

**Information Memorandum
regarding the Acquisition of Assets (List 2)
of Master Ad Public Company Limited**

**The acquisition of shares in
Puncak Berlian Sdn.Bhd.**

**Information Memorandum regarding the Acquisition of Assets of
Master Ad Public Company Limited (List 2)**

Master Ad Public Company Limited (the “**Company**”) approved by the meeting of the executive committee held on May 15, 2019 that VGI Global Media (Malaysia) Sdn.Bhd. (“**VGM**”) a subsidiary which the Company held 75 percent of its total shares, shall purchase additional shares of Puncak Berlian Sdn.Bhd (“**PBSB**”) in the number of 6,850,042 shares, equivalent to 40 percent of the total issued shares of PBSB from Redberry Sdn.Bhd.(“**RBSB**”) (“**Seller**”) at the purchase price of not exceeding MYR 9.6 million (“**PBSB Share Acquisition**”). After the acquisition, the percentage shareholding of VGM in PBSB shall increase from 25 percent to 65 percent of PBSB’s total share. VGM expects the PBSB Share Acquisition to be completed within August 2019.

The transaction constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (as amended) (collectively referred to as the “**Acquisition and Disposition Notifications**”). The transaction size is 1.29 percent as calculated based on the total value of consideration criterion which granted the highest result, referenced from the consolidated audited financial statement of the Company ended March 31, 2019. After the computation of the transaction size together with the Company’s other acquisition transactions within the past 6 months prior to the approval of the Board of Directors as mentioned above, which is 22.14 percent as calculated based on the total value of consideration criterion, the total transaction size is equivalent to 23.43 percent, which is more than 15 percent but less than 50 percent. The transaction is, therefore, deemed as a class 2 transaction under the Acquisition and Disposition Notifications. Therefore, the Company is required to undertake the following actions:

- (1) disclose information on the class 2 transaction to the Stock Exchange of Thailand (the “**SET**”) pursuant to the Acquisition and Disposition Notifications; and
- (2) notify the information in writing to the shareholders of the Company within 21 days from the date of disclosure of the transaction’s information to the SET.

Accordingly, the Company would like to disclose information on the transaction to the shareholders of the Company pursuant to the Acquisition and Disposition Notifications as follows:

1. Responsibility of the Board of Directors of the Company with respect to the information in documents sent to the shareholders

The Board of Directors of the Company is responsible for the information contained in this information memorandum. In this regard, the Board of Directors of the Company has carefully reviewed the information contained in this information memorandum and hereby certifies that the information in this information memorandum is correct, complete, does not contain any false statement, concealment of material facts that are needed to be disclosed, nor statement that may be materially misleading.

2. Financial projection for the current year

-None-

3. Pending material lawsuits or claims

As of March 31, 2019, the Company had pending material lawsuits which might affect the asset of the Company as follows:

On January 31, 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 THB 27,000,000 for the entire agreement term. On the agreement date, the Company paid all of the service fee in advance.

However, on 14 February 2018 and 4 May 2018, Midas and Deelight Multimedia Company Limited filed a complaint against the Company and VGI Global Media Public Company Limited (“the parent company”) in connection with the transactions relating to this service agreement, claiming damages amounting to approximately THB 24,000,000 plus interest at a rate 7.5% per annum, as well as service fees of approximately THB 4,000,000 per month for as long as the billboards continue to be used. Currently, this case is being considered by the Civil Court.

The Company’s management believes that such events will not have any significant impact on the Company because the management is confident that the Company and the parent company did not take any actions that caused damage to litigants and are therefore not liable for the damages claimed and during the ended March 31, 2019, there was no any noteworthy progress of such case as disclosed in the notes to financial statement for the year ended December 31, 2018 Section 27.5

4. Interest or connected transactions between the Company and directors, management and shareholders directly or indirectly holding shares at least 10 percent as shown from the Company’s financial statement ended March 31, 2019

As of March 31, 2019, the Company and its subsidiaries have significant business with connected entities. Such business is complied with the commercial conditions and criterions as agreed between the Company, its subsidiaries and connected entities as routine business operations, which could be summarized as follows:

	(Unit: Thousand Baht)				Transfer pricing policy
	For the three-month periods ended 31 March				
	Consolidated financial statements		Separate financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Rental income from billboards	-	-	390	655	<i>Contract rate</i>
Commission income	-	-	690	2,699	<i>Contract rate</i>
Consulting and accounting service income	-	-	231	174	<i>Contract rate</i>
Rental income from buildings	-	-	308	311	<i>Contract rate Announced</i>
Dividend income	-	-	900	1,650	<i>rate 1.95 to 5.00%</i>
Interest income	-	-	8,372	4,172	<i>per annum</i>
Other income	-	-	140	836	<i>Contract rate</i>
Costs of services	-	-	103,322	49,456	<i>Contract rate</i>
Commission expenses	-	-	-	277	<i>Contract rate</i>
Rental expenses	-	-	1,899	-	<i>Contract rate</i>

	For the three-month periods ended 31 March				(Unit: Thousand Baht)
	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with the intermediate parent company</u>					
Revenue from advertising production	2,515	-	-	-	<i>Contract rate</i>
Revenue from system installation services	6,429	-	-	-	<i>Contract rate</i>
Cost of services	-	2,766	-	-	<i>Contract rate</i>
<u>Transactions with parent company</u>					
Service income	40,466	47,365	114	2,281	<i>Contract rate</i>
Revenue from advertising production	5,116	-	-	-	<i>Contract rate</i>
Revenue from system installation services	119,842	-	-	-	<i>Contract rate</i>
Costs of services	-	1,125	-	1,125	<i>Contract rate</i>
Commission expenses	-	261	-	261	<i>Contract rate</i>
Interest expenses	554	215	-	-	<i>3.82% per annum</i>
Rental expenses	255	-	-	-	<i>Contract rate</i>
<u>Transactions with associates</u>					
Revenue from system installation services	704	-	-	-	<i>Contract rate</i>
Interest income	2,829	231	-	-	<i>5.00% per annum</i>
Rental income from buildings	1,278	-	-	-	<i>Contract rate</i>
Management income	835	-	-	-	<i>Contract rate</i>
Rental expenses	-	3,104	-	2,020	<i>Contract rate</i>
<u>Transactions with related companies</u>					
Revenue from advertising production	20,289	5,010	-	48	<i>Contract rate</i>
Revenue from system installation services	203	-	-	-	<i>Contract rate</i>
Rental income from building	2,748	486	-	-	<i>Contract rate</i>
Management income	1,067	1,246	-	-	<i>Contract rate</i>
Interest income	501	-	-	-	<i>7.90% per annum</i>

Details of Information Memorandum regarding PBSB Shares Acquisition Transaction pursuant to the Acquisition and Disposition Notifications

1. Transaction Date

VGM expects the PBSB Share Acquisition to be completed within August 2019

2. Contractual Parties and Relationship with the Company

Sellers : Redberry Sdn.Bhd.

Purchaser : VGM

Relationship between the parties : VGM and the Sellers do not have any relation which shall cause the transaction to be considered as the connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor.21/2551 re: Rules on Connected Transactions and the Notification of the Board of Governor of the SET re: Disclosure of Information and Other Acts of Listed Companies concerning Connected Transactions B.E.2546.

3. General Characteristic of the Transactions and Details of the Acquired Assets

VGM shall purchase 6,850,042 ordinary shares of PBSB at the par value of MYR 1, equivalent to 40 percent of the total PBSB's shares, from RBSB at the purchase price of not exceeding MYR 9.6 million. Therefore, after the transaction is completed, VGM shall hold 65 percent of PBSB's total shares.

In entering into this transaction, the key terms and conditions of which are as follows;

Parties

- A. Redberry Sdn.Bhd. (The Seller)
- B. VGI Global Media (Malaysia) Sdn.Bhd. (The Purchaser)
- C. Ancom Berhad (Seller's shareholder)

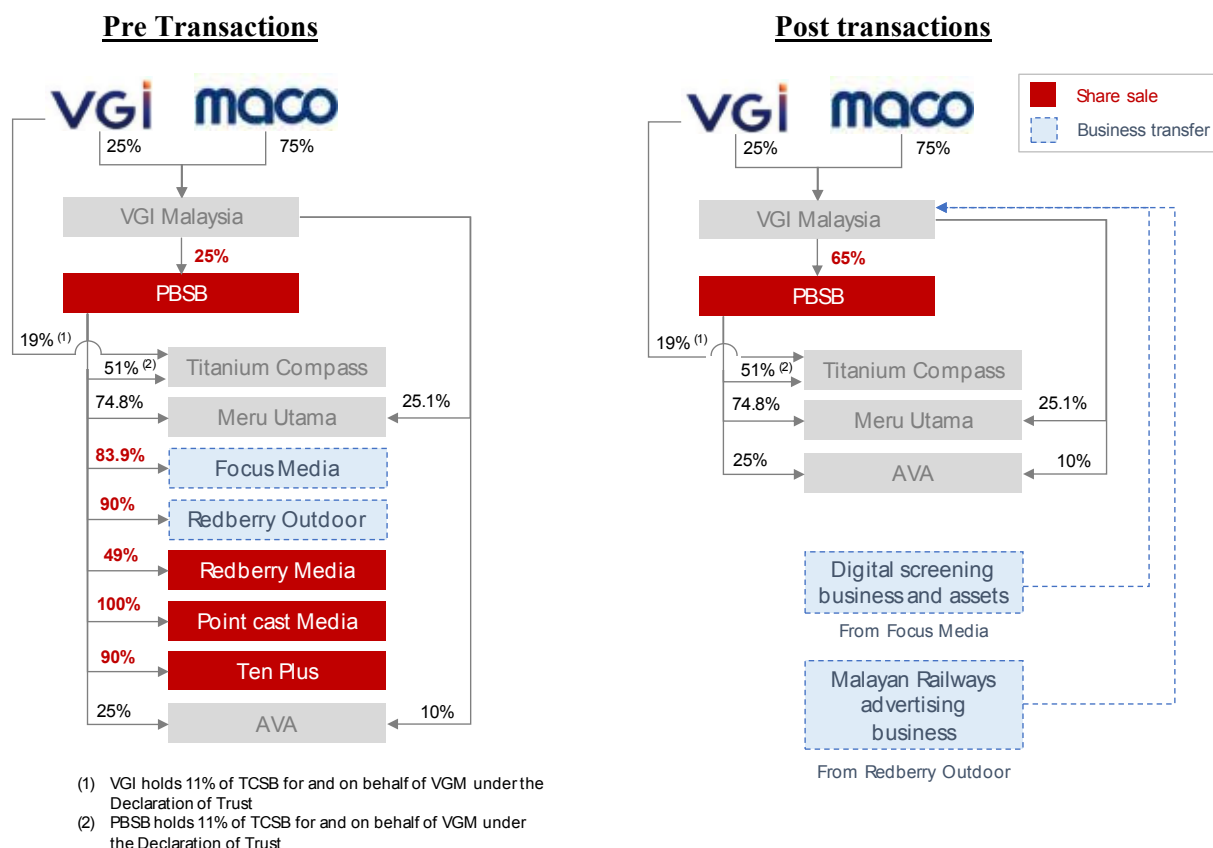
Condition precedent

- A. Execution of shareholder's agreement of PBSB

Other important conditions

- A. PBSB shall sell partials of its businesses to RBSB, which consists of the shares held by PBSB in businesses as follows ;
 - 90% Redberry Outdoors Sdn. Bhd. (“**RBO**”)
 - 83.9% Focus Media Network Sdn. Bhd. (“**FMN**”)
 - 90% Ten Plus Resources Sdn. Bhd. (“**10Plus**”)
 - 49% Redberry Media Sdn. Bhd. (“**RBM**”)
 - 100% Point Cast (M) Sdn. Bhd. (“**PCM**”)
- B. PBSB shall acquire the business and assets related to digital screening business from FMN.

- C. PBSB shall acquire the business and assets from RBO in related to advertising business in connection with a concession granted to RBO by Keretapi Tanah Melayu Berhad. In addition, the shareholding structure of the Company before and after entering into the transaction are as follows;



In this regard, the transaction constitutes an acquisition of assets pursuant to the Acquisition and Disposition Notifications. The transaction size is 1.29 percent as calculated based on the total value of consideration criterion which granted the highest result, referenced from the consolidated audited financial statement of the Company ended March 31, 2019. After the computation of the transaction size together with the Company's other acquisition transactions within the past 6 months prior to the approval of the Board of Directors as mentioned above, which is 22.14 percent as calculated based on the total value of consideration criterion, the total transaction size is equivalent to 23.43 percent, which is more than 15 percent but less than 50 percent. The transaction is, therefore, deemed as a class 2 transaction under the Acquisition and Disposition Notifications. Therefore, the Company is required to disclose the information memorandum of the transaction to the SET and deliver the information memorandum to the shareholders within 21 days from the date of disclosure of information to the SET.

4. Details of Acquired Assets

4.1 Acquired Assets

VGM will acquire 6,850,042 ordinary shares of PBSB with a par value of MYR 1 per share, equivalent to 40 percent of the total shares of PBSB. After completion of the transaction, VGM will hold 65 percent of the total shares of PBSB

4.2 Business Information of PBSB

History and Type of Business	a company that invests in securities of other companies. (Holding Company), which engaged in media business many areas including airport, public transportation system, office building and retail stores.
Head office	Unit C508, Block C, Kelana Square Jalan SS7/26, Kelana Jaya, Petaling Jaya, Selangor, Malaysia
Date of Incorporation	March 18, 2013
Registered Capital	MYR 17,125,105
Number of Shares	17,125,105 Shares
Par Value	MYR 1
Paid up per Share	MYR 1

Board of Directors of PBSB Pre and Post transaction.

	Pre Transaction (As at May15, 2019)	Post Transaction
1.	Dato Siew Ka Wei	There shall be a change in directors of PBSB according to the shareholding proportion.
2.	Dato Wong Sai Wan	
3.	Stephane Sylvain Alphonse Taib	
4.	Phoon Chiong Kit	

List of shareholders

	Name	Nationality	Before the Transaction (as of May 15, 2019)		After the Transaction	
			Number of Shares	Percentage	Number of Shares	Percentage
1.	VGI Global Media (Malaysia) Sdn.Bhd.	Malaysian	4,281,277	25%	11,131,319	65%
2.	OMG Live Ltd.	Hong Kong	856,255	5%	856,255	5%
3.	Redberry Sdn.Bhd.	Malaysian	11,987,572	70%	5,137,530	30%
4.	Ancom Berhad	Malaysian	1	0%	1	0%
Total			17,125,105	100%	17,125,105	100%

4.3 Key Financial Information of PBSB
4.3.1 Summary of Financial Statement

Description	PBSB Financial Statement		
	For the Year Ended May 31		
	2015/16	2016/17	2017/18
(Unit : MYR Million)			
Total asset	21.97	22.48	28.64
Total liabilities	2.28	5.30	21.59
Total shareholders' equity	19.69	17.18	7.05
Net profit(loss)	2.90	(0.01)	(10.13)
NTA	19.69	17.18	7.05

Description	PBSB Financial Statement		
	For the Year Ended May 31		
	2015/16	2016/17	2017/18
(Unit : MYR Million)			
Revenues	3.00	-	-
Costs	-	-	-
Gross profit	3.00	-	-
Operating expenses	0.10	0.01	10.13
EBIT	2.90	(0.01)	(10.13)
Income tax expense	0.001	-	-
Net profit(loss)	2.90	(0.01)	(10.13)

Description	PBSB Financial Statement		
	For the Year Ended May 31		
	2015/16	2016/17	2017/18
(Unit : MYR Million)			
Asset			
Cash and deposit at Financial institutions	0.00	0.00	0.01
Receivables	4.90	4.90	15.01
Total current assets	4.90	4.90	15.01
Other non-current assets	17.07	17.58	13.63
Total non-current assets	17.07	17.58	13.63
Total assets	21.97	22.48	28.64

Description (Unit : MYR Million)	PBSB Financial Statement		
	For the Year Ended May 31		
	2015/16	2016/17	2017/18
Liabilities and shareholders' equity			
Liabilities			
Other current liabilities	2.28	5.30	21.59
Total current liabilities	2.28	5.30	21.59
Total liabilities	2.28	5.30	21.59
Shareholders' equity			
Authorized share capital	17.13	17.13	17.13
Issued and fully paid-up share capital-ordinary shares	17.13	17.13	17.13
Retained earnings (Loss)	2.57	0.06	(10.07)
Total equity	19.69	17.18	7.05
Total liabilities and shareholders' equity	21.97	22.48	28.64

Remark: (1) PBSB's accounting period is on June 1st – May 31th

(2) PBSB does not prepare consolidated financial statement

5. Calculation of Transaction Size Pursuant to the Acquisition and Disposition Notifications

Calculation Criteria	Calculation Formula	Transaction Size (%)
1. Net tangible asset (NTA) value	NTA of the acquired business x the acquired portion / NTA of the Company	n/a
2 Net profit from operating results	Net profit of the acquired company x the acquired portion / net profit of the Company	n/a
3. Total value of consideration	Value of consideration / total assets of the Company	1.29
4. Value of equity issued as consideration for the assets	Cannot calculation since no securities are issued as consideration	n/a

The transaction size of the acquisition transactions calculated based on the total value of consideration method, which gives the highest transaction value, is equivalent to 1.29 per cent based on consolidated financial statement ended 31 March 2019 and, after computation of other acquisition transactions during the past 6 months prior to the approval date where the Board of Directors approved this transactions which the total transaction size was equivalent to 22.14 per cent, the total transaction size is therefore equivalent to 23.43 per cent which is higher than 15 per cent but less than 50 per cent which will be deemed as Class 2 Transaction pursuant to the Acquisition or Disposition Transaction which the Company is required to disclose information on the transaction to the Stock Exchange of Thailand (“SET”) and prepare Information Memorandum to be delivered to the shareholders within 21 days from the date of disclosure of information to the SET.

6. Total Value of the Consideration and Payment of the Share Purchase Price

6.1 Total Value of the Consideration

The total value of consideration for the acquisition of ordinary shares of PBSB is not exceeding MYR 9,600,000 (nine million and six hundred thousand Ringgit)

6.2 Payment of the Share Purchase Price

VGM shall make the payment for the Share Purchase Price in the amount of not exceeding MYR 9,600,000 (nine million and six hundred thousand Ringgit) in cash to the Sellers after the condition precedents pursuant to the share sale and purchase agreement as detailed in item 3 are completely fulfilled or waived by the relevant parties.

7. Value of Acquired Assets

The value of acquired assets from the PBSB shares Acquisition Transaction is MYR 9,600,000 (nine million and six hundred thousand Ringgit) as detailed in item 3.

8. Basic Used to Determine the Value of Consideration

The purchase price of PBSB’s ordinary shares has been mutually agreed by the parties based on the fair value of the business of PBSB which is appraised by the Sum of the Parts Method of the businesses involving advertising media management with Mass Rapid Transit (“MRT”) in Malaysia and Kuala Lumpur International Airport (“KLIA”).

9. Expected Benefits for the Company

1. The Company shall focus on advertising media business at MRT, suburban train and KLIA as well as advertising media in office buildings. The Company shall be able to fully utilize LED screens and billboards of PBSB to maximize the synergy and focus on improving the profitability as major shareholder.
2. The Company have absolute control over the operation of PBSB

10. Source of Investment Capital

The source of funding for the PBSB Share Acquisition will come from the Company’s working capital and loan granted from a financial institution at the amount of MYR 7.2 million or according to 75 percent of shareholder ratio held by VGIM. In this regard, the Company will carefully consider on conditions of the loan based on the benefit of the Company and shareholders, where the conditions shall not affect the right of shareholders including the limitation of dividend payment.

11. Opinion of the Company's Board of Directors Concerning the Transaction

The Board of Directors has unanimously approved this transaction in order to the Company to have absolute control over the operation of PBSB and to be able to fully utilize the LED screens and billboards at MRT, suburban train, KL international airport, office buildings and retail stores as well as to maximize the synergy between PBSB businesses and the Company's businesses. In addition, it creates opportunity in sharing of increasing income in the future. Thus, it is deemed appropriate to purchase additional shares of PBSB from Redberry Sdn.Bhd

12. Opinion of the Audit Committee and/or Directors of the Company, which Differ from the Opinion of the Board of Directors as per Clause 10

The Audit Committee and other directors of the Company do not have any opinion that is different from the Board of Directors' opinion.