

รายงานประจำปี 2559

**ANNUAL  
REPORT**

**2016**

**L E A**

**LEADING  
EXPLORATIVE  
ADVERTISING &  
DIGITAL**



บริษัท ปรกิต โฮลดิ้งส์ จำกัด (มหาชน)  
Prakit Holdings Public Company Limited.

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## **Board of Directors' Report to the Shareholders**

Thailand's economy in 2016 was still in recession, following the previous year, when the global economy was not as active as expected, especially in the European Union (EU). There was no unity among the EU member countries like Great Britain who wanted to exit from the European Union (Brexit). Many other countries had a tendency to follow suit. This caused a lack of unity in solving the European economic problems, which resulted in a weakening economy. It was only the US whose economy seemed to be slightly better. Other powerful countries in Asia such as China, Japan and South Korea are still holding steady. All this has had some negative effects on Thailand, (whose GDP mainly depends on exports), by as much as 70% because exports from Thailand in 2016 did not increase. In fact there was 0% growth when compared to 2015. However, the Thai government had invested and developed significantly in infrastructure, particularly in transport and communication, which are able to stimulate the economy to some extent. Meanwhile in 2016, the tourism sector, which has brought a lot of revenue into the country for many years, generated revenue of 2.5 billion baht and maintained a growth rate of 11.1%. Some 32 million tourists visited Thailand that year, making our country the world's Number One tourist destination. We believe it will continue to generate strong income for Thailand long into the future.

As for the advertising industry in Thailand, 2016 was yet another year that suffered from recession. The ad spend in 2016 amounted to 107.9 billion baht marking a slump of 11.7%. This was because the economy was still inactive, forcing both global and local companies to slash their advertising and marketing budgets. This reflected in a slowdown situation coupled with the departure of our Great King in October 2016. Thai people were saddened and were in no mood to be amused or entertained. This situation was sustained over the last three months of 2016. The marketing of many products and services came to a halt, which caused the advertising industry to plunge to its lowest point. Our company's advertising business in the first nine months of 2016 was almost the same as in 2015, but, like others, was heavily affected in the last quarter. Yet, we could make a profit of about 59 million baht, which we considered an admirable effort given the situation we faced. As for the construction of our "Ruam Chai Raks" hospital project in collaboration with Saha Union Pcl, it is in the final stage of a request for Environmental Impact Assignment (EIA) approval. The result is expected to be known soon. Once we have approval, we will start our construction immediately. It will take about 3 years to complete the project.

For the dividend payment of this year (2016), which will take place in May, our company's committee has made the following resolutions:

1. No need to set aside cash reserves for further legal requirements as they have all been met.

2. Pay out dividend in stock up to a total of 5,495,480 shares at a par value of 1 baht per share to the shareholders at a ratio of 10 old shares to 1 dividend share, up to a maximum total of 5,495,480.00 baht. This is equal to a dividend of 0.10 baht per share. In the case that there is any remaining share after the dividend payout, the cash will be paid (instead of stock) at 0.10 baht per share.
3. Pay dividend in cash at 0.10 baht per share for a total amount of no more than 5,495,480.00 baht.

So, the total dividend payment both in cash and stock will be 0.20 baht per share, for a total amount of approximately 11 million baht. We will deduct withholding tax from the total dividend amount in accordance with the law. The withholding tax will be paid in cash.

The reason why the company's committee has decided to pay the dividend in stock is because we currently have registered our capital at 60 million shares, however in November 2016 we reduced our capital by over 5 million shares, making the circulated shares less than the 60 million shares as registered. Secondly, we had to return benefits to the shareholders, who mainly held shares for long-term, as well as satisfying them with our regular annual dividend payment to have more shares at a ratio of 10 to 1. In 2014 we bought back the stock from FCB of America at 13.70 baht per share which was equal to the book value at that time. But on December 31, 2016, our net asset per share was 15.48 baht (at a par value of 1 baht), resulting in the cost of company's dividend this year to be 1.47 baht per share.

As for the prospects of Thailand's advertising business, we expect the advertising industry this year will pick up following the projection of Thailand's economic growth of 3.5% - 4.00%, since the government has invested a lot in infrastructure, together with a consistently robust tourism industry. The exports in January and February 2016 have also picked up. Our group of companies has good signs of growth, especially from the second quarter of 2017 onwards. We believe that our company's performance in 2017 will certainly be better than last year.



(Prakit Apisarnthanarax)

Chairman of the Board of Directors

## Audit Committee Report

The Audit Committee was appointed by the Board of Directors. The Audit Committee comprised of Dr.Pichai Charnsupharindr, Chairman; and Dr.Manoon Pahirah and Mr.Sommanous Na Bangchang, Members.

The Audit Committee performed its duties and responsibilities as assigned by the Board of Directors. This year, the Audit Committee held 4 meetings to review with the Management and the external auditor as summarized below:

### 1. Review of financial reports

The Audit Committee reviewed quarterly, annual, and consolidated financial statements. All adequate information in connection with the related transaction had been disclosed and complied with accounting standard under generally accepted accounting principles. Each year the Audit Committee and the external auditor held a meeting without the Management.

### 2. Review of internal control

The Audit Committee reviewed the internal control of the Company and agreed that the internal control system was adequate and effective for the type of business. Moreover, the Audit Committee proposed to the Board of Directors the setting up of an internal audit section for improving its internal control standard. The Board of Directors considered and approved the hiring of an internal auditor effective from year 2017.

### 3. Review of risk management

The Audit Committee reviewed the Company's risk management policy, management plan and operations and discussed with Management the area where risk might occur and preventive measure that could be applied.

### 4. Appointment of the external auditor for 2017

The Audit Committee selected Bunchikij Co.,Ltd. as the Company's external auditor for the year 2017, and proposed as auditors, Mr.Pornchai Kittipanya-ngam, and/or Mrs.Suwanee Kittipanya-ngam, and/or Mr.Thanakorn Fakfaipol of Bunchikij Co. Ltd. They would be proposed to the Annual General Meeting for approval.



Pichai Charnsupharindr, Ph.D.

Chairman

Audit Committee

## **1. POLICY AND BUSINESS OVERVIEW**

### **1.1 Vision and Mission of the Company**

Vision: Growing Together

The Company grew up in advertising industry together with the stakeholders.

Mission: The greatest assets are our people.

- Our people's talents create great value to our clients,
- Works we produce add value to the stakeholders and the community at large.
- These values flow through everything we do, it allows us all to prosper in a synergistic manner.
- Operating our business with good governance, anti-corruption and responsible for stakeholders and society.

### **1.2 Significant changes and developments**

In the year 1978, the Company started off (registered) as an advertising company under the name "Prakit & Associates Company Limited" with Mr. Prakit Apisarnthanarak as the founder. Afterward, the Company joint-invested with Foote, Cone & Belding International Corp. (FCB) which then was the top three advertising agency in the USA and set up new company namely "Prakit and FCB Company Limited" in 1986, became a Public Company in 1992 and the Company was listed in the Stock Exchange of Thailand (SET) in 1993.

In 1999, the Company registered the new name as Prakit Holdings Public Company Limited and stepping into

1. Investment in subsidiaries, associated and other companies.
2. Providing management service, consultancy for accounting, finances and other services for group of companies and other companies.
3. Providing media strategic planning and operating as a media buying agent.

As well as subsidiaries and associated companies provides advertising materials and other advertising concerned.

## Significant changes and developments

- April 2011** Approving the increased paid-up capital of the Company from the existing 59,484,000 shares to 60,000,000 shares to senior executives (including any senior executive who are directors) of the Company and its subsidiaries under the ESOP Scheme.
- January 2014** Approving the investment amounted USD 22,500 in Prakit Advertising Co., Ltd. in Myanmar or 90% of issued shares of the Company.
- March 2014** Approving the Share Repurchase Program for Financial Management Purposes, of which the budget is not exceeding Baht 79,460,000. The Company will repurchase up to 5,800,000 shares, representing 9.67% of the issued 60,000,000 shares of the Company.
- April 2014** Changing in major shareholding structure of the Company as IPG Group (FCB) which held 14,800,000 shares or 24.67% of the Company's issued shares sold its shares. Yet after transaction completed, there was not any new shareholder possessed more than 5% of issued shares of the Company.
- The period of the sale of the repurchased shares will be from January 4, 2016 to 18 November 2016 by selling the repurchased share on The Stock Exchange of Thailand.
- July 2014** Changing the Company's Securities Symbol from P-FCB to PRAKIT.
- October 2014** Approving Prakit Advertising Limited (a subsidiary) to invest in the new company named "Bangkok Writer and Partners Limited".
- July: 2015** 1. Approving the Company to acquisition 7,500 ordinary shares and purchase 2,992,500 newly issued ordinary shares with a par

value of Baht 100.00 per share at the price of paid-up capital of Baht 100.00 per share in Sukhumvit 62 Medical Limited. “Medical”, a total 3,000,000 shares or 300 million Baht, or 35.41 percent of registration shares of “Medical”.

2. Approving to the sale of land, (7 deeds), comprising a total area of 3 rai, 1 ngarn and 54 square wah at Soi Sukhumvit 62, Sukhumvit road, Bangchak, Pra Khnong, Bangkok to Sukumvit 62 Medical Limited at an agreed the total purchase price of 250.3 million Baht.

**November 2016** Approve to written off treasury stocks and decrease the registered and paid up capital by written off the 5,045,200 unsold treasury stocks. After the capital decrease, the paid up share of the Company will amount to Baht 54,954,800 divided into 54,954,800 shares at a par value of Baht 1.00 each.

### 1.3 Structure of the Shareholding in the Company

Company and the Group of Companies operate advertising and public relations which is highly competitive with rapid communication development and changes. It is essential, therefore, to have very experienced persons who can deliver maxiized benefits in all perspective to clients. The company arranged the types of business to fit with the expertise of human resource in the group of companies.

#### Operational Policy for the group of companies

Advertising and Public Relations which are highly competitive with rapid communication development. It is essential, therefore, to have very experienced persons in specific fields to deliver maximized benefits in all perspective to clients. The company arranged the types of business to fit with the expertise of human resource in the group of companies.



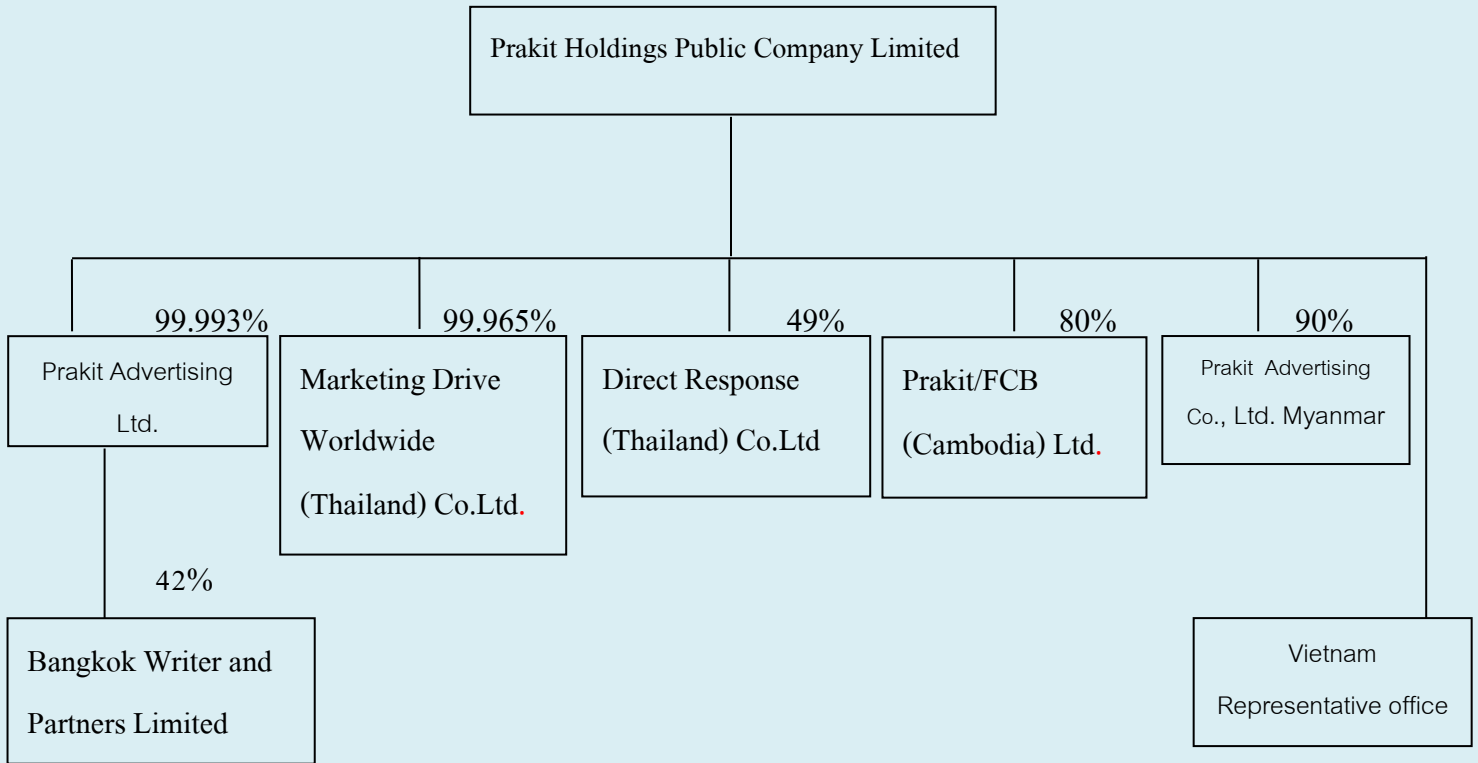
1. Media strategic planning and media broker. These jobs need experienced persons to handle. The Company provides services for every company in the group in buying all media at the best cost for clients.
2. Providing advertisement materials, the process of works starts from strategic planning who develops strategy so that creative teams can create works that answer to the planned strategy. Subsidiary companies will be responsible for the said creation while account management teams will bridge creative people with strategic, media and clients, making sure that the whole process will go smooth, fast and successful as planned.
3. Direct advertising (event) covers special marketing activities which better reach target consumer, enabling them to make decision to buy client's service or products. There are various types of activities, such as, new product launches, exhibitions, road show and product sampling.  
  
It is necessary that we had specialist team who could get things done within time limit and workaround to bring success to the activities.
4. Public Relation - The nature of this business is to get across the activities and development of clients to consumers. Public Relation is a very effective channel for the job. The Company must have good connection with PR persons of all media for such activities as press conference, press release, etc.
5. As for business in Indo-China, the office in each country will take charge of all types of work in cooperation with the specialist local companies.

#### Summary of Associated and Subsidiary Companies

1. Prakit Advertising Limited	Company's share	99.993%
2. Marketing Drive Worldwide (Thailand) Ltd.	Company's share	99.965%
3. Prakit/FCB (Cambodia) Ltd.	Company's share	80%
4. Prakit Advertising Co., Ltd (Myanmar)	Company's share	90%
5. Direct Response (Thailand) Co., Ltd.	Company's share	49%

Besides, Prakt Advertising Limited invested in the new company named “Bangkok Writer and Partners Limited” with 42% share.

Besides, Prakt Advertising Limited which is the subsidiary of the Company held 42% share of Bangkok Writer and Partners Limited.



Note :

1. Direct Response (Thailand) Company Limited of which 51% shares are held by Miss Pavinee Apisarnthanarax and Mr. Anucha Apisarnthanarax. Both are authorized Directors of Direct Response (Thailand) Company Limited.
2. Prakt/FCB (Cambodia) Ltd. with 20% shares held by 2 Thais, each has 10% shares and are not related parties of the Company.
3. Prakt Advertising Limited (Myanmar) with 10% shares held by 1 Thai who is not related party of the Company

4. Bangkok Writer and Partners Limited with 58% shares held by

- Mr. Apirak Apisarnthanarak (Company's Managing director) 8%
- Mrs.Thanaporn Boonyangyuen 20%
- Mrs. Phanita Chaichanavitchakit 5%
- Mr. Ratrong Srilert 25%

Mrs.Thanaporn Boonyangyuen, Mrs. Panita Chaichanavitchakit and Mr. Ratrong Srilert are not related persons nor have conflict of interest in the company.

## 2. Type of business

### 2.1 Revenue structure

Revenue structure of Company and subsidiaries-to financial budget (of) from 2014-2016

Product line	Operate by	%of share	2016 Revenue'000	%	2015 Revenue'000	%	2014 Revenue'000	%
1.Revenue from media planning and buying brokerage	Prakit Holdings PCL.	-	81,511	20.20	100,497	20.62	77,783	21.29
	Prakit Advertising Co.,Ltd.	99.99	54,167	13.42	60,152	12.34	54,418	14.89
	And subsidiaries.		2,472	0.61	392	0.08	716	0.20
			138,150	34.23	161,041	33.04	132,917	36.38
2. Revenue from product advertisement	Prakit Holdings PCL.	-	90,451	22.41	66,621	13.67	75,630	20.70
	Prakit Advertising Co.,Ltd.	99.99	100,944	25.01	91,730	18.81	100,726	27.57
	Associated and subsidiaries		8,553	2.12	2,127	0.44	-	-
			199,948	49.54	160,478	32.92	176,356	48.27
3. Revenue from public Relation and Direct Advertising	Marketing Drive Worldwide (Thailand) Co.,Ltd.	99.96	29,446	7.30	47,288	9.70	32,645	8.94
			29,446	7.30	47,288	9.70	32,645	8.94
4. Revenue from other investments	Prakit Holdings PCL.	-	26,767	6.63	12,100	2.48	19,387	5.31
	Prakit Advertising Co.,Ltd.	99.99	7,818	1.94	2,718	0.56	3,572	0.98
	And subsidiaries.		1,450	0.36	307	0.06	436	0.12
			36,035	8.93	15,125	3.10	23,395	6.41
5. Revenue from selling property for investment.	Prakit Holdings PCL.	35.41	-	-	103,538	21.24	-	-
	total		403,579	100.00	487,470	100.00	365,313	100.00

## 2.2 Product types of the Company, subsidiaries, and affiliates.

a) Providing media strategic planning and operating as a media buying agent.

### **Product types**

Media strategic planning and media buying is responsible by the Media Department who will study clients' products before effectively planning and buying as planned. After client's approval, media team who act as client's agent will contact TV channels, digital TV, program producers, print medium, sign board or billboard and others for buying. Company charges brokerage (Agency commission) from media buying.

### **Market and competition**

The Company provides media strategic planning and is a medium size media buying agent in the industry. The main used is TV commercial because of the price rate. Company must have solid connection with business partners in order to get ads-rate that satisfies clients.

New media, especially online media, can effectively reach consumer. Thus the Company has to monitor all the consumer behavior changes in order to recommend the best of interest for clients.

b) Producing all types of advertising.

### **Product types**

Production of TV commercials, Web TV, all print materials, radio spots and else.

With the following units, Company creates ad works that will effectively impact customers:

### Strategic planning

The insight, target consumer's behavior analysis and all the factors that affected their decision procedure will be utilized for strategic and marketing communication plan. There are 5 steps of operation starting from learning – understanding – triggering of idea – crafting the idea to get access to consumer – last but not least is turning the idea into clever and tangible piece of work.

### Creative Department

From the strategic plan, Creative team will create and present alternative advertising concepts for clients to choose from. Option which clients deem spotting on to consumers will be developed into completion.

### **Market and competition**

The growth of advertising industry largely depends on national economy. If the economy is good, budget allocation from client is high hence advertising business will glow. On the contrary, if and when economy struggles, client will reduce advertising budget which will badly impact advertising business. For the utmost effectiveness, Company has to propose holistic integrated advertising plan which is in line with client's marketing plan for the product.

Drastic competition is going on in advertising business such as cutting service fee to earn the job. Good advertising that bring success to clients is a factor which keep them with us. The Company maintains solid relationship to keep current clients as well as expanding new client base.

The following is how to win new clients:

#### 1) Acquiring through pitching

The company has been invited to enter new business pitches against other agencies. The winner will be awarded the handling of advertising production and planning for clients.

#### 2) Acquiring through personal relationship of the management.

After over 20 years in the business - with a number of widely recognized works – with the ingenuity of the Company's Directors and executive management who has broad personal connection with people in various industries, all of which enhance client base for the Company.

#### 3) Contact potential clients

The Company directly contacts potential clients to make presentation of credential and portfolio. The Company will start to work on details for further step if clients show interest.

### 2.3 Providing products and services

There are 3 types of products and services affiliated and subsidiary companies produce:

- Print materials
- TV commercials
- Radio spots

#### 1. Producing Print materials

Print materials mean advertising in press, magazines, journal, leaflet, pamphlet including signs of internal and external of the building. Print materials include billboard, bus side, in-bus ad, sky train, train, bus shelter, in the air terminal and etc.

Productions vary in term of technique. Publishing technology for press ad is different from other materials which depend on the design and creation of visual and copy. Computer graphic is the technology utilized in creating layout for presentation. Until satisfying client, Company will proceed to artwork and advertisement which needs computerized technology and varieties of technique.

Such technology needs knowledgeable and experienced personnel, on-going development of human resource and equipment. Budget and time frame should be taken into serious consideration when working on print materials.

Ingenuity of personnel in each unit could be an issue when comes to print materials. Computer graphic experts must be able to efficiently solve problems arising without affecting on budget and timing.

#### 2. TV commercial production

A TV commercial, although, is 60 – 30 or 15 second length of time, it takes the least one month on production stage. It needs close cooperation between Creative and production teams, all of whom must profoundly understand the core of the work

and in all details before the production get started. Any mistake will cost the company.

#### Production steps of a TV commercial

1. Get to know the structure and story of the board thoroughly well among the teams which means both video and audio
2. Internal Pre-production is the preparation step which includes casting, location selection, props, wardrobe, etc. Decision in all items will be made before proceeding on to client.
3. Pre-production meeting is where and when Company and production house persons present all the details which has been agreed upon internally for client to acknowledge and approve. Any disapproval, Company will adjust for approval.
4. Shooting of commercial to cover all details as per agreed with client.
5. Post production is the step when the shot materials be cut to tell story, put special technique and sound to complete the commercial before aired.

Advertising agency will make sure that client will approve each and every of the 5 steps. Problems and obstacle arise during the production stage are details and budget control. With the length of 30 – 60 seconds, the production must cover all the planned details. Besides, with the long hours work and high budget, the Company must employ highly capable person in the field who has experience to select the right production company, who can take control in every step to avoid error. And most importantly is to control budget and ensure the production time frame as planned.

### 3 Producing radio spot

Although the production process of radio spot is not as complicated as TV commercial, it specially needs a sound expert titled as sound producer.



#### Production process for radio spot

1. Sound producer gets brief on the idea of the script from creative team and agree on the announcer for the script.
2. Sound recording of voice and sound effects.
3. Sound Mixing - the process of mixing of voice and sounds upon agreement.

Problems and obstacle of sound producing is that it needs a sound specialist who can recommend announcer suitable for the idea of the script and take control of the whole process.

#### Environmental friendly

As the Company's product is services, the issue of environmental friendly can be handled from within. Energy saving and recycling are a part of Company's policies which help cut operational cost.

#### 2.4 Non-handed over works

- None –

### **3. RISK FACTORS**

#### 3.1 Business risk

Advertising business faces the following risk factors:

1. Loss of principal clients. Under the current competitive situation, the Company and group of companies may lose all or part of the earning from principal clients which would significantly affect the company's revenue.

As such, the group of Companies has to put effort to get the opportunity to present ourselves to prospects.

Development of the staff must be carried on simultaneously in order to improve quality of works and services which will eventually win new clients.

2. The increase of TV channel and TV digital rate. There are occasional increases in media rate card which may decrease client's advertising volume. However, that does not

affect advertising budgets which have been planned beforehand. In addition, the increase on media rate card doesn't affect the agency income because agency commission is calculated from the agreed rate multiplied with cost of media billings.

3. The increase of production cost for advertising materials. The effect will be similar to the increase of media rate card.

4. The decrease of agency commission and service fee rate. Currently, the competition in advertising industry is so fierce as to cut the rate of agency and service fees. Inevitably, the Company has to cut down the afore-mentioned rate in order to maintain the existing clients as well as to acquire new ones. The associated and subsidiary companies will put effort in earning new business and revenue to make up for what was decreased. A policy to control costs and expenses is also in action.

5. The power of online media. Consumers find online media interesting, such as, FACEBOOK, INSTAGRAM, LINE, etc., consequently, online advertising expands rapidly. Company has to adjust to match consumer behavior changes or else media usage would not meet the objective for effectiveness as planned.

### 3.2 Legal Risk

At the moment, law enforcement on the prohibition of advertising on cigarette and alcoholic products is in action. The enforcement will be applied to other products sometimes in the future. It is fortunate that at present the associated and subsidiary companies do not service clients with prohibited products. But if there is any in the future, the group of companies will advise client to strictly comply to the law.

### 3.3 Personnel risk

Human resource is a key factor in advertising business. As a specialist in their field, they are very much sought after. Agency is at the risk of losing them any time.

Company realizes that our people are our greatest assets as mentioned in the Mission.

Thus, Agency implements policy to develop staffs with on-going trainings, arrange activities which strengthen relationship between the management and staffs. Last but not least is the provident fund scheme, zero-interest loan and etc.

#### 4. ASSETS USED FOR BUSINESS

##### 4.1 Fixed assets of the company and its subsidiary and associated companies

Land and building. The Company is located at 88 Soi Sukhumvit 62, 3rd intersection, Sukhumvit Road, Bangchak, Prakanong, Bangkok. This land and building belong to the Company and have been mortgaged to the Bangkok Bank Public Company Limited-Vibhawadi-rangsit Branch as collateral for a 30 million baht credit line for overdrafts facilities of its subsidiary and related companies.

Land The Company has 1 plot of land which is the land at Sukhumvit Soi 50 totaling 708 square wah has been leased out with 28 years contract of lease started from May 9, 2001 until September, 2029.

Value of land and building on land at December 31, 2016 is as follows:

(For company)	Baht
Land (At cost)	101,026,000.00
Land Improvement (At cost)	2,699,157.82
Building and improvement (At cost)	<u>95,032,072.93</u>
Total	198,757,230.75
<u>Less</u> Accumulated Depreciation	<u>68,670,946.08</u>
Net book Value	<u>130,086,284.67</u>

The subsidiaries and associated companies invested in many types of computer software for business operation.

##### 4.2 Investment policy in Associated and subsidiary companies

The Company invested in associated and subsidiary companies according to types of business and clients.

In addition, the Company invested in overseas locations of the associated and subsidiary companies as per the request of major clients in Thailand. Beyond that, it is the vision of the management for potentiality and opportunity.

Moreover, the Company has policy of expansion from the current advertising business, such as, providing marketing consultancy, packaging design, web design and web TV. All of which are the trend of today's advertising business.

The Company may diversify to other business if opportunity allows and with joint investor in order to generate long term returns to Company and shareholders.

#### 4.3 Valuation of assets

The plot of land which was above-mentioned in 4.1 and which is not where the Company situated on, was fairly and approximately valued by a valuation company at 125.32 million baht. (Financial Statement as at December 31, 2016 disclosed this fair value on the Notes of the financial statement no. 12 Investment property).

### **5. LEGAL CASES**

A subsidiary company took one of the clients to court case claiming an approximate amount of 8.0 million baht because of financial crisis. The two parties later on came to a compromise. Client agreed to pay on installment.

However this subsidiary has already accrued allowance for bad debt for this client.

### **6. GENERAL AND OTHER IMPORTANT INFORMATION**

#### 6.1 General information

Company name : Prakit Holdings Public Company Limited

Office address: 88 Soi Sukhumvit 62, 3rd intersection, Sukhumvit Road, Bangchak,  
Prakanong, Bangkok 10260, Thailand.

Company register no. 0107535000389

Telephone no. (662) 7153000

Facsimile no. (662) 3328522

Website : [www.prakit.com](http://www.prakit.com)

Registered capital : Ordinary share 94,438,800 shares of 1 Baht par value

Issued and fully paid up capital: 54,954,800.00 baht or 54,954,800 shares.

Type of business: Media strategic planning, media buying and invest in associated and subsidiary companies with advertising business or concerned, and other business types for the expansion of Company's business.

### **Summary of Associated and Subsidiary Company**

#### **Associated Companies**

##### (1) Detailed information about Direct Response (Thailand) Limited

Company Name : Direct Response (Thailand) Limited

Office address : 88 Soi Sukhumvit 62, Section 3, Sukhumvit Road, Bangchak, Prakanong, Bangkok.10260, Thailand.

Type of business: Direct advertising and Public Relation.

Type and amount of shares: Registered type of ordinary 2,000 shares of 1,000.00 baht par value, issue and fully paid up.

Number of shares held by the Company: Ordinary share of 980 shares which is 49% of issued and fully paid-up.

##### (2) Detailed information about Bangkok Writer and Partners Limited

Company name: Bangkok Writer and Partners Limited

Office address : 88 Soi Sukhumvit 62, 3rd intersection, Sukhumvit Road, Bangchak, Prakanong, Bangkok 10260, Thailand.

Type of business: Media strategic planning and media broker and creating advertisement, special events and Public Relation.

Type and amount of shares: Registered type of ordinary 100,000 shares of 100.00 baht par value, issued and fully paid up.

Number of shares held by the Company: Prakit Advertising Limited holds 42% of issued and fully paid-up shares or 42,000 shares.

(3) Detailed information about Sukhumvit 62 Medical Limited

Company name : Sukhumvit 62 Medical Limited  
Address : 77 Sukhumvit 62, Sukhumvit road, Bangchak  
Phra Khanong, Bangkok 10260  
Type of business : Private hospital  
Type and amount of shares: Ordinary share of 8,272,500 shares, par value of 100 Baht  
issued and paid up as follow  
1. Ordinary share of 100,000 shares – fully paid up.  
2. Ordinary share of 8,172,500 shares - 50% paid up.  
Number of shares held by the Company: Ordinary share of 3,000,000 shares at 35.41% of the  
issued shares with the following  
1. Ordinary share of 7,500 shares – fully paid up.  
2. Ordinary share of 2,992,500 shares - 50% paid up.

Subsidiary Companies

(1) Detailed information about Prakrit /FCB (Cambodia) Limited

Company Name: Prakrit /FCB (Cambodia) Limited  
Office address : No.11, St.430, Sangkat Phsar Doem Thkov, Khan Chamkarmorn,  
Phnom Penh, Cambodia.  
Type of business: Media broker and creating advertisement.  
Registered Share : Ordinary share 500 shares of US\$50.00 par value  
Number of shares held by the Company: Ordinary share 400 shares which is 80% of issued and  
fully paid-up.

(2) Detailed information about Prakrit Advertising Limited

Company name: Prakrit Advertising Limited  
Office address: 88 Soi Sukhumvit 62, 3rd intersection, Sukhumvit Road,  
Bangchak, Prakanong, Bangkok 10260, Thailand.  
Type of business: Media broker and creating advertisement.

Registered Share : Ordinary share 100,000 shares of 100.- par value, issue and fully paid-up.

Number of shares held by the Company: Ordinary share 99,993 shares which is 99.993% of issued and fully paid-up.

(3) Detailed information about Marketing Drive Worldwide (Thailand) Limited

Company Name : Marketing Drive Worldwide (Thailand) Limited

Office address : 88 Soi Sukhumvit 62 Section 3, Sukhumvit Road, Bangchak, Prakanong, Bangkok. 10260, Thailand.

Type of business: Direct advertising (event) covers special marketing activities which better reach target.

Registered Share : Ordinary share 20,000 shares of 100.- baht par value, issue and fully paid-up.

Number of shares held by the Company: Ordinary share 19,993 shares that is 99.965% of issued and fully paid-up.

(4) Detailed information about Prakit Advertising Co. Ltd

Company name: PRAKIT ADVERTISING Co.,Ltd.

Office address: Twin Centro Condominium, Unit E#605, 6 Floor, Sanchaung township, Yangon, Myanmar.

Type of business: Media broker and creating advertisement, direct advertising (event) and Public Relation.

Registered Share: Ordinary share 500 shares of US\$ 100 par value, 50% issued and fully paid-up.

Number of shares held by the Company: 90% of issued and fully paid-up.

## **Other reference information**

### (A) Registrar

Thailand Securities Depository Co., Ltd.  
93 SET building, Fl. 14, Rachadapisek Road,  
Dindaeng, Dindaeng, Bangkok 10400  
Tel. 0-2009-9378 Fax 0-2009-9476

### (B) Auditor

Mr. Pornchai Kittipanya-ngam and/or Mrs. Suwanee Kittipanya-ngam  
and/or Mr. Thanakorn Fakfaipol,  
Bunchikij Co., Ltd.  
87/102-103 Modern Tower Building, 9th Floor, Ekamai Soi 3, Sukhumvit 63 Rd.,  
Klongton-Nua, Wattana, Bangkok 10110.  
Telephone no. (66) 2382-0414  
Facsimile no. (66) 2381-5849

### (C) Legal advisor

Mr. Siwa Tishabiramy  
Attorney Certificate No. 13357/2529  
44/86 Moo 11, Soi Charoenpattana, Tiwanont Road,  
Taladkwan, Mueng, Nonthaburi.

## **6.2 Other reference information**

**- None -**

## **7. CAPITAL AND SHAREHOLDERS INFORMATION**

### **7.1 Issue and fully paid-up capital**

There was authorized share capital of 94,438,800.00 baht with ordinary shares of 94,438,800 shares 1.00 baht par value, issued and fully paid-up capital 54,954,800 ordinary shares, 1 baht each, totally 54,954,800.00 baht.



The company doesn't have any other shares with different conditions than ordinary share such as, preferred share.

## 7.2 The shareholders

The name and the shareholding ratio of the major shareholders as at April 4, 2016 and December 29, 2016 are as follow:

No.	Shareholders	Amount held	%
1	Prakit and Associates Co., Ltd. **	13,710,600	24.95
2	Apisarntharak		
	Mr.Prakit Apisarntharax	5,382,600	9.79
	Ms.Pavinee Apisarntharak	2,693,594	4.90
	Mr.Anucha Apisarntharak	2,637,393	4.80
	Mr.Apirak Apisarntharak	2,733,093	4.97
3	BNP PARIBAS SECURITIES SERVICE, LONDON BRANCH	3,376,000	6.14
4	Promart International Company Limited	1,460,000	2.66
5	Mr. Piyanat Sinchai	1,244,000	2.27
6	Mr. Wichai Jirachoenkijkul	1,015,500	1.85
7	MR. Pridiyathorn Devakula	1,000,000	1.82
8	Mr. Joompol Suwattanapong	609,100	1.11
9	Ms. Wichuda Grairithikul	579,500	1.05
10	Mr. Manop Supaktrmontri	519,000	0.94
	Total	36,960,780	67.26

Remark : \*\* Prakit and Associates Co., Ltd., which had advertising business before joining with FCB. Now it changes its business to investment in stock market. There is no business relationship except directorship.

7.3 Other capital

None

7.4 Dividend payment policy

The company has the policy to pay dividend not less than 60% of normal net profit.

There is no dividend policy in associated and subsidiary companies but dividend payment is subject to Board of Directors consideration of the company's overall operation result and future projects (if any) and propose to shareholders getting approval.

Detailed information of dividend payment data during the past 5 years

Detail information	2015	2014	2013	2012	2011
Dividend payment / share	1.00	0.80	1.00	1.00	0.75
% of Net Profit	108.12	93.63	77.13	63.04	63.68

\* Dividend payment percentage for year 2015, was calculated from Net Operating profit which did not include net gain from sales of investment property.

## 8.1 Board of Directors

The Board of Directors of Praktit Holdings Public Company Limited consists of 8 directors as :

Names		Position	Appointed Year	Term in Director
1. Mr. Praktit	Apisarnthanarax	President	December 28, 1992	25
2. Mr. Phisal	Prahasdangkura	Vice President	December 28, 1992	25
3. Mr. Pheecha	Chaochotechuang	Director	December 28, 1992	25
4. Mr. Apirak	Apisarnthanarak	Managing Director/ Director	April 24, 2008	9
5. Mr. Vichien	Nakintanond	Director	December 28, 1992	25
6. Dr. Pichai	Charnsupharindr	Independent Director / Audit Committee	April 25, 2005	12
7. Mr. Sommanous	Na Bangchang	Independent Director/ Audit Committee	December 28, 1992	25
8. Dr. Manoon	Pahirah	Independent Director / Audit Committee	April 26, 2004	13

Noted : Mr. Apirak Apisarnthanarak was appoint to be Managing Director on March 16, 2016.

The Company Director is appointed by Company's shareholders according to the following rules and regulations,

1. One shareholder holds the number of votes as of the amount of shares.
2. The shareholders must use all the entitled votes according to (1). Votes for either one or more persons to be a Director(s) which he/she cannot divide and specify the number of votes among them.
3. The persons who get highest votes respectively will be the Directors which must meet the number required. If and when there are more voted persons than needed, the Chairman will make the final decision.

Each year, one third of Company's Directors must leave the post. If and when it does not make the precise number, the closest to the one third of the number will be the final.

The Directors who are retiring by rotation may be re-appointed.

#### The Company authorized directors

The signatory Directors consist of Mr. Prakit Apisarnthanarax, Mr. Phisal Prahadangkura Mr. Pheecha Chaochotechuang, Mr. Apirak Apisarnthanarak, two of directors sign with the Company seal. There is no restriction on the authority of Directors.

#### The authority of Company's Directors

The authority of Directors are defining policy, directing the operation in accord with policy within the rules and regulations of the Company, related rules of law as well as the resolutions of the shareholders meeting.

Authority of the Company's policy are

1. Set policy, objective and annual budget
2. Take into considerations the quarterly result of the Company and group of companies
3. Take into considerations the investment in new projects, acquisition and disposition of Assets.
4. Take into considerations and approval salary adjustment, bonus for the management and staffs.
5. Take into considerations the appointment and end of Directors, audit committee, company's secretary, subcommittee, subsidiary company's Directors and executive management as well as defining the Directors' remuneration.
6. Interim dividend payment.
7. Direction governance and management with integrity, good moral, follow the Company's rules and regulations, related rules of law and the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission.

### Board of Directors Meeting

Name	The Board of Directors Meeting
1. Mr. Prakit Apisarnthanarax	14/14
2. Mr. Phisal Prahasdangkura	14/14
3. Mr. Pheecha Chaochotechuang	14/14
4. Mr. Vichien Nakintanond	14/14
5. Dr. Pichai Charnsupharindr	4/14
6. Mr. Sommanous Na Bangchang	14/14
7. Dr. Manoon Pahirah	4/14
8. Mr. Apirak Apisarntharak	14/14

### 8.2 Executive Management

As of December 31, 2016, Executive Management was management team of the Company consisted of 5 members as follows :

1. Mr. Prakit	Apisarnthanarax	Executive President
2. Mr. Phisal	Prahasdangkura	Executive Vice President
3. Mr. Apirak	Apisarntharak	Managing Director
4. Mrs. Siri-orn	Chernpipat	Executive Media Director
5. Miss Wichuda	Grairithikul	Chief Finance officer

### Authority of Executive Management

1. Set strategic plan and management according to the policy defined and approved by Board of Directors.
2. Define annual budget and propose to Board of Directors.
3. Prepare and present investment projects to Board of Directors.
4. Report results of Company's operations to the audit Committee and Board of Directors.
5. And more as assigned by Board of Directors.

### 8.3 Secretary of the Company

Miss Wichuda Grairithikul

\*\* History of Board of Director, Executive Management and Secretary of the Company in enclosed document I

### 8.4 Remuneration of Directors and management

Company's Board of Directors defined the Directors' remuneration policy as follow:

1. Remuneration for Directors who are not management and thus without salary for that.  
The remuneration depends on duty and responsibility of the Directors
2. Meeting allowance is paid for independent Directors to attend Board of Directors meeting, Audit committee meeting and shareholders meeting.

In 2016, total remuneration for directors was as follows:

#### Company

##### 1. Cash remuneration

Directors name list	Remuneration and Meeting allowance
1. Mr.Phisal Prahassadangura	1,200,000.00 baht
2. Mr.Preecha Chaochotechaung	1,440,000.00 baht
3. Mr.Vichien Nakintanond	360,000.00 baht
4. Mr.Sommanous Na Bangchang	240,000.00 baht
5. Dr.Pichai Charnsupharindr	50,000.00 baht
6. Dr.Manoon Pahirah	50,000.00 baht

##### 2. Other Benefits

Group Accident Insurance and Medical Expense totally 194,443.00 Baht

Moreover, Company paid the remuneration to Directors who were Executive Management and Executive Management Member as salary, bonus and other benefits was Baht 11,476,738.74.

### Subsidiaries

Subsidiaries Companies did not pay to Director in cash or other benefits for the position of Directors.

Subsidiary Companies paid the remuneration to Director who were Executive Management and Executive Management Member as salary, bonus and other benefits was Baht 6,415,745.00.

### 8.5 Human Resource

As at December 31, 2016, staff of the Company and subsidiary are as follow:

	Company	Subsidiaries
Management	5	10
Media	40	-
Account team/Creative/Strategic planning	-	60
Administration	47	21
Total	92	91

The remuneration as salary, bonus, provident fund and social insurance contribution totaled

Company	Subsidiary
57,716,250.01 Baht	74,393,288.95 Baht

### **Employee development policy**

The responsibility of staff of the Company and subsidiaries was to service clients. It was essential that they have had experiences and skills in the area. The Company therefore consistently provided trainings for staff in various levels as follow:

1. The Company singled out staff for outsource training, after which they would pass on what they learned to other staffs in the Company.
2. Inviting experts from outside to give trainings internally.

## **9. CONTROLLING SYSTEM**

### **9.1 Controlling policy**

The objective of the Company's Board of Directors is to develop the corporation to a sustainable growth, to be responsible for the stakeholders and society, to enhance staff development according to Company's mission. Above all else, the Company sets strict rule to prevent corruption in the corporation.

### **9.2 Subcommittee**

#### **1. The Audit Committee**

The Audit Committee consists of 3 independent directors appointed by The Company's Board of Director #4/2016 on February 24, 2016 each with 3 years term, as follows :

- |                               |  |
|-------------------------------|--|
| 1. Dr. Pichai Charnsupharindr | Audit Committee Chairman                                       |
| 2. Dr. Manoon Pahirah         | Audit Committee Member   |
| 3. Mr. Sommanous Na Bangchang | Audit Committee Member with financial and accounting Knowledge |
| 4. Ms. Wichuda Grairithikul   | Audit Committee Secretary                                      |

#### **Duties and Responsibilities of Audit Committees :**

Audit Committees will report the following duties and responsibility to the Company's Board of Directors

1. To review and ensure that the company's financial disclosure are accurate and sufficient.
2. To ensure that the company has appropriate and effective internal control and internal audit systems.



3. To monitor that the company complies with the securities and Exchange Acts, regulation of the SET, and any related business laws.
4. To consider, select, nominate, propose audit fee and have meeting with the Company's auditors twice a year.
5. To consider that the company complies with all connected transaction disclosures or the conflict of interest disclosures.
6. To carry out the assignment from the Board of Directors, which is agreed upon by the Audit Committees.

Participation in the Audit Committee meeting

In 2016, the Audit Committee held 4 meeting attended by the following :

Name	Audit Committee meeting
1. Dr. Pichai Charnsupharindr	4/4
2. Dr. Manoon Pahirah	4/4
3. Mr. Sommanous Na Bangchang	4/4

**2. The Executive Management**

The Company Executive Management follow up policy defined by the Company Board of Directors by setting operational plan accordingly.

The followings are duties and responsibilities :

1. Prepare operational plan and annual budget.
2. Ensure that operation is according to the plan.
3. Present business information to Company's Board of Directors.

**3. Committee on Corporate Social Responsibility and sustainability of the organization**

The Committee consists of

1. Company's Managing Director

2. Company's Secretary
3. Human Resource Director
4. Representatives from associates and subsidiaries

#### Duties and Responsibilities

1. Determine the operation to prevent corruption in the corporation.
2. Plan staff development of the group of company.
3. Plan and operate social responsibility activities.

### 9.3 Appointment of Board of Directors and Executive

The Company has not appointed the Appointment Committee. Director of the company will be determined by the board of Directors for qualification, competence and experience, including not prohibit by Public Limited Company ACT and The Securities and Exchange Act B.E. 2535.

For appointment policy for independent directors, the Company stipulates the qualifications of Independent Directors as follows :

1. Must hold no more than 1% of all voting share in the Company, its subsidiaries, affiliates or others which may cause a conflict of interests, which is inclusive of shareholding of one relating to the Independent Director
2. The Director must not or never be part of the management, employee, consultant with regular salary nor with controlling authority over the Company, its subsidiaries, affiliates or others which may cause a conflict of interests for at least two years.
3. Must not be related, in anyway, to Executives, major shareholders who has controlling authority or a nominee for Executive or a person who has controlling authority over the Company or its subsidiaries.
4. Must have no business relation with the Company, affiliates or others which may cause a conflict of interests that could lead to the lack of independent judgement. Must not be major shareholders, director or management of the partners of the Company, its

subsidiaries, affiliates or others which may cause conflict of interests for at least two years.

5. Must not be external auditor of the Company, its subsidiaries, affiliates or others which may cause conflict of interest. And must not be major shareholders, directors or partner of auditor company which audit the Company, its subsidiaries, affiliates or others which may cause a conflict of interest for at least two years.
6. Must not or never be the company of professional services including legal consultant or financial consultant which earn service fee of more than two million baht per year from the Company, its subsidiaries, affiliates or others which may cause a conflict of interest and must not be major shareholders, directors or partner of the Company providing this professional services for at least two years.
7. The Director must not be appointed to represent the Company's director, major shareholders nor shareholders related to Company's major shareholders.
8. Must not have any characteristic causing incapability to make independent comment on the Company's operation.

#### 9.4 Directing the operation of subsidiary and associated companies

Policy of the Company is that the Board of Directors appoints or selects qualified persons to be Directors and Executives of subsidiaries to take best care of the Company's investment.

The Board of subsidiary company appoints the Managing Director and senior Executives to define the operational policy for maximum benefits of the subsidiaries.

Directors of the Company define policy for subsidiary companies. The appointed Directors and Executives hold the authority to make decision in the line of business operation except for the cases which require approval from the Company's Board of Directors

#### 9.5 Internal Information Policy

The company's policy does not allow directors, executives, spouses and children who has not become the legal age to use the internal information of the Company for personal benefits

prior to public disclosure. Company's Board of Directors will determine penalty according to each incident.

The Company has informed the Board of Directors and senior executives of the responsibility to report changes in the holding of Company's capital within 3 days.

#### 9.6 Remuneration of The Audit Committee

In 2014, The Company and Subsidiaries paid BunchiKij Company Limited as follow:

1. Remuneration for auditing at Baht 1,202,000.00
2. Other services None

#### 9.7 Good Corporate Governance

##### Policy on corporate governance

The Board of Directors have well recognized the importance of Good Corporate Governance and adopted a policy to ensure that all corporate business is conducted in accordance with high standards of Corporate Governance with legally and ethically accepted corporate practices as well as complies with the Securities and Exchanges Acts, regulation of the SET and the resolution of the shareholder's meeting constantly.

##### Prevention of corruption

The Company set the operation policy to prevent corruption within the company as follows :

1. Directors, executives and staff of group of companies are prohibited to accept or support or take part in corruption neither nor indirectly.
2. The Group of companies totally prohibit bribe acceptance including gifts in all forms.
3. Staff must not ignore overlook any deemed corruption and must report to executive with full responsibility. Company will give full protection and justice to the reporter while investigates the issue.

4. Company will give training to Directors, executives and staff of how to prevent corruption as well as developing ethical performance.

The Company mentioned in the Company's regulations were how to tip and complain:

1. Staff will tip or complain to the Company
2. The tip or complaint must follow the chain of command to higher level or to Audit Committee
3. The chief commander who got tip or complaint will appoint a person to conduct investigation within 7 days.
4. Upon the investigation and correction, the person who gave the tip or complaint will be notified within 15 days. If and when the person found the result not satisfactory, appeal can be made to the committee.
5. The staff who submitted tip and complaint will be ensured of not being terminated, punished or any bad consequence would incur.

#### Rights of stakeholders

Company realizes the importance of the rights of the stakeholders. The Board of Directors stipulates a process to build cooperation between the Company and employee, customers, partners, competitors and shareholders.

#### Employee

The Company takes care of its staff with appropriate and fair returns of provident fund, transportation service, birthday activities and training. In 2014, the Company provides both outsources and internal trainings, encourages staff to participate in variety of activities. For example, urging creative teams to enter their creative works to win awards

#### Customers

The Company has the policy to develop quality works for clients, so that they meet with success, to take care of clients' benefit and operate strictly according to agreement.

### Partners

The Company has the operation policy of equality and ethic with all business partners, strictly honoring agreements and conditions.

### Competitors

Being a member of the Advertising Association, the Company strictly follows the rules and regulations of the Association which enhances fair and square business competition.

### Shareholder

The Company has policy to comply with the principle of Good Corporate Governance regarding the equitable treatment of Shareholders. The Company has given an opportunity to our shareholders to propose agendas and nominate persons to be elected as directors at the Annual General Meeting of Shareholders in advance.

For year 2016, the Company announce on the Company's website and submit to SET on November 1<sup>st</sup> 2016.

### Society

\*\*\*\* Detailed in item 10.

### Shareholder Meeting

The Company provides meeting invitation, reference prior to each meeting with opinion of the Board of Directors, Shareholders can propose additional agenda. There is complete and accurate meeting report for the shareholders to check. Moreover, information about the shareholders' meeting has been posted beforehand in the Company's website: [www.prakit.com](http://www.prakit.com). Then invitation letter includes the way to post questions in advance.

The Board and the management always conduct the shareholder's meeting in fair and square and equality manner.

### Board of Directors

The Board of Director take part in setting the vision, business plan, annual budget and monitors the management performance to ensure that operation is carried out with accuracy and effectiveness.

President of the Board represents major shareholders

The President is not the Managing Director. The Company's Board of director Organization consists of Independent Directors which is more than one-third of the whole Board in order to balance management monitoring.

### Board of Directors' meeting

The Board of Directors will regularly hold meeting and there will be additional agenda if deemed necessary. Agenda will be set beforehand. There are regular operational monitoring. Secretary of the Company will prepare letter of invitation, agenda and documents 7 days in advance so that the Board of Directors has enough time to get acquainted with the information.

### Transparency Disclosure

The Company has disclosed important and complete information with transparency via the Stock Exchange of Thailand.

The Company stipurates that the President, the Managing Director and Secretary of the Company are responsible for disclosing appropriate information to the stakeholders as well as granting analyst and investors a meeting with Company's Director on advance appointment.

### Director's Reporting

The Board of Director is responsible for the Consolidated and the Company Financial Statements and the financial information as shown in the annual report.

The financial statements had been prepared in accordance with Thai General Accepted Accounting Standard. Significant accounting policies includes consistency prudence and accruals. With discrete, diligence and the best of judgment, the Company has disclosed enough significant information in the notation of budget section.

#### Conflict of Interest

The Company's Board of Directors and Executive have been informed of legal and ethical conflict of interests and related transactions guidelines. The Company has disclosed, in accordance with the regulations of Stock Exchange of Thailand, information, detail and reason/necessity, if any, in the Company's annual report and the 56-1 form.

#### Remuneration for Directors and Management

The Company takes into consideration remuneration paid in similar types of business to pay for Company's Directors and Management. This is meant to draw highly qualified professionals to join for a long period of time.

As at December 31, 2016, the Company Directors consisted of:

1.	The Board of Directors	8	consisted of
	Executive Directors	4	
	External Directors	1	
	Independent Director	3	
2.	Audit Committee	3	consisted of
	Independent Committee	3	
3.	Executive Management	5	consisted of
	Company's Director	3	
	Non Company's Director	2	

Company's Directors come from various direction. Executive Directors have long time experience with the Company's business whereas External Directors are specialist of art and marketing to support the operation of Excutive Board. Independent Directors are Audit Committee



who control and audit performance of Executive Board, which is a combination of committee and non-committee specialists to ensure that everything is in accordance with Company's policy.

## **10. SOCIAL RESPONSIBILITY**

The Company, subsidiaries and associated enhance the policy of creating quality and ethical works.

The Company's core business is providing services, being a broker and producing advertisement which means the Company must send the accurate message across to consumer. Company must be responsibility for

Customers Create awareness of consumers for clients' products.

Consumers Generate Clients' product's information to customers with accuracy - hence the product becomes an option for customers.

Partners Be available for business partners to make presentation, such as, production houses. Take into consideration the capability, price, etc. There must be at least 3 alternative houses.

Competitors Define policy of competition with ethic. The Company defines policy of ethical competition. No defamation on competitors.

### Employees

The Company's core business is service. Thus, employees are Company's valuable asset who will receive fair employment and variety of welfare schemes beyond legal definition, which are equally accessible to all employees.

- Provident fund. To encourage employees to save for security after retirement, the Company set up Provident Fund. All employees have the right to be member.
- Group accident and life insurance. The Company provides group accident and life insurances for all employees.
- Welfare loan. The Company provides interest free loan for employees wanting to buy cars. A committee is appointed to be responsible for loan allocation in accord with the Company's policy.
- Training. Each year, Company's executives will set policy and training guidelines for employees.

Human Resource department will set topics according to Company’s policy together with annual training schedule.

Company provides joint activities among employees and staffs with Management to enhance better relationship within the organization.

Company provides annual party each year during which the senior management will explain the Company’s operation result of the passing year as well as the policy of the year to come. Such has been the annual event from the first year of Company’s set up.

In the passing year, the Company arranged activities as follow:

1. Promote “sharing” activities whereas specialized staffs share their specialty with other employees.
2. For broader scope of knowledge, Company arranges “Monthly Talk” activities by inviting experts on finance, marketing, etc. to share their experience and knowledge with the employees. There were 5 trainings for the year 2016.



3. Trainings for professional development are as follow:

3.1 Invite external experts to provide trainings within the Company. There were two training in 2016.

3.2 Enter the Company’s employees in seminars as a scheme to develop staff potentiality. Annual training budget has been set for this purpose.

4. Create pleasant working environment

- Providing canteen serving food at reasonable price and renovating the canteen for better quality of life. The renovation was completed in December 2015.
- Providing transportation between Company and public transport.
- Providing recreation corners, such as, table tennis, yoga class, etc.
- Providing birthday gifts for staffs.

### Environmental conservation

Since the Company's product is service, The Company conserves the environment by defining the policy of best utilization of resources.

### Human Right

All advertisements must not project the image of abusing human rights, disdainful and intellectual property infringement

### Take part in community and social development

The Company has a policy to provide job opportunity for people living in the vicinity of the Company, the disables and supporting community's activities.

In year 2015, the Company initiated "SME" project in order to share "advertising" knowledge with small business companies "SME" in need of advertising their products but without knowledge or with small budget. The followings are details and process of the project.

1. Recruit small business companies which meet the requirement of the project.
2. Interview companies' executives in order to understand both products and needs.
3. Provide workshops on marketing strategy planning, media planning and generate knowledge about advertising on internet.
4. Follow up on the actual practice and result for improvement for the year to come.

In the first year, the project recruited 3 companies which were met with good response and was recommended other small business to join. The Company realizes that the project would



be beneficial for small business companies “SME” and planned to run the program every year.

Moreover, in year 2015, the Company carried out sharing knowledge project to Academies by management and staffs to share Creative advertising, Marketing communication, Advertising administration, Management communication, etc. The Company has still run this project.

ลำดับ	ชื่อสถาบันอุดมศึกษา	รายละเอียดการสอน	วันเวลา	วิทยากร
1	มหาวิทยาลัยธรรมศาสตร์	วิชา Strategic Brand Management วิชา หลักการจัดการการสื่อสารองค์กร	28 / 9 / 2016 5 / 11 / 2016	คุณอภิรักษ์ คุณก่อศักดิ์
2	มหาวิทยาลัยหัวเฉียว เฉลิมพระเกียรติ	วิชาผลิตโฆษณา	19 / 10 / 2016	คุณกิตติพันธุ์
3	มหาวิทยาลัยเชียงใหม่	การสื่อสารการตลาดในยุคดิจิทัล การใช้สื่อออนไลน์ในการสื่อสารการตลาด • การปรับโครงสร้างเอเจนซี ตำแหน่ง หน้าที่หรืออาชีพของ นักโฆษณาหรือนักสื่อสารการตลาดในยุคดิจิทัล • การวางแผนและการประเมินประสิทธิผล สื่อสารการตลาดออนไลน์ • การออกแบบงานโฆษณา ในยุคดิจิทัล	25 / 10 / 2016	คุณวีระกาศ คุณเด่นโก้
4	มหาวิทยาลัยสยาม	วิชาสัมมนาโฆษณา การใช้ความคิดสร้างสรรค์ในการโฆษณาในยุค ปัจจุบัน	22 / 11 / 2016	คุณวราวุฒิ คุณกิตติ พันธุ์

## 11. INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors, the Audit Committee and the Executive Management reviewed internal controlling system on accounting, finance and the adequacy of the Organization control system as well as appraise, risk management policy and information technology system and agreed that internal control was adequate and effective for the type of business.

However, The Company received the comments of the Audit Committee and external auditor and took into considerations. The Board of Directors already approved to hire an internal audit company to be the Company’s Internal Auditor started in 2016 onward.

## 12. RELATED TRANSACTION

12.1 The Company has transactions with related companies by way of having common share holdings and/or directors and/or company managements as described below:

Relationship and name	Description	Amount'000	reason
<u>Subsidiaries</u>			
Prakit Advertising Ltd. Marketing Drive Worldwide (Thailand) Ltd.	Rental income	2,627 480	The Company charges office rental per used space which base on the rate charged to other tenant.
<u>Associated (Indirect)</u> Bangkok Writer & Partner		285	
<u>Related Company</u>			
Double P Marketing Communication Ltd. (Directorship)		300	The Company charges office rental per used space which base on the rate charged to other tenant.
	Total	3,692	
<u>Subsidiaries</u>			
Prakit Advertising Ltd. Marketing Drive Worldwide (Thailand) Ltd.	Administration Income	31,151 384	The Company has agreement with subsidiaries and related companies for management service. This was due to these companies are not these specialists.
<u>Associated (Indirect)</u> Bangkok Writer & Partners		1,800	

Relationship and name	Description	Amount'000	reason
<u>Related company</u> 62 Content & Design Ltd. (Executive of the Company listed as Director and Shareholder)	Administration Income	120	The Company has agreement with subsidiaries and related companies for management service. This was due to these companies are not these specialists.
	Total	33,455	
<u>Subsidiary</u> Marketing Drive Worldwide (Thailand) Ltd. <u>Related Company</u> Double P Marketing Communication Ltd.(Directorship)	Income from other services Water / Electricity bill	97 2	The Company has agreed with subsidiaries to charged expense based on estimated used units
	Total	99	
<u>Subsidiary</u> Marketing Drive Worldwide (Thailand)Ltd. <u>Associated (Indirect)</u> Bangkok Writer & Partners <u>Related company</u> Double P Marketing Communication Ltd. (Directorship) Draft Cambodia Co.,Ltd.	Income from Brokerage and service Income from Brokerage and service	25 495 2,260 11	The Subsidiaries provide creative work and marketing service to the Company.
	Total	2,791	

Relationship and name	Description	Amount'000	reason
<u>Subsidiaries</u>			
Prakit Advertising Ltd.	Service cost	19,479	The Subsidiaries provide creative work and marketing service to the Company in market rate. The Company has no specialist in this work.
Marketing Drive Worldwide (Thailand) Ltd.	Service cost	827	
Prakit Advertising Co.,Ltd.(Myanmar)	Cost of Service	2,188	
<u>Related company</u>			
62 Content & Design Ltd (Executive of the Company listed as Director and Shareholder)		1,243	The Subsidiaries provide creative work and marketing service to the Company in market rate. The Company has no specialist in this work.
	Total	23,737	
<u>Subsidiaries</u>			
Prakit Advertising Ltd.	Dividend	5,000	Dividend payment from investment in subsidiaries.
Marketing Drive Worldwide (Thailand) Ltd.		1,999	
<u>Associated (Indirect)</u> Direct Response (Thailand) Ltd.		490	
	Total	7,489	

The above-mentioned related transaction are the normal transaction among the Company, subsidiaries and related companies. The related nature of business to share resources, allows our group to maximize profit which enables the Company to pay high dividend to the shareholder.

12.2 The Company has guaranteed an overdrafts facilities and short-term loan for subsidiaries and related companies are as follow :

- The Company's fixed deposit amounted to 30 million baht has been pledged to as collateral and facilitate an overdraft of 25 million baht and bank guarantee of 5 million baht from the bank for security of Bangkok Writer and Partners Limited.
- The Company mortgaged part of land and building, which is the office building now, to a bank as collateral for 58 million baht for 30 million baht overdrafts facilities of Praktik Advertising Limited.

The above-mentioned collateral was meant for the subsidiary to have working capital.



## **13. Financial Statement and operating results**

### **1 Independent Auditor's Report**

#### **To the Shareholders and the Board of Directors of Prakit Holdings Public Company Limited**

##### ***Opinion***

I have audited the consolidated financial statements of Prakit Holdings Public Company Limited and its subsidiaries (the Group) and the separate financial statements of Prakit Holdings Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of Prakit Holdings Public Company Limited and its subsidiaries and the separate financial position of Prakit Holdings Public Company Limited as at 31 December 2016, and the related consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

##### ***Basis for Opinion***

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### ***Key Audit Matters***

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

Key audit matter	How the matter was addressed
<p><b>Commission income on media agency service</b></p> <p>For the year ended 31 December 2016, the Group and the Company earns commission income on media agency service amounting to Baht 138 million in consolidated financial statement and Baht 81 million in the separate financial statement. The commission income is recognized when the advertisements are broadcasted and the valuations of media volume income are determined on commission rate, discount rate and media volume. Accordingly, the timing of revenue recognition and measurement of the commission income is a significant risk of material misstatement to the financial statement of the Group and the Company.</p>	<p>The key audit procedures included as follows:</p> <ul style="list-style-type: none"> <li>• Inquire the management for the agreement and criterial of media agency service regarding sale and purchase, discount, and significant change from previous year,</li> <li>• Evaluate and test of key internal control for commission income system.</li> <li>• Analysis the commission rate and compare with the agreement of media agency service.</li> <li>• Sampling test with supporting documents of commission income, media cost and related discount.</li> <li>• Sampling test with cash receive and trace to the book record.</li> <li>• Subsequent test for media discount after the reporting period.</li> </ul>

***Other matter***

The consolidated financial statements of Prakit Holdings Public Company Limited and its subsidiaries and the separate financial statements of Prakit Holdings Public Company Limited for the year ended 31 December 2015 which are presented herein as comparative information, were audited by another auditor of Bunchikij Co., Ltd. who expressed an unmodified opinion on those statements in his report dated 24 February 2016.

***Other Information***

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

My opinion on the consolidated and separate financial statements does not cover the other information as referred to above and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information as referred to above when it becomes available and, in doing so, consider whether such the other information is materially inconsistent with the audited consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the Group's annual report, if I conclude that there is any material misstatement in those other information, I am required to communicate the matter to the management and those charged with governance to correct such information.

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

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

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

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

***Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Thanakorn Fakfaipol



(Mr. Thanakorn Fakfaipol)

Certified Public Accountant No. 4879

**Bunchikij Co., Ltd.**

Bangkok

24 February 2017

## 2. Consolidated Financial Statement

The company presents the Audited Financial Statement and operating results which compare in 3 years.

### PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

#### STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016, 2015 AND 2014

Unit : Baht

ASSETS	Consolidated financial statements		
	2016	2015	2014
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	97,478,142	85,102,746	89,774,793
Current investments			
Personal fund	30,327,039	28,241,745	26,610,676
Fixed deposit	-	-	1,000,000
Others	382,239,829	318,751,930	251,558,612
Investments in securities			
Current portion of held-to-maturity debt securities	16,000,000	20,000,000	12,000,000
Trade accounts and other receivable - net	252,731,951	310,538,891	258,816,077
Other current assets	10,846,266	9,460,176	16,345,882
<b>Total current assets</b>	<b>789,623,227</b>	<b>772,095,488</b>	<b>656,106,040</b>
<b>NON-CURRENT ASSETS</b>			
Bank deposit held as collateral	32,001,000	32,001,000	30,000,000
Investments in associated and subsidiary companies	116,429,268	115,109,711	20,005,367
Other long-term investments	112,957,803	116,418,439	119,221,901
Loan to employees	25,000	350,000	520,000
Investment property	46,215,000	46,215,000	136,215,000
Property, plant and equipment	97,346,306	92,857,847	91,747,115
Intangible assets -net	12,529	22,528	3,551
Deferred tax assets	9,401,314	11,990,491	9,674,213
Other non-current assets	12,085,499	11,035,655	1,882,636
<b>Total non-current assets</b>	<b>426,473,719</b>	<b>426,000,671</b>	<b>409,269,783</b>
<b>TOTAL ASSETS</b>	<b>1,216,096,946</b>	<b>1,198,096,159</b>	<b>1,065,375,823</b>

**PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT 31 DECEMBER 2016, 2015 AND 2014**

	<b>Consolidated financial statements</b>		
	2016	2015	2014
<b>CURRENT LIABILITIES</b>			
Trade accounts and other payable	302,446,115	272,261,883	232,984,412
Accrued income tax	44,348	30,225,164	4,071,791
Other current liabilities	27,033,135	28,813,629	21,232,068
<b>Total current liabilities</b>	<b>329,523,598</b>	<b>331,300,676</b>	<b>258,288,271</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Leasehold right	14,481,220	15,565,702	16,650,185
Employee benefit obligations	21,510,767	17,597,697	19,858,931
<b>Total non-current liabilities</b>	<b>35,991,987</b>	<b>33,163,399</b>	<b>36,509,116</b>
<b>TOTAL LIABILITIES</b>	<b>365,515,585</b>	<b>364,464,075</b>	<b>294,797,387</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital			
Authorized share capital			
99,484,000 common shares of Baht 1 each		99,484,000	99,484,000
94,438,800 common shares of Baht 1 each	94,438,800		
Issued and fully paid - up capital			
60,000,000 common shares of Baht 1 each		60,000,000	60,000,000
54,954,800 common shares of Baht 1 each	54,954,800		
Premium on share capital	193,568,560	193,568,560	193,568,560
Retained earnings			
Appropriated to legal reserve	10,000,000	10,000,000	10,000,000
Unappropriated	612,514,980	598,463,915	525,172,430
Reserve for Treasury Shares	-	79,460,000	79,460,000
Treasury Shares	-	(79,460,000)	(79,460,000)
Other components of equity	(22,003,173)	(29,700,219)	(19,621,101)
<b>Total equity attributable to the parent company</b>	<b>849,035,167</b>	<b>832,332,256</b>	<b>769,119,889</b>
Non-controlling interests	1,546,194	1,299,828	1,458,547
<b>Total equity</b>	<b>850,581,361</b>	<b>833,632,084</b>	<b>770,578,436</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,216,096,946</b>	<b>1,198,096,159</b>	<b>1,065,375,823</b>

PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016, 2015 AND 2014

	Consolidated financial statements		
	2016	2015	2014
<b>REVENUES</b>			
Revenue from rendering services	229,393,707	207,766,076	209,001,602
Revenue from agency	138,150,159	161,041,316	132,917,200
Interest income	4,557,340	5,155,708	6,254,218
Dividend income	2,909,747	2,173,756	2,637,130
Management income	1,920,000	2,016,000	516,000
Gain from sales of investment property	-	103,537,770	-
Other revenues	26,648,210	5,779,965	13,987,194
<b>Total revenues</b>	<b>403,579,163</b>	<b>487,470,591</b>	<b>365,313,344</b>
<b>EXPENSES</b>			
Cost of rendering of services	194,424,627	179,854,045	177,786,406
Selling expenses	55,924,907	59,000,726	48,866,004
Administrative expenses	86,850,357	90,790,933	82,297,573
<b>Total expenses</b>	<b>337,199,891</b>	<b>329,645,704</b>	<b>308,949,983</b>
Profit before share of profit from investments in joint venture and associated companies- equity method	66,379,272	157,824,887	56,363,361
Share of profit from investments in joint ventures and associated companies- equity method	1,319,557	1,491,574	1,124,718
<b>Profit before income tax</b>	<b>67,698,829</b>	<b>159,316,461</b>	<b>57,488,079</b>
Income tax	(12,810,371)	(42,828,140)	(11,297,830)
<b>Net profit for the year</b>	<b>54,888,458</b>	<b>116,488,321</b>	<b>46,190,249</b>
<b>Other comprehensive income (loss):</b>			
<b>Item that will not be reclassified to profit or loss</b>			
Actuarial gain (losses)	(4,124,772)	6,869	2,804,260.0
Income tax effect	824,955	(1,374)	(560,852)
	(3,299,817)	5,495	2,243,408.0
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net change in fair value of available for sale investment	9,846,770	(12,538,580)	(3,993,418)
Foreign currency translation differences for foreign operation	(180,370)	(48,254)	22,561
Income tax on other comprehensive income	(1,969,354)	2,507,716	798,683
	7,697,046	(10,079,118)	(3,172,174)
<b>Other comprehensive income (loss) for the year, net of income tax</b>	<b>4,397,229</b>	<b>(10,073,623)</b>	<b>(928,766)</b>
<b>Total comprehensive income for the year</b>	<b>59,285,687</b>	<b>106,414,698</b>	<b>45,261,483</b>
<b>Profit attributable to:</b>			
Owners of the Company	54,641,042	116,645,990	46,307,693
Non-controlling interests	247,416	(157,669)	(117,444)
<b>Net profit for the year</b>	<b>54,888,458</b>	<b>116,488,321</b>	<b>46,190,249</b>
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of the Company	59,038,271	106,572,367	45,378,928
Non-controlling interests	247,416	(157,669)	(117,444)
<b>Total comprehensive income for the year</b>	<b>59,285,687</b>	<b>106,414,698</b>	<b>45,261,484</b>
<b>Earnings per share (Unit :Baht)</b>			
Basic earnings per share	0.98	2.15	0.83



**PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY(CONSOLIDATED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016, 2015 AND 2014**

Equity attributable to owners of the Company

	Retained earnings							Other components of shareholders' equity			Equity attributable to owners of the Company	Non-controlling interests	Total Shareholders' equity
	Issued and paid-up share capital	Share premium	Surplus on sale of treasury shares	Legal reserve	Reserve for		Fair value changes in available-for-sale investments	Currency translation differences	Total other components of equity				
					Unappropriated	Share				stock			
<b>Balance at 1 January 2014</b>	<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>610,281,329</b>	-	-	<b>(16,416,821)</b>	<b>(32,106)</b>	<b>(16,448,927)</b>	<b>857,400,962</b>	<b>1,494,716</b>	<b>858,895,678</b>
Dividend paid	-	-	-	-	(54,200,000)	-	-	-	-	-	(54,200,000)	(1,400)	(54,201,400)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	82,675	82,675
Total comprehensive income for the year													
Profit for the year	-	-	-	-	46,307,693	-	-	-	-	-	46,307,693	(117,444)	46,190,249
Other comprehensive income													
Actuarial gain (losses)	-	-	-	-	2,243,408	-	-	-	-	-	2,243,408	-	2,243,408
Other	-	-	-	-	-	-	-	(3,194,735)	22,561	(3,172,174)	(3,172,174)	-	(3,172,174)
Treasury stock	-	-	-	-	(79,460,000)	79,460,000	(79,460,000)	-	-	-	(79,460,000)	-	(79,460,000)
<b>Balance at 31 December 2014</b>	<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>525,172,430</b>	<b>79,460,000</b>	<b>(79,460,000)</b>	<b>(19,611,556)</b>	<b>(9,545)</b>	<b>(19,621,101)</b>	<b>769,119,889</b>	<b>1,458,547</b>	<b>770,578,436</b>
<b>Balance at 1 January 2015</b>	<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>525,172,430</b>	<b>79,460,000</b>	<b>(79,460,000)</b>	<b>(19,611,556)</b>	<b>(9,545)</b>	<b>(19,621,101)</b>	<b>769,119,889</b>	<b>1,458,547</b>	<b>770,578,436</b>
Dividend paid	-	-	-	-	(43,360,000)	-	-	-	-	-	(43,360,000)	(1,050)	(43,361,050)
Total comprehensive income for the year													
Profit for the year	-	-	-	-	116,645,990	-	-	-	-	-	116,645,990	(157,669)	116,488,321
Other comprehensive income													
Actuarial gain (losses)	-	-	-	-	5,495	-	-	-	-	-	5,495	-	5,495
Other	-	-	-	-	-	-	-	(10,030,864)	(48,254)	(10,079,118)	(10,079,118)	-	(10,079,118)
<b>Balance at 31 December 2015</b>	<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>598,463,915</b>	<b>79,460,000</b>	<b>(79,460,000)</b>	<b>(29,642,420)</b>	<b>(57,799)</b>	<b>(29,700,219)</b>	<b>832,332,256</b>	<b>1,299,828</b>	<b>833,632,084</b>
<b>Balance at 1 January 2016</b>	<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>598,463,915</b>	<b>79,460,000.00</b>	<b>(79,460,000)</b>	<b>(29,642,420)</b>	<b>(57,799)</b>	<b>(29,700,219)</b>	<b>832,332,256</b>	<b>1,299,828</b>	<b>833,632,084</b>
Dividends paid	-	-	-	-	(54,784,800)	-	-	-	-	-	(54,784,800)	(1,050)	(54,785,850)
Total comprehensive income for the year													
Profit for the year	-	-	-	-	54,641,042	-	-	-	-	-	54,641,042	247,416	54,888,458
Other comprehensive income													
Actuarial gain (losses)	-	-	-	-	(3,299,817)	-	-	-	-	-	(3,299,817)	-	(3,299,817)
Other	-	-	-	-	-	-	-	7,877,416	(180,370)	7,697,046	7,697,046	-	7,697,046
Sale of treasury shares	-	-	2,108,680	-	10,340,760	(10,340,760)	10,340,760	-	-	-	12,449,440	-	12,449,440
Cancellation of treasury shares	(5,045,200)	-	(2,108,680)	-	7,153,880	(69,119,240)	69,119,240	-	-	-	-	-	-
<b>Balance at 31 December 2016</b>	<b>54,954,800</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>612,514,980</b>	-	-	<b>(21,765,004)</b>	<b>(238,169)</b>	<b>(22,003,173)</b>	<b>849,035,167</b>	<b>1,546,194</b>	<b>850,581,361</b>

**PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2016, 2015 AND 2014**

	<b>Consolidated financial</b>		
	<b>statement</b>		
	2016	2015	2014
<b>Cash Flows from Operating Activities</b>			
<b>Profit for the year</b>	54,888,458	116,488,321	46,190,249
<b>Adjustment for</b>			
Depreciation	6,587,552	5,582,961	5,683,003
Amortisation of intangible assets	9,999	11,023	16,602
Reversal of allowance for doubtful debts	(2,083,109)	(655,991)	(346,155)
(Gain) loss from disposal of investment property	-	(103,537,770)	-
(Gain) loss from disposal of property, plant and equipment	(345,412)	2,743	185,036
Gain on disposal of current investment and long-term investments	(4,457,894)	1,921,120	(5,189,548)
(Gain) loss on adjustment of fair value of current investment	(5,710,674)	(2,145,977)	(3,569,491)
Provisions for employee benefits	2,349,898	2,557,635	2,486,970
Revenue from deferred lease right	(1,084,483)	(1,084,483)	(1,084,483)
Dividend income	(2,909,747)	(2,173,755)	(2,637,129)
Interest income	(4,557,340)	(5,155,708)	(6,254,218)
Other income	-	(1,000)	-
Equity in undistributed net (profit) loss of associated company	(1,319,557)	(1,491,574)	(1,124,718)
Unrealized (gain) loss form exchange rate	(64,150)	(115,660)	(17,822)
Income tax expense	12,810,371	42,828,141	11,297,830
	<u>54,113,912</u>	<u>53,030,026</u>	<u>45,636,126</u>
<b>Changes in operating assets and liabilities</b>			
Current investments sold	127,219,869	245,384,613	194,395,168.00
Addition to current investments	(187,108,738)	(311,704,383)	(234,321,111.00)
Trade and other accounts receivable	67,774,555	(50,473,806)	56,466,524
Other current assets	6,437,997	6,885,706	2,029,164
Other non current assets	(5,221,464)	(4,981,399)	(1,511,207)
Trade and other account payable	34,435,928	35,025,775	(21,531,031)
Other current liabilities	(1,780,494)	7,581,562	(11,133,577)
Employee benefit obligations paid	(2,561,600)	(4,812,000)	(1,588,300)
	<u>93,309,965</u>	<u>(24,063,906)</u>	<u>28,441,756</u>
<b>Net cash Provided by (used in) Operating Activities</b>	93,309,965	(24,063,906)	28,441,756
Income tax paid	(45,198,878)	(20,656,323)	(15,838,543)
	<u>48,111,087</u>	<u>(44,720,229)</u>	<u>12,603,213</u>

**PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016, 2015 AND 2014**

	<b>Consolidated financial</b>		
	<b>statement</b>		
	2016	2015	2014
<b>Cash Flows from Investing Activities</b>			
Loaned to employees	-	(400,000)	(600,000)
Cash received from loans	560,000	510,000	515,000
Deposits in fixed account	-	(1,000,000)	31,500,000
Investment in associates	-	(150,375,000)	-
Cash paid for investments in joint venture	-	-	(16,800,000)
Invest in long - term investment	(51,429,739)	(33,325,451)	(30,164,818)
Cash received from selling and maturity of long-term investment	20,000,000	10,000,000	35,000,000
	40,180,647	6,952,313	40,649,649
Purchase of property, plant and equipment	(11,136,798)	(6,777,825)	(3,955,783)
Purchase of intangible asset	-	(30,000)	-
Sale of investment property	-	250,300,000	-
Sale of property, plant and equipment	390,075	12,000	151,495
Dividend received	2,909,748	2,173,755	2,637,130
Interest received	5,291,032	5,348,306	6,537,151
Non-controlling interest with change in control	-	-	82,675
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>6,764,965</b>	<b>83,388,098</b>	<b>65,552,499</b>
<b>Cash Flows from Financing Activities</b>			
Treasury stock	-	-	(79,460,000)
Dividend paid	(54,784,800)	(43,360,000)	(54,200,000)
Proceed from sale of treasury shares	12,449,440	-	-
Dividend paid to non-controlling interests	(1,050)	(1,050)	(1,400)
<b>Net Cash Used in Financing Activities</b>	<b>(42,336,410)</b>	<b>(43,361,050)</b>	<b>(133,661,400)</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>12,539,642</b>	<b>(4,693,181)</b>	<b>(55,505,688)</b>
Cash and cash equivalent at 1 January	85,102,746	89,774,793	145,257,920
Effect of exchange rate changes on balances held in foreign currencies	16,124	21,134	22,561
	(180,370)	-	-
<b>Cash and Cash Equivalent at 31 December</b>	<b>97,478,142</b>	<b>85,102,746</b>	<b>89,774,793</b>
<b>Non-cash Transactions</b>			
Unutilized credit facilities for future working capital	41,000	41,000	48,400

## **14. Management Discussion and Analysis on the Operating results and Financial Status**

**Operating results** Total revenues from advertising activities of the company's group in the year 2016 amounting to Baht 173.1 million while other income was amounting to Baht 36.1 million, totally Baht 209.2 million. After having deducted with selling and administrative expenses amounting to Baht 142.8 million, there was profit from recurring activities amounting to Baht 66.4 million. After having deducted with income tax amounting to Baht 12.8 million, there was profit from recurring activities after tax amounting to Baht 53.6 million. Moreover, there was share of profit from associated companies amounting to Baht 1.3 million, therefore, there was net profit for the year 2016 amounting to Baht 54.9 million. Apart from net profit for the year, there was other comprehensive income after tax amounting to Baht 4.4 million. Consequently, there was total comprehensive income for the year 2016 amounting to Baht 59.3 million.

**Financial Status** As at December 31, 2016, total assets of the company's group was amounting to Baht 1,216.1 million whereas total liabilities was amounting to Baht 365.5 million, therefore, total owners' equity was amounting to Baht 850.6 million. So, total liabilities was only 30% of total assets and 43% of total owners' equity. Especially, there wasn't any short or long term loans, therefore, there was no obligation to repay the principal and interests. Moreover, there were net profit as well as total comprehensive income continuously including there is a chance to derive additional income in the future from the investment in Sukhumvit 62 Medical Limited. Therefore, it could be concluded that long-term financial status of Prakti's group is quite sound.

In addition, short-term financial status of Prakti's group is also quite sound because current assets as at December 31, 2016 was amounting to Baht 789.6 million whereas current liabilities was amounting to Baht 329.5 million, so current assets was greater than current liabilities 2.4 times while quick current assets was greater than current liabilities 2.3 times. Moreover, most of clients settle on time which enable the company's group could also settle current liabilities on time.

**Conclusion** Operating results and financial status of Prakti's group in the year 2016 was slightly better than the year 2015. In addition, it is expected that most clients would spend advertising budget in the year 2017 not less than the year 2016. However, the company will speed up to acquire new clients and expand the business to another channels.

## **Explanation and Analysis on Operating Results and Financial Status**

### **14.1 Operating results**

The business of Prakti's group is mainly dealing with advertising activities. There are two services render to clients, i.e., producing advertising materials as well as planing and buying media for clients. The company's group would be provided budgets of both activities from clients to manage for them accordingly. However, the revenues from both activities are determined differently. They are as follows:

1. **Revenue from producing advertising materials** Means total amount of billings charged to clients for collecting total costs of producing advertising materials plus agency's service fees.

This revenue presented in Comprehensive Income Statement under the terminology "Revenue from rendering service" whereas costs of producing advertising materials would be presented separately under the terminology "Cost of rendering of service."

2. Revenue from planning and buying media for clients means total amount of billings charged to clients for collecting both of media costs and agency's commission less total amount of invoices charged from media owners. Consequently, this revenue presented in Comprehensive Income Statement with the amount of agency's commission and under the terminology "Revenue from agency"

Since the operating performance of advertising business is specific type, therefore, the classification of revenues costs and expenses should be different from the others so as to reflect true operating performance of this type of business. To serve the analytical purpose correctly, the original form of Consolidated Comprehensive Income Statement is modified as follows:

Consolidated Comprehensive Income Statement (After having Modification)

(Unit : Million Baht)

Description	Prakit Group		
	Yr 2016	Yr 2015	Yr 2014
1. Income from service	229.39	207.77	209.00
2. <u>Less</u> Cost of service	(194.42)	(179.85)	(177.79)
3. Income from service (net)	34.97	27.92	31.21
4. Agency fees	138.15	161.04	132.92
5. Total income from advertising activities	173.12	188.96	164.13
6. Management Income	1.92	2.02	0.52
7. Interest income	4.56	5.16	6.25
8. Dividend income	2.91	2.17	2.64
9. Other income	26.65	5.77	13.99
10. Total income from other activities	36.04	15.12	23.40
11. Total income from recurring activities	209.16	204.08	187.53
12. <u>Less</u> Selling expenses	(55.93)	(59.00)	(48.87)
13. <u>Less</u> Administrative expenses(Refer to the calculation)	(86.85)	(A)* (82.53)	(82.29)
14. Profit from recurring activities-before tax	66.38	62.55	56.37
15. Income tax expenses (Refer to the calculation)	(12.81)	(B)* (12.42)	(11.30)
16. Profit from recurring activities-after tax	53.57	50.13	45.07
17. Gain from sale of investment property (Refer to the calculation)	0	(C)* 64.87	0
18. Share of profit from associated companies	1.32	1.49	1.12
19. Net profit for the year	54.89	116.49	46.19
20. Other comprehensive income (loss):			
21. Net change in fair value of available for sale investment	9.85	(12.54)	(3.99)
22. Foreign currency translation differences for foreign operation	(0.18)	(0.05)	0.02
23. Actuarial gains recognized in other comprehensive	(4.12)	0.01	2.80
24. Total other comprehensive income (loss) before income tax	5.55	(12.58)	(1.17)
25. Income tax on other comprehensive income (loss)	(1.15)	2.50	0.24
26. Other comprehensive income (loss) net of income tax	4.40	(10.08)	(0.93)
27. Total comprehensive income for the year	59.29	106.41	45.26

\*Calculation

(Unit : Million Baht)

(A)	<u>Administrative Expenses</u>	
	Balance before modification	90.79
	Less Fees for transfer title deed	<u>(8.26)</u>
	Balance after modification	<u>82.53</u>
(B)	<u>Income Tax Expenses</u>	
	Balance before modification	42.83
	<u>Less</u> Income tax on profit from sale of investment property :	
	Selling price of investment property	250.30
	<u>Less</u> Cost of investment property	(90.00)
	Fees for transfer title deed	<u>(8.26)</u>
	Profit from sale of investment property	<u>152.04</u>
	Income tax on profit from sale of investment property (152.04x20%)	<u>(30.41)</u>
	Balance after modification	<u>12.42</u>
(C)	<u>Profit from sale of investment property-net from fees for transfer title deed and income tax</u>	
	Balance before modification	103.54
	<u>Less</u> Fees for transfer title deed	(8.26)
	Income tax on-profit from sale of investment property	<u>(30.41)</u>
	Balance after modification	<u>64.87</u>

With reference to the modified Comprehensive Income Statement, the operating results of the company's group in the year 2016 are summarized through reach activity as follows:

#### **1. Main activity or advertising activity**

The revenue from rendering services as well as the revenue from agency of the company's group during the years 2014-2016 were as follows:

1.1 Revenue from rendering services the year 2016 was Baht 229.4 million whereas the year 2015 and the year 2014 were Baht 207.8 and 209.0 million respectively. Due to most clients spent budgets on producing advertising materials in Q1-Q3 of the year 2016 much than the same period of the years 2015 and 2014, so, this revenue in Q1-Q3 of the year 2016 was also much than the same period of both years. Although clients spent production budgets in Q4 of the year 2016 less than the same period of the year 2015 and 2014, the sum of 4Q in the year 2016 was still much than both years.

Cost of service The year 2016 was Baht 194.4 million whereas the year 2015 and the year 2014 were Baht 179.9 and 177.8 million respectively. The causes of increasing from both years were due to the adjustment on salaries and remunerations of the relevant employees whereas other costs varied along with the increasing of revenues.

Net Revenue from rendering services means revenue from rendering services deduct with its costs. The year 2016 was Baht 35.0 million whereas the year 2015 and the year 2014 were Baht 27.9 and 31.2 million respectively.

1.2 Revenue from agency The year 2016 was Baht 138.1 million whereas the year 2015 and the year 2014 were Baht 161.1 million 132.9 million respectively. The cause of decreasing from the year 2015 was due to the decreasing of clients' spending budgets on media buying including the clients' suspension on the spending of television advertising budgets resulted from the government's instruction to all T.V. media refraining from telecast the regular programs for one month since October 13, 2016 which was the pass away date of the King Rama 9. However, this revenue of the year 2016 was higher than the year 2014

Total revenues from advertising activity means net revenue from rendering services plus revenue from agency. Therefore, the year 2016 was Baht 173.1 million whereas the year 2015 and the year 2014 were Baht 189.0 and 164.1 million respectively.

Conclusion Total revenues from advertising activity of the year 2016 was lower than the year 2015 amounting to Baht 15.9 million. It was due to the increasing of net revenue from rendering services amounting to Baht 7.1 million and offsetted by the decreasing of revenue from agency amounting to Baht 23.0 million. However, total revenues from advertising activity of the year 2016 was higher than the year 2014 amounting to Baht 9.0 million. It was due to the increasing of net revenue from rendering services amounting to Baht 3.8 million together with the increasing of revenue from agency amounting to Baht 5.2 million.

## **2. Other recurring activities**

These activities are rendering management services to the affiliated companies, investing on debt and equity instruments of the listed companies in the Stock Exchange of Thailand, trading on listed securities in The Stock Exchange of Thailand and depositing at banks or financial institutions. Therefore, the revenues of these activities are as follows:

2.1 Management income The year 2016 was Baht 1.9 million whereas the year 2015 and the year 2014 were Baht 2.0 and 0.5 million respectively. The increasing on this income in the years 2015 and 2016 derived from the assignment of a new partner to manage its business.

2.2 Interest income The year 2016 was Baht 4.6 million whereas the year 2015 and the year 2014 were Baht 5.1 and 6.3 million respectively. The decreasing of this income from both years was due to the maturity in the year 2016 of a part of the company's held-to-maturity debt securities while fixed deposits in average decreased in the year 2016. In addition, interest rates of bank deposits changed slightly during the year 2016.

2.3 Dividend income The year 2016 was Baht 2.9 million whereas the year 2015 and the year 2014 were Baht 2.2 and 2.6 million respectively. The increasing of this income in the year 2016 was due to the more investing on equity securities in the year 2016.

2.4 Other income The year 2016 was Baht 26.6 million whereas the year 2015 and the year 2014 were Baht 5.8 and 14.0 million respectively. The increasing of this income from both years was mostly due to the increasing on gain from the sale of temporary and long-term investments. However, other items were also increased sharply.

Total revenues from other activities The year 2016 was Baht 36.0 million whereas the year 2015 and the year 2014 were Baht 15.1 and 23.4 million respectively.

Total revenues from recurring activities means revenue from main activity, i.e., advertising activity plus revenues from other recurring activities. The year 2016 was Baht 209.1 million whereas the year 2015 and the year 2014 were Baht 204.1 and 187.5 million respectively.

Apart from the afore-mentioned revenues, followings are the summary of operating expenses which comprise of selling expenses and administrative expenses.

Selling expenses The year 2016 was Baht 55.9 million whereas the year 2015 and the year 2014 were Baht 59.0 and 48.8 million respectively. The causes of decreasing from the year 2015 were the decreasing on research and marketing expenses of the company's group which much than the increasing on personnel expenses while other selling expenses increased slightly.

Administrative expenses The year 2016 was Baht 86.8 million whereas the year 2015 (exclude fee for transfer title deed) and the year 2014 were Baht 82.5 and 82.3 million respectively. The causes of increasing from both years were the higher adjustment on salaries and remunerations of the employees in other departments while other administrative expenses increased slightly.

Profit from recurring activities-before tax means total revenues from recurring activities deduct with selling and administrative expenses. The year 2016 was Baht 66.4 million whereas the year 2015 and the year 2014 were Baht 62.6 and 56.4 million respectively.

Income tax expense: Income tax rate for all 3 years was 20% equally. However, profit from recurring activities - before tax of all 3 years were adjusted slightly in order to calculate income tax expenses in accordance with the revenue code. Therefore, income tax expense for the year 2016 was Baht 12.8 million whereas the year 2015 and the year 2014 were Baht 12.5 and 11.3 million respectively.

Profit from recurring activities-after tax The year 2016 was Baht 53.6 million whereas the year 2015 and the year 2014 were Baht 50.1 and 45.1 million respectively.

### **3. Non-recurring activity**

In the year 2015, the company sold an investment property at Soi Sukhumvit 62, Sukhumvit Rd. to Sukhumvit 62 Medical Limited provided profit from sale of investment property-net from fees for transfer title deed and income tax amounting to Baht 64.9 million (Refer to the before-said calculation)

### **4. Investing activities in associated companies**

The return on this investment is share of profit (loss) from investment in associated companies-equity method. The year 2016 was Baht 1.3 million whereas the year 2015 and the year 2014 were Baht 1.5 and 1.1 million respectively.

Net profit for the year The year 2016 was Baht 54.9 million whereas the year 2015 and the year 2014 were Baht 116.5 and 46.2 million respectively.

Other comprehensive income (loss) for the year - net of income tax Apart from the before-said activities, the following items were presented under the part of other comprehensive income (loss)

1. Gain (loss) on fair value adjustment of available for sale investment The year 2016 was gain at Baht 9.8 million whereas the year 2015 and the year 2014 were loss at Baht 12.5 and 4.0 million respectively because fair value of the holding securities at year end 2016 increased sharply from the end of both years.

2. Foreign currency translation differences for foreign operation The year 2016 was loss at Baht 0.2 million whereas the year 2015 was also loss at Baht 0.1 million but the year 2014 was gain very slightly.



3. Actuarial gains (losses) on the employees benefit scheme The year 2016 was loss at Baht 4.1 million whereas the year 2015 was gain but very slightly and the year 2014 was gain at Baht 2.8 million.

Followings were the sum of the said 3 items, income tax effects and total other comprehensive income (loss)-net of income tax for the years 2014-2016

	<u>(Unit : Million Baht)</u>		
	<u>Yr 2016</u>	<u>Yr 2015</u>	<u>Yr 2014</u>
Total other comprehensive income(loss) before income tax	5.5	(12.6)	(1.2)
Income tax effects	<u>(1.1)</u>	<u>2.50</u>	<u>0.30</u>
Total other comprehensive income(loss)-net income tax	<u>4.4</u>	<u>(10.1)</u>	<u>(0.9)</u>

Total comprehensive income for the year means net profit for the year plus or deduct with other comprehensive income (loss) after tax effects. So, the year 2016 was Baht 59.3 million whereas the year 2015 and the year 2014 were Baht 106.4 and 45.3 million respectively.

Since there was gain from sale of investment property amounting to Baht 64.9 million in the year 2015, it is deservedly to present net profit for the year and total comprehensive income for the year both prior and after the said item as follows to reflect the real data for comparing on the operating results of the year 2014 three the year 2016.

	<u>(Unit : Million Baht)</u>		
	<u>Yr 2016</u>	<u>Yr 2015</u>	<u>Yr 2014</u>
Net profit before gain from sale of investment property	54.9	51.6	46.2
Gain from sale of investment property-net	<u>0</u>	<u>64.9</u>	<u>0</u>
Net profit for the year	<u>54.9</u>	<u>116.5</u>	<u>46.2</u>
Total comprehensive income before sale of investment property	59.3	41.5	45.3
Gain from sale of investment property-net	<u>0</u>	<u>64.9</u>	<u>0</u>
Total comprehensive income for the year	<u>59.3</u>	<u>106.4</u>	<u>45.3</u>

### **Financial ratios for evaluate the operational results**

Financial ratios in relevant with operating results are as follows :

#### **1. Profitablility ratios**

	(Unit)	<u>Yr 2016</u>	<u>Yr 2015</u>	<u>Yr 2014</u>
Profit from advertising activities	(%)	15.24	13.43	14.94
Profit from recurring activities	(%)	3.27	2.85	2.71
Net profit before gain from sale of investment property	(%)	3.12	2.93	2.78
Net profit for the year	(%)	3.12	6.62	2.78
Return on equity	(%)	6.52	14.52	5.67

#### **2. Efficiency ratio**

	(Unit)	<u>Yr 2016</u>	<u>Yr 2015</u>	<u>Yr 2014</u>
Return on assets	(%)	4.55	10.29	4.08

### 3. Growth rates

	(Unit)	<u>Yr 2016</u>	<u>Yr 2015</u>	<u>Yr 2014</u>
Billings	(%)	(6.80)	5.87	(21.54)
Total income from advertising activities	(%)	(8.39)	15.13	(19.19)
Total income from recurring activities	(%)	2.49	8.83	(17.63)
Operating Expenses	(%)	0.89	7.91	0.47
Profit from recurring activities-after tax	(%)	6.87	11.23	(41.85)
Profit from gain from sale of investment property	(%)	6.40	11.69	(40.62)
Net profit for the year	(%)	(52.88)	152.20	(40.62)

Conclusion The operating results of the year 2016 in comparison with the years 2015 and 2014 are summarized as follows:

Total income from advertising activities of the company's group for the year 2016 was less than the years 2015, the causes of decreasing on this income resulted from the decreasing on the clients' spending advertising budgets as before-said. However, there were much increasing from gain on sale of investment and other income in the year 2016, consequently, total income from recurring activities of the company's group for the year 2016 became higher than the years 2015 and 2014. In the case of operating expenses (selling and administrative expenses), they increased slightly. So, profit from recurring activities for the year 2016 was also higher than the years 2015 and 2014. In addition, the evaluation on the operating performance was regardless to net profit for the year because there was gain from sale of investment property in the year 2015 only.

Considering to the part of other comprehensive income (loss), the year 2016 was better than the year 2015 and 2014 because there was gain in the year 2016 from the increasing on fair value of available for sale investment whereas there were loss in the years 2015 and 2014. Although there was more expenses in the year 2016 from the adjustment on employee benefit in accordance with actuarial basis, net amount of this part in the year 2016 was positive whereas the years 2015 and 2014 were negative.

Consequently, net profit as well as total comprehensive income for the year 2016 was better than the year 2015 and 2014 if regardless to gain from sale of investment property in the year 2015.

In addition, financial ratios in relevant with operating results for the year 2016 was also better than the year 2015 and 2014 if regardless to gain from sale of investment property in the year 2015. However, growth rates of various items for the year 2016 were lower than the year 2015 but higher than the year 2014.

According to overall consideration, the operating results of the year 2016 was better the years 2015 and 2014.

### 14.2 Financial Status

<u>Asset</u>	<u>Baht : million</u>		
	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>	<u>Dec.31, 2014</u>
Current assets	789.62	772.09	656.11
Non-current assets	<u>426.48</u>	<u>426.00</u>	<u>409.27</u>
Total	<u>1,216.10</u>	<u>1,198.09</u>	<u>1,065.38</u>

Explanations :

1. Total assets of the company and its subsidiary companies as at December 31, 2016 was Baht 1,216.10 million whereas total assets of the company and its subsidiary companies as at December 31, 2015 and December 31, 2014 were Baht 1,198.09 million and Baht 1,065.38 million respectively.
2. The changes of assets in the year 2016 from the year 2015 were as follows:

	<u>Baht : million</u>
Cash and cash equivalent increased	12.38
Investments in personal fund increased	2.09
Other current investment increased	63.49
Current portion of held-to-maturity debt security decreased	(4.00)
Trade and other accounts receivable decreased	(57.81)
Other current assets increased	1.39
Bank deposit held as collateral	Not changed
Investments in associated and subsidiary companies increased	1.32
Other long-term investment decreased	(3.46)
Loan to employees decreased	(0.33)
Investment property	Not changed
Property plant and equipment increased	4.49
Intangible assets decreased	(0.01)
Deferred income tax asset decreased	(2.59)
Other non-current assets increased	<u>1.05</u>
Total increased	<u>18.01</u>

The above changes were summarized as follows:

1. Cash and cash equivalent decreased Baht 12.38 million. It provided from operating activities Baht 48.11 million , provided from investing activities Baht 6.76 million, used in financing activities Baht 42.33 million and used in other activities Baht 0.16 million.
  2. During the year 2016, there were more buying than selling in temporary investment whereas there were more selling than buying in long-term investment.
  3. During the year 2016, there were more maturity than buying in held-to-maturity debt securities.
  4. During the year 2016, there were more investing than selling in personal funds.
  5. The decreasing on trade and other accounts receivable in the year 2016 were due to the decreasing on clients' spending advertising budgets as before-said.
  6. There was office renovation in the year 2016.
  7. Other assets changed slightly.
3. The quality of the significant assets are summarized as follows:
    1. Most of clients settle on time. There average collection period in the year 2016 was 52 days which faster than both years. However, the allowance for doubtful accounts as at December 31, 2016 was Baht 14.6 million which estimated from the analysis of the clients' settlement in the past together with the expectation of the clients' repayment in the future.

- Short-term and long-term investment consist of investment in personal fund and investment in debt and equity securities. Their total fair-value as at December 31, 2016 changed from the end of last year. As at December 31, 2016 there was unrealized loss from adjustment of fair value in securities amounting to Baht 21.8 million whereas the end of the year 2015 and the year 2014 were Baht 29.6 and 19.6 million respectively.
- The recoverable amount of PPE (property, plant and equipment) as well as investment property as at December 31, 2016 were greater than carrying amount, therefore, there was no impairment of assets.

<u>Liabilities</u>	<u>Baht : million</u>		
	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>	<u>Dec.31, 2014</u>
Current Liabilities	329.52	331.30	258.29
Non-current liabilities	<u>35.99</u>	<u>33.16</u>	<u>36.51</u>
Total	<u>365.51</u>	<u>364.46</u>	<u>294.80</u>

Explanations:

- Total liabilities of the company and its subsidiary companies as at December 31, 2016 was Baht 365.51 million whereas total liabilities of the company and its subsidiary companies as at December 31, 2015 and December 31, 2014 were Baht 364.46 million and Baht 294.80 million respectively.
- The change of liabilities in the year 2016 from the year 2015 were as follows:

	<u>Baht : million</u>
Various trade and other accounts payable increased	30.19
Accrued income tax decreased	(30.18)
Other current liabilities decreased	(1.78)
Employee benefit obligations increased	3.91
Deferred lease right decreased	<u>(1.09)</u>
Total increased	<u>1.05</u>

The changes were summarized as follows:

- The increasing on trade and other accounts payable were due to the increasing on advance received from the clients of the company's group as well as the highly increased on billings of a foreign subsidiary company.
- Accrued income tax decreased sharply from the year 2015 because there was no income tax on profit from sale of investment property as of the year 2015. If regard to only profit from recurring activities, income tax of both years would be slightly difference.
- Other current liabilities decreased from the year 2015 because value added tax of December 2016, which be submitted to the Revenue Department on the following month, decreased from December 2015. This was due to the decreasing on billings in Q4 as before-said.
- Employee benefit obligations increased because there was adjustment on the calculation in the year 2016 according to actuarial basis.

5. Deferred lease right decreased because it was transferred to income every year by straight-line method for the period of 29 years.

<u>Shareholders' equity</u>	<u>Baht : million</u>		
	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>	<u>Dec.31, 2014</u>
Shareholders' equity	<u>850.59</u>	<u>833.63</u>	<u>770.58</u>

1. Shareholders' equity of the company and its subsidiary companies as at December 31, 2016 was Baht 850.59 million whereas shareholders' equity of the company and its subsidiary companies as at December 31, 2015 and December 31, 2014 were Baht 833.63 million and Baht 770.58 million respectively.
2. The changes of shareholders' equity in the year 2016 from the year 2015 were as follows:

	<u>Baht : million</u>
Total comprehensive income for the year	59.29
Dividend paid for the year	(54.78)
Sale of treasury stock	<u>12.54</u>
Total shareholders' equity	<u>16.96</u>

Financial ratios including per share ratios and growth rates which relevant with financial status are summarized as follows:

#### 1. Financial policy ratios

	Unit	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>	<u>Dec.31, 2014</u>
Debt/Equity Ratio	(Times)	0.43	0.44	0.38
Interest Coverage Ratio	(Times)	none	none	none
Dividend Payout Ratio	(%)	Dividend hasn't been declared	108.12	93.63

According to the above results, these ratios for the year 2016 closed to the years 2015 and 2014 because debt-to-equity ratio for the year 2016 closed to both years. However, the financial risks for all 3 years were slightly because total debt was so little when compare with shareholders' equity, moreover, there was no short-term or long-term loans, therefore, there was no interest obligation. In addition, dividend hasn't been declared for the year 2016, however, dividend paid for the year 2015 was higher than the year 2014.

#### 2. Per share ratios

	Unit	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>	<u>Dec.31, 2014</u>
Book value per share	(Baht)	15.48	15.36	14.19
Profit from recurring activities per share	(Baht)	0.96	0.92	0.80
Earning per share	(Baht)	0.98	2.15	0.83
Dividend per share	(Baht)	Dividend hasn't been declared	1.00	0.80

According to the above results, these ratios for the year 2016 were higher than the year 2015 and 2014 because book value per share as well as profit from recurring activities per share of the year 2016 were higher than both years. Since net profit for the year 2015 included gain on sale of investment property, this part was

regardless to earnings per share. In addition, there was no dividend per share in the year 2016 because it hasn't been declared, however, dividend per share of the year 2015 was higher than the year 2014.

### 3. Growth rates

	(Unit)	<u>Yr 2016</u>	<u>Yr 2015</u>	<u>Yr 2014</u>
Assets	(%)	1.51	12.46	(11.12)
Liabilities	(%)	0.29	23.63	(13.24)

According to the above results, growth rate of assets in the year 2016 was higher than that of liabilities, resulted to the increasing of shareholders' equity in the year 2016. In addition, the changes of each item of assets and liabilities have been afore-said.

Conclusion The Financial status of the company and its subsidiary companies was sound because debt to equity ratio of all 3 years were closely and quite low which total liabilities was less than 50% of shareholders' equity, especially, there wasn't any loan and interest obligation. Moreover, the company's group had net profit continuously. Although there were losses on fair value adjustment of available for sale investment in some year but there were total comprehensive income every year. Consequently, shareholders' equity increased every year except the year 2014 because there was repurchase a part of common stock from the shareholders' resulted in the diminishing of shareholders' equity, however, it was recovered by gain from sales of investment property in the year 2015. As the above reasoning, book value per share of the company's group increased consecutively except in the year 2014 as before-said.

## **14.3 Liquidity**

### Liquidity ratios

	Unit	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>	<u>Dec.31, 2014</u>
Current Ratio	(Times)	2.40	2.33	2.54
Quick Ratio	(Times)	2.36	2.30	2.48
Cash Flows Ratio	(Times)	0.15	0.15	0.05
Accounts Receivable Turnover	(Times)	6.88	6.59	6.03
Average Collection Period	(Days)	52	55	60
Accounts payable Turnover	(Times)	6.97	8.41	8.18
Average Payment Period	(Days)	51	43	44
Cash Cycle	(Days)	1	12	16

Conclusion The liquidity for the year 2016 closed to the year 2015 and 2014 because the liquidity ratio, i.e., current ratio, quick ratio, cash flows ratio, accounts receivable turnover ratio, average collection period, accounts payable turnover ratio, average payment period and cash cycle for the year 2016 closed to both years. Moreover, the liquidity of all 3 years were favorable because the amount of current assets and quick current assets larger than current liabilities about 2 times which enough to settle the whole current liabilities on time. In addition, cash cycle for the year 2016 was only 1 day. So, the efficiency on the management of assets is favorable

## Detail of Director and Executive Management

### 1. Detail of Director and Executive Management

Name-Position	Age	Qualification in Education	Company share portion %	Family relationship of directors	Working experience in 5 years		
					Period	Position	Company's Name
1. Mr.Prakit Apisarnthanarax Executive President and Authorized Director	78	BA in Economics Thammasart University	9.79% voting right common stock	Father of Mr.Apirak Apisarnthanarak Company's Managing Directors	1986-present    1978-1986 1974-1978  1964-1974	President   Director President Controller and Media Director Media Director	Prakit Holdings Plc. Prakit & Associate Co.,Ltd. Prakit Advertising Ltd. Marketing Drive Worldwide (Thailand) Co.,Ltd. Prakit & Associates Co., Ltd. Diethelm Advertising Co., Ltd. Diethelm Co., Ltd.
2. Phisal Prahasdangkura Executive Vice President and Authorized Director	72	B.A. in Mass Communication Miami Colledge USA	0.13% of voting right common stock	No	1986-present   1977-1986 1974-1977  1972-1974	Vice President Director  Vice President Product Manager Product Manager	Prakit Holdings Plc. Prakit Advertising Ltd. Marketing Drive Worldwide (Thailand) Co.,Ltd. Prakit & Associates Co., Ltd. Warner-Lambert (Thailand) Co.,Ltd. Bristol Myers (Thailand) Co.,Ltd.
3. Mr. Preecha Chaotechuan Director and Authorized Director	69	B.A. in Business Ohio Colledge USA Marketing Management Certificate Lausanne, Switzerland	0.23% voting right common stock	No	Present 1986-2007 1980-1984  1975-1980 1970-1975	Director Managing Director Deputy Manager Director Marketing Director Marketing Trail	Prakit Holdings Plc. Prakit Holdings Plc. Lintas Co.,Ltd.  Fedderst Co.,Ltd. Diethelm Co., Ltd.
4. Mr. Vichien Nakintanond Director	68	High School Vatrabua School	-	No	Present 1986-2001  1978-1986  1968-1978 1965-1968	Director Deputy Managing Director Deputy Managing Director Artist Artist	Prakit Holdings Plc. Prakit Holdings Plc. Prakit & Associates Co., Ltd. Diethelm Co., Ltd. Loxley (Thailand) Co.,Ltd.

## Detail of Director and Executive Management

### 1. Detail of Director and Executive Management

Name-Position	Age	Qualification in Education	Company share portion %	Family relationship of directors	Working experience in 5 years		
					Period	Position	Company's Name
5. Mr. Sommanous Na Bangcha Audit Committee and Independent Director	68	MBA Southeastern Oklahoma State University	-	No	Dec 1999- Present  1999-2002 1988-1998 1978-1988  1975-1978	Independent Director and Audit Committee  Consultant of Finance Finance Director Executive Manager Internal Audit	Prakit Holdings Plc.  Thoranee Pipat Co.,Ltd. Prakit Holdings Plc. Diethelm Advertising Co.,Ltd. IFCT
6. Dr. Pichai Charnsupharindr Audit Committee and Independent Director	74	B.A. in Economics Thammasart University Master Degree University of the Philippines Ph.D. in Economics University of the Philippines	-	No	Present       1965-2003	Independent Director and Audit Committee  Director  Consultant  Consultant  A Dean of Faculty  Vice Rector  President  Director and Secretary	Prakit Holdings Plc.  Thammasart Association Thammasart University The Federation of Saving of Thailand Limited The Saving Cooperative of Thammasart University Faculty of Economics Thammasart University Planning and Development Department Thammasart University The Saving Cooperative of Thammasart University The Professor Council of Thammasart University Anandamahidol Foundation
7. Dr. Manoon Pahirah Independent Director and Audit Committee	78	Bachelor Degree of Economics Thammasart University Master Degree (ECON) University of the Philippines Ph.D. (ECON) University of Hawaii	-	No	Present   2004-Present 2001-2004 1999-2001	Independent Director Audit Committee Vice President of Sub-Committee  Rector Advisor Rector Dean of Pundit Institute	Prakit Holdings Plc.  Office of the National Counter Corruption Commission Kirk University Kirk University Thammasart University



## Detail of Director and Executive Management

### 1. Detail of Director and Executive Management

Name-Position	Age	Qualification in Education	Company share portion % voting right common stock	Family relationship of directors	Working experience in 5 years		
					Period	Position	Company's Name
8. Ms. Wichuda Grairithikul Chief Finance officer Company Secretary and Audit Committee Secretary	58	B.A.in Account Thammasart University Master degree in Accounting Thammasart University	1.05% voting right common stock	No	1999-Present	Finance Director	Prakit Holdings Plc.
					1996-1999	Deputy of Finance Director	Prakit Holdings Plc.
					1994-1996	Finance Manager	Magnus Nangervis & Curl/FCB Ltd.
					1988-1994	Finance Manager	GSI Travel Co.,Ltd.
					1981-1987	Assistant Accounti Manager	White Group Plc.
9. Mrs.Siriorn Chernpipat Executive Media Director	53	B.A. in Mass Communication Thammasart University	-	No	1993-Present	Executive Media Director	Prakit Holdings Plc.
					1990-1993	Media Manager	Prakit & FCB Co.,Ltd.
					1987-1990	Media Planner	Prakit & FCB Co.,Ltd.
10.Mr.Apirak Apisarnthanarak Director and Authorized Director	45	BBA in Market and Managem of Information System MBA at The University of North Carolina Chapel Hill	4.97% voting right common stock	President's son	Present	Managing Director Director	Prakit Holdings Plc. Marketing Drive Worldwide (Thailand) Ltd.
					2001-2007	Managing Director	Prakit Advertising Ltd.
						Strategic Planning Director/Business Director	Prakit Advertising Ltd.
					1999-2001	Strategic Planning Analyst,	FCB Worldwide (New York)
					1997-1997	Marketing Associa	Colgate-Plamolive (Thailand) Ltd.

**Details of Subsidiaries Director**

Name of Director	PRAKIT HOLDINGS PCL	Subsidiary Company				Related Companies			Other Company		
		PRAKIT/FCB (CAMBODIA)	PRAKIT ADVERTISING	MARKETING DR WORLDWIDE	Praikit Advertising (Myanmar)	DIRECT RESPONSE	Bangkok Writer and Partners	PRAKIT & ASSOCIATE	62 Content & Design	Double P Marketing	
Mr. Prakrit Apisarnthanarax	B, A, C	A, C	A, C	C		-		-	A, C		
Mr. Phisal Prahasdangkura	B, C		C	C							
Mr. Pheecha Chaochotechuang	C										A,C
Mr. Sommanous Na Bangchang	F, G										
Dr. Pichai Charnsupharindr	F,G										
Ms. Wichuda Grairithikul	B		B		C			C		B, C	
Mr. Apirak Apisarnthanarak	B,D		B,D	B,C	C			C		C	
Mr. Vichien Nakintanond	C										
Mrs. Siriorn Chernpipat	B		B		C						
Dr. Manoon Pahirah	F, G										

A = President

B = Executive Board

C = Director D = Managing Director

E = General Manager

F = Audit Committee

G = Independent Director

H = Chief Executive Officer

D=Managing Director

Report of number of share held by Directors and executives as at December 31, 2016

Name	2015		Increase/ Decrease	2016 Total	%	2016	
	Director	Spouse				Director	Spouse
1. Mr.Prakit Apisanthanarax	4,899,900.00	-	482,700.00	5,382,600.00	9.79	5,299,900.00	82,700.00
2. Mr.Phisal Prahasdadangkura	23,000.00	46,000.00	-	69,000.00	0.13	23,000.00	46,000.00
3. Mr.Preecha Chaochotechuang	-	112,000.00	15,000.00	127,000.00	0.23	15,000.00	112,000.00
4. Mr. Vichien Nakintanond	-	-	-	-	-	-	-
5. Mr.Sommanous Na Bangchang	-	-	-	-	-	-	-
6. Dr.Pichai Charnsupharindr	-	-	-	-	-	-	-
7. Dr.Manoon Pahirah	-	-	-	-	-	-	-
9. Mr.Apirak Apisanthanarak	2,608,793.00	-	124,300.00	2,733,093.00	4.97	2,659,593.00	73,500.00
10. Ms.Wichuda Grairithikul	484,200.00	-	95,300.00	579,500.00	1.05	579,500.00	-
11. Mrs.Siriorn Chernpipat	-	-	-	-	-	-	-

**Prakit Holdings Public Company Limited**  
**and its Subsidiaries**  
**Financial Statements**  
**and**  
**Independent Auditor's Report**  
**1 January 2016 to 31 December 2016**

## **Independent Auditor's Report**

### **To the Shareholders and the Board of Directors of Prakit Holdings Public Company Limited**

#### ***Opinion***

I have audited the consolidated financial statements of Prakit Holdings Public Company Limited and its subsidiaries (the Group) and the separate financial statements of Prakit Holdings Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of Prakit Holdings Public Company Limited and its subsidiaries and the separate financial position of Prakit Holdings Public Company Limited as at 31 December 2016, and the related consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### ***Basis for Opinion***

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### ***Key Audit Matters***

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

<b>Key audit matter</b>	<b>How the matter was addressed</b>
<p><b>Commission income on media agency service</b></p> <p>For the year ended 31 December 2016, the Group and the Company earns commission income on media agency service amounting to Baht 138 million in consolidated financial statement and Baht 81 million in the separate financial statement. The commission income is recognized when the advertisements are broadcasted and the valuations of media volume income are determined on commission rate, discount rate and media volume. Accordingly, the timing of revenue recognition and measurement of the commission income is a significant risk of material misstatement to the financial statement of the Group and the Company.</p>	<p>The key audit procedures included as follows:</p> <ul style="list-style-type: none"><li>• Inquire the management for the agreement and criterial of media agency service regarding sale and purchase, discount, and significant change from previous year,</li><li>• Evaluate and test of key internal control for commission income system.</li><li>• Analysis the commission rate and compare with the agreement of media agency service.</li><li>• Sampling test with supporting documents of commission income, media cost and related discount.</li><li>• Sampling test with cash receive and trace to the book record.</li><li>• Subsequent test for media discount after the reporting period.</li></ul>

***Other matter***

The consolidated financial statements of Prakit Holdings Public Company Limited and its subsidiaries and the separate financial statements of Prakit Holdings Public Company Limited for the year ended 31 December 2015 which are presented herein as comparative information, were audited by another auditor of Bunchikij Co., Ltd. who expressed an unmodified opinion on those statements in his report dated 24 February 2016.

***Other Information***

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

My opinion on the consolidated and separate financial statements does not cover the other information as referred to above and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information as referred to above when it becomes available and, in doing so, consider whether such the other information is materially inconsistent with the audited consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the Group's annual report, if I conclude that there is any material misstatement in those other information, I am required to communicate the matter to the management and those charged with governance to correct such information.

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

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

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

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

***Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Thanakorn Fakfaipol



(Mr. Thanakorn Fakfaipol)

Certified Public Accountant No. 4879

**Bunchikij Co., Ltd.**

Bangkok

24 February 2017

## Prakit Holdings Public Company Limited and its Subsidiaries

## Statements of Financial Position

As at 31 December 2016

Unit : Baht

ASSETS	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	97,478,142	85,102,746	56,345,930	33,073,494
Current investments					
Private fund	6	30,327,039	28,241,745	30,327,039	28,241,745
Others	7	382,239,829	318,751,930	311,749,219	295,589,935
Current portion of held-to-maturity debt securities	7	16,000,000	20,000,000	16,000,000	20,000,000
Trade accounts and other receivables	3, 8	252,731,951	310,538,891	177,305,200	234,537,945
Other current assets		10,846,266	9,460,176	4,119,787	5,386,123
<b>Total current assets</b>		<b>789,623,227</b>	<b>772,095,488</b>	<b>595,847,175</b>	<b>616,829,242</b>
<b>NON-CURRENT ASSETS</b>					
Bank deposit held as collateral	9	32,001,000	32,001,000	32,001,000	32,001,000
Investments in joint venture, associated and subsidiary companies	10	116,429,268	115,109,711	165,045,481	165,045,481
Other long-term investments	7	112,957,803	116,418,439	112,957,803	116,418,439
Loan to employees	11	25,000	350,000	25,000	300,000
Investment property	12	46,215,000	46,215,000	46,215,000	46,215,000
Property, plant and equipment	13	97,346,306	92,857,847	96,734,539	92,197,714
Intangible assets		12,529	22,528	12,526	22,525
Deferred tax assets	14	9,401,314	11,990,491	5,987,679	8,675,867
Other non-current assets		12,085,499	11,035,655	-	-
<b>Total non-current assets</b>		<b>426,473,719</b>	<b>426,000,671</b>	<b>458,979,028</b>	<b>460,876,026</b>
<b>TOTAL ASSETS</b>		<b>1,216,096,946</b>	<b>1,198,096,159</b>	<b>1,054,826,203</b>	<b>1,077,705,268</b>

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

## Prakit Holdings Public Company Limited and its Subsidiaries

## Statements of Financial Position

As at 31 December 2016

Unit : Baht

LIABILITIES AND EQUITY	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>CURRENT LIABILITIES</b>					
Trade accounts and other payables	4, 15	302,446,115	272,261,883	207,386,226	211,036,679
Accrued income tax		44,348	30,225,164	44,348	30,225,164
Other current liabilities		27,033,135	28,813,629	13,227,855	18,575,889
<b>Total current liabilities</b>		<b>329,523,598</b>	<b>331,300,676</b>	<b>220,658,429</b>	<b>259,837,732</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred lease right	16	14,481,220	15,565,702	14,481,220	15,565,702
Employee benefit obligations	17	21,510,767	17,597,697	9,150,439	6,061,041
<b>Total non-current liabilities</b>		<b>35,991,987</b>	<b>33,163,399</b>	<b>23,631,659</b>	<b>21,626,743</b>
<b>TOTAL LIABILITIES</b>		<b>365,515,585</b>	<b>364,464,075</b>	<b>244,290,088</b>	<b>281,464,475</b>
<b>EQUITY</b>					
Share capital	18				
Authorized share capital					
99,484,000 common shares of Baht 1 each			99,484,000		99,484,000
94,438,800 common shares of Baht 1 each		94,438,800		94,438,800	
Issued and fully paid - up capital					
60,000,000 common shares of Baht 1 each		-	60,000,000	-	60,000,000
54,954,800 common shares of Baht 1 each		54,954,800	-	54,954,800	-
Premium on share capital	19	193,568,560	193,568,560	193,568,560	193,568,560
Retained earnings					
Appropriated to legal reserve		10,000,000	10,000,000	10,000,000	10,000,000
Unappropriated		612,514,980	598,463,915	573,777,759	562,314,653
Reserve for Treasury Shares	20	-	79,460,000	-	79,460,000
Treasury Shares	20	-	(79,460,000)	-	(79,460,000)
Other components of equity		(22,003,173)	(29,700,219)	(21,765,004)	(29,642,420)
<b>Total equity attributable to the parent company</b>		<b>849,035,167</b>	<b>832,332,256</b>	<b>810,536,115</b>	<b>796,240,793</b>
Non-controlling interests		1,546,194	1,299,828	-	-
<b>Total equity</b>		<b>850,581,361</b>	<b>833,632,084</b>	<b>810,536,115</b>	<b>796,240,793</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,216,096,946</b>	<b>1,198,096,159</b>	<b>1,054,826,203</b>	<b>1,077,705,268</b>

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

## Prakit Holdings Public Company Limited and its Subsidiaries

## Statements of Comprehensive Income

For the year ended 31 December 2016

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>REVENUES</b>					
Revenue from rendering services	4, 22	229,393,707	207,766,076	90,476,400	66,711,027
Revenue from agency	22	138,150,159	161,041,316	81,511,216	100,497,372
Interest income	22	4,557,340	5,155,708	4,376,405	4,945,321
Dividend income	10, 22	2,909,747	2,173,756	9,908,697	9,172,705
Management income	4	1,920,000	2,016,000	33,455,267	34,085,994
Gain from sales of investment property	4, 12	-	103,537,770	-	160,300,000
Other revenues		26,648,210	5,779,965	22,890,186	6,170,057
<b>Total revenues</b>		<b>403,579,163</b>	<b>487,470,591</b>	<b>242,618,171</b>	<b>381,882,476</b>
<b>EXPENSES</b>					
Cost of rendering of services	4, 24	194,424,627	179,854,045	85,962,036	63,158,778
Selling expenses	24	55,924,907	59,000,726	35,297,702	37,737,178
Administrative expenses	24	86,850,357	90,790,933	60,886,923	65,065,938
<b>Total expenses</b>		<b>337,199,891</b>	<b>329,645,704</b>	<b>182,146,661</b>	<b>165,961,894</b>
Profit before share of profit from investments in joint venture and associated companies - equity method		66,379,272	157,824,887	60,471,510	215,920,582
Share of profit from investments in joint venture and associated companies - equity method		1,319,557	1,491,574	-	-
<b>Profit before income tax</b>		<b>67,698,829</b>	<b>159,316,461</b>	<b>60,471,510</b>	<b>215,920,582</b>
Income tax	25	(12,810,371)	(42,828,140)	(9,858,639)	(41,385,124)
<b>Net profit for the year</b>		<b>54,888,458</b>	<b>116,488,321</b>	<b>50,612,871</b>	<b>174,535,458</b>
<b>Other comprehensive income (loss):</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Actuarial gain (loss)	17	(4,124,772)	6,869	(2,324,506)	(147,189)
Income tax effects		824,955	(1,374)	464,901	29,438
		(3,299,817)	5,495	(1,859,605)	(117,751)
<b>Items that may be reclassified subsequently to profit or loss</b>					
Gain (loss) of revaluation of available-for-sale investments	7	9,846,770	(12,538,580)	9,846,770	(12,538,580)
Foreign currency translation differences for foreign operations		(180,370)	(48,254)	-	-
Income tax effects		(1,969,354)	2,507,716	(1,969,354)	2,507,716
		7,697,046	(10,079,118)	7,877,416	(10,030,864)
<b>Other comprehensive income (loss) for the year, net of income tax</b>		<b>4,397,229</b>	<b>(10,073,623)</b>	<b>6,017,811</b>	<b>(10,148,615)</b>
<b>Total comprehensive income for the year</b>		<b>59,285,687</b>	<b>106,414,698</b>	<b>56,630,682</b>	<b>164,386,843</b>
<b>Profit (loss) attributable to:</b>					
Owners of the Company		54,641,042	116,645,990	50,612,871	174,535,458
Non-controlling interests		247,416	(157,669)	-	-
<b>Net profit for the year</b>		<b>54,888,458</b>	<b>116,488,321</b>	<b>50,612,871</b>	<b>174,535,458</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		59,038,271	106,572,367	56,630,682	164,386,843
Non-controlling interests		247,416	(157,669)	-	-
<b>Total comprehensive income for the year</b>		<b>59,285,687</b>	<b>106,414,698</b>	<b>56,630,682</b>	<b>164,386,843</b>
<b>Earnings per share</b>					
Basic earnings per share	26	0.98	2.15	0.90	3.22

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

## Prakit Holdings Public Company Limited and its Subsidiaries

## Consolidated statements of changes in shareholders' equity

For the year ended 31 December 2016

Unit : Baht

## Equity attributable to owners of the Company

	Notes	Retained earnings						Other components of equity			Equity		Total Shareholders' equity	
		Issued and paid - up share capital	Share premium	Surplus on sale of treasury shares	Legal reserve	Unappropriated	Reserve for Treasury Shares	Treasury Shares	Fair value changes in available-for-sale investments	Currency translation differences	Total other components of equity	attributable to owners of the Company		
												Company		Non-Cotrolling Interests
<b>Balance at 1 January 2015</b>		<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>525,172,430</b>	<b>79,460,000</b>	<b>(79,460,000)</b>	<b>(19,611,556)</b>	<b>(9,545)</b>	<b>(19,621,101)</b>	<b>769,119,889</b>	<b>1,458,547</b>	<b>770,578,436</b>
Dividend paid	21	-	-	-	-	(43,360,000)	-	-	-	-	-	(43,360,000)	(1,050)	(43,361,050)
Total comprehensive income (loss) for the year														
Profit for the year		-	-	-	-	116,645,990	-	-	-	-	-	116,645,990	(157,669)	116,488,321
Other comprehensive income														
Actuarial gain		-	-	-	-	5,495	-	-	-	-	-	5,495	-	5,495
Others		-	-	-	-	-	-	-	(10,030,864)	(48,254)	(10,079,118)	(10,079,118)	-	(10,079,118)
<b>Balance at 31 December 2015</b>		<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>598,463,915</b>	<b>79,460,000</b>	<b>(79,460,000)</b>	<b>(29,642,420)</b>	<b>(57,799)</b>	<b>(29,700,219)</b>	<b>832,332,256</b>	<b>1,299,828</b>	<b>833,632,084</b>
<b>Balance at 1 January 2016</b>		<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>598,463,915</b>	<b>79,460,000</b>	<b>(79,460,000)</b>	<b>(29,642,420)</b>	<b>(57,799)</b>	<b>(29,700,219)</b>	<b>832,332,256</b>	<b>1,299,828</b>	<b>833,632,084</b>
Dividend paid	21	-	-	-	-	(54,784,800)	-	-	-	-	-	(54,784,800)	(1,050)	(54,785,850)
Total comprehensive income (loss) for the year														
Profit for the year		-	-	-	-	54,641,042	-	-	-	-	-	54,641,042	247,416	54,888,458
Other comprehensive income														
Actuarial loss		-	-	-	-	(3,299,817)	-	-	-	-	-	(3,299,817)	-	(3,299,817)
Others		-	-	-	-	-	-	-	7,877,416	(180,370)	7,697,046	7,697,046	-	7,697,046
Sale of treasury shares	20	-	-	2,108,680	-	10,340,760	(10,340,760)	10,340,760	-	-	-	12,449,440	-	12,449,440
Cancellation of treasury shares	20	(5,045,200)	-	(2,108,680)	-	7,153,880	(69,119,240)	69,119,240	-	-	-	-	-	-
<b>Balance at 31 December 2016</b>		<b>54,954,800</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>612,514,980</b>	-	-	<b>(21,765,004)</b>	<b>(238,169)</b>	<b>(22,003,173)</b>	<b>849,035,167</b>	<b>1,546,194</b>	<b>850,581,361</b>

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

## Prakit Holdings Public Company Limited and its Subsidiaries

## Separate statements of changes in shareholders' equity

For the year ended 31 December 2016

Unit : Baht

	Notes	Issued and		Surplus on sale of treasury shares	Retained earnings			Other components of equity		Total Shareholders' equity
		paid - up share capital	Share premium		Legal reserve	Unappropriated	Reserve for Treasury Shares	Treasury Shares	Fair value changes in available-for-sale investments	
<b>Balance at 1 January 2015</b>		<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>431,256,946</b>	<b>79,460,000</b>	<b>(79,460,000)</b>	<b>(19,611,556)</b>	<b>675,213,950</b>
Dividend paid	21	-	-	-	-	(43,360,000)	-	-	-	(43,360,000)
Total comprehensive income for the year										
Profit for the year		-	-	-	-	174,535,458	-	-	-	174,535,458
Other comprehensive income										
Actuarial loss		-	-	-	-	(117,751)	-	-	-	(117,751)
Others		-	-	-	-	-	-	-	(10,030,864)	(10,030,864)
<b>Balance at 31 December 2015</b>		<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>562,314,653</b>	<b>79,460,000</b>	<b>(79,460,000)</b>	<b>(29,642,420)</b>	<b>796,240,793</b>
<b>Balance at 1 January 2016</b>		<b>60,000,000</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>562,314,653</b>	<b>79,460,000</b>	<b>(79,460,000)</b>	<b>(29,642,420)</b>	<b>796,240,793</b>
Dividend paid	21	-	-	-	-	(54,784,800)	-	-	-	(54,784,800)
Total comprehensive income for the year										
Profit for the year		-	-	-	-	50,612,871	-	-	-	50,612,871
Other comprehensive income										
Actuarial loss		-	-	-	-	(1,859,605)	-	-	-	(1,859,605)
Others		-	-	-	-	-	-	-	7,877,416	7,877,416
Sale of treasury shares	20	-	-	2,108,680	-	10,340,760	(10,340,760)	10,340,760	-	12,449,440
Cancellation of treasury shares	20	(5,045,200)	-	(2,108,680)	-	7,153,880	(69,119,240)	69,119,240	-	-
<b>Balance at 31 December 2016</b>		<b>54,954,800</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>573,777,759</b>	-	-	<b>(21,765,004)</b>	<b>810,536,115</b>

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

## Prakit Holdings Public Company Limited and its Subsidiaries

## Statements of Cash Flows

For the year ended 31 December 2016

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Cash flows from operating activities</b>					
Profit for the period		54,888,458	116,488,321	50,612,871	174,535,458
<i>Adjustment for</i>					
Depreciation	13	6,587,552	5,582,961	6,318,782	5,244,753
Amortisation of intangible assets		9,999	11,023	9,999	11,023
Reversal of allowance for doubtful debts		(2,083,109)	(655,991)	(2,125,437)	(655,991)
(Gain) loss on sales of current and long-term investments		(4,457,894)	1,921,120	(4,871,527)	556,738
(Gain) loss on adjustment of fair value of current investments		(5,710,674)	(2,145,977)	(4,968,426)	(562,305)
(Gain) loss on sale of investment property	4, 12	-	(103,537,770)	-	(160,300,000)
(Gain) loss on sale of property, plant and equipment		(345,412)	2,743	44,640	-
Provisions for employee benefits	17	2,349,898	2,557,635	764,892	772,977
Revenue from deferred lease right	16	(1,084,483)	(1,084,483)	(1,084,483)	(1,084,483)
Dividend income		(2,909,747)	(2,173,755)	(9,908,697)	(9,172,706)
Interest income		(4,557,340)	(5,155,708)	(4,376,405)	(4,945,321)
Other income		-	(1,000)	-	(1,000)
Share of (profit) loss from associated companies and joint venture - equity method		(1,319,557)	(1,491,574)	-	-
Unrealized (gain) loss from exchange rates		(64,150)	(115,660)	-	-
Income tax expense		12,810,371	42,828,141	9,858,639	41,385,124
		54,113,912	53,030,026	40,274,848	45,784,267
<i>Changes in operating assets and liabilities</i>					
Current investments sold		127,219,869	245,384,613	127,219,869	226,186,358
Addition to current investments		(187,108,738)	(311,704,383)	(140,108,738)	(291,704,382)
Trade accounts and other receivables		67,774,555	(50,473,806)	67,293,539	(55,389,295)
Other current assets		6,437,997	6,885,706	1,266,336	206,783
Other non-current assets		(5,221,464)	(4,981,399)	-	-
Trade accounts and other payable		34,435,928	35,025,775	601,243	30,673,451
Other current liabilities		(1,780,494)	7,581,562	(5,348,034)	6,825,210
Employee benefit obligations paid	17	(2,561,600)	(4,812,000)	-	(1,874,000)
Cash provided by (used in) operating activities		93,309,965	(24,063,906)	91,199,063	(39,291,608)
Income tax paid		(45,198,878)	(20,656,323)	(38,855,720)	(15,184,817)
<b>Net Cash provided by (used in) operating activities</b>		<b>48,111,087</b>	<b>(44,720,229)</b>	<b>52,343,343</b>	<b>(54,476,425)</b>

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

## Prakit Holdings Public Company Limited and its Subsidiaries

## Statements of Cash Flows

For the year ended 31 December 2016

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Cash flows from investing activities</b>					
Loans to employees	11	-	(400,000)	-	(400,000)
Cash received from loans to employees	11	560,000	510,000	395,000	325,000
Time deposits		-	(1,000,000)	-	(1,000,000)
Investment in an associate company	10	-	(150,375,000)	-	(150,375,000)
Addition to long - term investments		(51,429,739)	(33,325,451)	(51,429,739)	(33,325,451)
Cash received from redemption of long-term investments		20,000,000	16,952,313	20,000,000	14,952,313
Cash received from sale of long-term investments		40,180,647	-	40,180,647	-
Purchases of property, plant and equipment	13	(11,136,798)	(6,777,825)	(10,900,248)	(6,624,156)
Purchase of intangible assets		-	(30,000)	-	(30,000)
Cash received from sale of investment property	4, 12	-	250,300,000	-	250,300,000
Cash received from sale of property, plant and equipment		390,075	12,000	-	-
Dividend received		2,909,748	2,173,755	9,908,697	9,172,706
Interest received		5,291,032	5,348,306	5,110,096	5,113,142
<b>Net cash provided by (used in) investing activities</b>		<b>6,764,965</b>	<b>83,388,098</b>	<b>13,264,453</b>	<b>88,108,554</b>
<b>Cash flows from financing activities</b>					
Dividend paid	21	(54,784,800)	(43,360,000)	(54,784,800)	(43,360,000)
Proceed from sale of treasury shares		12,449,440	-	12,449,440	-
Dividends paid to non-controlling interests		(1,050)	(1,050)	-	-
<b>Net cash provided by (used in) financing activities</b>		<b>(42,336,410)</b>	<b>(43,361,050)</b>	<b>(42,335,360)</b>	<b>(43,360,000)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>12,539,642</b>	<b>(4,693,181)</b>	<b>23,272,436</b>	<b>(9,727,871)</b>
Cash and cash equivalents at 1 January		85,102,746	89,774,793	33,073,494	42,801,365
Effect of exchange rate changes on balances held in foreign currencies		16,124	21,134	-	-
Gain (loss) from currency translation of foreign subsidiaries financial statements		(180,370)	-	-	-
<b>Cash and cash equivalents at 31 December</b>		<b>97,478,142</b>	<b>85,102,746</b>	<b>56,345,930</b>	<b>33,073,494</b>
<b>Non-cash transactions</b>					
Unutilized credit facilities for future working capital		41,000,000	41,000,000	1,000,000	1,000,000

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



**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

**1. General information**

Prakit Holdings Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 88 Soi Sukhumvit 62 , 3<sup>rd</sup> intersection, Sukhumvit Road, Bangjak, Prakanong, Bangkok, Thailand.

The Company was registered with the Stock Exchange of Thailand on 30 July 1991.

The major shareholder for the period is Prakit and Associated Co., Ltd (held 24.95%) which is incorporated in Thailand.

The Company and its subsidiaries (the “Group”) is principally engaged in the production of media and advertisement, media agency, investing in securities and providing the management service to subsidiary, and affiliated companies. Details of the Company’s subsidiaries as at 31 December 2016 and 2015 are disclosed in note 9.

**2. Basis for preparation and presentation of financial statements**

2.1 The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles, which are issued under the Accounting Professions Act B.E.2547, and according to the requirements of the Securities and Exchange Commission, and the regulation of the Stock Exchange of Thailand.

2.2 The financial statements are presented for Thai currency reporting purpose and prepared in Thai language. This English translation of financial statements has been prepared for the convenience of the readers. All financial information presented in Thai Baht has been rounded in the notes to the financial statements unless otherwise stated.

2.3 New Financial Reporting Standards

2.3.1 The Financial Reporting Standards that became effective in the current accounting period

The Group has adopted the Thai Financial Reporting Standards that are effective for annual periods beginning on or after 1 January 2016. The adoption of these Thai Financial Reporting Standards does not have any significant impact on the Group financial statements.

2.3.2 The Financial Reporting Standards that will become effective in the future

The Financial Reporting Standards which are effective for accounting periods beginning on or after 1 January 2017 as follow:

**Thai Financial Reporting Standards**

TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

**Accounting Standards**

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

**Financial Reporting Standard Interpretations**

TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) - Financial

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

Reporting in Hyperinflationary Economies

TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) Employee Benefits – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

**Accounting Standard Interpretations**

TSIC 10 (revised 2016)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 25 (revised 2016)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2016)	Disclosure – Service Concession Arrangements
TSIC 31 (revised 2016)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs

**FAP Announcement**

No. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities
No. 91/2559	Accounting guidance for insurance business to designate financial instruments as financial instruments measured at fair value through profit or loss

The Groups would not yet adopt the above standards before the effective date. The management of the Group are in the process of evaluating the impact of these Thai Financial Reporting Standards on the financial statements in the year when they are initially applied.

- 2.4 Historical cost is used as measurement basis in preparing these financial statements except some items indicated in relevant notes.
- 2.5 Preparation of financial statements in conformity with Thai Financial Reporting Standards, which requires management to make estimates and assumptions that affect the reported amounts of these interim financial statements. The actual results may differ from such estimates.

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2016****3. Significant accounting policies**

The accounting policies set out below have been applied consistently in all periods presented in these financial statements.

**3.1 Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries and the Group's interests in associates and joint venture.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an equity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from their date on which control commences until the date on which control ceases.

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

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*Associates*

Associates are those entities in which the Group has significant influence, but not control or joint controls over the financial and operating policies.

Investments in associate are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2016***Joint venture*

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture are accounted for in the consolidated financial statement using the equity method and are recognised initially at cost, includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which joint control ceases.

## 3.2 Foreign currencies

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

*Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rate at reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rate at the dates of the transactions.

Foreign exchange differences arising on translation are recognized in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

## 3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

## 3.4 Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2016**

## 3.5 Investments

*Investments in joint venture, associates and subsidiaries*

Investments in joint venture, associated and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investment in joint venture and associates in the consolidated financial statements are accounted for using the equity method.

*Investments in other debt and equity securities*

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

## 3.6 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property to a working condition for its intended use.

The Group did not depreciate the investment in properties in land.

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

3.7 Property, plant and equipment

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount of buildings and equipment, which are the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	30	years
Buildings and improvement	30	years
Furniture and fixtures	5 - 10	years
Office equipment	3 - 10	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

3.8 Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	3	years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.9 Impairment of assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.



**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2016**

## 3.10 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

## 3.11 Deferred lease right

Deferred lease right has been recognized as income by the straight-line method over the period of long-term lease agreement, over 29 years.

## 3.12 Employee benefits

*Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Termination benefits*

Termination benefits are expensed at the earlier of when the Group/Company can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 3.13 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2016**

## 3.14 Treasury stock

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

## 3.15 Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

*Sale of services rendered*

Service income is recognised as services are provided.

*Commissions*

When the Group acts in capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission made by the Group.

*Investments*

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

*Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

*Dividend income*

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

*Interest income*

Interest income is recognised in profit or loss as it accrues.

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2016**

## 3.16 Expenses

*Operating leases*

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

*Finance costs*

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration,

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

*Other expense*

Other expense is recognized in profit or loss as it accrues.

## 3.17 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised 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, and any adjustment to tax payable in respect of previous years

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2016**

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its 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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. 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 realised.

**3.18 Earnings per share**

The Group presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

**3.19 Segment reporting**

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment, as well as those that can be allocated on reasonable basis.

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

**4. Related parties**

For the purposes of these financial statements, parties are considered to be related to the company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with the related parties beside subsidiaries and associate companies and joint venture as disclosed in note 10 were as follows:

<b>Related company</b>	<b>Location</b>	<b>Relationship</b>
62 Content & Design Ltd. (Formerly name : 62 Graphic & Retouch Ltd.)	Thailand	common shareholders and/or directors
Impact VDO Production Co., Ltd.	Thailand	common shareholders and/or directors
Double P Marketing Communications Ltd.	Thailand	common shareholders and/or directors
DRAFT Advertising (Cambodia) Limited	Cambodia	common shareholders

The pricing policies for particular types of transactions are explained further below:

<b>Transaction</b>	<b>Explanation</b>
Services incomes	The fees are charged at the same condition and basis as general customers
Cost of service	The mutually agreed rate
Sale of asset	The mutually agreed price
Sale of investment property	Appraisal value by independent appraiser
Office rental	Based on the space rate charged to other tenants
Management agreement	The mutually agreed rate
Dividend income	As declared by the invested entities

For the year ended 31 December 2016, the Company and its subsidiaries have made cash collection on behalf of a foreign related company in respect of media production cost in the amount of Baht 54.47 million (2015 : Baht 33.52 million) and media cost of Baht 52.16 million (2015 : Baht 38.32 million). No service fee has been considered for such activities.

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

The related party transactions with related companies for each of the year ended 31 December 2016 and 2015 are detailed as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Unit : Thousand Baht				
<b>Subsidiary companies</b>				
Service income	-	-	25	90
Management income	-	-	31,535	32,070
Rental income	-	-	3,107	3,107
Dividend income	-	-	6,999	6,999
Other income	-	-	97	97
Cost of services	-	-	22,494	12,776
Expenses	-	-	-	3,840
<b>Associated companies</b>				
Management income	-	96	-	96
Rental income	-	60	-	60
Other income	-	24	-	24
Dividend income	490	-	490	-
Gain from sales of investment property*	-	103,538	-	160,300
<b>Joint Venture</b>				
Service income	5,936	4,937	6	10
Agency commission	489	177	489	177
Management income	1,800	1,800	1,800	1,800
Rental income	285	180	285	180
Other income	-	64	-	64
<b>Other related companies/person</b>				
Service income	3,857	1,112	712	42
Agency commission	1,559	36	1,559	36
Management income	120	120	120	120
Rental income	300	-	300	-
Other income	2	-	2	-
Cost of services	4,411	4,369	1,243	1,222
<b>Key management remuneration</b>				
Short - term benefits	21,429	25,372	15,011	16,722
Post-employment benefits	475	706	187	250
<b>Total key management remuneration</b>	<b>21,904</b>	<b>26,078</b>	<b>15,198</b>	<b>16,972</b>

\* Gain from sales of investment properties was eliminated as intercompany transactions with investment in joint ventures as proportionate.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

Balances as at 31 December 2016 and 2015 with related parties are detailed as follows:

## 4.1 Trade accounts receivable-related companies

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Subsidiary companies</b>				
Prakit Advertising Co., Ltd.	-	-	22,489	14,422
Marketing Drive Worldwide (Thailand) Ltd.	-	-	101	165
<b>Associated company</b>				
Direct Response (Thailand) Ltd.	-	16	-	16
<b>Joint Venture</b>				
Bangkok Writer and Partners Company Limited	7,682	6,194	696	1,058
<b>Other related companies</b>				
Double P Marketing Communications Ltd.	183	1,098	183	-
62 Content & Design Ltd. (Formerly name : 62 Graphic & Retouch Ltd.)	-	21	-	21
DRAFT Advertising (Cambodia) Limited	3	18	3	-
<b>Total</b>	<b>7,868</b>	<b>7,347</b>	<b>23,472</b>	<b>15,682</b>
Less Allowance for doubtful debts	-	-	-	-
<b>Net</b>	<b>7,868</b>	<b>7,347</b>	<b>23,472</b>	<b>15,682</b>

As at 31 December 2016 and 2015, aging analysis of trade accounts receivable from related companies are detailed as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Within credit terms	1,417	2,360	9,320	9,573
Overdue:				
Less than 3 months	1,397	1,391	8,404	5,852
3 - 6 months	1,460	1,786	5,578	159
6 - 12 months	2,738	1,810	170	98
Over 12 months	856	-	-	-
<b>Total</b>	<b>7,868</b>	<b>7,347</b>	<b>23,472</b>	<b>15,682</b>
Less Allowance for doubtful account	-	-	-	-
<b>Net</b>	<b>7,868</b>	<b>7,347</b>	<b>23,472</b>	<b>15,682</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2016

## 4.2 Media receivable-related companies

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Subsidiary company</b>				
Marketing Drive Worldwide (Thailand) Ltd.	-	-	10,121	1,777
<b>Other related companies</b>				
DRAFT Advertising (Cambodia) Limited	97	-	97	-
Double P Marketing Communication Ltd.	12,727	-	12,727	-
<b>Joint Venture</b>				
Bangkok Writer and Partners Company Limited	20,684	13,014	20,684	13,014
<b>Total</b>	<b>33,508</b>	<b>13,014</b>	<b>43,629</b>	<b>14,791</b>

As at 31 December 2016 and 2015, aging analysis of media accounts receivable from related companies are detailed as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Within credit terms	13,485	1,567	16,383	3,344
Overdue:				
Less than 3 months	5,446	1,686	12,669	1,686
3 - 6 months	7,773	5,930	7,773	5,930
6 - 12 months	6,804	3,831	6,804	3,831
Over 12 months	-	-	-	-
<b>Total</b>	<b>33,508</b>	<b>13,014</b>	<b>43,629</b>	<b>14,791</b>
Less Allowance for doubtful account	-	-	-	-
<b>Net</b>	<b>33,508</b>	<b>13,014</b>	<b>43,629</b>	<b>14,791</b>



## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2016

## 4.3 Advances to related companies

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Subsidiary companies</b>				
Prakit & FCB (Myanmar) Limited	-	-	2,486	2,486
Prakit Advertising (Myanmar) Co., Ltd.	-	-	3,763	3,257
Prakit & FCB (Cambodia) Co., Ltd.	-	-	-	2,125
<b>Associated company</b>				
Direct Response (Thailand) Limited.	-	4	-	5
<b>Other related company</b>				
DRAFT Advertising (Cambodia) Ltd.	2,545	4,719	-	13
<b>Total</b>	<b>2,545</b>	<b>4,723</b>	<b>6,249</b>	<b>7,886</b>
Less Allowance for doubtful debts	-	-	(2,486)	(4,611)
<b>Net</b>	<b>2,545</b>	<b>4,723</b>	<b>3,763</b>	<b>3,275</b>

## 4.4 Trade accounts payable-related companies

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Subsidiary companies</b>				
Prakit Advertising Co., Ltd.	-	-	30,067	41,042
Marketing Drive Worldwide (Thailand) Ltd.	-	-	843	1,687
Prakit Advertising (Myanmar) Co., Ltd.	-	-	79	-
<b>Other Related company</b>				
62 Content & Design Ltd. (Formerly name: 62 Graphic & Retouch Ltd.)	2,575	4,423	152	1,231
<b>Total</b>	<b>2,575</b>	<b>4,423</b>	<b>31,141</b>	<b>43,960</b>

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

**4.5 Media payable-related companies**

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Subsidiary company</b>				
Prakit Advertising Co., Ltd	-	-	-	1,063

**4.6 Billing agent payable - related company**

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
DRAFT Advertising (Cambodia) Limited	46,670	42,339	21,646	15,474

**4.7 Other matters**

The Company's bank deposit as mentioned in Note 9 has been pledged as collateral to obtain overdrafts facilities and letter of guarantee of a joint-venture company from a bank amounting to Baht 30 million.

Portions of land and building have been mortgaged and pledged as collateral to obtain Baht 58.50 million bank credit facilities for bank overdrafts of a subsidiary company.

Two subsidiary companies have entered into agreements to rent office spaces from the Company for periods of 3 years ended December 2015 and extending to December 2018 and ending December 2017, respectively, with the monthly rental rates at Baht 40,000 and Baht 113,200, respectively.

A subsidiary has entered into an agreement to lease office equipment and vehicle from the Company for a period of 3 years ending December 2017, with the monthly rental rate at Baht 105,738.

A joint-venture company has entered into an agreement to rent office space from the Company for a period of 1 year ending in May 2017, with the monthly rental rate at Baht 30,000.

The Company has entered into agreements to provide management services to 2 subsidiary companies for a period of 1 year ending December 2016, with the monthly service rate at Baht 2,289,055 plus 1% of media cost for the first subsidiary and at Baht 32,000 for the second subsidiary. The Company has also entered into an agreement to provide management service to a joint-venture company for a period of 2 years and 2 months ending December 2016 with the monthly service rate at Baht 150,000.

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

**5. Cash and cash equivalents**

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash on hand	1,115	492	45	45
Cash at banks – current accounts	13,824	9,440	947	4,066
Cash at banks – savings accounts	82,539	75,171	55,354	28,963
<b>Total</b>	<b>97,478</b>	<b>85,103</b>	<b>56,346</b>	<b>33,074</b>

**6. Investments in Private Fund**

In 2005, the Company has invested in a private fund. The Company has appointed SCB Asset Management Co., Ltd. as the Company's fund management with the initial fund of Baht 20 million. The Company has set the investment policy as Privileged Select – IPO which is a flexible fund and emphasizes on investing in equity securities, common shares of newly listed companies with good performance and debt securities. Such investment policy is depending upon the authorized security company's judgment based on the Company's investment objective. The management and custodian fees will be charged at the rates stipulated in the fund management contract. Bank of Ayudhaya Plc. has been appointed as the Company's custodian.

As at 31 December 2016 and 2015 the investment in private fund consisted of.

	Unit : Thousand Baht	
	Consolidated and Separate	
	financial statement	
	2016	2015
Unit fund	20,000	20,000
Unrealized gain on fair value adjustment	10,327	8,242
<b>Total</b>	<b>30,327</b>	<b>28,242</b>

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

As at 31 December 2016 and 2015, the Company received the investment report from the assets management company, the manager of the above- mentioned fund, with the details as follows:

Unit : Thousand Baht

	<b>Consolidated and Separate</b>	
	<b>financial statement</b>	
	2016	2015
Cash on hand and at banks		
Deposits	1,271	3,083
Investments in securities- fair value		
Debt securities		
Debentures	14,205	12,334
Bonds	6,981	4,065
Promissory notes	-	996
Open-End Fund	6,556	7,532
Other assets and other liabilities		
Other assets	1,324	241
Other liabilities	(10)	(9)
<b>Total</b>	<b>30,327</b>	<b>28,242</b>

**7. Investments In Securities**

As at 31 December 2016 and 2015 investments in securities consisted of :

**Current Investments**

Unit : Thousand Baht

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2016	2015	2016	2015
<b>Trading securities</b>				
Marketable equity securities	4,935	6,300	4,935	6,300
Gain (loss) on fair value adjustment	830	(1,473)	830	(1,473)
<b>Total</b>	<b>5,765</b>	<b>4,827</b>	<b>5,765</b>	<b>4,827</b>
Unit fund	373,706	311,578	303,543	288,636
Gain (loss) on fair value adjustment	2,769	2,347	2,441	2,127
<b>Total</b>	<b>376,475</b>	<b>313,925</b>	<b>305,984</b>	<b>290,763</b>
<b>Net</b>	<b>382,240</b>	<b>318,752</b>	<b>311,749</b>	<b>295,590</b>

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

The movements of current investments for each of the year ended 31 December 2016 and 2015 are as follows:

Unit : Thousand Baht

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2016	2015	2016	2015
Beginning balance of the period	318,752	251,559	295,590	229,418
Acquisition	187,109	311,704	140,109	291,704
Disposal	(127,220)	(245,385)	(127,220)	(226,186)
<b>Total</b>	<b>378,641</b>	<b>317,878</b>	<b>308,479</b>	<b>294,936</b>
Gain from fair value adjustment	3,599	874	3,270	654
<b>Net</b>	<b>382,240</b>	<b>318,752</b>	<b>311,749</b>	<b>295,590</b>

**Other long-Term Investment**

Unit : Thousand Baht

As at 31 December 2016

	<b>Consolidated/ Separate financial statements</b>			
	Security available for Sale	Held to Maturity	Other Investment	Total
	Debt Securities-Cost	-	71,000	5,000
Unrealized gain (loss) on fair value adjustment	-	-	26	26
	-	71,000	5,026	76,026
Less Current portion of held to maturity debt securities	-	(16,000)	-	(16,000)
<b>Total debt securities</b>	<b>-</b>	<b>55,000</b>	<b>5,026</b>	<b>60,026</b>
Equity Securities-Cost	80,138	-	-	80,138
Unrealized gain ( loss) on fair value adjustment	(27,206)	-	-	(27,206)
<b>Total equity securities</b>	<b>52,932</b>	<b>-</b>	<b>-</b>	<b>52,932</b>
<b>Net</b>	<b>52,932</b>	<b>55,000</b>	<b>5,026</b>	<b>112,958</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2016

Unit : Thousand Baht

As at 31 December 2015

	Consolidated/ Separate financial statements			
	Security available for Sale	Held to Maturity	Other Investment	Total
Debt Securities-Cost	-	76,000	-	76,000
Unrealized gain (loss) on fair value adjustment	-	-	-	-
	-	76,000	-	76,000
Less Current portion of held to maturity debt securities	-	(20,000)	-	(20,000)
<b>Total debt securities</b>	-	<b>56,000</b>	-	<b>56,000</b>
Equity Securities-Cost	97,471	-	-	97,471
Unrealized gain (loss) on fair value adjustment	(37,053)	-	-	(37,053)
<b>Total equity securities</b>	<b>60,418</b>	-	-	<b>60,418</b>
<b>Net</b>	<b>60,418</b>	<b>56,000</b>	-	<b>116,418</b>

The movements of long-term investments for the year ended 30 December 2016 and 2015 were as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Beginning balance of the period	136,418	131,222	136,418	129,222
Acquisition	47,178	37,577	47,178	37,577
Disposal	(64,511)	(19,842)	(64,511)	(17,842)
<b>Total</b>	<b>119,085</b>	<b>148,957</b>	<b>119,085</b>	<b>148,957</b>
Unrealized gain (loss) on fair value adjustment	9,873	(12,539)	9,873	(12,539)
Net investment	128,958	136,418	128,958	136,418
Less Current portion of held to maturity debt securities	(16,000)	(20,000)	(16,000)	(20,000)
<b>Net</b>	<b>112,958</b>	<b>116,418</b>	<b>112,958</b>	<b>116,418</b>

Differences between fair values and cost values are treated as “unrealized gain (loss) from fair value adjustment in securities” and presented in statements of comprehensive income.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

The maturity period of held-to-maturity debt securities are as follows:

As at 31 December 2016

Maturity period	Consolidated		Separate	
	financial statements		financial statements	
	Cost Value	Fair Value	Cost Value	Fair Value
Not over 1 year	16,000	16,000	16,000	16,000
Over 1 year but not over 5 years	30,000	30,000	30,000	30,000
Over 5 years but not over 10 years	25,000	25,000	25,000	25,000
<b>Total</b>	<b>71,000</b>	<b>71,000</b>	<b>71,000</b>	<b>71,000</b>

Unit: Thousand Baht

As at 31 December 2015

Maturity period	Consolidated		Separate	
	financial statements		financial statements	
	Cost Value	Fair Value	Cost Value	Fair Value
Not over 1 year	20,000	20,000	20,000	20,000
Over 1 year but not over 5 years	31,000	31,000	31,000	31,000
Over 5 years but not over 10 years	25,000	25,000	25,000	25,000
<b>Total</b>	<b>76,000</b>	<b>76,000</b>	<b>76,000</b>	<b>76,000</b>

Unit: Thousand Baht

#### 8. Trade accounts receivable and other receivables

As 31 December 2016 and 2015, trade accounts receivable and other receivables are detailed as follows :

Trade accounts receivable	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade accounts and notes receivable				
Related parties	7,868	7,347	23,472	15,682
Other parties – net	17,413	28,273	6,814	16,674
Media and notes receivable				
Related parties	33,508	13,014	43,629	14,791
Other parties - net	98,027	202,178	51,349	156,170

Unit : Thousand Baht

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

Unit : Thousand Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Other receivables</b>				
Billing agent receivables	29,043	25,898	15,237	13,752
Advances to related companies - net	2,545	4,723	3,763	3,275
Advances payments for media	29,269	7,198	14,106	3,417
Accrued income	12,714	11,634	5,665	7,493
Advances payments - others	60	1,359	45	50
Others	22,285	8,915	13,225	3,234
<b>Net</b>	<b>252,732</b>	<b>310,539</b>	<b>177,305</b>	<b>234,538</b>

As at 31 December 2016 and 2015, trade accounts receivable from other companies are detailed by aging analysis as follows:

Unit : Thousand Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Within credit terms	7,648	20,929	1,711	12,732
Overdue:				
Less than 3 months	6,983	6,742	3,325	3,506
3-6 months	2,518	354	1,524	262
6-12 months	143	115	133	104
Over 12 months	3,844	3,810	2,163	2,112
<b>Total</b>	<b>21,136</b>	<b>31,950</b>	<b>8,856</b>	<b>18,716</b>
Less allowance for doubtful accounts	(3,723)	(3,677)	(2,042)	(2,042)
<b>Net</b>	<b>17,413</b>	<b>28,273</b>	<b>6,814</b>	<b>16,674</b>



**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

As at 31 December 2016 and 2015, media receivables from other companies are detailed by aging analysis as follows:

Unit : Thousand Baht

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2016	2015	2016	2015
Within credit terms	52,512	157,091	17,482	124,917
Overdue:				
Less than 3 months	30,320	33,282	20,011	21,123
3-6 months	4,156	4,964	2,817	3,662
6-12 months	6,016	4,197	6,015	3,824
Over 12 months	15,886	13,507	8,671	6,291
<b>Total</b>	<b>108,890</b>	<b>213,041</b>	<b>54,996</b>	<b>159,817</b>
Less allowance for doubtful accounts	(10,863)	(10,863)	(3,647)	(3,647)
<b>Net</b>	<b>98,027</b>	<b>202,178</b>	<b>51,349</b>	<b>156,170</b>

**9. Bank Deposit held as collateral**

Unit : Thousand Baht

	<b>Consolidated/ Separate financial statements</b>			
	2016		2015	
	Amount	Interest Rate	Amount	Interest Rate
Time deposit - bank overdraft	30,000	1.70%	30,000	2.60%
Saving lottery - retention	2,001	-	2,001	-
<b>Total</b>	<b>32,001</b>		<b>32,001</b>	

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

## 10. Investments in joint venture , associated and subsidiary companies

As at 31 December 2016

Unit : Thousand Baht

Consolidated financial statements						
Company	Type of business	Paid-up share capital (in Baht)	Investment Ownership (%)	Valuation		
				Cost method	Equity method	Dividend received
<b>Associated Companies</b>						
Direct Response (Thailand) Ltd.	Advertising	2,000,000	49.00	1,421	2,171	490
Sukhumvit 62 Medical Ltd.	Hospital	428,625,000	35.41	150,375	93,272	-
<b>Joint Venture (Held by a subsidiary)</b>						
Bangkok Writer and Partners Co., Ltd.	Advertising	10,000,000	42.00	16,800	20,986	-
					<b>116,429</b>	<b>490</b>

As at 31 December 2015

Unit : Thousand Baht

Consolidated financial statements						
Company	Type of business	Paid-up share capital (in Baht)	Investment Ownership (%)	Valuation		
				Cost method	Equity method	Dividend received
<b>Associated Companies</b>						
Direct Response (Thailand) Ltd.	Advertising	2,000,000	49.00	1,421	2,237	-
Sukhumvit 62 Medical Limited	Hospital	428,625,000	35.41	150,375	93,388	-
<b>Joint Venture (Held by a subsidiary)</b>						
Bangkok Writer and Partners Co., Ltd.	Advertising	10,000,000	42.00	16,800	19,485	-
					<b>115,110</b>	<b>-</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

As at 31 December 2015

Unit : Thousand Baht

## Separate financial statements

Company	Type of business	Paid-up share capital (in Baht/ US\$)	Investment Ownership		Valuation of investments by cost method		Dividend	
			Ownership (%)		2016	2015	2016	2015
			2016	2015	2016	2015	2016	2015
<b>Subsidiary Companies</b>								
Prakit Advertising Co., Ltd	Advertising	10,000,000	99.99	99.99	9,999	9,999	4,999	4,999
Prakit&FCB (Myanmar) Limited*	Advertising	88,084 US\$	90.00	90.00	2,011	2,011	-	-
Prakit&FCB (Cambodia) Co., Ltd.	Advertising	25,000 US\$	80.00	80.00	507	507	-	-
Marketing Drive Worldwide								
(Thailand) Limited	Advertising	2,000,000	99.965	99.965	1,999	1,999	1,999	1,999
Prakit Advertising (Myanmar) Co.,Ltd	Advertising	25,000 US\$	90.00	90.00	744	744	-	-
<b>Associated Companies</b>								
Direct Response (Thailand) Limited	Advertising	2,000,000	49.00	49.00	1,421	1,421	490	-
Sukhumvit 62 Medical Limited **	Hospital	428,625,000	35.41	35.41	150,375	150,375	-	-
<b>Total</b>					<b>167,056</b>	<b>167,056</b>	<b>7,488</b>	<b>6,998</b>
Less Allowance for impairment loss					(2,011)	(2,011)	-	-
<b>Total investments</b>					<b>165,045</b>	<b>165,045</b>	<b>7,488</b>	<b>6,998</b>

\*The Company did not include the financial statements of Prakit & FCB (Myanmar) Limited for each of the period ended 31 December 2016 and 31 December 2015 in the consolidated financial statements due to such company has ceased its operations and is currently in the process of liquidation.

\*\*The board of directors's meeting No. 5/2015 held on 23 July 2015, approved to purchase 7,500 common shares of Sukhumvit 62 Medical Ltd. ("Medical") at total value of Baht 750,000 and another of 2,992,500 shares from increase in additional share capital of such company at par of Baht 100 per share, total holding in 3,000,000 shares of Medical represents 35.41% of registered share capital. The Company has paid Baht 50 per share for the newly increased shares.

The financial statements of associates and joint ventures as at 31 December 2016 and 2015 audited by other auditors.

The financial information of associates and joint ventures and the Group's interest in these companies are as follows.

	Unit : Thousand Baht					
	Direct response (Thailand) Ltd.		Bangkok Writer and Partners Co., Ltd.		Sukhumvit 62 Medical Ltd.	
	2016	2015	2016	2015	2016	2015
Total assets	3,485	5,656	78,534	64,619	430,273	427,641
Total liabilities	25	1,061	58,566	48,226	3,034	75
Total income	23	1,824	149,879	144,955	873	355
Profit (loss) for the year	(135)	(408)	3,575	4,564	(327)	(636)
Share of profit (loss) on equity method	(66)	(199)	1,501	1,916	(116)	(225)
Group share of net asset	1,695	2,252	8,387	6,885	151,286	151,401

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

**11. Loans to employee**

As at 31 December 2016 and 2015, the movement of loans to employees were as follows:

	Unit : Thousand Baht			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2016	2015	2016	2015
Beginning balance	815	925	600	525
Add increase during the year	-	400	-	400
<b>Total</b>	<b>815</b>	<b>1,325</b>	<b>600</b>	<b>925</b>
Less decrease during the year	(560)	(510)	(395)	(325)
Ending balance	255	815	205	600
Less current portion of due within 1 year	(230)	(465)	(180)	(300)
<b>Net</b>	<b>25</b>	<b>350</b>	<b>25</b>	<b>300</b>

According to the Company's policy, the interest free loans were provided to its employees as fringe benefits of its employees. Current portion of loan to employees were included in other current assets.

**12. Investment property**

As at 31 December 2016, the investment property represent investment in land for lease at cost of Baht 46.22 million (2015: Baht 46.22 million), at fair value of Baht 125.32 million (2015: Baht 125.32 million).

In 2015, the Company sold an investment property with the carrying amount of Baht 90 million to an associated company at Baht 250.30 million. Gain from sale were recorded in the separated and consolidated financial statements in the amount of Baht 160.30 million and Baht 103.54 million, respectively.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

## 13. Property, plant and equipment

Unit : Thousand Baht

		Consolidated financial statements							Total
Cost	Land	Buildings and improvement	Land improvement	Leasehold asset improvements	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	Total
<b>As at 1 January 2015</b>	<b>54,811</b>	<b>89,481</b>	<b>2,699</b>	<b>439</b>	<b>11,242</b>	<b>14,133</b>	<b>21,154</b>	-	<b>193,959</b>
Purchase	-	42	-	55	361	998	1,453	3,868	6,777
Disposal	-	-	-	(45)	(39)	(296)	-	-	(380)
<b>As at 31 December 2015</b>	<b>54,811</b>	<b>89,523</b>	<b>2,699</b>	<b>449</b>	<b>11,564</b>	<b>14,835</b>	<b>22,607</b>	<b>3,868</b>	<b>200,356</b>
Purchase	-	5,509	-	-	5,110	3,089	1,297	5,313	20,318
Disposal	-	-	-	(142)	(456)	(844)	(3,559)	(9,181)	(14,182)
<b>As at 31 December 2016</b>	<b>54,811</b>	<b>95,032</b>	<b>2,699</b>	<b>307</b>	<b>16,218</b>	<b>17,080</b>	<b>20,345</b>	-	<b>206,492</b>
<b>Accumulated depreciation</b>									
<b>As at 1 January 2015</b>	-	<b>59,426</b>	<b>1,631</b>	<b>164</b>	<b>10,427</b>	<b>12,741</b>	<b>17,823</b>	-	<b>102,212</b>
Depreciation for the year	-	3,392	90	75	275	685	1,066	-	5,583
Disposal	-	-	-	(7)	(28)	(262)	-	-	(297)
<b>As at 31 December 2015</b>	-	<b>62,818</b>	<b>1,721</b>	<b>232</b>	<b>10,674</b>	<b>13,164</b>	<b>18,889</b>	-	<b>107,498</b>
Depreciation for the year	-	4,042	89	63	437	970	986	-	6,587
Disposal	-	-	-	(135)	(445)	(802)	(3,558)	-	(4,940)
<b>As at 31 December 2016</b>	-	<b>66,860</b>	<b>1,810</b>	<b>160</b>	<b>10,666</b>	<b>13,332</b>	<b>16,317</b>	-	<b>109,145</b>
<b>Net book Value</b>									
<b>As at 31 December 2015</b>	<b>54,811</b>	<b>26,705</b>	<b>978</b>	<b>217</b>	<b>890</b>	<b>1,671</b>	<b>3,718</b>	<b>3,868</b>	<b>92,858</b>
<b>As at 31 December 2016</b>	<b>54,811</b>	<b>28,172</b>	<b>889</b>	<b>147</b>	<b>5,552</b>	<b>3,748</b>	<b>4,028</b>	-	<b>97,347</b>

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

Unit : Thousand Baht

Cost	Separate financial statements							Total
	Land	Buildings and improvement	Land improvement	Furniture and fixtures	Office equipment	Vehicles	Construction in progress	
<b>As at 1 January 2015</b>	<b>54,811</b>	<b>89,481</b>	<b>2,699</b>	<b>10,892</b>	<b>10,808</b>	<b>15,867</b>	-	<b>184,558</b>
Purchase	-	42	-	355	906	1,453	3,868	6,624
Disposal	-	-	-	-	-	-	-	-
<b>As at 31 December 2015</b>	<b>54,811</b>	<b>89,523</b>	<b>2,699</b>	<b>11,247</b>	<b>11,714</b>	<b>17,320</b>	<b>3,868</b>	<b>191,182</b>
Purchase	-	5,509	-	5,055	2,907	1,297	5,313	20,081
Disposal	-	-	-	(381)	(761)	-	(9,181)	(10,323)
<b>As at 31 December 2016</b>	<b>54,811</b>	<b>95,032</b>	<b>2,699</b>	<b>15,921</b>	<b>13,860</b>	<b>18,617</b>	-	<b>200,940</b>
<b>Accumulated depreciation</b>								
<b>As at 1 January 2015</b>	-	<b>59,426</b>	<b>1,631</b>	<b>10,222</b>	<b>9,925</b>	<b>12,536</b>	-	<b>93,740</b>
Depreciation for the year	-	3,392	90	219	477	1,067	-	5,245
Disposal	-	-	-	-	-	-	-	-
<b>As at 31 December 2015</b>	-	<b>62,818</b>	<b>1,721</b>	<b>10,441</b>	<b>10,402</b>	<b>13,603</b>	-	<b>98,985</b>
Depreciation for the year	-	4,042	89	403	798	986	-	6,318
Disposal	-	-	-	(372)	(726)	-	-	(1,098)
<b>As at 31 December 2016</b>	-	<b>66,860</b>	<b>1,810</b>	<b>10,472</b>	<b>10,474</b>	<b>14,589</b>	-	<b>104,205</b>
<b>Net book Value</b>								
<b>As at 31 December 2015</b>	<b>54,811</b>	<b>26,705</b>	<b>978</b>	<b>806</b>	<b>1,312</b>	<b>3,717</b>	<b>3,868</b>	<b>92,197</b>
<b>As at 31 December 2016</b>	<b>54,811</b>	<b>28,172</b>	<b>889</b>	<b>5,449</b>	<b>3,386</b>	<b>4,028</b>	-	<b>96,735</b>

Some of land and building of Baht 82.82 million are mortgaged to secure the bank overdraft of a subsidiary.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

## 14. Deferred tax asset

Deferred tax assets and liabilities as at 31 December 2016 and 2015 were as follows:

Unit : Thousand Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred tax assets	11,181	12,792	7,673	9,449
Deferred tax liabilities	(1,779)	(802)	(1,685)	(773)
<b>Net</b>	<b>9,402</b>	<b>11,990</b>	<b>5,988</b>	<b>8,676</b>

Movements in total deferred tax assets and liabilities during for the years ended 31 December 2016 and 2015 were as follows:

Unit : Thousand Baht

	Consolidated financial statements				31 December 2016
	1 January 2016	(Charged) / Credited to:		Recognized direct to Equity	
		Profit or loss	Other comprehend sive income		
<b><i>Deferred tax assets</i></b>					
Trade account receivable	1,035	-	-	-	1,035
Other receivable	425	(425)	-	-	-
Investments in subsidiaries	402	-	-	-	402
Investment in marketable securities	7,410	-	(1,969)	-	5,441
Provisions	3,520	(42)	825	-	4,303
<b>Total</b>	<b>12,792</b>	<b>(467)</b>	<b>(1,144)</b>	<b>-</b>	<b>11,181</b>
<b><i>Deferred tax liabilities</i></b>					
Investment in marketable securities	802	977	-	-	1,779
<b>Total</b>	<b>802</b>	<b>977</b>	<b>-</b>	<b>-</b>	<b>1,779</b>
<b>Net</b>	<b>11,990</b>	<b>(1,444)</b>	<b>(1,144)</b>	<b>-</b>	<b>9,402</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

Unit : Thousand Baht

	Consolidated financial statements				
	(Charged) / Credited to:				
	1 January 2015	Profit or loss	Other comprehend sive income	Recognized direct to Equity	31 December 2015
<b><i>Deferred tax assets</i></b>					
Trade account receivable	1,035	-	-	-	1,035
Other receivable	556	(131)	-	-	425
Investments in subsidiaries	402	-	-	-	402
Investment in marketable securities	4,903	-	2,507	-	7,410
Provisions	3,972	(451)	(1)	-	3,520
<b>Total</b>	<b>10,868</b>	<b>(582)</b>	<b>2,506</b>	<b>-</b>	<b>12,792</b>
<b><i>Deferred tax liabilities</i></b>					
Investment in marketable securities	1,194	(392)	-	-	802
<b>Total</b>	<b>1,194</b>	<b>(392)</b>	<b>-</b>	<b>-</b>	<b>802</b>
<b>Net</b>	<b>9,674</b>	<b>(190)</b>	<b>2,506</b>	<b>-</b>	<b>11,990</b>

Unit : Thousand Baht

	Separate financial statements				
	(Charged) / Credited to:				
	1 January 2016	Profit or loss	Other comprehend sive income	Recognized direct to Equity	31 December 2016
<b><i>Deferred tax assets</i></b>					
Other receivable	425	(425)	-	-	-
Investments in subsidiaries	402	-	-	-	402
Investment in marketable securities	7,409	-	(1,969)	-	5,440
Provisions	1,213	153	465	-	1,831
<b>Total</b>	<b>9,449</b>	<b>(272)</b>	<b>(1,504)</b>	<b>-</b>	<b>7,673</b>
<b><i>Deferred tax liabilities</i></b>					
Investment in marketable securities	773	912	-	-	1,685
<b>Total</b>	<b>773</b>	<b>912</b>	<b>-</b>	<b>-</b>	<b>1,685</b>
<b>Net</b>	<b>8,676</b>	<b>(1,184)</b>	<b>(1,504)</b>	<b>-</b>	<b>5,988</b>



## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

Unit : Thousand Baht

	Separate financial statements				
	(Charged) / Credited to:				
	1 January 2015	Profit or loss	Other comprehend sive income	Recognized direct to Equity	31 December 2015
<b>Deferred tax assets</b>					
Other receivable	556	(131)	-	-	425
Investments in subsidiaries	402	-	-	-	402
Investment in marketable securities	4,902	-	2,507	-	7,409
Provisions	1,404	(220)	29	-	1,213
<b>Total</b>	<b>7,264</b>	<b>(351)</b>	<b>2,536</b>	<b>-</b>	<b>9,449</b>
<b>Deferred tax liabilities</b>					
Investment in marketable securities	1,078	(305)	-	-	773
<b>Total</b>	<b>1,078</b>	<b>(305)</b>	<b>-</b>	<b>-</b>	<b>773</b>
<b>Net</b>	<b>6,186</b>	<b>(46)</b>	<b>2,536</b>	<b>-</b>	<b>8,676</b>

## 15. Trade accounts and other payables

As at 31 December 2016 and 2015, trade accounts payable and other payables are consisted of :

Unit : Thousand Baht

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
<b>Trade accounts payable</b>				
Trade accounts payable and notes payable				
Related companies	2,575	4,423	31,141	43,960
Other companies	28,688	24,186	5,480	9,608
Media and notes payable				
Related companies	-	-	-	1,063
Other companies	146,914	138,649	100,961	96,691
<b>Total</b>	<b>178,177</b>	<b>167,258</b>	<b>137,582</b>	<b>151,322</b>
<b>Other payables</b>				
Billing agent payable – related company	46,670	42,339	21,646	15,474
Billing agent payable - other	1,839	-	1,839	-
Deposits received	51,939	29,177	31,880	24,299
Accrued expenses	10,649	18,580	3,928	5,165
Others	13,172	14,908	10,511	14,777
<b>Total</b>	<b>124,269</b>	<b>105,004</b>	<b>69,804</b>	<b>59,715</b>
<b>Total trade accounts payable and other payables</b>	<b>302,446</b>	<b>272,262</b>	<b>207,386</b>	<b>211,037</b>

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

**16. Deferred lease right**

As at 31 December 2016 and 2015, deferred lease right were consisted of:

	Unit : Thousand Baht	
	<b>Consolidated and Separate</b>	
	<b>financial statements</b>	
	2016	2015
Deferred lease right	15,566	16,650
Earned during the year	(1,084)	(1,084)
<b>Net</b>	<b>14,482</b>	<b>15,566</b>

Deferred lease right is the right from lending a plot of land to a company which has 29 year operating lease agreement. Furthermore, the Company receives the annual income from this asset as follows:

	<i>(in thousand Baht)</i>
	<u>Annul rental income</u>
2011-2015	363
2016-2020	399
2021-2025	439
2026-2029	483

**17. Employee benefit obligations**

	Unit : Thousand Baht			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2016	2015	2016	2015
Defined benefit obligations at 1 January	17,598	19,859	6,061	7,015
Actuarial gains recognized in other comprehensive income	4,125	(7)	2,325	147
Current service cost recognized in profit or loss	1,724	1,739	510	575
Interest on obligation recognized in profit or loss	626	819	255	198
Benefits paid by the plan	(2,562)	(4,812)	-	(1,874)
<b>Defined benefit obligations at 31 December</b>	<b>21,511</b>	<b>17,598</b>	<b>9,151</b>	<b>6,061</b>

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

Actuarial assumption at the reports date were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2016	2015	2016	2015
	(%)			
Discount rate	2.87	4.50	2.87	4.50
Turn over rate	0-34	0-34	0-34	0-34
Future salary increases	4.39	5.29	4.39	5.29
Mortality rate	100.0**	100.0**	100.0**	100.0**
Disability rate	10.0**	10.0**	10.0**	10.0**

\*\* Thailand Mortality Ordinary Table 2008

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Unit : Thousand Baht			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Defined benefit obligation 31 December 2016</i>	Increase	Decrease	Increase	Decrease
Discount Rate (0.50% movement)	20,788	22,409	8,774	9,550
Salary Increase Rate (0.50% movement)	22,498	20,697	9,588	8,735
Turnover Rate (0.50% movement)	20,588	22,622	8,684	9,646

**18. Share Capital**

	Par value (Baht)	Unit : Thousand shares/ Baht Thousand			
		2016		2015	
		No of share	Baht	No of share	Baht
<b><i>Shre registered</i></b>					
As at 1 January		99,484	99,484	99,484	99,484
Decrease share	1	(5,045)	(5,045)	-	-
<b>As at 31 December</b>	1	<b>94,439</b>	<b>94,439</b>	<b>99,484</b>	<b>99,484</b>
<b><i>Paid up share</i></b>					
As at 1 January		60,000	60,000	60,000	60,000
Decrease share	1	(5,045)	(5,045)	-	-
<b>As at 31 December</b>	1	<b>54,955</b>	<b>54,955</b>	<b>60,000</b>	<b>60,000</b>

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2016****19. Capital surplus and reserves****Share premium**

Section 51 of the Public Companies Act B.E. 1992 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

**Legal reserve**

Section 116 of the Public Companies Act B.E. 1992 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**Treasury shares reserve**

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company's own shares held by the Company. The treasury shares reserve is not available for dividend distribution.

**Other component of equity***Currency translation differences*

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations in a foreign operation.

*Fair value changes in available-for-sale investments*

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognized

**20. Treasury shares**

On 8 April 2014, the Board of Directors approved to undertake a treasury share program for financial management purposes with the maximum amount of not exceeding Baht 79.46 million for the repurchase of not exceeding 5,800,000 shares at the par value of Baht 13.70 per share and not exceeding 9.67% of the total of paid - up shares. The procedure used for the repurchase of shares is on the general offer to shareholders at the price of baht 13.70 per share. The repurchase date was 28 April 2014. The payment for treasury shares was recognised as a separate item in the shareholder's equity. The Company has set up a reserve for this treasury shares equivalents to the repurchase value of the outstanding treasury shares.

The period of the resale of treasury shares is from 1 December 2014 to 18 November 2016 (after 6 months from the completion date of share repurchase and not later than 3 years from such date).

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

The amount of consideration paid for the repurchase of the Company's shares, including directly attributable costs, is classified as treasury shares and recognised as a separate item in shareholders' equity. An equal amount is appropriated from retained earnings and taken as a reserve for treasury shares. When treasury shares are sold, the amount received is recognised as an increase in equity. Cost of the treasury shares sold, calculated using the weighted average cost method, will be deducted from the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are charged to retained earnings after setting off against any remaining balance of surplus on treasury shares.

In 2016, the Company sold 754,800 treasury shares at the total value of Baht 12,449,440 and has a surplus of Baht 2,108,680. In addition, the Company has cancelled the remaining treasury share of 5,045,200 shares at the total cost of Baht 69,119,240 with reserve for treasury shares and decreased share registered and paid up share capital by adjusted the net amount of Baht 7,153,880 to the retained earnings with the surplus on the sale of treasury shares of Baht 2,108,680 and paid up share capital of Baht 5,045,200.

**21. Dividend**

**The Company**

The Annual General Meeting of the Company's No.1/2016 held on 25 April 2016 had passed a resolution to pay dividend at the rate of Baht 1 per share amounting to Baht 54.78 million, paid on 23 May 2016.

Held on 23 April 2015, the Annual General Meeting of the Company's No.1/2015 had pass a resolution to pay dividend at the rate of Baht 0.80 per share amounting to Baht 43.36 million, paid on 22 May 2015.

The Company has not paid dividend to foreign investors who are not eligible to receive dividend due to their investments have not been made in compliance with rules of SET.

**Subsidiary**

The Annual General Meeting of 2 subsidiaries No.1/2016 held on 28 April 2016 had passed a resolution to pay dividend at the rate of Baht 50 per share and Bath 100 per share, respectively, amounting to Baht 5 million and Bath 2 million, respectively.

The Annual General Meeting of 2 subsidiaries No.1/2015 held on 28 April 2015 had pass a resolution to pay dividend at the rate of Baht 50 per share and Bath 100 per share, respectively, amounting to Baht 5 million and Bath 2 million, respectively.

**22. Segment information**

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different services and are managed separately. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

- Segment 1 Advertising production
- Segment 2 Media agency
- Segment 3 Investing business

In addition, the Group has presented the information relating to geographic segments based on the geographical location of assets. Information regarding the results of each reportable segment is included in the internal management reports that are reviewed by the Group's CODM.

Information in reportable segment in consolidated financial statement information for the year ended 31 December 2016 and 2015 are as follow:

Unit : Million Baht

	Service income		Agency income		Investment income		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues	229	208	138	161	18	111	385	480
Profit for reportable segments	35	28	82	102	18	111	135	241
Unallocated other income							20	8
Unallocated expense							(87)	(90)
<b>Profit before income tax</b>							<b>68</b>	<b>159</b>

Unit : Million Baht

	Service income		Agency income		Investment income		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Total assets for reportable segments	33	39	153	238	690	631	876	908
Other unallocated amounts	-	-	-	-	-	-	340	290
<b>Consolidated total assets</b>	<b>33</b>	<b>39</b>	<b>153</b>	<b>238</b>	<b>690</b>	<b>631</b>	<b>1,216</b>	<b>1,198</b>

Information relating to geographical segments in the consolidated financial statements for the year ended 31 December 2016 and 2015 are as follows:

Unit : Million Baht

	Domestic		Oversea		Total	
	2016	2015	2016	2015	2016	2015
Agency , services and investment income	370	478	15	2	385	480
Profit for reportable segment	132	240	5	1	137	241
Total assets for reportable segment	1,183	1,190	33	8	1,216	1,198

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

**23. Provident fund**

The Company, the subsidiary companies and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiary companies and their employees contributed to the fund monthly at the rate of 5 percent of their basic salary. The fund, which is managed by Thanachart Fund Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. For the year ended 31 December 2016 and 2015, the Company and its subsidiaries contributed Baht 4.99 million and Baht 4.84 million respectively.

**24. Expenses by nature**

Significant expenses classified by nature were consisted of:

	Unit : Thousand Baht			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2016	2015	2016	2015
Employee expenses	137,475	138,527	61,258	60,241
Cost of service	194,425	179,854	85,962	63,159
Depreciation expenses	6,588	5,583	6,319	5,245

**25. Income tax**

Income tax for the year ended 31 December 2016 and 2015 are as follows:

	Unit: Thousand Baht			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2016	2015	2016	2015
Current income tax	11,366	42,638	8,675	41,339
Deferred income tax	1,444	190	1,184	46
<b>Income tax reported in the statements of comprehensive income</b>	<b>12,810</b>	<b>42,828</b>	<b>9,859</b>	<b>41,385</b>

Income tax recognized in other comprehensive income

	Unit: Thousand Baht					
	<b>Consolidated financial statements</b>					
	2016			2015		
	Tax		Tax			
	(expense)		(expense)			
	Before tax	benefit	Net of tax	Before tax	benefit	Net of tax
Available-for-sale financial assets	9,846	(1,969)	7,877	(12,539)	2,507	(10,032)
Provisions	(4,125)	825	(3,300)	6	(1)	5
<b>Total</b>	<b>5,721</b>	<b>(1,144)</b>	<b>4,577</b>	<b>(12,533)</b>	<b>2,506</b>	<b>(10,027)</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

Unit: Thousand Baht

	Separate financial statements					
	2016			2015		
	Tax			Tax		
	(expense)			(expense)		
	Before tax	benefit	Net of tax	Before tax	benefit	Net of tax
Available-for-sale financial assets	9,846	(1,969)	7,877	(12,539)	2,507	(10,032)
Provisions	(2,325)	465	(1,860)	(147)	29	(118)
<b>Total</b>	<b>7,521</b>	<b>(1,504)</b>	<b>6,017</b>	<b>(12,686)</b>	<b>2,536</b>	<b>(10,150)</b>

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended 31 December 2016 and 2015, are as follows:

Unit : Thousand Baht

	Consolidated financial statements			
	2016		2015	
	<i>Rate (%)</i>	<i>Amount</i>	<i>Rate (%)</i>	<i>Amount</i>
Profit before income tax expense		67,699		159,316
Income tax using the Thai corporation tax rate	20	13,540	20	31,863
Effect From elimination with subsidiaries		1,052		12,752
Exemption of income/Additional expenses deduction allowed		(4,254)		(3,399)
Expense net deductible for tax purposes and other		1,028		1,422
Current income tax		11,366		42,638
Movement in temporary differences		1,444		190
Income tax reduction		-		-
<b>Income tax expenses</b>	<b>19</b>	<b>12,810</b>	<b>27</b>	<b>42,828</b>

Unit : Thousand Baht

	Separate financial statements			
	2016		2015	
	<i>Rate (%)</i>	<i>Amount</i>	<i>Rate (%)</i>	<i>Amount</i>
Profit before income tax expense		60,472		215,921
Income tax using the Thai corporation tax rate	20	12,094	20	43,184
Exemption of income/Additional expenses deduction allowed		(3,678)		(2,805)
Expense net deductible for tax purposes and other		259		960
Current income tax		8,675		41,339
Movement in temporary differences		1,184		46
<b>Income tax expenses</b>	<b>16</b>	<b>9,859</b>	<b>19</b>	<b>41,385</b>



**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

The income tax expenses is computed from the profit before income tax, which is in accordance with the regulation in the Revenue Code.

*Income tax reduction*

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

**26. Earnings per share**

The calculation of basic earnings per share for the year ended 31 December 2016 and 2015 were based on the profit for the periods attributable to equity holders of the parent and the number of ordinary shares outstanding during the periods by using weighted average number of ordinary shares computing as follows:

	Unit : Thousand Baht/ Thousand Shares			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Profit attributable to ordinary shareholders of the Company	54,641	116,646	50,613	174,535
Number of ordinary shares outstanding	60,000	60,000	60,000	60,000
Less Written-off treasury shares	(5,045)	-	(5,045)	-
Less Treasury share (See note 20)	-	(5,800)	-	(5,800)
Add Sale treasury share (See note 20)	961	-	961	-
Weighted average number of paid-up ordinary share in issue during the periods	55,916	54,200	55,916	54,200
<b>Basic earnings per share (Baht)</b>	<b>0.98</b>	<b>2.15</b>	<b>0.90</b>	<b>3.22</b>

**27. Financial instruments**

**Financial risk management policies**

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

**Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

**Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company and its subsidiaries' operations and its cash flows because deposits at banks, bank overdrafts and borrowings from financial institutions interest rates are fluctuations in market interest rates.

As at 31 December 2016, significant financial assets and liabilities of the Company and its subsidiaries were exposed from the interest rates as follows:

Unit : Thousand Baht

	<b>Consolidated financial statements</b>						
	<b>Fixed Rate</b>			Adjusted to market rate	No interest rates	Total	Interest rates (% per annum)
	Within 1 year	1 – 5 years	>5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	82,539	14,939	97,478	0.375
Current investment	-	-	-	-	412,567	412,567	-
Debt securities held to maturity							
within one year	16,000	-	-	-	-	16,000	4.33-5.80
Trade and other receivables	-	-	-	-	252,732	252,732	-
Bank deposit held as							
collateral	30,000	2,001	-	-	-	32,001	1.70
Other long-term investments	-	47,026	13,000	-	52,931	112,957	3.00-6.00
Loan to employee	-	-	-	-	25	25	-
<b>Financial liabilities</b>							
Trade and other payable	-	-	-	-	302,446	302,446	-

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

Unit : Thousand Baht

	Separate financial statements						
	Fixed Rate			Adjusted to market rate	No interest rates	Total	Interest rates (%) per annum)
	Within 1 year	1 – 5 years	>5 years				
<b>Financial assets</b>							
Cash and cash equivalent	-	-	-	55,354	992	56,346	0.375
Current investment	-	-	-	-	342,076	342,076	-
Debt securities held to maturity							
within one year	16,000	-	-	-	-	16,000	4.33-5.80
Trade and other receivables	-	-	-	-	177,305	177,305	-
Bank deposit held as collateral	30,000	2,001	-	-	-	32,001	1.70
Other long-term investments	-	47,026	13,000	-	52,931	112,957	3.00-6.20
Loan to employee	-	-	-	-	25	25	-
<b>Financial liabilities</b>							
Trade and other payable	-	-	-	-	207,386	207,386	-

As at 31 December 2015, significant financial assets and liabilities of the Company and its subsidiaries were exposed from the interest rates as follows:

Unit : Thousand Baht

	Consolidated financial statements						
	Fixed Rate			Adjusted to market rate	No interest rates	Total	Interest rates (%) per annum)
	Within 1 year	1 – 5 years	>5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	75,171	9,932	85,103	0.375
Current investment	-	-	-	-	346,994	346,994	-
Debt securities held to maturity							
within one year	20,000	-	-	-	-	20,000	4.00-6.20
Trade and other receivables	-	-	-	-	310,539	310,539	-
Bank deposit held as collateral	30,000	2,001	-	-	-	32,001	2.60
Other long-term investments	-	31,000	25,000	-	60,418	116,418	4.00-6.20
Loan to employee	-	-	-	-	350	350	-
<b>Financial liabilities</b>							
Trade and other payable	-	-	-	-	272,262	272,262	-

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

Unit : Thousand Baht

	Separate financial statements						Interest rates (% per annum)
	Fixed Rate			Adjusted to market rate	No interest rates	Total	
	Within 1 year	1 – 5 years	>5 years				
<b>Financial assets</b>							
Cash and cash equivalent	-	-	-	28,963	4,111	33,074	0.375
Current investment	-	-	-	-	323,832	323,832	-
Debt securities held to maturity							
within one year	20,000	-	-	-	-	20,000	4.00-6.20
Trade and other receivables	-	-	-	-	234,538	234,538	-
Bank deposit held as collateral							
	30,000	2,001	-	-	-	32,001	2.60
Other long-term investments	-	31,000	25,000	-	60,418	116,418	4.00-6.20
Loan to employee	-	-	-	-	300	300	-
<b>Financial liabilities</b>							
Trade and other payable	-	-	-	-	211,037	211,037	-

**Foreign currency risk**

At 31 December 2016 and 2015, the Group were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>United States Dollars</b>				
Cash and deposits at banks	12,852	1,797	-	-
Trade and other receivable	19,098	5,369	-	-
Equipment	384	368	-	-
Other assets	-	132	-	-
Other payable	(25,272)	(6,282)	-	-
<b>Gross balance sheet exposure</b>	<b>7,062</b>	<b>1,384</b>	<b>-</b>	<b>-</b>

**Prakit Holdings Public Company Limited and its Subsidiaries**

**Notes to the financial statements**

**For the year ended 31 December 2016**

**Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial positions. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

**Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

**Fair Value Measurement**

The Financial instruments carried at fair value, by valuation method with different level defined as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as price) or indirectly ( that is ,derived from prices)
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable input).

The financial assets and liabilities that are measured at fair value at 31 December 2016

Unit: Thousand Baht

	<b>Consolidated financial Statements</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Asset</b>				
Short-term investment	-	30,327	-	30,327
Held for trading securities (private fund)	-	376,475	-	376,475
Held for trading securities (Marketable equity securities)	5,765	-	-	5,765
Available for sale securities (Marketable equity securities)	52,932	5,026	-	57,958
<b>Total asset</b>	<b>58,697</b>	<b>411,828</b>	<b>-</b>	<b>470,525</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2016

Unit: Thousand Baht

	Separate financial Statements			
	Level 1	Level 2	Level 3	Total
<i>Asset</i>				
Short-term investment (Private fund)	-	30,327	-	30,327
Held for trading securities (Unit fund)	-	305,984	-	305,984
Held for trading securities (Marketable equity securities)	5,765	-	-	5,765
Available for sale securities (Marketable equity securities)	52,932	5,026	-	57,958
<b>Total asset</b>	<b>58,697</b>	<b>341,337</b>	<b>-</b>	<b>400,034</b>

The financial assets and liabilities that are measured at fair value at 31 December 2015

Unit: Thousand Baht

	Consolidated financial Statements			
	Level 1	Level 2	Level 3	Total
<i>Asset</i>				
Short-term investment	-	28,242	-	28,242
Held for trading securities (private fund)	-	313,925	-	313,925
Held for trading securities (Marketable equity securities)	4,827	-	-	4,827
Available for sale securities (Marketable equity securities)	60,418	-	-	60,418
<b>Total asset</b>	<b>65,245</b>	<b>342,167</b>	<b>-</b>	<b>407,412</b>

Unit: Thousand Baht

	Separate financial Statements			
	Level 1	Level 2	Level 3	Total
<i>Asset</i>				
Short-term investment (Private fund)	-	28,242	-	28,242
Held for trading securities (Unit fund)	-	290,763	-	290,763
Held for trading securities (Marketable equity securities)	4,827	-	-	4,827
Available for sale securities (Marketable equity securities)	60,418	-	-	60,418
<b>Total asset</b>	<b>65,245</b>	<b>319,005</b>	<b>-</b>	<b>384,250</b>

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2016***Valuation method of fair value for Level 2 input*

Investments in fund trust are fair valued using unit price base on Net Asset Value (NAV) of the funds that are publicized by the FundManager.

**28. Capital management**

The primary objectives of the Group capital management are to maintain their ability to continue as a going concern and to maintain an appropriate structure.

As at 31 December 2016 and 2015, debt-to-equity ratio in the consolidated financial statement was 0.43:1 and 0.44:1 , respectively, and the separate financial statement was 0.30:1 and 0.35:1, respectively.

**29. Commitments and contingent liabilities**

As at 31 December 2016 and 2015, the Company had commitments and contingent liabilities, which are not disclosed in other places in these financial statement, as follows:

The Company's land and building and fixed deposits of the Group directors as well as personal guarantee by the Company's directors and its subsidiary's directors were used as collateral for obtaining overdrafts facilities of the Company and its subsidiaries from several banks amounting to Baht 41 million.

The director's government bonds amounting to Baht 500,000 are used as collateral for issuing bank guarantee for the Company's electricity consumption with respect to the contract with Metropolitan Electricity Authority.

**30. Other information**

As at 31 December 2016 and 2015, net asset per share in the consolidated financial statements are Baht 15.48 per shares and Baht 15.36 per shares, respectively, and for the separate financial statements are Baht 14.75 per shares and Baht 14.69 per shares , respectively.

**31. Approval of financial statement**

The financial statements are authorized for issue by the Board of Directors on 24 February 2017.