operating results in any relevant fiscal year during the term of the Warrants. 6. In any event causing the Warrant Holders to lose their acquirable rights and interest other than those stated in Clauses 1 – 5, the Company may consider the adjustment of the new exercise price and/or the exercise ratio (or adjustment of the number of the units of the Warrants in lieu of the exercise ratio) in a fair manner and not to be less favorable than those currently available to them.

2.6 Dividend Payment Policy of MACO

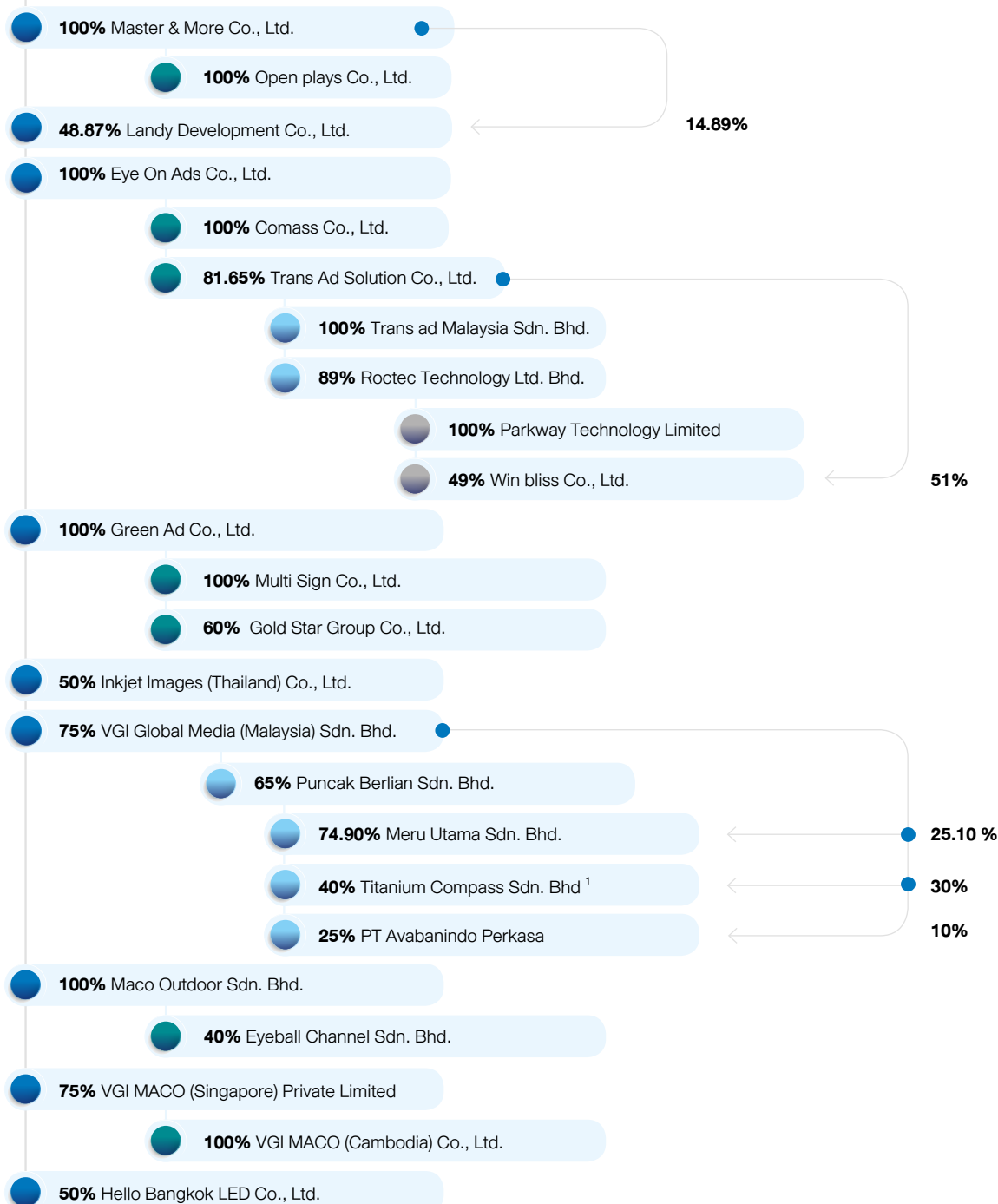
The company establishes dividend payment policy to the shareholders at the rate of not less than 50% of net profit after corporate income tax and legal reserves. However, this depends significantly on the economic status and future operations as well.

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 future operations as well.

2.7 Corporate Structure

Master Ad Public Company Limited



¹ At present, VGI and Puncak Berlian Sdn.Bhd. (PBSB) hold 19% of Titanium Compass Sdn. Bhd (TCSB) and 51% of the total issued shares of TCSB, respectively. The holding of PBSB in TCSB 11% of the total issued shares of TCSB is a holding and for the benefit of VGI Malaysia Sdn. Bhd. (VGM) under the Declaration of Trust Agreement between PBSB and VGI dated December 28, 2017, since PBSB was not yet able to transfer the said shares to VGM under the terms of the concession agreement.

2.8 Subsidiaries and Associated Companies Information as of March 31, 2020

	Juristic Person/Place of Business	Business	Paidup Capital	Class of Shares	Shareholding (Percent)
1	Master and More Co., Ltd. Kaow pullsup Building 1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900 Tel.+6629383388 Fax.+6602938 3486-7	Provide advertising media and Production services of small format	THB 20,000,000 (par value of THB 10 per share)	Ordinary Shares	100
2	Eye on Ads Co., Ltd. 28/43-45 Vipavadee-Rangsit Road, Lardyaow, Chatuchak Bangkok 10900 Tel.+6629383388 Fax.+6602938 3486-7	Provide advertising media and Production service of small format, and digital billboard	THB 393,000,000 (par value of THB 10 per share)	Ordinary Shares	100
3	Green Ad Co., Ltd. Kaow pullsup Building 6 th Floor, 1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900 Tel.+6629383388 Fax.+6602938 3486-7	Provide advertising media	THB 800,000,000 (par value of THB 5 per share)	Ordinary Shares	100
4	Landy Development Co., Ltd. Kaow pullsup Building 1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900 Tel.+6629389388	Office Building for Rent	THB 40,000,000 (par value of THB 10 per share)	Ordinary Shares	63.76 (48.87 percent held by the Company and 14.89 percent held by Master and More Co., Ltd.)
5	Inkjet Images (Thailand) Co., Ltd. 28/43-45 Vipavadee-Rangsit Road, Lardyaow, Chatuchak Bangkok 10900 Tel.+66293633 Fax.+36629363	Provides production of inkjet media	THB 6,000,000 (par value of THB 10 per share)	Ordinary Shares	50
6	Open Play Co., Ltd. Kaow pullsup Building 1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900	Provide advertising media and production services	THB 5,000,000 (par value of THB 100 per share)	Ordinary Shares	100 (held by Master and More Co., Ltd.)

	Juristic Person/Place of Business	Business	Paidup Capital	Class of Shares	Shareholding (Percent)
7	Multi Sign Co., Ltd. Kaow pullsup Building 6 th Floor,1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900	Provide out-of-home advertising media across all provinces of Thailand	THB 14,000,000 (par value of THB 100 per share)	Ordinary Shares	100 (held by Green Ad Co., Ltd.)
8	Comass Co., Ltd. Kaow pullsup Building 6 th Floor,1, Soi Ladprao 19, Ladprao Road, Chomphon, Chatuchak Bangkok 10900 Tel.+6629383388 Fax.+6602938 3486-7	Provide out-of-home advertising media in both digital and static format. Comass's network is located in business areas of Bangkok and upcountry	THB 5,625,000 (par value of THB 100 per share)	Ordinary Shares	100 (held by Eye on Ads Co., Ltd.)
9	Trans.Ad Solution Co., Ltd. 349, SJ Infinite One Business Complex, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900	Integrated service provider for multimedia display system, such as LED monitors, including media content controlling and managing systems, linkage for installation of data command and collection systems as well as closed circuit television systems, design and develop application for indoor map and Bluetooth transmitter system for advertisement	THB 49,046,400 (par value of THB 100 per share)	Ordinary Shares	81.65 (held by Eye on Ads Co., Ltd.)
10	Winbliss System Co., Ltd. 21 Wangdek 1 A, 8 th Floor, Soi Yasoob 1, Viphavadee-rangsit Road, Chomphon, Chatuchak, Bangkok	Provision of total solutions for system integration services, maintenance services, and trading of networking related equipment and hardware	THB 2,000,000 (par value of THB 10 per share)	98,000 Ordinary Shares and 102,000 Preferred Shares	77.25 (51 percent held by Trans. Ad Solution Co., Ltd. and 49 percent held by Roctec Tech nology Limited)
11	Gold Star Group Company Limited 33,35 Soi Inthamara 40, Ratchadaphisek, Din Daeng, Bangkok	Design, produce and produce made to order of all types of printing media and/or advertising media	THB 50,000,000 (par value of THB 10 per share)	Ordinary Shares	60 (Held by Green Ad Co., Ltd. and Eye on Ads Co., Ltd.)

	Juristic Person/Place of Business	Business	Paidup Capital	Class of Shares	Shareholding (Percent)
12	Hello Bangkok LED Co., Ltd. 59 Soi Preeyanuch, Rama 9 Road, Bangkapi Sub-District, Huaykwang District, Bangkok	Static billboard and digital LED advertising media business	THB 100,000,000 (par value of THB 100 per share)	Ordinary Shares	50
13	MACO Outdoor Sdn. Bhd. No.52, 1 st Floor, Jalan SS 21/58 Taipan Damansara 47400 Petaling Jaya Selangor MALAYSIA	Holding Company in Malaysia	MYR 200,000 (par value of MYR 1 per share)	Ordinary Shares	100
14	Eyeball Channel Sdn. Bhd. G-1-11, Jalan PJU 1A/3 Taipan Damasara 47301 Petaling Jaya Selangor MALAYSIA	Provide out-of-home advertising media and production services in Malaysia	MYR 500,000 (par value of MYR 1 per share)	Ordinary Shares	40 (Held by MACO Outdoor Sdn. Bhd.)
15	Trans Ad Malaysia Sdn. Bhd Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Provide service of designing and installation of Multimedia Display System such as LED screens including the content control system and media management, together with the installation of connection system for commanding and record via internet and CCTV System. Design and create the application for indoor map and bluetooth transmission for advertisement.	MYR 500,000 (par value of MYR 100 per share)	Ordinary Shares	81.65 (100 percent Held by Trans. Ad Solution Co., Ltd.)
16	Roctec Technology Limited Room 1502-4, Kodak House II, 321 Java Road, North Point, Hong Kong Island, Hong Kong	Provision of system integration services, trading, installing and maintenance services in relation to system related equipment and hardware by focusing on controlling system, networking and display	HKD 21,510,000	Ordinary Shares	72.67 (89 percent Held by Trans.Ad Solution Co., Ltd.)
17	Parkway Technology Limited Room 1502-4, Kodak House II, 321 Java Road, North Point, Hong Kong Island, Hong Kong	Information Technology Services (However, Parkway Tec currently does not operation any business.)	HKD 2	Ordinary Shares	72.67 (89 percent Held by Roctec Technology Limited)

	Juristic Person/Place of Business	Business	Paidup Capital	Class of Shares	Shareholding (Percent)
18	VGI Global Media (Malaysia) Sdn. Bhd. ("VGM") Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Investment in other company securities (Holding Company)	MYR 41,775,437 (par value of MYR 1 per share)	Ordinary Shares	75
19	Puncak Berlian Sdn. Bhd. ("PBSB") Unit C508 Block C, Kelana Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, selangor Darul Ehsan, Malaysia.	Investment in other company shares (Holding Company)	MYR 17,125,105 (par value of MYR 1 per share)	Ordinary Shares	48.75 (65 percent Held by VGI Malaysia Sdn.Bhd.)
20	Meru Utama Sdn. Bhd. ("MUSB") 8 th floor, Menara Manulife No.6, Jalan Gelenggang Damansara Heights 50490 Kuala Lumpur W.P. Kuala Lumpur, Malaysia	Operating an advertising media in Malaysia as the holder of concession management of advertising media in the Kuala Lumpur Airport.	MYR 1,100,000 (par value of MYR 1 per share)	Ordinary Shares	55.34 (25.10 percent held by VGI Malaysia Sdn Bhd. and 74.90 percent held by Puncak Berlian Sdn.Bhd.)
21	Titanium Compass Sdn. Bhd. ("TCSB") Unit C508 Block C, Kelana Square, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, selangor Darul Ehsan, Malaysia. Tel: +60 3780 51817 Fax: +60 3780 41316	Operating an advertising media business in Malaysia by holding concessions for managing advertising media in mass transportation systems, the MRT Sungai Buloh-Kajang Line (SBK line).	MYR 1,000,000 (par value of MYR 1 per share)	Ordinary Shares	24.86 (30 percent held by VGI Malaysia Sdn.Bhd. and 40 percent held by Puncak Berlian Sdn.Bhd.)
22	PT Avabanindo Pekasa ("AVA") Menara Imperium 19 th Floor, Metropolitan Kuningan Super Blok Kav No.1, J1 HR Rasuna Said, Jakarta 12890 Indonesia	Operating an advertising media business in Indonesia as the advertising media executive within the Jakarta mass transit system. (MRT Jakarta Phase 1)	IDR 40,000,000,000	Ordinary Shares	19.69 (10 percent held by VGI Malaysia Sdn. Bhd. and 25 percent held by Puncak Berlian Sdn.Bhd.)
23	VGI MACO (Singapore) Private Limited 50 Raffles Place #17-01 Singapore Land Tower Singapore C048623	Investment in advertising media business in ASEAN	SGD 100 (par value of SGD 1 per share)	Ordinary Shares	75
24	VGI MACO (Cambodia) Co., Ltd. No.30, Norodom Boulevard, Bred Bank Building, 4 th floor, Sangkat Phsar Thmey 3, Khan Duan Penh, Phnom Penh, Kingdom of Cambodia.	Manage advertising media operations management of advertising media In the 3 airports in Cambodia 1. Phnom Penh Airport 2. Siemreap Airport 3. Sihahoukville Airport	1,000 USD (par value of USD 1 per share)	Ordinary Shares	75 (100 percent Held by VGI MACO (Singapore)Private Limited)

1 present, VGI and Puncak Berlian Sdn.Bhd. (PBSB) hold 19% of Titanium Compass Sdn. Bhd (TCSB) and 51% of the total issued shares of TCSB, respectively. The holding of PBSB in TCSB 11% of the total issued shares of TCSB is a holding and for the benefit of VGI Malaysia Sdn. Bhd. (VGM) under the Declaration of Trust Agreement between PBSB and VGI dated December 28, 2017, since PBSB was not yet able to transfer the said shares to VGM under the terms of the concession agreement.

3

- Overview of the Advertising Media
- Risk Factors
- Social, Community and Environment Responsibility for Sustainable Growth
- Management Discussion and Analysis 3M 2020



UKURAN BAGASI BAGGAGE SIZE			
56cm	36cm	23cm	
22in	14in	9in	

3.1 Overview of the advertising media industry and the competitive the strategy of the company



1. Advertising media industry and future trends

In the 1st quarter of 2020, the National Economic and Social Development Board reported an overview of Thai economy (“GDP”) at a contraction of -1.8%, mainly due to the pandemic of COVID-19, which began at the beginning of 2020. The pandemic has a severe impact on economic activity in all sector and trade around the world. However, media spending¹ is still increased by 1.2% from the same period of the previous year to THB 28,679mn. Due to the government social distancing measure, many organizations intend to reduce the risk for their employees by applying work-from-home policy resulting in spending increase in online and television media by 23.0% and 2.0% to THB 5,547mn and THB 16,536mn, respectively. While traditional media (Newspaper, magazine and radio), media in cinema and Out-of-Home media were negatively impacted by 23.4%, 14.7% and 5.1% to THB 1,899mn, THB 1,422mn and THB 3,293mn, respectively.

For the Thai economy trend in 2020, the Bank of Thailand estimates that this year GDP will contract at -8.1%² down from the previous estimate of -5.3%. It is the lowest estimate since the Tom Yum Kung crisis in 1997, due to the reduction in the purchasing power of household and business sectors, which directly affects the domestic spending. The export and tourism sectors are under pressure from the global economic downturn and travel restriction measures from the pandemic of COVID-19. Although the government has begun to relax its control measures, Thai economy still faces high uncertainty because the outbreak of COVID-19 is still severe in many countries, causing the opening of Thailand international border is limited. Accordingly, expectation of media spending in 2020 is THB 116,796mn³, down 4.4% from the previous year. Traditional Advertising Media (newspapers, magazines and radio), Media in Cinema, Out-of-Home Media and Television

¹ The Nielsen Company (Thailand) Limited and the Digital Advertising Association (Thailand)

² Bank of Thailand

³ Media Agency Association of Thailand

Media contract by 19.9%, 10.0%, 6.1% and 5.3% respectively, as COVID-19 pandemic is still widely spread. On the other hand, Online Media continues to grow at 12.2% as advertisers and marketers shift their attention to online advertising increasingly. Although Out-of-Home Media is expected to decrease, when the situation returns to normal, Out-of-Home Media will still be a media that can create product awareness to consumers effectively. Additionally, Out-of-Home advertising media is the media that has the highest rate of interactive use with Online Media. The combination of these two media has proven to help advertising and marketing reach the target group more efficiently and specifically than traditional media.

2. Competitive Strategies

Developing the guideline for business conduct and corporate strategy is a core value and an integral part of the Company. In order to sustain our competitive edge in the rapid changing industry, the board of directors and executive management has regularly conducted meetings to ensure the Company had good and efficient operations and management processes in accordance with the principle of good corporate governance. The Company focuses on the following approaches to increase our competitiveness:

2.1 Finding the potential location to install media

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

2.2 Digitalisation

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

2.3 Incorporating technology to increase media effectiveness

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

Currently, the Company has incorporated some technologies that integrated offline and online platforms to create interaction between our media and targeted audience such as Beacon technology and Geo-fencing technology.

2.4 Expanding media networks in the international market

From the past, the advertising media industry in Thailand was unable to respond to the Company's increasing potential. MACO, therefore, has expanded its media network to neighboring countries by adopting VGI's out-of-home media business model, such as managing advertising media in Malaysia and Indonesia under a long-term concession, and becomes the only one that has the rights in the mobile media space on MRT SBK line, MRT Jakarta Red Line, and media at Kuala Lumpur International Airport. The expansion of MACO's media network will continue in Vietnam and neighboring countries so that MACO's media will cover all areas and become a leader in the ASEAN region.

2.5 Assigning a company with expertise in selling out-of-home media to handle the domestic sales and marketing for the Company

As consumers now have more choices, whether online media or other new media, resulting in high competition in the advertising media industry as a whole. The Company has entered into a contract for the management of domestic advertising media with Plan B Media Public Company Limited, which, not only to expand our media services to be more extensive, but it also reduces the cost of business integration and creates investment and development opportunities in new potential businesses. The Company foresees that our advertising media market can be improved through the process of cooperation, using the strengths of each party to develop, create, and increase more benefits for customers.

2.6 Focusing on developing the quality of product and services and building a relationship with customers

Our priority is to develop long-term trust-based relationships and we believe that that quality of work can build trust with clients and encourage a customer to make repeat purchases. With the collaboration work within the group, the Company is able to control the entire advertising production process by ourselves more closely. In some workpieces, we have to hire other companies to do a special production for us. However, the Company has its own advertising production department who is responsible for controlling the quality of work both in terms of color and design, to provide the maximum satisfaction to customer and ensure all of work quality matching with customer's requirement.

Apart from providing fast, quality service and custom-made order, the Company has also maintained a good relationship with the customer by arranging activities to enhance brand awareness and be the first potential company in customers' mind when they need a particular product or service.

2.7 Partnering with experienced partnerships

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

1) VGI Global Media Public Co., Ltd. ("VGI") VGI became the majority shareholder of the Company since 2016. As of March 31, 2020 VGI holds 1,438mn shares or 26.6% of total shares of the Company. VGI is leading Out of home media operator offering a fully integrated media platform including transit media, office building media, outdoor media (operating through MACO), Aviation media, digital services, and demonstration business. The consolidation between MACO and VGI allows them to share skills and knowledge to each other. Over the past years, MACO and VGI has initiated the collaboration between each other including 1) MACO has appointed VGI as an advertising agency for MACO' street furniture media since 2015 2) MACO and VGI has coordinated on strategy planning both the corporate level and operational level, and 3) MACO and VGI has shared knowledge in terms of selling and marketing to each other.

Furthermore, MACO has partnered with Rabbit Group, one of VGI's subsidiaries, operating a lifestyle solution company that offers offline and online services. Rabbit group has an extensive database with more than 30.0mn data points and also data analytics capability that can deliver targeted advertisements to the consumers and provide greater value through brands.



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

2) Plan B Media Public Company Limited ("PlanB") On January 30, 2020, PlanB became an important business partner and a major institutional shareholder of the Company after VGI, with a total of 1,080mn shares representing 19.96% of the Company's total shares. PlanB is considered a leader in the out-of-home media industry with a variety of media types covering Bangkok and throughout Thailand. Apart from out-of-home media, PlanB has also developed engagement marketing through 3 types of quality content: sports, music, and e-sports, which helps to promote and expand the out-of-home media with a higher media usage rate. From the collaboration of the two companies, PlanB has entered into a management contract for all domestic media of the MACO Group with a contract term of 5 years. PlanB will have the right to manage, sell and market all of the out-of-home media in Thailand and agrees to pay the minimum compensation to MACO in the amount of THB 700mn each year.

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

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

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

3.2 Risk Factor



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

The Risks to Business Operation of the Company

1. Risk due to an economic slowdown

There have been many material events which are considered as significant negative factors to the macroeconomy. As a result of external and internal factors, the economic growth (GDP) is affected to be greatly reduced. The factors include uncertainty in the direction of trade barriers, appreciation of Thai baht, a slowdown in private investment, a high level of household and Industrial debt, limitation of export from highly uncertain growth, the impact of world disruption from technology, and most importantly, the aggravation of the pandemic of a new strain of coronavirus (COVID-19). The new virus strain (COVID-19) is considered as a severe crisis to the economy and society of Thailand and the world like never before, highly affecting the business operation and employment of the private sector related to tourism. The number of tourists has decreased. Spending power is reduced by these factors, causing the economic growth to be limited and affecting the income and revenue of many businesses. There has been a slowdown in the use of advertising media and entrepreneurs must effectively use the advertising media budgets to maximize value, which is a great challenge.

Due to the economic downturn and the crisis of the new virus strain (COVID-19), the Company believes that it will inevitably affects all business operations. Although the company currently has diversified by expanding the business and operation to Southeast Asia countries including Malaysia, Singapore, Indonesia, and Vietnam, but those countries are also affected by the spread of COVID-19 as well. The company is aware of the problem and the impact on the businesses, therefore, the Company has imposed internal management measures to manage cost and expense control in various areas and delay unnecessary investment to maintain cash and liquidity to minimize the impact on the company. For domestic business, in 2020, the company became a business partner with Plan B Media Public Company Limited ("PlanB"), the leading outdoor advertising media company in Thailand and appoint PlanB to manage all marketing and sales of out-of-home media in Thailand. The company is confident that being a business partner with PlanB will help driving sales management of the company's advertising media in Thailand more efficiently, which will allow the company

to focus on expansion to the international market with full capability. All strategies are planned to build a solid foundation for the Company, promoting operations with potential, answering all customer needs, and being ready to step forwards with stable and sustainable growth. And having new media that attracts customers' attention also helps stimulate the sharing of budgets from other media to use the Company's advertising media continuously, resulting in the Company's sale target increase compared to the previous year. The Company was also able to reduce the risk of liquidity management regarding debts from customers. As can be seen from the previous year, the amount of outstanding receivables or the provision for the debt of the Company does not increase at all. Debtors can still pay the debt to the Company in time and the Company is also able to manage client accounts efficiently.

2. Legal risks associated with billboards and accidents that might occur

The Company has paid attention to the regulation of billboards and maintains the policy to build a billboard only when it is authorized. The Company also has a working group to monitor the laws continuously. The Company has carried out with the risk management of the billboards by focusing on the design and construction by using qualified engineers. The company has also carried out the inspection of the building structure and billboards by the companies registered with the Department of Public Works and Town Planning to inspect and certify all the billboards and get the certificate of building inspection (Form R.1) as well as coordinating with the Billboard Association to ensure the stability of all the billboard structures. And to reduce the chance of damages caused by accidents, the Company has also insured against the property and outsiders as well.

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

In 2019-2020, the advertising budget for the digital and online advertising has been rising steadily due to the trend of consumer behavior in the digital age has drastically changed from the past. Digital, online, and internet media has played a greater role in consumer behavior and at the same time the consumer has also turned to such media as well because

such media is interesting, visually appealing and can quickly respond to customer needs and access to all target groups. Also, digital media can provide its value for money in advertising goods and services to business operators. In the past, the Company had a large number of Static Billboards but at present the Company has planned to develop existing media and add new digital media which is more attractive to the eyes of the passers-by including CBD-LED media which covers major cities, main intersections and communities. The Company has expanded media network in street furniture on pillars of the BTS sky train with rights to improve the image of the existing media which are static media. The Company has changed those static medias to 180 lightbox billboards and 42 digital media screens in order to increase the capability in presenting advertising media creatively and modernly to catch more audience eyes and answer effectively to a marketer ideas. The Company expects that, with the potential of the media, street furniture will certainly increase additional income to the company in the future. Both CBD-LED media and O2O media have made the campaign more attractive and reach the target audience beyond expectation and have been well received by the customers. Therefore, the Company is confident that its digital media will generate very good revenue for the Company in the future.

4. Risk of being unable to renew the governmental concession and the private space lease contract

The main factor for the Company's business operation is the installation areas for advertising media that are obtained from the concession contract with the government and the rental contract with the private owners. Because the Company shall have the obligation as specified in those contracts, the Company is at risk if it cannot renew the leased area or in the case of termination. If the lessor needs to use the leased premises, the Company's ability to earn the revenue and its future financial status would be affected.

Over the years, the Company has complied with the terms of the agreement with the counterparty as well as being cautious in using the area to prevent problems and solved the problems promptly in case of force majeure. Therefore, the Company has a good relationship with the owner of the concession/rental area and the contracts have always been renewed accordingly.



3.3 Social, Community and Environment Responsibility for Sustainable Growth



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

This is another year that the Company has prepared the “Sustainability Report 2019” in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) Version 4 to communicate the Company’s policy and performance in social, community and environmental responsibility through economic, social and environmental aspects between 1 January 2019 and 31 March 2020. For more information, please refer to the Sustainability Report 2019, which is published on the Company’s website at [https://www.masterad.com/Inverstor relations](https://www.masterad.com/Inverstor%20relations)

3.4 Management Discussion and Analysis 3M 2020

For the 3-month ended March 2020 (3M 2020)

3M 2020 CONSOLIDATED P&L SNAPSHOT

THB (mn)	3M 2019	3M 2020	YoY (%)
Operating revenue	710	612	-13.7%
Cost of sales	466	465	0.0%
Gross profit	244	147	-39.9%
SG&A	152	431	184.0%
SG&A (excl. non-recurring expenses)	152	209	38.0%
EBITDA	115	(68)	-159.4%
Adjusted EBITDA*	115	153	33.0%
Net profit (loss) (excl. minority interest)	40	(129)	-417.5%
Net profit from operation**	40	51	25.0%

Gross profit margin	34.4%	24.0%	
EBITDA margin	16.2%	-11.2%	
Adjusted EBITDA margin	16.2%	25.0%	
NPAT margin (excl. minority interest)	5.7%	-21.0%	
NPAT margin from operation	5.7%	8.3%	

* Adjusted EBITDA was excluded non-recurring expenses from impairment of assets and loss on disposal/write-off of assets of THB 222mn

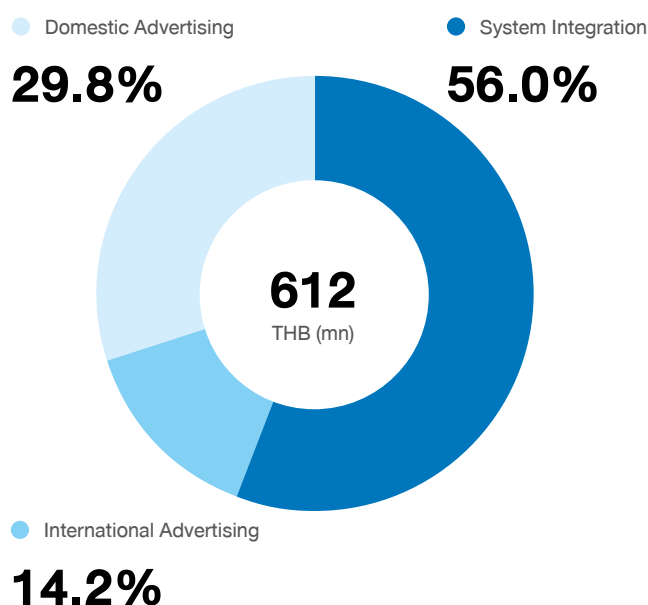
** Net profit from operation was the net profit attributable to equity owner of the Company and excludes non-recurring expenses of THB 180mn

3M 2020 PERFORMANCE ANALYSIS (YOY)

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

Revenue contribution

Advertising 44.0%



During 3M 2020, MACO recorded an **operating revenue** of THB 612mn, a decrease of 13.7% from THB 710mn in 3M 2019. The decrease was mainly affected by the economic slowdown as a result of the COVID-19 pandemic, which started in early 2020. **Advertising business revenue** increased by 3.1% YoY, a contribution of 44.0% of total revenue or THB 270mn. The growth in this business unit was mainly driven by full-quarter

consolidation of International Advertising operated by VGI Global Media (Malaysia) Sdn. Bhd. (“VGM”), which started in July 2019. **System Integration revenue** contributed 56.0% of total revenue or THB 343mn, decreased by 23.6% YoY. This was resulted from less revenue recognition from project management due to the aforementioned COVID-19 crisis.

Revenue by segment (THB mn)

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

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

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

In 3M 2020, the Company recorded net loss from one-time expenses of THB 180mn from 1) impairment of assets, 2) loss on disposals/write-off of assets and 3) an adoption of

new accounting standard (TFRS 16). This consequently led to the record of net loss of THB 129mn, a decrease of 417.5% YoY. Excluding the one-time expenses, the Company recorded **Net Profit from operation** of THB 51mn, an increase of 25.0% YoY.

FINANCIAL POSITION

From 1 January 2020, the Company has adopted the Thai Financial Reporting Standards (TFRS) 16 – Leases for its financial statement reporting for the first time. Under this new accounting standard, the Company is required to record lease contract which has outstanding period of more than 12 months in the financial statements. The affected lease contracts related to the lease of space of advertising, office building space, motor vehicles and equipment.

The Company has assessed the effect from the adoption of TFRS 16 to operating performance, as shown in below table.

IMPACTS FROM TFRS 16 IN 3M 2020	THB mn
Assets	2,233
Liabilities	2,198
Shareholders’ Equity	35

ASSETS

ASSETS BREAKDOWN	31 DECEMBER 2019		31 MARCH 2020	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and current investments	740	15.2%	1,216	13.2%
Trade & other receivables	847	17.4%	641	7.0%
Investment in joint venture and associates	181	3.7%	2,130	23.2%
Property, plant and equipment	931	19.1%	877	9.5%
Right-of-use assets	-	-	2,233	24.3%
Goodwill and Intangible assets	1,568	32.2%	1,467	16.0%
Other assets	608	12.5%	623	6.8%
Total assets	4,875	100.0%	9,187	100.0%

Total assets as of 31 March 2020 was reported at THB 9,187mn, an increase of THB 4,312mn or 88.4% from THB 4,875mn as of 31 December 2019. **Total current assets** were THB 2,221mn, which rose by 13.4% or THB 262mn. This was primarily attributable to an increase in 1) cash & cash equivalents of THB 498mn, which was offset by a decrease in 2) trade & other receivables of THB 206mn. **Total non-current assets** stood at THB 6,966mn, an increase of 138.9% or THB 4,050mn, primarily due to an increase in 1) rights-of-use assets of THB 2,233mn and 2) investment

in Hello Bangkok LED Company Limited (“Hello Bangkok LED”) of THB 1,955mn. The increase was mainly offset by a decrease in 3) intangible assets of THB 113mn.

Trade and other receivables were THB 641mn, a decrease of 24.4% or THB 206mn from THB 847mn as of 31 December 2019. The Company gives 90 days credit terms to customers. The average collection period as at the end of this quarter was 94 days compared to 96 days as of 31 December 2019.

AGEING OF TRADE RECEIVABLES (THB mn)	31 DECEMBER 2019	31 MARCH 2020
Not yet due	322	176
Up to 3 months	223	182
3 - 6 months	50	76
6 - 12 months	33	12
Over 12 months	33	13
Total	661	459
Allowance for doubtful debt	9	31



LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND EQUITY BREAKDOWN	31 DECEMBER 2019		31 MARCH 2020	
	(THB mn)	% out of total	(THB mn)	% out of total
Short term loans	345	7.1%	1,030	11.2%
Trade and other payables	826	16.9%	864	9.4%
Deferred Incomes	184	3.8%	259	2.8%
Other current liabilities	202	4.2%	244	2.7%
Total lease liabilities	-	-	2,198	23.9%
Non-current liabilities	295	6.0%	288	3.1%
Total liabilities	1,852	38.0%	4,883	53.2%
Shareholders' equity	3,023	62.0%	4,304	46.8%
Total liabilities and equity	4,875	100.0%	9,187	100.0%

Total liabilities were THB 4,883mn, increasing by 163.7% or THB 3,031mn from THB 1,852mn as of 31 December 2019 mainly from 1) total lease liabilities of THB 2,198mn, 2) short-term loans financial institutions of THB 685mn, 3) deferred incomes of THB 75mn, 4) trade and other payables of THB 39mn and 5) other current liabilities of THB 40mn.

Total equity was THB 4,304mn rose by THB 1,281mn or 42.4%. This was attributed to an increase in premium on shares of THB 1,438mn, which was from the issuance of newly ordinary shares to PlanB of 1,080mn shares, amounting to THB 1,546mn. As of 31 March 2020, total equity included with equity attributable to owners of the Company of THB 4,090mn and non-controlling interests of the subsidiaries of THB 214mn.

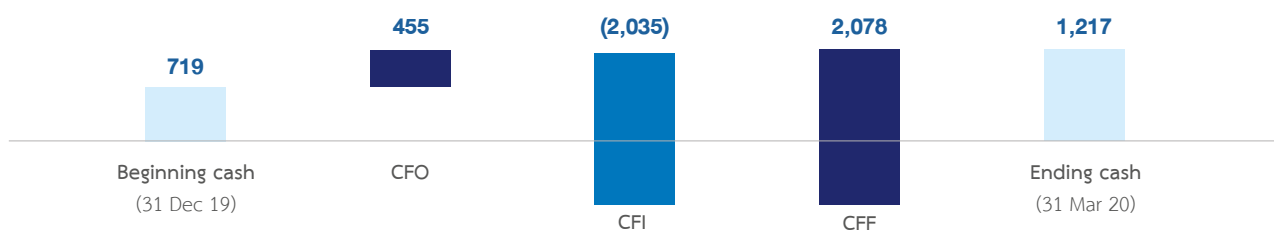
CASH FLOW

As of 31 March 2020, the Company had **net cash from operating activities** of THB 455mn. **Net cash used in investing activities** was THB 2,035mn, mainly from cash paid for 1) cash paid for purchase of investment in Hello Bangkok LED of THB 1,950mn and 2) acquisitions of equipment of THB 103mn. **Net cash received from financing activities**

was THB 2,078mn. The key components are cash received from 1) net cash received from an issuance of newly ordinary shares to PlanB of THB 1,545mn and 2) increase in short-term loans from financial institutions of THB 685mn. However, the increase was partially offset by cash paid for 3) lease liabilities of THB 162mn.

12-MONTH CASH FLOW SNAPSHOT

(THB mn)



KEY FINANCIAL RATIOS

		3M 2019	3M 2020			31-Dec 2019	31-Mar 2020
Profitability Ratios				Liquidity Ratios			
Gross profit ¹	(%)	33.7%	24.0%	Current ratio	(times)	1.3	0.8
Operating EBITDA	(%)	16.2%	-11.2%	Quick ratio ⁶	(times)	1.2	0.8
Net profit (incl. minority interest)	(%)	6.9%	-33.4%	Account receivable turnover	(times)	3.8	4.0
Net profit ²	(%)	5.7%	-21.0%	Average collection period ⁷	(days)	96	94
Return on equity ³	(%)	11.8%	-0.2%	Payable days	(days)	126	143
Efficiency Ratios				Efficiency Ratios			
Return on assets ⁴	(%)	10.3%	-1.5%	Liability to Equity	(times)	0.6	1.1
Return on fixed assets ⁵	(%)	50.3%	-12.3%	Debt to equity	(times)	0.2	0.3
Asset turnover	(times)	0.7	0.4				

¹ Calculated from operating revenue

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

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

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

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

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

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

2019/20 CONSOLIDATED P&L SNAPSHOT (UNAUDITED)

THB (mn)	2018/19	2019/20	YoY (%)
Operating revenue	2,129	2,856	34.2%
Cost of sales	1,257	1,901	51.2%
Gross profit	872	955	9.5%
SG&A	527	1,094	107.6%
SG&A (excl. non-recurring expenses)	527	872	65.4%
EBITDA	467	275	-93.6%
Adjusted EBITDA*	467	497	6.4%
Net profit (loss) (excl. minority interest)	260	-9	-103.3%
Net profit from operation**	260	171	-34.2%

Gross profit margin	41.0%	33.4%	
EBITDA margin	21.9%	9.6%	
Adjusted EBITDA margin	21.9%	17.4%	
NPAT margin (excl. minority interest)	12.2%	-0.3%	
NPAT margin from operation	12.2%	6.0%	

* Adjusted EBITDA was excluded non-recurring expenses from impairment of assets and loss on disposal/write-off of assets of THB 222mn

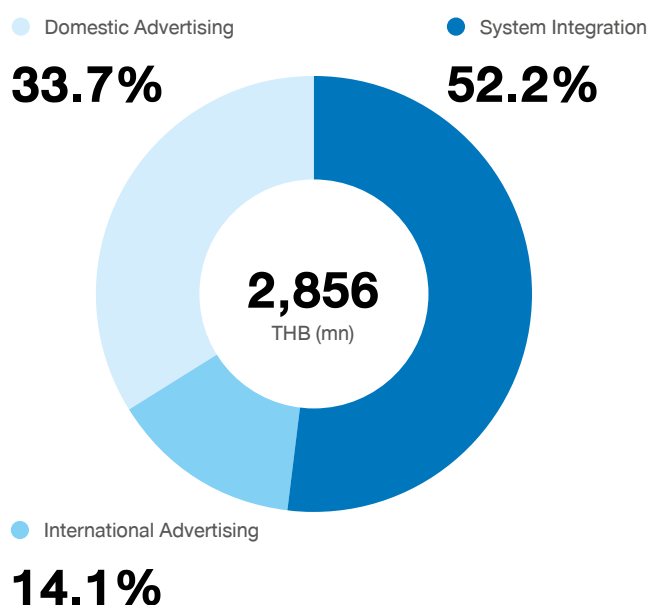
** Net profit from operation was the net profit attributable to equity owner of the Company and excludes non-recurring expenses from loss on impairment & write-off assets THB -174mn and impact from new accounting standard (TFRS 16) THB -6mn

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

In this year, the revenue contribution was divided into 1) Domestic Advertising revenue of 33.7% (or THB 963mn), 2) International Advertising revenue of 14.1% (or THB 403mn) and 3) System Integration revenue of 52.2% (or THB 1,490mn).

Revenue contribution

Advertising 47.8%



Revenue by segment (THB mn)

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

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

Selling, General and Administrative expenses (“SG&A”) increased significantly by 107.6% YoY to THB 1,094mn. The increase was primarily from the non-recurring expenses from impairment of assets and loss on disposals/write-off of assets of THB 222mn, resulted in an increase in SG&A to revenue ratio from 24.8% to 38.3%. However, excluding the aforementioned items, the SG&A from normal operation increased by 65.4% YoY to THB 872mn from THB 527mn. While, SG&A from normal operation to revenue ratio

increased from 24.8% to 30.5% in this year due to the aforementioned consolidation of VGM and Trans.ad Group, including the consolidation of Gold Star Group Co., Ltd., which started in December 2019.

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



MANAGEMENT OUTLOOK

The coronavirus outbreak, which began at the start of 2020, has had an unprecedented impact on the global economy, therefore, this year will be very challenging for all businesses. As for the Thai economy, the Bank of Thailand has projected the GDP growth in 2020 to contract to -8.1% from an earlier forecast of -5.3%, making it the lowest economic growth country among its ASEAN peers, while ASEAN's GDP growth is expected to also contract to 1.0%.¹

For 2020/21, we expect to see a negative impact on our Advertising business both in domestic and international market due to the soft demand from advertisers. System integration business would also affect from an implementation of lock-down measures that restricts an

entering into the work site as well as the postponement of new projects negotiation. Despite an uncertainty outlook as a result of COVID-19 pandemic, MACO will ensure to maintain our leadership in the outdoor advertising network in Thailand through the professional management of PlanB. As for the focal strategy of MACO to explore internationally, the potential investments shall need the postponement, resulting from the enforcement of quarantine measures by each government. Nevertheless, we will continue with the strategic plan to increase overseas coverage in our media portfolio after the situation becomes better.

Lastly, the Company would like to extend our best wishes to everyone as we continue fighting this battle against COVID-19 and hope for the globe to pass through this difficult time.

¹Asian Development Bank

4

- Management Structure
- Corporate Governance Policy
- Nomination and Remuneration of Directors and Executives
- Internal Control and Risk Management
- Related Party Transactions
- Profiles of Directors and Executives
- Information on the Positions of the Director and the Executive in the Company, Subsidiaries and Associates



4.1 Management Structure

Board of Directors

As of May 15, 2020 The Board of Directors consists of 6 members, as follow:

Name of Directors		Position
1	Mr. Phoon Chiong Kit	Authorized Director, Chairman of the Board of Directors, Executive Director
2	Mr. Chaivasit Puvapiromquan	Non Executive Director, Authorized Director
3	Mr. Siew Ko Chuen	Executive Director, Authorized Director
4	Mr. Voraphot Chanyakomol	Independent Director
5	Mr. Danai Tangsriviriyakul	Independent Director
6	Mr. Chalush Chinthammit	Independent Director

Authorized Directors

“Mr. Phoon Chiong Kit, Mr. Siew Ko Chuen and Mr. Chaivasit Puvapiromquan, any two out of these three directors jointly sign with the company’s seal affixed”

Executive

As of March 31, 2020 the Executive consists of 5 members, as follow;

Name of Executive Committee		Position
1	Mr. Phoon Chiong Kit	Chief Executive Officer
2	Miss. Tamonwan Narintavanich	Chief Financial Officer
3	Miss. Rodjana Trakulkoosri	Chief Business Development Officer
4	Mrs. Uraivan Boonyarataphan	Chief People Officer
5	Mr. Panaikorn Nuchmak	Chief Technical Officer

Corporate Secretary's duties and responsibility

Miss Tamonwan Narintavanich was appointed by the Board of Directors as the Company Secretary with effect from 22 February 2008, The 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:
 - (1) Register of Directors,
 - (2) Notice letters and Minutes of the Board of Directors' Meetings, and the Company's Annual Reports,
 - (3) Notice letters and Minutes of Shareholders' Meetings
2. Keeping reports on gain and loss as reported by the Board of Directors and the Management,
3. Doing other things as prescribed by the Stock Exchange Committee,
4. Delivering copies of reports on gain and loss as reported by the Board of Directors and the Management or other related persons, which is the gain and loss pertaining to the operation of the Company's business, or its subsidiaries, to the Chairman and the Chairman of the Board of Auditors, within 7 days from the date which the Company receives the said reports,
5. Making suggestion on the Law and related rules and procedures on the governance of the Board in line with the law.

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

Report on securities holding of directors and Executives

The Company has a policy for the directors and executives of the Company (including spouses and minor children of such person) to report on changes in securities holding to SEC Office within 3 business days from the date of the change of holding and to submit the copy of the report on securities holding (Form 59-2) to the Company Secretary for the collection and presentation to the Board of Directors on a quarterly basis. The report on changes in the holding of securities of directors and executives 3 months ended March 31, 2020

Summary of changes in shareholding of the Directors and Executives

Names		No. of shares As of 31/12/2019 (shares)	(%)	No. of shares As of 31/03/2020 (shares)	(%)
1	Mr. Phoon Chiong Kit	-	-	-	-
2	Mr. Chaiyasit Puvapiromquan	-	-	-	-
3	Mr. Siew Ko Chuen	-	-	-	-
4	Mr. Voraphot Chanyakomol	-	-	-	-
5	Mr. Danai Tangsriviriyakul	394,480	0	394,480	0.01
6	Mr. Chalush Chinthammit	-	-	-	-
7	Miss Tamonwan Narintavanich	73,862	0	166,312	0.00
8	Miss Rodjana Trakulkoosri	952,710	0.02	1,051,193	0.02
9	Mrs. Uraiwan Boonyarataphan	381,751	0.01	553,480	0.01
10	Mr. Panaikorn Nuchmak	256,357	0.01	367,861	0.01
Total		2,059,160	0.05	2,533,326	0.05
Listed share (Share)		4,126,681,773 Shares		5,411,980,914 Shares	

Remarks:

1. Include shares held by spouse, underage children and related entities
2. The Director No.7-10 are the Executive who attended the Employee Joint Investment Program (EJIP)

Summary of change in MACO-W2 holding of the Directors and Executive

Names		No. of shares As of 4/01/2019 (shares)	(%)	No. of shares As of 31/03/2020 (shares)	(%)
1	Mr. Phoon Chiong Kit	-	-	-	-
2	Mr. Chaiyasit Puvapiromquan	-	-	-	-
3	Mr. Danai Tangsriviriyakul	-	-	-	-
4	Mr. Chalush Chinthammit	-	-	-	-
5	Mr. Chavin Kalayanamitr	-	-	-	-
6	Mr. Siew Ko Chuen	-	-	-	-
7	Mr. Ekapak Nirapathpongporn	-	-	-	-
8	Mr. Phakhanaaz Phumchijzarnan	-	-	-	-
9	Miss Tamonwan Narintavanich	-	-	-	-
10	Miss Rodjana Trakulkoosri	-	-	-	-
11	Mrs. Uraiwan Boonyarataphan	-	-	-	-
12	Mr. Panaikorn Nuchmak	-	-	-	-
Total		-	-	-	-
Listed share (Share)		1,375,542,814 Shares		1,375,542,814 Shares	

Remarks:

- Include shares held by spouse, underage children and related entities

Personnel

The Company and its subsidiaries, totaling 22 companies, have a total of 455 personnel as at 3 months ended March 31, 2020, of which 313 are male and 142 are female.

Table on remuneration, Training hour, Rates of leaves and accidents or serious injuries from work and labor disputes in March 31, 2020.

	MACO and its Subsidiaries (22 companies)
Total Employees (person)*	455
Remuneration **	75.56
Training Hours (Hour)	1,098
Average Training Hours per employee per year (Hour)	16.90
Average Sick Leaves per leaves (Days)	4.66
Average Personal Leaves per year (Days)	11.72
Average Annual Leaves per years (Day)	3.78
Average Other Types of Leaves (Times)	2.92
Accidents or serious injuries from work (Times)	0
Labor disputes (Times)	0

Remark:

* Include employees of the company and its subsidiaries

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

Employee welfare and human resources development

Apart from compensation in the form of salaries and bonuses, the Company has arranged other fringe benefits to employees in various forms such as providing provident fund, the provision of health insurance, life insurance and accident insurance, as well as the provision of benefits in the form of grants in various occasions. The company has allocated EJP shares to management level employees to create participation in the management of the company. In addition, the Company focus on human resource development as the Company believes that qualified and talented employees are the most important mechanism for the Company's growth and stability. Therefore, the Company has put emphasis on human resources development to enhance and empower employees with skills, knowledge and ability to perform tasks as well as to create a positive attitude for a collaborative culture. The Company has selected appropriate methods for personnel development to promote the quality and efficiency of personnel so that they will be equipped with a full-fledged competency in order to enhance the competitiveness of the organization. (More information can be found in the Form 56-1 Section 8.5 Personnel)

4.2 Corporate Governance Policy

Compliance with corporate governance principles

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

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

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

The company adheres to the principles and best practices. Regarding good corporate governance for listed companies as follows;

Section 1 Right of Shareholders

The Company promotes the basic rights of shareholders and encourages all shareholders, whether small investors or institutional investors, to exercise their rights under the basic rights of shareholders such as trading or transfer of shares, profit sharing, obtaining sufficient information on the business through the website of the Stock Exchange of Thailand or the Company's website or other channels, attending the shareholders' meeting to acknowledge the annual performance and exercising voting rights at the shareholders' meeting to approve important matters as required by law. This also includes the appointment or dismissal of directors, the appointment of Auditor and consideration of auditor's remuneration, payment or the omission of dividend, capital increase and new shares issuance as well as asking questions or express their opinions on various matters reported by the Board for the approval from the Shareholders' meetings, etc. In the three-month ended March 31, 2020 the Company has done the following:

Shareholders' Meeting

Shareholders' Meetings in 2020: The Company held the Extraordinary General Meeting of Shareholders No. 1/2020 on January 14, 2020, took place on Tuesday, March 14, 2020, at 2.00 pm, the Chao Phraya Ballroom, 2nd Floor, Chao Phraya Park Hotel, Ratchadaphisek Road, Din Daeng Sub-district, Bangkok Metropolis, with 176 shareholders in attendance, a total of 3,684,482.400 shares, representing 85.05 of the total shares sold. The Chairman of the Board of Directors, the Board of Directors, the Chairman of the Audit Committee, and the 9 members of the Audit Committee, including the high-ranking executives of the Company, all attended the meeting.

The Chairman of the Board of Directors, the Board of Directors, the Chairman of the Audit Committee, and 9 members of the Audit Committee, including the high-ranking executives of the Company, all attended the meeting.

In both meetings, the Chairman of the Board conducted all the meetings as required by law, with the following procedures:

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 www.masterad.com/investorrelations. In 2020 Annual General Meeting of the Shareholders, no one proposed any agenda or nominated a person to be an independent director of the company.
2. The Company has published the meeting schedule and the agenda through the Stock Exchange of Thailand's information system and the Company's website 30 days prior to the meeting date to allow the shareholders to access and have sufficient time to study the information and details.
3. Arrange for shareholders to submit questions in the advance of the meeting of shareholders. Email Address: tamonwan@masterad.com and sukjai@masterad.com, And published guidelines on submitting questions in advance on the company website: <http://Investor-th.masterad.com>

4. Sending invitation letters to the Meeting, stating the 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 independently directors as their proxies to vote on their behalf.
8. The exercise of voting rights for approval in each agenda of the Extraordinary General Meeting of Shareholders No. 1/2020 will use the majority vote as a resolution by voting method 1 Share: 1 Vote or 1 share has one vote except the agenda relating to the reduction of the registered capital and the increase in the registered capital of the Company in accordance with the resolution of the shareholders which consists of votes of no less than three-fourths of the total number of votes of the shareholders who attend the meeting and have the right to vote.
9. The exercise of voting rights for approval in each agenda will hold on to a majority of votes by voting method 1 Share: 1 Vote or 1 Share with one vote except for the agenda relating to the approval of the remuneration of directors the resolution of the shareholders shall be made by no less than two-thirds of votes of the shareholders who attend the meeting and have the right to vote.

Shareholders' meeting date

1. The Company facilitated all shareholders equally and encouraged shareholders, especially institutional investors, to attend the shareholders' meeting. There were no special conditions that limit the opportunity to attend the meeting and the date of the meeting was not set to be on the long weekend or public holidays. The Company also scheduled the meeting to be held at the appropriate time and the meeting venue was in a convenient location. The receptionists were arranged as well as allowing the shareholders to register up to 2 hours before the meeting time.
2. Before starting the agenda, the secretary introduced the Board, the executives and the auditor as well as informing the meeting of the criteria for voting and how to count the votes.
3. Registration and voting via barcode system have been introduced to the meeting for the shareholders' convenience.
4. The voting papers are provided in each agenda item for transparency and monitor.
5. Before commencing the meeting, the chairperson shall announce the number of shareholders and proxies for the meeting's acknowledgement. The Chairperson, then, clarifies the procedures of voting by ballot paper. The resolution depends on the majority vote.
6. The Chairman of the Meeting conducted the Meeting according to the agenda in the invitation letter, without any change in the order of the agenda, and without requesting the Meeting to consider any matters not specified in the Meeting,
7. During the meeting, the Chairman of the meeting allowed the participants to ask questions and express their views on the agenda equally, as well as providing reasonable time for discussion.
10. Before any voting in each agenda, the Chairman allowed shareholders to inquire for details and clarification,
11. The Chairman notified the Meeting to vote openly in each agenda,
12. Shareholders were allowed to vote in the election of directors individually,
13. 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,
14. The Chairman announced the voting results in numbers of Yes, No and Abstain.

After the shareholders' meeting

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

The Company has been evaluated for excellent for the shareholders' meeting for 5 consecutive years from 2007 to 2011 and has been evaluated for the best for 7 consecutive years from 2012 through 2019.

Section 2 Equitable Treatment of Shareholders

Proposing Agenda and nominating candidates to be directors

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

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

Proxy for other people to attend the meeting

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

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

arranges the Company's officers to receive proxy forms and supporting documents from institutional investors upon requested.

In the Extraordinary General Meeting of Shareholders No. 1/2020, the shareholders were authorized to the company's independent directors attended the meeting in amount of 27 persons

Access to the Company's information

The Company does not discriminate against any particular shareholder. The shareholders can access the Company's information which is open to the shareholders and the public through the Company's website at: www.masterad.com/investor-relations; or contact our Investor Relations at +66 (0) 2273 8512 Ext.1529 or Email: waritha@masterad.com

Section 3 Role of Stakeholders

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

The shareholders

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

The clients

The Company values its clients by striving to create customer satisfaction and confidence which contributes to the Company's success. The Company is set to offer quality services that meet or exceed customer expectations at the fair. We are ready to provide our clients with a full range of services, focusing on care and responsibility, as well as providing accurate and adequate information to our clients in order to prevent any misconceptions about quality or condition. We constantly develop the quality, style of products and services to meet the needs of clients and always maintain a good relationship in the long run. The Company regularly conducts customer satisfaction survey to get feedback for improving its service and management. In addition, the Company has provided the training and

understanding to staff before servicing to the clients and continuously develop skills and knowledge for employees so that the clients will get the best benefit from the service.

The Company also has policies and guidelines to maintain the confidentiality of the clients and shall not use it for any personal benefit unless the information is disclosed by the client and/or the Company has a legal obligation to disclose it.

The employees

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

The partners

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

The competitors

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

The creditors

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

The consumers

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

The community and the environment

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

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

(Please refer to the annual sustainability report for 2019, which is available on the Company's website: www.masterad.com/investorrelation)

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

Violation of human rights

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

Anti-corruption and bribery

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

The anti-corruption measures of the Company consist of:

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

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

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

Non-Infringement of Intellectual Property

The company has a policy to strictly comply with laws related to intellectual property or copyright by bringing works or information which are the rights of third parties. Received or to be used within the company Must be checked to ensure that Will not violate the intellectual property of others

- Works resulting from performance of duties are regarded as intellectual property of the company.
- When being discharged from being an employee Must deliver various intellectual property Which includes works, inventions, etc. Return to the company Whether the data is stored in any form
- Employees who use the company’s computers The software must be used under the license of the copyright owner and only licensed for use by the company in order to prevent intellectual property infringement.
- Bringing the work or information which is the right of the third party Received or to be used in the company Must be checked to ensure that it does not infringe the intellectual property of others

Complaints

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

Office of the Company Secretary

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

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

Section 4 Disclosure and Transparency

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

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

Investor Relations

The Company places a high priority on investors' access to the Company. The Investor Relations (IR) Department is responsible for communications between the Company and investors, including shareholders, analysts and potential investors. The IR Department functions as the channel for two-way communications, the first of which is to publicise the accurate, complete and timely information of the Company, which includes business operations, performance and key events that affect the Company's performance. The other aspect is to report the investment community's opinions and suggestions to the Executive Committee and the Board of Directors on a quarterly basis in order to acknowledge (and respond where relevant to) the viewpoints that investors have on the Company.

Key performance indicators are established in order to align the goals of the division with the goals of the Company. In short, these are related to enlarged visibility (such as number of meetings held, number of roadshows attended, website traffic) as well as quality and timeliness of product and service offerings (taking into account product delivery times, response times as well as results from surveys).

In three-month ended March 31,2020, the company organized various activities for investors, including 2 meetings to clarify quarterly results for analysts together with VGI.

The Company organized a quarterly meeting to report to analysts on a continuous basis, which was held within 7 business days after the financial statements were announced. The document, information and video recording of the meeting (Webcast) of the quarterly earnings conference call can be viewed on the VGI website (<http://vgi.listedcompany.com>) within 24 hours of the meeting.

The website is one of the main communication channels with investors, in which an important source of information is designed in accordance with the principles of good corporate governance. The website content includes the latest securities prices, publications for download (annual reports, Form 56-1, financial statements, explanation, and analysis of the financial status and the company's presentation) and the securities calendar. The top 3 website visitors are from Thailand, the United States, and Singapore.

Investor Relations Contact Details

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

Investor Relations	Waritha Boonanegpat
Contact Telephone	+66(0) 2273 8512 ext. 1529
Email	waritha@masterad.com
Website	http://investor-th.masterad.com/ or https://www.masterad.com/
SET Share Symbol	MACO

Disclosure important information to the public policy

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

Section 5 Responsibilities of the Board

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

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

Composition of the Board of Directors

The Board of Directors shall consist of not less than 5 members, but not exceeding 12 members. As of March 31, 2020, the Board of Directors consisted of 6 members, which is a suitable number for the Company's size and nature of business. The composition of the Board of Directors was 2 executive directors, 1 non-executive directors and 3 independent directors. All of whom are qualified members with diversified professional backgrounds, including business administration, engineering, advertising and marketing, financing, accounting and auditing, and other experience that is relevant to the media business industry. All directors are independent to give opinion on the Company's business operation so as to monitor and oversee the performance of the management to be carried out in an efficient, accurate and transparent way. Besides, for the purpose of performing their duties and the transparency of the business operation, as well as to limit the authorities of each person, the Company clearly separates the duties, responsibilities and the persons who take the positions of the Chairman of the Board of Directors and the Chief Executive Officer from one another.

List of Board of Directors and Number of Times to attend the meeting.

			Number of meetings attended in Three-month ended March 31, 2020
1. Mr.Phoon Chiong Kit		Executive Director / Chairman of the Board of Director	3/3
2. Mr.Chaiyasit	Puvapiromquan	Non Executive Director	3/3
3. Mr.Siew Ko Chuen		Executive Director	1/1
4. Mr.Voraphot	Chanyakomol	Independent Director	1/1
5. Mr.Danai	Tangsriviriyakul	Independent Director	3/3
6. Mr.Chalush	Chinthammit	Independent Director	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 the Company
4. The Director No.3-4, was appointed to hold the position of Director on January 30, 2020.

Scope of Authority and Responsibility

The board members shall have the following authorities and responsibilities.

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

Roles and duties of the Chairman of the Board

1. Supervise the performance of the Board of Directors and the sub-committees to be effective and achieve the objectives as planned as well as ensuring that all directors participate in promoting a corporate culture with ethics and good corporate governance.
2. Calling the Board of Directors' meeting, the Chairman of the Board or the assigned person shall send the notice of the meeting to the directors for each meeting at least 7 days prior to the meeting date, except in urgent cases. In the meeting invitation, specify the location, date, time and subject to be discussed. In addition, the Chairman of the Board must allocate sufficient time for the meeting so that the management can clarify the details completely and allow the directors to discuss important issues thoroughly as well as using discretion to make independent decisions.
3. Acts as the Chairman of the Board meeting and gives the final vote in case of equal votes at the Board of Directors' meeting.
4. Chairs the meeting of the Company shareholders and control the meeting according to the regulations of the company and the agenda.
5. Perform other duties as specified by law, especially as the duties of the Chairman of the Board.

Scope of CEO's Authority and Responsibility

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

6. Implement and represent on behalf of the Company when contacting outsiders in related business in the Company's interests.
7. Approve the appointment of professional consultants critical to the Company's operation.
8. Carry out tasks related to overall administration of the Company.

The exercise of the power of the Chief Executive Officer as mentioned above, cannot be done if having a stake or may have conflicts of interest in any manner with the company in using the said power.

Term of Office of the Board of Directors

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

Qualifications of the Board of Directors

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

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

Qualification of Independent Directors

Independent directors of the Company shall have the following qualifications.

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

Board and sub-committees Meeting

1. The Board of Directors will arrange the meeting at least 6 times a year in each fiscal year by setting the meeting date in advance throughout the year and may have additional special meeting as necessary.
2. The Chairman of the Board and the Chairman of the Executive Committee will oversee the approval of the meeting agenda.
3. Each director, including the management, is free to propose matters that are beneficial to the Company into the meeting agenda.
4. The Chief Executive Officer invites high-level executives to attend the Board of Directors meeting to provide more detailed information on relevant agenda so that the Board of Directors will have the opportunity to know top-level executives for consideration of the succession plan.
5. The Secretary of the Company is responsible for delivering meeting invitations with meeting agendas and meeting documents to the directors at least 7 days in advance so that the directors have time to study before attending the meeting.
6. The Chairman of the Board or the Chairman of the Sub-Committee (As the case may be) will act as the chairman of the meeting, having the duty to oversee the allocation of time for each agenda sufficiently for the directors to discuss, express opinions independently on important issues, taking into account the interests of shareholders and those who are involved fairly.
7. The minimum quorum for the Board of Directors and sub-committee meetings at the time of voting must have at least two-thirds of the total number of directors.
8. In the Board or sub-committee meetings (Depending on the case), those who have significant interest in the matter considered must leave the meeting during the consideration of that matter.
9. The resolution shall use the majority of votes and if there is a director opposing the resolution, the objection shall be recorded in the minutes of the meeting.
10. In considering any matter, the director has the right to request to see or check the relevant documents or request the relevant management to attend the meeting to clarify additional information.
11. Each director should attend not less than 75 percent of the total number of board meetings held in the year.
12. Secretary of the Company or Secretary of the Meeting (As the case may be) responsible for recording and preparing the minutes of the meeting within 14 days, keeping the minutes of the meeting, supporting documents, supporting the Board of Directors and sub-committees to perform duties in accordance with laws, regulations, and resolutions of the shareholders' meeting, as well as coordinating with related parties.

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

Assessment of the Performance of the Board of Director

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

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

Each topic is marked as following

0 = No performance in that topic at all

1 = having a little performance

2 = having a moderate performance

3 = having a good performance

4 = having a good performance

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

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

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

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

Development of Directors and Executives

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

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

Training Course from the Thai Institute of Directors (IOD)

Name	Program	
	Directors Certification Program (DCP)	Directors Accreditation Program (DAP)
1 Mr.Phoon Chiong Kit	-	-
2 Mr.Chaiyasit Puvapiromquan	-	118/15
3 Mr.Siew Ko Chuen	-	-
4 Mr.Voraphot Chanyakomol	228/2016	
5 Mr.Danai Tangsriviriyakul	-	138/17
6 Mr.Chalush Chinthammit	-	2004

Succession Plan

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

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

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

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

The Audit Committee

The Audit Committee shall consist of at least 3 independent directors and at least 1 member must have knowledge and experience in reviewing the financial statements. As of March 31, 2020, the Audit Committee consisted of 3 members as follows:

Name	Position	Number of meetings attended in Three-month ended March 31, 2020
1. Mr.Voraphot Chanyakomol	Chairman	1/1
2. Mr.Danai Tangsriviriyakul	Member	1/1
3. Mr.Chalush Chinthammit	Member	1/1

Scope of Authority and Responsibility

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

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

- 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.

Qualification of the Member of the Audit Committee

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

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

The Nomination and remuneration Committee

As of March 31, 2020, The nomination and remuneration Committee Consists of 3 independent directors as follows:

Name		Position	Number of meetings attended in Three-month ended March 31, 2020
1. Mr.Voraphot	Chanyakamol	Chairman	1/1
2. Mr.Danai	Tangsriviriyakul	Member	2/2
3. Mr.Chalush	Chinthammit	Member	2/2

Remark:

Mr. Voraphot Chanyakamol was appointed to hold the position of Chairman of the Nomination and Remuneration Committee on January 30, 2020.

Duties and responsibilities of the Nomination and Remuneration Committee

- Consider and give opinions on the structure of the Board of Directors, including the size and composition of the Board of Directors that should be considered by the size and business strategy of the Company comparing with the current size and composition of the Board of Directors, as well as considering the independence of each independent director in order to change the composition of the Board of Directors in accordance with the Company's strategy.
- Determine the method of recruiting for the position of director by considering:
 - Qualifications of directors that are appropriate and consistent with the Company's strategy and in accordance with the structure, size and composition of the Board of Directors as determined by the Board of Directors.
 - Appropriateness of knowledge, experience, expertise, dedication of directors, including qualifications according to the laws or regulations of government agencies
 - Diversity in the structure of the Board and the qualifications of the directors that are still lacking in the Board of Directors by creating a Board Skill Matrix.
- Recruitment of directors who are qualified in accordance with the qualifying criteria:
 - In the event that a director has to retire by rotation to allow the Board of Directors to approve and propose to the shareholders' meeting to consider and approve the appointment.
 - In the event that any director vacates office by any other reason (In addition to leaving the position by rotation) to allow the Board of Directors to approve the appointment of new directors in place of the vacant directors.
 - In the event that new directors are to be appointed in accordance with the structure of the Board of Directors to allow the Board to approve and propose to the shareholders' meeting to consider and approve the appointment.
- Consider the structure, amount, form, and criteria for compensation of all types, both monetary and non-monetary, that are appropriate for Chairman of the Board, Directors, and Sub-Committee Members by reviewing the appropriateness of the criteria currently used, comparing with the compensation information of other companies that are in the same industry as the company and other listed companies in the Stock Exchange and other listed companies with a market value (Market Capitalization) close to the Company in order to motivate and maintain the directors who are beneficial to the Company and present to the Board of Directors and the shareholders meetings for approval.

5. Consider the criteria for evaluating the performance of the Executive Chairman and the Chief Executive Officer, presenting the evaluation results according to the criteria for the Board of Directors to consider and approve as well as presenting the amount and the form of remuneration for the Executive Chairman and the Chief Executive Officer that is consistent with the performance assessment for the Board to consider and approve.
6. Consider the appropriateness and conditions regarding the offering of shares, warrants to purchase shares or other securities for directors and employees to motivate directors and employees to perform their duties in order to create added value for shareholders in the long term and to be able to retain qualified personnel under fair criteria for shareholders.
7. Report the performance of duties to the Board of Directors and/or the shareholders' meeting.
8. Assess the performance of the Nomination and Remuneration Committee for the year and report the evaluation results to the Board of Directors.
9. Consider the criteria for the Key Performance Indicators of the Company and present to the Board of Directors for approval.
10. Appoint a working group to assist with the various tasks of the Nomination and Remuneration Committee, as well as appoint independent consultants with expertise to provide consultancy and advice as well as assisting the Nomination and Remuneration Committee's operations.
11. Perform any other tasks related to recruitment and remuneration as assigned by the Board of Directors and perform any duties as specified by the laws or regulations of government agencies.

The Corporate Governance Committee

As of March 31, 2020, The Corporate Governance Committee Consists of 4 directors as follows:

Name		Position
1. Mr.Danai	Tangsriviriyakul	Chairman
2. Mr.Chalush	Chinthammit	Member
3. Mr.Chaiyasit	Puvapiromquan	Member
4. Mr.Siew Ko Chuen		Member

The duties and responsibilities of the Corporate Governance Committee

The Corporate Governance Committee has the following duties and responsibilities:

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

Executive Committee

As of May 15, 2020 The Executive Committee is comprised of 6 members as follows:

	Name	Position	Number of meetings attended in Three-month ended March 31, 2020
1	Mr.Phoon Chiong Kit	Chairman	10/10
2	Mr.Siew Ko Chuen	Member	9/9
3	Miss Tamonwan Narintavanich	Member	10/10
4	Miss Rodjana Trakulkoosri	Member	10/10
5	Miss Uraivan Boonyarataphan	Member	10/10
6	Mr.Panaikorn Nuchmak	Member	10/10

Remark : Mr. Siew Ko Chuen was appointed to hold the position of the Executive Committee on February 1, 2020.

Scope of Duties and Responsibilities of the Executive Committee

- Define policy, direction, and strategy and management structure of the Company's business to be consistent and suitable for economic and competitive conditions and propose to the Board of Directors for approval.
- Determine the business plan, budget and administrative power of the Company to propose to the Board of Directors for approval.
- Inspect and monitor the performance of the Company in accordance with approved policies and business plans to ensure efficiency and effectiveness and report the results to the Board of Directors.
- Consider approving the contract and/or any transactions relating to normal business operations or the regular business support of the Company (such as trading, investing or co-investing with other persons to support the operation by the Company's objectives) within the limits approved by the Board of Directors.
- Consider investment approval and set the investment budget up to 20 million Baht.
- Consider approving loans and applying for any loans from financial institutions, lending as well as mortgaging pledged obligations or as a guarantor of the Company and its subsidiaries within the limits approved by the Board of Directors.
- Consider and approve transactions between the Company and its subsidiaries with directors, executives or related persons which are (1) normal business transactions and general trading conditions; or (2) normal business transactions subject to general trading conditions which has computable remuneration within the limits approved by the Board of Directors.
- Approval of contact for registration with a government agency or the regulator of the company's business as well as payments that the Company is obliged to pay by law. This includes but is not limited to fees and/or taxation on behalf of the Company for the purpose of operating the Company's objectives.
- Corporate's risk management, evaluate the risks and lay down the corporate risk management structure.
- Approval of the opening/closing a bank account and the use of related banking services including the authorized person to pay for the Company's bank account.
- Consider and approve the supervision of normal business operations of the Company or the day-to-day operations of the Company. Such matters include but are not limited to compensation policy, employee salary structure, the normal cost of the company and the lawsuit by the Company or when the Company is sued (which the Executive Committee deems necessary and appropriate).
- Consider screening projects, contracts, transactions, and/or any actions that are beyond the control of the Executive Committee in order to present to the Board of Directors for approval except for such matters that are under the responsibility and/or the powers of other committees of the Company to scrutinize and submit to the Board of Directors directly.
- Inspect and monitor the performance of the Company's projects approved by the Board of Directors and report to the Board on the progress of such projects.

14. Consider approving the hiring of consultants for the implementation of the Company's projects related to normal business operations or supporting the normal business of the Company.
15. Consider, approve or acknowledge other management-related businesses that the Executive Committee deems necessary or appropriate to address as the urgent problem. If not done, it would cause damage to the Company and report such incident to the Board of Directors quickly.
16. Have the power to delegate authority to one or more persons to perform any action under the control of the Executive Committee or may delegate authority to such person as authorized by the Executive Committee within the timeframe that the Executive Committee deems appropriate. The Executive Committee may revoke, change, or alter the authorized person or delegation of authority. Such delegation shall be within the scope of the power of attorney provided and/or in accordance with the rules, regulations or orders prescribed by the Board of Directors.
17. Consider and approve any other matters and take any action as delegated by the Board from time to time.

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

Risk Management Committee

The Board appointed the corporate Risk Management Committee consisting of at least 5 members, of which at least one shall be the Company's director. As of March 31, 2020, The Risk Management Committee comprises 6 persons as follows:

	Name	Position	Number of meetings attended in Three-month ended March 31, 2020
1	Mr.Phoon Chiong Kit	Chairman	1/1
2	Miss Tamonwan Narintavanich	Member	1/1
3	Miss Rodjana Trakulkoosri	Member	1/1
4	Miss Uraiwan Boonyarataphan	Member	1/1
5	Mr.Panaikorn Nuchmak	Member	1/1
6	Miss Seingfon Rattanaphrom	Member	1/1

Scope of Authority and Responsibility

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

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

Oversight of the subsidiaries' and the associated companies' operations

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

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

Auditors' Fee

Detail of the audit fee for three-month ended March 31, 2020 of the Company and its subsidiaries.

Relevant Company	Relevant Auditor	Audit Fee (THB)
Master Ad Plc.	EY Company Limited	740,000.00
Subsidiaries in Thailand (10 Companies)		
• Winbliss Systems Limited	Asia Management Co.,Ltd.	
Overseas subsidiaries		
• Maco Outdoor Sdn.Bhd.	Leslie yap	
• Trans ad (Malaysia) Sdn.Bhd.	Crow Horwath Malaysia	
• Roctec Technology Limited	EY Hongkong	2,169,050.00
• VGI Global Media (Malaysia) Sdn.Bhd.	EY Malaysia	
• Puncak Berlian Sdn.Bhd.	EY Malaysia	
• Meru Utama Sdn.Bhd.	EY Malaysia	
• Titanium Compass Sdn.Bhd.	EY Malaysia	
• VGI MACO (Singapore)Private Limited	EY Singapore	
Total Audit's Fee		2,909,050.00
Non-Audit Fee (Review of the Annual Report)		150,000.00

Note: The auditor fee for the 3-month accounting period ending March 31, 2020 has not been approved by the Annual General Meeting of Shareholders because the Annual General Meeting of Shareholders 2020 was postponed due to the epidemic of the corona virus 2019 (COVID-19)

Compliance with good corporate governance principles in other matters

The Stock Exchange of Thailand (SET) has promoted and the listed companies in Thailand to realize the benefits of conducting business on the basis of good corporate governance by following the "Corporate Governance Principles for Listed Companies 2012", prepared by the SET to the extent possible in order to raise the level of corporate governance to international standards. for three-month ended March 31, 2020, the Company has complied with the "Corporate Governance Principles for Listed Companies 2012" and CG Code 2017 except in certain cases as detailed below:

1. The Chairman of the Board of Directors and the Chief Executive Officer should not be the same person, and the Chairman of the Board of Directors should be an independent director.

The Company has the Chairman of the Board of Directors and the Chief Executive Officer who are the same person because the business of the Company is complex, diverse and unique that requires the leader with talent, experiences, speciality, as well as truly understanding of the business management of the Company. However, the Company has clearly defined the roles and duties of each position and has sufficient internal control systems, with independent

directors who are truly independent of the management. All directors hold and perform their duties with care and honesty, and have the freedom to express their views on the Company's operations in order to balance the power between the Board and the management and to supervise the operations of the management to be efficient, accurate and transparent, able to protect the interests of the Company and shareholders.

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

As of March 31, 2020, the Board had 6 directors consisted of 2 executive director, 1 non-executive directors and 3 independent directors. The number of independent directors was one-third of the total number of directors. All 3 independent directors have been appointed as Audit Committee members. They are independent in the duties and responsibilities as assigned by the Board, and to be able to give approval or vote on the matter without interference from the management. Therefore, the composition of independent directors is appropriate and adequate for the size of the Company.

4.3 Nomination and Remuneration of Directors and Executive

Nomination and Appointment of Directors and Executives

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

Nomination of independent directors

Criteria for the selection of independent directors

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

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

The remuneration of directors and executives

1. Board's remuneration

Nomination and Compensation Committee will consider the remuneration of the Board of Directors and the Audit Committee by comparing with peers in the same industry and present to the Board of Directors meeting for consideration and propose to the Annual General Meeting of Shareholders to consider and approve the said remuneration.

In 2020, the meeting of the Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders 2020 to consider and approve the remuneration of the Board of Directors for the 3 months ending March 31, 2020 within the amount not exceeding 1,000,000 Baht

However, the Annual General Meeting of Shareholders 2020 has been postponed due to the corona virus epidemic 2019 (COVID-19) causing the remuneration of the Board of Directors has not been approved by the Annual General Meeting of Shareholders 2020, the company therefore uses the same practice in paying remuneration to the board of directors for monthly compensation and meeting fees only as follows

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

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

Meeting allowance

- **Audit Committee**
15,000 Baht/person/times
- **Nomination and Remuneration Committee**
10,000 Baht/person/times
- **Corporate Governance Committee**
10,000 Baht/person/times

(unit : Baht)

Directors' remuneration

Remuneration	2018		2019		three-month (ended March 31, 2020)	
	Person	Amount	Person	Amount	Person	Amount
Monthly Remuneration	9	2,520,000.00	9	2,520,000.00	12	550,000.00
Meeting Allowance	3	225,000.00	3	255,000.00	3	75,000.00
Bonus ¹	9	1,170,000.00	9	1,800,000.00	-	-
Other	n/a	-	n/a	-	n/a	n/a
Total		3,915,000.00		4,575,000.00		625,000.00

¹ The company will pay the bonuses to the board of directors within the amount of 240,000 Baht, which will be presented to the Annual General Meeting of Shareholders 2020 for approval. The meeting will be held after the COVID-19 epidemic situation has been resolved.

Breakdown of directors' remuneration three-month ended March 31, 2020 is as follow;

(unit : Baht)

No.	Name	Monthly Remuneration	Meeting Allowance (Only for the Audit Committee)	Monthly Remuneration + Meeting Allowance
1	Mr. Phoon Chiong kit	100,000.00	-	100,000.00
2	Mr. Mana ² Jantanayingyong	40,000.00	-	40,000.00
3	Mr. Chaiyasit Puvapiromquan	60,000.00	-	60,000.00
4	Mr. Paisal ³ Tarasalsombat	30,000.00	-	30,000.00
5	Mr. Voraphot Chanyakomol	60,000.00	25,000.00	85,000.00
6	Mr. Danai Tangsriviriyakul	60,000.00	25,000.00	85,000.00
7	Mr. Chalush Chinthammit	60,000.00	25,000.00	85,000.00
8	Mr. Surachet ⁴ Sangchayosawat	20,000.00	-	20,000.00
9	Mr. Chavin ⁵ Kalayanamitr	20,000.00	-	20,000.00
10	Miss. Daranee ⁶ Phanklin	20,000.00	-	20,000.00
11	Mr. Siew Ko Chuen	40,000.00	-	40,000.00
12	Mr. Ekapak ⁷ Nirapathpongporn	40,000.00	-	40,000.00
	Total	550,000.00	75,000.00	625,000.00

² Resigned from position of director effective January 30, 2020

³ Resigned from position of director effective January 30, 2020

⁴ Resigned from position of director effective January 31, 2020

⁵ Resigned from position of director effective January 30, 2020

⁶ Resigned from position of director effective January 30, 2020

⁷ Resigned from position of director effective May 14, 2020

Non-monetary Remuneration

- None -



Executives Compensation

The Company has set the indicator to define the remuneration for the CEO and the management team of all departments based on the achievement of goals of the Key Performance Indicators: KPIs for each year. This will be used to be the guideline of the operations of each department and to evaluate the performance of the CEO and all executives, Chief Executive Officer and Executives of Master Ad Public Company Limited and subsidiaries. They had received compensation from the Company on March 31, 2020 as detailed below.

Monetary Remuneration

(unit : Baht)

Remuneration	2018		2019		Three-month ended March 31, 2020	
	Person	Amount	Person	Amount	Person	Amount
Salary and Bonus	12	37,002,603.00	13	45,292,038.00	13	10,234,190.00
Contribute to the Provident Fund	12	1,617,401.00	13	1,951,865.00	13	593,099.00
EJIP	7	578,306.00	5	729,354.00	5	155,780.00
Other	12	459,915.00	6	269,286.00	6	85,280.00
Total		39,658,225.00		48,242,543.00		11,068,349.00

4.4 Internal Control and Risk Management

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

Corporate Internal Control (Control Environment)

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

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

Risk Management

Risk Management is part of the annual business plan to ensure that risk management guidelines align with the goals and strategic plans of the Company. Executives and all employees in the Company are risk owners who must be responsible for assessing the risk of each unit and the process to evaluate the effectiveness of existing control measures. Therefore, the Company has set up a policy of Risk Management that identifies, analyzes and evaluates external and internal factors including factors that will cause corruption that may affect the achievement of the Company's objectives to take into account of the measures to be taken to reduce the potential risks to acceptable levels. The change of factors that will affect the Company's objectives is also monitored such as economic trends and the growth of industry. The measures to reduce the risk have been passed to employees involved at all levels to ensure that they are acknowledged and implement in a consistent manner and in the same direction. The Company has adopted the Risk Management Approach (COSO) – Enterprise risk Management – Integrated Framework – 2004 to evaluate and prepare its Risk Management Plan. The Board of Directors has assigned the Executive Committee to undertake risk management in the organization as a whole, to evaluate the risk and define the risk management structure of the organization. The Executive Committee will report the Risk Management Report to the Board at least once a year which will be used as an element in determining the business objectives of the Company. In addition, the Company has an internal audit unit that reviews the procedures of the Risk Management and assesses the effectiveness of the internal control system independently..

Control Activities

The Company has set policies, manuals and procedures in writing, and has control that ensures that the policies set by the management are respected and followed by everyone in the Company. The guidelines set out clearly the scope and monetary limit authority of the management at each level, as well as the separation of duties and responsibilities in: (a) the duty to approve the purchase; (b) the duty to record the account; and (c) the duty to maintain the property. This will enable effective monitoring with strict rules and regulations in the transaction with major shareholders, directors, executives or related persons together with the policy, regulations and framework for the conduct of connected transactions that are clear and consistent with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Company has identified procedures and authorized person to approve transactions involving the person who uses the opportunity or benefit of the Company for personal gain.

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

Information & Communication

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

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

Monitoring Activities

The Company has carried out the Company's goals and constantly improve and update consistently. For example, the Board holds a meeting at least once a quarter to review the performance against the set target. In addition, the Company has an internal audit office (Outsourced) that reports the results of the internal audit directly to the Audit Committee. The internal audit office will review and evaluate the internal control system including suggestions for improving the process to ensure that the internal control system is adequate and effective. The internal audit report is directly reported to the Audit Committee for the independence of the internal auditor. If any substantial defect is detected, the concerned person must report to the Audit Committee to clarify the cause and propose corrective measures. The Company has also monitored the progress of correcting deficiencies and reported to the Audit Committee within a specified period.

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

The Audit Committee has assessed the adequacy of the Company's internal control system in 5 areas, namely: Control Environment, Risk Management, Control Activities, Information & Communication and Monitoring Activities and is of opinion that the Company has adequate internal control system appropriate to the business operation and has no significant defect. The auditor has also reviewed the internal control system related to the audit to design audit procedures for the consolidated and separate financial statements to be appropriate to the circumstances and is of opinion that the financial statements have shown the financial statement, performance and cash flow as at 31 March 2020, in accordance with the financial reporting standards.

Internal Audit

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

The Internal Audit Office is independent from other departments in the Company and can access the information and assets of the Company in relation to the performance of the auditor and can request information and explanations from those involved in the matter assigned by the Audit Committee to verify and report the audit results to the Audit Committee on a quarterly basis, as well as following up on progress in correcting the deficiencies on a regular basis in order to make the internal control system more efficient and effective and financial reports are reliable. The Internal Audit Office will ensure the operation is in accordance with the legal requirements, government regulations, the regulators and according to standards, policies, plans, regulations, orders, and announcements of the Company. In addition, the Internal Audit Office is responsible for protecting assets and preventing damage that may occur to the Company, as well as creating a check and balance to create reasonable confidence in the Company's operations in order to achieve the goals.

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

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

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



Information on the Head of Internal Audit

1. The opinion of the Audit Committee regarding the qualification, experience and training that is appropriate to be the Head of Internal Audit. The Audit Committee considered the qualifications of Mr. Pipop Intaratut and deemed that such firm and person are appropriate to perform such duties due to being independent and having experience in internal audit.
 2. Appointment, transfer, dismissal of the head of internal audit, must be approved by the Audit Committee.
- Director Accreditation Program (DAP), Thai Institute of Directors
 - How to Develop a Risk Management Plan Program (HRP), Thai Institute of Directors
 - Anti-Corruption Synergy to Success, The Institute of Internal Auditors of Thailand

Details of Head of Internal Audit

Mr. Pipop Intaratut

Age : 48

Position : Internal Audit Director

Education

- Bachelor of Business Administration (Accounting), Ramkhamhaeng University
- Master of Business Administration (Financial), Ramkhamhaeng University
- Audit Committee Program (ACP), Thai Institute of Directors
- Monitoring Fraud Risk Management (MFM), Thai Institute of Directors
- Monitoring the System of Internal Control and Risk Management (MIR), Thai Institute of Directors
- Monitoring the Internal Audit Function (MIA), Thai Institute of Directors
- Monitoring the Quality of Financial Reporting (MFR), Thai Institute of Directors
- Company Secretary Program (CSP), Thai Institute of Directors

Working Experience

- 2018 - Present Internal Audit Director Master Ad Plc.

Other listed companies in Thailand

- 2012 - Present Internal Audit Director VGI Global Media Plc.
- 2011 - Present Internal Audit Office Director BTS Group Holdings Plc.

Other companies

- 2005 - Present Internal Audit Director Bangkok Mass Transit System Plc.

Other organization

- 2014 - Present Risk and Internal Control Committee Thai Listed Companies Association

4.5 Related Party and Transactions

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

Persons with Conflict of Interest	Relationship	Nature of Transaction	Details and Pricing Policy	Transaction Value (THB mn)			Necessity and Rationale of Transaction
				2018	2019	Three-Month ended March 31, 2020	
Inkjet Images (Thailand) Co., Ltd. Built up in order to offer computerized advertising graphics	1. A joint investment with <ul style="list-style-type: none"> Master Ad Plc. holding 50% Pico (Thailand) Public Co., Ltd. 22.22% Mr. Lim Chee Min 16.67% Ms. Pornthip Lohrattanasaney 11.11%. The Company and Inkjet have 1 director in common, namely: (1) Mr. Phoon Chiong Kit 	1. The company rent an office on Vibhavadi-Rangsit Road, with the space of 2,000 sq.m. in order to use it for advertising media and give 452.05 sq.m. to the joint-venture company to rent for 3 years which will be ended on 31 st December 2019	100 baht/sq.m./month which is a higher price than what the company rent from the building owner which is at 36.00 baht/sq.m./month because the company has renovated the rented space to be able to utilize with other facilities.	0.43	0.32	0.05	To divide the renting space to the joint-venture company. Because there is some space left and able to split some space to rent to the joint venture which helps to reduce the company's cost.
		2. The company hires the joint-venture company to produce some images to use on the company's media	The price is no different from other production house.	11.54	11.64	2.97	it is a normal business procedure. To let the joint-venture produce, allows the company to control the work quality as well the time.

Related party and Transaction (Additional)

Persons with Conflict of Interest	Relationship	Nature of Transaction	Details and Pricing Policy	Transaction Value (THB mn)			Necessity and Rationale of Transaction
				2018	2019	Three-Month ended March 31, 2020	
Landy Development Co., Ltd. Office rental business	<ul style="list-style-type: none"> 1. Shareholding by Master Ad Public Company Limited holds 48.87% • Landy Home (Thailand) Co. Ltd. Holds 36.24%, Master and More Co., Ltd. holds 14.89% • The Company and Landy have 1 director in common, namely: (1) Mr. Phoon Chiong Kit 	1. The company rent building space with total space of 2,550.24 sq.m.	390 baht/sq.m./month and electricity bill is around 100,000 baht/month Remarks: Rent means the rent and central expense.	12.12	12.59	2.85	Rent the space to do business. The rent is not different from other people
Plan B Media Plc.	<ul style="list-style-type: none"> • Plan B Media Public Company Limited (PLANB) is a major shareholder of Master Ad Public Company Limited, holding 9.98% of the shares and 9.98% through Thai NVDR. 	Appoint Plan B as an advertising media sale representative, with the company receiving annual minimum compensations of at least 700,000,000 baht for a minimum of 4 years and at least 350,000,000 baht for the first year	The compensation is a common practice used in the industry. For the minimum compensation under the contract, the company has considered revenues from advertising billboards after Asset Optimization Exercise between the Company and Plan B, together with the actual selling cost of the company in the past.	-	-	97.14	<p>The Company plans to adjust the company's core business from "Advertising Media Providers" directly to customers to be an owner of the advertising media in Thailand, which is responsible for the construction, procurement, installation and maintenance of the media. The Company gives the right to manage the advertising media of the Company and Company's subsidiaries in Thailand to Plan B, who is an expert in managing and selling advertising media, because PLANB has the potential and expertise in selling advertising media in Thailand and has a diverse customer base. Plan B understands of the Company business practices and can responds to the expanding of customer base which is the target group of the company better than the other independent advertising media providers in the market. With Plan B as a shareholder and partner of the company, the Company will enhance the potential in managing and selling advertising media of the Company.</p> <p>The Opinion of the Audit Committee The Audit Committee has considered that the terms and conditions of the contract to appoint PLANB as a media sale representative, which is considered as a related transaction, is reasonable and did not find any issues that cause concern in this related transaction.</p>

Procedures to approve the connected transactions

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

- If the Company enters into any contract or transaction between the Company, its subsidiaries, affiliates, and/or any third party, the Company will consider the need for and the feasibility in contracting by taking into account the interests of the Company and the Pricing conditions like other customers. Connected transactions must be made at a fair market price and in accordance with normal commercial business (Fair and at arm's Length).
- 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.
- A director with conflict of interests in any issue shall refrain from voting on or attending the meeting on that agenda item.
- 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.
- 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.
- In the event that the connected transaction has the value which requires the shareholders' ratification by three-fourths majority vote, the major shareholders who are stakeholders are allowed to attend the meeting in order to complete the quorum, but do not have voting rights. The criterion on base of the vote calculation to approve the connected transaction, excluding stakeholders' part, then, is irrelevant to the quorum and number of votes.

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

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

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

Policy on Connected Transaction of Futurity

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

To count the afore mentioned 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.

4.6 Profile of Directors and Executive

Board of Directors

Mr. Phoon Chiong Kit

Chairman of the Board of Directors/Authorized Director/
Chairman of Executive Committee/Chairman of Risk
management Committee and Chief Executive Officer
Age 68 year

Education

- BBA, Business, National University of Singapore

Date of appointment of Director : 01 April 2018

Shareholding in the Company (%) : -

Family Relationship between Director and Executive : -

Working Experience

Present	Chairman of the Board of Directors/ Authorized Director/Chairman of Executive Committee/Risk Management Committee and Chief Executive Officer Master Ad Plc.
Present	Director Master and More Co., Ltd.
Present	Director Green Ad Co., Ltd.
Present	Director Inkjet Image (Thailand) Co., Ltd.
Present	Director Open Plays Co., Ltd..
Present	Director Landy Development Co., Ltd.
Present	Director MACO Outdoor Sdn. Bhd.
Present	Director Eyeball Channel Sdn. Bhd.
Present	Director VGI Global Media (Malaysia) Sdn. Bhd.
Present	Director Trans.Ad Solutions Co., Ltd.
Present	Director VGI Maco (Singapore) Private Limited
Present	Director Puncak Berlian Sdn.Bhd.
Present	Director VGI MACO (Cambodia) Co., Ltd.

Other Listed Companies -

Other Companies

2013 - Present	Founder and CEO, C - Max Company Ltd.
2016 - 2018	Advisor VGI Global Media PCL.
2014 - 2017	Advisor Cinemax Indonesia.
2010 - 2013	Executive Vice President GDC Holdings Ltd.
2008 - 2010	Director Imagine Animation Studios/ Winnington Capital.
1996 - 2009	CEO Golden Harvest Entertainment Group HK.
1998 - 2008	Executive Director of various Golden Harvest JV companies in Singapore, Malaysia and Taiwan.
1997 - 1998	Founder & CEO Pacific Partners Ltd.
1993 - 1996	Managing Director Causeway Holdings Ltd.
1990 - 1992	Executive Director Suez Asia Capital Management.
1987 - 1989	Executive Vice President Ka Wah Bank Special Recovery Unit.
1983 - 1986	Executive Director Associated Hotels Ltd.

Mr. Chaityasit Puvapiromquan

Authorized Director
Age 78 year

Education

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

Training

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

Date of appointment of Director : 22 April 2015

Shareholding in the Company (%) : -

Family Relationship between Director and Executive : -

Working Experience

2014 - Present	Authorized Director Master Ad Plc.
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Other Listed Companies

2017 - Present	Independent Director/Audit Committee Nation Multimedia Group Plc.
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Other Companies

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

Mr. Voraphot Chanyakomol

Independent Director/Chairman of the Audit Committee

Age 53 year

Education

- MBA, Major: Corporate Finance University of Dallas, Texas, USA
- B.Eng., Major: Metallurgical Engineering Chulalongkorn University, Bangkok, Thailand

Training

- Director Accreditation Program (DPA) 228/2559 Thai Institute of Director
- Chief Financial Official Certification Program Class19, Federation of Accounting Professions.

Date of appointment of Director : 30 January 2020

Shareholding in the Company (%) : -

Family Relationship between Director and Executive : -

Working Experience

January 2020 - Present	Director and Chairman of the Audit Committee Master Ad Plc.
2018 – Present	Executive Director & Chief Financial Officer Nation International Edutainment Plc.
2015 – 2018	Executive Director & Chief Financial Officer U City Plc.
2013 – 2015	Chief Financial Officer We Retail Plc.

Other Companies

2019 – Present	Director Nation Global Edutainment Co., Ltd.
2018 – Present	Director One World Media Co., Ltd.
2018 – Present	Director Street Eye Ball Co., Ltd.
2008 – 2013	Executive Officer Opt Asia Capital Co., Ltd.

Mr. Danai Tangsriviriyakul

Independent Director/Audit Committee/

Member of Nomination and Remuneration Committee and Chairman of Corporate Governance Committee

Age 71 year

Education

- Bachelor of Accounting, Chulalongkorn University

Training

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

Date of appointment of Director : 3 August 2016

Shareholding in the Company (%) : 0.01%

Family Relationship between Director and Executive : -

Working Experience

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

Other Listed Companies : -

Other Companies

February 2019 - Present	Consultant EMCS Co., Ltd.
2016 - Present	Consultant of Dean of College of Integrative Medicine, Dhurakijpundit University
2015 - Present	Committee for the Foundation Marketing Association of Thailand for education
2007 - Present	Marketing Consultant Food Star Co., Ltd.
2013 - 2017	Marketing Consultant EMCS Thai Co., Ltd.
2009 - 2013	Part - time Lecturer Dhurakij Pundit University
2005 - 2008	Client Service Director Double P Co., Ltd.
1999 - 2005	Client Service Director Prakit Publicis Co., Ltd.
1990 - 1999	Managing Director C P & S Co., Ltd.
1996 - 2005	Vice president Marketing Association of Thailand
1988 - 1994	Director Advertising Association of Thailand
1982 - 1984, 1987 - 1989	Client Service Director Ogilvy & Mather (Thailand) Co., Ltd.
1985 - 1986	Account Director Ogilvy & Mather (New York) Co., Ltd.
1977 - 1981	Assistant Managing Director Kamol Sukosol Co., Ltd.
1972 - 1976	Marketing Services Manager Ford Motor (Thailand) Co., Ltd.

Mr. Siew Ko Chuen

Authorized Director and Executive Director

Age 52 year

Education

- Bachelor degree in Commerce (Accounting & Finance), Griffith University, Brisbane, Australia
- Associate Member of Australian Society of Certified Public Accountant (ASCPA)

Training : -

Date of appointment of Director : 30 January 2020

Shareholding in the Company (%) : -

Family Relationship between Director and Executive : -

Working Experience

Present	Authorized Director/Executive Director Master Ad Plc.
Present	Director Hello Bangkok LED Co., Ltd.
Present	Director Master and More Co., Ltd.
Present	Director Inkjet Images (Thailand) Co., Ltd.
Present	Director Green Ad Co., Ltd.
Present	Director Gold Star Group Co., Ltd.
Present	Director Titanium Compass Sdn. Bhd
Present	Commissioner PT Avabanindo Perkasa

Other Listed Companies

2016 - Present	VP, CEO Office BTS Group Holdings Plc.
2013 - 2016	Chief Financial Officer Amata Corporation Plc.

Other Companies : -

2012 - 2013	Director Project Finance (East Asia) Schneider Electric South East Asia (HQ) Pte.Ltd. (Singapore)
2009 - 2012	Country CFO and Director Schneider (Thailand) Limited.
2005 - 2009	Country Finance Director PT Schneider Indonesia
1996 - 2006	Regional Financial Controller and Director in MGE Asia Pte. Ltd. (Singapore) for South Asia Pacific Zone

Mr. Chalush Chinthammit

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

Age 50 years

Education

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

Training

- Director Accreditation Program (DAP) (21/2004)
Thai Institute of Directors (IOD)
- Top Executive Program : Class 10/2010
Capital Market Academy
- Certificate, Executive Program on Energy Literacy for a
Sustainable Future (TEA), Class 6, Thailand Energy Academy
- Top Executive in Industrial Development and Investment,
Class 3, Institute of Business and Industrial Development
(IBID)
- Business Revolution and Innovation Network (BRAIN)
Class 2, The Federation of Thai Industries

Date of appointment of Director : 24 April 2017

Shareholding in the Company (%) : -

Family Relationship between Director and Executive : -

Work experience

2016 - Present	Independent Director/Audit Committee/ member of Nomination and Remuneration Committee/ Member of Corporate Governance Committee Master Ad Plc.
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Other Listed Companies

2012 - Present	Director Thai Sugar Terminal Plc.
2007 - Present	Director/Executive Committee TS Flour Mill Plc.
2006 - Present	Director/Executive Vice President Khon Kaen Sugar Industry Plc.

Other Companies

2019 - Present	Director Kerry Express (Thailand) Plc.
2019 - Present	Director KSL Real Estate Co., Ltd.
2018 - Present	Managing Director BBGI Co., Ltd.
2018 - Present	Director Bangchak Bio Fuel Co., Ltd.
2018 - Present	Director Bangchak Bioethanol - Chachoengsao Co., Ltd.

Other Companies

2016 - Present	Chairman DAD SPV Co., Ltd.
2016 - Present	Director WSP Logistic Co., Ltd.
2015 - Present	Director Seng Press Co., Ltd.
2015 - Present	Director and Chairman of the Audit Committee Dhanarak Asset Development Co., Ltd.
2015 - Present	Director Chinakit Co., Ltd.
2013 - Present	Director RAJASOLAR MATERIAL Co., Ltd.
2007 - Present	Chairman of the Board of Director COLOSSAL International service Co., Ltd.
2007 - Present	Director/Secretary - General Thai Sugar and Bio - Energy Producers Association
2007 - Present	President KSL Agro and Trading Co., Ltd.
2007 - Present	Managing Director Rajaporcelain.Co., Ltd.
2007 - Present	Director CHANARAL Co., Ltd.
2007 - Present	Director Savannakhet Sugar Corporation Co., Ltd.
2007 - Present	Director KSL Green Innovation Plc.
2004 - Present	Director Para Ruamchoke Co., Ltd.
2004 - Present	Director KSL Sugar Holding Co., Ltd.
2004 - Present	Director KhonKaen Sugar Power Plant Co., Ltd.
2004 - Present	Director KSL Export Trading Co., Ltd.
2003 - Present	Director Kohkong Plantation Co., Ltd.
2003 - Present	Director Thai Sugar Miller Co., Ltd.
2003 - Present	Director Onnuch Construction Co., Ltd.
2001 - Present	Director Cane and Sugar Act B.E.2527 Committee.
1997 - Present	Director Raja Ceramic Co., Ltd.
1996 - Present	Chairman and Executive Committee MMP Corporation Co., Ltd.

Executive

Miss Tamonwan Narintavanich

Executive committee/Chief Financial Officer and Company Secretary/Risk management Committee

Age 56 year

Education

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

Training

- Strategic CFO in Capital Markets Program 5/2017 The Stock Exchange of Thailand
- Institute of Metropolitan development Mahanakorn 3
- Super Entrepreneur Program for Society : SET - S1
- Role of the Compensation Committee 16/2013 Thai Institute of Director
- Director Accreditation Program (DAP) 76/2008 Thai Institute of Director
- Director Certification Program (DCP) 177/13 Thai Institute of Director
- TLCA Executive Development Program (EDP9/12) Thai Listed Company Association
- Finance for non Finance Director 17/2010 Thai Institute of Director
- Corporate Secretary Program 12/2005 Chula Unisearch, Chulalongkorn University

Shareholding in the Company : 0.00%

Family Relationship between Director and Executive : -

Working Experience

January 2020 - Present	Director Hello Bangkok LED.
2019 - Present	Director VGI MACO (Cambodia) Co.,Ltd.
2019 - Present	Director Winbliss System Co., Ltd.
2019 - Present	Director Meru Utama Sdn.Bhd.
Present	Executive committee, Member of Risk Management Committee, Chief Financial Officer, Company Secretary Master Ad Plc.
Present	Director MACO Outdoor Co., Ltd.
Present	Director Green Ad Co., Ltd.
Present	Director VGI Global Media (Malaysia) Sdn. Bhd.
Present	Director VGI Maco (Singapore) Private Limited
Present	Director Trans Ad Solution Co., Ltd.
Present	Director Trans Ad Malaysia Sdn. Bhd.
Present	Director Roctec Technology Limited
2013 - 2014	Asst.Chief Executive Director Master Ad Plc.
2011 - 2012	Accounting & Financial Director Master Ad Plc.
2005 - 2010	Vice - Director - Accounting & Financial Master Ad Plc.
2001 - 2004	Asst.Director - Accounting & Financial Master Ad Plc.
1996 - 2000	Accounting & Financial Manager Master Ad Plc.

Other Listed Companies : -

Other Companies

2013	Code of Ethics in Investor Relations Committee Corporate Governance Center
1989 - 1990	Accountant Umnart & Associate Co., Ltd.
1986 - 1989	Asst. Accountant Vissavasahaphan Co., Ltd.

Miss Rodjana Trakulkoosri

Executive Committee/

Chief Business Development Officer (CBO/

Risk management Committee and Chief Executive Officer

Age 51 year

Education

- MBA Assumption University
- BBA in Marketing Assumption University

Training

- Executive Program in urban Management 3 Navamindradhiraj University

Shareholding in the Company : 0.02%

Family Relationship between Director and Executive : -

Working Experience

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

Other Listed Companies : -

Other Companies

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

Mrs. Uraiwan Boonyarataphan

Executive Committee, Risk management Committee and Chief People Officer

Age 46 year

Education

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

Training

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

Shareholding in the Company : 0.01%

Family Relationship between Director and Executive : -

Working Experience

2018 - Present	Executive Committee, Risk management Committee and Chief People Officer Master Ad Plc.
2018 – Present	Director Landy development Co., Ltd.
2016 - Present	Risk Management Committee Master Ad Plc.
2014 – Present	Chief People Officer (CPO) Master Ad Plc.
2013 – 2014	Asst.CEO HR, Admin&MIS Master Ad Plc.
2010 – 2012	Administration Director Master Ad Plc.
2003 – 2009	Acting administration Director Master Ad Plc.
2002 - 2003	Asst.Director - administration Master Ad Plc.
1999 - 2002	Administration Manager Master Ad Plc.
1998 - 1999	Administration section Manager Master Ad Plc.

Other Listed Companies : -

Other Companies : -

Mr. Panaikorn Nuchmak

Executive Committee, Risk management Committee and Chief Technical Officer

Age 48 year

Education

- Bachelor of Public Administration
Sukhothai Thammathirat Open University

Shareholding in the Company : 0.01%

Family Relationship between Director and Executive : -

Working Experience

Present	Executive Committee, Risk Management Committee and Chief Technical Officer/ Master Ad Plc.
2016 - 2018	Technical Director JC DECAUX (Thailand) Co., Ltd.
2008 - 2015	Technical Director JC DECAUX Dubai – Middle East.
2004 - 2008	Operation Manager JC DECAUX (Thailand) Co., Ltd.

Other Listed Companies : -

Other Companies : -

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

Names			MACO	Holding by Subsidiaries								Holding by Subsidiaries															
				Master and More Co., Ltd.	Green Ad Co., Ltd.	Eye On Ads Co., Ltd.	Inkjet Images (Thailand) Co., Ltd.	MACO Outdoor Sdn.Bhd.	Landy Development Co., Ltd.	VGI Global Media Malaysia Sdn.Bhd.	VGI MACO (Singapore) Private Limited	Hello Bangkok LED Co., Ltd.	Open Play Co., Ltd.	Multi Sign Co., Ltd.	Gold Star Group Co., Ltd.	Comass Co., Ltd.	Trans Ad Solution Co., Ltd.	Trans Ad Malaysia Sdn.Bhd.	Roctec Technology Ltd.	Winbliss Co., Ltd.	Parkway Technology Limited	Eyeball Channel Sdn.Bhd.	Puncak Berlian Sdn.Bhd.	Meru Utama Sdn.Bhd.	Titanium Compass Sdn.Bhd.	PT Avabaindo Pekasa	VGI MACO (Cambodia) Co., Ltd.
1.	Mr. Phoon Chiong Kit	C / CE / CEO	D	D		D	D	D	D	D	D				D					D	D				D		
2.	Mr. Chaiyasit Puvapiromquan	D																									
3.	Mr. Voraphot Chanyakomol	ID / CAC																									
4.	Mr. Danai Tangsriviriyakul	ID / AC																									
5.	Mr. Siew Ko Chuen	D/E	D	D		D				D			D										D	D			
6.	Mr. Chalush Chinthammit	ID / AC																									
7.	Miss Tamonwan Narintavanich	E / Com Sec / CFO		D		D			D	D					D	D	D	D				D			D		
8.	Miss Rodjana Trakulkoosri	E / CBO	D		D						D	D															
9.	Mrs. Uraiwan Boonyarataphan	E / CPO					D																				
10.	Mr. Panaikorn Nuchmak	E / CTO																									
11.	Miss Nurahayatee Maeroh	PA			D							D		D													
12.	Miss Chonlada Chanim	AD			D							D		D													

Remark: C= Chairman of the Board of Directors, D=Director, ID=Independent Director, CAC=Chairman of the Audit committee, AC=Audit Committee, CE= Chairman of Executive Committee, E= Executive committee, Com Sec =Company Secretary, CEO= Chief Executive Officer, CFO= Chief Financial Officer, CPO= Chief People Officer, CBO= Chief Business Development Officer, CMO= Chief Marketing Officer, CTO=Chief Technical Officer, PA =Personal Assistant to CEO, AD = Assistant Director of Finance and Accounting,

5

- Director's Responsibility Report
- Independent Auditor's Report
- Financial Statements
- Notes to Consolidated Financial Statements



5.1 Director's Responsibility Reports

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 the financial reporting standard by deploying accounting policies which are appropriate and have been consistently adopted by the Company. Important information has been adequately disclosed in the notes supplemented to the financial statements for the benefits of the shareholders and general investors in a transparent manner.

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

Based upon such supervision and practices, the Board of Directors believe that the overall financial statements and the Company's separate financial statements prepared for three-month ended 31 March 2020, 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. Phoon Chiong Kit
Chairman of Board of Directors
and Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Master Ad Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Master Ad Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Master Ad Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Master Ad Public Company Limited and its subsidiaries and of Master Ad Public Company Limited as at 31 March 2020, their financial performance and cash flows for the three-month period then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of matters

I draw attention to the following matters.

- a) Note 1.3 to the financial statements regarding entering into the Advertising Media Management and Service Agreement.
- b) Note 1.4 to the financial statements regarding the COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group's business activities and this may be significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage.

The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

- c) Note 3 to the financial statements regarding the adoptions of financial reporting standards and accounting guidance, as follows:
- 1) The change in accounting policies due to the adoption of new financial reporting standards, with the Group restating the prior year's financial statements, presented herein as comparative information.
 - 2) Due to the impact of the COVID-19 outbreak, in preparing the consolidated and separate financial statements for the three-month period ended 31 March 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions.
- d) The acquisitions of investments in subsidiaries and joint venture as described below.
- 1) Note 9.1 to the financial statements regarding the acquisition of investment and change in status from associates to subsidiaries (Puncak Berlian Sdn Bhd ("PBSB Group")). The subsidiary (acquirer) completed the measurement of the fair values of the identifiable assets acquired and the liabilities assumed as at the acquisition date and the measurement of related goodwill, including the fair value of investment in PBSB held by the Group before business combination. The Company has restated the consolidated financial statements as at 31 December 2019, presented as comparative information, to reflect the fair values of the identifiable assets acquired, liabilities assumed and the investment.
 - 2) Note 10.1 to the financial statements regarding the acquisition of investment in joint venture (Hello Bangkok LED Company Limited). The Company is currently in the process of measuring the fair values of the identifiable assets acquired and the liabilities assumed at the acquisition date.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

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

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

Revenue recognition under the advertising business

The Group has entered into agreements with a large number of customers. As a result, the Group's recognition of revenue from advertising service business varies. The amount and timing of revenue recognition directly and significantly affects the profit of the Group and revenue from these services is material to the financial statements.

I and the auditor of the subsidiaries have audited this matter. I performed audit procedures, and gained an understanding of and assessed that auditor's work to obtain sufficient and appropriate audit evidence for the examination of the recognition of revenue under the advertising business. I have examined the revenue recognition of the Group by assessing and testing its internal controls with respect to revenue, by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks, applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy. In addition, on a sampling basis, I examined supporting documents for actual sales and services transactions occurring during the year and near the end of

the accounting period, reviewed credit notes that the Group issued after the period-end, and performed analytical procedures on disaggregated data to detect possible irregularities in sales and services transactions throughout the period, particularly for accounting entries made through journal vouchers.

Revenue recognition from subsidiaries' system installation services

The subsidiaries' policies on recognition of revenue from system installation services and related matters disclosed in Note 5.1 to the financial statements. I identified the recognition of revenue from system installation services to be an area of significant risk to the audit. This is because the amounts of revenue from system installation services that the subsidiaries recognise in each period form a significant portion of the Group's total revenue. In addition, the process of measurement and the determination of appropriate timing of recognition are areas requiring management to exercise significant judgement in assessing the percentage of completion of system installation work. There are therefore risks with respect to the amount and timing of the recognition of revenue from system installation services.

I and the auditor of the subsidiaries have audited this matter. I performed audit procedures, and gained an understanding of and assessed that auditor's work to obtain sufficient and appropriate audit evidence for the examination of the recognition of revenue from system installation services. I examined the revenue recognition and estimation of possible loss relating to contracts by accessing and testing the internal controls relating to the method that the management used in estimation of the percentage of completion, recognition of revenue and cost of installations and estimation of possible loss by making enquires of responsible executives, gaining an understanding of the controls and selecting contracts that the subsidiaries made with customers to test the operation of the designed controls. I also read the contracts to consider the conditions relating to revenue recognition and inquired of the management about the terms and risks associated with these contracts. In addition, I selected contracts to review the assessment of the percentage of completion and the probability of loss by making inquiry of the management and project managers with respect to the status of projects and had site visit of the significant projects under installation together with the subsidiaries' project managers. I compared the percentage of completion evaluated by the project managers with cost-to-cost method. I also performed analytical review of the gross margin of the projects to detect possible irregularities. In addition, I examined the revenue recognition with certificates from customers.

Business combination, investments and goodwill

As discussed in Note 9.1 to the financial statements regarding the acquisition of investment in subsidiaries (Puncak Berlian Sdn Bhd ("PBSB Group")), the Group (acquirer) completed the measurement of the fair values of the identifiable assets acquired and the liabilities assumed as at the acquisition date and the measurement of related goodwill, and recorded the fair value of the investments in proportion to the Group's shareholding on the acquisition date of PBSB Group. Management was required to exercise substantial judgement when determining the assumptions used as a basis for measurement of the identifiable assets acquired, liabilities assumed and the fair value of investments. In addition, the determination of impairment of investments in subsidiaries, joint venture and associates, and goodwill are significant accounting estimates requiring management to exercise a high degree of judgment in identifying the impairment indicators and cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. As at 31 March 2020, the Group presented the carrying amounts of goodwill, totaling Baht 910 million, and investments in subsidiaries, joint venture and associates, totaling Baht 2,129 million (Separate financial statements: Baht 3,426 million), as separate items under non-current assets in the statement of financial position.

I and the auditor of the subsidiaries have audited this matter. I performed audit procedures and gained an understanding of and assessed the results of that auditor's work in considering the methods and assumptions that management used to determine the fair values of the identifiable assets acquired and the liabilities assumed as at the acquisition date, and to measure goodwill and the fair value of the investments. In this respect, I made enquiries of responsible executives, assessed the methods applied by the management for each type of asset, and tested the calculations and significant assumptions used in valuing intangible assets and measuring the fair value of investments.

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

Other Matters

- a) On 24 April 2019, the Annual General Meeting of Shareholders of the Company passed a resolution to approve the change of accounting period from a period starting on 1 January and ending on 31 December to a period starting on 1 April and ending on 31 March, effective from 2020. Therefore, the financial statements for the period ended 31 March 2020 have been prepared for a period of three months only. The comparative consolidated statements of income, changes in shareholders' equity and cash flow and separate financial statements of the Company, including notes to the financial statements, were prepared for one-year period and therefore the figures, as presented herein, are not all comparable.
- b) Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Group for the accounting period ended 31 March 2020 yet. However, the Board of Director of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Group for the accounting period. I therefore have conducted my audit on the financial statements for the three-month period ended 31 March 2020.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

I am responsible for the audit resulting in this independent auditor's report.



Siraporn Ouuanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 15 July 2020

Master Ad Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020	31 December 2019 (Restated)	31 March 2020	31 December 2019
Assets					
Current assets					
Cash and cash equivalents		1,216,490,944	718,870,683	281,086,656	96,687,850
Current investments		-	21,040,125	-	-
Trade and other receivables	8	640,764,145	847,093,387	195,176,271	140,569,013
Short-term loans to related parties	7	-	11,788,742	-	1,413,096,862
Current portion of long-term loans to related parties	7	3,184,146	-	336,138,702	-
Work in process		166,838,482	104,447,578	-	-
Advances to contractors		83,428,868	88,127,675	-	-
Prepaid expenses		24,206,657	92,808,824	794,124	7,222,216
Other current assets		85,960,740	74,751,781	11,157,362	4,174,500
Total current assets		2,220,873,982	1,958,928,795	824,353,115	1,661,750,441
Non-current assets					
Restricted bank deposits		40,730,867	37,387,149	194,138	194,138
Long-term loans to related parties - net of current portion	7	9,021,747	-	1,073,385,766	-
Investments in subsidiaries	9	-	-	1,476,010,174	1,476,010,174
Investment in joint venture	10	1,954,634,699	-	1,950,000,000	-
Investments in associates	11	174,609,617	180,923,675	-	-
Investment properties	12	62,003,647	62,504,727	35,316,836	35,316,836
Property, plant and equipment	13	877,127,272	931,155,610	12,191,000	13,377,304
Right-of-use assets	19.1	2,233,426,225	-	977,423,192	-
Intangible assets	14	556,798,832	669,637,774	1,288,354	1,520,433
Goodwill	15	909,734,841	898,541,451	-	-
Deferred tax assets	26	113,841,951	23,869,349	14,042,326	7,587,899
Other non-current assets		34,044,880	112,183,223	11,713,790	11,998,533
Total non-current assets		6,965,974,578	2,916,202,958	5,551,565,576	1,546,005,317
Total assets		9,186,848,560	4,875,131,753	6,375,918,691	3,207,755,758

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

Master Ad Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2020	31 December 2019 (Restated)	31 March 2020	31 December 2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	1,029,680,000	345,000,000	989,680,000	335,000,000
Trade and other payables	17	864,384,697	825,622,600	96,829,280	72,650,752
Advances received from employers and unearned revenues		259,042,772	184,061,886	3,523,053	7,840,071
Current portion of long-term loans	18	25,196,672	25,196,672	-	-
Current portion of lease liabilities	19.2	428,697,751	-	539,346,745	-
Short-term loans from related party	7	133,150,709	121,710,238	-	-
Income tax payable		13,447,824	23,656,081	-	634,474
Other current liabilities		71,759,848	32,043,144	7,768,640	9,544,502
Total current liabilities		2,825,360,273	1,557,290,621	1,637,147,718	425,669,799
Non-current liabilities					
Long-term loans - net of current portion	18	88,188,329	88,188,329	-	-
Lease liabilities - net of current portion	19.2	1,768,808,352	-	433,775,344	-
Provision for long-term employee benefits	20	51,670,107	50,196,718	15,550,754	18,501,856
Deferred tax liabilities	26	108,793,022	134,083,358	-	-
Other non-current liabilities		40,044,729	22,252,046	5,775,740	5,996,232
Total non-current liabilities		2,057,504,539	294,720,451	455,101,838	24,498,088
Total liabilities		4,882,864,812	1,852,011,072	2,092,249,556	450,167,887

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

Master Ad Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020	31 December 2019 (Restated)	31 March 2020	31 December 2019
Shareholders' equity					
Share capital	21				
Registered					
6,787,523,728 ordinary shares (31 December 2019: 5,914,892,764 ordinary shares) of Baht 0.1 each		678,752,373	591,489,276	678,752,373	591,489,276
Issued and fully paid-up					
5,411,980,914 ordinary shares (31 December 2019: 4,331,980,914 ordinary shares) of Baht 0.1 each		541,198,091	433,198,091	541,198,091	433,198,091
Share premium	21	3,796,470,008	2,358,206,863	3,796,470,008	2,358,206,863
Differences on business combination under common control		(226,799,825)	(226,799,825)	(226,799,825)	(226,799,825)
Deficit from changes in ownership interests in subsidiaries		(283,721,989)	(283,721,989)	-	-
Retained earnings					
Appropriated - statutory reserve	23	57,496,233	57,496,233	57,496,233	57,496,233
Unappropriated		215,130,327	419,789,997	115,304,628	135,486,509
Other components of shareholders' equity		(9,956,266)	(38,566,975)	-	-
Equity attributable to owners of the Company		4,089,816,579	2,719,602,395	4,283,669,135	2,757,587,871
Non-controlling interests of the subsidiaries		214,167,169	303,518,286	-	-
Total shareholders' equity		4,303,983,748	3,023,120,681	4,283,669,135	2,757,587,871
Total liabilities and shareholders' equity		9,186,848,560	4,875,131,753	6,375,918,691	3,207,755,758

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

Master Ad Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Profit or loss:					
Revenues					
Revenues from services and sales	24	333,568,697	1,709,656,413	157,997,338	681,527,012
Revenues from system installation services	24	278,570,472	1,243,992,344	-	-
Interest income		1,281,141	13,020,409	10,045,298	39,292,567
Other income					
Dividend income	9	-	-	599,998	1,649,995
Gain on change in status of investment	9.1	-	41,166,572	-	-
Others		34,271,867	37,342,786	2,730,061	19,988,963
Total revenues		647,692,177	3,045,178,524	171,372,695	742,458,537
Expenses					
Costs of services and sales		252,827,884	971,576,331	143,613,806	454,973,448
Cost of system installation services		212,514,897	929,802,329	-	-
Selling expenses		43,129,425	261,113,671	5,427,018	49,294,118
Administrative expenses		166,228,287	553,495,920	36,814,568	92,160,230
Loss on impairment and write-off of assets		221,568,232	-	111,600	-
Total expenses		896,268,725	2,715,988,251	185,966,992	596,427,796
Profit (loss) from operating activities		(248,576,548)	329,190,273	(14,594,297)	146,030,741
Share of profit from investment in joint venture	10	4,926,364	-	-	-
Share of loss from investments in associates	11	(4,245,054)	(99,726,945)	-	-
Finance cost		(39,410,041)	(16,363,063)	(10,320,798)	(6,236,732)
Profit (loss) before income tax expenses		(287,305,279)	213,100,265	(24,915,095)	139,794,009
Income tax	26	82,600,973	(77,884,633)	4,733,214	(29,653,173)
Profit (loss) for the period		(204,704,306)	135,215,632	(20,181,881)	110,140,836
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		35,909,711	(36,301,236)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		35,909,711	(36,301,236)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax		(1,400,615)	(3,524,846)	-	(3,776,464)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(1,400,615)	(3,524,846)	-	(3,776,464)
Other comprehensive income for the period		34,509,096	(39,826,082)	-	(3,776,464)
Total comprehensive income for the period		(170,195,210)	95,389,550	(20,181,881)	106,364,372

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

Master Ad Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Profit (loss) attributable to:					
Equity holders of the Company		(128,584,787)	160,581,291	(20,181,881)	110,140,836
Non-controlling interests of the subsidiaries		(76,119,519)	(25,365,659)		
		(204,704,306)	135,215,632		
Total comprehensive income attributable to:					
Equity holders of the Company		(101,117,680)	128,696,417	(20,181,881)	106,364,372
Non-controlling interests of the subsidiaries		(69,077,530)	(33,306,867)		
		(170,195,210)	95,389,550		
Earnings per share	27				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.025)	0.037	(0.004)	0.026

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

Master Ad Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Cash flows from operating activities				
Profit (loss) before tax	(287,305,279)	213,100,265	(24,915,095)	139,794,009
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	182,512,400	229,364,864	138,930,321	7,727,594
Loss allowance of financial assets (reversal)	5,825,322	35,128	(42,800)	35,128
Loss (gain) on sales/write-off of assets	31,755,778	14,185,608	(747)	(102,778)
Loss on impairment of assets (reversal)	189,163,904	(591,055)	111,600	-
Provision for long-term employee benefits	3,012,428	16,769,351	401,886	3,375,396
Dividend income	-	-	(599,998)	(1,649,995)
Gain on change in status of investments	-	(41,166,572)	-	-
Share of profit from investment in joint venture	(4,926,364)	-	-	-
Share of loss from investments in associates	4,245,054	99,726,945	-	-
Interest income	(1,281,141)	(13,020,409)	(10,045,298)	(39,292,567)
Interest expenses	39,410,041	16,363,063	10,320,798	6,236,732
Profit from operating activities before changes in operating assets and liabilities	162,412,143	534,767,188	114,160,667	116,123,519
Operating assets (increase) decrease				
Trade and other receivables	183,382,522	21,133,706	(60,580,526)	13,590,557
Work in process	(62,390,904)	(46,941,570)	-	-
Advances to contractors	4,698,807	(10,878,428)	-	-
Prepaid expenses	3,332,233	8,482,826	1,764,266	(421,853)
Other current assets	(8,310,332)	22,051,352	(6,982,862)	1,358,416
Other non-current assets	31,249,541	(70,676,189)	2,943,860	(154,394)
Operating liabilities increase (decrease)				
Trade and other payables	94,137,511	(26,889,027)	21,997,079	(26,922,485)
Advances received from employers and unearned revenues	74,980,886	(26,624,304)	(4,317,019)	2,634,183
Other current liabilities	8,554,129	(16,875,079)	(2,097,461)	(2,001,192)
Provision for long-term employee benefits	(3,637,527)	(1,388,952)	(1,171,539)	(270,768)
Other non-current liabilities	5,143,698	3,206,784	(10,514)	(86,590)
Cash flows from operating activities	493,552,707	389,368,307	65,705,951	103,849,393
Interest income	1,076,767	5,153,463	16,061,367	23,654,248
Cash paid for interest expenses	(6,321,112)	(13,591,630)	(2,922,130)	(6,013,842)
Cash paid for corporate income tax	(34,025,738)	(97,145,596)	(3,293,590)	(35,867,672)
Corporate income tax refund received	623,317	6,418,757	-	-
Net cash flows from operating activities	454,905,941	290,203,301	75,551,598	85,622,127

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

Master Ad Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Cash flows from investing activities				
Purchase of current investments	-	(21,040,124)	-	-
Proceeds from sales of current investments	20,000,000	10,000,000	-	10,000,000
Increase in short-term loans to related parties	-	(122,298,222)	-	(487,135,207)
Decrease in long-term loans to related parties	-	2,745,205	3,572,394	-
Decrease (increase) in restricted bank deposits	(3,343,717)	20,562,260	-	-
Net cash paid for purchases of investments in subsidiaries	-	(27,777,636)	-	(54,072,000)
Cash paid for purchase of investment in joint venture	(1,950,000,000)	-	(1,950,000,000)	-
Acquisitions of equipment	(102,561,499)	(348,527,066)	(263,788)	(2,056,104)
Proceeds from sales of equipment	1,193,743	3,640,371	748	111,402
Acquisitions of intangible assets	(83,589)	(1,300,761)	-	(998,300)
Dividends received	-	-	599,998	1,649,995
Net cash flows used in investing activities	(2,034,795,062)	(483,995,973)	(1,946,090,648)	(532,500,214)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	684,680,000	978,110,000	654,680,000	968,110,000
Decrease in short-term loans from financial institutions	-	(902,920,898)	-	(893,110,000)
Cash paid to settle payables from purchase of investment in a subsidiary	-	(38,000,000)	-	-
Increase in short-term loans from related party	11,440,470	82,387,567	-	-
Cash received from of long-term loans from financial institution	-	121,535,000	-	-
Repayment of long-term loan from financial institution	-	(8,150,000)	-	-
Net cash received from additional ordinary shares	1,544,541,930	346,502,625	1,544,541,930	328,478,626
Cash paid for purchases of investment in subsidiaries	-	(160,000,000)	-	-
Cash paid for lease liabilities	(162,476,488)	(429,970)	(144,284,074)	-
Dividends paid	(599,998)	(153,821,339)	-	(134,515,245)
Net cash flows from financing activities	2,077,585,914	265,212,985	2,054,937,856	268,963,381
Translation adjustments	(76,532)	4,722,759	-	-
Net increase (decrease) in cash and cash equivalents	497,620,261	76,143,072	184,398,806	(177,914,706)
Cash and cash equivalents at beginning of period	718,870,683	642,727,611	96,687,850	274,602,556
Cash and cash equivalents at end of period	1,216,490,944	718,870,683	281,086,656	96,687,850
	-	-	-	-
Supplemental disclosures of cash flow information				
Non-cash transactions				
Transfer of short-term loan to related party to investment in subsidiary	-	-	-	300,000,000
Payable of acquisition of equipment	12,161,222	58,290,500	-	-

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

Master Ad Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2020

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
	Other components of shareholders' equity										
	Other comprehensive income										
	Exchange differences on translation of financial statements in foreign currencies										
	Issued and fully paid-up share capital	Share premium	Differences on business combination under common control	Deficit from change in ownership interests in subsidiaries	Retained earnings		Total other component of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
					Appropriated	Unappropriated					
Balance as at 1 January 2019	412,668,177	2,050,258,152	(226,799,825)	(152,874,875)	51,989,191	402,156,901	(9,605,067)	(9,605,067)	2,527,792,654	345,790,379	2,873,583,033
Profit for the year	-	-	-	-	-	160,581,291	-	-	160,581,291	(25,365,659)	135,215,632
Other comprehensive income for the year - restated	-	-	-	-	-	(2,925,908)	(28,961,908)	(28,961,908)	(31,887,816)	(7,938,266)	(39,826,082)
Total comprehensive income for the year	-	-	-	-	-	157,655,383	(28,961,908)	(28,961,908)	128,693,475	(33,303,925)	95,389,550
Issuance of ordinary shares	20,529,914	307,948,711	-	-	-	-	-	-	328,478,625	-	328,478,625
Issuance of ordinary shares of subsidiary	-	-	-	-	-	-	-	-	-	18,024,000	18,024,000
Purchases of investments in subsidiaries	-	-	-	(130,847,114)	-	-	-	-	(130,847,114)	(29,152,886)	(160,000,000)
Increase in non-controlling interests of subsidiaries from acquisitions of investments in subsidiaries - restated	-	-	-	-	-	(134,515,245)	-	-	(134,515,245)	-	(134,515,245)
Dividends paid (Note 30)	-	-	-	-	-	-	-	-	-	21,466,812	21,466,812
Dividends paid from subsidiaries to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	(19,306,094)	(19,306,094)
Retained earnings transferred to statutory reserve (Note 23)	-	-	-	-	5,507,042	(5,507,042)	-	-	-	-	-
Balance as at 31 December 2019	433,198,091	2,358,206,863	(226,799,825)	(283,721,989)	57,496,233	419,789,997	(38,566,975)	(38,566,975)	2,719,602,395	303,518,286	3,023,120,681

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

Master Ad Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2020

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										Equity attributable to non-controlling interests of the subsidiaries
	Other components of shareholders' equity										
	Other comprehensive income			Total equity attributable to owners of the Company							
	Issued and fully paid-up share capital	Share premium	Differences on business combination under common control	Deficit from change in ownership interests in subsidiaries	Retained earnings	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Total other component of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	
Balance as at 1 January 2020	433,198,091	2,358,206,863	(226,799,825)	(283,721,989)	57,496,233	419,789,997	(38,571,389)	(38,571,389)	2,719,597,981	304,933,367	3,024,531,348
Cumulative effect of changes in accounting policies (Note 4)	-	-	-	-	-	(74,931,281)	-	-	(74,931,281)	(19,673,592)	(94,604,873)
Cumulative effect of the adjustment of the fair values as a result of the acquisition of subsidiaries (Note 9.1)	-	-	-	-	-	-	4,414	4,414	4,414	(1,415,081)	(1,410,667)
Balance as at 1 January 2020 - restated	433,198,091	2,358,206,863	(226,799,825)	(283,721,989)	57,496,233	344,858,716	(38,566,975)	(38,566,975)	2,644,671,114	283,844,694	2,928,515,808
Profit for the period	-	-	-	-	-	(128,584,787)	-	-	(128,584,787)	(76,119,519)	(204,704,306)
Other comprehensive income for the period	-	-	-	-	-	(1,143,602)	28,610,709	28,610,709	27,467,107	7,041,989	34,509,096
Total comprehensive income for the period	-	-	-	-	-	(129,728,389)	28,610,709	28,610,709	(101,117,680)	(69,077,530)	(170,195,210)
Issuance of ordinary shares (Note 21)	108,000,000	1,438,263,145	-	-	-	-	-	-	1,546,263,145	-	1,546,263,145
Dividends paid from subsidiaries to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	(599,995)	(599,995)
Balance as at 31 March 2020	541,198,091	3,796,470,008	(226,799,825)	(283,721,989)	57,496,233	215,130,327	(9,956,266)	(9,956,266)	4,089,816,579	214,167,169	4,303,983,748

CONTINUING TO GROW
OUR OVERSEAS MARKETS

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

Master Ad Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2020

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Differences on business combination under common control	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 1 January 2019	412,668,177	2,050,258,152	(226,799,825)	51,989,191	169,144,424	2,457,260,119
Profit for the period	-	-	-	-	110,140,836	110,140,836
Total other comprehensive income for the year	-	-	-	-	(3,776,464)	(3,776,464)
Total comprehensive income for the year	-	-	-	-	106,364,372	106,364,372
Issuance of ordinary shares	20,529,914	307,948,711	-	-	-	328,478,625
Dividends paid (Note 30)	-	-	-	-	(134,515,245)	(134,515,245)
Retained earnings transferred to statutory reserve (Note 23)	-	-	-	5,507,042	(5,507,042)	-
Balance as at 31 December 2019	433,198,091	2,358,206,863	(226,799,825)	57,496,233	135,486,509	2,757,587,871
Balance as at 1 January 2020	433,198,091	2,358,206,863	(226,799,825)	57,496,233	135,486,509	2,757,587,871
Total comprehensive income for the period	-	-	-	-	(20,181,881)	(20,181,881)
Issuance of ordinary shares (Note 21)	108,000,000	1,438,263,145	-	-	-	1,546,263,145
Balance as at 31 March 2020	541,198,091	3,796,470,008	(226,799,825)	57,496,233	115,304,628	4,283,669,135

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

Master Ad Public Company Limited and its subsidiaries

Notes to Consolidated Financial Statements

For the three-month period ended 31 March 2020

1. General information

1.1 Corporate information

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

1.2 Change of accounting period

On 24 April 2019, the Annual General Meeting of Shareholders of the Company passed a resolution to approve the change of accounting period from a period starting on 1 January and ending on 31 December to a period starting on 1 April and ending on 31 March, effective from 2020. Therefore, the financial statements for the period ended 31 March 2020 have been prepared for a period of three months only. The comparative consolidated statements of income, changes in shareholders’ equity and cash flow and separate financial statements of the Company, including notes to the financial statements were prepared for one-year period and therefore the figures, as presented herein, are not all comparable.

1.3 Advertising Media Management and Service Agreement

On 15 January 2020, the Company entered into the Advertising Media Management and Service Agreement with Plan B Media Public Company Limited (“PLANB”) to appoint PLANB as manager of all of the Company’s and its subsidiaries’ advertising media in Thailand. The total value of the contract was Baht 3,150 million (calculated with reference to the minimum consideration payable under the Advertising Media Management and Service Agreement) for the period from the date of execution to 31 December 2024. The Company will be entitled to receive compensation equal to 85% of revenue up to Baht 900 million and 90% of revenue in excess of Baht 900 million, until the end of that calendar year, with minimum compensation set at Baht 700 million per year. For the first year, PLANB agreed to a guaranteed minimum revenue of Baht 350 million from 1 July 2020 to 31 December 2020. However, the compensation and the minimum compensation will be adjusted if conditions stipulated in the agreement are met.

1.4 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group’s business activities and this may be significantly impacting the Group’s financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 26 December 2019, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 March 2020	31 December 2019
			(Percent)	(Percent)
<u>Subsidiaries directly owned by the Company</u>				
Master and More Company Limited	Production and providing outdoor advertising media service	Thailand	100	100
Eye On Ads Company Limited	Production and sale of tri-vision equipment	Thailand	100	100
Green Ad Company Limited	Providing advertising service through the supply of tree wall panel	Thailand	100	100
Inkjet Images (Thailand) Company Limited	Production of advertising media and billboards	Thailand	50	50
Landy Development Company Limited (14.89% held by Master and More Company Limited)	Provision of office building rental service	Thailand	48.87	48.87
Maco Outdoor Sdn Bhd	Holding company	Malaysia	100	100
VGI Global Media (Malaysia) Sdn Bhd	Provision of advertising services	Malaysia	75	75
VGI MACO (Singapore) Private Limited	Investment in advertising media business	Singapore	75	75
<u>Subsidiaries indirectly owned by the Company</u>				
<u>Held by Master and More Company Limited</u>				
Open Play Company Limited	Providing outdoor advertising media service	Thailand	100	100
<u>Held by Green Ad Company Limited</u>				
Multi Sign Company Limited	Production and providing outdoor advertising media services	Thailand	100	100
Gold Star Group Company Limited	Design, production and provision of publishing media and all types of advertising media	Thailand	60	60
<u>Held by Eye On Ads Company Limited</u>				
Co-Mass Company Limited	Production and providing outdoor advertising media services	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 March 2020	31 December 2019
			(Percent)	(Percent)
Trans.Ad Solutions Company Limited	Design and system installation services	Thailand	81.65	81.65
Held by Trans.Ad Solutions Company Limited				
Roctec Technology Limited	System integration services	Hong Kong	89	89
TransAd Malaysia Sdn Bhd	Provision of media rental service	Malaysia	100	100
Held by Roctec Technology Limited				
Parkway Technology Limited	Investment holding	Hong Kong	100	100
Winbliss Systems Limited	Distribution software and computer related products including system development, installation and maintenance	Thailand	100	100
Held by VGI Global Media (Malaysia) Sdn Bhd				
Puncak Berlian Sdn Bhd	Provision of out-of-home advertising media in Malaysia	Malaysia	65	65
Meru Utama Sdn Bhd (74.8% held by Puncak Berlian Sdn Bhd)	Provision of advertising media in airports in Malaysia	Malaysia	25.1	25.1
Held by Puncak Berlian Sdn Bhd				
Titanium Compass Sdn Bhd	Provision of advertising media in the mass rapid transit system in Malaysia	Malaysia	51	51
Held by VGI MACO (Singapore) Private Limited				
VGI MACO (Cambodia) Company Limited	Provision of advertising media in airports in Cambodia	Cambodia	100	100

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

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

3. New financial reporting standards

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

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations including accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles and accounting treatment guidance, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill for impairment.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments	21,040	(21,040)	-	-
Trade and other receivables	847,093	(17,121)	-	829,972
Prepaid expenses	92,809	-	(65,270)	27,539
Other current financial assets	-	21,040	-	21,040
Non-current assets				
Investment in associates	184,568	-	(8,131)	176,437
Property, plant and equipment	931,156	-	(603)	930,553
Right-of-use assets	-	-	2,312,960	2,312,960
Deferred tax assets	23,869	1,321	13,799	38,989
Other non-current assets	112,183	-	(68,427)	43,756
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	825,623	-	(10,622)	815,001
Current portion of lease liabilities	-	-	475,885	475,885
Other current liabilities	32,043	6,606	(849)	37,800
Non-current liabilities				
Lease liabilities, net of current portion	-	-	1,793,732	1,793,732
Other non-current liabilities	22,252	-	(1,620)	20,632
Shareholders' equity				
Retained earnings - unappropriated	419,790	(11,371)	(63,560)	344,859
Non-controlling interests of the subsidiaries	304,933	(11,035)	(8,638)	285,260

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The impacts of		
		Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Prepaid expenses	7,222	-	(4,664)	2,558
Non-current assets				
Right-of-use assets	-	-	657,700	657,700
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	338,817	338,817
Non-current liabilities				
Lease liabilities, net of current portion	-	-	314,219	314,219

4.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements
Recognition of an allowance for expected credit losses on financial assets	17,121
Recognition of derivatives at fair value through profit or loss	5,285
Total	22,406
Impacts on retained earnings	11,371
Impacts on non-controlling interests of the subsidiaries	11,035

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9	
		Amortised cost	Total
Financial assets as at 1 January 2020			
Cash and cash equivalents	718,871	718,871	718,871
Current investments	21,040	-	-
Trade and other receivables	847,093	829,972	829,972
Other current financial assets	-	21,040	21,040
Restricted bank deposits	37,387	37,387	37,387

(Unit: Thousand Baht)

	Separate financial statements		
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9	
		Amortised cost	Total
Financial assets as at 1 January 2020			
Cash and cash equivalents	96,688	96,688	96,688
Trade and other receivables	140,569	140,569	140,569
Restricted bank deposits	194	194	194

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value is Baht 7 million.

The Group has trade and other receivables for which expected credit losses have to be considered.

The Group applies the simplified approach to measure expected credit losses, over the lifetime of all trade and other receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging. The expected loss rates are determined based on the historical payment profiles and the corresponding historical credit losses experienced.

The loss allowance for trade and other receivables was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements						
	Trade receivables					Other receivables	Total
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months		
As at 1 January 2020							
Gross carrying amount	322,433	222,608	49,452	33,018	33,415	203,611	864,537
Loss allowance	3,301	4,760	2,398	7,568	7,709	8,829	34,565

(Unit: Thousand Baht)

	Separate financial statements						
	Trade receivables					Other receivables	Total
	Not yet due	Up to 3 months	3 - 6 months	6 - 12 months	Over 12 months		
As at 1 January 2020							
Gross carrying amount	71,041	14,565	534	401	3,618	63,131	153,291
Loss allowance	-	-	27	401	3,618	8,676	12,722

The loss allowance for trade and other receivables as at 31 December 2019 is reconciled to the opening loss allowance for trade and other receivables as at 1 January 2020 as follow:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 31 December 2019	17,444	12,722
Amounts restated through opening	17,121	-
Loss allowance as at 1 January 2020	34,565	12,722

4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020, ranging between 2.68% to 7.00% per annum (The Company only: 2.89% to 3.58% per annum). For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	2,349,617	35,022
Adjusted:		
Less: Short-term leases and leases of low-value assets	(12,948)	(17,920)
Less: Contracts reassessed as service agreements	(18,254)	-
Add: Option to extend lease term	316,222	656,574
Less: Deferred interest expenses	(367,489)	(20,640)
Increase in lease liabilities due to TFRS 16 adoption	2,267,148	653,036
Liabilities under finance lease agreements as at 31 December 2019	2,469	-
Lease liabilities as at 1 January 2020	2,269,617	653,036
Comprise of:		
Current lease liabilities	475,885	338,817
Non-current lease liabilities	1,793,732	314,219
	2,269,617	653,036

5. Significant accounting policies

5.1 Revenue recognition

Rendering of services

Service income consists of advertising income and maintenance service income. Service income is recognised over time when services have been rendered taking into account the stage of completion. Service rate charged and service period are stipulated in the contract. Commissions paid or discounts given to counterparties who are considered to be customers of the Group are recorded net of revenues from services.

Revenue from advertising production is recognised upon completion of service in cases where control of the assets created has not yet been transferred to the customers.

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Revenues from system installation services

Revenue from system installation services is recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Group's project managers and certificates of works from its customers (output method).

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Accrued income" under other receivables in the statement of financial position. The amounts recognised are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers/Unearned revenue" in the statement of financial position. The amounts are recognised as revenue when the Group performs under the contract.

Revenue from system installation services is recognised upon completion of service in cases where the projects are low value, the work had a short duration, and control of the assets created has not yet been transferred to the customers.

Interest income

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

Dividends

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

5.2 Cash and cash equivalents

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

5.3 Accounts receivable

Accounts receivable are stated at the net realisable value. A receivable is initially recognised all the amount of the consideration that is unconditionally payable.

5.4 Inventories

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

5.5 Cost to fulfill a contract

The Group recognises cost to fulfill a contract with a customer which generates or enhances resources of the entity that will be used in satisfying performance obligations in the future and the costs are expected to be recovered as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

5.6 Cost to obtain a contract

The Group recognises commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs. Provided that the amortisation period of the asset that the Group otherwise would have used is one year or less, costs to obtain a contract are immediately recognised as expenses.

5.7 Investments

- a) Investments in joint venture and associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries, joint venture and associates are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

5.8 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

5.9 Investment properties

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

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

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

5.10 Property, plant and equipment / Depreciation

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

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

Buildings and building improvement	- 5 - 50 years
Media	- 3 - 15 years and remaining period of contracts
Equipment	- 3 - 5 years
Fixtures and office equipment	- 2 - 5 years
Motor vehicles	- 3 - 5 years

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under installation.

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

5.11 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any) and adjusted for any remeasurement of lease liabilities.

Depreciation of right-of-use assets is calculated by reference to their costs, on the straight-line basis over the shorter of the lease term and the estimated useful lives as follows:

Buildings	- 1 - 7 years
Space for advertising	- 1 - 15 years and remaining period of contracts
Equipment	- 4 - 7 years
Motor vehicles	- 1 - 7 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the leases term.

5.12 Intangible assets

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

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

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

Customer relationship	- 6 - 30 years
Backlog	- Remaining period of contracts
Contract rights	- Remaining period of contracts
Computer software	- 3 - 5 years

5.13 Goodwill

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

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

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

5.14 Business combinations under common control

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

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

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

5.15 Related party transactions

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

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

5.16 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.17 Impairment of assets

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

An impairment loss is recognised in profit or loss.

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

5.18 Employee benefits

Short-term employee benefits

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

Post-employment benefit and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan.

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

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

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

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

5.19 Provisions

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

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

5.20 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.21 Fair value measurement

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

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

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

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

6. Significant accounting judgements and estimates

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

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on information provided by the Group's project managers and certificates of works from its customers.

Determining the lease term of contracts with renewal and termination options

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

Incremental borrowing rate

In cases where the Group is unable to determine the interest rate implicit in the lease, it uses the incremental borrowing rate (IBR) to measure lease liabilities. The Group estimates the IBR using observable inputs, lessee's credit rating, similar security and similar term.

Allowance for expected credit losses of account receivables

In determining allowance for expected credit losses of account receivables, the management is required to use judgement and estimates based upon, among other things, collection history, the aging profile of outstanding debts and prevailing economic conditions.

Impairment of assets

When there are indications of the impairment of assets, the Group recognises an asset as impaired when its recoverable amount, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. This requires management to exercise judgement with respect to the indications of impairment and forecasting the recoverable amount of the asset.

Plant and equipment / Depreciation

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

Goodwill and intangible assets

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

Estimated system installation project costs

The Group estimates costs of system installation project costs based on details of the installation work, taking into account the volume and value of system installation materials to be used in the project, to reflect performance obligations completed. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for decommissioning

Provision for expenses to be incurred with respect to the retirement of advertising equipment located on leased areas is set using estimates of the present value of such expenses, based on the average of actual retirement expenses incurred in the past. Such provision is recorded as part of right-of-use assets and amortised over the estimated useful lives. However, the actual amounts incurred may differ from the estimated amounts.

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

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

Litigation

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

7. Related party transactions

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Interest income	-	-	10,032	38,551	1.95 to 5.00% per annum
Costs of services	-	-	140,845	409,790	Contract rate
Rental expenses	-	-	1,899	7,596	Contract rate
Consulting and accounting service income	-	-	799	5,100	Contract rate
Transactions with the intermediate parent company					
Revenue from advertising production	-	5,220	-	-	Contract rate
Revenue from system installation services	-	47,499	-	-	Contract rate
Costs of services	-	21,337	-	-	Contract rate
Transactions with parent company					
Service income	-	334,624	-	114	Contract rate
Revenue from advertising production	-	21,457	-	-	Contract rate
Revenue from system installation services	-	295,480	-	-	Contract rate
Interest expenses	-	3,532	-	-	3.82% per annum
Transactions with joint venture and associates					
Revenue from system installation services	15,986	-	-	-	Contract rate
Management income	-	1,657	-	-	Contract rate
Rental income from building	-	2,259	-	-	Contract rate
Interest income	137	4,843	-	-	5.00 to 7.90% per annum
Transactions with related companies					
Service income	83,139	-	54,902	-	Contract rate
Revenue from advertising production	23,953	78,666	810	3,123	Contract rate
Revenue from system installation services	27,112	4,310	-	-	Contract rate
Rental income	1,760	8,724	-	-	Contract rate
Interest income	-	3,409	-	-	7.90% per annum
Cost of services	8,035	-	-	-	Contract rate
Interest expenses	1,180	-	-	-	3.82% per annum

The balances of the accounts as at 31 March 2020 and 31 December 2019 between the Group and those related parties were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Trade and other receivables (Note 8)				
<u>Trade and other receivables</u>				
Ultimate parent company	-	52	-	-
Intermediate parent company	-	272	-	-
Parent company	-	34,974	-	402
Subsidiaries	-	-	39,859	43,211
Associates	27,146	36,455	-	-
Related companies (shareholders of the Company/ shareholders of related companies/common shareholder)	103,305	106,198	9,904	578
Total trade and other receivables	130,451	177,951	49,763	44,191
<u>Accrued income</u>				
Intermediate parent company	-	8,082	-	-
Parent company	-	109,781	-	-
Subsidiaries	-	-	11,160	10,424
Joint venture	8,429	-	-	-
Related companies (shareholders of the Company/ shareholders of related companies/common shareholder)	149,920	11,038	74,974	-
Total accrued income	158,349	128,901	86,134	10,424
<u>Retention receivables</u>				
Intermediate parent company	-	5,793	-	-
Related company (shareholder of related company)	6,790	-	-	-
Total retention receivables	6,790	5,793	-	-
Total trade and other receivables	295,590	312,645	135,897	54,615
Deposit receivable				
Intermediate parent company	-	701	-	-
Parent company	-	145	-	-
Subsidiary	-	-	9,995	9,995
Related companies (shareholders of the Company/common shareholder)	849	-	-	-
Total deposit receivable	849	846	9,995	9,995
Trade and other payables (Note 17)				
Intermediate parent company	-	4,374	-	-
Parent company	-	7,999	-	-
Subsidiaries	-	-	48,810	37,302
Joint venture	400	-	-	-
Related companies (shareholders of the Company/ shareholders of related companies/common shareholder)	34,214	12,018	13,170	86
Total trade and other payables	34,614	24,391	61,980	37,388
Advances received from employers and unearned revenues				
Intermediate parent company	-	255	-	-
Parent company	-	8,710	-	-
Related companies (shareholders of the Company/ shareholders of related companies)	41,057	663	-	-
Total advances received from employers and unearned revenues	41,057	9,628	-	-
Lease liabilities				
Subsidiaries	-	-	934,584	-
Total lease liabilities	-	-	934,584	-

Loans to related parties and loans from related parties

As at 31 March 2020 and 31 December 2019, the balances of loans between the Company and those related parties and the movements were as follows.

(Unit: Thousand Baht)

Long-term loans to related party	Consolidated financial statements			
	Balance as at 1 January 2020	Increase during the period	Decrease during the period	Balance as at 31 March 2020
Associate				
Eyeballs Channel Sdn Bhd	11,789	417	-	12,206
Less: Current portion	-			(3,184)
Net	11,789 ¹			9,022

¹As at 31 December 2019, this was presented as a short-term loan.

Long-term loans carry interest at a rate of 5.00% per annum.

(Unit: Thousand Baht)

Long-term loans to related parties	Separate financial statements			
	Balance as at 1 January 2020	Increase during the period	Decrease during the period	Balance as at 31 March 2020
Subsidiaries				
Master and More Company Limited	265,000	10,000	-	275,000
Eye On Ads Company Limited	708,501	-	(35,000)	673,501
Green Ad Company Limited	58,600	-	(14,553)	44,047
Maco Outdoor Sdn Bhd	16,548	346	-	16,894
VGI Global Media (Malaysia) Sdn Bhd ²	364,448	35,634	-	400,082
VGI MACO (Singapore) Private Limited	-	12,474	(12,474)	-
	1,413,097 ¹	58,454	(62,027)	1,409,524
Less: Current portion	(331,552)			(336,139)
Net	1,081,545			1,073,385

¹ As at 31 December 2019, this was presented as a short-term loan.

² On 15 July 2020, a meeting of the Executive Committee of the Company resolved that loans are investments in substance, since the Company has no plan to call the loans.

Long-term loans carry interest at rates of 1.95 to 5.00% per annum.

(Unit: Thousand Baht)

Short-term loans from related party	Consolidated financial statements (restated)			
	Balance as at 31 December 2019	Increase during the period	Decrease during the period	Balance as at 31 March 2020
VGI Public Company Limited	121,710	11,878	(437)	133,151

Short-term loans carry interest at a rate of 3.82% per annum and are due within August 2020.

Directors and management's benefits

The Group had employee benefit expenses payable to its directors and management as detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Short-term employee benefits	12,737	50,969	4,221	17,250
Post-employment benefits	431	1,356	108	397
Other long-term benefits	26	104	9	-
Total	13,194	52,429	4,338	17,647

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	29,571	82,564	11,787	959
Past due				
Up to 3 months	18,059	55,614	289	-
3 - 6 months	53,086	2,532	-	-
6 - 12 months	2,622	-	-	-
Total trade receivables - related parties	103,338	140,710	12,076	959
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	146,343	239,869	31,401	70,082
Past due				
Up to 3 months	164,110	166,994	25,961	14,565
3 - 6 months	23,403	46,920	989	535
6 - 12 months	9,382	33,018	-	401
Over 12 months	13,351	33,415	3,966	3,618
Total	356,589	520,216	62,317	89,201
Less: Loss allowance	(31,016)	(8,615)	(4,003)	(4,046)
Total trade receivables - unrelated parties - net	325,573	511,601	58,314	85,155
Total trade receivables - net	428,911	652,311	70,390	86,114
<u>Other receivables</u>				
Other receivables - related parties	27,113	37,241	37,687	43,232
Other receivables	20,626	22,661	8,749	8,937
Accrued income - related parties	158,349	128,901	86,134	10,424
Accrued income	8,571	6,838	892	538
Retention receivables - related parties	6,790	5,793	-	-
Retention receivables	366	2,177	-	-
Total	221,815	203,611	113,462	63,131
Less: Loss allowance	(9,962)	(8,829)	(8,676)	(8,676)
Total other receivables	211,853	194,782	124,786	54,455
Total trade and other receivables - net	640,764	847,093	195,176	140,569

The loss allowance for trade and other receivables was determined as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Average expected loss rate	Trade receivables (Gross)	Loss allowance	Average expected loss rate	Trade receivables (Gross)	Loss allowance
Trade receivables						
As at 31 March 2020						
Not yet due	1%	175,913	1,400	0%	43,188	-
Past due						
Up to 3 months	4%	182,169	6,483	0%	26,250	-
3 - 6 months	9%	76,490	7,044	4%	989	37
6 - 12 months	44%	12,004	5,244	0%	-	-
Over 12 months	81%	13,351	10,845	100%	3,966	3,966
Total trade receivables		459,927	31,016		74,393	4,003
Other receivables	4%	221,815	9,962	7%	133,462	8,676
Total trade and other receivables		681,742	40,978		207,855	12,679

The loss allowance for trade and other receivables can be reconciled as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 January 2020	17,444	12,722
Impact from first-time adoption of TFRS 9	17,121	-
Increase in loss allowance recognised in profit or loss	6,259	-
Bad debts recoverable	(413)	(43)
Translation adjustment	567	-
As at 31 March 2020	40,978	12,679

9. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net		Dividend received	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Master and More Company Limited	20,000	20,000	74,549	74,549	-	-	74,549	74,549	-	-
Eye On Ads Company Limited	393,000	393,000	393,000	393,000	-	-	393,000	393,000	-	-
Green Ad Company Limited	800,000	800,000	798,383	798,383	(3,383)	(3,383)	795,000	795,000	-	-
Inkjet Images (Thailand) Company Limited	6,000	6,000	7,984	7,984	-	-	7,984	7,984	600	1,650
Landy Development Company Limited	40,000	40,000	16,495	16,495	-	-	16,495	16,495	-	-
Maco Outdoor Sdn Bhd	1,708	1,708	1,708	1,708	-	-	1,708	1,708	-	-
VGI Global Media (Malaysia) Sdn Bhd	333,370	333,370	414,072	414,072	-	-	414,072	414,072	-	-
VGI MACO (Singapore) Private Limited	2	2	2	2	-	-	2	2	-	-
Total			1,706,193	1,706,193	(3,383)	(3,383)	1,702,810	1,702,810	600	1,650
Less: Differences on business combination under common control							(226,800)	(226,800)		
Investments in subsidiaries - net							1,476,010	1,476,010		

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

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests		Dividend paid to non-controlling interests	
					For the three-month period ended	For the year ended	For the three-month period ended	For the year ended
	31 March 2020 (Percent)	31 December 2019 (Percent)	31 March 2020	31 December 2019 (Restated)	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Landy Development Company Limited	36.24	36.24	32.9	32.9	-	1.4	-	-
Gold Star Group Company Limited	40.00	40.00	130.0	131.1	(1.1)	(0.7)	-	-
Roctec Technology Limited	27.33	27.33	106.6	91.7	6.8	19.3	-	7.5
VGI Global Media (Malaysia) Sdn Bhd	25.00	25.00	(72.5)	30.7	(83.9)	(50.1)	-	-

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

Summarised n about financial position

(Unit: Million Baht)

	Landy Development Company Limited		Gold Star Group Company Limited		Roctec Technology Limited		VGI Global Media (Malaysia) Sdn Bhd	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019 (Restated)
Current assets	39.3	37.6	37.6	40.2	772.8	671.4	316.2	318.7
Non-current assets	67.4	69.0	405.9	387.1	215.2	174.2	2,004.6	476.4
Current liabilities	2.0	1.8	25.6	25.8	604.3	537.1	1,008.4	637.6
Non-current liabilities	1.7	1.7	93.1	73.7	46.3	25.4	1,341.7	33.7

Summarised information about comprehensive income

(Unit: Million Baht)

	Landy Development Company Limited		Gold Star Group Company Limited		Roctec Technology Limited		VGI Global Media (Malaysia) Sdn Bhd	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019 (Restated)
Revenue	5.1	20.1	22.2	105.4	311.8	1,214.4	103.0	372.4
Profit (loss)	-	3.8	(2.9)	(1.8)	28.0	64.9	(114.9)	(132.9)
Total comprehensive income	-	3.8	(2.9)	(1.8)	29.3	63.4	(116.4)	(129.8)

Summarised information about cash flow

(Unit: Million Baht)

	Landy Development Company Limited		Gold Star Group Company Limited		Roctec Technology Limited		VGI Global Media (Malaysia) Sdn Bhd	
	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Cash flow from (used in) operating activities	3.0	7.9	(1.2)	5.4	220.0	159.4	103.5	(700.0)
Cash flow from (used in) investing activities	20.1	(19.9)	(0.2)	(1.4)	124.2	(2.7)	4.2	(46.5)
Cash flow from (used in) financing activities	-	-	-	-	-	(68.0)	(71.2)	754.9
Net increase (decrease) in cash and cash equivalents	23.1	(12.0)	(1.4)	4.0	344.2	88.7	36.5	8.4

9.1 Puncak Berlin Snd Bhd (“PBSB”)

On 19 April 2019, VGI Global Media (Malaysia) Sdn Bhd (“VGIM”) entered into a share purchase and sale agreement with Redberry Sdn Bhd, the former shareholder (“the Seller”), to acquire 6,850,042 ordinary shares with a par value of MYR 1 each, representing 40% of its paid-up share capital, at a price of MYR 9.6 million. In accordance with the conditions stipulated in the agreement, VGIM made advance payment of MYR 4 million for the investment in April 2019.

On 9 July 2019, VGIM paid the outstanding share price to the Seller. As a result of the additional share acquisition, VGIM’s shareholding in PBSB increased from 25% to 65% of total paid-up shares. PBSB is, therefore, deemed a subsidiary of the Group and its financial statements were included in the consolidated financial statements from 9 July 2019, which is the date on which the Group assumed control.

PBSB is a company incorporated in Malaysia, and engaged in out of house media business in Malaysia.

Subsidiaries and associate of PBSB that were consolidated as of the acquisition date were as follows.

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding (Percent)
Subsidiaries held by PBSB			
Meru Utama Sdn Bhd ¹	Provision of advertising media in airports in Malaysia	Malaysia	74.8
Titanium Compass Sdn Bhd	Provision of advertising media in the mass rapid transit system, in Malaysia	Malaysia	51
¹ 25.1% held by VGIM			
Associate held by PBSB			
PT Avabanindo Pekasa ² (Note 10.1)	Provision of advertising media in the mass rapid transit system, in Indonesia	Indonesia	25
² 10% held by VGIM			

On the acquisition date, the Group reclassified its investment in PBSB Group from investments in associates to investments in subsidiaries. The fair value at the acquisition date, in proportion to VGIM's shareholding before the acquisition date, was Baht 70 million. A gain of Baht 41 million from measuring the investments at their fair value was recognised as a separate item under the caption of "Gain on changes in status of investments" in the consolidated statement of comprehensive income for the year ended 31 December 2019.

During the period, the Group completed the measurement of the fair value at the acquisition date of the identifiable assets acquired, liabilities assumed, related goodwill and investment that the Group held before the business combination. These are summarised below.

(Unit: Thousand MYR)

	Fair value	Carrying value
Cash and cash equivalents	3,290	3,290
Trade and other receivables	24,461	24,461
Other current assets	6,109	6,109
Investment in associate	18,691	2,912
Property, plant and equipment	11,013	11,013
Intangible assets	20,215	9
Deferred tax assets	582	582
Short-term loans from financial institutions	(1,324)	(1,324)
Trade and other payables	(16,575)	(16,575)
Unearned revenues	(6,037)	(6,037)
Short-term loans from related party	(49,673)	(49,673)
Other current liabilities	(18)	(18)
Deferred tax liabilities	(4,849)	-
Other non-current liabilities	(43)	(43)
Non-controlling interests of the subsidiaries	1,498	7,156
Net assets of the subsidiaries	7,340	(18,138)
Less: Non-controlling interests' proportionate share of identifiable net assets of the acquiree	(2,569)	
Less: Non-controlling interests in MUSB held by VGIM	(1,789)	
Add: Investment in PT AVA held by VGIM	7,476	
Proportionate share of identifiable net assets of the acquiree	10,458	
Costs of the acquisition of investment in the subsidiaries	19,028	
Less: Proportionate share of identifiable net assets of the acquiree	(10,458)	
Goodwill	8,570*	

(Unit: Thousand MYR)

	Fair value	Carrying value
Value of investment in PBSB held by VGIM before business combination	2,252	
Value of investment in MUSB held by VGIM before business combination	554	
Value of investment in PT AVA held by VGIM before business combination	1,165	
Gain on changes in status of investments	5,457	
Consideration transferred at the acquisition date	9,600	
Costs of the acquisition of investments in subsidiaries	19,028	
Cash paid for purchase of investment in a subsidiary	7,039	
Add: Assets settlement by the acquirer	2,561	
Consideration transferred at the acquisition date	9,600	
Cash paid for purchase of investment in subsidiaries	7,039	
Less: Cash and cash equivalents of the subsidiaries	(3,290)	
Net cash paid for purchase of investment in subsidiaries	3,749	

* As at 31 March 2020, the Company presented the goodwill in foreign currency, amounting to Baht 65 million in the consolidated statements of financial position (after translation adjustment based on the closing rate as at 31 March 2020).

The Company restated the consolidated statement of financial position as at 31 December 2019, presented as comparative information, to reflect the fair value of the identifiable assets acquired and liabilities assumed of PBSB Group as at the acquisition date. The cumulative effect of the change in fair value has been separately presented in the statement of changes in shareholders' equity. The amounts of the adjustments affecting the consolidated statements of financial position and comprehensive income are summarised below.

(Unit: Thousand Baht)

	Increase (decrease) 31 December 2019
Consolidated statements of financial position	
Estimated amount by which costs of the acquisitions of investments in subsidiaries exceed identifiable net assets of the acquirees	(51,735)
Goodwill	62,749
Investment in associate	(3,021)
Intangible assets	(12,373)
Deferred tax liabilities	(2,969)
Translation adjustment	4
Non-controlling interests of the subsidiaries	(1,415)

(Unit: Thousand Baht)

	Increase (decrease) For the three-month period ended 31 March 2020
Consolidated statement of comprehensive income	
Profit or loss:	
Selling expenses	5,417
Income tax	(1,300)
Loss for the period	4,117
Attributable to:	
Loss attributable to equity holders of the Company	3,088
Loss attributable to non-controlling interests	1,029
Loss per share (Baht):	
Basic loss per share	0.0006

10. Investments in joint venture

Details of joint venture

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separated financial statements	
					Carrying amounts based on equity method		Cost	
			31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Hello Bangkok LED Company Limited	Providing advertising service through the Static Billboards and Digital LED	Thailand	50.00	-				
					1,954,635	-	1,950,000	-
Total					1,954,635	-	1,950,000	-

10.1 Hello Bangkok LED Company Limited ("Hello LED")

On 14 January 2020, the Extraordinary General Meeting of the Company's shareholders No. 1/2020 approved the acquisition of ordinary shares in Hello LED which providing advertising service through the Static Billboards and Digital LED from existing shareholder, i.e. Win Harvest International Limited (the "Seller") and/or any persons to be designated by the Seller, where such person is not a connected person of the Company, by purchasing 500,000 existing shares, equivalent to 50% of the total shares of Hello LED, at a purchase price of Baht 3,900 per share, totaling Baht 1,950 million.

On 15 January 2020, the Company entered into the Share Purchase Agreement with the Seller and received the transfer of ordinary shares on 30 January 2020.

Some of Hello LED's advertising billboards do not have licenses issued in accordance with the Building Control Act. The Company and existing shareholder of Hello LED is in the process of seeking ways to comply with the legal framework for advertising billboards, and has checked the stability of the structures and formulated regular maintenance plans to prevent safety issues. In addition, under the Share Purchase Agreement, for periods of up to 1 year and up to 5 years (depending on circumstances as stipulated in the agreement) the seller is liable for any damages to Hello LED in an amount of Baht 1,750 million.

The Company is currently in the process of measuring the fair values of the identifiable assets acquired and the liabilities assumed at the acquisition date. The values of the assets and liabilities of Hello LED at the acquisition date are summarised below.

(Unit: Thousand Baht)

	Carrying value
Cash and cash equivalents	19,216
Trade and other receivables	51,188
Inventories	3,717
Short-term loan to related party	497,287
Other current assets	199,682
Building and equipment	161,587
Right-of-use assets	224,629
Other non-current assets	15,956
Trade and other payables	(568,602)
Unearned revenue	(279,964)
Income tax payable	(1,294)
Other current liabilities	(4,189)
Long-term loans from financial institutions	(18,960)
Long-term lease liabilities	(182,973)
Provision for long-term employee benefits	(6,252)
Other non-current liabilities	(2,011)
Net assets of the joint venture	109,017

Share of profit

The Company has recognised its share of profit from investments in joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Companies	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Hello Bangkok LED Company Limited	4,926	-
Total	4,926	-

Summarised financial information about material joint venture

Summarised information about financial position

(Unit: Million Baht)

	Hello LED
	31 March 2020
Current assets	218
Non-current assets	402
Current liabilities	(401)
Non-current liabilities	(100)
Net assets	119
Shareholding percentage (%)	50
Share of net assets	59
Fair value adjustment of assets acquired and liabilities assumed	1,896
Carrying amounts of joint venture based on equity method	1,955

Summarised information about comprehensive income

(Unit: Million Baht)

	Hello LED
	For the three-month period ended 31 March 2020
Revenues	80
Profit	10

11. Investments in associates

Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements	
					Carrying amounts based on equity method	
			31 March 2020	31 December 2019	31 March 2020	31 December 2019 (Restated)
Eyeballs Channel Sdn Bhd	Provision of outdoor advertising media service in Malaysia	Malaysia	40.00	40.00	2,087	4,597
PT Avabanindo Pekasa	Provision of advertising media in the mass rapid transit system in Indonesia	Indonesia	35.00	35.00	172,523	176,327
Total					174,610	180,924

11.1 PT Avabanindo Pekasa (“PT AVA”)

As described in Note 9.1 to the financial statements, VGIM acquired a 25% interest in PT AVA through its shareholding in PBSB. This increased VGIM’s shareholding in PT AVA from 10% to 35% of its issued shares.

During the period, the Group completed the measurement of the fair value of the identifiable assets acquired and liabilities assumed of PT AVA at the acquisition date, which are summarised below.

(Unit: Thousand MYR)

	Fair value	Carrying value
Cash and cash equivalents	776	776
Trade and other receivables	15,393	15,393
Other current assets	23,208	23,208
Building and equipment	383	383
Intangible assets	74,864	-
Other non-current assets	104	104
Short-term loan from related party	(20,298)	(20,298)
Other current liabilities	(11,589)	(11,589)
Deferred tax liabilities	(144)	(144)
Net assets of the associates	82,697	7,833
Shareholding percentage (%)	35	
Share of net assets of an associate	28,944	

Share of loss

The Group has recognised its share of loss from investments in associated companies in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Associates	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Eyeballs Channel Sdn Bhd	(2,640)	(904)
Puncak Berlian Sdn Bhd	-	(23,034)
Meru Utama Sdn Bhd	-	(60,151)
PT Avabanindo Pekasa	(1,605)	(15,638)
Total	(4,245)	(99,727)

Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	PT Avabanindo Pekasa	
	31 March 2020	31 December 2020
Current assets	152	116
Non-current assets	3,023	208
Current liabilities	(188)	(201)
Non-current liabilities	(2,896)	(106)
Net assets	1	17
Shareholding percentage (%)	35	35
Share of net assets	-	6
Fair value adjustment of assets acquired and liabilities assumed	173	170
Carrying amounts of associates based on equity method	173	176

Summarised information about comprehensive income

(Unit: Million Baht)

	PT Avabanindo Pekasa	
	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Revenues	189	421
Loss	(5)	(45)

12. Investment properties

The net book value of investment properties as at 31 March 2020 and 31 December 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	Land	Office building for rent	Total	Land	Total
31 March 2020					
Cost	45,853	60,366	106,219	35,317	35,317
<u>Less:</u> Accumulated depreciation	-	(42,154)	(42,154)	-	-
Allowance for diminution in value	-	(2,062)	(2,062)	-	-
Net book value	45,853	16,150	62,003	35,317	35,317
31 December 2019					
Cost	45,853	59,986	105,839	35,317	35,317
<u>Less:</u> Accumulated depreciation	-	(41,272)	(41,272)	-	-
Allowance for diminution in value	-	(2,062)	(2,062)	-	-
Net book value	45,853	16,652	62,505	35,317	35,317

A reconciliation of the net book value of investment properties for the three-month period ended 31 March 2020 and year ended 31 December 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Net book value at beginning of period	62,505	62,602	35,317	35,317
Change in status of investment from associate to subsidiary	-	2,215	-	-
Depreciation charged	(502)	(2,312)	-	-
Net book value at end of period	62,003	62,505	35,317	35,317

The fair value of the investment properties as at 31 March 2020 and 31 December 2019 stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Land	154,257	154,257	114,734	114,734
Office building for rent	55,311	55,260	-	-

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

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land	Buildings and building improvement	Media	Equipment	Fixtures and office equipment	Motor vehicles	Assets under installation	
Cost:								
1 January 2019	18,538	111,182	951,839	72,026	110,020	19,658	36,139	1,319,402
Additions	-	1,363	4,071	5,242	9,262	2,619	384,339	406,896
Change in status of investment from associate to subsidiary	-	119,071	-	-	4,312	5,157	2,922	131,462
Disposals	-	(18,151)	(19,065)	(18,012)	(2,773)	(6,321)	(1,888)	(66,210)
Transfers	-	5,297	320,442	-	8,998	-	(339,777)	(5,040)
Translation adjustment	-	(1,721)	(907)	-	(3,667)	30	(2,009)	(8,274)
31 December 2019	18,538	217,041	1,256,380	59,256	126,152	21,143	79,726	1,778,236
Additions	-	4,718	9,429	19	5,508	1,361	45,380	66,415
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	-	(4,701)	-	-	-	-	(4,701)
Disposals	-	(225)	(92,827)	-	(1,478)	(3,197)	(2,865)	(100,592)
Transfers	-	11,795	(17,889)	-	403	-	(14,775)	(20,466)
Translation adjustment	-	4,595	860	1	4,356	371	1,629	11,812
31 March 2020	18,538	237,924	1,151,252	59,276	134,941	19,678	109,095	1,730,704
Accumulated depreciation:								
1 January 2019	-	62,489	509,661	27,606	85,296	12,382	-	697,434
Depreciation for the year	-	15,205	108,989	10,332	9,871	2,589	-	146,986
Change in status of investment from associate to subsidiary	-	48,328	-	-	2,417	1,418	-	52,163
Depreciation on disposals	-	(7,998)	(15,156)	(17,556)	(2,645)	(5,035)	-	(48,390)
Transfers	-	(2,094)	(3,048)	-	(1,561)	-	-	(6,703)
Translation adjustment	-	(659)	(123)	-	(2,522)	256	-	(3,048)
31 December 2019	-	115,271	600,323	20,382	90,856	11,610	-	838,442
Depreciation for the period	-	5,076	25,582	2,807	4,098	904	-	38,467
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	-	(4,098)	-	-	-	-	(4,098)
Depreciation on disposals	-	(252)	(70,043)	-	(1,372)	(2,326)	-	(73,993)
Transfers	-	-	(1,755)	-	(36)	-	-	(1,791)
Translation adjustment	-	1,873	117	-	3,363	135	-	5,488
31 March 2020	-	121,968	550,126	23,189	96,909	10,323	-	802,515
Allowance for impairment loss:								
1 January 2019	-	4,290	-	-	-	-	4,939	9,229
Increase (decrease) during the year	-	-	3,637	-	-	-	(4,228)	(591)
31 December 2019	-	4,290	3,637	-	-	-	711	8,638
Increase during the period	-	-	42,247	-	-	-	-	42,247
Translation adjustment	-	152	-	-	-	-	25	177
31 March 2020	-	4,442	45,884	-	-	-	736	51,062
Net book value:								
31 December 2019	18,538	97,480	652,420	38,874	35,296	9,533	79,015	931,156
31 March 2020	18,538	111,514	555,242	36,087	38,032	9,355	108,359	877,127

Depreciation

For the year ended 31 December 2019 (Baht 123.1 million included in costs of services, and the balance in administrative expenses) 146,986

For the three-month period ended 31 March 2020 (Baht 35.9 million included in costs of services, and the balance in administrative expenses) 38,467

(Unit: Thousand Baht)

	Separate financial statements						Total
	Buildings and building improvement	Media	Equipment	Fixtures and office equipment	Motor vehicles	Assets under installation	
Cost:							
1 January 2019	645	104,609	681	36,154	1,066	-	143,155
Additions	-	955	-	510	-	594	2,059
Disposals	-	(887)	-	(1,120)	(524)	-	(2,531)
Transfers	-	594	-	-	-	(594)	-
31 December 2019	645	105,271	681	35,544	542	-	142,683
Additions	-	-	-	232	-	32	264
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	(3,294)	-	-	-	-	(3,294)
Disposals	-	-	-	(18)	-	-	(18)
31 March 2020	645	101,977	681	35,758	542	32	139,635
Accumulated depreciation:							
1 January 2019	62	89,481	660	33,835	1,066	-	125,104
Depreciation for the year	32	5,594	8	1,097	-	-	6,731
Depreciation on disposals	-	(887)	-	(1,118)	(524)	-	(2,529)
31 December 2019	94	94,188	668	33,814	542	-	129,306
Depreciation for the period	8	1,211	2	229	-	-	1,450
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	(3,294)	-	-	-	-	(3,294)
Depreciation on disposals	-	-	-	(18)	-	-	(18)
31 March 2020	102	92,105	670	34,025	542	-	127,444
Net book value:							
31 December 2019	551	11,083	13	1,730	-	-	13,377
31 March 2020	543	9,872	11	1,733	-	32	12,191
Depreciation							
For the year ended 31 December 2019 (Baht 5.6 million included in costs of services and sales, and the balance in administrative expenses)							6,731
For the three-month period ended 31 March 2020 (Baht 1.2 million included in costs of services and sales, and the balance in administrative expenses)							1,450

As at 31 March 2020, certain items of plant and equipment had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 402 million (31 December 2019: Baht 400 million) (The Company only: Baht 111 million (31 December 2019: Baht 110 million)).

14. Intangible assets

The net book value of intangible assets as at 31 March 2020 and 31 December 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements (restated)				
	Intangible assets acquired through business combination			Computer software	Total
	Customer relationships	Backlogs	Contract rights		
Cost:					
1 January 2019	598,400	68,712	-	18,396	685,508
Additions	-	-	-	1,301	1,301
Change in status of investment from associate to subsidiary	-	-	149,707	896	150,603
Disposals	-	-	-	(10)	(10)
Transfers	-	-	-	14	14
Translation adjustment	(9,258)	(3,354)	(1,754)	(21)	(14,387)
31 December 2019	589,142	65,358	147,953	20,576	823,029
Additions	-	-	-	84	84
Disposals	-	-	-	(84)	(84)
Transfers	-	-	-	(200)	(200)
Translation adjustment	11,839	4,289	5,235	40	21,403
31 March 2020	600,981	69,647	153,188	20,416	844,232
Accumulated amortisation:					
1 January 2019	31,685	29,510	-	13,769	74,964
Amortisation for the year	39,558	23,865	13,997	2,645	80,065
Change in status of investment from associate to subsidiary	-	-	-	829	829
Amortisation on disposals	-	-	-	(3)	(3)
Translation adjustment	(581)	(1,544)	(327)	(12)	(2,464)
31 December 2019	70,662	51,831	13,670	17,228	153,391
Amortisation for the period	7,624	4,767	5,417	598	18,406
Amortisation on disposals	-	-	-	(58)	(58)
Transfers	-	-	-	(21)	(21)
Translation adjustment	1,534	3,419	550	32	5,535
31 March 2020	79,820	60,017	19,637	17,779	177,253
Allowance for impairment loss:					
1 January 2020	-	-	-	-	-
Increase during the period	42,734	-	66,600	21	109,355
Translation adjustment	-	-	825	-	825
31 March 2020	42,734	-	67,425	21	110,180
Net book value					
31 December 2019	518,480	13,527	134,283	3,348	669,638
31 March 2020	478,427	9,630	66,126	2,616	556,799
Amortisation					
For the year ended 31 December 2019 (Baht 77.4 million included in selling expenses, and the balance in administrative expenses)					80,065
For the three-month period ended 31 March 2020 (Baht 17.8 million included in selling expenses, and the balance in administrative expenses)					18,406

(Unit: Thousand Baht)

	Separate financial statements
	Computer software
Cost:	
1 January 2019	12,029
Additions	998
Transfers	(10)
31 December 2019	13,017
31 March 2020	13,017
Accumulated amortisation:	
1 January 2019	10,504
Amortisation for the year	996
Depreciation on disposals	(3)
31 December 2019	11,497
Amortisation for the period	232
31 March 2020	11,729
Net book value	
31 December 2019	1,520
31 March 2020	1,288
Amortisation	
For the year ended 31 December 2019 (included in administrative expenses)	996
For the three-month period ended 31 March 2020 (included in administrative expenses)	232

15. Goodwill

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2020	31 December 2019 (Restated)
Master and More Company Limited	13,041	13,041
Inkjet Images (Thailand) Company Limited	957	957
Multi Sign Company Limited	370,381	370,381
Co-Mass Company Limited	261,599	261,599
Trans.Ad Solutions Company Limited	46,722	46,722
Roctec Technology Limited	110,253	101,280
Gold Star Group Company Limited	41,813	41,813
Puncak Berlian Snd Bhd ("PBSB")	64,969	62,749
Total	909,735	898,542

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

Key assumptions used in value in use of significant CGUs calculation are summarised below:

	Multi Sign Company Limited	Co-Mass Company Limited	Roctec Technology Limited	Trans .Ad Solutions Company Limited	PBSB
Long term growth rates	1.50%	1.50%	0.00%	0.00%	2.00%
Discount rates before tax	12.84%	12.56%	15.39%	18.08%	11.19% - 11.52%

The management determined growth rates based on historical operation results and expected market growth, inflation rate and discount rates is the rate that reflects the risks specific to each CGU.

The management believes that there is no impairment loss for goodwill.

16. Short-term loans from financial institutions

The balances represent unsecured short-term loans from financial institutions carrying interest at the rates of 1.45 - 2.95% per annum (31 December 2019: 1.70 - 2.05% per annum) (The Company only: 1.45 - 2.95% per annum (31 December 2019: 1.70 - 2.00% per annum). These loans are due in June 2020 and at call.

The loan agreements contain several covenants which, among other things, require the Company to maintain debt service coverage ratio at the rate prescribed in the agreements.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Trade payables - related parties	11,577	5,138	48,710	36,504
Trade payables	204,773	219,547	339	1,628
Other payables - related parties	10,452	14,795	1,058	773
Other payables	15,963	12,009	798	353
Accrued expenses - related parties	12,585	4,458	12,212	111
Accrued expenses	194,304	180,460	33,712	33,282
Accrued costs of installation	414,731	389,216	-	-
Total trade and other payables	864,385	825,623	96,829	72,651

18. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements	
			31 March 2020	31 December 2019
1	MLR plus rate specified in the agreement	Semi-annual installments as from November 2019 to May 2024	34,200	34,200
2	MLR plus rate specified in the agreement	Semi-annual installments as from November 2019 to May 2024	39,150	39,150
3	MLR plus rate specified in the agreement	Semi-annual installments as from May 2020 to May 2024	10,875	10,875
4	MLR plus rate specified in the agreement	Semi-annual installments as from May 2020 to May 2024	29,160	29,160
Total			113,385	113,385
Less: Current portion			(25,197)	(25,197)
Long-term loans, net of current portion			88,188	88,188

The loans are guaranteed by the Company and the subsidiary's director.

The loan agreements contain several covenants which, among other things, require the subsidiary to maintain debt service coverage ratio.

As at 31 March 2020, the long-term credit facilities of the subsidiary which have not yet been drawn down amounted to Baht 38 million (31 December 2019: Baht 38 million).

19. Leases

The Group has lease contracts related to the lease of space for advertising, office building space, motor vehicles and equipment.

19.1 Right-of-use assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Space for advertising	Buildings	Equipment	Motor vehicles	Total
Cost					
31 December 2019	-	-	-	-	-
Effects of the adoption of TFRS16 as at 1 January 2020 (Note 4)	2,363,085	88,748	1,020	12,005	2,464,858
1 January 2020	2,363,085	88,748	1,020	12,005	2,464,858
Addition	33,574	-	-	-	33,574
Write-off	(4,288)	-	-	-	(4,288)
Translation adjustment	56,644	4,160	3	-	60,807
31 March 2020	2,449,015	92,908	1,023	12,005	2,554,951
Accumulated depreciation					
31 December 2019	-	-	-	-	-
Effects of the adoption of TFRS16 as at 1 January 2020 (Note 4)	150,484	1,407	7	-	151,898
1 January 2020	150,484	1,407	7	-	151,898
Depreciation for the period	117,835	6,405	67	833	125,140
Translation adjustment	6,386	231	9	-	6,626
31 March 2020	274,705	8,043	83	833	283,664
Allowance for impairment loss:					
1 January 2020	-	-	-	-	-
Increase during the period	37,561	-	-	-	37,561
Translation adjustment	300	-	-	-	300
31 March 2020	37,861	-	-	-	37,861
Net book value					
1 January 2020	2,212,601	87,341	1,013	12,005	2,312,960
31 March 2020	2,136,449	84,865	940	11,172	2,233,426

(Unit: Thousand Baht)

	Separate financial statements			
	Space for advertising	Buildings	Motor vehicles	Total
Cost				
31 December 2019	-	-	-	-
Effects of the adoption of TFRS16 as at 1 January 2020 (Note 4)	626,846	30,091	4,056	660,993
1 January 2020	626,846	30,091	4,056	660,993
Addition	457,083	-	-	457,083
31 March 2020	1,083,929	30,091	4,056	1,118,076
Accumulated depreciation				
31 December 2019	-	-	-	-
Effects of the adoption of TFRS16 as at 1 January 2020 (Note 4)	3,293	-	-	3,293
1 January 2020	3,293	-	-	3,293
Depreciation for the period	135,164	1,764	320	137,248
31 March 2020	138,457	1,764	320	140,541
Allowance for impairment loss:				
1 January 2020	-	-	-	-
Increase during the period	112	-	-	112
31 March 2020	112	-	-	112
Net book value				
1 January 2020	623,553	30,091	4,056	657,700
31 March 2020	945,360	28,327	3,736	977,423

19.2 Lease liabilities

Movements of lease liabilities for the three-month period ended 31 March 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 31 December 2019	-	-
Effects of the adoption of TFRS16 (Note 4)	2,269,617	653,036
As at 1 January 2020	2,269,617	653,036
Addition	3,148	456,971
Accretion of interest	32,144	7,399
Payments	(162,476)	(144,284)
Translation adjustment	55,073	-
As at 31 March 2020	2,197,506	973,122
Less: current portion	(428,698)	(539,347)
Lease liabilities - net of current portion	1,768,808	433,775

The maturity analysis of lease liabilities of the Group is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than 1 year	1-5 years	Over 5 years	Total
Undiscounted lease payments	544,371	1,711,193	287,109	2,542,673
Deferred interest expenses	(115,673)	(209,636)	(19,858)	(345,167)
Lease liabilities	428,698	1,501,557	267,251	2,197,506

(Unit: Thousand Baht)

	Separate financial statements			
	Less than 1 year	1-5 years	Over 5 years	Total
Undiscounted lease payments	559,324	439,427	400	999,151
Deferred interest expenses	(19,977)	(6,050)	(2)	(26,029)
Lease liabilities	539,347	433,377	398	973,122

The Group had total cash outflows for leases for the three-month period ended 31 March 2020 of Baht 171 million (the Company only: Baht 144 million).

20. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Provision for long-term employee benefits at beginning of period	39,545	23,610	10,652	7,072	50,197	30,682
Included in profit and loss:						
Current service cost	1,673	5,334	352	1,265	2,025	6,599
Interest cost	113	1,132	34	248	147	1,380
Past service costs	523	6,308	317	430	840	6,738
Included in statements of comprehensive income:						
Actuarial loss (gain) arising from						
Demographic assumptions changes	334	188	-	31	334	219
Financial assumptions changes	1,005	6,362	-	856	1,005	7,218
Experience adjustments	411	(2,144)	-	1,165	411	(979)
Benefits paid during the period	(3,343)	(974)	(294)	(415)	(3,637)	(1,389)
Translation adjustment	348	(271)	-	-	348	(271)
Provision for long-term employee benefits at end of period	40,609	39,545	11,061	10,652	51,670	50,197

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Provision for long-term employee benefits at beginning of period	14,318	6,372	4,184	4,305	18,502	10,677
Included in profit and loss:						
Current service cost	267	591	67	411	334	1,002
Interest cost	57	256	12	127	69	383
Past service costs	-	2,379	-	(608)	-	1,771
Included in statements of comprehensive income:						
Actuarial loss (gain) arising from						
Demographic assumptions changes	-	96	-	12	-	108
Financial assumptions changes	-	2,780	-	368	-	3,148
Experience adjustments	-	1,844	-	(160)	-	1,684
Transfer to subsidiary during the period	(2,182)	-	-	-	(2,182)	-
Benefits paid during the period	(1,115)	-	(57)	(271)	(1,172)	(271)
Provision for long-term employee benefits at end of period	11,345	14,318	4,206	4,184	15,551	18,502

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

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Cost of sales	-	678	-	269	-	947
Selling and administrative expenses	2,309	12,096	703	3,699	3,012	15,795
	2,309	12,774	703	3,995	3,012	16,769

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment benefits from employee's retirement		Other long-term employee benefits plan		Total	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Selling and administrative expenses	324	3,226	79	150	403	3,376

The Group expects to pay Baht 1.7 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.7 million) (31 December 2019: Baht 1.7 million, separate financial statements: Baht 0.7 million).

As at 31 March 2020, the weighted average duration of the liabilities for long-term employee benefit was 14 - 18 years (Separate financial statements: 14 years) (31 December 2019: 14 - 17 years, separate financial statements: 14 years).

Key actuarial assumptions used for the valuation are as follows:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Discount rate	1.14 - 2.51	1.19 - 3.37	1.19 - 2.50	1.19 - 2.50
Salary increase rate	5.00 - 7.00	5.00 - 7.00	5.00 - 7.00	5.00 - 7.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation under post-employment benefits from employee's retirement as at 31 March 2020 and 31 December 2019 are summarised below:

(Unit: Million Baht)

	As at 31 March 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(4.8)	5.6	(1.6)	1.9
Salary increase rate	4.9	(4.2)	1.6	(1.4)

(Unit: Million Baht)

	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(4.1)	4.7	(1.6)	1.9
Salary increase rate	3.9	(3.5)	1.6	(1.4)

21. Share capital / Share premium

On 14 January 2020, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions.

- Reduction of the Company's registered share capital by Baht 20,736,903.60 from Baht 591,489,276.40 to Baht 570,752,372.80, by cancelling of the 207,369,036 unissued ordinary shares and unissued for accommodate the exercise of warrants (MACO-W2) with a par value of Baht 0.10 each.
- Increase of the Company's registered share capital by Baht 108 million from Baht 570,752,372.80 to Baht 678,752,372.80 through the issue of 1,080 million additional ordinary shares with a par value of Baht 0.10 each to accommodate the offer to PLANB.

The Company registered the decrease and increase in its registered capital with the Ministry of Commerce on 24 January 2020 and 27 January 2020, respectively.

As at 31 March 2020, the Company's issued and paid-up share capital increased from Baht 433,198,091 (4,331,980,914 ordinary shares with a par value of Baht 0.10 each) to Baht 541,198,091 (5,441,980,914 ordinary shares with a par value of Baht 0.10 each) as a result of the issuance of Baht 108 million of additional ordinary shares (1,080 million ordinary shares with a par value of Baht 0.1 each), resulting in share premium of Baht 1,438.3 million (net of transaction costs amounting to Baht 6.9 million). Total share premium amounted to Baht 3,796.5 million.

The Company registered the increase in its paid-up capital with the Ministry of Commerce on 30 January 2020.

22. Warrants

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

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

23. Statutory reserve

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

24. Revenue from contracts with customers

24.1 Revenue classification

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month ended period 31 March 2020	For the year ended 31 December 2019	For the three-month ended period 31 March 2020	For the year ended 31 December 2019
Revenue from advertising services	224,244	1,133,529	147,076	606,395
Revenue from advertising production	45,322	219,461	10,921	75,132
Revenue from maintenance services	60,864	320,928	-	-
Revenue from sales	3,139	35,738	-	-
Total revenues from sales and services	333,569	1,709,656	157,997	681,527
Revenues from system installation services	278,570	1,243,992	-	-

24.2 Revenue recognised in relation to contract balances (contract assets and contract liabilities)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month ended period 31 March 2020	For the year ended 31 December 2019	For the three-month ended period 31 March 2020	For the year ended 31 December 2019
Revenue recognised that was included in contract liabilities at the beginning of the year	127,402	133,087	3,846	5,206

24.3 Revenue to be recognised for the remaining performance obligations

As at 31 March 2020, revenue totaling Baht 1,544 million is expected to be recognised in the future in relation to performance obligations under contracts with customers that are unsatisfied or partially unsatisfied (31 December 2019: Baht 1,484 million). The Group expects to satisfy the performance obligations within 6 years.

In addition, as described in Note 1.3 to the financial statements, as a result of entering into the Advertising Media Management and Service Agreement with PLANB, the Company will be entitled to receive a minimum compensation of Baht 700 million per year, with PLANB agreeing to a guaranteed minimum revenue of Baht 350 million for the first year, from 1 July 2020 to 31 December 2020.

25. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month ended period 31 March 2020	For the year ended 31 December 2019	For the three-month ended period 31 March 2020	For the year ended 31 December 2019
Salaries and wages and other employee benefits	103,232	408,194	15,947	63,695
Depreciation and amortization of assets	57,372	229,365	1,682	7,728
Depreciation of right-of-use assets	125,140	-	137,248	-
Interest expense on lease liabilities	6,550	-	7,399	-
Rental expenses relating to short-term leases and leases of low-value assets	8,712	-	105	-
Rental and services expenses	-	209,834	332	392,632
Commission and sales promotion expenses	7,273	80,707	3,058	29,666
Utilities expenses	9,894	37,540	950	11,636
Subcontract works	251,421	1,135,106	-	-
Impairment of assets	189,164	3,637	112	-
Loss on disposals/write-off of assets	31,756	14,186	-	-
Consulting fee	32,227	62,998	15,606	9,411

26. Income tax

Income tax are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month ended period 31 March 2020	For the year ended 31 December 2019	For the three-month ended period 31 March 2020	For the year ended 31 December 2019
Current income tax:				
Current income tax charge	17,055	101,024	-	28,857
Deferred tax:				
Relating to origination and reversal of temporary differences	(99,656)	(23,139)	(4,733)	796
Income tax expenses (benefits) reported in the statement of comprehensive income	(82,601)	77,885	(4,733)	29,653

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month ended period 31 March 2020	For the year ended 31 December 2019	For the three-month ended period 31 March 2020	For the year ended 31 December 2019
Deferred tax relating to actuarial loss	350	881	-	944
Total	350	881	-	944

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month ended period 31 March 2020	For the year ended 31 December 2019	For the three-month ended period 31 March 2020	For the year ended 31 December 2019
Accounting profit (loss) before tax	(287,305)	213,100	(24,915)	139,794
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(57,461)	42,620	(4,983)	27,959
Adjustment in respect of income tax of previous year	(1,102)	3,798	-	-
Effects of elimination entries on the consolidation financial statements	45	182	-	-
Effects of:				
Exemption of income	(172)	(337)	(120)	(330)
Share of gain from investment in joint venture	(985)	-	-	-
Share of loss from investments in associates	849	23,934	-	-
Non-deductible expenses	10,716	5,250	7	679
Deductible expenses	(824)	(692)	-	-
Utilisation of previously unrecognised deferred tax assets on tax losses	(1,376)	(1,346)	-	-
Tax losses which deferred tax assets have not been recognised	14,176	12,973	-	-
Tax losses which deferred tax assets have been recognised	(32,788)	-	-	-
Difference in tax rates of subsidiaries in overseas countries	(12,463)	(9,263)	-	-
Others	(1,036)	766	363	1,345
Total	(24,083)	31,285	250	1,694
Income tax expenses (benefits) reported in the statement of comprehensive income	(82,601)	77,885	(4,733)	29,653

The tax rate enacted at the end of the reporting period of the Group are 16.5% to 24% (31 December 2019: 16.5% to 24%).

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

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019 (Restated)	31 March 2020	31 December 2019
Deferred tax assets				
Tax losses	52,043	-	4,616	-
Allowance for asset impairment	8,145	3,887	3,887	3,887
Provision for long-term employee benefits	8,707	9,255	3,110	3,701
Differences of tax and accounting on fixed assets	14,163	10,280	-	-
Leases	21,828	-	588	-
Provision for assets decommissioning	3,727	448	-	-
Foreign currency and interest swap agreement	3,388	-	-	-
Total	113,842	23,870	14,042	7,588
Deferred tax liabilities				
Intangible assets acquired through business combination	108,793	134,083	-	-
Total	108,793	134,083	-	-

As at 31 March 2020, the subsidiaries had unused tax losses totaling Baht 5 million and MYR 13 million (31 December 2019: Baht 5 million and MYR 27 million), on which deferred tax assets have not been recognised as the subsidiaries believed future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses of the subsidiaries in Thailand amounting to Baht 5 million will expire by 2025 (31 December 2019: Baht 5 million will expire by 2024) and the unused tax losses of the subsidiaries in Malaysia amounting to MYR 13 million will expire by the year 2027 (31 December 2019: MYR 27 million will expire by the year 2026).

27. Earnings per share

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

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

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

	Consolidated financial statements		Separate financial statements	
	For the three-month ended period 31 March 2020	For the year ended 31 December 2019	For the three-month ended period 31 March 2020	For the year ended 31 December 2019
Profit (loss) for the year attributable to equity holders of the Company (thousand Baht)	(128,585)	160,581	(20,182)	110,141
Weighted average number of ordinary shares (thousand shares)	5,067,805	4,287,546	5,067,805	4,287,546
Earnings per share (Baht)	(0.025)	0.037	(0.004)	0.026

The exercise price of the warrants (MACO-W2) was higher than the average market price of the Company's ordinary shares for the three-month period ended 31 March 2020 and for the year ended 31 December 2019. Therefore, the Company did not assumed conversion of the warrants in the calculation of its diluted earnings per share in the consolidated and separate financial statements.

28. Segment information

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

For management purposes, the Group is organised into business units based on the type of products and services, with two reportable segments as follows

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

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

The following table presents revenue and profit (loss) information regarding the Group's operating segments.

(Unit: Million Baht)

	Advertising segment		Service segment		Elimination		Consolidated	
	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Revenues from external customers	274	1,336	338	1,618	-	-	612	2,954
Inter-segment revenues	-	-	2	8	(2)	(8)	-	-
Total revenues	274	1,336	340	1,626	(2)	(8)	612	2,954
Net segment profit	62	644	85	408	-	-	147	1,052
Unallocated income and expenses:								
Gain on change in status of investment							-	41
Interest income							1	13
Other income							34	37
Selling expenses							(43)	(261)
Administrative expenses							(166)	(553)
Loss on impairment and write-off assets							(222)	-
Share of profit from investment in joint venture							5	-
Share of loss from investments in associates							(4)	(100)
Finance cost							(39)	(16)
Income tax expenses							83	(78)
Profit (loss)							(204)	135
Profit attributable to non-controlling interests of the subsidiaries							76	25
Profit attributable to equity holders of the Company							(128)	160

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

(Unit: Million Baht)

	For the three-month period ended 31 March 2020	For the year ended 31 December 2019
Revenue from external customers		
Thailand	250	1,504
Hong Kong	273	1,133
Malaysia	87	317
Vietnam	2	-
Total	612	2,954

For the three-month period ended 31 March 2020, the Group has revenue from two major customers in amount of Baht 70 million and HKD 18 million, arising from revenue by the advertising and service segments (For the year ended 31 December 2019: Baht 619 million and HKD 97 million derived from two major customer, arising from the advertising and service segments).

29. Provident fund/Employee Joint Investment Program

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and employees contribute to the fund monthly at the rate of 5% and 5 to 15% of their basic salary, respectively. The fund, which is managed by SCB Asset Management Co., Ltd. and BBL Asset Management Co.,Ltd. will be paid to employees upon termination in accordance with the fund rules. The contributions for the three-month period ended 31 March 2020 amounting to approximately Baht 1.4 million (the Company only: Baht 0.4 million) (31 December 2019: Baht 6 million (the Company only: Baht 2 million)) were recognised as expenses.

The provident funds of the subsidiaries and their employees have been established in accordance with each subsidiary's policies and the law of its country of domicile. The subsidiaries have expenses relating to the provident funds amounting to Baht 3 million (31 December 2019: 7 million).

The Group and its employees jointly established Employee Joint Investment Program ("EJIP") No.4. to run for a period of three years, from 1 July 2019 to 30 June 2022. The Group, and employees contribute to the fund monthly at rates of 4 percent and 5 percent, respectively, of basic salary. The EJIP is managed by Philip Securities (Thailand) Public Company Limited and contributions are used to purchase common shares of the Company within the specified period. Contributions for the three-month period ended 31 March 2020 amounting to approximately Baht 0.6 million (the Company only: Baht 0.2 million) (31 December 2019: Baht 2 million (the Company only: Baht 1 million)) were recognised as expenses.

30. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2018	Annual General Meeting of the shareholders on 24 April 2019	82.53	0.020
Interim dividends for 2019	Board of Directors' meeting of the Company on 7 August 2019	51.98	0.012
Total for 2019		134.51	

31. Commitments and contingent liabilities

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

31.1 Commitments and contingent liabilities

The Group had capital commitments of approximately MYR 13 million (31 December 2019: MYR 5 million), relating to the acquisition of advertising media.

31.2 Operating lease commitments

- a) The Group had entered into several lease agreements in respect of the lease of space for advertising, office building space, motor vehicles and equipment, and related service agreements. The terms of the agreements are generally between 1 and 3 years (31 December 2019: 1 and 5 years).

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Payable:				
In up to 1 year	16	121	-	28
In over 1 and up to 5 years	2	141	-	7

- b) The agreements with the intermediate parent company and government agency granting the right to install advertisements on the columns under the BTS Sky Train (Sukhumvit and Silom Lines) and under the flyovers for commercial benefit for 5-10 years.

The outstanding payment commitments under the agreement are as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	31 March 2020	31 December 2019
Fees payable:		
In up to 1 year	-	35
In over 1 and up to 5 years	-	146
In over 5 years	-	158

These minimum amounts will be adjusted in accordance with actual performance, based on certain rates stipulated in the agreements.

- c) The agreements granting licenses to manage and operate advertising space in concession areas at Mass Rapid Transit stations and Mass Rapid Transit trains, and airports in Malaysia for 10 years.

The minimum amounts that the subsidiaries expect to have to pay under the agreements are as follows:

(Unit: Million MYR)

	Consolidated financial statements	
	31 March 2020	31 December 2019
Fees payable:		
In up to 1 year	-	49
In over 1 and up to 5 years	-	173
In over 5 years	-	17

These minimum amounts will be adjusted in accordance with actual performance, based on certain rates stipulated in the agreements.

31.3 Service contract commitments

The subsidiaries had commitments under service agreements with contractors relating to the installation of systems amounting to Baht 45 million and USD 2 million (31 December 2019: Baht 32 million, HKD 1 million and USD 3 million).

31.4 Guarantees

There were outstanding bank guarantees of approximately Baht 8 million, HKD 13 million USD 0.2 million and MYR 20 million (31 December 2019: Baht 8 million, HKD 14 million, USD 0.2 million and MYR 19 million) issued by banks on behalf of the Group, with the outstanding balance of the Company amounting to Baht 5 million (31 December 2019: Baht 5 million), in respect of certain performance bonds as required in the normal course of business of the Group, including those to guarantee performance in accordance with contracts, and for electricity use, among others.

31.5 Litigation

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

On 14 February 2018, Midas filed a complaint against the Company and VGI Public Company Limited in connection with the transactions relating to this service agreement, claiming damages amounting to approximately Baht 24 million plus interest at a rate 7.5% per annum, as well as service fees of approximately Baht 4 million per month for as long as the billboards continue to be used.

On 12 September 2019, the Court of First Instance dismissed the case, ruling that the Company and VGI Public Company Limited are not liable for any damages. Subsequently, Midas lodged an appeal against the Court of Appeal. Currently, the case is being considered by the Court of Appeal.

32. Fair value hierarchy

The Group had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Derivatives				
Cross currency and interest rate swap agreement	-	10	-	10
Asset for which fair value are disclosed				
Investment properties	-	-	209	209

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Asset for which fair value are disclosed				
Investment properties	-	-	209	209

(Unit: Million Baht)

	Separate financial statements			
	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Asset for which fair value are disclosed				
Investment properties	-	-	115	115

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Asset for which fair value are disclosed				
Investment properties	-	-	115	115

33. Financial instruments

33.1 Financial risk management

Financial instruments of the Group, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivables, loans, advance payment, and trade and other payables, advance received, loans and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Group’s exposure to interest rate risk relates primarily to its cash at banks, restricted bank deposits, loans to related parties, loans from financial institutions and related party and lease liabilities. Most of financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 March 2020 and 31 December 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Million Baht)

	Consolidated financial statements						
	31 March 2020						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
	(% per annum)						
<u>Financial Assets</u>							
Cash and cash equivalents	480	-	-	707	30	1,217	0.02 to 3.00
Restricted bank deposits	-	-	-	41	-	41	0.05 to 1.99
Long-term loans to related parties	3	9	-	-	-	12	Note 7
<u>Financial liabilities</u>							
Short-term loans from financial institutions	1,030	-	-	-	-	1,030	Note 16
Short-term loans from related party	133	-	-	-	-	133	Note 7
Long-term loans	25	88	-	-	-	113	Note 18
Lease liabilities	429	1,501	267	-	-	2,197	Note 4.2

(Million Baht)

	Consolidated financial statements						
	31 December 2019						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
	(% per annum)						
Financial Assets							
Cash and cash equivalents	287	-	-	378	75	740	0.10 to 2.25
Restricted bank deposits	-	-	-	37	-	37	0.05 to 1.99
Long-term loans to related parties	12	-	-	-	-	12	Note 7
Financial liabilities							
Short-term loans from financial institutions	345	-	-	-	-	345	Note 16
Short-term loans from related party	122	-	-	-	-	122	Note 7
Long-term loans	25	88	-	-	-	113	Note 18

(Million Baht)

	Separated financial statements						
	31 March 2020						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
	(% per annum)						
<u>Financial Assets</u>							
Cash and cash equivalents	5	-	-	274	2	281	0.02 to 0.60
Long-term loans to related parties ¹	336	669	4	-	-	1,009	Note 7
<u>Financial liabilities</u>							
Short-term loans from financial institutions	990	-	-	-	-	990	Note 16
Financial liabilities	539	434	-	-	-	973	Note 4.2

¹Excluding loan to a subsidiary which the substance is a part of investment as discussed in Note 7 to the financial statements.

(Million Baht)

	Separated financial statements						
	31 December 2019						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
	(% per annum)						
Financial Assets							
Cash and cash equivalents	5	-	-	90	2	97	0.10 to 0.75
Short-term loans to related parties	1,413	-	-	-	-	1,413	Note 7
Financial liabilities							
Short-term loans from financial institutions	335	-	-	-	-	335	Note 16

33.2 Derivatives

As at 31 March 2020, cross currency and interest rate swap agreement is as follows:

Contract date	Contractual maturity date	Amount to pay		Amount to receive	
		Notional amount	Interest rate	Notional amount	Interest rate
16 May 2019 to 11 December 2019	17 May 2024	MYR 18 million	Fixed rate specified in the agreement	Baht 132 million	THBFX plus a certain margin specified in the agreement

33.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position. Except derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group had considered to counterparty credit risk when determining the fair value of derivatives

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

34. Capital management

The primary objective of the Group capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value. As at 31 March 2020, the Group's debt-to-equity ratio was 1.13:1 (2019: 0.61:1) and the Company's was 0.49:1 (2019: 0.16:1).

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 15 July 2020.







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