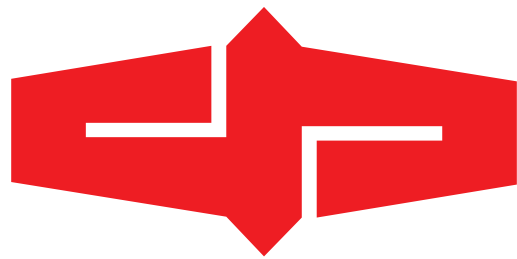


# **CHUO SENKO**

## **ANNUAL REPORT**

### **2014**

**“GROWING for the FUTURE”**



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# FINANCIAL HIGHLIGHTS

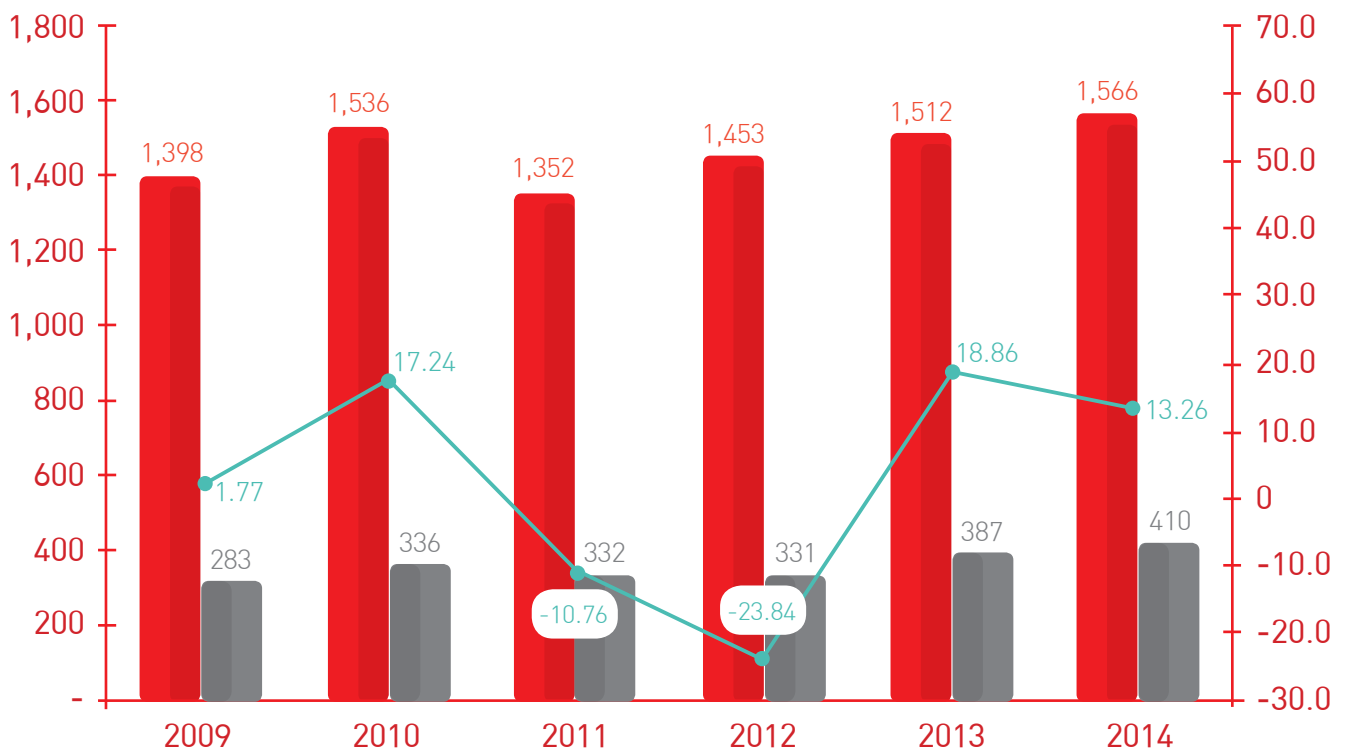
(Unit : Million Baht)

	2014	2013	2012	2011	2010	2009
<b>Operating Results</b>						
Billings	1,566.13	1,511.84	1,452.78	1,351.81	1,535.99	1,397.97
Commission and services income	402.27	379.78	321.08	322.14	323.16	276.81
Other income	8.14	7.60	10.10	10.21	12.69	6.10
Total revenues	410.41	387.37	331.18	332.34	335.85	282.91
Net profit	13.26	18.86	(23.84)	-10.76	17.24	1.77
Current assets	402.47	523.25	593.10	413.30	581.80	584.43
Total assets	571.93	690.72	804.92	547.54	615.29	613.17
Total liabilities	388.30	556.86	663.85	395.72	427.25	426.59
Total shareholders' equity	183.63	133.86	141.07	151.82	188.03	186.58
<b>Financial Ratios</b>						
Net profit margin	3.30%	4.98%	-7.43%	-3.34%	5.34%	0.64%
Return on equity	7.22%	14.09%	-16.90%	-7.09%	9.21%	0.93%
Return on assets	2.32%	2.73%	-2.97%	-1.97%	2.81%	0.30%
Current ratio	1.20	1.04	0.94	1.11	1.38	1.39
Debt to equity ratio	2.11	4.16	4.71	2.61	2.27	2.29
Earnings per share (Baht)	0.59	1.68	(2.12)	-0.96	1.53	0.16
Dividend per share (Baht)		1.10	0.30	0.30	0.80	0.30
Book value per share (Baht)	8.16	11.90	12.54	13.50	16.17	14.93
Par value (Baht)	5.00	5.00	5.00	5.00	5.00	5.00



## OPERATING RESULTS

(Unit : Million Baht)



- Billings
- Total revenues
- ◆ Net profit

# MESSAGE

## FROM CHAIRMAN

I would like to inform our shareholders that although 2014 remained a challenging year in most of our markets, Chuo Senko held strong. Our company was able to maintain stable billings and raise profitability by driving efficiency and cost reductions.

2014 will be remembered as a transition year for Chuo Senko, one that positions our company well for the future. It was a year of a significant restructuring by transferring the main business operations of the Company (i.e. advertising agency business, business of media buying services and total solution advertising production services) into a new subsidiary of the Company, established for this purpose. The new entity is named Chuo Senko Advertising (Thailand) Company Limited. While Chuo Senko (Thailand) Public Company Limited remains a publicly listed Company, its business operations have been changed to become a holding company, which will mainly operate the business of investment. The purpose of restructuring is to increase the liquidity for the business and investment expansion of the Chuo Senko Group. I believe that this restructuring phase we are going through shall be an opportunity to utilize the resources and capabilities of our group in a more focused way for sustainable and profitable growth.

Moreover, in order to create the future of Advertising, we are planning to expand our portfolio into new businesses beyond advertising such as lifestyle business, music, entertainment, real estate and CRM among others.

Therefore, our focus for 2015 is to diversify and strengthen our business by enlarging our market scope, including developing new business through Business Portfolio strategy (Business Mix strategy). This will add depth and breadth to the expansion of the Chuo Senko group's business scope and diversification of revenue streams, since these businesses will mutually complement each other and create a synergetic effect for sustainable growth. We also aim for further growth by leveraging our group's strong network throughout Asia.

Lastly, on behalf of the Board, Management Team and CEO, I would like to thank our clients and our investors for their confidence in us, and our employees for committing their talent and tenacity to our success. We look forward to reporting continued strong performance going forward.



SINCERELY,

A stylized, handwritten signature in black ink, consisting of several sweeping strokes.

**MR. KATSUYUKI MIZUMACHI**  
CHAIRMAN AND  
AUTHORIZED DIRECTOR

# GENERAL INFORMATION

## ISSUER

Name	:	Chuo Senko (Thailand) Public Company Limited
Nature of Business	:	Holding Company
Head Office	:	622 Emporium Tower, 18th Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Registration No.	:	0107544000116
Telephone	:	(662) 664-9700
Facsimile	:	(662) 664-9720-21
Home Page	:	<a href="http://www.chuosenko.co.th">www.chuosenko.co.th</a>
Paid-up Share Capital	:	Baht 112.50 million of which 22,500,000 shares

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

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

Nature of Business	:	Advertising Agency
Registered Office	:	622 Emporium Tower, 18th Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Telephone	:	(662) 664-9700
Facsimile	:	(662) 664-9720-21
Home Page	:	<a href="http://www.chuosenko.co.th">www.chuosenko.co.th</a>
Registered Capital	:	Baht 22 million
Investment Portion	:	100%



**2. PT. Chuo Senko Consultant**

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

**3. Chuo Senko Vietnam Design Services One Member Company Limited**

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

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

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

5. Chuo Senko (Myanmar) Pte. Ltd.

Nature of Business	:	Production and Advertising Services
Registered Office	:	10 Anson Road, 17-21 International Plaza, Singapore 079903
Registered Capital	:	Baht 9.24 million
Investment Portion	:	84%

6. CSF Limited

Nature of Business	:	Advertising Services and Promotion
Registered Office	:	Flat A16, 24/F Kwan Yick Bldg, Phase III, 271-285 Des Voeux RD Hong Kong
Telephone	:	(852) 9773-1083
Facsimile	:	(852) 3626-2879
Registered Capital	:	Baht 2.94 million
Investment Portion	:	60%

7. Chuo Senko Advertising India Private Limited

Nature of Business	:	Production and Advertising Services
Registered Office	:	Mudra House, OPP, Grand Hyatt, Santacruz (E), Mumbai 400055, Maharastra India
Telephone	:	+91-124-661-4400
Registered Capital	:	Baht 2.84 million
Investment Portion	:	46%

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

Nature of Business	:	Business Planning and Support Group Companies
Registered Office	:	622 Emporium Tower, 18 <sup>th</sup> Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Telephone	:	(662) 664-9772
Facsimile	:	(662) 664-9773
Registered Capital	:	Baht 30.00 million
Investment Portion	:	84%

**9. RDSS Co., Ltd.**

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

**10. Digital DNA Co., Ltd.**

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

**11. Wonder Asia Co., Ltd.**

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

12. **Tangram Associates Co., Ltd.**

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

13. **Chuo Senko Business Venture Co., Ltd.**

Nature of Business	:	Business & Services Consultancy
Registered Office	:	622 Emporium Tower, 18 <sup>th</sup> Floor, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Telephone	:	(662) 664-8711-2
Registered Capital	:	Baht 5 million
Investment Portion	:	40%

14. **Chuo Senko Myanmar Co., Ltd.**

Nature of Business	:	Production and Advertising Services
Registered Office	:	(11181, 11041) No.659, Mya Kanthar (1 <sup>st</sup> ) Street, Ward No. (2), Kamayut Township, Yangon Region, Myanmar
Registered Capital	:	Baht 3.04 million
Investment Portion	:	84%

15. **Chuo Senko (Myanmar) Pte. Ltd. holds 100%**

Town Page Co., Ltd.

Nature of Business	:	Production and Advertising Services
Registered Office	:	(11181, 11041) No.659, Mya Kanthar (1 <sup>st</sup> ) Street, Ward No. (2), Kamayut Township, Yangon Region, Myanmar
Registered Capital	:	Baht 3.04 million
Investment Portion	:	84%

Chuo Senko (Myanmar) Pte. Ltd. holds 100%

**16. Chuo Senko Philippines Inc**

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

**17. Ad Asia Advertising (S) Pte. Ltd**

Nature of Business	:	Production and Advertising Services
Registered Office	:	10 Anson Road, 10-20 International Plaza, Singapore 079903
Registered Capital	:	Baht 9.34 million
Investment Portion	:	84%
		Chuo Senko Dynamics (ROH) Co., Ltd. holds 100%

**18. Ad Asia Co., Ltd.**

Nature of Business	:	Production and Advertising Services
Registered Office	:	622 Emporium Tower, 8 <sup>th</sup> Floor (10/1), Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110
Registered Capital	:	Baht 10.00 million
Investment Portion	:	20%
		Chuo Senko Dynamics (ROH) Co., Ltd. holds 24%

**19. Ad Asia Co., Ltd.**

Nature of Business	:	Production and Advertising Services
Registered Office	:	(11181, 11041) No.659, Mya Kanthar (1 <sup>st</sup> ) Street, Ward No. (2), Kamayut Township, Yangon Region, Myanmar
Registered Capital	:	Baht 3.15 million
Investment Portion	:	84%
		Ad Asia Advertising (S) Pte. Ltd. holds 100%

20. Chilli Advertising Co., Ltd.

Nature of Business	:	Production and Advertising Services
Registered Office	:	(11181, 11041) No.659, Mya Kanthar (1 <sup>st</sup> ) Street, Ward No. (2), Kamayut Township, Yangon Region, Myanmar
Registered Capital	:	Baht 3.15 million
Investment Portion	:	84%
		Ad Asia Advertising (S) Pte. Ltd. holds 100%

21. Red Bull Co., Ltd.

Nature of Business	:	Production and Advertising Services
Registered Office	:	(11181, 11041) No.659, Mya Kanthar (1 <sup>st</sup> ) Street, Ward No. (2), Kamayut Township, Yangon Region, Myanmar
Registered Capital	:	Baht 3.15 million
Investment Portion	:	84%
		Ad Asia Advertising (S) Pte. Ltd. holds 100%

## OTHER REFEREES

1. Company Registrar

Name	:	Thailand Securities Depository Co., Ltd.
Registered Office	:	The Stock Exchange of Thailand Building, 62 Rachadapisek Rd., Klongtoey, Klongtoey, Bangkok 10110
Telephone	:	0-2359-1200
Facsimile	:	0-2359-1259

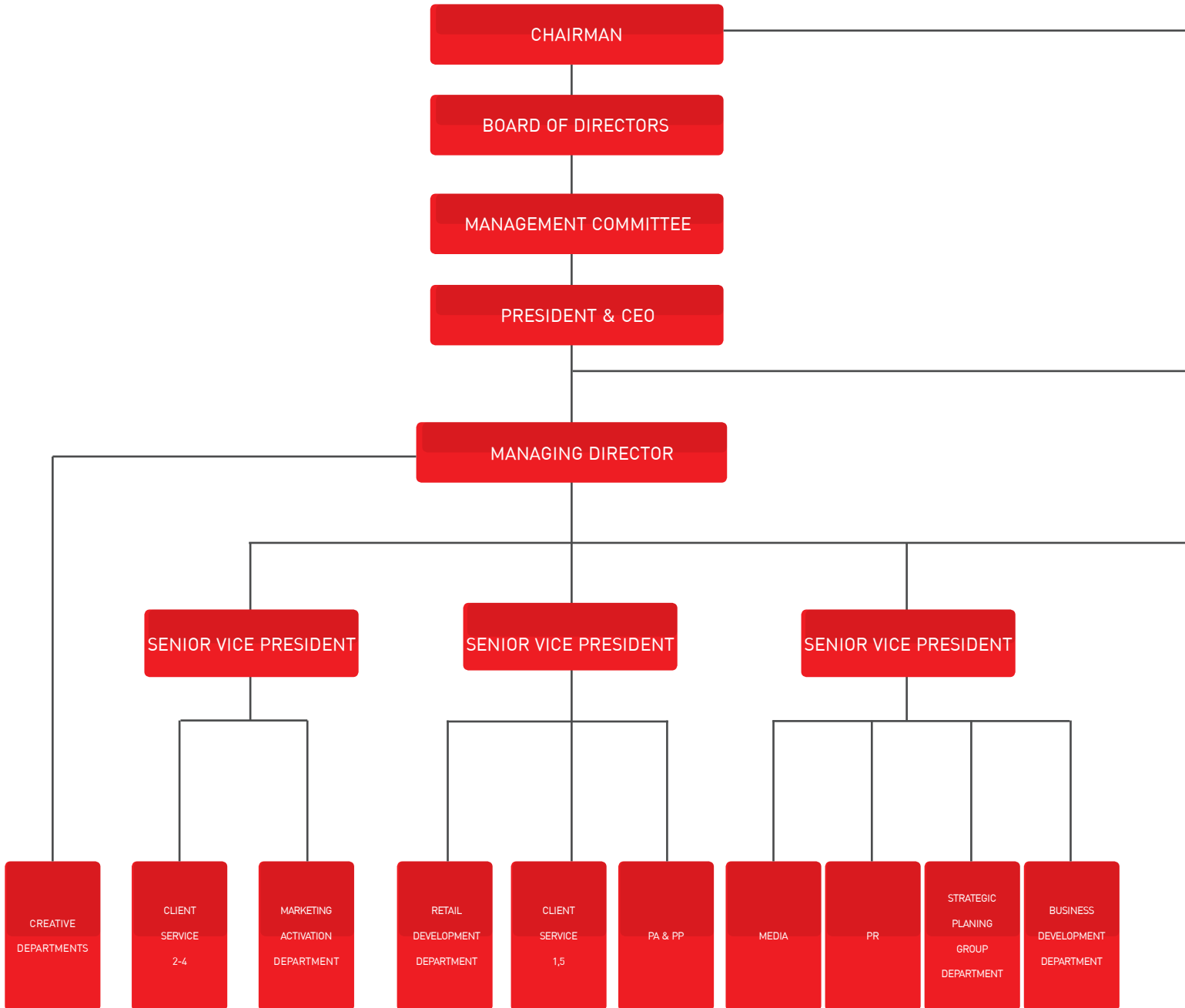
**2. Auditors**

Auditor's Name	:	Mr.Chaiyuth Angsuwithaya Certified Public Accountant No.3885
Company's Name	:	A. M. T. & Associates
Registered Office	:	491/27 Silom Plaza, Silom Road, Bangkok 10500
Telephone	:	0-2234-1676, 0-2234-1678, 0-22372132
Facsimile	:	0-2237-2133

**3. Legal Consultant**

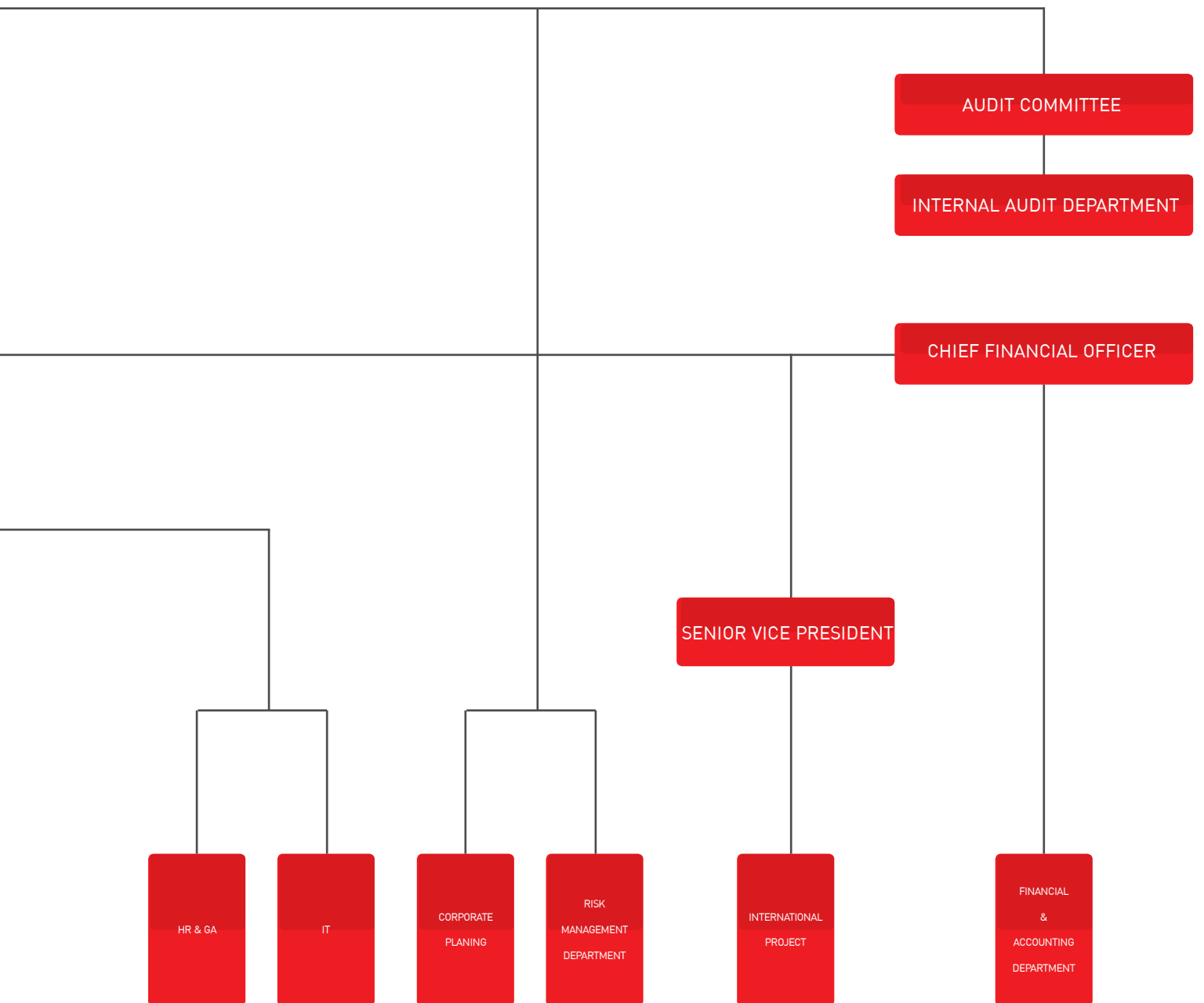
Company's Name	:	KPMG Phoomchai Legal & Tax Ltd.
Registered Office	:	195 Empire Tower, 49th Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	:	0-2677-2000
Facsimile	:	0-2677-2441-4

# ORGANIZATION STRUCTURE





AS OF DECEMBER 31, 2014



# BOARD OF DIRECTORS



Mr. Katsuyuki Mizumachi  
Chairman



Mr. Shuji Okawa  
Director and Chief Executive Officer



Mr. Kiichi Okuyama  
Director and Chief Financial Officer



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**Mr. Vichien Linchongsabongkoch**  
Director



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



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**Mr. Teetitorn Chullapram**  
Independent Director and  
Audit Committee Member



---

**Mr. Gurdaib Singh**  
Independent Director and  
Audit Committee Member

# MANAGEMENT TEAM

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

## Board of Directors

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

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

\*/1 Number of share holds as of December 31, 2014

## Authorized Signatory

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

## Authority and Responsibilities of the Board of Directors:

1. The Board overall direction and strategies of the Company and ensure institution of the corporate governance policy for application across all companies. Under consolidated supervision framework that is the key policies and guidelines concerning the governance and operating structure of the Company, business strategy, management and operations, controls, human resources, finance and accounting, corporate affairs, and public communication. The Board shall ensure that the Company adopt and implements the policies and direction in corporate governance policy efficiently and effectively to benefit of the Shareholders.
2. Directors have the power to appoint one or several management directors to perform, within the scope of roles and responsibilities of board, any acts on its behalf. The board has the right to call off, rectify or from time to time revise the appointment.

3. Approve the Company' business plan and budget.
4. Directors must implement and direct the Company's policies, as well as monitor and supervise its operations.
5. Ensure the institution of effective systems for the internal control and internal audit.
6. Appoint other committees and delegate authorities according to the needs and suitability to carry out specific tasks to ensure that operations are in compliance with our policy.
7. Appoint the Company secretary to take care of director's activities and administer critical corporate matters.
8. Ensure that there exists appropriate check and balance in the management and/or major shareholders of the Company, in particular, the proportion or the number of the independence directors on the Board.
9. Ensure that the Board receives/get the sufficient information to effectively discharge its authorities, duties, and responsibilities.
10. Report the business operation and financial statements to the shareholders.

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

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

#### Definitions of Independence Director

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

1. Holding not exceeding than 1% of the total number of voting shares of the Company, the Company's major shareholders, a subsidiary or an associate or in any juristic person with a conflict of interests.
2. Be neither a director that has a management authority, nor an employee, staff, advisor on retainer, authority figure of the Company, the Company's major shareholders, a subsidiary, an associate, or any juristic person with a conflict of interests, both in the present and at least two years prior to taking the position of independent director.
3. Independence Directors are not involved or relationship with the Company, the Company's major shareholders, a subsidiary, an associate, or any juristic person with conflict of interests in a nature which may obstruct his independent judgment, both in the present and at least two year prior to taking the independence directors.

4. Is neither an auditor nor professional service provider for the Company?
5. Is not involved with management and major shareholders of the Company?
6. Is not a director that has management authority in the Group of Companies?
7. Not being a person related by blood or legal registration to management, major shareholders, authority figures or nominees for management and authority figures of the Company or its subsidiaries.
8. Is not appointed as a representative of the Company's directors, major shareholders, or shareholders who are related to the major shareholders of the Company.
9. No other impediment or impairment to express independent opinions concerning the operations of the Company.

Details of meeting attendance of the Company's directors in 2014 are as follows:

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

#### Company Secretary

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

### Audit Committee

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

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

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

### Authority and Responsibilities of the Audit Committee:

1. To review the Company's financial statements to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal auditing to ensure that they are suitable and efficient, to determine an internal audit department's independence, as well as to approve the appointment, transfer and dismissal of the chief of the internal audit department or any other unit in charge of the internal audit.
3. To review the Company's compliance with the related laws and regulations.
4. To consider, select and nominate an independent person to be the Company's external auditor, and to purpose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the related party transaction, or the transaction that may lead to conflict of interest, to ensure that they are compliance with the laws and SET's regulation, and are reasonable and for the highest benefit for the Company.
6. To prepare and to disclose in the Company's annual report, an audit committee's report which must be signed by the Chairman of Audit Committee. The significant information is consist at least the follows:
  - A. An opinion on the accuracy, completeness, and assurance of the financial statements.
  - B. An opinion on the adequacy of the Company's internal control.
  - C. An opinion on the Compliance with SET's law and regulation, and other related regulation.
  - D. An opinion on the suitability of the external auditor.
  - E. An opinion on the transactions that may lead to conflicts of interests.
  - F. The number of the audit committee meetings, and the attendance of such meeting by each committee member.

- G. An opinion or overview comment for the performance which is in accordance with the Charter.
  - H. Other transaction which is according to the Audit Committee's opinion should be known to the shareholders and investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.
7. To ensure the accuracy and completeness of the Company disclosure, especially the related party transaction or the transaction that may cause conflict of interest.
  8. Report to the Board of Directors in order that remedial action is taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct which may affect the Company's financial position and performance significantly as follows;
    - A. Transaction which causes conflict of interest.
    - B. Fraud or irregularity or material defect in the interest control.
    - C. Infringement of the applicable laws. If the Board of Directors or the management do not take remedial action within the time that the Audit Committee proposed, the Audit Committee shall disclose such infringement in annual report and report to the Bank of Thailand.
  9. Conduct the businesses as assigned by the Board of Directors in agreement of the Audit Committee.

#### Management Committee

The Management Committee is comprised of 7 members as follows:

Name	Position
1. Mr. Katsuyuki Mizumachi	Chairman and Management Director
2. Mr. Shuji Okawa	Management Director
3. Mr. Kiichi Okuyama	Management Director
4. Mr. Ratchasub Nishida	Managing Director
5. Ms. Chanita Chulachata	Management Director
6. Mr. Songklod Akeunnop	Management Director
7. Ms. Jongkolnee Subruenruay	Management Director

#### Authority and Responsibilities of the Management Committee

1. In conducting the business of the Company, the Management Committee and Executive Team shall comply with the objectives, and the articles of association of the Company. In the instance, that the directors and/or management team may have a direct interest in, or a conflict of interest with the Company and its subsidiaries, this business cannot be executed without a resolution from the Board of Directors meeting, in which independent directors have attend the meeting.



2. In setting up and direction for managing and expanding the business, the Management Committee and the Executive Team shall comply with the policies set forth by the board, except those regulated by laws in which a resolution from the shareholders' meeting is required.
3. Examine, set up and improve regulations and internal workflow or procedures of the Company.
4. Examine information and/or facts in conducting business, before proposing them the Board of Directors.
5. Develop salary structure, and other fringe benefit structures.
6. Have to the authority to approve investments within established limits.
7. Have the authority to approve operating expenses within established limits.
8. May perform any other acts as assigned by the Board.

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

# INFORMATION OF DIRECTORS & MANagements

## 1. Board of Directors

No.	Name-Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work Experience		
						Period	Position	Department / Name of Company / Type of Business
1.	Mr. Katsuyuki Mizumachi		See additional details in Management details table			-Chairman and Authorized Director -Authorized Director - Authorized Director and Company Secretary	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service	
2.	Mr. Shuji Okawa							
3.	Mr. Kiichi Okuyama							
4.	Mr. Vichien Linchongsongkotch	60	-Bachelor Degree Communication ArtsChulalongkorn University	0.01	None	-Director -Advisor -President & Chief Executive Officer -Senior Executive Vice President & COO -Managing Director -Client Service Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko Advertising Co., Ltd. (Japan) / Advertising Service	

5.	Mr. Wirash Kanchanapibul	63	-Bachelor Degree Engineering Chulalongkorn University	0.00	None	2013 - Present  Present  Present  2009-2012  2008-2009	-Independent Director and Chairman of Audit Committee - Nominating Committee of Deputy Governor (Administration) - Advisor  - Deputy Governor of Administration - Deputy Governor	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service  - Electricity Generating Authority of Thailand (EGAT)  -Institute of Electrical and Electronics Engineers (IEEE Thailand Section) - Electricity Generating Authority of Thailand (EGAT) - Social Affairs and Environment, EGAT
6.	Mr. Teetitorn Chullapram	56	-Bachelor Degree Engineering Chulalongkorn University -Certificate Director Certification Program and Audit Committee Program from Thai Institute of Directors	0.00	None	2011 - Present  2007 - Present  2005 - Present	-Independent Director and Audit Committee's Member -Council Member  -Executive Director & Vice President	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service  -Thai-Nichi Institute of Technology / Education -Technology Promotion Association (Thailand-Japan)

7.	Mr. Gurdaib Singh s/o Pala Singh	61	-Master Degree Business Administration of Strategic Management University of East London U.K. -Bachelor Degree Business of Economic & Finance Middlesex Polytechnic U.K. -Diploma in Law City University, London U.K. Barrister-at-law Lincoln's Inn, London U.K.	0.00	None	2011 - Present  2006 - Present  1981 - Present	-Independent Director and Audit Committee's Member -Independent Director -Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service  -Pollux Properties Co., Ltd. / Property -Advocate & Solicitor of the Supreme Court (Singapore) / Law Firm
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## 2. Management Committee

No.	Name-Surname	Age	Educational Background	Portion of Security Holding (%)	Relationship with Director	Work Experience		
						Period	Position	Department / Name of Company / Type of Business
1.	Mr. Katsuyuki Mizumachi					See additional details in Management details table	-Chairman and Management Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
2.	Mr. Shuji Okawa						-Management Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
3.	Mr. Kiichi Okuyama						-Management Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
4.	Mr. Ratchasub Nishida						-Managing Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
5.	Ms. Chanita Chulachata						-Management Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
6.	Mr. Songklod Akeunnop						-Management Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service
7.	Ms. Jongkolhee Subruenruay						-Management Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service

3. Management Members

No.	Name-Surname	Age	Educational Background	Portion of Security Holding (%)*	Relationship with Director	Work Experience		
						Period	Position	Department / Name of Company / Type of Business
1.	Mr. Katsuyuki Mizumachi	66	-Bachelor Degree Law Keio University Japan -Certificate Thai Institute of Directors	0.08	None	2011 - Present 2010 - Present 2007-2010 1997-2007	-Chairman -President and Chief Executive Officer -Executive Advisor -Senior Executive Vice President & CFO	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Asia Business Support Association Co., Ltd. / Consulting Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Co., Ltd. / Advertising Service
2.	Mr. Shuji Okawa	61	-Bachelor Degree Economics Keio University Japan	0.00	None	2012-Present 2010- 2012 1999-2010 1997-1999 1990-1997 1985-1990	-President and CEO -President and CEO -Managing Director -Managing Director -Account Director -Vice President	-Chuo Senko (Thailand) Public Co., Ltd / Advertising Service -Hakuhodo Cheil Inc. (Korea) / Adver- tising Service -Group Nexus/H Ltd. (UK)/ Advertising Service -Hakuhodo UK Ltd. (UK) /Advertising Service -Hakuhodo Inc. (Japan) / Advertising Service -Hakuhodo Advertising America Inc. (USA) / Advertising Service

3.	Mr. Kiichi Okuyama	59	-Bachelor Degree Economics Kwansei Gakuin University Japan	0.00	None	2011 - Present 2010 - Present 2008 - 2010 2004 - 2007 2001 - 2004 1998 - 2001 1979 - 1998	-Chief Financial Officer -Director of Japan Affairs -Director -Managing Director -General Manager -Senior Risk Analyst -Leasing Officer	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Asia Business Support Association Co., Ltd. / Consulting Service -Pollars Laboratory Co., Ltd. / Bio-Energy Service -Onward International Co., Ltd. / Trading Service -Nippon Outsourcing Co., Ltd. (Japan) / Outsourcing Service -GE Capital Leasing Co., Ltd. (Japan) / Leasing -Japan Leasing Corporation Co., Ltd. (Japan)/ Leasing
4.	Mr. Ratchasub Nishida	45	-Master Degree Political Science (International Relations) Ramkhamhang University -Bachelor Degree Engineering, Science University of Tokyo, Japan -Political Science (Public Administration) Ramkhamhang University	0.00	None	2013 — Present 2011 - 2013 2009 - 2010 2005 - 2006 2004 - 2005	-Managing Director -Member of Sub Committee on “Right of Way” -Senior Vice President (Business Development and Marketing) -Deputy Managing Director, E-Business -Senior Vice President	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -National Broadcasting and Telecom- munication Commission -Ascon Counstruction Pol. -Gmm Grammy Pol. -Gmm Digital Domain Co., Ltd.

5.	Mr. Swasthorm Kuanswang	50	-Master Degree MBA Southeastern University Washington, DC. USA -Bachelor Degree BSBA American University Washington, DC. USA	0.00	None	2010 - Present 2004 - 2010 2002 - 2004 2001 - 2002 1994 - 2001	-Senior Vice President -Country Director -Director -Director -Account Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Cambodia) Holding Co., Ltd. / Advertising Service -Euro RSCG Flagship Co., Ltd. / Advertising Service -Raku Entertainment / Entertainment Service -Bates (Thailand) Co., Ltd /Advertising Service
6.	Ms. Chanita Chulachata	50	-Bachelor Degree Humanity Chiang Mai University	0.00	None	2012 - Present 2009 - 2012 2008 - 2009 1993 - 2008 1992 - 1993 1991 - 1992 1987 - 1991	-Senior Vice President -Vice President -Group Client Service Director -Client Service Director -Assistant Manager -Account Executiv -Advertising and Promotion Officer	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service -J-PHO Co., Ltd. / Studio -Thai Image Advertising Co., Ltd. / Advertising Service -Viceroy Inter Co., Ltd. / Cosmetic



7.	Mr. Songklod Akeunnop	44	-Bachelor Degree Journalism Thammasat University	0.00	None	2012-Present  2010-2012  2009-2010  1995-2009  1993-1995 1990-1993	-Senior Vice President  -Vice President  -Group Client Service Director  -Client Service Director  -Account Executive  -Account Executive	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service  -Chuo Senko (Thailand) Public Co., Ltd / Advertising Service  -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service  -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service  -Meitsu Co., Ltd. / Advertising Service  -Prosper Ad Co., Ltd. / Advertising Service
8.	Ms. Jongkolnee Subruen- ruay	51	-Master Degree Communication Arts Dhurakij Pundit University  -Bachelor Degree Journalism Thammasat University	0.00	None	2012-Present  2008-2012  2005-2008  1990-2005	-Senior Vice President  -Managing Director  -Managing Director  -Director	-Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service  -M1 Network Co., Ltd./ Consulting and marketing communication  -Be 1 Communications Co., Ltd./ Advertising Service  -Chuo Senko (Thailand) Public Co., Ltd. / Advertising Service

# POLICY ROLE RESPONSIBILITY

## APPOINTMENT OF DIRECTORS AND MANAGEMENT

### Appointment of the Directors

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

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

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

### Appointment of the Management

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

### Director's Remuneration

Director's Remuneration for the year 2014 is consisted of:

#### Cash Remuneration

In 2014, the Company did not pay the remuneration to directors who are the management team. However, the Company has a policy of allocating Baht 1,465,000 as a meeting allowance and retainer fee for independent directors. Details are as followings:

Unit (Baht)

Name	Position	Remuneration during year		Total Remuneration
		2014		
		Meeting Allowance	Retainer Fee	
Mr. Katsuyuki Mizumachi	Authorized Director	none	none	none
Mr. Shuji Okawa	Authorized Director	none	none	none
Mr. Kiichi Okuyama	Authorized Director	none	none	none
Mr. Vichien Linchongsubongkoch	Director	none	none	none
Mr. Wirash Kanchanapibul*	Independent Director and Chairman of the Audit Committee	20,000/ Attendance	415,000	535,000
Mr. Teetitorn Chullapram	Independent Director and Audit Committee's Member	20,000/ Attendance	365,000	485,000
Mr. Gurdaib Singh s/o Pala Singh	Independent Director and Audit Committee's Member	20,000/ Attendance	365,000	445,000

\*Mr. Wirash Kanchanapibul was appointed to Independent Director and Chairman of the Audit Committee since April 26, 2013.

#### Remuneration of Management Directors, and Management Team

In 2014, the Company paid salaries, bonus, meeting allowances and related benefits to their directors and management totaling Baht 61 million (2014: Baht 61 million, separate financial statements: Baht 43 million).

#### Other Remuneration

-None-

#### The Principles of Good Corporate Governance

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

## 1. Rights of Shareholders

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

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

system for registration and printing of voting forms for each agenda item to facilitate shareholder participation, and to ensure prompt and accurate registration, and for vote counting procedure. In addition, shareholders are also able to register to attend and exercise their voting rights on the agenda that they have not cast the vote in advance after the meeting's commencement. For shareholders unable to attend the meeting and would like to appoint a proxy, the Company proposes more than one independent directors by presenting director profile for the shareholders' selection, in addition to management, director or any shareholders to specify their voting decision, with the notice. Moreover, shareholders could cast their vote in advance on the voting form which had been sent out together with notice of shareholders' meeting.

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

## 2. Equitable Treatment of Shareholders

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

### 3. Role of Stakeholders

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

Counter Party	Role of Stakeholders
Shareholder	The Company is focused in operating its business with the utmost honesty, integrity and ethics along with the utmost transparency to ensure sustainable growth for the Company, and ultimately increasing the shareholders' long-term values and wealth. Moreover, the Company assigned the assistant company secretary to responsible get the feedback from shareholders and investors community.
Client	The Company operates with honesty and fairness, provides accurate information to customers provides quality services and keep clients' confidential information.
Supplier and Creditors	The Company has conducted all business in a fair manner according to all contract conditions agreed with suppliers. In addition, the company honors all its obligations to creditors
Competitor	The Company acts according to gentleman's practice and avoids any dishonesty in acquiring business.
Employee	Employees are the key value resources to the company's success. The Company's policies include equitable treatment of all staffs; provide comparable compensation and ongoing personal developments. Human Resources Department had been assigned to receive suggestions, complaints or any concerns from employees.

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

#### 4. Disclosure and Transparency

##### 4.1 Investors Relations

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

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

##### 4.2 Directors' Report

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

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

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

##### 4.3 Shareholders Meeting

In the 2014, Shareholder Meeting, there were 7 Persons of Directors and Management Directors who attended the meeting. The Chairman of the meeting gave equal rights to all shareholders to examine the Company's operation, inquire, and give suggestions.

##### 4.4 Board Meeting

The Company schedules that the regular board meeting will be held every quarter. However, the company can set up an irregular meeting schedule if necessary. In any meeting, agenda will be previously set and follow-up actions will be taken. To organize a meeting, the Company secretary will issue an invitation letter to attend the meeting to every board member. Each board member will receive a letter including necessary information at least 7 days prior to the meeting date. For the year 2014, the company held 7 board meetings. Details of attendance for board of directors' members are declared as following.

Name	Position	Meeting Attendance during year 2014
Mr. Katsuyuki Mizumachi	Chairman and Authorized Director	7
Mr. Shuji Okawa	Authorized Director	7
Mr. Kiichi Okuyama	Authorized Director	7
Mr. Vichien Linchongsabongkoch	Director	5
Mr. Wirash Kanchanapibul	Independent Director and Chairman of the Audit Committee	7
Mr. Teetitorn Chullapram	Independent Director and Audit Committee's Member	7
Mr. Gurdaib Singh s/o Pala Singh	Independent Director and Audit Committee's Member	4

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

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

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

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

#### 4.6 Remuneration for the External Auditor

##### A. Audit Fee

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

For the year 2014, the Company and its subsidiaries appoint the external auditor and paid the remuneration to the auditor as follows:

Company (Country)	Auditor's Name/ Audit Firm	Audit fee
Chuo Senko (Thailand) Public Company Limited (Thailand)	Mr. Chaiyuth Angsuwithayal	1,600,000 THB
Chuo Senko Advertising Company Limited (Thailand)	AMT Associates Co., Ltd.	30,000 THB
Wonder Asia Co., Ltd. (Thailand)	AMT Associates Co., Ltd.	60,000 THB



Company (Country)	Auditor's Name/ Audit Firm	Audit fee
Chuo Senko Dynamics (ROH) Co., Ltd. (Thailand)	AMT Associates Co., Ltd.	90,000 THB
RDSS Co., Ltd. (Thailand)	AMT Associates Co., Ltd.	90,000 THB
Digital DNA Co., Ltd. (Thailand)	AMT Associates Co., Ltd.	90,000 THB
Tangram Associates Co., Ltd. (Thailand)	AMT Associates Co., Ltd.	90,000 THB
Ad-Asia Company Limited (Thailand)	AMT Associates Co., Ltd.	90,000 THB
Chuo Senko Vietnam Design Services One Member Co., Ltd. (Vietnam)	BDO Audit Services Co., Ltd.	18,000 USD
Chuo Senko (Cambodia) Holding Co., Ltd. (Cambodia)	BDO (Cambodia) Limited	5,500 USD
PT. Chuo Senko Consultant (Indonesia)	Tanubrata Sutanto Fahmi & Rekan	98,000,000 IDR
Chuo Senko Myanmar Pte Ltd. (Singapore)	Strategic Audit Alliance PAC	1,000 SGD
Ad Asia Advertising (S) Pte Ltd. (Singapore)	Strategic Audit Alliance PAC	1,000 SGD
Chuo Senko Myanmar Co., Ltd. (Myanmar)	JF Group — Certified Public Accountants & Auditors.	900 USD
Ad Asia Co., Ltd. (Myanmar)	JF Group — Certified Public Accountants & Auditors.	900 USD
Town Page Co., Ltd. (Myanmar)	JF Group — Certified Public Accountants & Auditors.	600 USD
Chilli Advertising Co., Ltd. (Myanmar)	JF Group — Certified Public Accountants & Auditors.	600 USD
Red Bull Co., Ltd. (Myanmar)	JF Group — Certified Public Accountants & Auditors.	600 USD
Chuo Senko India Advertising India Private Limited (India)	S V Ghatalia & Associates LLP	500,000 INR

## B. Other Fees

-None-

## 5. Responsibilities of the Board

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

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

Board of Directors comprises of the following details.

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

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

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

### 5.2 The Separation of Positions

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

### 5.3 Conflict of interests

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

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

#### 5.4 Internal Audit and Internal Control

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

#### 5.5 Risk Management Policy

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

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

#### Vision on Risk Management

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

#### Culture of Risk Management

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

#### Objectives of Risk Management

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

#### Target of Risk Management

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

#### 5.6 Business Ethics

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

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

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

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

#### 6. Internal Information Control

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

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

#### 7. Human Resources

##### A. Legal Disputes

-None-

B. Number of staff

As of December 31, 2014, the company and subsidiaries companies have a total staff of 296 Persons. Details are as following:

1.	Chuo Senko (Thailand) Public Co., Ltd.	184	Persons
2.	Chuo Senko Dynamics (ROH) Co., Ltd.	1	Persons
3.	Digital DNA Co., Ltd.	6	Persons
4.	Tangram Associates Co., Ltd.	1	Persons
5.	Ad-Asia Company Limited	6	Persons
6.	Chuo Senko Advertising India Pvt Ltd.	5	Persons
7.	Ad Asia Co., Ltd (Myanmar)	8	Persons
8.	Chuo Senko Vietnam Design Services One Member Ltd.	58	Persons
9.	Chuo Senko (Cambodia) Holding Co., Ltd.	9	Persons
10.	PT. Chuo Senko Consultant	12	Persons
11.	Chuo Senko Philippines Inc.	6	Persons
	Total	296	Persons

As part of Chuo Senko (Thailand) Public Co., Ltd., the 184 staffs are separated as the following:

1.	Management	8	Persons
2.	Advisors to Client Service Department	8	Persons
3.	Client Service Department	32	Persons
4.	Creative Department	37	Persons
5.	Retail Development Department	10	Persons
6.	Strategic Planning Group Department	9	Persons
7.	Marketing Activation Department	11	Persons
8.	Public Relation Department	4	Persons
9.	Financial and Accounting Department	12	Persons
10.	Human Resources & General Affairs Department	28	Persons
11.	Information Technology Department	4	Persons
12.	Internal Audit Department	1	Persons
13.	Procurement & Printing	9	Person
14.	Japanese Client Coordinator Group	3	Persons
15.	Production Administration Department	1	Persons
16.	Special Project	3	Person
17.	Second to Affiliated Companies	2	Persons
18.	Online Marketing	2	Persons
	Total	184	Persons

## C. Staff Remuneration

In 2014, the Company paid Baht 173 million for staff remunerations in the form of salaries, bonuses, contributed social security fund and other welfares.

## D. Provident Fund

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

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

Employer's Contribution: Employer is obligated to contribute to the Provident Fund on the same rate (5%) with each employee's salary. For the year 2014, the Company remit contributions to the Provident Fund total amount Baht 5.3 million.

## E. Loans to directors and staff

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

As of December 31, 2014, the Company has extended loans to directors and staff amounting Baht 1,960,665.84 as following:

- Loans to directors	-	Baht
- Loans to staff	1,960,665.84	Baht

## F. Staff Development Policy

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

Staff training and development expenses for the year 2010-2014, are summary as follows;

[Unit: Baht]

	2014	2013	2012	2011	2010
Staff Training and Seminar Expenses	131,854	328,931	887,413	520,562	265,808

## 8. General Human Resources Policies

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

### A. Principles of Dealing with People at CHUO

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

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

### B. Hiring and Employment with CHUO

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



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

#### C. Assessment and Development

##### 1. Assessment

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

##### 2. Development

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

#### D. Career Management

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

#### E. Employee Compensation and Benefits

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

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

F. Human Resources Administration

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

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

9. Corporate Social Responsibility and Environmental Management

Aware that business operations that lack social and environmental activities are unsuitable, the Company is determined to do business in such a way that not only can it sustain continuous growth, but also simultaneously generate positive impacts on social and environment as follows:

Environment activities; we concern that our operation should be kindly with environment. We develop successful and continue to perform consistently. Then we got the ISO 14001:2004.

Corporate Social Responsibility activity in year 2014; the company has donated computer equipment to public agencies 1 time.

10. Dividend Payment Policy

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

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

Performance Result for the Year	2014	2013	2012	2011	2009
Value of Share (Baht)	5.00	5.00	5.00	5.00	5.00
Dividend per share (Baht)	0.60	1.10	0.30	0.30	0.80
Total amount (Baht)	13,500,000	12,375,000	3,375,000	3,375,000	9,000,000
Ratio(%) net profit	50.40%	31.73%	*	*	53%

\*Paid form retain earning

# NATURE OF BUSINESS

Chuo Senko (Thailand) Public Company Limited inaugurated into the advertising business by being a total solution advertising agency since 1963. Base upon trust and respect, the Company has remarkable growth more than 51 years of operation experience in marketing communication specialist and has numerously created advertising campaigns for well-known products and services, which can provide visible confirmation of our highly professional standard very well, e.g. Honda Motorcycles, Honda Cars, Yum-Yum Instant Noodle, Hitachi, AEON Finance Institution, Tokyu Department Store, Thanachart Bank, CAT Telecom and etc.

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

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

## 1.1 COMPANY BACKGROUND

Chuo Senko (Thailand) Co., Ltd. was incorporated on August 24, 1981. Since its establishment, the company has increased its capital from time to time. Currently its registered capital issued on December 31, 2014 is Baht 112.50 million.

The Company was listed to be "public company", and changed its name to Chuo Senko (Thailand) Public Company Limited on October 2, 2011. Moreover, the company has brought itself to list on the Market for Alternative Investment (MAI).

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

### A. Strategic Planning and Research

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

### B. Creative

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

### C. Producer and Printing

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

**D. Marketing Activation**

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

**E. Retail Development**

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

**F. Media Planning & Buying**

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

**G. Media Production**

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

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

**1.2 SIGNIFICANT CHANGES IN THE GROUP STRUCTURE**

During 2014, the significant changes in the structure of ownership interest in subsidiaries can be described below.

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

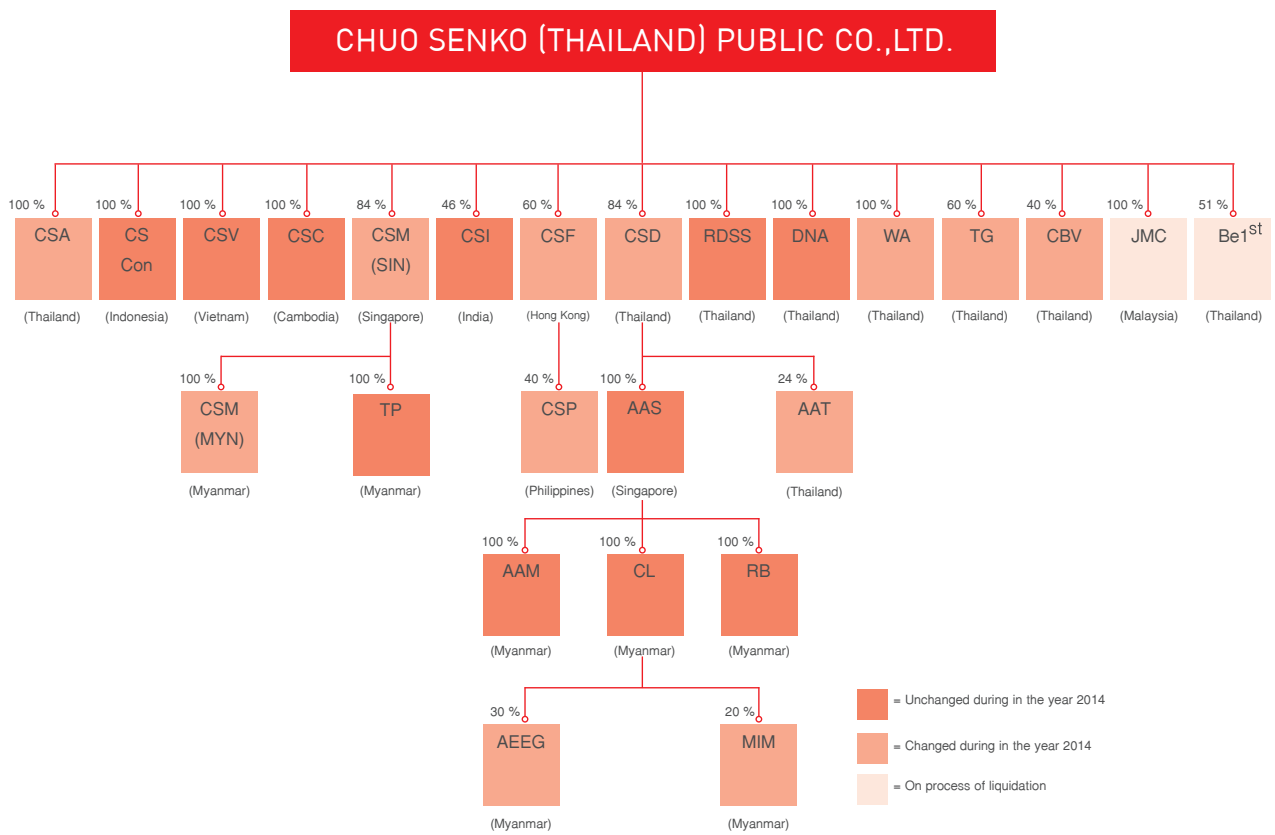
- April 2014                      Seven-Note Co., Ltd. (Changed name to be Tangram Associates Co., Ltd on March 1, 2014), which the Company has held 60% of the total shares had increased in ordinary shares on 5,000 shares at a par value of Baht 1,000 per share. The Company had additionally invested in ordinary shares of the such company on 2,997 shares at a par value of Baht 1,000 share for a total of Baht 2,997,000.00. After the increase of the investment, the Company maintains to represents 60% of the registered capital of such company.
- June 2014                      The Company had additionally invested in ordinary shares of Chuo Senko Dynamics (ROH) Co., Ltd amounting to Baht 600,000 which has bought the shares from the joint-venture partner, Striders Corporation; totaling 600 shares or 2% of the total shares at issued par value of Baht 1,000 per share. After the increase of the investment, the Company increase of percentage of investment from 82% to 84% of the registered capital of such company.
- June 2014                      The Company had additionally invested in ordinary shares of Chuo Senko Myanmar Pte Ltd, amounting to USD 6,000 or approximately Baht 0.2 million which has bought the shares from the joint-venture partner, Striders Corporation; totaling 60 shares or 2% of the total shares at issued par value of 100 USD per share. After the increase of the investment, the Company increase of percentage of investment from 82% to 84% of the registered capital of such company
- June 2014                      The Company invested in ordinary shares of CSF Limited which registered in Hong Kong on 700,000 ordinary shares at a par value of HKD 1 per share. The Company invested in 420,000 ordinary shares at a par value HKD 1 per share of a total of HKD 420,000 or approximately Baht 1.8 million. The Company's investment represents 60 percent of the registered capital of such company.
- July 2014                      Chillli Advertising Co., Ltd in Myanmar (100% of shares held by Ad Asia Advertising (S) Pte Ltd in Singapore) invested in ordinary shares of Media Intelligence (Myanmar) Limited which registered in Myanmar on 83,324 ordinary shares at a par value of USD 1 per share. Chillli Advertising Co., Ltd. invested in 16,667 ordinary shares at a par value of USD 1 per share for a total of USD 16,667 or approximately Baht 0.53 million. Chillli Advertising Co., Ltd.'s investment represents 20 percent of the registered capital of such company.

- August 2014 CSF Limited invested in ordinary shares of Chuo Senko Philippines Inc. which registered in Philippines on 2,000,000 ordinary shares at a par value of PHP1 per share. CSF Limited invested in 800,000 ordinary shares at a par value of PHP 1 per share. CSF Limited's investment represents 40 percent of the registered capital of such company.
- As at September, 2014 CSF Limited has completed of a payment in 25% of invested shares in amount of PHP 200,000 or approximately Baht 0.15 million.
- September 2014 Wonder Asia Co., Ltd had increased in ordinary shares on 20,000 shares at a par value of Baht 100 per share. The Company had additional invested in ordinary shares of the such company on 19,994 shares at a par value of Baht 100 share for a total of Baht 1,999,400.00. After the increase of the investment, the Company maintains to represents 100% of the registered capital of such company.
- September 2014 The Company invested in ordinary shares of Energy from Waste Co., Ltd. which registered its incorporation with the Ministry of Commerce on August 5, 2009 and changed the name to be Chuo Business Venture Co., Ltd. on September 12, 2014 has total of registered share capital of 50,000 at a par value Baht 100. The Company invested in 20,000 shares at a par value Baht 100 of a total of Baht 2,000,000. The Company's investment represents 40 percent of the registered capital of such company.
- October 2014 Chillli Advertising Co., Ltd in Myanmar (100% of shares held by Ad Asia Advertising (S) Pte Ltd in Singapore) invested in ordinary shares of Asian Event and Exhibition Group (Myanmar) Company Limited which registered in Myanmar on 50,000 ordinary shares at a par value of USD 1 per share. Chillli Advertising Co., Ltd. invested in 15,000 ordinary shares at a par value of USD 1 per share for a total of USD 15,000 or approximately Baht 0.49 million. Chillli Advertising Co., Ltd.'s investment represents 30 percent of the registered capital of such company.
- December 2014 The Company had the business restructuring with the purpose to increase the liquidity for the business and investment expansion of the Company by transferring partial business of the Company i.e. advertising agency business, business of media buying services and total solution advertising production services, all assets and liabilities in connection with and used for such business operation including all personnel related thereto, to a subsidiary of the Company, which shall be newly incorporated for accepting such transfer of business. The subsidiary was registered its incorporation with the Ministry of Commerce on December 25, 2014 has total of registered share capital of 4,400,000 shares at a par value Baht 5 of a total of Baht 22,000,000. The Company's investment represents 100 percent of the registered capital of such company.

1.3 OPERATING POLICY IN THE GROUP

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

The following is structure of the Group as of December 31, 2014.



Abbrev.	Company's Name	Country of Incorporation
CST	Chuo Senko (Thailand) Public Company Limited	Thailand
CSA	Chuo Senko Advertising (Thailand) Co., Ltd.	Thailand
CSCON	PT Chuo Senko Consultant.	Indonesia
CSV	Chuo Senko Vietnam Design Services One Member Co., Ltd.	Vietnam
CSC	Chuo Senko (Cambodia) Holding Co., Ltd.	Cambodia
CSM (SIN)	Chuo Senko Myanmar Pte Ltd.	Singapore
CSI	Chuo Senko Advertising India Private Limited.	India
CSF	CSF Limited	Hong Kong
CSD (ROH)	Chuo Senko Dynamics (ROH) Co., Ltd.	Thailand
RDSS	RDSS Co., Ltd.	Thailand
DNA	Digital DNA Co., Ltd.	Thailand
WA	Wonder Asia Co., Ltd.	Thailand
TG	Tangram Associates Co., Ltd.	Thailand
CBV	Chuo Businesss Venture Co., Ltd.	Thailand
JMCS*	JM Chuo Senko Sdn. Bhd.	Malaysia
BE1*	Be 1 Communications Co., Ltd.	Thailand
CSM (MYN)	Chuo Senko Myanmar Co., Ltd.	Myanmar
TP	Town Page Co., Ltd.	Myanmar
CSP	Chuo Senko Philippines Inc	Philippines
AAT	Ad Asia Co., Ltd.	Thailand
AAS	Ad Asia Advertising (S) Pte Ltd.	Singapore
AAM	Ad Asia Co., Ltd.	Myanmar
CL	Chilli Advertising Co., Ltd.	Myanmar
RB	Red Bull Co., Ltd	Myanmar
AEEG	Asian Event and Exhibition Group (Myanmar) Company Limited	Myanmar
MIM	Media Intelligence (Myanmar) Limited	Myanmar

Remark: \* In liquidation process



## REVENUE STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

Total revenues included in the financial statements from the year 2012 to the year 2014 of the Company and each of its subsidiaries as follow:

Company's Name	Country of Incorporation	Percentage of ownership interest	2014		2013		2012	
			million Baht	%	million Baht	%	million Baht	%
Chuo Senko (Thailand) Public Company Limited	Thailand	-						
- Commission and services income			299.31	68.56	280.97	66.22	236.79	71.21
- Other income			24.74	5.67	24.85	5.86	8.31	2.50
Chuo Senko Advertising (Thailand) Co., Ltd.	Thailand	100%						
- Commission and services income			-	-	-	-	-	-
- Other income			-	-	-	-	-	-
PT Chuo Senko Consultant. (Indonesia)	Indonesia	99%						
- Commission and services income			23.92	5.48	21.88	5.16	20.50	6.17
- Other income			1.27	0.29	1.30	0.31	0.45	0.14
Chuo Senko Vietnam Design Services One Member Co., Ltd.	Vietnam	100%						
- Commission and services income			45.06	10.32	53.92	12.71	49.55	14.90
- Other income			0.56	0.13	0.35	0.08	2.11	0.63
Chuo Senko (Cambodia) Holding Co., Ltd.	Cambodia	100%						
- Commission and services income			7.09	1.62	6.05	1.43	8.87	2.67
- Other income			0.02	-	-	-	-	-

### REVENUE STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

Total revenues included in the financial statements from the year 2012 to the year 2014 of the Company and each of its subsidiaries as follow:

Company's Name	Country of Incorporation	Percentage of ownership interest	2014 million Baht	2013 %	2012 million Baht	Company's Name	Country of Incorporation	Percentage of ownership interest
Chuo Senko Myanmar Pte Ltd.	Singapore	84%						
- Commission and services income			-	-	-	-	-	-
- Other income			-	-	-	-	-	-
Chuo Senko Advertising India Private Limited.	India	46%						
- Commission and services income			1.01	0.23	-	-	-	-
- Other income			0.17	0.04	-	-	-	-
CSF Limited	Hong Kong	60%						
- Commission and services income			-	-	-	-	-	-
- Other income			-	-	-	-	-	-
Chuo Senko Dynamics (ROH) Co., Ltd.	Thailand	84%						
- Commission and services income			-0.49	-0.11	-	-	-	-
- Other income			4.65	1.07	2.31	0.54	-	-
RDSS Co., Ltd.	Thailand	100%						
- Commission and services income			0.60	0.14	1.95	0.46	0.12	0.04
- Other income			-	-	0.01	-	-	-
Digital DNA Co., Ltd.	Thailand	100%						
- Commission and services income			11.99	2.75	9.33	2.20	-	-
- Other income			-	-	-	-	-	-
Wonder Asia Co., Ltd.	Thailand	100%						
- Commission and services income			-	-	-	-	-	-
- Other income			-	-	-	-	-	-
Tangram Associates Co., Ltd.	Thailand	60%						
- Commission and services income			3.83	0.88	5.40	1.27	-	-
- Other income			0.17	0.04	0.01	-	-	-
Be 1 Communications Co., Ltd.	Thailand	51%						
- Commission and services income			-	-	-	-	-	-
- Other income			-	-	-	-	-	-
JM Chuo Senko Sdn. Bhd.	Malaysia	100%						
- Commission and services income			-	-	-1.84	-0.43	5.74	1.73
- Other income			-	-	13.25	3.12	0.08	0.02

Chuo Senko Myanmar Co., Ltd.	Myanmar	84%							
- Commission and services income			1.45	0.33	0.65	0.15	-	-	
- Other income			0.20	0.05	-	-	-	-	
Town Page Co., Ltd.	Myanmar	84%							
- Commission and services income			-	-	-	-	-	-	
- Other income			-	-	-	-	-	-	
Chuo Senko Philippines Inc	Philippines	24%							
- Commission and services income			1.00	0.23	-	-	-	-	
- Other income			0.17	0.04	-	-	-	-	
Ad Asia Advertising (S) Pte Ltd.	Singapore	84%							
- Commission and services income			-	-	-	-	-	-	
- Other income			-	-	-	-	-	-	
Ad Asia Co., Ltd.	Thailand	20%							
- Commission and services income			4.95	1.13	2.73	0.64	-	-	
- Other income			0.08	0.02	0.17	0.04	-	-	
Ad Asia Co., Ltd.	Myanmar	84%							
- Commission and services income			3.95	0.90	1.01	0.24	-	-	
- Other income			0.84	0.19	-	-	-	-	
Chilli Advertising Co., Ltd.	Myanmar	84%							
- Commission and services income			-	-	-	-	-	-	
- Other income			-	-	-	-	-	-	
Red Bull Co., Ltd.	Myanmar	84%							
- Commission and services income			-	-	-	-	-	-	
- Other income			-	-	-	-	-	-	
Total			436.54	100.00	424.30	100.00	332.52	100.00	

# RISK FACTORS

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

## 1. Human Resources Risk

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

### 1) Staff Training and Development

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

### 2) Career Path

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

### 3) Job Rotation

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

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

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

### 5) Dry & Wet Incentive

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

#### 6) Team/Outdoor Activities

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

#### 7) Welfare Committee & Working Committee

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

### 2. Risk in Relying on Key Clients

The Company has two key clients: Honda Group and Wanthai Foods Industry Co., Ltd. These two key clients account for 75 percent of total billings of the company. However, due to the current competitive situation, the Company may lose some income from these key clients. If this happens, it may affect the total income of the Company. The Company has been trying to reduce the possibility of the situation by continuously developing good quality services to serve the needs of the clients that change continuously due to the change in customer behaviors. Moreover, the Company has established the New Business units in order to seek for new clients and reduce the relying on key clients.

### 3. Risk in Technology Change

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

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

#### 4. Media Specialists

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

The Company is aware of this situation, and has run business with independent media specialists which are 1) Mediaedge: cia of GroupM, by using the services from Mediaedge : cia Thailand and 2) Dentsu (Thailand) Co., Ltd. Both independent media groups is the world class media specialists and render wide range of media services comprising of media planning, selection, and buying to our clients. Being able to use the service of the media specialists, the Company can buy big volume of media and enhance effective and efficient services so that the Company can render this service and offer reasonable media prices to our clients.

#### 5. Investments in Subsidiaries Risk

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

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

# CAPICAL STRUCTURE

## Company Capital

The Company has registered capital of Baht 112.50 million and paid-up share capital of Baht 112.50 million of which are divided into 22,500,000 shares, at par value Baht 5 each.

## Shareholders

The followings are major shareholders as of 12 March 2015.

Name	No. of Shares (shares)	Portion of Securities (%)
1. Asia Business Support Association Co., Ltd.	5,060,000	22.49
2. Thai NVDR Co., Ltd.	4,212,100	18.72
3. Mr. JOHN WORRALL D'ARCY GROVE	2,051,365	9.12
4. The Pacific Century Fund Pte. Ltd.	2,028,970	9.02
5. Bloom Well Corporation Limited	1,960,000	8.71
6. Strider Corporation	1,010,000	4.49
7. Mr. Chayanon Veerayuthkosol	996,800	4.43
8. Osawa Sogyo Co., Ltd.	655,900	2.92
9. Mr. Chirasak Nuengsigkapien	225,200	1.00
10. Mr. Ronnakit Sripatcharawuth	200,000	0.89

## Remuneration Policy

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

# CONNECTED TRANSACTIONS

In 2014 and 2013, the Company had the trading transactions and others with its subsidiaries and related companies as disclosed in the notes supplementary to the financial statements clauses 2.6 for the year 2014.

For the year 2014, an ordinary and usual course of business transaction, such as Advertisements and Marketing Research, between the Company or its subsidiaries and connected person remain unchanged from the approved principle of those transactions by The Board of Director Meeting No. 3/2008, complied with section 89/12 (1) of The Securities and Exchange Act (No.4) B.E.2551. In addition, the Company expects the connected transactions occurred at present have a tendency to keep on continuing. However, the Company has the approval procedures of the said items by authorized person specified at the amount limits.

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



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

Nature of Transactions	Company's name	Relationship	Transaction amount (Baht)		Remark
			For the years ended		
			December 31, 2014	2013	
1) Management fee	Chuo Business Venture Co., Ltd.	Parent company	200,575	-	Parent company charges management fee from related parties for services of office rental, utility expenses, Accounting, IT and Human resources services, and so on
	Geo Brain (Thailand) Co., Ltd	Parent company	113,400	-	
			313,975	-	
2) Service costs	Geo Brain (Thailand) Co., Ltd	Parent company	4,000	-	
			4,000	-	
3) Other expenses	Asia Business Support Association Co., Ltd.	Parent company	6,280,381	3,251,129	Consultancy fee of planning and analysis of operating results.
	Chuo Business Venture Co., Ltd.	Parent company	400,000	-	
			6,680,381	3,251,129	
4) Loss on sales of investment in subsidiary	Chuo Senko Dynamics (ROH) Co., Ltd.	Related person	2,983,000	-	Chuo Senko Dynamics (ROH) Co., Ltd. sold 76% of ordinary shares of Ad Asia Co., Ltd. to Mr. John Worrall D'Arcy Grove who is a related person of company group.
			2,983,000	-	

# FINANCIAL POSITION & OPERATION RESULTS

## FINANCIAL RATIOS

		Consolidated			Company		
		2014	2013	2012	2014	2013	2012
<b>LIQUIDITY RATIOS</b>							
Current Ratio	Times	1.20	1.04	0.94	0.97	0.89	0.81
Quick Ratio	Times	1.13	0.98	0.90	0.86	0.82	0.75
Cash Ratio	Times	(0.44)	(0.09)	0.12	(0.67)	(0.05)	0.17
Accounts Receivable Turnover	Times	10.98	10.71	9.62	16.60	14.30	12.72
Collection Period	Days	33	34	37	22	25	28
Accounts Payable Turnover	Times	5.79	5.62	3.26	8.06	7.03	3.11
Payment Period	Days	62	64	111	45	51	116
Cash Cycle	Days	(29)	(30)	(74)	(23)	(26)	(88)
<b>PROFITABILITY RATIOS</b>							
Gross Profit Margin	%	59.58%	62.18%	54.42%	62.05%	62.53%	51.94%
Net Profit Margin	%	3.30%	4.98%	-7.43%	10.83%	14.01%	-13.01%
Return on Equity	%	7.22%	14.09%	-16.90%	14.66%	27.04%	-24.78%
<b>EFFICIENCY RATIOS</b>							
Return on Assets	%	2.32%	2.73%	-2.97%	7.01%	6.80%	-4.47%
Return on Fixed Assets	%	98.85%	114.44%	-71.25%	253.71%	249.70%	-118.69%
Total Assets Turnover	Times	0.70	0.55	0.40	0.65	0.49	0.34
<b>FINANCIAL POLICY RATIOS</b>							
Debt to Equity Ratio	Times	2.11	4.16	4.71	1.09	2.98	4.55
Interest Coverage Ratio	Times	5.13	3.06	(10.94)	26.08	19.81	(18.64)
Dividend Payout Ratio	%	-	-	-	-	31.44%	-10.95%
<b>STOCK INFORMATION</b>							
Book Value per share	Baht	8.16	11.90	12.54	9.82	12.94	11.05
Earnings per share	Baht	0.69	1.68	(2.12)	1.69	3.50	(2.74)
Dividend per share	Baht	-	-	-	-	1.10	0.30

## MANAGEMENT DISCUSSION AND ANALYSIS

## COMPANY OVERVIEW

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

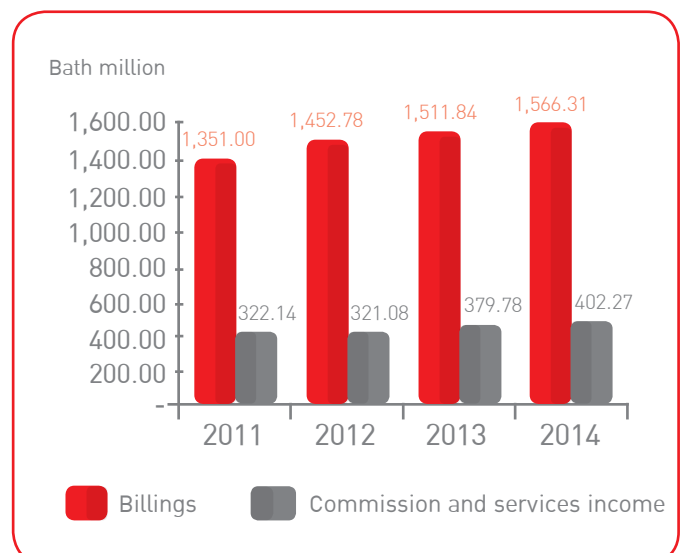
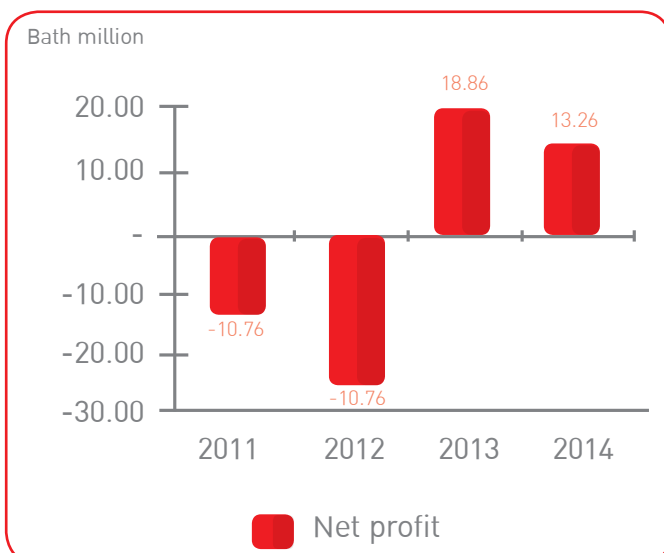
In the year 2014, global economy has been slightly increased compared with last year due to the economy has been recovery under expectation in the Euro Zone and Japan. In the case of Southeast Asia Region has been also slightly grown up. However, AEC (ASEAN ECONOMICS COMMUNITY) in the year of 2016 is the main factor to attract investments from other countries and encourage the economy in this Region in the future.

For Thai economy has been slightly expanded since last year by the first of mid-year the economy was stagnated as the result from crisis of political situation since last year, stagnated tourism business including increase of public debt and corporate debt in domestic this effect to financial institution to strictly consider of issuing consumer credit. The second of mid-year the economy has been recovery after disentangle from political situation this effect to recover of tourism business, increasing consumer demand in domestic and reducing of petrol price. These factors are affected to the recovery of economy.

The advertising business in the year 2014 has slow down compared with last year regarding from economy situation as mentioned above. The summary of advertising expenditures for the year 2014, total advertising expenditures of Baht 102 billion (2013: Baht 113 billion), represented market decline of 9.51% (Source: Nielsen Media Research). As the advertising business was slow down, then the company has a policy to increase investment in Thailand and overseas to expand base of new clients on the purpose of increasing revenue continuously. Currently, the Company has network in 8 countries in Asian region. Recently, the Company has established new subsidiaries in Hong Kong and Philippines. In domestic, the Company has also increased investment in subsidiaries to support and service in overall of advertising business, specifically on TV Digital which is coming in high popularity. All of the Company's policy affects directly to the Company's operations.

For the fiscal year 2014, the group reported the consolidated net profit for the year of Baht 13.26 million which decreased of Baht 5.60 million or 29.69%, year-on-year compared to net profit for the year 2013 amounting to Baht 18.86 million.

The main causes are as follows;

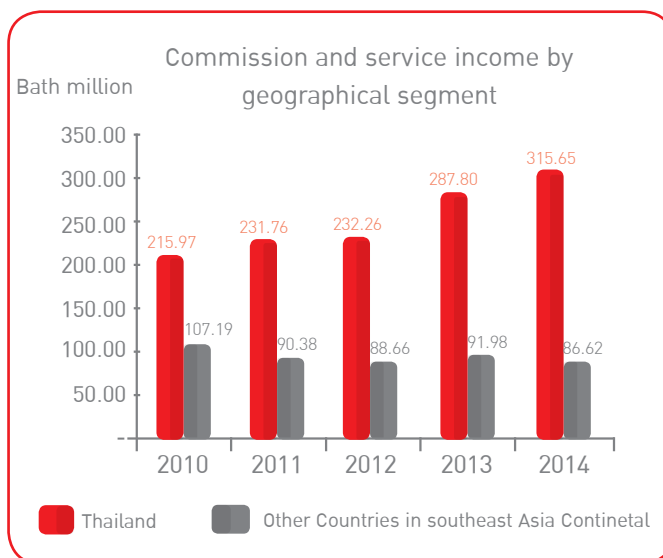
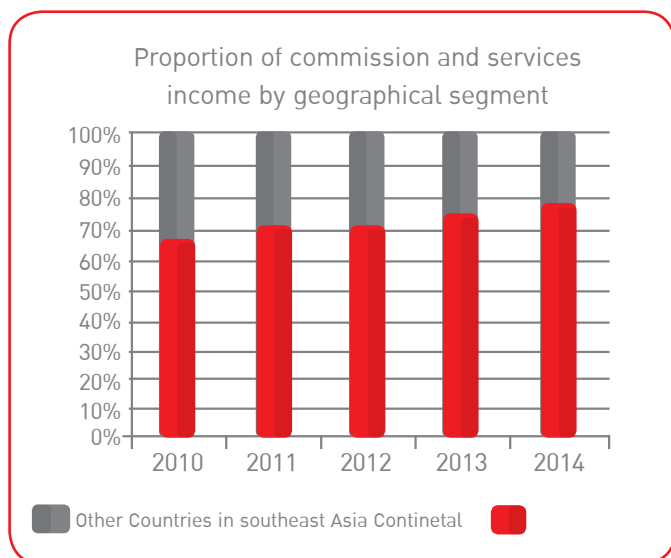


### Commission & Services Income and Direct cost

The decline of the advertising industry in 2014 was at the rate of 9.51% (Source: Nielsen Media Research) as following Thai economy. However, the Company group's total billings or gross income collected from clients was Baht 1,566.13 million (2013: Baht 1,511.84 million), which increased of Baht 54.29 million, or 3.59%. The Company's total billings were Baht 1,139.84 million (2013: Baht 1,088.24 million), which increased of Baht 51.60 million, representing 4.74% due to the Company has been successfully to complete jobs on unbilled account receivables from the previous year . The subsidiaries' total billings for the year 2014 were Baht 426.29 million (2013: Baht 423.60 million), which slightly increased of Baht 2.69 million, representing 0.64%.

Consolidated commission and service income for the year 2014 was Baht 402.27 million (2013: Baht 379.78 million) which increased by Baht 22.49 million or 5.92%. By region, the group's domestic income was Baht 315.65 million and income from Southeast Asia and South Asia, which are: Vietnam, Cambodia, Indonesia, India, Philippines and Myanmar are Baht 86.62 million.

Domestic commission and service income was almost the same as from amounting to Baht 287.80 million to Baht 315.65 million year-on-year, representing which increased of Baht 27.85 million or 9.68% because the group has been successful to complete jobs on unbilled account receivable from the previous year, including the group has set up new department to support and services in overall and finding new clients.



The Company group generates revenue from the overseas market in Southeast Asia. The commission and service income slightly decreased from the last year Baht 91.98 million to Baht 86.62 million in 2014, representing an decreasing of Baht 5.36 million or 5.83% due to Southeast of Asia Region has been slightly growth up.

Consideration of the proportion of commission and service income by geographical segment, the ratio between domestic and overseas income during 2014 and 2013 were at 78:22.

For the year 2014, the direct costs of providing services, the advertising industry normally included employee costs increased by Baht 18.99 million, representing 13.22% from Baht 143.62 million in 2013 to Baht 162.61 million in 2014. The Company group has increased number of employee following the increasing of subsidiaries. The Company had direct costs of providing services in 2014 was baht 113.58 million (2013: 105.27 million) which increased of baht 8.31 million or 7.89%. As mentioned above, gross profit margin has decreased from 62.18% in 2013, to 59.58% in 2014.

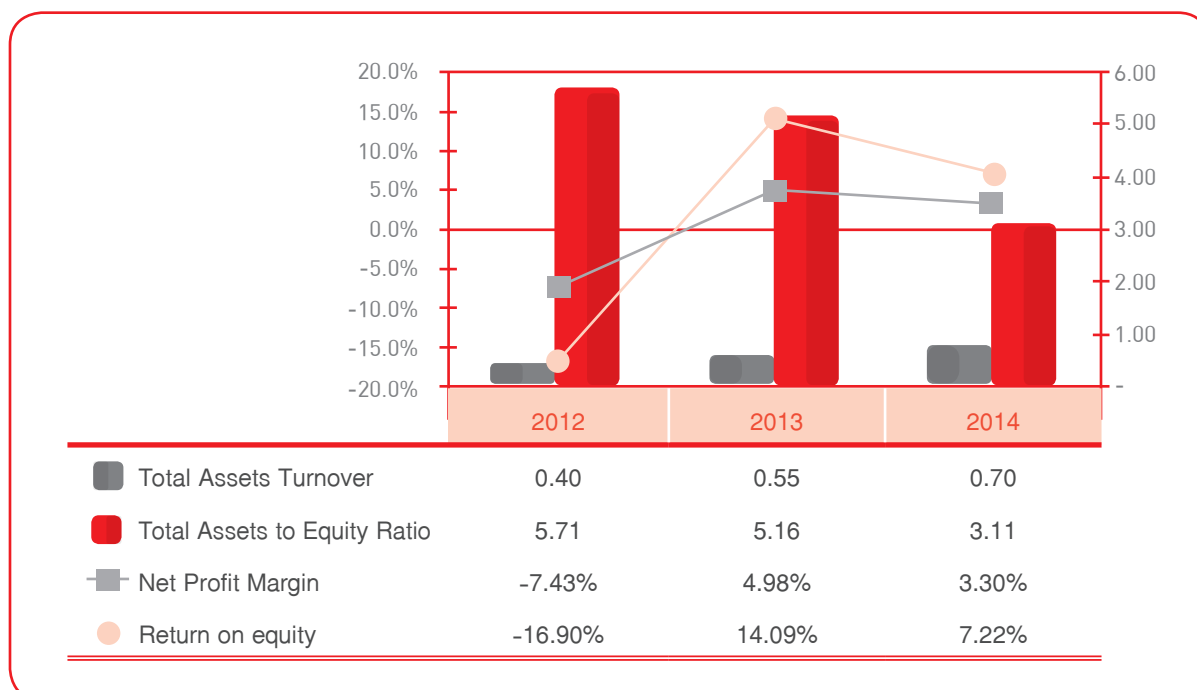
### Other Income

Other income in the year 2014 amounted to Baht 8.14 million (2013: Baht 7.60 million) which increased Baht 0.54 million or 7.11%. In the year 2014, the Company group had gain on sales of short term investment amounting to Baht 1.47 million and interest income amounting to Baht 3.17 million. For the year 2013, the Company group had gain on sales of fixed assets amounting to Baht 1.04 million and interest income amounting to Baht 3.85 million.

### Administrative Expenses and Management Benefit Expenses

(Unit: Baht million)	Consolidation			
	2014	2013	Change	% Change
Administrative Expenses	174.55	176.24	-1.69	-0.96%
Directors and Management's benefits	61.39	62.11	-0.72	-1.16%
Total	235.94	238.35	-2.41	-1.01%

Although, the Company group has increased in cost of sales and service compared with last year as mentioned above. The Company group has managed and controlled administrative expenses to be almost the same as last year. Administrative expenses for the year 2014 amounted to Baht 174.55 million (2013: Baht 176.24 million) a decrease of Baht 1.69 million or 0.96%. These caused to increase in administrative expenses due to the increase in the amount of employee expense and office expense which related to the increase of number of the employee following setting up the new subsidiaries. The management benefits expenses also decreased by Baht 0.72 million or 1.16%.



As shown in the above chart, the Company group has net profit margin and return on equity less than the last year. Consolidated net profit margin and return on equity for the current year was 3.30% and 7.22% (2013: 4.98% and 14.09%), respectively. This decrease is because of the decrease in consolidated net profit as described above.

However, considerable factors in determining return on equity including net profit margin, assets turnover, and ratio of total assets to shareholders' equity. The decrease in return on equity for the year 2014 can be analyzed as follows.

#### **Assets turnover**

For the year 2014, assets turnover is at 0.70 times (2013: 0.55 times) that will be shown capacity to manage total assets to generate revenue. The increase comes from the Company group that is able to successfully completed jobs on unbilled account receivables from the previous year. This cause to the group increased in commission and service income. Meanwhile, during the year the total assets decreased because of decreasing from payment to trade account payable.

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

This ratio shows the level of use of debts. For the year 2014, the ratio of total assets to shareholders' equity was equal to 3.11 times (2013: 5.16 times) and less than the previous year, because the shareholders' equity has been increased by increased of share capital. In addition, the total assets has been decreased from payment to trade account payable.

#### **Net profit margin**

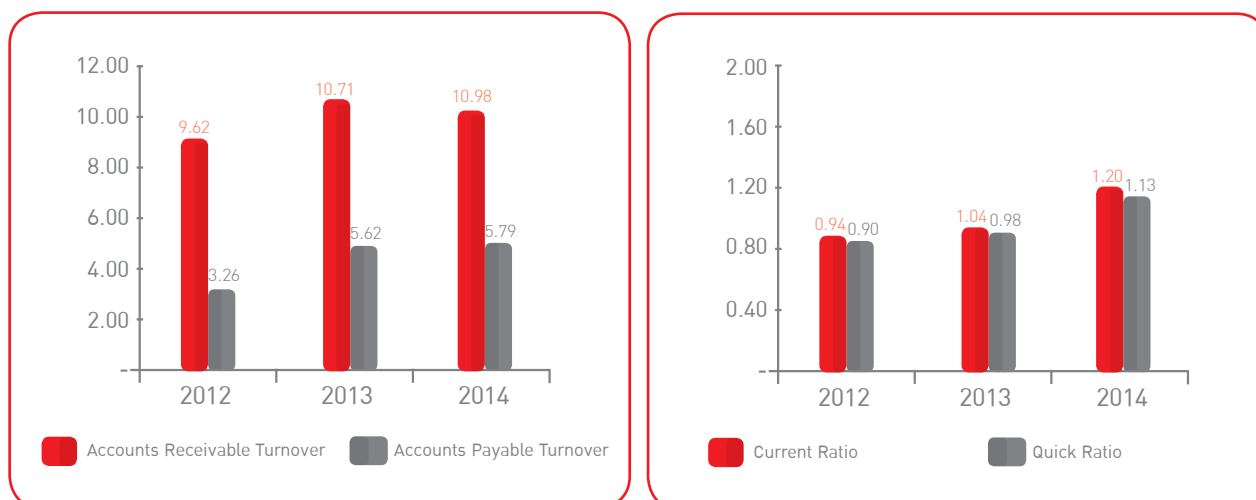
The decrease in net profit margin was primarily a direct impact on the decreasing current year return on equity.

### **FINANCIAL POSITIONS**

As at December, 31 2014, the Company group has cash and cash equivalents and short-term investments amounting to Baht 93.95 million which was 16.43% of total assets (2013: Baht 221.69 million which was 32.10% of total assets), decreased from the previous year by Baht 127.74 million or 57.62%. This decrease came from cash inflow from operation by payment to account payables and provided long term loan to other company which was main client.

The evaluation of assets quality was no impairment and there has been sufficient allowance for doubtful account and continuous debt pursuing. The approximate collection period was 30-50 days while the Company group's credit line for clients was approximately 30 days. Notes to Financial Statements for the year 2014, no. 5 provides more details in the above.

The Company group's liquidity can be considered by current ratio and quick ratio. In the year 2014, both ratios increased compared with the previous year. The main factor was decreasing in total current liabilities as the Company group made payment to account payables. The Company group has current ratio was 1.20 times (2013: 1.04 times) and Quick ratio was 1.13 times (2013: 0.98 times).



## CAPITAL RESOURCES

The Company group's debt to equity ratio for the year 2014 was 2.11 times (2013: 4.16 times). The capital resource can be analyzed as below.

The Company group's debt mainly comes from its operations and is mostly non-interest bearing debt. Trade accounts payable and other payables amounting to Baht 218.55 million, which was 56.28% of total liabilities (2013: Baht 220.64 million, which was 39.62% of total liabilities) has decreased by Baht 2.09 million or 0.95%. In addition, advances received from clients of Baht 75.15 million or 19.35% of total liabilities (2013: Baht 248.41 million which was 44.61% of total liabilities) has decreased by Baht 173.26 million or 69.75% and accrued cost of Baht 17.36 million or 4.47% of total liabilities (2013: Baht 10.37 million which was 1.86% of total liabilities) has increased by Baht 6.99 million or 67.41%.

From the normal course of advertising business, when the Company received an advertising projects from clients, there will be carry out some works in respect of the projects to its specialists. In this regard, the Company has to make the payment prudently. As soon as advertising projects have been done, the Company can bill and collect its debts from clients. The balance of current liabilities is higher than other industries. The said current liabilities included trade creditors and amounts due to related companies in a high proportion. By determining the debts structure in the term of current liabilities and non-current liabilities, it will be indicated that current liabilities is relatively high because the nature of the advertising business operations requires high working capital.

However, current liabilities are mostly held for working capital which is 58.88% of total assets. The debt to equity ratio, considered especially interest bearing debts, was 0.04 times for the current year (2013: 0.06 times). Thus, this showed that the group's financial leverage was low.

## CASH FLOWS

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

(Unit: Baht million)

	2014	2013	2012
Cash flow from operating activities	(146.53)	(44.44)	77.19
Cash flow from investing activities	(6.31)	18.32	(35.31)
Cash flow from financing activities	41.98	(9.37)	1.10
Net	(110.86)	35.49	42.98
Decrease in translation adjustments	0.72	3.55	(0.50)
Net cash increase (decrease)	(110.14)	31.94	42.47

### Cash flows from operations Activities:

During the current year, net cash flow used in operating activities was Baht 146.53 million (2013: net cash flow used in operating activities was Baht 44.44 million). This cash came from the profit for the year adjusted by non-cash items of which are depreciation and amortization of Baht 10.34 million, provision for long-term employee benefits of Baht 3.15 million, shares of loss from investment in associated company of Baht 0.51 million and finance cost of Baht 1.63 million. On the other hand, there was interest income and dividend income of Baht 3.22 million and deferred income tax expenses Baht 1.84 million. As a consequence, it represents the increase in cash flow of Baht 20.43 million.

Furthermore, the operating cash flows from used in net working capital amounting to Baht 181.55 million. It included the decreasing operating assets of Baht 14.21 million, which was the use of fund the decreasing operating liabilities of Baht 167.34 million, which was the use of fund. Therefore, net working capital was the source of cash flow from the operations.

### Cash flow from investing activities:

Since the line of business of the Company group is service providing, most of capital expenditures are for the replacement of deteriorated assets or maintenance for more efficiency and investing by setting up new companies and business joint venture with a famous company in advertising business. During the current year, the Company group has used in net cash flow by investing activities amounting to Baht 6.31 (2013: net cash flow used in net cash flow by investing activities was Baht 18.32 million) million, as a result of provided long term loan to other company for business of interest



together.

**Cash flow from financing activities:**

In the year 2014, cash flow provided by financing activities amounting to Baht 41.98 million (2013: Net cash flow used in financing activities was Baht 9.34 million). The main reasons of movement in cash flow was from increased share capital amount Bath 56.25 million and paid for dividend payment amount Baht 12.37 million.

**AUDIT FEE**

In the year 2014, the Company paid for audit fee to A.M.T. & Associates as the following details:

Name of Company	Name of Auditor	Audit Fee
Chuo Senko (Thailand) Public Co., Ltd.	Mr. Chaiyuth Angsuwithaya	1,600,000
<b>Total remuneration</b>		<b>1,600,000</b>

## BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

The consolidated financial statements of the Company and its subsidiaries and the Company financial statements have been examined by an external auditor, A.M.T. & Associates Limited. In conducting their audit and to express an opinion in accordance with generally accepted auditing standards, the Company has supported them with all of the Company's records and related data. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors believes that the Company's overall internal control system has functioned up to a satisfactory level and rendered credibility and reliability to the consolidated financial statements of Chuo Senko (Thailand) Public Company Limited and its subsidiaries and the company financial statements of Chuo Senko (Thailand) Public Company Limited for the year ended December 31, 2014, that they have been prepared according to generally accepted accounting principles and related regulations.



(Mr. Katsuyuki Mizumachi)

Chairman



(Mr. Shuji Okawa)

President & CEO

# AUDIT

## COMMITTEE REPORT

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

Major activities performed by the Committee were as follows:

1. **Financial Statements** : Reviewed quarterly and annual financial statements for the year 2014, regarding the disclosure of significant information rendered by the Internal Audit Department, the External Auditor and the Management, to ensure the accuracy, reliability, and adequacy presented in accordance with the general accepted accounting principles. On Behalf of the Audit Committee would like to informed the signification matters for consideration are follows:-

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

2. **Internal Control and Internal Audit** : Reviewed and assessing internal control and internal audit works and considering audit findings or issues raised by the external auditor and internal audit department. Assessing the independence of internal audit department and approving audit plan, key performance indicators of auditing, reviewed and acknowledged internal audit result, followed up management actions and progresses of internal and external audit findings and recommendations and reviewed and updated the Internal Audit Charter.

3. **Regulatory Compliance** : Reviewed that the efficiency abided by the SEC and SET rules and regulations, other related laws, the Company's good corporate governance and Code of Ethics Policies, through coordination with Management and Internal Audit Department. The Committee opines that the Company properly follows all necessary rules and regulations as imposed by regulatory authorities.

4. **External Auditor (CPA)** : Considered and recommended the appointment of external auditor and their audit fee for the year 2014. The Committee, in coordination with the Internal Audit Department and the Management, considered the independence and the qualities of the audit skill and approved the audit fee and recommended to appointment Mr.Chaiyuth Angsuwithaya, Certified Public Accountant No. 3885 of A.M.T. & Associates Limited as the external auditor. For the year 2014, the Committee conducted 1 meeting with the External Auditor.

5. **Corporate Government Policy** : Reviewed and assessed the appropriateness of the Company's corporate governance policy, laws, and relevant regulations and code of conducts.

As the result of the above obligations, the Committee agreed that in general of the Company was adequate, fairly established and appropriate to the Company's business, accurate with the specification of the authorization level, and steps for approval of all transactions clearly to compliance with the SEC's laws, the rule or announcement of the SET and regulation related to the Company's business.

On behalf of the Audit Committee



Mr. Wirash Kanchanapibul

Chairman of Audit Committee

27 February 2015

## INDEPENDENT AUDITOR'S REPORT

### To The Shareholders and Board of Directors of Chuo Senko (Thailand) Public Co., Ltd.

- 1) I have audited the accompanying consolidated financial statements of Chuo Senko (Thailand) Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2014, the related consolidated statements of changes in shareholders' equity, consolidated comprehensive income and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the separate financial statements for the same period of Chuo Senko (Thailand) Public Company Limited.

- 2) **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

- 3) **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4) Opinion

In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Chuo Senko (Thailand) Public Company Limited and its subsidiaries as of December 31, 2014, and the result of their operations and their cash flows for the year then ended and the financial position of Chuo Senko (Thailand) Public Company Limited as of December 31, 2014, the results of its operations and its cash flows for the year then ended in accordance with financial reporting standards.



(CHAIYUTH ANGSUWITHAYA)

Certified Public Accountant

Registration No. 3885

## STATEMENTS OF FINANCIAL POSITION

Chuo Senko (Thailand) Pubpublic Company Limited and its Subsidiaries  
As at December 31, 2014

	NOTE	BAHT			
		Consolidated Financial Statement		Separated Financial Statement	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	3	93,952,680.10	204,090,255.30	21,205,902.56	155,187,293.72
Short - term investments	4	-	17,601,762.78	-	17,601,762.78
Trade and other receivables					
Trade receivables - net - others	5.1	136,478,505.69	134,937,478.63	62,667,223.71	70,296,820.04
- related companies	2.1	-	-	3,137,061.27	1,966,418.97
Unbilled receivables		134,206,022.22	121,343,856.40	64,892,167.68	57,412,115.71
Other receivables - others	5.2	14,315,798.64	14,341,765.17	2,579,180.31	2,821,018.19
- related companies	2.2	721,338.16	-	9,677,673.81	10,292,682.25
Current portion of long-term loans to related parties	2.3	820,426.64	987,600.00	14,328,908.95	20,498,280.00
Current portion of long-term loans to other company	9	9,936,316.86	15,401,475.76	-	-
Other current assets	6	12,034,175.74	14,543,625.18	6,599,086.21	6,351,150.32
Total Current Assets		402,465,264.05	523,247,819.22	185,087,204.50	342,427,541.98
<b>NON-CURRENT ASSETS</b>					
Investment in associated company	7.1	2,504,676.22	-	-	-
Investment in subsidiary - net	7.1	-	-	92,331,868.41	63,776,828.41
Other long-term investments	8	3,778,125.00	1,503,125.00	1,778,125.00	1,503,125.00
Investment in convertible bond of subsidiary company	7.2	-	-	27,037,856.01	13,982,496.19
Long-term loans to related parties	2.3	1,146,900.00	892,780.95	35,185,659.70	892,780.95
Long-term loans to other company	9	29,800,537.09	-	-	-
Equipment - net	10	22,641,477.36	24,210,844.46	15,677,363.02	18,922,509.80
Intangible assets - net	11	1,750,293.10	1,900,818.47	1,671,645.96	1,829,240.70
Deferred income tax assets	16.4	16,382,371.60	14,543,413.80	16,382,371.60	14,543,413.80
Other non-current assets					
Restricted bank deposits	22.2	46,500,000.00	54,500,000.00	46,500,000.00	54,500,000.00
Withholding income tax		32,296,155.65	59,885,924.16	30,462,340.43	58,934,047.98
Others		12,660,400.29	10,035,381.66	10,343,685.03	7,694,590.47
Total non-current assets		169,460,936.31	167,472,288.50	277,370,915.16	236,579,033.30
Total assets		571,926,200.36	690,720,107.72	462,458,119.66	579,006,575.28

The accompanying notes to financial statements are integral part of these financial statements.

## STATEMENTS OF FINANCIAL POSITION

Chuo Senko (Thailand) Pubpublic Company Limited and its Subsidiaries

As at December 31, 2014

	NOTE	BAHT			
		Consolidated Financial Statement		Separated Financial Statement	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Trade and other payables					
Trade payables - others		200,973,012.63	201,369,864.64	103,764,122.17	114,105,019.43
- related companies	2.4	-	-	532,684.95	735,591.83
Other payables - others	12	17,147,745.00	19,273,744.02	8,818,131.81	9,270,746.56
- related companies	2.5	428,000.00	-	747,859.71	1,470,680.99
Advances received from customers		75,154,499.54	248,413,593.70	57,589,903.26	241,927,468.67
Accrued costs		17,363,559.46	10,374,947.10	5,875,006.45	2,046,281.12
Current portion of liabilities under financial					
lease agreements	14	2,448,832.03	2,421,412.95	1,894,419.08	1,748,732.97
Corporate income tax payable		32,488.33	589,050.20	-	-
Other current liabilities	13	23,190,582.94	21,426,410.97	11,458,864.78	11,476,758.61
Total current liabilities		336,738,719.93	503,869,023.58	190,680,992.21	382,781,280.18
NON-CURRENT LIABILITIES					
Convertible Bond		807,063.38	400,222.86	-	-
Liabilities under financial lease agreements - net	14	4,795,148.65	6,265,534.10	4,795,148.65	5,647,606.32
Employee benefit obligations	15	41,783,858.01	40,589,068.99	41,783,858.01	40,589,068.99
Provision for long-term demolition		4,000,000.00	4,000,000.00	4,000,000.00	4,000,000.00
Deferred income tax liabilities	16.4	130,212.10	340,722.16	124,125.00	340,722.16
Other non-current liabilities		42,376.60	1,397,100.01	42,376.61	41,807.21
Total non-current liabilities		51,558,658.74	52,992,648.12	50,745,508.27	50,619,204.68
Total liabilities		388,297,378.67	556,861,671.70	241,426,500.48	433,400,484.86

The accompanying notes to financial statements are integral part of these financial statements.



## STATEMENTS OF FINANCIAL POSITION

Chuo Senko (Thailand) Pubpublic Company Limited and its Subsidiaries  
As at December 31, 2014

	NOTE	BAHT			
		Consolidated Financial Statement		Separated Financial Statement	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - Baht 5 each					
Registered					
Ordinary share 22,500,000 shares	17	112,500,000.00		112,500,000.00	
Ordinary share 11,250,000 shares			56,250,000.00		56,250,000.00
Issued and paid up					
Ordinary share 22,500,000 shares		112,500,000.00		112,500,000.00	
Ordinary share 11,250,000 shares			56,250,000.00		56,250,000.00
Premium on capital share		24,712,500.00	24,712,500.00	24,712,500.00	24,712,500.00
Retained earnings					
Appropriated - Legal reserve	18	11,250,000.00	5,625,000.00	11,250,000.00	5,625,000.00
Unappropriated		48,104,523.32	52,838,296.13	72,072,619.18	57,655,701.57
Other components of equity		(7,600,934.60)	(5,144,676.44)	496,500.00	1,362,888.85
Total Equity of the parent		188,966,088.72	134,281,119.69	221,031,619.18	145,606,090.42
Non - controlling interests		(5,337,267.03)	(422,683.67)	-	-
Total shareholders' equity		183,628,821.69	133,858,436.02	221,031,619.18	145,606,090.42
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>571,926,200.36</b>	<b>690,720,107.72</b>	<b>462,458,119.66</b>	<b>579,006,575.28</b>

The accompanying notes to financial statements are integral part of these financial statements.

# STATEMENTS OF CHANGES IN SHAREHOLDER' EQUITY

Chuo Senko (Thailand) Pubublic Company Limited and its Subsidiaries

For the Years Ended December 31, 2014

	BAHT										
	CONSOLIDATED FINANCIAL STATEMENT										
	Retained earnings (Deficit)		Other components of equity								
Issued and paid - up share capital	Premium on capital share	Appropriated - Legal reserve	Unappropriated	Exchange differences on translation of financial statements	Gain (loss) on actuarial assumptions	Gain (loss) on available-for-sale investments	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non Controlling Interest	Total	
Balance as of January 1, 2013	56,250,000.00	24,712,500.00	5,625,000.00	44,177,222.00	(7,183,323.00)	-	1,166,979.17	(5,996,343.83)	124,766,378.17	8,262,508.32	133,030,886.49
Effect of changes in accounting policy											
- Income tax				8,276,844.20	-	-	(237,395.80)	(237,395.80)	8,039,448.40	-	8,039,448.40
Balance of January 1, 2013, adjusted	56,250,000.00	24,712,500.00	5,625,000.00	52,454,066.20	(7,183,323.00)	-	949,583.37	(6,233,739.63)	132,807,826.57	8,262,508.32	141,070,334.89
Changes in equity for the year											
Non-controlling interest										2,030,598.44	2,030,598.44
Comprehensive income (loss) for the year				18,859,267.93	675,757.71	(15,100,038.00)	413,305.48	(14,010,974.81)	4,846,293.12	(10,715,790.43)	(5,867,497.31)
Transfer to Unappropriated retained earnings				(15,100,038.00)	-	15,100,038.00	-	-	15,100,038.00	-	-
Dividend Paid				(3,375,000.00)	-	-	-	-	(3,375,000.00)	-	(3,375,000.00)
Balance as of December 31, 2013	56,250,000.00	24,712,500.00	5,625,000.00	52,838,296.13	(6,507,565.29)	-	1,382,888.85	(5,144,676.44)	134,281,119.69	(422,693.67)	133,858,426.02
Balance of January 1, 2014	56,250,000.00	24,712,500.00	5,625,000.00	52,838,296.13	(6,507,565.29)	-	1,382,888.85	(5,144,676.44)	134,281,119.69	(422,693.67)	133,858,426.02
Changes in equity for the year											
Share increase	56,250,000.00								56,250,000.00	3,404,718.18	59,654,718.18
Non-controlling interest										6,377,405.96	6,377,405.96
Comprehensive income (loss) for the year				13,261,937.19	(1,589,869.31)	-	(866,389.85)	(2,456,258.16)	10,905,679.03	(14,696,707.50)	(3,891,028.47)
Legal reserve			5,625,000.00								
Dividend Paid				(12,370,710.00)					(12,370,710.00)		(12,370,710.00)
Balance as of December 31, 2014	112,500,000.00	24,712,500.00	11,250,000.00	48,104,523.32	(8,097,434.60)	-	496,500.00	(7,600,934.60)	188,966,088.72	(5,337,287.03)	183,628,801.69

The accompanying notes to financial statements are integral part of these financial statements.

# STATEMENTS OF CHANGES IN SHAREHOLDER' EQUITY

Chuo Senko (Thailand) Public Company Limited and its Subsidiaries

For the Years Ended December 31, 2014

	BAHT											
	SEPARATED FINANCIAL STATEMENT											
	Notes	Issued and paid - up share capital	Premium on capital share	Appropriated - Lwwegal reserve	Unappropriated	Gain (loss) on actuarial assumptions	Gain (loss) on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity	Total	Other components of equity	
Other comprehensive income (loss)												
Balance as of January 1, 2013		56,250,000.00	24,712,500.00	5,625,000.00	28,497,850.15	-	1,186,979.17	1,186,979.17	116,272,329.32	116,272,329.32		
Effect of changes in accounting policy												
- Income tax												
Balance of January 1, 2013, adjusted		56,250,000.00	24,712,500.00	5,625,000.00	36,774,694.35	-	949,583.37	949,583.37	124,311,777.72	124,311,777.72		
Changes in equity for the Year												
Comprehensive income (loss) for the year					39,356,045.22	(15,100,038.00)	413,305.48	(14,686,732.52)	24,669,312.70	24,669,312.70		
Transfer to Unappropriated retained earnings					(15,100,038.00)	15,100,038.00	-	15,100,038.00	-	-		
Dividend Paid					(3,375,000.00)	-	-	-	(3,375,000.00)	(3,375,000.00)		
Balance as of December 31, 2013		56,250,000.00	24,712,500.00	5,625,000.00	57,655,701.57	-	1,362,888.85	1,362,888.85	145,606,090.42	145,606,090.42		
Balance of January 1, 2014		56,250,000.00	24,712,500.00	5,625,000.00	57,655,701.57	-	1,362,888.85	1,362,888.85	145,606,090.42	145,606,090.42		
Changes in equity for the year												
Share increase	17	56,250,000.00	-	-	-	-	-	-	56,250,000.00	56,250,000.00		
Non-controlling interest									-	-		
Comprehensive income (loss) for the year					32,412,627.61	-	(866,388.85)	(866,388.85)	31,546,238.76	31,546,238.76		
Legal reserve				5,625,000.00	(5,625,000.00)	-	-	-	-	-		
Dividend Paid					(12,370,710.00)	-	-	-	(12,370,710.00)	(12,370,710.00)		
Balance as of December 31, 2014		112,500,000.00	24,712,500.00	11,250,000.00	72,072,619.18	-	496,500.00	496,500.00	221,031,619.18	221,031,619.18		

The accompanying notes to financial statements are integral part of these financial statements.

## STATEMENTS OF COMPREHENSIVE INCOME

Chuo Senko (Thailand) Pubublic Company Limited and its Subsidiaries  
For the Years Ended December 31, 2014

	NOTE	BAHT			
		Consolidated Financial Statement		Separated Financial Statement	
		For the years ended December 31		For the years ended December 31	
		2014	2013	2014	2013
<b>REVENUE</b>					
Commission and services income		402,271,491.43	379,775,170.02	299,306,551.98	280,974,590.03
Gain on sales of fixed assets		258,022.38	613,901.68	252,857.72	1,036,575.33
Gain on sales of short - term investments		1,474,162.29	-	1,474,162.29	-
Management Fee		313,975.10	-	17,200,997.83	18,763,277.63
Other income		6,092,703.72	6,981,605.25	5,812,235.03	5,055,139.97
Total revenues		410,410,354.92	387,370,676.95	324,046,804.85	305,829,582.96
<b>EXPENSES</b>					
Cost of sales and services		162,612,690.77	143,617,810.55	113,584,066.15	105,267,965.65
Administrative expenses		235,937,648.38	238,354,802.65	170,084,306.34	165,712,541.82
Loss on sales of investment in subsidiary	7.1	2,983,000.00	-	-	-
Financial costs		1,628,537.24	1,764,622.08	1,548,442.50	1,759,599.87
Total expenses		403,161,876.39	383,737,235.28	285,216,814.99	272,740,107.34
Share of loss on investment in associates		514,920.92	-	-	-
Profit (loss) before income tax		6,733,557.61	3,633,441.67	38,829,989.86	33,089,475.62
Income tax	16.1	8,168,327.92	(4,510,035.83)	6,417,362.25	(6,266,569.60)
<b>NET PROFIT (LOSS) FOR THE YEARS</b>		<b>(1,434,770.31)</b>	<b>8,143,477.50</b>	<b>32,412,627.61</b>	<b>39,356,045.22</b>
<b>Comprehensive income (loss) for the years</b>					
Exchange differences on translation of financial statements		(1,589,869.31)	675,757.71	-	-
Gain (loss) on actuarial assumptions		-	(15,100,038.00)	-	(15,100,038.00)
Gain (loss) on changes in value of available-for-sale investments		(866,388.85)	413,305.48	(866,388.85)	413,305.48
Other comprehensive income (loss) for the years		(2,456,258.16)	(14,010,974.81)	(866,388.85)	(14,686,732.52)
Total comprehensive income (loss) for the years		(3,891,028.47)	(5,867,497.31)	31,546,238.76	24,669,312.70
<b>Total income (loss) attributable to</b>					
Owners of the parent		13,261,937.19	18,859,267.93	32,412,627.61	39,356,045.22
Noncontrolling interest		(14,696,707.50)	(10,715,790.43)	-	-
<b>Total comprehensive income (loss) attributable to</b>					
Owners of the parent		10,805,679.03	4,848,293.12	31,546,238.76	24,669,312.70
Noncontrolling interest		(14,696,707.50)	(10,715,790.43)	-	-
<b>BASIC EARNING (LOSS) PER SHARE</b>					
Earnings (loss) per share of the Equity holders of the parent		0.69	1.68	1.69	3.50
Number of weighted average ordinary shares (share)		19,202,055	11,250,000	19,202,055	11,250,000

The accompanying notes to financial statements are integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

Chuo Senko (Thailand) Pubpublic Company Limited and its Subsidiaries  
For the Years Ended December 31, 2014

	BAHT			
	Consolidated Financial Statement		Separated Financial Statement	
	For the years ended December 31		For the years ended December 31	
	2014	2013	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>				
Total income (loss) for the years	(1,434,770.31)	8,143,477.50	32,412,627.61	39,356,045.22
Adjustments to reconcile comprehensive net profit (loss) to - net cash provided by (used in) operating activities				
Depreciation and amortization	10,327,061.65	9,965,029.38	8,558,782.31	8,976,849.13
Provision for doubtful accounts (decrease)	18,716.58	(8,792,243.42)	1,888,199.24	(14,205,300.52)
Reversal of impairment loss on other assets	19,997.70	-	-	-
Loss on sales of investment in subsidiary	2,983,000.00	-	-	-
Loss from impairment of investment in subsidiary	-	-	2,999,700.00	-
Loss (gain) from disposal and write off on fixed assets	(257,961.38)	(459,297.61)	(252,796.72)	(992,744.64)
Loss (gain) on short-term investments	(1,474,162.29)	-	(1,474,162.29)	-
Employee benefits	3,150,066.35	10,155,659.61	3,150,066.35	10,155,659.61
Unrealized loss (gain) on exchange rate	1,245.03	-	(490,462.74)	(1,742,850.00)
Share of loss from investment in associated companies	514,920.92	-	-	-
Dividend Receive	(44,062.50)	(37,500.00)	(44,062.50)	(37,500.00)
Interest income	(3,172,329.91)	(3,850,324.41)	(2,779,060.52)	(3,410,466.10)
Financial costs	1,628,537.24	1,764,622.08	1,548,442.50	1,759,599.87
Income tax expenses	10,007,285.72	1,756,533.77	8,256,320.05	-
Deferred income tax expenses (income)	(1,838,957.80)	(6,266,569.60)	(1,838,957.80)	(6,266,569.60)
Net income from operations before changes of - operating assets and liabilities	20,428,587.00	12,379,387.30	51,934,635.49	33,592,722.97
Changes in operating assets and liabilities				
Operating assets (increase) decrease				
Trade and other receivables	(1,230,167.42)	7,763,074.15	6,416,441.32	(1,431,495.53)
Unbilled receivables	(12,862,165.82)	45,652,038.38	(7,480,051.97)	63,762,393.63
Other current assets	2,509,449.44	1,638,189.42	(247,935.89)	11,721,660.27
Other non-current assets	(2,625,018.63)	(629,579.05)	(2,649,094.56)	(89,763.34)
Increase (decrease) in operating liabilities;				
Trade and other payables	190,616.46	(147,465,009.29)	(11,621,983.92)	(151,508,682.62)
Advances received from customers	(173,396,970.82)	14,508,328.61	(184,475,442.07)	14,531,850.64
Accrued costs	7,027,987.74	(657,900.35)	3,868,100.71	(8,895,326.74)
Other current liabilities	586,071.57	8,917,743.68	(17,893.83)	1,633,770.37
Other non-current liabilities	(1,754,946.28)	(52,373.35)	569.40	(9,471.15)
Cash receipt (payment) in operating activities	(161,126,556.76)	(57,946,100.50)	(144,272,655.32)	(36,692,341.50)
Payment of employee benefits	(3,108,131.37)	(5,985,626.62)	(3,108,131.37)	(5,985,626.62)
Interest paid	(475,683.20)	(701,845.08)	(395,588.46)	(696,822.87)
Income taxes received	34,108,632.72	47,446,942.26	34,098,401.29	47,446,942.26
Income taxes paid	(15,924,609.10)	(27,253,266.12)	(13,883,013.79)	(24,835,646.69)
Net cash provided by (used in) operating activities	(146,526,347.71)	(44,439,896.06)	(127,560,987.65)	(20,763,495.42)

The accompanying notes to financial statements are integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

Chuo Senko (Thailand) Pubublic Company Limited and its Subsidiaries  
For the Years Ended December 31, 2014

	BAHT			
	Consolidated Financial Statement		Separated Financial Statement	
	For the years ended December 31		For the years ended December 31	
	2014	2013	2014	2013
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>				
Acquisition of intangible assets	(1,058,200.00)	(1,225,943.26)	(1,039,200.00)	(1,147,450.00)
Acquisition of equipment	(6,485,310.37)	(8,897,095.89)	(2,961,143.13)	(6,482,558.30)
Proceeds from sale of equipment	418,558.07	6,537,631.92	364,299.06	6,582,192.53
Increase in loans to other parties	(42,004,064.10)	-	-	-
Acquisition of investment in associated company	(3,019,597.14)	-	(2,000,000.00)	-
Payments of loan to related persons and parties	(86,945.69)	-	(50,438,301.14)	-
Advance payment to related parties	(600,000.00)	(1,247,888.22)	(630,150.00)	(1,150,764.31)
Receive of loan repayments from related persons and parties	-	938,731.18	22,536,122.90	19,619,493.36
Receive of loan repayments from others	15,401,475.76	18,292,229.64	-	-
Proceeds from sales of short term investment	17,917,939.06	-	17,917,939.06	-
Cash withdrew from fixed bank account	8,000,000.00	-	8,000,000.00	-
Investment in convertible bond of associated company	-	-	(13,055,359.82)	(13,982,496.19)
Dividend receive	44,062.50	37,500.00	44,062.50	37,500.00
Acquisition of investment in subsidiaries	-	-	(29,554,740.00)	(5,949,979.91)
Payment to share subscription payable	-	-	-	(5,821,700.00)
Cash received from sales of investment in subsidiary	4,617,000.00	-	-	-
Payment to invest in other long-term investments	(2,200,000.00)	-	(200,000.00)	-
Proceeds from interest received	2,747,382.07	3,882,958.44	2,690,748.62	3,810,465.25
Net cash provided by (used in) investing activities	(6,307,699.84)	18,318,123.81	(48,325,721.95)	(4,485,297.57)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Convertible Bond	807,063.38	400,222.86	-	-
Dividend paid	(12,370,710.00)	(3,375,000.00)	(12,370,710.00)	(3,375,000.00)
Share increase	56,250,000.00	-	56,250,000.00	-
Repayment of liabilities under financial lease agreements	(2,710,166.37)	(6,394,872.19)	(1,973,971.56)	(6,311,746.93)
Net cash provided by (used in) financing activities	41,976,187.01	(9,369,649.33)	41,905,318.44	(9,686,746.93)
Effects of translation of financial statements	720,285.34	3,547,141.59	-	-
Increase (decrease) in cash and cash equivalents, net	(110,137,575.20)	(31,944,279.99)	(133,981,391.16)	(34,935,539.92)
Cash and cash equivalents, at beginning of years	204,090,255.30	236,034,535.29	155,187,293.72	190,122,833.64
Cash and cash equivalents, at ending of years	93,952,680.10	204,090,255.30	21,205,902.56	155,187,293.72

The accompanying notes to financial statements are integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

Chuo Senko (Thailand) Pubublic Company Limited and its Subsidiaries  
For the Years Ended December 31, 2014

### 1. GENERAL INFORMATION

#### 1.1 CORPORATE INFORMATION

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

#### 1.2 BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with financial reporting standards including guidance promulgated by the Federation of Accounting Professional.

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

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

#### 1.3 BASIS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are consolidated the accounts of Chuo Senko (Thailand) Public Company Limited (“the Company”) and the subsidiaries (“Group of companies” and “the Company and the subsidiaries”) after eliminated significant balances of account and inter-company transactions.

#### 1.4 ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

##### 1.4.1 Financial reporting standards which are effective for the current year

During the year, the Company and its subsidiaries adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, which are effective for financial statement year beginning on or after January 1, 2014 and relevant to the Group business as follows :

##### Accounting Standard

TAS	1	Presentation of Financial Statements (revised 2012)
TAS	7	Statement of Cash Flows (revised 2012)
TAS	12	Income Taxes (revised 2012)
TAS	17	Leases (revised 2012)
TAS	18	Revenue (revised 2012)
TAS	19	Employee Benefits (revised 2012)
TAS	21	The Effects of Changes in Foreign Exchange Rate (revised 2012)
TAS	24	Related Party Disclosures (revised 2012)
TAS	28	Investments in Associates (revised 2012)
TAS	31	Interests in Joint Venture (revised 2012)

TAS	34	Interim Financial Reporting (revised 2012)
TAS	36	Impairment of Assets (revised 2012)
TAS	38	Intangible Assets (revised 2012)

Financial Reporting Standard

TFRS	2	Share - Based Payments (revised 2012)
TFRS	3	Business Combinations (revised 2012)
TFRS	5	Non - current Assets Held for Sale and Discontinued Operations (revised 2012)
TFRS	8	Operating Segments (revised 2012)

Accounting Standard Interpretations

TSIC	15	Operating Leases - Incentives
TSIC	27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC	29	Service Concession Arrangements: Disclosures
TSIC	32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations

TFRIC	1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC	4	Determining whether an Arrangements contains a Lease
TFRIC	5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC	7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC	10	Interim Financial Reporting and Impairment Financial Reporting Standard Interpretation
TFRIC	12	Service Concession Arrangements
TFRIC	13	Customer Loyalty Programmers
TFRIC	17	Distributions of Non - cash Assets to Owners
TFRIC	18	Transfers of Assets from Customers

Adoption of the above financial reporting standards in the current year does not have material effect on the financial statements.



## 1.4.2 Financial reporting standards which are not effective for the current year

			Year effective
Accounting Standard			
TAS	1	Presentation of Financial Statements (revised 2014)	2015
TAS	2	Inventories (revised 2014)	2015
TAS	7	Statement of Cash Flows (revised 2014)	2015
TAS	8	Accounting Policies, Changes in Accounting Estimates and Errors (revised 2014)	2015
TAS	10	Events After the Reporting Period (revised 2014)	2015
TAS	11	Construction Contracts (revised 2014)	2015
TAS	12	Income Taxes (revised 2014)	2015
TAS	16	Property, Plant and Equipment (revised 2014)	2015
TAS	17	Leases (revised 2014)	2015
TAS	18	Revenue (revised 2014)	2015
TAS	19	Employee Benefits (revised 2014)	2015
TAS	20	Accounting for Government Grants and Disclosure of Government Assistance (revised 2014)	2015
TAS	21	The Effects of Changes in Foreign Exchange Rates	2015
TAS	23	Borrowing Costs (revised 2014)	2015
TAS	24	Related Party Disclosures (revised 2014)	2015
TAS	26	Accounting and Reporting by Retirement Benefit Plans (revised 2014)	2015
TAS	27	Separate Financial Statements (revised 2014)	2015
TAS	28	Investments in Associates and Joint Ventures (revised 2014)	2015
TAS	29	Financial Reporting in Hyperinflationary Economics (revised 2014)	2015
TAS	33	Earnings per Share (revised 2014)	2015
TAS	34	Interim Financial Reporting (revised 2014)	2015
TAS	36	Impairment of Assets (revised 2014)	2015
TAS	37	Provisions, Contingent Liabilities and Contingent Assets (revised 2014)	2015
TAS	38	Intangible assets (revised 2014)	2015

	Year effective
Accounting Standard	
TAS 40 Investment Property (revised 2014)	2015
Financial Reporting Standard	
TFRS 2 Share - Based Payment (revised 2014)	2015
TFRS 3 Business Combinations (revised 2014)	2015
TFRS 4 Insurance Contracts (revised 2014)	2016
TFRS 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2014)	2015
TFRS 6 Exploration for and Evaluation of Mineral Resources (revised 2014)	2015
TFRS 8 Operating Segments (revised 2014)	2015
TFRS 10 Consolidated Financial Statements	2015
TFRS 11 Joint Arrangements	2015
TFRS 12 Disclosure of Interests in Other Entities	2015
TFRS 13 Fair Value Measurement	2015
Accounting Standard Interpretations	
TSIC 10 Government Assistance — No Specific Relation to Operating Activities (revised 2014)	2015
TSIC 15 Operating Leases - Incentives (revised 2014)	2015
TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2014)	2015
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2014)	2015
TSIC 29 Service Concession Arrangements (revised 2014)	2015
TSIC 31 Revenue - Barter Transactions Involving Advertising Services (revised 2014)	2015
TSIC 32 Intangible Assets - Web Site Costs (revised 2014)	2015
Financial Reporting Standard Interpretations	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2014)	2015
TFRIC 4 Determining whether an Arrangement contains a Lease (revised 2014)	2015
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2014)	2015
TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies (revised 2014)	2015

	Year effective
Financial Reporting Standard Interpretations	
TFRIC 10 Interim Financial Reporting and Impairment (revised 2014)	2015
TFRIC 12 Service Concession Arrangements (revised 2014)	2015
TFRIC 13 Customer Loyalty Programmes (revised 2014)	2015
TFRIC 14 TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2015
TFRIC 15 Agreements for the Construction of Real Estate (revised 2014)	2015
TFRIC 17 Distributions of Non-cash Assets to Owners (revised 2014)	2015
TFRIC 18 Transfers of Assets from Customers (revised 2014)	2015
TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	2015

The management of the Company has assessed that TAS 1, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 18, TAS 19, TAS 21, TAS 24, TAS 33, TAS 34, TAS 36, TAS 37 and TFRS 8 will not have material impact on the financial statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Company's business, therefore they do not have impact on the financial statement when they are applied.

## 1.5 SUMMARY OF SIGNIFICANT OF ACCOUNTING POLICIES

### 1.5.1 Revenue recognition

#### Rendering of services

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

#### Commission income

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

#### 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.

### 1.5.2 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.

### 1.5.3 Trade accounts receivable

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

### 1.5.4 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method. The Company performs impairment reviews in respect of the investment whenever there is an indication that it may be impaired.

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

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

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

### 1.5.5 Building improvements and equipment/Depreciation

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

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

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

Depreciation is included in determining income.

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

#### 1.5.6 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

		Useful lives
Computer software	-	3 — 10 years
Patents	-	3 years
Expenditure on acquired website fee	-	3 years

#### 1.5.7 Related party transactions

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

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

#### 1.5.8 Long-term leases

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

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

#### 1.5.9 Foreign currencies

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.

#### 1.5.10 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the building improvements and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### 1.5.11 Employee benefits

##### Short-term employee benefits

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

##### Post-employment benefits and other long-term employee benefits

##### Defined contribution plans

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

##### Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefits plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans 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 and other long-term benefits are recognised immediately in other comprehensive income or loss.

#### 1.5.12 Provisions

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

#### 1.5.13 Income tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities at the reporting date and tax base of the relating assets and liabilities.

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

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

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

##### **Leases**

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

##### **Allowance for doubtful accounts**

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

##### **Impairment of equity investments**

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

##### **Building improvements and equipment/Depreciation**

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

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

### 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.

## 2. RELATED PARTY TRANSACTIONS

Enterprises that directly, or indirectly control by the Company, or are under common shareholders / director controls are as follows:

Company	Type of business	Country of incorporation	Shareholding (%)	
			2014	2013
Be 1 Communications Co., Ltd. (Being in liquidation)	Production and advertising services	Thailand	51	51
Chuo Senko Vietnam Design Services One Member Co., Ltd.	Production and advertising services	Vietnam	100	100
Chuo Senko (Cambodia) Holding Co., Ltd.	Production and advertising services	Cambodia	100	100
JM Chuo Senko Sdn. Bhd. (Being in liquidation)	Production and advertising services	Malaysia	100	100
PT. Chuo Senko Consultant	Business management consulting services	Indonesia	99	99
Wonder Asia Co., Ltd.	Marketing and event services	Thailand	100	100
Chuo Senko Dynamics (ROH) Co., Ltd.	Regional operating headquarter	Thailand	84	82
RDSS Co., Ltd.	Shop decoration services	Thailand	100	100
Digital DNA Co., Ltd.	Online marketing services	Thailand	100	100
Chuo Senko Myanmar Pte.	Production and advertising services	Singapore	84	82
Tangram Associates Co., Ltd.	Product & Business development consulting services	Thailand	60	60
CSF Limited	Design consultation services	Hong Kong	60	-
Chuo Business Venture Co., Ltd.	Business management consulting services	Thailand	40	-
Chuo Senko Advertising (Thailand) Co., Ltd.	Production and advertising services	Thailand	100	-
Ad-Asia Company Limited (24% held by Chuo Senko Dynamics (ROH) Co., Ltd.)	Production and advertising services	Thailand	21	82
Ad Asia Advertising (S) Pte Ltd. (100% held by Chuo Senko Dynamics (ROH) Co., Ltd.)	Production and advertising services	Singapore	84	82
Chuo Senko Myanmar Co.,Ltd. (100% held by Chuo Senko Myanmar Pte.)	Production and advertising services	Myanmar	84	82
Ad Asia Co.,Ltd. (100% held by Ad Asia Advertising (S) Pte Ltd)	Production and advertising services	Myanmar	84	82



Company	Type of business	Country of incorporation	Shareholding (%)	
			2014	2013
Town Page Co.,Ltd. (100% held by Chuo Senko Myanmar Pte.)	Production and advertising services	Myanmar	84	82
Chilli Advertising Co.,Ltd. (100% held by Ad Asia Advertising (S) Pte Ltd)	Production and advertising services	Myanmar	84	82
Red Bull Co.,Ltd. (100% held by Ad Asia Advertising (S) Pte Ltd)	Production and advertising service	Myanmar	84	82
Chuo Senko Advertising India Private Limited (Under company's controlling)	Production and advertising services	India	46	46
Chuo Senko Philippines Inc (100% held by CSF Limited) (Under company's controlling)	Production and advertising services	Philippines	40	-
Media Intelligence (Myanmar) Limited (100% held by Chilli Advertising Co.,Ltd.)	Production and advertising services	Myanmar	17	-
Asian Event and Exhibition Group (Myanmar) Co., Ltd. (100% held by Chilli Advertising Co.,Ltd.)	Business of event, exhibition, seminar Organizer services	Myanmar	25	-

#### Related person

Mr. John Warrall D' Arcy Grove  
(The Company's shareholder/ a director of subsidiary company/an advisor for strategy of operating in the Company)

- - - -

The Company had certain accounting transactions with its subsidiaries and associated companies. The separate financial statements have included the results of such transactions based on the agreements between the Company and the subsidiaries and associated companies. These companies are related by shareholding by the Company, under company's controlling, having joint director or management at least one of them . The Company has pricing policy for the transactions based on general market prices or fair value for the price.

Balance of assets, liabilities, accounting and trading transactions with subsidiaries which are presented in the statements of financial position as at December 31, 2014 and 2013 are as follows

ASSETS

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
2.1 TRADE RECEIVABLES				
Trade receivables - Subsidiaries	-	-	5,413,617.23	5,030,966.17
Less : Allowance for doubtful debt doubtful deaccounts	-	-	(2,276,555.96)	(3,064,547.20)
Net	-	-	3,137,061.27	1,966,418.97

Trade receivables of the Company and subsidiaries classified by aging of the receivables are as follows:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Within credit terms	-	-	466,022.47	143,911.67
Overdue				
Less than 3 months	-	-	277,008.94	1,456,962.29
3 — 6 months	-	-	891,975.86	-
6 — 12months	-	-	1,502,054.00	-
Over 12 months	-	-	2,276,555.95	3,430,092.21
Total	-	-	5,413,617.22	5,030,966.17
Less Allowance for doubtful accounts	-	-	(2,276,555.95)	(3,064,547.20)
Net	-	-	3,137,061.27	1,966,418.97

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
2.2 OTHER RECEIVABLES				
Other receivables	721,338.16	-	13,680,284.77	11,416,552.47
Less Allowance for doubtful debt	-	-	(4,002,610.96)	(1,123,870.22)
Net	721,338.16	-	9,677,673.81	10,292,682.25

## 2.3 LONG-TERM LOAN TO RELATED PARTIES

(Unit : Baht)

	Consolidated financial statements					Agreement conditions
	Balance as at December 31, 2013	Increase during the year	Decrease during the year	Unrealized loss on exchange rate	Balance as at December 31, 2014	
Long-term loan to related parties						
Directors and employees						
The Company	1,784,380.95	1,366,500.00	(1,190,215.11)	-	1,960,665.84	Company's policy
Subsidiary	96,000.00	80,000.00	(169,339.20)	-	6,660.80	
Total	1,880,380.95	1,446,500.00	(1,359,554.31)	-	1,967,326.64	
Less : Current portion	(987,600.00)				(820,426.64)	
Total long-term loan to related person and parties - net	892,780.95				1,146,900.00	

(Unit : Baht)

	Separate financial statements					Agreement conditions
	Balance as at December 31, 2013	Increase during the year	Decrease during the year	Unrealized loss on exchange rate	Balance as at December 31, 2014	
Long-term loan to related parties						
PT. Chuo Senko Consultant	19,606,680.00	39,066,000.00	(19,266,840.00)	(30,480.00)	39,375,360.00	Interest rate at 3% per annum. repayment schedule is USD 0.3 million in December 2014 and USD 0.15 million for 8 periods in May and November in year 2015 to year 2018.
Chuo Senko (Myanmar) Co., Ltd.	-	952,016.25	(73,282.90)	80,993.46	959,726.81	Interest rate at 2% per annum. repayment schedule is USD 2,500 in quarterly, start at September 2014 to September 2017 for 13 periods.
Chuo Senko Design Services One Member Co., Ltd.	-	6,392,000.00	(3,196,000.00)	85,280.00	3,281,280.00	Interest rate at 4% per annum. repayment schedule is USD 100,000 in December 2014 and March 2015 for 2 periods.
Chuo Senko Philippines Inc	-	3,852,000.00	-	85,536.00	3,937,536.00	Interest rate at 3% per annum. repayment schedule is USD 10,000 in quarterly, start at March 2016 to December 2018 for 12 periods.
Directors and employees	1,784,380.95	1,366,500.00	(1,190,215.11)	-	1,960,665.84	Company's policy
Total	21,391,060.95	51,628,516.25	(23,726,338.01)	221,329.46	49,514,568.65	
Less : Allowance for doubtful accounts	-				-	
Total Long-term loan to related related persons and parties	21,391,060.95				49,514,568.65	
Less : Current portion	(20,498,280.00)				(14,328,908.95)	
Total Long-term loan to related related persons and parties - net	892,780.95				35,185,659.70	

## LIABILITIES

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>2.4 TRADE PAYABLES</b>				
RDSS Co., Ltd.	-	-	-	149,800.00
Digital DNA Co., Ltd	-	-	532,684.95	585,791.83
<b>Total</b>	-	-	532,684.95	735,591.83

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>2.5 OTHER PAYABLES</b>				
RDSS Co., Ltd.	-	-	53,500.00	-
Chuo Business Venture Co., Ltd.	428,000.00	-	428,000.00	-
Chuo Senko Dynamics (ROH) Co., Ltd.	-	-	199,127.00	199,127.00
Chuo Senko (Vietnam) Design Services One Member Co., Ltd.	-	-	-	12,944.83
PT. Chuo Senko Consultant	-	-	67,232.71	1,258,609.16
<b>Total</b>	428,000.00	-	747,859.71	1,470,680.99

## 2.6 SIGNIFICANT RELATED PARTY TRANSACTIONS For the year ended December 31, 2014 and 2013 are as follows:

	For the year ended December 31,				(Unit : Thousand Baht)
	Consolidated financial statements		Separate financial statements		
	2014	2013	2014	2013	
Trading transactions with subsidiaries					Inter-companies pricing policy
Commission and advertising	-	-	4,559	11,568	Cost plus marginal profit
production income					
Interest income	-	-	1,181	857	At rate 5% per annum
Consulting and management fees	-	-	16,887	18,763	At the agreed price
Service costs	-	-	8,429	9,706	Cost plus marginal profit of the subsidiaries
					subsidiaries.
Consulting and management fee	-	-	-	1,117	At the agreed price
Other expenses	-	-	3,532	1,158	At the agreed price

(Unit : Thousand Baht)

	For the year ended December 31, 2014				Inter-companies pricing policy
	Consolidated financial statements		Separate financial statements		
	2014	2013	2014	2013	
Trading transactions with related					
Companies and related person					
Consulting and management fee	314	-	314	-	At the agreed price
Service costs	4	-	4	-	At the agreed price
Other expenses	6,680	3,251	6,680	3,251	At the agreed price
Loss on sales of investment in subsidiary	2,983	-	-	-	At the agreed price

(Note no. 7.1)

## 2.7 MANAGEMENT REMUNERATIONS

The Company and its subsidiaries recorded remunerations for directors and the management for the year ended December 31, 2014 and 2013 as follow:

	BAHT			
	For the year ended December 31, 2014			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Benefits — Short-term	56,702,547.17	61,422,186.34	38,245,422.50	48,134,431.00
Benefits — After retirement	3,383,965.00	655,422.00	3,383,965.00	655,422.00
Benefits — Long-term	1,305,843.00	35,844.00	1,305,843.00	35,844.00
Total	61,392,355.17	62,113,452.34	42,935,230.50	48,825,697.00

## 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Company as at December 31, 2014 and 2013 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Cash on hand	3,799,065.68	1,339,383.44	80,000.00	80,000.00
Cash at banks	90,153,614.42	202,750,871.86	21,125,902.56	155,107,293.72
Total	93,952,680.10	204,090,255.30	21,205,902.56	155,187,293.72

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

#### 4. SHORT-TERM INVESTMENTS

Short-term investments consisted of investment in available-for-sale securities, as of December 31, 2014 and 2013 consisted of;

	BAHT					
	Consolidated and Separate financial statements					
	December 31, 2014			December 31, 2013		
	Fair value	Cost	Unrealized Gain (loss)	Fair value	Cost	Unrealized Gain (loss)
Available-for-sale securities	-	-	-	17,601,762.78	16,443,776.77	1,157,986.01
Total short-term investments	-	-	-	17,601,762.78	16,443,776.77	1,157,986.01

During 2014 and 2013 no purchase and sale transactions of the available-for-sale securities

#### 5. TRADE AND OTHER RECEIVABLES

##### 5.1 TRADE RECEIVABLES - NET

Trade receivables — net, of the Company as at December 31, 2014 and 2013 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Trade receivable — Other parties	142,695,587.83	141,135,869.18	63,452,775.85	71,063,680.59
Less : Allowance for doubtful Accounts	(6,217,082.14)	(6,198,390.55)	(785,552.14)	(766,860.55)
Trade receivable — net	136,478,505.69	134,937,478.63	62,667,223.71	70,296,820.04

As at December 31, 2014 and 2013 the Company and its subsidiary have overdue accounts receivable

which aging is as follows;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Within credit terms	84,205,452.23	76,965,328.32	34,470,353.91	32,267,897.95
Overdue				
Less than 3 months	50,141,034.77	55,731,208.65	27,023,758.21	36,554,858.48
3 to 6 months	545,597.80	1,019,104.59	278,097.80	1,019,104.92
6 to 12 months	112,350.00	193,777.53	112,350.00	118,306.25
Over 12 months	7,691,153.03	7,226,450.09	1,568,215.93	1,103,512.99
Total	142,695,587.83	141,135,869.18	63,452,775.85	71,063,680.59
Less : Allowance for-doubtful accounts	(6,217,082.14)	(6,198,390.55)	(785,552.14)	(766,860.55)
Net	136,478,505.69	134,937,478.63	62,667,223.71	70,296,820.04

Transactions of allowance for doubtful accounts during the year ended December 31, 2014 , are as follow:

	BAHT	
	Consolidated financial statements	Separate financial statements
Beginning balance as at January 1, 2014	6,198,390.55	766,860.55
Increase during the year	18,691.59	18,691.59
Ending balance as at December 31, 2014	6,217,082.14	785,552.14

## 5.2 OTHER RECEIVABLES — OTHER COMPANY

Other receivables as at December 31, 2014 and 2013 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Other Companies				
Prepaid expenses	3,017,593.00	2,103,088.32	1,112,847.26	709,123.10
Accrued income	653,788.02	228,840.18	148,855.81	228,840.18
Deposits	1,136,562.65	1,212,934.51	25,000.00	40,000.00
Cash advance	2,916,793.13	3,330,610.45	974,541.29	1,632,718.91
Other receivables	6,591,061.84	7,466,291.71	317,935.95	210,336.00
Total	14,315,798.64	14,341,765.17	2,579,180.31	2,821,018.19

## 6. OTHER CURRENT ASSETS

Other current assets as at December 31, 2014 and 2013 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Value added tax	3,888,153.95	4,324,747.00	1,082,864.64	45,240.59
Others	8,146,021.79	10,218,878.18	5,516,221.57	6,305,909.73
<b>Total</b>	<b>12,034,175.74</b>	<b>14,543,625.18</b>	<b>6,599,086.21</b>	<b>6,351,150.32</b>

## 7. INVESTMENT IN RELATED COMPANIES

### 7.1 INVESTMENT IN SUBSIDIARIES

As at December 31, 2014 and 2013, the Company has invested in the subsidiary company as follows;

Company Name	Country of incorporation	Paid-up capital (Million Baht)		Proportion of shareholding (%)		Investment in subsidiary company (Million Baht)			
						Cost		Net Book Value	
		Dec 31, 14	Dec.31, 13	Dec 31, 14	Dec.31, 13	Dec 31, 14	Dec.31, 13	Dec 31, 14	Dec.31, 13
Be 1 Communications Co., Ltd. <sup>1)</sup>	Thailand	16	16	51	51	8	8	0.12	0.13
Wonder Asia Co., Ltd.	Thailand	3	1	100	100	3	1	2.61	0.71
Chuo Senko Dynamics (ROH) Co., Ltd.	Thailand	30	30	84	82	25	25	25.29	27.52
RDSS Co., Ltd.	Thailand	3	3	100	100	3	3	(1.59)	0.65
Digital DNA Company Limited	Thailand	1	1	100	100	1	1	4.78	2.62
Tangram Associates Co., Ltd.	Thailand	10	5	60	60	6	3	(0.72)	1.99
Chuo Senko Vietnam Design	Vietnam	22	22	100	100	16	16	11.60	21.06
Services One Member Co., Ltd.									
Chuo Senko (Cambodia) Holding Co., Ltd.	Cambodia	-	-	100	100	-	-	3.16	1.91
JM Chuo Senko Sdn. Bhd. <sup>1)</sup>	Malaysia	7	7	100	100	11	11	-	-
PT. Chuo Senko Consultant	Indonesia	6	6	99	99	6	6	9.75	8.17
Chuo Senko Myanmar Pte Ltd.	Singapore	9	9	84	82	8	8	7.09	8.49
CSF Limited	Hong Kong	3	-	60	-	2	-	2.80	-
Chuo Senko Advertising India Private Limited	India	3	3	46	46	1	1	(24.02)	(9.51)
Chuo Senko Advertising (Thailand) Co., Ltd.	Thailand	22	-	100	-	22	-	21.72	-
Chuo Business Venture Co., Ltd.	Thailand	5	-	40	-	2	-	4.55	-
<b>Total</b>						<b>114</b>	<b>83</b>		
Less: Loss on impairment of investments in subsidiaries						<b>(22)</b>	<b>(19)</b>		
<b>Total investments in subsidiaries - net</b>						<b>92</b>	<b>64</b>		

<sup>1)</sup> Being liquidation



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

In April 2014, Seven-Note Co., Ltd. (Changed name to be Tangram Associates Co., Ltd. On March 1, 2014), which the Company has held 60% of the total shares had increased in ordinary shares on 5,000 shares at a par value of Baht 1,000 per share. The Company had additionally invested in ordinary shares of the such company on 2,997 shares at a par value of Baht 1,000 share for a total of Baht 2,997,000.00. After the increase of the investment, the Company maintains to represents 60% of the registered capital of such company.

In June 2014, the Company had additionally invested in ordinary shares of Chuo Senko Dynamics (ROH) Co., Ltd amounting to Baht 600,000 which has bought the shares from the joint-venture partner, Striders Corporation; totaling 600 shares or 2% of the total shares at issued par value of Baht 1,000 per share. After the increase of the investment, the Company increase of percentage of investment from 82% to 84% of the registered capital of such company.

In June 2014, the Company had additionally invested in ordinary shares of Chuo Senko Myanmar Pte Ltd, amounting to USD 6,000 or approximately Baht 0.2 million which has bought the shares from the joint-venture partner, Striders Corporation; totaling 60 shares or 2% of the total shares at issued par value of 100 USD per share. After the increase of the investment, the Company increase of percentage of investment from 82% to 84% of the registered capital of such company

In June 2014, the Company invested in ordinary shares of CSF Limited which registered in Hong Kong on 700,000 ordinary shares at a par value of HKD 1 per share. The Company invested in 420,000 ordinary shares at a par value HKD 1 per share of a total of HKD 420,000 or approximately Baht 1.8 million. The Company's investment represents 60 percent of the registered capital of such company.

In July 2014, Chilli Advertising Co., Ltd in Myanmar (100% of shares held by Ad Asia Advertising (S) Pte Ltd in Singapore) invested in ordinary shares of Media Intelligence (Myanmar) Limited which registered in Myanmar on 83,324 ordinary shares at a par value of USD 1 per share. Chilli Advertising Co., Ltd. invested in 16,667 ordinary shares at a par value of USD 1 per share for a total of USD 16,667 or approximately Baht 0.53 million. Chilli Advertising Co., Ltd.'s investment represents 20 percent of the registered capital of such company.

In August 2014, CSF Limited invested in ordinary shares of Chuo Senko Philippines Inc. which registered in Philippines on 2,000,000 ordinary shares at a par value of PHP1 per share. CSF Limited invested in 800,000 ordinary shares at a par value of PHP 1 per share. CSF Limited's investment represents 40 percent of the registered capital of such company.

As at September, 2014 CSF Limited has completed of a payment in 25% of invested shares in amount of PHP 200,000 or approximately Baht 0.15 million.

In September 2014, Wonder Asia Co., Ltd had increased in ordinary shares on 20,000 shares at a par value of Baht 100 per share. The Company had additional invested in ordinary shares of the such company on 19,994 shares at a par value of Baht 100 share for a total of Baht 1,999,400.00. After the increase of the investment, the Company maintains to represents 100% of the registered capital of such company.

In September 2014, the Company invested in ordinary shares of Energy from Waste Co., Ltd. which registered its incorporation with the Ministry of Commerce on August 5th, 2009 and changed the name to be Chuo Business Venture Co., Ltd. on September 12, 2014 has total of registered share capital of 50,000 at a par value Baht 100. The Company invested in 20,000 shares at a par value Baht 100 of a total of Baht 2,000,000. The Company's investment represents 40 percent of the registered capital of such company.

In October 2014, Chilli Advertising Co., Ltd in Myanmar (100% of shares held by Ad Asia Advertising (S) Pte Ltd in Singapore) invested in ordinary shares of Asian Event and Exhibition Group (Myanmar) Company Limited which registered in Myanmar on 50,000 ordinary shares at a par value of USD 1 per share. Chilli Advertising Co., Ltd. invested in 15,000 ordinary shares at a par value of USD 1 per share for a total of USD 15,000 or approximately Baht 0.49 million. Chilli Advertising Co., Ltd.'s investment represents 30 percent of the registered capital of such company.

In December 2014, the Company had the business restructuring with the purpose to increase the liquidity for the business and investment expansion of the Company by transferring partial business of the Company i.e. advertising agency business, business of media buying services and total solution advertising production services, all assets and liabilities in connection with and used for such business operation including all personnel related thereto, to a subsidiary of the Company, which shall be newly incorporated for accepting such transfer of business. The subsidiary was registered its incorporation with the Ministry of Commerce on December 25, 2014 has total of registered share capital of 4,400,000 shares at a par value Baht 5 of a total of Baht 22,000,000. The Company's investment represents 100 percent of the registered capital of such company.

## 7.2 INVESTMENT IN SUBSIDIARY'S CONVERTIBLE BOND

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

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

Therefore, as of December 31, 2014 Chuo Senko Advertising India Private Limited had issued 510,000 units Convertible bond at the price 100 INR per unit and the total of 51,000,000 INR. The company purchased the Convertible bond total number of 495,300 units, total amount of Baht 27,037,856.01 (equivalent to 49,530,000 INR)

## 8. OTHER LONG-TERM INVESTMENTS

Other long-term investments as at December 31, 2014 and 2013 consisted of;

(Unit : Baht)

Company	Share Holding (%)		Consolidated financial statements	
	2014	2013	2014	2013
City Sports and Recreation Public Company Limited	0.09	0.09	457,500.00	458,000.00
Geo Brain (Thailand) Company Limited	10	-	200,000.00	-
Boffo Company Limited	10	-	2,000,000.00	-
Asia Business Support Association Co., Ltd. (shareholder of the Company)	5	5	500,000.00	500,000.00
Total Other long-term investments			3,157,500.00	958,000.00
Add : Changes in fair value of investments			620,625.00	545,125.00
Other long-term investments - net			3,778,125.00	1,503,125.00

(Unit : Baht)

Company	Share Holding (%)		Separate financial statements	
	2014	2013	2014	2013
City Sports and Recreation Public Company Limited	0.09	0.09	457,500.00	458,000.00
Geo Brain (Thailand) Company Limited	10	-	200,000.00	-
Asia Business Support Association Co., Ltd. (shareholder of the Company)	5	5	500,000.00	500,000.00
Total Other long-term investments			1,157,500.00	958,000.00
Add : Changes in fair value of investments			620,625.00	545,125.00
Other long-term investments - net			1,778,125.00	1,503,125.00

## 9. LONG-TERM LOAN TO OTHER COMPANY

Long — term loan to other company as at December 31, 2014 and 2013 consisted of;

	BAHT	
	Consolidated financial statements	
	December 31, 2014	December 31, 2013
Long-term loan to other company	15,401,475.76	18,302,411.08
Add: Increase	42,004,064.10	-
Less: Repayment	(15,401,475.76)	-
Differences from translation of currency	(2,267,210.15)	(2,900,935.32)
	39,736,853.95	15,401,475.76
Less: Current portion	(9,936,316.86)	(15,401,475.76)
Long-term loan to other company — net	29,800,537.09	-

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

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

**10. EQUIPMENT - NET**

Equipment as at December 31, 2014 and 2013 consisted of :

	BAHT				
	Consolidated Financial Statement				
	Building improvements	Furniture, fixtures and office equipment	Vehicles	Demolition cost	Total
Cost:					
As 31 December 2013	9,079,679.10	37,556,399.68	28,712,024.32	1,776,047.84	77,124,150.94
Purchase	73,744.00	4,671,396.18	3,007,370.19	-	7,752,510.37
Disposal	-	(1,095,582.26)	(279,591.00)	-	(1,375,173.26)
Write off	-	(1,842,887.36)	-	-	(1,842,887.36)
Foreign currency translation adjustment	-	158,119.90	(20,573.48)	-	137,546.42
As 31 December 2014	9,153,423.10	39,447,446.14	31,419,230.03	1,776,047.84	81,796,147.11
Accumulated depreciation:					
As 31 December 2013	(8,414,598.46)	(31,327,453.91)	(11,395,206.27)	(1,776,047.84)	(52,913,306.48)
Depreciation for the year	(256,809.50)	(3,859,754.65)	(5,001,660.79)	-	(9,118,224.94)
Disposal	-	958,333.05	256,304.53	-	1,214,637.58
Write off	-	1,842,826.36	-	-	1,842,826.36
Foreign currency translation adjustment	-	110,283.45	(290,885.71)	-	(180,602.26)
As 31 December 2014	(8,671,407.96)	(32,275,765.70)	(16,431,448.24)	(1,776,047.84)	(59,154,669.74)
Net book value:					
As 31 December 2013	665,080.64	6,228,945.77	17,316,818.05	-	24,210,844.46
As 31 December 2014	482,015.14	7,171,680.44	14,987,781.79	-	22,641,477.37
Depreciation for the year					
2013					8,848,429.79
2014					9,118,224.94

BAHT					
Separated Financial Statement					
	Building improvements	Furniture, fixtures and office equipment	Vehicles	Demolition cost	Total
Cost:					
As 31 December 2013	9,079,679.10	33,570,487.65	24,830,546.12	1,776,047.84	69,256,760.71
Purchase	-	2,753,343.13	1,475,000.00	-	4,228,343.13
Disposal	-	(457,600.00)	(279,591.00)	-	(737,191.00)
Write off	-	(1,842,887.36)	-	-	(1,842,887.36)
As 31 December 2014	9,079,679.10	34,023,343.42	26,025,955.12	1,776,047.84	70,905,025.48
Accumulated depreciation:					
As 31 December 2013	(8,414,598.46)	(28,953,158.43)	(11,190,446.18)	(1,776,047.84)	(50,334,250.91)
Depreciation for the year	(245,459.45)	(2,694,612.34)	(4,421,915.78)	-	(7,361,987.57)
Disposal	-	369,445.13	256,304.53	-	625,749.66
Write off	-	1,842,826.36	-	-	1,842,826.36
As 31 December 2014	(8,660,057.91)	(29,435,499.28)	(15,356,057.43)	(1,776,047.84)	(55,227,662.46)
Net book value:					
As 31 December 2013	665,080.64	4,617,329.22	13,640,099.94	-	18,922,509.80
As 31 December 2014	419,621.19	4,587,844.14	10,669,897.69	-	15,677,363.02
Depreciation for the year					
2013					7,892,888.89
2014					7,361,987.57

As of December 31, 2014 and 2013 the balance of net book value of Vehicles acquired under financial lease, in consolidated financial statement are approximately Baht 13 million and Baht 12 million respectively, and in separate financial statement are approximately Baht 11 million and Baht 10 million respectively.

As of December 31, 2014 and 2013 the cost of some parts of Building improvements and equipment which fully depreciated and still utilized, in consolidated financial statement are approximately Baht 45 million and Baht 40 million respectively, and in separate financial statement are approximately Baht 44 million and Baht 36 million respectively.

**11. INTANGIBLE ASSETS - NET**

Intangible assets, computer software as at December 31, 2014 and 2013 consisted of;

	BAHT					
	Consolidated financial statements			Separate financial statements		
	Computer software	Patents	Total	Computer software	Patents	Total
Cost						
Balance as at December 31,2013	7,171,053.14	142,624.99	7,313,678.13	7,013,053.11	142,624.99	7,155,678.10
Increase	1,058,200.00	-	1,058,200.00	1,039,200.00	-	1,039,200.00
Decrease	-	-	-	-	-	-
Difference on exchange rate from translation of financial statements	111.34	-	111.34	-	-	-
Balance as at December 31, 2014	8,229,364.48	142,624.99	8,371,989.47	8,052,253.11	142,624.99	8,194,878.10
Less Accumulated Amortization						
Balance as at December 31,2013	(5,335,190.06)	(77,669.60)	(5,412,859.66)	(5,248,767.80)	(77,669.60)	(5,326,437.40)
Increase	(1,161,299.80)	(47,536.91)	(1,208,836.71)	(1,149,257.83)	(47,536.91)	(1,196,794.74)
Decrease	-	-	-	-	-	-
Difference on exchange rate from translation of financial statements	-	-	-	-	-	-
Balance as December 31, 2014	(6,496,489.86)	(125,206.51)	(6,621,696.37)	(6,398,025.63)	(125,206.51)	(6,523,232.14)
NET BOOK VALUE						
December 31,2013	1,835,863.08	64,955.39	1,900,818.47	1,764,285.31	64,955.39	1,829,240.70
December 31, 2014	1,732,874.62	17,418.48	1,750,293.10	1,654,227.48	17,418.48	1,671,645.96

**12. OTHER PAYABLE**

Other payable as at December 31, 2014 and 2013 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Accrued expenses	10,114,862.32	13,813,802.73	5,187,917.68	5,582,976.55
Other payables	7,032,882.68	5,459,941.29	3,630,214.13	3,687,770.01
Total	17,147,745.00	19,273,744.02	8,818,131.81	9,270,746.56

### 13. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2014 and 2013 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Value added tax — Sale tax	14,654,290.28	13,915,931.13	4,551,876.34	6,105,254.22
Withholding tax	8,536,292.66	7,257,187.49	6,906,988.44	5,371,504.39
Others	-	253,292.35	-	-
<b>Total</b>	<b>23,190,582.94</b>	<b>21,426,410.97</b>	<b>11,458,864.78</b>	<b>11,476,758.61</b>

### 14. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

Liabilities under financial lease agreements as at December 31, 2014 and 2013 consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Liabilities under financial lease				
agreements - Principal	7,828,057.80	9,602,879.35	7,256,134.49	8,217,891.74
Less: Deferred interest	(584,077.12)	(915,932.30)	(566,566.76)	(821,552.45)
<b>Total</b>	<b>7,243,980.68</b>	<b>8,686,947.05</b>	<b>6,689,567.73</b>	<b>7,396,339.29</b>
Less: Current portion	(2,752,836.72)	(2,421,412.95)	(2,180,913.41)	(1,748,732.97)
<b>Liabilities under financial lease agreements — net</b>	<b>4,491,143.96</b>	<b>6,265,534.10</b>	<b>4,508,654.32</b>	<b>5,647,606.32</b>

As at December 31, 2014 and 2013 the liabilities under financial lease agreements and the repayment detail are as follows:

	BAHT					
	Consolidated financial statements					
	December 31, 2014			December 31, 2013		
	Principal	Deferred interest paid	Total	Principal	Deferred interest paid	Total
Due for payment;						
Within one year	2,448,832.03	304,004.69	2,752,836.72	2,421,412.95	416,445.35	2,837,858.30
Over one year but within 5 years	4,795,148.65	280,072.43	5,075,221.08	6,265,534.10	499,486.95	6,765,021.05
<b>Total</b>	<b>7,243,980.68</b>	<b>584,077.12</b>	<b>7,828,057.80</b>	<b>8,686,947.05</b>	<b>915,932.30</b>	<b>9,602,879.35</b>



	BAHT					
	Separate financial statements					
	December 31, 2014			December 31, 2013		
	Principal	Deferred interest paid	Total	Principal	Deferred interest paid	Total
Due for payment;						
Within one year	1,894,419.08	286,494.33	2,180,913.41	1,748,732.97	342,602.87	2,091,335.84
Over one year but within 5 years	4,795,148.65	280,072.43	5,075,221.08	5,647,606.32	478,949.58	6,126,555.90
Total	6,689,567.73	566,566.76	7,256,134.49	7,396,339.29	821,552.45	8,217,891.74

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

As at December 31, 2014 and 2013, future minimum lease payments required under the finance lease agreements of the Company were as follows:

Consolidated financial statements

(Unit: Million Baht)

	As at December 31, 2014		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	3	5	8
Deferred interest	(-)	(-)	(-)
Present value of future minimum lease payments as agreement	3	5	8

(Unit: million Baht)

	As at December 31, 2013		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	3	7	10
Deferred interest	(-)	(-)	(-)
Present value of future minimum lease payments as agreement	3	7	10

(Unit: million Baht)

Separate financial statements	As at December 31, 2014		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	2	5	7
Deferred interest	(-)	(-)	(-)
Present value of future minimum lease payments as agreement	2	5	7

Unit: million Baht)

	As at December 31, 2013		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	2	6	8
Deferred interest	(-)	(-)	(-)
Present value of future minimum lease payments as agreement	2	6	8

**15. EMPLOYEE BENEFITS OBLIGATION**

Obligation of long-term employee benefits, which is compensations on employees' retirement and other long-term employee benefits, was as follows:

	BAHT					
	Consolidated and separate financial statements					
	For the years ended			For the years ended		
	December 31, 2014			December 31, 2013		
	Severance benefits	Other long-term employees benefits	Total	Severance benefits	Other long-term employees benefits	Total
Employee benefits obligation at beginning of years	31,689,162.01	8,899,906.98	40,589,068.99	10,447,354.00	9,808,867.00	20,256,221.00
Current service cost	3,383,964.96	1,305,843.00	4,689,807.96	7,630,453.00	1,227,891.00	8,858,344.00
Interest cost	864,012.00	288,842.04	1,152,854.04	798,051.00	264,726.00	1,062,777.00
Gain (loss) from actuarial assumptions	(1,252,174.63)	(287,566.98)	(1,539,741.61)	1,136,580.63	160,734.98	1,297,315.61
Reversal of employee benefit from actuarial assumptions	-	-	-	17,080,500.00	(1,980,462.00)	15,100,038.00
Benefits paid during the years	(2,533,931.37)	(574,200.00)	(3,108,131.37)	(5,403,776.62)	(581,850.00)	(5,985,626.62)
Employee benefits obligation at ending of years	32,151,032.97	9,632,825.04	41,783,858.01	31,689,162.01	8,899,906.98	40,589,068.99

Long-term employee benefit expenses have included in statement of comprehensive income was as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	For the year ended December 31, 2014	For the year ended December 31, 2013
Current service cost	4,689,807.96	8,858,344.00
Interest cost	1,152,854.04	1,062,777.00
Total expense recognized in profit or loss	5,842,662.00	9,921,121.00

Changed in gain (loss) on actuarial assumptions which presented under Other components of equity for the year ended December 31, 2014 and 2013 are as follow;

	Consolidated and separate financial statements	
	2014	2013
Beginning balance	-	-
Increased during the years	-	15,100,038.00
Transfer to Un-appropriated retained earnings	-	(15,100,038.00)
Ending balance	-	-

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and Separate financial statements	
	2014	2013
	(% per annum)	(% per annum)
Discount rate	3.7	3.7
Expected rate of salary increase	4.0 — 8.0	4.0 — 8.0
<u>Employee turnover rate (depending on age range)</u>	<u>13.0 - 27.0</u>	<u>13.0 - 27.0</u>

\* Based on weighted rate by age group of employee

\*\* Referred to Thai Mortality Ordinary Tables of 1997 (TMO 1997 : Thai Mortality Ordinary Tables of 1997)

## 16. INCOME TAX EXPENSE

In accordance with taxable conditions on Thailand's revenue code, the Company and its subsidiaries have calculated its net taxable profit (loss) by taking both any forbidding expenditures and any reduced or exceptionable accounting transactions to adding - up or deducting from net profit (loss) under accounting base.

The Company has calculated income tax on its taxable profit for the year 2011 and 2012 at the rate 30% and 23% respectively and the rate 20% from 2013 onward.

16.1 Income tax expense for the year ended December 31, 2014 and 2013, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income tax charge of current year	10,007,285.72	1,756,533.77	8,256,320.05	-
Deferred income tax Expense (Revenue)				
from temporary difference	(1,838,957.80)	(6,266,569.60)	(1,838,957.80)	(6,266,569.60)
Effects of deferred income tax from				
change of tax rates	-	-	-	-
Income tax expense presented				
in the statement of income	8,168,327.92	(4,510,035.83)	6,417,362.25	(6,266,569.60)

16.2 Income tax relating to components of statements of comprehensive income — other for the year December 31, 2014 and 2013 consisted of :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred income tax relating to ;				
Investment in marketable securities	210,510.06	(103,326.36)	216,597.16	(103,326.36)
	210,510.06	(103,326.36)	216,597.16	(103,326.36)

16.3 The reconciliation of the income tax expense and the result of the multiplying of the accounting profit with tax rate for the year ended December 31, 2014 and 2013 is presented as the following:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before corporate income tax	-	-	38,829,989.86	33,089,475.62
Corporate income tax rates			20%	20%
Accounting profit before corporate income tax				
multiply by tax rates	-	-	7,765,997.97	6,617,895.12
Effects to deferred income tax				
from change of income tax rates	-	-	-	-
Income tax effects that is nondeductible in				
calculation of profit:	-	-	-	-
- Revenue exempted in tax calculation	-	-	-	-
-Non deductible expenses	8,168,327.92	(4,510,035.83)	(1,348,635.72)	(12,884,464.72)
Income tax expense presented in the Statement				
of Income	8,168,327.92	(4,510,035.83)	6,417,362.25	(6,266,569.60)

16.4 Components of deferred tax assets and deferred tax liabilities comprised of the following items;

	BAHT			
	Consolidated financial statements		Separated financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Deferred income tax assets				
Allowance for impairment of investments				
Investment	1,625,600.00	1,625,600.00	1,625,600.00	1,625,600.00
Employee benefit obligation	8,356,771.60	8,117,813.80	8,356,771.60	8,117,813.80
Benefits from accumulated tax loss	5,600,000.00	4,000,000.00	5,600,000.00	4,000,000.00
Provision for long-term demolition	800,000.00	800,000.00	800,000.00	800,000.00
Total	16,382,371.60	14,543,413.80	16,382,371.60	14,543,413.80
Deferred income tax liabilities				
Investment in marketable securities	(130,212.10)	(340,722.16)	(124,125.00)	(340,722.16)
Total	(130,212.10)	(340,722.16)	(124,125.00)	(340,722.16)

## 17. REGISTER SHARE CAPITAL

On February 4, 2014 the Board of Directors' Meeting No.2/2014 has resolved to the Capital Increase totaling Baht 56,250,000, from the registered capital of Baht 56,250,000 to Baht 112,500,000, by issuing 11,250,000 ordinary shares at Baht 5 par value to propose the Company existing shareholders. The resolution has been approved by the Extraordinary Shareholders' Meeting No.2/2014 held on March 6, 2014. The Company registered the capital increasing resolution to the Ministry of Commerce on March 10, 2014 and registered the paid up increasing share capital to the Ministry of Commerce on April 18, 2014.

## 18. LEGAL RESERVE

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

## 19. EXPENSES BY NATURE

The significant expenses classified by nature for the year ended December 31, 2014 and 2013 are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Salary, wage and other employee benefits	264,139,848.06	254,041,105.68	183,372,427.46	191,567,079.37
Depreciation and amortization	10,327,061.65	9,965,029.38	8,558,782.31	8,976,849.13
Rental expenses from operating lease agreements	32,969,772.38	32,735,251.94	18,672,210.00	17,840,908.68
Consulting and management fees	33,635,051.49	24,781,127.43	27,122,026.72	18,674,611.46

## 20. FINANCIAL INFORMATION BY SEGMENT

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

The financial information of the Company and its subsidiaries by geographical segment, for the year ended December 31, 2014 and 2013 are as follow:

(Unit : Million Baht)

	For the year ended December 31					
	Thailand		Overseas		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013
Commission and service income	316	288	86	92	402	380
Cost of services	(122)	(109)	(41)	(35)	(163)	(144)
Segment profit	194	179	45	57	239	236
Unallocated income (expenses):						
Other income					8	8
Administrative expenses					(177)	(177)
Directors and management's remunerations					(61)	(62)
Financial cost					(2)	(2)
Income tax expense					(8)	5
Profit (Loss) for the years					(1)	8

Transfer prices between business segments of the Company and its subsidiaries are as set out in note 2.6 to the financial statements.

Major customer information

In the year 2014 the Company has earned from 32 major customers from Thailand and Overseas operating segment amounting to Baht 377 million.

## 21. PROVIDENT FUND

The Company and its employees agreed to establish employees' provident fund under authorization from Ministry of Finance as per provident fund legislation 1987. This provident fund is comprised of a portion of 5% from employee's salary and a portion that is contributed at the same amount from company. Employees entitle to receive money from the provident fund if he/she resign and comply with its regulation. The provident fund is managed by MFC Asset Management Public Company Limited. The Company contributed to the fund for the year ended December 31, 2014 and 2013 amounting to Baht 5.30 million and Baht 4.02 million respectively.

## 22. COMMITMENTS AND CONTINGENT LIABILITIES

### 22.1 OPERATING LEASE COMMITMENTS

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

As at December 31, 2014, the future minimum rentals payable under these non-cancellable operating lease contracts of the Company and its subsidiaries are as follows:

(Unit: Million Baht)		
Payable within	Consolidated financial statements	Separate financial statements
1 year	22	17
2 - 3 years	55	54

### 22.2 GUARANTEE

As at December 31, 2014, there were outstanding bank guarantees of approximately Baht 4.9 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 4.8 million to guarantee payments due to creditors, and Baht 0.1 million to guarantee the electricity usage.

In addition, the Company has overdraft with bank amounting to Baht 46.5 million which guarantee by fixed deposit. However, the Company has not used the overdraft.

### 22.3 OTHER SERVICE COMMITMENTS

The Company has entered into several agreements with a related party and non-related parties, whereby it receives certain services related to marketing and corporate business. These agreements have terms of 1 to 2 years. As at December 31, 2014 and 2013, the Company has outstanding service fee commitments totaling Baht 12 million and Baht 9 million respectively.



**23. EVENTS AFTER THE REPORTING**

In February 2015, CSF Limited which registered in Hong Kong had a resolution of shareholder's meeting to increase share capital in 845,520 ordinary shares at a par value of HKD 1 per share. After the increased share capital, CSF Limited has total shares in 1,545,520 shares. The Company had an increased investment in 507,312 ordinary shares at a par value HKD 1 per share of a total of HKD 507,312 or approximately Baht 2.14 million. However, the Company's investment still represents 60 percent of the registered capital of such company.

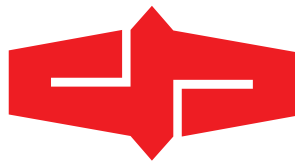
As at January 5, 2015, the Company had disemploy an employee and made completely payment of compensation base on regulation of labor law. Later on January 12, 2015, the employee filled a case to lawsuit to request the Company for additional payment of compensation Baht 200,000. Presently, the case is negotiating.

**24. DIVIDENDS**

Dividends	Approved by	Total Dividends (Baht)	Dividend per share (Baht per Share)
Final dividends for the year 2012	Annual General Meeting of the shareholder on April 26, 2013	3,375,000	0.3
Final dividends for the year 2013	Annual General Meeting of the shareholder on April 30, 2014	12,375,000	1.1

**25. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved by the board of directors of the Company on February 27, 2014.



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Chuo Senko (Thailand) Public Co., Ltd.  
18th Fl., Emporium Tower 622 Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110  
Tel : (662)-664-9700 fax : (662)664-9720-21  
[www.chuosenko.co.th](http://www.chuosenko.co.th)