

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
AND
INDEPENDENT AUDITOR'S REPORT

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

A.M.T. & ASSOCIATES

Bangkok, Thailand

February 27, 2015

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

| | | BAHT | | | |
|---------------------------------------|-------------|----------------------------------|-------------------|-------------------------------|-------------------|
| | | Consolidated Financial Statement | | Separated Financial Statement | |
| | <i>NOTE</i> | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| <u>ASSETS</u> | | | | | |
| CURRENT ASSETS | | | | | |
| 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 |
| NON-CURRENT ASSETS | | | | | |
| 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 an integral part of these financial statements.

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

| | | BAHT | | | |
|---------------------------------------------|----------------------------------------------------|----------------------------------|-------------------|-------------------------------|-------------------|
| | | Consolidated Financial Statement | | Separated Financial Statement | |
| <i>NOTE</i> | | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | | | | |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | | | | | |
| | | 200,973,012.63 | 201,369,864.64 | 103,764,122.17 | 114,105,019.43 |
| | Trade payables - others | | | | |
| | - related companies | 2.4 | - | 532,684.95 | 735,591.83 |
| | Other payables - others | 12 | 17,147,745.00 | 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 | 57,589,903.26 | 241,927,468.67 |
| | Accrued costs | | 17,363,559.46 | 5,875,006.45 | 2,046,281.12 |
| | Current portion of liabilities under financial | | | | |
| | lease agreements | 14 | 2,448,832.03 | 1,894,419.08 | 1,748,732.97 |
| | Corporate income tax payable | | 32,488.33 | - | - |
| | Other current liabilities | 13 | 23,190,582.94 | 11,458,864.78 | 11,476,758.61 |
| | Total current liabilities | | 336,738,719.93 | 190,680,992.21 | 382,781,280.18 |
| NON-CURRENT LIABILITIES | | | | | |
| | Convertible Bond | | 807,063.38 | - | - |
| | Liabilities under financial lease agreements - net | 14 | 4,795,148.65 | 4,795,148.65 | 5,647,606.32 |
| | Employee benefit obligations | 15 | 41,783,858.01 | 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 |
| | Deferred income tax liabilities | 16.4 | 130,212.10 | 124,125.00 | 340,722.16 |
| | Other non-current liabilities | | 42,376.60 | 42,376.61 | 41,807.21 |
| | Total non-current liabilities | | 51,558,658.74 | 50,745,508.27 | 50,619,204.68 |
| | Total liabilities | | 388,297,378.67 | 241,426,500.48 | 433,400,484.86 |

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

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

| | | BAHT | | | |
|--------------------------------------------|----|----------------------------------|-------------------|-------------------------------|-------------------|
| | | Consolidated Financial Statement | | Separated Financial Statement | |
| <i>NOTE</i> | | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| SHAREHOLDERS' EQUITY | | | | | |
| Share capital - Baht 5 each | | | | | |
| Registered | | | | | |
| | | 112,500,000.00 | | 112,500,000.00 | |
| Ordinary share 22,500,000 shares | 17 | | | | |
| 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 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 571,926,200.36 | 690,720,107.72 | 462,458,119.66 | 579,006,575.28 |

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

Sign _____ Director

Sign _____ Director

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

| BAHT | | | | | | | | | | | |
|----------------------------------------------|------------------------------------|--------------------------|------------------------------|-----------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------|--------------------------|-----------------|
| CONSOLIDATED FINANCIAL STATEMENT | | | | | | | | | | | |
| Notes | Retained earnings (Deficit) | | | | Other components of equity | | | | | | |
| | Issued and paid - up share capital | Premium on capital share | Appropriated - Legal reserve | Unappropriated | Other comprehensive income (loss) | | | | | | |
| | | | | | Exchange differences on translation of financial statements | Gain (loss) on actuarial assumptions | Gain (loss) on changes in value of 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) | - | 1,186,979.17 | (5,996,343.83) | 124,768,378.17 | 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) | 4,848,293.12 | (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) | - | 1,362,888.85 | (5,144,676.44) | 134,281,119.69 | (422,683.67) | 133,858,436.02 |
| 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) | - | 1,362,888.85 | (5,144,676.44) | 134,281,119.69 | (422,683.67) | 133,858,436.02 |
| 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) | - | (866,388.85) | (2,456,258.16) | 10,805,679.03 | (14,696,707.50) | (3,891,028.47) |
| 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 | 48,104,523.32 | (8,097,434.60) | - | 496,500.00 | (7,600,934.60) | 188,966,088.72 | (5,337,267.03) | 183,628,821.69 |

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

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

BAHT

SEPARATED FINANCIAL STATEMENT

| | <i>Notes</i> | Retained earnings (Deficit) | | | | Other components of equity | | | | |
|----------------------------------------------|--------------|------------------------------------------|-----------------------------|----------------|-----------------|-----------------------------------------|-----------------------------------------------------|---------------------------------------|----------------------------------|---------------------------------------------------------|
| | | Issued and paid - up share capital | Premium on capital share | Appropriated - | | Gain (loss) on actuarial assumptions | Other comprehensive income (loss) | | Total shareholders' equity | |
| | | | | Legal reserve | Unappropriated | | Gain (loss) on available-for-sale investments | Gain (loss) on changes in value of | | Total other components of shareholders' equity |
| | | | | | | | | | Total shareholders' equity | |
| 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 | | - | - | - | 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 | 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 an integral part of these financial statements.

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

| | | BAHT | | | |
|-------------------------------------------------------------------|------|----------------------------------|-----------------|---------------------------------|-----------------|
| | | Consolidated Financial Statement | | Separated Financial Statement | |
| | | For the years ended December 31 | | For the years ended December 31 | |
| | NOTE | 2014 | 2013 | 2014 | 2013 |
| REVENUE | | | | | |
| 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 |
| EXPENSES | | | | | |
| 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) |
| NET PROFIT (LOSS) FOR THE YEARS | | (1,434,770.31) | 8,143,477.50 | 32,412,627.61 | 39,356,045.22 |
| Comprehensive income (loss) for the years | | | | | |
| 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 |
| Total income (loss) attributable to | | | | | |
| 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) | - | - |
| Total comprehensive income (loss) attributable to | | | | | |
| 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) | - | - |
| BASIC EARNING (LOSS) PER SHARE | | | | | |
| 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 an integral part of these financial statements.

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR 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 |
| CASH FLOWS FROM OPERATING ACTIVITIES : | | | | |
| 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) |

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR 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 |
| CASH FLOWS FROM INVESTING ACTIVITIES : | | | | |
| 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) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| 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 an integral part of these financial statements.

CHUO SENKO (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR YEAR 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

- TFRS2 Share - Based Payments (revised 2012)
- TFRS3 Business Combinations (revised 2012)
- TFRS5 Non - current Assets Held for Sale and Discontinued Operations (revised 2012)
- TFRS8 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

| | <u>Year effective</u> |
|---------------------------------------------------------------------------------------------------|-----------------------|
| 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 |

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 |

| | <u>Year effective</u> |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 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:

| | <u>Useful lives</u> |
|-------------------------------------|---------------------|
| 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 |
| 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 |

| Company | Type of business | Country of incorporation | Shareholding (%) | |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------|------------------|------|
| | | | 2014 | 2013 |
| 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 <u>TRADE RECEIVABLES</u> | | | | |
| Trade receivables - Subsidiaries | - | - | 5,413,617.23 | 5,030,966.17 |
| Less : Allowance for doubtful debt | | | (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 – 12 months | - | - | 1,502,054.00 | - |
| Over 12 months | - | - | 2,276,555.95 | 3,430,092.21 |
| Total | - | - | 5,413,617.22 | 5,030,966.17 |
| <u>Less</u> 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 |
| <u>Less</u> 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 | |
| <u>Less</u> : 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 | |

| | 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 |
| 2.4 TRADE PAYABLES | | | | |
| RDSS Co., Ltd. | - | - | - | 149,800.00 |
| Digital DNA Co., Ltd | - | - | 532,684.95 | 585,791.83 |
| Total | - | - | 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 |
| 2.5 OTHER PAYABLES | | | | |
| 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 |
| Total | 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:

(Unit : Thousand Baht)

| | For the year ended December 31, | | | | Inter-companies pricing policy |
|-------------------------------------------------|---------------------------------|-------------|-------------------------------|-------------|---------------------------------------------------|
| | Consolidated financial | | Separate financial statements | | |
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | |
| <u>Trading transactions with subsidiaries</u> | | | | | |
| Commission and advertising production income | - | - | 4,559 | 11,568 | Cost plus marginal profit |
| 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. |
| Consulting and management fee | - | - | - | 1,117 | At the agreed price |
| Other expenses | - | - | 3,532 | 1,158 | At the agreed price |

| | For the year ended December 31, | | | | |
|-------------------------------------------|---------------------------------|-------------|-------------------------------|-------------|--------------------------------|
| | Consolidated financial | | Separate financial statements | | Inter-companies pricing policy |
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | |
| <u>Trading transactions with related</u> | | | | | |
| <u>Companies and related person</u> | | | | | |
| 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, | | | |
| | 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 |
| <u>Less : Allowance for doubtful</u> | | | | |
| 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 |
| <u>Less : Allowance for-doubtful</u> | (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 |
| Total | 12,034,175.74 | 14,543,625.18 | 6,599,086.21 | 6,351,150.32 |

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 | Million Baht | | | | | | | |
|------------------------------------------------------------|--------------------------|-----------------------------------|------------|-----------------------------------|------------|----------------------------------|------------|----------------|------------|
| | | Paid-up capital (Million Baht) | | Proportion of shareholding (%) | | Investment in subsidiary company | | | |
| | | | | | | 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. ¹⁾ | 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 Services One Member Co., Ltd. | Vietnam | 22 | 22 | 100 | 100 | 16 | 16 | 11.60 | 21.06 |
| Chuo Senko (Cambodia) Holding Co., Ltd. | Cambodia | - | - | 100 | 100 | - | - | 3.16 | 1.91 |
| JM Chuo Senko Sdn. Bhd. ¹⁾ | 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 | 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 | - |
| Total | | | | | | 114 | 83 | | |
| Less: Loss on impairment of investments in subsidiaries | | | | | | (22) | (19) | | |
| Total investments in subsidiaries - net | | | | | | 92 | 64 | | |

¹⁾ 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 1st, 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 3rd 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 1st, 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 additional 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 12th, 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 25th, 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 | - |

A.M.T. & Associates

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 |
| <u>Cost</u> | | | | | | |
| 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 |
| <u>Less Accumulated Amortization</u> | | | | | | |
| 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 | - | - |
| Total | 23,190,582.94 | 21,426,410.97 | 11,458,864.78 | 11,476,758.61 |

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 |
| <u>Less: Deferred interest</u> | <u>(584,077.12)</u> | <u>(915,932.30)</u> | <u>(566,566.76)</u> | <u>(821,552.45)</u> |
| Total | 7,243,980.68 | 8,686,947.05 | 6,689,567.73 | 7,396,339.29 |
| <u>Less: Current portion</u> | <u>(2,752,836.72)</u> | <u>(2,421,412.95)</u> | <u>(2,180,913.41)</u> | <u>(1,748,732.97)</u> |
| Liabilities under financial lease agreements | 4,491,143.96 | 6,265,534.10 | 4,508,654.32 | 5,647,606.32 |

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 | | |
| | Deferred | | | Deferred | | |
| | Principal | interest paid | Total | Principal | 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 |
| Total | 7,243,980.68 | 584,077.12 | 7,828,057.80 | 8,686,947.05 | 915,932.30 | 9,602,879.35 |

| | BAHT | | | | | |
|----------------------------------|-------------------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
| | Separate financial statements | | | | | |
| | December 31, 2014 | | | December 31, 2013 | | |
| | Deferred | | | Deferred | | |
| | Principal | interest paid | Total | Principal | 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 | <u>6,689,567.73</u> | <u>566,566.76</u> | <u>7,256,134.49</u> | <u>7,396,339.29</u> | <u>821,552.45</u> | <u>8,217,891.74</u> |

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 | <u>3</u> | <u>5</u> | <u>8</u> |

| | (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 | <u>3</u> | <u>7</u> | <u>10</u> |

(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 | | |
| | Other long-term | | | Other long-term | | |
| | Severance benefits | employees benefits | Total | Severance benefits | employees benefits | Total |
| Employee benefits obligation at beginning of years | 31,689,162.0 | 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 | For the year ended |
| | December 31, 2014 | 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 |
| Employee turnover rate (depending on age range) | 13.0 - 27.0 | 13.0 - 27.0 |

* 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 |
| <u>Deferred income tax assets</u> | | | | |
| Allowance for impairment of | | | | |
| - 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 |
| <u>Deferred income tax liabilities</u> | | | | |
| 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 4th, 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 6th, 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 | |
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Commission and service income | 316 | 288 | 86 | 92 | 402 | 380 |
| Cost of services | (122) | (109) | (41) | (35) | (163) | (144) |
| Segment profit | <u>194</u> | <u>179</u> | <u>45</u> | <u>57</u> | <u>239</u> | <u>236</u> |
| Unallocated income (expenses): | | | | | | |
| Other income | | | | | 8 | 8 |
| Administrative expenses | | | | | (177) | (177) |
| Directors and management's | | | | | (61) | (62) |
| Financial cost | | | | | (2) | (2) |
| Income tax expense | | | | | (8) | 5 |
| Profit (Loss) for the years | | | | | <u>(1)</u> | <u>8</u> |

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:

| | <i>(Unit: Million Baht)</i> | |
|-----------------------|-----------------------------|-----------------------------|
| | Consolidated | Separate |
| <u>Payable within</u> | <u>financial statements</u> | <u>financial statements</u> |
| 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 5th, 2015, the Company had disemploy an employee and made completely payment of compensation base on regulation of labor law. Later on January 12th, 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

| <u>Dividends</u> | <u>Approved by</u> | <u>Total Dividends</u> (Baht) | <u>Dividend per share</u> (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.