

2017

รายงานประจำปี 2560

ANNUAL  
REPORT



# Breeding for Innovation



บริษัท ประกิต โฮลดิ้งส์ จำกัด (มหาชน)  
Prakit Holdings Public Company Limited

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

Thailand's economy in 2017 was still in recovery mode as the economic growth was just 3.9% when compared to 2016. The global economy grew slightly driving Thai exports to rise by 5.4% from a year earlier.

Tourism was still a key driver of the Thai economy. Over 35 million tourists visited Thailand in 2017 generating revenue of 2.7 trillion baht, an increase of 9.5% over the previous year. Nevertheless, the economic recovery mainly benefitted big companies rather than the low-income group who make up the majority of the Thai population. This caused a decline in the purchasing power of the general public, resulting in an economy that was not as robust as expected. The common comment about Thailand was "rich in small, poor in big". The government has been seriously trying to address this problem by adjusting the tax structures in order to make it fairer for all, and disseminate more revenue to the grass-roots. A number of welfare schemes have been set up for this group of people.

As for the advertising industry, it has not clearly picked up from the 2016 slowdown. The ad spend amounted to 101,445 million baht representing a 6% decrease from 2016. Many companies were still hesitant to fully spend on their marketing activities, so 2017 saw a continued slowdown from 2016.

Our group of companies has attempted to find more income from both traditional media and online. We have adapted and prepared ourselves for many years now, because this trend occurred in the US and Europe a long time ago. Now we have experienced teams to handle all forms of online or digital media. We can offer services to

fully meet our customers' demands, whether it be traditional or online media. This enabled us to gain more revenue and profit, so we could achieve a net profit of 46.4 million baht in 2016, and 58.5 million baht in 2017, or 96 satang per share. Last year, we paid both stock and cash as a dividend because the period of two full years since we bought back stocks from FCB was due. We must handle another 10% of outstanding stocks we had purchased from FCB, so we had to pay dividend by one stock and 20 satang per share. That means we now finally have 60 million shares (as registered) in circulation.

For the 2017 dividend payment, we earned a net profit of 96 satang per share meaning we have sufficient retained earnings to invest in the "Ruam Chai Raks Hospital" project as well as for our business. Therefore we have decided to declare a dividend payment of 80 satang per share or 83% of the net profit. When compared to the market price per share of some 13 baht, we will pay a dividend of 6% this May.

We foresee that we will try to pay dividend at a rate of more than 80% of the net profit in order to return a good dividend to our shareholders.

As for the Ruam Chai Raks Hospital project in which we have jointly invested with Saha-Union, it is still held up with an EIA problem, so we need to revise and adapt our plans slightly. We expect to solve these problems within this year. The good news is, that once the EIA is completed, the construction process will start immediately as everything is ready to proceed.

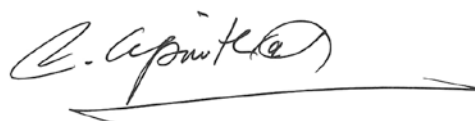
With regard to the advertising trend in 2018, we see that the recovery is in progress, and we therefore expect a growth of 5-6%. Clients are starting to have confidence in Thailand's positive

economic trend. In Europe and the US, the economies are also starting to pick up resulting in the purchase of more goods. China and Japan also have an upward economic trend.

The outlook for the Thai tourism sector is also positive. The Tourism Authority of Thailand expects that there will be 36-40 million tourists coming to Thailand in 2018. The revenue from tourism will therefore increase dramatically. Thai exports will also be better than last year. The Commerce Ministry has forecast that exports will grow by about 8% over last year and the GDP will grow by 3.9 to 4.6%.

As for our group of companies, the growth rate in 2018 will exceed that of last year. We have adapted our strategies to manage the change in digital and online, which will have a key role and influence in the advertising industry. Although the first quarter was traditionally sluggish, we can see signs of increased levels of spend over the rest of the year as the new marketing plans kick in.

Our company has experienced prosperity and hardships in the advertising industry for some 40 years now. The advertising business fluctuates in line with the economy, but we have been able to pass through it all in good shape. We are not driven by vice and greed, instead we manage our business with care and prudence. This makes our company financially strong, stable and secure.



(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 four 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.

### 2. Review of internal control

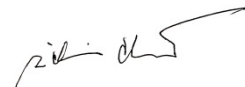
The Audit Committee reviewed the internal control of the Company and agreed that the internal control system was adequate and effective for the type of business. Moreover, the Audit Committee proposed to the Board of Directors to appoint the internal audit firm for improving its internal control continuously. The Board of Directors considered and approved the hiring of the internal auditor firm for 2018.

### 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 2018

The Audit Committee selected Bunchikij Co.,Ltd. as the Company's external auditor for the year 2018, and proposed as auditors, Mr.Pornchai Kitti-punyangam, and/or Mrs.Suwanee Kitt-punyangam, and/or Mr.Thanakorn Fakfaipol of Bunchikij Co. Ltd. They would be proposed to the Annual General Meeting for approval.



Pichai Charnsupharindr  
Chairman, Audit Committee

## **Business operation**

### **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 Praktik 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.
- July 2014** Changing the Company's Securities Symbol from P-FCB to PRAKIT.
- October 2014** Approving Praktik 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.

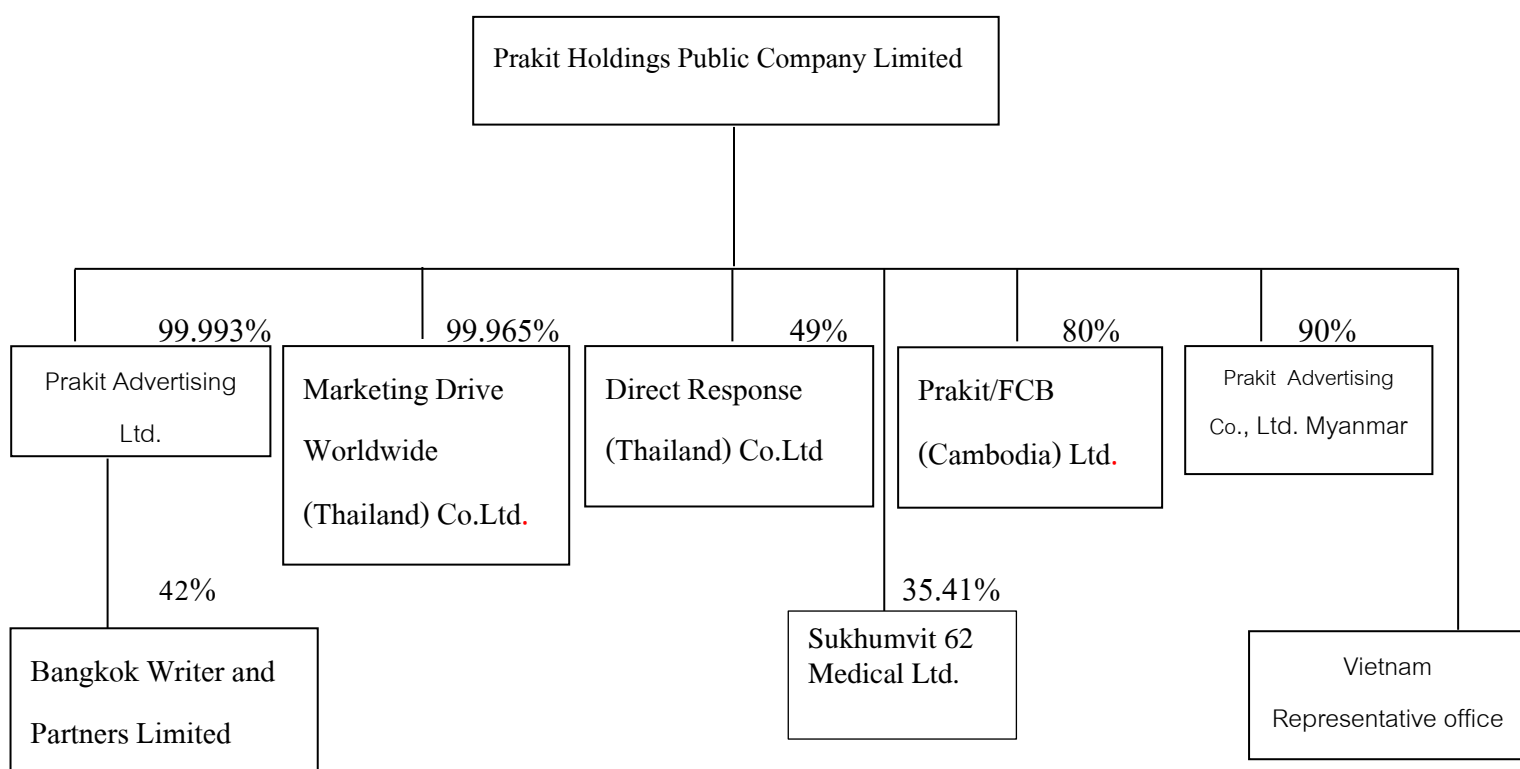
1. Media strategic planning and media broker. These jobs need experienced persons to handle. The Company provides services for every company in the group in buying all media at the best cost for clients.

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	70%
5. Direct Response (Thailand) Co., Ltd.	Company's share	49%
6. Sukhumvit 62 Medical Ltd.	Company's share	35.41%

Besides, Praktik 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 Apisarntharax and Mr. Anucha Apisarntharax. Both are authorized Directors of Direct Response (Thailand) Company Limited.
2. Praktik/FCB (Cambodia) Ltd. with 20% shares held by 2 Thais, each has 10% shares and are not related parties of the Company.
3. Praktik Advertising Limited (Myanmar) with 10% shares held by 1 Thai who is not related parties of the Company
4. Bangkok Writer and Partners Limited with 58% shares held by

- Mr. Apirak Apisarnthanarak (Company's director) 8%
- Mrs.Thanaporn Boonyangyuen 15%
- Miss Panita Boonyangyuen 10%
- Mr. Ratrong Srilert 25%

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

5. Sukhumvit 62 Medical Limited with 64.59% shares held by

- Saha-Union Plc. 47.21%
- Mr.Prakit Apisarnthanarax 2.25%
- Dr.Prapand Apisarnthanarax 0.12%
- 1 Thai Company and 3 Thais are not related parties 15.01%  
of the Company.

\*Mr.Prakit Apisarnthanarax is Company Chairman

\*\*Dr.Prapand Apisarnthanarax is Mr.Prakit Apisarnthanarax's brother.

## 2. Type of business

### 2.1 Revenue structure

Revenue structure of Company and subsidiaries-to financial budget (of) from 2015-2017

Product line	Operate by	%of share	2017 Revenue'000	%	2016 Revenue'000	%	2015 Revenue'000	%
1.Revenue from media planning and buying brokerage	Prakit Holdings PCL.	-	101,219	19.64	81,511	20.20	100,497	20.62
	Prakit Advertising Co.,Ltd.	99.99	54,164	10.51	54,167	13.42	60,152	12.34
	And subsidiaries.		1,677	0.32	2,472	0.61	392	0.08
			157,060	30.47	138,150	34.23	161,041	33.04
2. Revenue from product advertisement	Prakit Holdings PCL.	-	91,146	17.68	90,451	22.41	66,621	13.67
	Prakit Advertising Co.,Ltd.	99.99	209,997	40.74	100,944	25.01	91,730	18.81
	Associated and subsidiaries		11,234	2.18	8,553	2.12	2,127	0.44
			312,377	60.60	199,948	49.54	160,478	32.92
3. Revenue from public Relation and Direct Advertising	Marketing Drive Worldwide (Thailand) Co.,Ltd.	99.96	11,125	2.16	29,446	7.30	47,288	9.70
			11,125	2.16	29,446	7.30	47,288	9.70
4. Revenue from other investments	Prakit Holdings PCL.	-	22,003	4.27	26,767	6.63	12,100	2.48
	Prakit Advertising Co.,Ltd.	99.99	12,404	2.41	7,818	1.94	2,718	0.56
	And subsidiaries.		466	0.09	1,450	0.36	307	0.06
			34,873	6.77	36,035	8.93	15,125	3.10
5. Revenue from selling property for investment.	Prakit Holdings PCL.	-	-	-	-	-	103,538	21.24
	total		515,435	100.00	403,579	100.00	487,470	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, program producers, print medium, sign board or billboard and others for buying. Company charges brokerage (Agency commission) for service.

### **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, video 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 media 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's 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 affect 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 Consumer 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, 2017 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 Accumulated Depreciation</u>	<u>72,846,250.01</u>
Net book Value	<u>125,910,980.74</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. 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, 2017 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 : Prakrit 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: 60,450,262.00 baht or 60,450,262 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: Prakrit 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: 70% 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 Kitti-punyangam and/or Mrs. Suwanee Kitti-punyangam  
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 Tishabiramyā

Attorney Certificate No. 13357/2529

44/86 Moo 11, Soi Charoenpattana, Tiwanont Road,

Taladkwan, Mueng, Nonthaburi 11000.

**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 baht with ordinary shares of 94,438,800 shares 1.00 baht par value, issued and fully paid-up capital 60,450,262 ordinary shares, 1 baht each, totally 60,450,262.00 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 May 4, 2017 are as follow:

No.	Shareholders	Amount held	%
1	Prakit and Associates Co., Ltd. **	13,710,600	24.95
2	Apisarntharak		
	Mr.Prakit Apisarntharax	5,299,900	9.64
	Ms.Pavinee Apisarntharak	2,693,594	4.90
	Mr.Anucha Apisarntharak	2,571,493	4.68
	Mr.Apirak Apisarntharak	2,748,093	5.00
3	BNP PARIBAS SECURITIES SERVICE, LONDON BRANCH	3,376,000	6.14
4	Promart International Company Limited	1,460,000	2.66
5	Mr. Wichai Jirachoenkijkul	1,152,900	2.10
6	MR.Pridiyathorn Devakula	1,000,000	1.82

No.	Shareholders	Amount held	%
7	Mrs.Kingkanok Pithyanukun	700,000	1.27
8	Ms. Wichuda Grairithikul	579,500	1.05
9	RAFFLES NOMINEES (PTE) LTD	540,600	0.98
10	Ms. Nopsarun Pongpairoj	500,000	0.91
Total		36,332,680	67.22

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.

#### 7.2 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

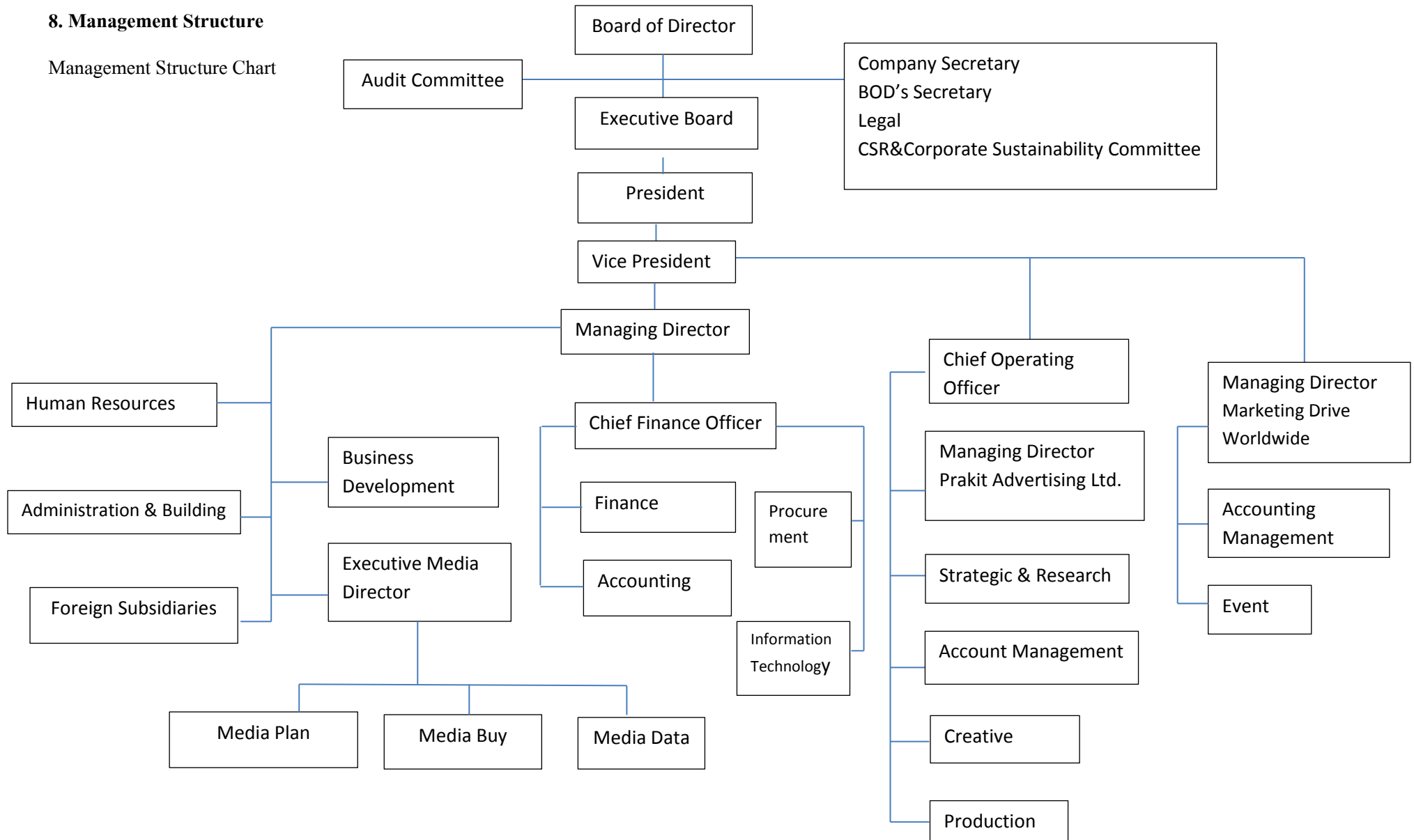
Detail information	2016	2015	2014	2013	2012
Cash Dividend payment / share	0.10	1.00	0.80	1.00	1.00
Stock Dividend	10:1	0	0	0	0
% of Net Profit	N/A	108.12	93.63	77.13	63.04

Remark

1. Dividend payment percentage for year 2015, was calculated from Net Operating profit which did not include net gain from sales of investment property.
2. In year 2017, the Company paid cash dividend 0.10 baht per share and paid stock dividend in the ratio of 10 current shares per 1 dividend share.

## 8. Management Structure

Management Structure Chart



## 8.1 Board of Directors

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

Names		Position	Appointed Year	Term in Director
1. Mr. Prakrit	Apisarnthanarax	President	December 28,1992	26
2. Mr. Phisal	Prahasdangkura	Vice President	December 28,1992	26
3. Mr. Pheecha	Chaochotechuang	Director	December 28,1992	26
4. Mr. Apirak	Apisarnthanarak	Managing Director		
		Director	April 24, 2008	10
5. Mr. Vichien	Nakintanond	Director	December 28,1992	26
6. Dr. Pichai	Charnsupharindr	Independent Director /		
		Audit Committee	April 25, 2005	13
7. Mr. Sommanous	Na Bangchang	Independent Director/		
		Audit Committee	December 28, 1992	26
8. Dr. Manoon	Pahirah	Independent Director /		
		Audit Committee	April 26, 2004	14

Noted : Mr. Apirak Apisarnthanarak was in the position of 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. Prakrit Apisarnthanarax co-signs with Mr. Phisal Prahasdangkura or Mr. Pheecha Chaochotechuang or Mr. Apirak Apisarnthanarak 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. Prakrit Apisarntharax	7/7
2. Mr. Phisal Prahasdangkura	7/7
3. Mr. Pheecha Chaochotechuang	7/7
4. Mr. Vichien Nakintanond	7/7
5. Dr. Pichai Charnsupharindr	4/7
6. Mr. Sommanous Na Bangchang	7/7
7. Dr. Manoon Pahirah	4/7
8. Mr. Apirak Apisarntharak	7/7

8.2 Executive Management

As of December 31, 2017, Executive Management was management team of the Company consisted of 5 members as follows :

1. Mr. Prakrit	Apisarntharax	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 2017, total remuneration for directors were 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 315,228.75 Baht.

Moreover, Company paid the remuneration to Directors who were Executive Management and Executive Management Member as salary, bonus and other benefits was Baht 12,422,770.19.

### 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 10,339,892.50.

## 8.5 Human Resource

As at December 31, 2017, staff of the Company and subsidiary are as follow:

	Company	Subsidiaries
Management	3	10
Media	42	-
Account team/Creative/Strategic planning	-	67
Administration	46	18
Total	91	95

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

Company	Subsidiary
59,740,280.22 Baht	86,304,916.66 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 Charnsuparindr  | 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 2017, 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 2017, The Company and Subsidiaries paid Bunchi-Kij 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 2017, 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.

#### Shareholders

The Company has policy to comply with the principle of Good Corporate Governance regarding the equitable treatment of Shareholders.

#### Society

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

#### Shareholders 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 stipulates 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, 2017, 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 Executive 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 7 trainings for the year 2017.

3. Training for professional development are as follow:

3.1 Invite external experts to provide trainings within the Company. There were two training in 2017.

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

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.

-Providing badminton court and football field to support joining activities among 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 workshop 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.

## **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.

The Board of Directors have hired an internal audit firm since 2016. There are many development in our organization to improve our internal control and reduce risk which may occur in some departments.



## 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.	Rental income	2,627	The Company charges office rental per used space which base on the rate charged to other tenant
Marketing Drive Worldwide(Thailand)Ltd.		480	
<u>Associated (Indirect)</u>			
Bangkok Writer & Partners		360	
<u>Related Company</u>			
Double P Marketing Communication Ltd.		600	
(Directorship)			
62 Content & Design Ltd.		25	
	<b>Total</b>	<b>4,092</b>	
<u>Subsidiaries</u>			
Prakit Advertising Ltd.	Administration	32,170	The Company has agreement with subsidiaries and related companies for management service. This was due to these companies are not these specialists.
Marketing Drive Worldwide (Thailand) Co., Ltd. Limited	Income	384	
<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	95	The Company has agreement with subsidiaries and related companies for management service. This was due to these companies are not these specialists.
	Total	34,449	
<u>Subsidiaries</u> Marketing Drive Worldwide (Thailand) Company Limited <u>Related Company</u> Double P Marketing Communication Co., Ltd. (Directorship)	Income from other services Water / Electricity bill	96 106	The Company has agreed with subsidiaries to charged expense based on estimated used units.
	Total	202	
<u>Subsidiaries</u> Marketing Drive Worldwide (Thailand) Company Limited. <u>Associated (Indirect)</u> Bangkok Writer & Partners <u>Related company</u> Double P Marketing Communication Co., Ltd. (Directorship) Draft Cambodia Co.,Ltd.	Income from Brokerage and service	- 385 2,315 8	The Subsidiaries provide creative work and marketing service to the Company.

	Total	2,708	
Relationship and name	Description	Amount'000	reason
<u>Subsidiaries</u>			
Prakit Advertising Ltd.	Service Cost	14,773	The Subsidiary provides creative work and marketing service to the Company in market rate.
Marketing Drive Worldwide (Thailand) Ltd.	Service Cost	40	
Prakit Advertising Co.,Ltd. (Myanmar)	Cost of Service	369	
<u>Related Company</u>			
62 Content & Design Ltd. (Executive of the Company listed as Director and Shareholder)		6,085	The Company has no specialist in this work.
	Total	21,267	
<u>Subsidiaries</u>			
Prakit Advertising Ltd.	Dividend	-	Dividend payment from investment in subsidiaries.
Marketing Drive Worldwide (Thailand) Ltd.		1,999	
<u>Associated (Indirect)</u>			
Direct Response (Thailand) Ltd.		588	
	Total	2,587	

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 2017, 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 2017, 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' 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 2017, the Group and the Company earns commission income on media agency service amounting to Baht 157 million in consolidated financial statements and Baht 101 million in the separate financial statements. The commission income is recognized when the advertisements are broadcasted and based on commission rate, discount rate and media costs. 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, but not limited to, the followings:</p> <ul style="list-style-type: none"> <li>• Inquire the management for the agreement and criteria 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 received and trace to the accounting records.</li> <li>• Subsequent test for media discount received after the reporting period.</li> </ul>

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

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



From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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

26 February 2018

## 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 2017, 2016 AND 2015

Unit : Baht

ASSETS	Consolidated financial statements		
	2017	2016	2015
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	129,085,052	97,478,142	85,102,746
Current investments			
Personal fund	31,739,118	30,327,039	28,241,745
Others	323,986,029	382,239,829	318,751,930
Investments in securities			
Current portion of held-to-maturity debt securities	12,001,000	16,000,000	20,000,000
Trade accounts and other receivable - net	350,077,955	252,731,951	310,538,891
Short-term loan to related party	10,000,000		
Other current assets	17,956,077	10,846,266	9,460,176
<b>Total current assets</b>	<b>874,845,231</b>	<b>789,623,227</b>	<b>772,095,488</b>
<b>NON-CURRENT ASSETS</b>			
Bank deposit held as collateral	30,000,000	30,000,000	32,001,000
Investments in joint venture, associated and subsidiary companies	117,292,202	116,429,268	115,109,711
Other long-term investments	114,633,148	114,958,803	116,418,439
Loan to employees	90,000	25,000	350,000
Investment property	46,215,000	46,215,000	46,215,000
Property, plant and equipment	99,319,226	97,346,306	92,857,847
Intangible assets -net	2,530	12,529	22,528
Deferred tax assets	6,870,235	9,401,314	11,990,491
Other non-current assets	11,643,950	12,085,499	11,035,655
<b>Total non-current assets</b>	<b>426,066,291</b>	<b>426,473,719</b>	<b>426,000,671</b>
<b>TOTAL ASSETS</b>	<b>1,300,911,522</b>	<b>1,216,096,946</b>	<b>1,198,096,159</b>



PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2017, 2016 AND 2015

	Consolidated financial statements		
	2017	2016	2015
<b>CURRENT LIABILITIES</b>			
Trade accounts and other payable	315,053,041	302,446,115	272,261,883
Accrued income tax	1,950,713	44,348	30,225,164
Other current liabilities	34,376,665	27,033,135	28,813,629
<b>Total current liabilities</b>	<b>351,380,419</b>	<b>329,523,598</b>	<b>331,300,676</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Leasehold right	13,396,737	14,481,220	15,565,702
Employee benefit obligations	22,889,447	21,510,767	17,597,697
<b>Total non-current liabilities</b>	<b>36,286,184</b>	<b>35,991,987</b>	<b>33,163,399</b>
<b>TOTAL LIABILITIES</b>	<b>387,666,603</b>	<b>365,515,585</b>	<b>364,464,075</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital			
Authorized share capital			
99,484,000 common shares of Baht 1 each			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
54,954,800 common shares of Baht 1 each		54,954,800	
60,450,262 common shares of Baht 1 each	60,450,262		
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	659,439,635	612,514,980	598,463,915
Reserve for Treasury Shares	-	-	79,460,000
Treasury Shares	-	-	(79,460,000)
Other components of equity	(12,440,100)	(22,003,173)	(29,700,219)
<b>Total equity attributable to the parent company</b>	<b>911,018,357</b>	<b>849,035,167</b>	<b>832,332,256</b>
Non-controlling interests	2,226,562	1,546,194	1,299,828
<b>Total equity</b>	<b>913,244,919</b>	<b>850,581,361</b>	<b>833,632,084</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,300,911,522</b>	<b>1,216,096,946</b>	<b>1,198,096,159</b>



**PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017, 2016 AND 2015**

	Consolidated financial statements		
	2017	2016	2015
<b>REVENUES</b>			
Revenue from rendering services	323,502,065	226,864,625	207,766,076
Revenue from agency	157,060,737	138,150,159	161,041,316
Interest income	4,836,726	4,557,340	5,155,708
Dividend income	1,332,745	2,909,747	2,173,756
Management income	1,895,000	1,920,000	2,016,000
Gain from sales of investment property	-	-	103,537,770
Other revenues	26,807,528	29,177,292	5,779,965
<b>Total revenues</b>	<b>515,434,801</b>	<b>403,579,163</b>	<b>487,470,591</b>
<b>EXPENSES</b>			
Cost of rendering of services	280,517,055	194,424,627	179,854,045
Selling expenses	60,191,482	55,924,907	59,000,726
Administrative expenses	103,762,593	86,850,357	90,790,933
<b>Total expenses</b>	<b>444,471,130</b>	<b>337,199,891</b>	<b>329,645,704</b>
Profit before share of profit from investments in joint venture and associated companies- equity method	70,963,671	66,379,272	157,824,887
Share of profit from investments in joint ventures and associated companies- equity method	1,940,934	1,319,557	1,491,574
<b>Profit before income tax</b>	<b>72,904,605</b>	<b>67,698,829</b>	<b>159,316,461</b>
Income tax	(14,854,855)	(12,810,371)	(42,828,140)
<b>Net profit for the year</b>	<b>58,049,750</b>	<b>54,888,458</b>	<b>116,488,321</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
Income tax effect	-	824,955	(1,374)
	-	(3,299,817)	5,495
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net change in fair value of available for sale investment	12,133,194	9,846,770	(12,538,580)
Foreign currency translation differences for foreign operation	(143,482)	(180,370)	(48,254)
Income tax on other comprehensive income	(2,426,639)	(1,969,354)	2,507,716
	9,563,073	7,697,046	(10,079,118)
<b>Other comprehensive income (loss) for the year, net of income tax</b>	<b>9,563,073</b>	<b>4,397,229</b>	<b>(10,073,623)</b>
<b>Total comprehensive income for the year</b>	<b>67,612,823</b>	<b>59,285,687</b>	<b>106,414,698</b>
<b>Profit attributable to:</b>			
Owners of the Company	58,101,059	54,641,042	116,645,990
Non-controlling interests	(51,309)	247,416	(157,669)
<b>Net profit for the year</b>	<b>58,049,750</b>	<b>54,888,458</b>	<b>116,488,321</b>
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of the Company	67,664,132	59,038,271	106,572,367
Non-controlling interests	(51,309)	247,416	(157,669)
<b>Total comprehensive income for the year</b>	<b>67,612,823</b>	<b>59,285,687</b>	<b>106,414,698</b>
<b>Earnings per share (Unit :Baht)</b>			
Basic earnings per share	0.96	0.98	2.15

**PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY(CONSOLIDATED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017, 2016 AND 2015**

**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	Unappropriated	Reserve for Share	stock	Fair value changes in available-for-sale investments	Currency translation differences				Total other components of equity
<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</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>
<b>Balance at 1 January 2017</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>
Stock dividend	5,495,462	-	-	-	-	-	-	-	-	-	5,495,462	-	5,495,462
Dividend paid	-	-	-	-	(10,990,960)	-	-	-	-	-	(10,990,960)	(700)	(10,991,660)
Total contributions by and distributions to owners	<b>5,495,462</b>	-	-	-	<b>(10,990,960)</b>	-	-	-	-	-	<b>(5,495,498)</b>	<b>(700)</b>	<b>(5,496,198)</b>
Change in ownership interests in subsidiaries													
without a change in control	-	-	-	-	(185,444)	-	-	-	-	-	(185,444)	732,377	546,933
Total transactions with owners, recorded directly in equity	<b>5,495,462</b>	-	-	-	<b>(11,176,404)</b>	-	-	-	-	-	<b>(5,680,942)</b>	<b>731,677</b>	<b>(4,949,265)</b>
Profit (loss) for the year	-	-	-	-	58,101,059	-	-	-	-	-	58,101,059	(51,309)	58,049,750
Other comprehensive income (loss)	-	-	-	-	-	-	-	9,706,555	(143,482)	9,563,073	9,563,073	-	9,563,073
<b>Balance at 31 December 2017</b>	<b>60,450,262</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>659,439,635</b>	-	-	<b>(12,058,449)</b>	<b>(381,651)</b>	<b>(12,440,100)</b>	<b>911,018,357</b>	<b>2,226,562</b>	<b>913,244,919</b>

**PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2017, 2016 AND 2015**

	Consolidated financial		
	statement		
	2017	2016	2015
<b>Cash Flows from Operating Activities</b>			
<b>Profit for the year</b>	58,049,750	54,888,458	116,488,321
<b>Adjustment for</b>			
Depreciation	7,924,972	6,587,552	5,582,961
Amortisation of intangible assets	9,999	9,999	11,023
Impairment loss on other investment	3,142,837	-	-
Reversal of allowance for doubtful debts	-	(2,083,109)	(655,991)
Gain on disposal of current investment and long-term investments	(2,391,629)	(4,457,894)	1,921,120
(Gain) loss on adjustment of fair value of current investment	(5,041,104)	(5,710,674)	(2,145,977)
(Gain) loss from disposal of investment property	-	-	(103,537,770)
(Gain) loss from disposal of property, plant and equipment	(224,870)	(345,412)	2,743
Provisions for employee benefits	2,214,680	2,349,898	2,557,635
Revenue from deferred lease right	(1,084,483)	(1,084,483)	(1,084,483)
Dividend income	(1,822,745)	(2,909,747)	(2,173,755)
Interest income	(4,836,726)	(4,557,340)	(5,155,708)
Other income	-	-	(1,000)
Share of (profit) loss from associated companies and joint venture - equity method	(862,934)	(1,319,557)	(1,491,574)
Unrealized (gain) loss form exchange rate	43,555	(64,150)	(115,660)
Income tax expense	14,854,855	12,810,371	42,828,141
	<u>69,976,157</u>	<u>54,113,912</u>	<u>53,030,026</u>
<b>Changes in operating assets and liabilities</b>			
Current investments sold	142,061,573	127,219,869	245,384,613
Addition to current investments	(80,000,000)	(187,108,738)	(311,704,383)
Trade and other accounts receivable	(105,904,099)	67,774,555	(50,473,806)
Other current assets	(16,951,907)	6,437,997	6,885,706
Other non current assets	441,549	(5,221,464)	(4,981,399)
Trade and other account payable	12,606,925	34,435,928	35,025,775
Other current liabilities	7,343,530	(1,780,494)	7,581,562
Employee benefit obligations paid	(836,000)	(2,561,600)	(4,812,000)
	<u>28,737,728</u>	<u>93,309,965</u>	<u>(24,063,906)</u>
<b>Net cash Provided by (used in) Operating Activities</b>			
Income tax paid	(3,001,953)	(45,198,878)	(20,656,323)
	<u>25,735,775</u>	<u>48,111,087</u>	<u>(44,720,229)</u>



**PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017, 2016 AND 2015**

	<b>Consolidated financial</b>		
	<b>statement</b>		
	2017	2016	2015
<b>Cash Flows from Investing Activities</b>			
Loans to employees	(200,000)	-	(400,000)
Short-term loans to related parties	(10,000,000)	-	-
Cash received from loans to employees.	280,000	560,000	510,000
Deposits in fixed account	-	-	(1,000,000)
Investment in associates	-	-	(150,375,000)
Addition to long - term investments	(36,428,427)	(51,429,739)	(33,325,451)
Cash received from redemption of long-term investments	28,000,000	20,000,000	10,000,000
Cash received from sale of long-term investments	33,355,320	40,180,647	6,952,313
Purchase of property, plant and equipment	(10,034,644)	(11,136,798)	(6,777,825)
Purchase of intangible asset	-	-	(30,000)
Sale of investment property	-	-	250,300,000
Cash received from sale of property, plant and equipment	336,649	390,075	12,000
Dividend received	1,822,745	2,909,748	2,173,755
Interest received	4,354,198	5,291,032	5,348,306
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>11,485,841</b>	<b>6,764,965</b>	<b>83,388,098</b>
<b>Cash Flows from Financing Activities</b>			
Dividend paid	(5,495,498)	(54,784,800)	(43,360,000)
Proceed from sale of treasury shares	-	12,449,440	-
Dividend paid to non-controlling interests	(700)	(1,050)	(1,050)
<b>Net Cash Used in Financing Activities</b>	<b>(5,496,198)</b>	<b>(42,336,410)</b>	<b>(43,361,050)</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>31,725,418</b>	<b>12,539,642</b>	<b>(4,693,181)</b>
Cash and cash equivalent at 1 January	97,478,142	85,102,746	89,774,793
Effect of change in exchange rate of foreign currency balance	(118,508)	(164,246)	21,134
<b>Cash and Cash Equivalent at 31 December</b>	<b>129,085,052</b>	<b>97,478,142</b>	<b>85,102,746</b>
<b>Non-cash Transactions</b>			
Unutilized credit facilities for future working capital	41,000	41,000	41,000

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

**Operating results** Total revenue from advertising activities of the company's group in the year 2017 was amounting to Baht 200.00 million while other income was amounting to Baht 34.9 million, totally Baht 234.9 million. After having deducted with selling and administrative expenses amounting to Baht 163.9 million, there was profit from recurring activities amounting to Baht 71.0 million. After having deducted with income tax amounting to Baht 14.9 million, there was profit from recurring activities after tax amounting to Baht 56.1 million. Moreover, there was share of profit from associated companies amounting to Baht 1.9 million, therefore, there was net profit for the year 2017 amounting to Baht 58.0 million. Apart from net profit for the year, there was other comprehensive income after tax amounting to Baht 9.6 million. Consequently, there was total comprehensive income for the year 2017 amounting to Baht 67.6 million.

**Financial Status** As at December 31, 2017 total assets of the company's group was amounting to Baht 1,300.9 million whereas total liabilities was amounting to Baht 387.7 million, therefore, total owners' equity was amounting to Baht 913.2 million. So, total liabilities was only 29.8% of total assets and 42.5% 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, 2017 was amounting to Baht 874.8 million whereas current liabilities was amounting to Baht 351.4 million, so, current assets was greater than current liabilities 2.5 times while quick current assets was greater than current liabilities 2.4 times. Moreover, most of clients settle on time which also enable the company's group could settle current liabilities on time.

In addition, it is expected that most clients wouldn't spend advertising budgets in the year 2018 less than the year 2017. Moreover, the company's group will speed up to acquire new clients including expand the business through the potential channels. Accordingly, Prakti's group is still able to operate the business continuously in the future.

## **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 type of services render to clients, which are producing the 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 services'.

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 difference 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 2017	Yr 2016	Yr 2015
1. Income from service	323.5	226.86	207.77
2. <u>Less</u> Cost of service	(280.52)	(194.42)	(179.85)
3. Income from service (net)	42.98	32.44	27.92
4. Agency Commission	157.06	138.15	161.04
5. Total income from advertising activities	200.04	170.59	188.96
6. Management Income	1.89	1.92	2.02
7. Interest income	4.84	4.56	5.16
8. Dividend income	1.33	2.91	2.17
9. Other income	26.81	29.18	5.77
10. Total income from other activities	34.87	38.57	15.12
11. Total income from recurring activities	234.91	209.16	204.08
12. <u>Less</u> Selling expenses	(60.19)	(55.93)	(59.00)
13. <u>Less</u> Administrative expenses (Refer to the calculation)	(103.76)	(86.85)	<sup>(A)</sup> (82.53)
14. Profit from recurring activities-before tax	70.96	66.38	62.55
15. Income tax expenses (Refer to the calculation)	(14.86)	(12.81)	<sup>(B)*</sup> 12.42)
16. Profit from recurring activities-after tax	56.1	53.57	50.13
17. Gain from sale of investment property (Refer to the calculation)	0	0	<sup>(C)*</sup> 54.87
18. Share of profit from associated companies	1.94	1.32	1.49
19. Net profit for the year	58.04	54.89	116.49
20. Other comprehensive income (loss):			
21. Net change in fair value of available for sale investment	12.13	9.85	(12.54)
22. Foreign currency translation differences for foreign operation	(0.14)	(0.18)	(0.05)
23. Actuarial gains recognized in other comprehensive	0	(4.12)	0.01
24. Total other comprehensive income (loss) before income tax	11.99	5.55	(12.58)
25. Income tax on other comprehensive income (loss)	(2.42)	(1.15)	2.50
26. Other comprehensive income (loss) net of income tax	9.57	4.40	(10.08)
27. Total comprehensive income for the year	67.61	59.29	106.41

\*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 2017 are summarized through each 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 2015-2017 were as follows:

1.1 Revenue from rendering services the year 2017 was Baht 323.5 million whereas the year 2016 and the year 2015 were Baht 226.9 and 207.8 million respectively. Since most clients spent budgets on producing advertising materials in the year 2017 much higher than the years 2016 and 2015, therefore, revenue from rendering services in the year 2017 was also much higher than both years.

Cost of service The year 2017 was Baht 280.5 million whereas the year 2016 and the year 2015 were Baht 194.4 and 179.9 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 2017 was Baht 43.0 million whereas the year 2016 and the year 2015 were Baht 32.5 and 27.9 million respectively.

1.2 Revenue from agency The year 2017 was Baht 157.0 million whereas the year 2016 and the year 2015 were Baht 138.1 and 161.1 million respectively. The cause of increasing from the year 2016 was due to the increasing of clients' spending budgets on media buying. However, it decreased from the year 2015 because there was an unexpected event which resulted to the clients' suspension on the spending advertising budgets in fourth quarter of the years 2016 and 2015.

Total revenues from advertising activity means net revenue from rendering services plus revenue from agency. Therefore, the year 2017 was Baht 200.0 million whereas the year 2016 and the year 2015 were Baht 17 and 189.0 million respectively.

Consequently, total revenues from advertising activity in the year 2017 was higher than the years 2016 and 2015 amounting to Baht 29.4 and 11.0 million respectively.

## **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 2017 was Baht 1.9 million whereas the year 2016 and the year 2015 were Baht 1.9 and 2.0 million respectively. So, the amount of this income in three consecutive years are very close.

2.2 Interest income The year 2017 was Baht 4.9 million whereas the year 2016 and the year 2015 were Baht 4.6 and 5.1 million respectively. The decreasing of this income in the year 2017 and 2016 were due to the maturity in both years of a part of the company's held-to-maturity debt securities including the decreasing on the average of bank deposits in both years, In addition, interest rates on debt securities as well as bank deposits, in three years are slightly difference.

2.3 Dividend income The year 2017 was Baht 1.3 million whereas the year 2016 and the year 2015 were Baht 2.9 and 2.2 million respectively. The decreasing of this income in the year 2017 was due to the decreasing on investment in equity securities.

2.4 Other income The year 2017 was Baht 26.8 million whereas the year 2016 and the year 2015 were Baht 29.2 and 5.8 million respectively. The increasing of this income in the years 2017 and 2016 were due to the increasing on gain from the sale of temporary and long-term investment as well as the sharply increased of various items.

Total revenues from other activities The year 2017 was Baht 34.9 million whereas the year 2016 and the year 2015 were Baht 38.6 and 15.1 million respectively.

Total revenues from recurring activities means revenue from main activity, i.e., advertising activity plus revenues from other recurring activities. The year 2017 was Baht 234.9 million whereas the year 2016 and the year 2015 were Baht 209.2 and 204.1 million respectively. Consequently, total revenues from recurring activities in the year 2017 was higher than the years 2016 and 2015 amounting to Baht 25.7 and 30.8 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 2017 was Baht 60.2 million whereas the year 2016 and the year 2015 were Baht 55.9 and 59.0 million respectively. The causes of increasing from the both years were the higher adjustment on salaries and remunerations of the employees in the relevant department while other selling expense increased slightly.

Administrative expenses The year 2017 was Baht 103.8 million whereas the year 2016 and the year 2015 (exclude fee for transfer title deed) were Baht 86.9 and 82.5 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 2017 was Baht 70.9 million whereas the year 2016 and the year 2015 were Baht 66.4 and 62.6 million respectively.

Income tax expenses 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 2017 was Baht 14.8 million whereas the year 2016 and the year 2015 (exclude the amount which calculated from gain on the sale of investment property) were Baht 12.8 and 12.5 million respectively.

Profit from recurring activities-after tax The year 2017 was Baht 56.1 million whereas the year 2016 and the year 2015 were Baht 53.6 and 50.1 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) whereas it was none in the year 2016 and the year 2015

**4. Investing activities in associated companies** The return on this investment is shares of profit (loss) from investment in associated companies-equity method. The year 2017 was Baht 1.9 million whereas the year 2016 and the year 2015 were Baht 1.3 and 1.5 million respectively.

Net profit for the year The year 2017 was Baht 58.0 million whereas the year 2016 and the year 2015 were Baht 54.9 and 116.5 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 2017 was gain at Baht 12.1 million whereas the year 2016 was also gain at Baht 9.8 million whereas the year 2015 was loss at Baht 12.5 million because fair value of the holding securities at year end 2017 and 2016 increased sharply from year end 2015.

2. Foreign currency translation differences for foreign operation The year 2017 was loss at Baht 0.1 million whereas the year 2016 and the year 2015 were loss at Baht 0.2 million and 0.1 million respectively.

3. Actuarial gains (losses) on the employee's benefit scheme There wasn't any adjustment in the year 2017 whereas the year 2016 was loss at Baht 4.1 million and the year 2015 was gain very slightly.

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 2015-2017

	<u>(Unit : Million Baht)</u>		
	<u>Yr 2017</u>	<u>Yr 2016</u>	<u>Yr 2015</u>
Total other comprehensive income(loss) before income tax	12.0	5.5	(12.6)
Income tax effects	<u>(2.4)</u>	<u>(1.1)</u>	<u>2.50</u>
Total other comprehensive income(loss)-net income tax	<u>9.6</u>	<u>4.4</u>	<u>(10.1)</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 2017 was Baht 67.6 million whereas the year 2016 and the year 2015 were Baht 59.3 and 106.4 million respectively.

Since there was gain from sale of investment property amounting to Baht 64.9 million in the year 2015, it is deserved to present net profit for the year and total comprehensive income for the year both prior and after the said gain as follows to provide real data for comparing on the operating results of the year 2015 thru the year 2017.

	<u>(Unit : Million Baht)</u>		
	<u>Yr 2017</u>	<u>Yr 2016</u>	<u>Yr 2015</u>
Net profit before gain from sale of investment property	58.0	54.9	51.6
Gain from sale of investment property-net	<u>0</u>	<u>0</u>	<u>64.9</u>
Net profit for the year	<u>58.0</u>	<u>54.9</u>	<u>116.5</u>
Total comprehensive income before sale of investment property	67.6	59.3	41.5
Gain from sale of investment property-net	<u>0</u>	<u>0</u>	<u>64.9</u>
Total comprehensive income for the year	<u>67.6</u>	<u>59.3</u>	<u>106.4</u>

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

Financial ratios in relevant with operating results are as follows :

#### **1. Profitability ratios**

	(Unit)	<u>Yr 2017</u>	<u>Yr 2016</u>	<u>Yr 2015</u>
Profit from advertising activities	(%)	13.29	14.30	13.44
Profit from recurring activities	(%)	2.98	3.27	2.85
Net profit before gain from sale of investment property	(%)	3.09	3.35	2.93
Net profit for the year	(%)	3.09	3.35	6.62
Return on equity	(%)	6.59	6.53	14.55

## 2. Efficiency ratio

	(Unit)	<u>Yr 2017</u>	<u>Yr 2016</u>	<u>Yr 2015</u>
Return on assets	(%)	4.61	4.55	10.29

## 3. Growth rates

	(Unit)	<u>Yr 2017</u>	<u>Yr 2016</u>	<u>Yr 2015</u>
Billings	(%)	14.68	(6.79)	5.87
Total income from advertising activities	(%)	17.26	(9.72)	15.13
Total income from recurring activities	(%)	12.31	2.49	8.83
Operating Expenses	(%)	14.83	0.88	7.91
Profit from recurring activities-after tax	(%)	4.72	6.86	11.23
Profit from gain from sale of investment property	(%)	5.74	6.34	11.76
Net profit for the year	(%)	5.74	(52.88)	152.20

Conclusion The operating results of the year 2017 in comparison with the years 2016 and 2015 are summarized as follows:

Total income from advertising activities of the company's group for the year 2017 was higher than the years 2016 and 2015. The increasing on this income resulted from the increasing on the client's spending advertising budgets as before-said. Moreover, income from other activities for the year 2017 were closely to the year 2016 and higher than the year 2015. Consequently, total income from recurring activities of the company's group for the year 2017 was much higher than the year 2016 and 2015. Although operating expenses (selling and administrative expenses) for the year 2017 were also higher than the years 2016 and 2015, profit from recurring activities for the year 2017 was still higher than the years 2016 and 2015. In addition, with disregard to the gain from sale of investment property in the year 2015, net profit after tax for the year 2017 was higher than the years 2016 and 2015. Considering to the part of other comprehensive income, the year 2017 was also higher than the years 2016 and 2015

Consequently, net profit as well as total comprehensive income for the year 2017 was higher than the the year 2016 and 2015 (regardless to gain from sale of investment property in the year 2015)

Inview of financial ratios in relevant with operating results, these ratios for the year 2017 closed to the years 2016 and 2015 (regardless to gain from sale of investment property in the year 2015)

In addition, growth rates of billings, total income from advertising activities and total income from advertising activities and total income from recurring activities for the year 2017 were higher than the years 2016 and 2015. However, growth rates of operating expenses for the year 2017 increased sharply from the years 2016 and 2015, therefore, growth rates of profit from recurring activities fro the year 2017 were lower than both years.

Referring to overall consideration, the operating results of the year 2017 were better than the years 2016 and 2015.

## 14.2 Financial Status

<u>Asset</u>	<u>Baht : million</u>		
	<u>Dec.31, 2017</u>	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>
Current assets	874.84	789.62	772.09
Non-current assets	<u>426.07</u>	<u>426.48</u>	<u>426.00</u>
Total	<u>1,300.91</u>	<u>1,216.10</u>	<u>1,198.09</u>

### Explanations :

1. Total assets of the company and its subsidiary companies as at December 31, 2017 was Baht 1,300.91 million whereas total assets of the company and its subsidiary companies as at December 31, 2016 and December 31, 2015 were Baht 1,216.10 million and Baht 1,198.09 million respectively.
2. The changes of assets in the year 2017 from the year 2016 were as follows:

	<u>Baht : million</u>
Cash and cash equivalent increased	31.61
Current Investments in private fund increased	1.41
Other current investment decreased	(58.26)
Current portion of held-to-maturity debt security decreased	(4.00)
Trade account and other receivables increased	97.35
Short-term loan to related party increased	10.00
Other current assets increased	7.11
Bank deposit held as collateral	Not changed
Investments in joint venture associated and subsidiary companies incre	0.86
Other long-term investment decreased	(0.32)
Loan to employees increased	0.06
Investment property	Not changed
Property plant and equipment increased	1.97
Intangible assets decreased	(0.01)
Deferred tax asset decreased	(2.53)
Other non-current assets decreased	(0.44)
Total increased	<u>84.81</u>

The above changes were summarized as follows:

1. Cash and cash equivalent decreased Baht 31.61 million. It provided from operating activities Baht 25.74 million , provided from investing activities Baht 11.49 million, used in financing activities Baht 5.50 million and used in other activities Baht 0.12 million.

2. Assets which increased significantly in the year 2017 were :

- Cash and cash equivalent
- Trade accounts and other receivables
- Short-term loan to related party
- Other current assets

3. Assets which decreased significantly in the year 2017 were :

- Other current investments
- Current portion of held-to-maturity debt securities

4. Other assets changed slightly in the year 2017.

3. The quality of the significant assets are summarized as follows:

1. Most of clients settle on time. Their average collection period in the year 2016 was 47 days which faster than both years. However, the allowance for doubtful accounts as at December 31, 2017 was Baht 15.2 million which estimated from the analysis of the clients' settlement in the past together with the expectation of the clients' repayment in the future.
2. Short-term and long-term investment consist of investment in private fund and investment in debt and equity securities. Their total fair-value as at December 31, 2017 changed from the end of last year. As at December 31, 2017 there was unrealized loss from adjustment of fair value in securities amounting to Baht 15.07 million whereas the end of the year 2016 and the year 2015 were Baht 27.20 and 37.05 million respectively.
3. The recoverable amount of PPE (property, plant and equipment) as well as investment property as at December 31, 2017 were greater than carrying amount, therefore, there was no impairment of assets.

<u>Liabilities</u>	<u>Baht : million</u>		
	<u>Dec.31, 2017</u>	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>
Current Liabilities	351.38	329.52	331.30
Non-current liabilities	<u>36.29</u>	<u>35.99</u>	<u>33.16</u>
Total	<u>387.67</u>	<u>365.51</u>	<u>364.46</u>

Explanations:

1. Total liabilities of the company and its subsidiary companies as at December 31, 2017 was Baht 387.67 million whereas total liabilities of the company and its subsidiary companies as at December 31, 2016 and December 31, 2015 were Baht 365.51 million and Baht 364.46 million respectively.
2. The change of liabilities in the year 2017 from the year 2016 were as follows:

	<u>Baht : million</u>
Trade account and other payables increased	12.61
Accrued income tax increased	1.91
Other current liabilities increased	7.34
Employee benefit obligations increased	1.38
Deferred lease right decreased	<u>(1.08)</u>
Total increased	<u>22.16</u>



Shareholders' equity

Baht : million

	<u>Dec.31, 2017</u>	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>
Shareholders' equity	<u>913.24</u>	<u>850.59</u>	<u>833.63</u>

1. Shareholders' equity of the company and its subsidiary companies as at December 31, 2017 was Baht 913.24 million whereas shareholders' equity of the company and its subsidiary companies as at December 31, 2016 and December 31, 2015 were Baht 850.59 million and Baht 833.63 million respectively.

2. The changes of shareholders' equity in the year 2017 from the year 2016 were as follows:

	<u>Baht : million</u>
Total comprehensive income for the year	67.61
Dividend paid for the year	(5.50)
Change in ownership interests in subsidiaries without a change in contr	<u>0.54</u>
Total	<u>62.65</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, 2017</u>	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>
Debt/Equity Ratio	(Times)	0.42	0.43	0.44
Interest Coverage Ratio	(Times)	none	none	none
Dividend Payout Ratio	(%)	Dividend hasn't been declared	Cash and stock	108.12

According to the above results, these ratios for the year 2017 closed to the years 2016 and 2015 because debt-to-equity ratio for the year 2017 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 2017.

2. Per share ratios

	Unit	<u>Dec.31, 2017</u>	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>
Book value per share	(Baht)	15.07	15.45	15.36
Profit from recurring activities per share	(Baht)	0.93	0.96	0.92
Earning per share	(Baht)	0.96	0.98	2.15
Dividend per share	(Baht)	Dividend hasn't been declared	Cash 0.10 and stock dividend	1.00

According to the above results, these ratios for the year 2017 close to the year 2016 and 2015 because book value per share as well as profit from recurring activities per share of the year 2017 closed to both years. Since net profit for the year 2015 included gain on sale of investment property, so, it isn't necessary to refer earnings per share. In addition, there was no dividend per share in the year 2017 because it hasn't been declared.

### 3. Growth rates

	(Unit)	<u>Yr 2017</u>	<u>Yr 2016</u>	<u>Yr 2015</u>
Assets	(%)	6.97	1.51	12.46
Liabilities	(%)	6.06	0.29	23.63

According to the above results, growth rate of assets in the year 2017 was higher than that of liabilities, resulted to the increasing of shareholders' equity in the year 2017. 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 years.

### 14.3 Liquidity

#### Liquidity ratios

	Unit	<u>Dec.31, 2017</u>	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>
Current Ratio	(Times)	2.49	2.40	2.33
Quick Ratio	(Times)	2.28	2.16	2.24
Cash Flows Ratio	(Times)	0.08	0.15	0.15
Accounts Receivable Turnover	(Times)	7.69	6.88	6.59
Average Collection Period	(Days)	47	52	55
Accounts payable Turnover	(Times)	7.12	6.97	8.41
Average Payment Period	(Days)	51	51	43
Cash Cycle	(Days)	(4)	1	12

Conclusion The liquidity for the year 2017 closed to the year 2016 and 2015 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 2017 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 2017 was negative 4 days. 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	79	BA in Economic Thammasart University	9.64% 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 & Associate Co.,Ltd. Diethelm Advertising Co.,Ltd. Diethelm Co., Ltd.
2. Phisal Prahadangkura Executive Vice President and Authorized Director	73	B.A. in Mass Communication Miami Colledge USA	0.14% of voting right common stock	No	1986-present  1977-1986 1974-1977	Vice President Director  Vice President Product Manager	Prakit Holdings Plc. Prakit Advertising Ltd. Marketing Drive Worldwide (Thailand) Co.,Ltd. Prakit & Associate Co.,Ltd. Warner-Lambert (Thailand) Co.,Ltd.
3. Mr. Preecha Chaochotechuang Director and Authorized Director	70	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 Managing Director Marketing Director Marketing Trainer	Prakit Holdings Plc. Prakit Holdings Plc. Lintas Co.,Ltd. Fedderst Co.,Ltd. Diethelm Co., Ltd.
4. Mr. Vichien Nakintanond Director	69	High School Vatrabngua School	-	No	Present 1986-2001 1978-1986 1968-1978	Director Deputy Managing Director Deputy Managing Director Artist	Prakit Holdings Plc. Prakit Holdings Plc. Prakit & Associate Co.,Ltd. Diethelm Co., Ltd.
5. Mr. Sommanous Na Bangchar Audit Committee and Independent Director	69	MBA Southeastern Oklahoma State University	-	No	Dec 1999- Present 1999-2002 1988-1998 1978-1988	Independent Director and Audit Committee Consultant of Finance Finance Director Executive Manager	Prakit Holdings Plc. Thoranee Pipat Co.,Ltd. Prakit Holdings Plc. Diethelm Advertising Co.,Ltd. Co.,Ltd.

Name-Position	Age	Qualification in Education	Company share portion %	Family relationship of directors	Working experience in 5 years		
					Period	Position	Company's Name
6. Dr. Pichai Charnsupharindr Audit Committee and Independent Director	75	B.A. in Economic Thammasart University Master Degree University of the Philippines Ph.D. in Economics University of the Philippines	-	No	Present     1965-2003	Independent Director Director  Consultant  Consultant  A Dean of Faculty  Vice Rector   President  Director and Secretary	Prakit Holdings Plc. Thammasart Association Thammasart University The Feceration 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	79	Bachelor Degree of Economic 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 Institut	Prakit Holdings Plc.  Office of the National Counter Corruption Commission Krikk University Krikk University Thammasart University
8. Ms. Wichuda Grairithikul Chief Finance officer Company Secretary and Audit Committee Secretary	59	B.A.in Accounting Thammasart University Master degree in Accounting Thammasart University	1.05% voting right common stock	No	1999-Present  1996-1999  1994-1996  1988-1994  1981-1987	Finance Director  Deputy of Finance Director  Finance Manager  Finance Manager  Assistant Accounting Manager	Prakit Holdings Plc.  Prakit Holdings Plc.  Magnus Nangervis & Curl/FCB Ltd.  GSI Travel Co.,Ltd.  White Group Plc.

Name-Position	Age	Qualification in Education	Company share portion %	Family relationship of directors	Working experience in 5 years		
					Period	Position	Company's Name
9. Mrs.Siriorn Chernpipat Executive Media Director	54	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 Apisarntharak Director and Authorized Director	46	BBA in Marketing and Management of Information System MBA at The University of North Carolina Chapel Hill	5.00% voting right common stock	President's son	Present	Managing Director Director	Prakit Holdings Plc. Marketing Drive Worldwide (Thailand) Ltd.
					2001-2007	Managing Director Strategic Planning Director/Business Director	Prakit Advertising Ltd. Prakit Advertising Ltd.
					1999-2001	Strategic Planning Analyst,	FCB Worldwide (New York)
					1997-1997	Marketing Associate	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 DRIVE WORLDWIDE	Prakit 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

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, 2017

Name	2016		Increase/ Decrease	2017 Total	%	2017	
	Director	Spouse				Director	Spouse
1. Mr.Prakit Apisarnthanarax	5,299,900	82,700	(82,700)	5,299,900.00	9.64	5,299,900.00	-
2. Mr.Phisal Prahasdadangkura	23,000	46,000	9,000	78,000.00	0.14	23,000.00	55,000.00
3. Mr.Preecha Chaotechuang	15,000	112,000	-	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 Apisarnthanarak	2,659,593	73,500	15,000	2,748,093.00	5.00	2,659,593.00	73,500.00
10. Ms.Wichuda Grairithikul	579,500	-	-	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 2017 to 31 December 2017**



## **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 2017, 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 2017, 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' 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 2017, the Group and the Company earns commission income on media agency service amounting to Baht 157 million in consolidated financial statements and Baht 101 million in the separate financial statements. The commission income is recognized when the advertisements are broadcasted and based on commission rate, discount rate and media costs. 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, but not limited to, the followings:</p> <ul style="list-style-type: none"><li>• Inquire the management for the agreement and criteria 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 received and trace to the accounting records.</li><li>• Subsequent test for media discount received after the reporting period.</li></ul>

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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

26 February 2018

## Prakit Holdings Public Company Limited and its Subsidiaries

## Statements of Financial Position

As at 31 December 2017

Unit : Baht

ASSETS	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	129,085,052	97,478,142	86,951,525	56,345,930
Current investments					
Private fund	6	31,739,118	30,327,039	31,739,118	30,327,039
Others	7	323,986,029	382,239,829	262,928,877	311,749,219
Current portion of held-to-maturity debt securities	7	12,001,000	16,000,000	12,001,000	16,000,000
Trade accounts and other receivables	8	350,077,955	252,731,951	266,019,448	177,305,200
Short-term loan to related party	4	10,000,000	-	-	-
Other current assets		17,956,077	10,846,266	6,983,095	4,119,787
<b>Total current assets</b>		<b>874,845,231</b>	<b>789,623,227</b>	<b>666,623,063</b>	<b>595,847,175</b>
<b>NON-CURRENT ASSETS</b>					
Bank deposit held as collateral	9	30,000,000	30,000,000	30,000,000	30,000,000
Investments in joint venture, associated and subsidiary companies	10	117,292,202	116,429,268	165,454,840	165,045,481
Other long-term investments	7	114,633,148	114,958,803	114,633,148	114,958,803
Loans to employees	11	90,000	25,000	-	25,000
Investment property	12	46,215,000	46,215,000	46,215,000	46,215,000
Property, plant and equipment	13	99,319,226	97,346,306	98,753,015	96,734,539
Intangible assets		2,530	12,529	2,527	12,526
Deferred tax assets	14	6,870,235	9,401,314	3,215,659	5,987,679
Other non-current assets		11,643,950	12,085,499	-	-
<b>Total non-current assets</b>		<b>426,066,291</b>	<b>426,473,719</b>	<b>458,274,189</b>	<b>458,979,028</b>
<b>TOTAL ASSETS</b>		<b>1,300,911,522</b>	<b>1,216,096,946</b>	<b>1,124,897,252</b>	<b>1,054,826,203</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 2017

Unit : Baht

LIABILITIES AND EQUITY	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>CURRENT LIABILITIES</b>					
Trade accounts and other payables	4, 15	315,053,041	302,446,115	218,043,837	207,386,226
Accrued income tax		1,950,713	44,348	1,950,714	44,348
Other current liabilities		34,376,665	27,033,135	17,230,810	13,227,855
<b>Total current liabilities</b>		<b>351,380,419</b>	<b>329,523,598</b>	<b>237,225,361</b>	<b>220,658,429</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred lease right	16	13,396,737	14,481,220	13,396,737	14,481,220
Employee benefit obligations	17	22,889,447	21,510,767	9,116,328	9,150,439
<b>Total non-current liabilities</b>		<b>36,286,184</b>	<b>35,991,987</b>	<b>22,513,065</b>	<b>23,631,659</b>
<b>TOTAL LIABILITIES</b>		<b>387,666,603</b>	<b>365,515,585</b>	<b>259,738,426</b>	<b>244,290,088</b>
<b>EQUITY</b>					
Share capital	18				
Authorized share capital					
94,438,800 common shares of Baht 1 each		94,438,800	94,438,800	94,438,800	94,438,800
Issued and fully paid - up capital					
54,954,800 common shares of Baht 1 each		-	54,954,800	-	54,954,800
60,450,262 common shares of Baht 1 each		60,450,262	-	60,450,262	-
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		659,439,635	612,514,980	613,198,453	573,777,759
Other components of equity		(12,440,100)	(22,003,173)	(12,058,449)	(21,765,004)
<b>Total equity attributable to the Company</b>		<b>911,018,357</b>	<b>849,035,167</b>	<b>865,158,826</b>	<b>810,536,115</b>
Non-controlling interests		2,226,562	1,546,194	-	-
<b>Total equity</b>		<b>913,244,919</b>	<b>850,581,361</b>	<b>865,158,826</b>	<b>810,536,115</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,300,911,522</b>	<b>1,216,096,946</b>	<b>1,124,897,252</b>	<b>1,054,826,203</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 2017

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>REVENUES</b>					
Revenue from rendering services	4, 21	323,502,065	226,864,625	91,146,072	90,476,400
Revenue from agency	21	157,060,737	138,150,159	101,218,969	81,511,216
Interest income	21	4,836,726	4,557,340	3,774,293	4,376,405
Dividend income	10, 21	1,332,745	2,909,747	4,410,045	9,908,697
Management income	4	1,895,000	1,920,000	34,448,790	33,455,267
Other revenues		26,807,528	29,177,292	19,296,697	22,890,186
<b>Total revenues</b>		<b>515,434,801</b>	<b>403,579,163</b>	<b>254,294,866</b>	<b>242,618,171</b>
<b>EXPENSES</b>					
Cost of rendering of services	4, 23	280,517,055	194,424,627	86,537,934	85,962,036
Selling expenses	23	60,191,482	55,924,907	37,436,737	35,297,702
Administrative expenses	23	103,762,593	86,850,357	68,908,350	60,886,923
<b>Total expenses</b>		<b>444,471,130</b>	<b>337,199,891</b>	<b>192,883,021</b>	<b>182,146,661</b>
Profit before share of profit from investments in joint venture and associated companies - equity method		70,963,671	66,379,272	61,411,845	60,471,510
Share of profit from investments in joint venture and associated companies - equity method		1,940,934	1,319,557	-	-
<b>Profit before income tax</b>		<b>72,904,605</b>	<b>67,698,829</b>	<b>61,411,845</b>	<b>60,471,510</b>
Income tax	24	(14,854,855)	(12,810,371)	(11,000,191)	(9,858,639)
<b>Net profit for the years</b>		<b>58,049,750</b>	<b>54,888,458</b>	<b>50,411,654</b>	<b>50,612,871</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)	-	(2,324,506)
Income tax effects		-	824,955	-	464,901
		-	(3,299,817)	-	(1,859,605)
<b>Items that may be reclassified subsequently to profit or loss</b>					
Gain (loss) of revaluation of available-for-sale investments	7	12,133,194	9,846,770	12,133,194	9,846,770
Foreign currency translation differences for foreign operations		(143,482)	(180,370)	-	-
Income tax effects		(2,426,639)	(1,969,354)	(2,426,639)	(1,969,354)
		9,563,073	7,697,046	9,706,555	7,877,416
<b>Other comprehensive income (loss) for the year, net of income tax</b>		<b>9,563,073</b>	<b>4,397,229</b>	<b>9,706,555</b>	<b>6,017,811</b>
<b>Total comprehensive income for the years</b>		<b>67,612,823</b>	<b>59,285,687</b>	<b>60,118,209</b>	<b>56,630,682</b>
<b>Profit (loss) attributable to:</b>					
Owners of the Company		58,101,059	54,641,042	50,411,654	50,612,871
Non-controlling interests		(51,309)	247,416	-	-
<b>Net profit for the years</b>		<b>58,049,750</b>	<b>54,888,458</b>	<b>50,411,654</b>	<b>50,612,871</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		67,664,132	59,038,271	60,118,209	56,630,682
Non-controlling interests		(51,309)	247,416	-	-
<b>Total comprehensive income for the years</b>		<b>67,612,823</b>	<b>59,285,687</b>	<b>60,118,209</b>	<b>56,630,682</b>
<b>Earnings per share</b>					
Basic earnings per share	25	0.96	0.98	0.83	0.90

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 2017

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	Fair value changes in available-for-sale investments	Currency translation differences	Total other components of equity	attributable to owners of the Company			
											Company	Non-Controlling Interests		
<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	20	-	-	-	-	(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		-	-	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>
<b>Balance at 1 January 2017</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>
Stock dividend	20	5,495,462	-	-	-	-	-	-	-	-	-	5,495,462	-	5,495,462
Dividend paid		-	-	-	-	(10,990,960)	-	-	-	-	-	(10,990,960)	(700)	(10,991,660)
<b>Total contributions by and distributions to owners</b>		<b>5,495,462</b>	-	-	-	<b>(10,990,960)</b>	-	-	-	-	-	<b>(5,495,498)</b>	<b>(700)</b>	<b>(5,496,198)</b>
Change in ownership interests in subsidiaries														
without a change in control	10	-	-	-	-	(185,444)	-	-	-	-	-	(185,444)	732,377	546,933
<b>Total transactions with owners, recorded directly in equity</b>		<b>5,495,462</b>	-	-	-	<b>(11,176,404)</b>	-	-	-	-	-	<b>(5,680,942)</b>	<b>731,677</b>	<b>(4,949,265)</b>
Profit (loss) for the year		-	-	-	-	58,101,059	-	-	-	-	-	58,101,059	(51,309)	58,049,750
Other comprehensive income (loss)		-	-	-	-	-	-	-	9,706,555	(143,482)	9,563,073	9,563,073	-	9,563,073
<b>Balance at 31 December 2017</b>		<b>60,450,262</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>659,439,635</b>	-	-	<b>(12,058,449)</b>	<b>(381,651)</b>	<b>(12,440,100)</b>	<b>911,018,357</b>	<b>2,226,562</b>	<b>913,244,919</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 2017

Unit : Baht

	Notes	Issued and paid - up share capital	Share premium	Surplus on sale of treasury shares	Retained earnings			Other components of equity	Total Shareholders' equity	
					Legal reserve	Unappropriated	Reserve for Treasury Shares	Treasury Shares		Fair value changes in available-for-sale investments
<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	20	-	-	-	-	(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>
<b>Balance at 1 January 2017</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>
Stock dividend	20	5,495,462	-	-	-	-	-	-	-	5,495,462
Dividend paid	20	-	-	-	-	(10,990,960)	-	-	-	(10,990,960)
Total comprehensive income for the year										
Profit for the year		-	-	-	-	50,411,654	-	-	-	50,411,654
Other comprehensive income		-	-	-	-	-	-	-	9,706,555	9,706,555
<b>Balance at 31 December 2017</b>		<b>60,450,262</b>	<b>193,568,560</b>	-	<b>10,000,000</b>	<b>613,198,453</b>	-	-	<b>(12,058,449)</b>	<b>865,158,826</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 2017

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Cash flows from operating activities</b>					
Profit for the period		58,049,750	54,888,458	50,411,654	50,612,871
<i>Adjustment for</i>					
Depreciation	13	7,924,972	6,587,552	7,715,617	6,318,782
Amortisation of intangible assets		9,999	9,999	9,999	9,999
Impairment loss on other investment		3,142,837	-	3,142,837	-
Reversal of allowance for doubtful debts		-	(2,083,109)	-	(2,125,437)
(Gain) loss on sales of current and long-term investments		(2,391,629)	(4,457,894)	(2,666,804)	(4,871,527)
(Gain) loss on adjustment of fair value of current investments		(5,041,104)	(5,710,674)	(4,189,396)	(4,968,426)
(Gain) loss on sale of property, plant and equipment		(224,870)	(345,412)	(336,444)	44,640
Provisions for employee benefits	17	2,214,680	2,349,898	801,889	764,892
Revenue from deferred lease right	16	(1,084,483)	(1,084,483)	(1,084,483)	(1,084,483)
Dividend income		(1,822,745)	(2,909,747)	(4,410,045)	(9,908,697)
Interest income		(4,836,726)	(4,557,340)	(3,774,293)	(4,376,405)
Share of (profit) loss from associated companies and joint venture - equity method		(862,934)	(1,319,557)	-	-
Unrealized (gain) loss from exchange rates		43,555	(64,150)	-	-
Income tax expense		14,854,855	12,810,371	11,000,190	9,858,639
		69,976,157	54,113,912	56,620,721	40,274,848
<i>Changes in operating assets and liabilities</i>					
Current investments sold		142,061,573	127,219,869	112,051,581	127,219,869
Addition to current investments		(80,000,000)	(187,108,738)	(60,000,000)	(140,108,738)
Trade accounts and other receivables		(105,904,099)	67,774,555	(98,208,232)	67,293,539
Other current assets		(16,951,907)	6,437,997	(2,863,308)	1,266,336
Other non-current assets		441,549	(5,221,464)	-	-
Trade accounts and other payable		12,606,925	34,435,928	10,082,786	601,243
Other current liabilities		7,343,530	(1,780,494)	4,002,955	(5,348,034)
Employee benefit obligations paid	17	(836,000)	(2,561,600)	(836,000)	-
Cash provided by (used in) operating activities		28,737,728	93,309,965	20,850,503	91,199,063
Income tax paid		(3,001,953)	(45,198,878)	(8,748,443)	(38,855,720)
<b>Net Cash provided by (used in) operating activities</b>		<b>25,735,775</b>	<b>48,111,087</b>	<b>12,102,060</b>	<b>52,343,343</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 2017

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Cash flows from investing activities</b>					
Loans to employees	11	(200,000)	-	-	-
Short-term loans to related parties		(10,000,000)	-	-	-
Cash received from loans to employees	11	280,000	560,000	180,000	395,000
Addition to long - term investments		(36,428,427)	(51,429,739)	(36,428,427)	(51,429,739)
Cash received from redemption of long-term investments		28,000,000	20,000,000	28,000,000	20,000,000
Cash received from sale of long-term investments		33,355,320	40,180,647	33,355,320	40,180,647
Purchases of property, plant and equipment	13	(10,034,644)	(11,136,798)	(9,734,097)	(10,900,248)
Cash received from sale of property, plant and equipment		336,649	390,075	336,449	-
Dividend received		1,822,745	2,909,748	4,410,045	9,908,697
Interest received		4,354,198	5,291,032	3,879,743	5,110,096
<b>Net cash provided by (used in) investing activities</b>		<b>11,485,841</b>	<b>6,764,965</b>	<b>23,999,033</b>	<b>13,264,453</b>
<b>Cash flows from financing activities</b>					
Dividend paid	20	(5,495,498)	(54,784,800)	(5,495,498)	(54,784,800)
Proceed from sale of treasury shares		-	12,449,440	-	12,449,440
Dividends paid to non-controlling interests		(700)	(1,050)	-	-
<b>Net cash provided by (used in) financing activities</b>		<b>(5,496,198)</b>	<b>(42,336,410)</b>	<b>(5,495,498)</b>	<b>(42,335,360)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>31,725,418</b>	<b>12,539,642</b>	<b>30,605,595</b>	<b>23,272,436</b>
Cash and cash equivalents at 1 January		97,478,142	85,102,746	56,345,930	33,073,494
Effect of changes in exchange rate of foreign currency balance		(118,508)	(164,246)	-	-
<b>Cash and cash equivalents at 31 December</b>		<b>129,085,052</b>	<b>97,478,142</b>	<b>86,951,525</b>	<b>56,345,930</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 2017****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 2017 and 2016 are disclosed in note 10.

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

2.1 The financial statements have been prepared in accordance with the Thai Financial Reporting Standards, which are issued under the Accounting Professions Act B.E.2547, and according to the related requirements of the Securities and Exchange Commission.

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 The 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 2017. 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 Federation of Accounting Professions has promulgated the Thai Financial Reporting Standards, that are effective for accounting periods beginning on or after 1 January 2018, which the Company and its subsidiaries have not adopted the above standards before the effective date. The management of the Company and its subsidiaries assess that there will be no material impacts on the Financial statements in the period that the above standards are 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 2017****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 similar to 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.

Change in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

*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 2017***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 2017**

## 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.



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

**Notes to the financial statements**

**For the year ended 31 December 2017**

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

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 2017**

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 2017**

## 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 2017**

## 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 2017**

## 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.

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.

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2017**

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 2017**

**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 parties</b>	<b>Nationality</b>	<b>Relationship</b>
62 Content & Design 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
Ms. Chantup Desabaedya	Thai	Directors of subsidiary

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	At cost
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
Interest income	MOR rate of the Bank

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

The related party transactions for each of the year ended 31 December 2017 and 2016 are detailed as follows:

	Unit : Thousand Baht			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
<b>Subsidiary companies</b>				
Service income	-	-	-	25
Management income	-	-	32,554	31,535
Rental income	-	-	3,107	3,107
Dividend income	-	-	1,999	6,999
Other income	-	-	1,189	1,409
Cost of services	-	-	15,182	22,494
<b>Associated companies</b>				
Dividend income	-	-	588	490
<b>Joint Venture</b>				
Service income	4,876	5,936	-	6
Agency commission	385	489	385	489
Management income	1,800	1,800	1,800	1,800
Rental income	360	285	360	285
Other income	87	82	87	82
Interest income	833	-	-	-
Cost of services	716	-	-	-
<b>Other related parties/persons</b>				
Service income	3,859	1,328	1,915	712
Agency commission	2,323	1,559	2,323	1,559
Management income	95	120	95	120
Rental income	625	300	625	300
Sale of investment (Note 10)	165	-	165	-
Other income	2,539	2,592	112	63
Cost of services	14,389	4,411	6,085	1,243
<b>Key management remuneration</b>				
Short - term benefits	26,418	21,429	16,078	15,011
Post-employment benefits	339	475	196	187



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

**Notes to the financial statements**

**For the year ended 31 December 2017**

Balances as at 31 December 2017 and 2016 with related parties are detailed as follows:

**4.1 Trade accounts receivable-related parties**

	Unit : Thousand Baht			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
<b>Subsidiary companies</b>				
Prakit Advertising Co., Ltd.	-	-	27,156	22,489
Marketing Drive Worldwide (Thailand) Ltd.	-	-	333	101
<b>Joint Venture</b>				
Bangkok Writer and Partners Co.,Ltd.	8,128	7,682	770	696
<b>Other related parties</b>				
Double P Marketing Communications Ltd.	625	183	571	183
62 Content & Design Ltd.	1,878	-	-	-
DRAFT Advertising (Cambodia) Ltd.	1	3	1	3
<b>Total</b>	<b>10,632</b>	<b>7,868</b>	<b>28,831</b>	<b>23,472</b>
Less Allowance for doubtful debts	-	-	-	-
<b>Net</b>	<b>10,632</b>	<b>7,868</b>	<b>28,831</b>	<b>23,472</b>

As at 31 December 2017 and 2016, aging analysis of trade accounts receivable from related companies are detailed as follows:

	Unit : Thousand Baht			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
Within credit terms	2,414	1,417	10,077	9,320
Overdue:				
Less than 3 months	1,554	1,397	9,328	8,404
3 - 6 months	1,763	1,460	9,281	5,578
6 - 12 months	3,617	2,738	145	170
Over 12 months	1,284	856	-	-
<b>Total</b>	<b>10,632</b>	<b>7,868</b>	<b>28,831</b>	<b>23,472</b>
Less Allowance for doubtful account	-	-	-	-
<b>Net</b>	<b>10,632</b>	<b>7,868</b>	<b>28,831</b>	<b>23,472</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

## 4.2 Media receivable-related parties

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Subsidiary companies</b>				
Prakit Advertising Co., Ltd.	-	-	6,856	-
Marketing Drive Worldwide (Thailand) Ltd.	-	-	33,287	10,121
<b>Joint Venture</b>				
Bangkok Writer and Partners Co.,Ltd.	16,498	20,684	16,498	20,684
<b>Other related parties</b>				
DRAFT Advertising (Cambodia) Ltd.	136	97	136	97
Double P Marketing Communication Ltd.	14,757	12,727	14,757	12,727
62 Content & Design Ltd.	8	-	8	-
<b>Total</b>	<b>31,399</b>	<b>33,508</b>	<b>71,542</b>	<b>43,629</b>

As at 31 December 2017 and 2016, aging analysis of media accounts receivable from related companies are detailed as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Within credit terms	10,975	13,485	15,225	16,383
Overdue:				
Less than 3 months	7,326	5,446	25,107	12,669
3 - 6 months	9,294	7,773	22,453	7,773
6 - 12 months	3,804	6,804	8,757	6,804
Over 12 months	-	-	-	-
<b>Total</b>	<b>31,399</b>	<b>33,508</b>	<b>71,542</b>	<b>43,629</b>
Less Allowance for doubtful account	-	-	-	-
<b>Net</b>	<b>31,399</b>	<b>33,508</b>	<b>71,542</b>	<b>43,629</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

4.3 *Advances to related parties*

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Subsidiary companies</b>				
Prakit & FCB (Myanmar) Limited	-	-	-	2,486
Prakit Advertising (Myanmar) Co., Ltd.	-	-	2,903	3,763
<b>Other related parties</b>				
DRAFT Advertising (Cambodia) Ltd.	2,314	2,545	-	-
Ms. Chantup Desabaedya	165	-	165	-
<b>Total</b>	<b>2,479</b>	<b>2,545</b>	<b>3,068</b>	<b>6,249</b>
Less Allowance for doubtful debts	-	-	-	(2,486)
<b>Net</b>	<b>2,479</b>	<b>2,545</b>	<b>3,068</b>	<b>3,763</b>

4.4 *Trade accounts payable-related parties*

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Subsidiary companies</b>				
Prakit Advertising Co., Ltd.	-	-	18,674	30,067
Marketing Drive Worldwide (Thailand) Ltd.	-	-	342	843
Prakit Advertising (Myanmar) Co., Ltd.	-	-	10,226	79
<b>Other Related party</b>				
62 Content & Design Ltd.	6,314	2,575	1,313	152
<b>Total</b>	<b>6,314</b>	<b>2,575</b>	<b>30,555</b>	<b>31,141</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

4.5 *Short-term loans to related parties*

	Interest Rate	Unit : Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
<b>Joint Venture</b>					
Bangkok Writer and Partners Co.,Ltd.	7.375	10,000	-	-	-
<b>Short-term loans to related parties -</b>					
<b>Net</b>		<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

Movements during years ended 31 December of short-term loans to related parties were as follows:

<i>Short-term loans to related parties</i>	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Joint Venture</b>				
At 1 January	-	-	-	-
Increase	15,000	-	-	-
Decrease	(5,000)	-	-	-
<b>At 31 December</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

4.6 *Billing agent payable - related party*

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
DRAFT Advertising (Cambodia) Ltd.	57,837	46,670	29,441	21,646

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

**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.

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

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

Two related companies have entered into agreements to rent office spaces from the Company for periods of 3 years ending June 2019 and December 2019, respectively, with the monthly rental rates at Baht 50,000 and Baht 5,700, 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 2 year and 7 months ending December 2019, 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 2018, 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 2018 with the monthly service rate at Baht 150,000.

**5. Cash and cash equivalents**

	Unit : Thousand Baht			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
Cash on hand	9,474	1,115	45	45
Cash at banks – current accounts	2,894	13,824	1,607	947
Cash at banks – savings accounts	116,717	82,539	85,300	55,354
<b>Total</b>	<b>129,085</b>	<b>97,478</b>	<b>86,952</b>	<b>56,346</b>

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

**6. Current investment -investment in Private Fund**

In 2005, the Company invested in a private fund and 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 fund management'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 2017 and 2016, investment in private fund consisted of.

	Unit : Thousand Baht	
	Consolidated and Separate	
	financial statement	
	2017	2016
Unit fund	20,000	20,000
Unrealized gain on fair value adjustment	11,739	10,327
<b>Total</b>	<b>31,739</b>	<b>30,327</b>

As at 31 December 2017 and 2016, 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	
	Consolidated and Separate	
	financial statement	
	2017	2016
Cash on hand and at banks		
Deposits	1,884	1,271
Investments in securities- fair value		
Debt securities		
Bonds	16,268	14,205
Debentures	5,987	6,981
Promissory notes	-	-
Open-End Fund	7,493	6,556
Other assets and other liabilities		
Other assets	118	1,324
Other liabilities	(11)	(10)
<b>Total</b>	<b>31,739</b>	<b>30,327</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2017

## 7. Investments In Securities

As at 31 December 2017 and 2016 investments in securities consisted of :

## Current Investments - others

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Trading securities</b>				
Marketable equity securities	3,929	4,935	3,929	4,935
Gain (loss) on fair value adjustment	1,254	830	1,254	830
<b>Total</b>	<b>5,183</b>	<b>5,765</b>	<b>5,183</b>	<b>5,765</b>
<b>Unit fund</b>				
Gain (loss) on fair value adjustment	316,249	373,706	255,769	303,543
<b>Total</b>	<b>318,803</b>	<b>376,475</b>	<b>257,746</b>	<b>305,984</b>
<b>Net</b>	<b>323,986</b>	<b>382,240</b>	<b>262,929</b>	<b>311,749</b>

The movements of current investments for each of the year ended 31 December 2017 and 2016 are as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Beginning balance of the period	382,240	318,752	311,749	295,590
Acquisition	80,000	187,109	60,000	140,109
Disposal	(142,062)	(127,220)	(112,051)	(127,220)
<b>Total</b>	<b>320,178</b>	<b>378,641</b>	<b>259,698</b>	<b>308,479</b>
Gain from fair value adjustment	3,808	3,599	3,231	3,270
<b>Net</b>	<b>323,986</b>	<b>382,240</b>	<b>262,929</b>	<b>311,749</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

## Other long-Term Investments

Unit : Thousand Baht

As at 31 December 2017

	Consolidated/ Separate financial statements			
	Security available for Sale	Held to Maturity	Other Investments	Total
Debt Securities-Cost	-	57,001	4,866	61,867
Unrealized gain (loss) on fair value adjustment	-	-	(737)	(737)
	-	57,001	4,129	61,130
Less Current portion of held to maturity debt securities	-	(12,001)	-	(12,001)
<b>Total debt securities</b>	<b>-</b>	<b>45,000</b>	<b>4,129</b>	<b>49,129</b>
Equity Securities-Cost	79,841	-	-	79,841
Unrealized gain (loss) on fair value adjustment	(14,337)	-	-	(14,337)
<b>Total equity securities</b>	<b>65,504</b>	<b>-</b>	<b>-</b>	<b>65,504</b>
<b>Net</b>	<b>65,504</b>	<b>45,000</b>	<b>4,129</b>	<b>114,633</b>

Unit : Thousand Baht

As at 31 December 2016

	Consolidated/ Separate financial statements			
	Security available for Sale	Held to Maturity	Other Investments	Total
Debt Securities-Cost	-	73,001	5,000	78,001
Unrealized gain (loss) on fair value adjustment	-	-	26	26
	-	73,001	5,026	78,027
Less Current portion of held to maturity debt securities	-	(16,000)	-	(16,000)
<b>Total debt securities</b>	<b>-</b>	<b>57,001</b>	<b>5,026</b>	<b>62,027</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>57,001</b>	<b>5,026</b>	<b>114,959</b>



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

**Notes to the financial statements**

**For the year ended 31 December 2017**

The movements of long-term investments for the year ended 31 December 2017 and 2016 are follows:

Unit : Thousand Baht

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
Beginning balance of the years	130,959	138,419	130,959	138,419
Acquisition	36,428	47,178	36,428	47,178
Redemption	(28,000)	(20,000)	(28,000)	(20,000)
Disposal	(21,743)	(44,511)	(21,743)	(44,511)
<b>Total</b>	<b>117,644</b>	<b>121,086</b>	<b>117,644</b>	<b>121,086</b>
Loss from reclassification of equity security	(3,143)	-	(3,143)	-
Unrealized gain (loss) on fair value adjustment	12,133	9,873	12,133	9,873
Net investments	124,634	130,959	126,634	130,959
<i>Less</i> Current portion of held to maturity debt securities	(12,001)	(16,000)	(12,001)	(16,000)
<b>Net</b>	<b>114,633</b>	<b>114,959</b>	<b>114,633</b>	<b>114,959</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.

For marketable equity securities reclassification from available - for-sale investment to general investment, gain or loss from fair value adjustment of the investments, reclassification is recognized in profit or loss.

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

As at 31 December 2017

Unit: Thousand Baht

<b>Maturity periods</b>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Cost Value	Fair Value	Cost Value	Fair Value
Not over 1 year	12,001	12,001	12,001	12,001
Over 1 year but not over 5 years	32,000	32,000	32,000	32,000
Over 5 years but not over 10 years	13,000	13,000	13,000	13,000
<b>Total</b>	<b>57,001</b>	<b>57,001</b>	<b>57,001</b>	<b>57,001</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2017

As at 31 December 2016

	Consolidated		Separate	
	financial statements		financial statements	
	Cost Value	Fair Value	Cost Value	Fair Value
<b>Maturity periods</b>				
Not over 1 year	16,000	16,000	16,000	16,000
Over 1 year but not over 5 years	32,001	32,001	32,001	32,001
Over 5 years but not over 10 years	25,000	25,000	25,000	25,000
<b>Total</b>	<b>73,001</b>	<b>73,001</b>	<b>73,001</b>	<b>73,001</b>

Unit: Thousand Baht

As at 31 December 2017 and 2016, the Company had Lottery Savings amounting to Baht 2 million carrying interest at rates of 0.93% per annum, which matured within 20 July 2018. As at 31 December 2016, the Company's Lottery Savings were used as collateral for performance guarantee.

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

As 31 December 2017 and 2016, trade accounts receivable and other receivables are detailed as follows :

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Trade accounts receivable</b>				
Trade accounts and notes receivable				
Related parties	10,632	7,868	28,831	23,472
Other parties – net	46,141	17,413	15,595	6,814
Media and notes receivable				
Related parties	31,399	33,508	71,542	43,629
Other parties – net	198,805	98,027	107,116	51,349
<b>Other receivables</b>				
Billing agent receivables	16,761	29,043	8,707	15,237
Advances to related parties - net	2,314	2,545	2,903	3,763
Advances payments for media	30,425	29,269	24,733	14,106
Accrued income	8,385	12,714	5,849	5,665
Advances payments - others	127	60	57	45
Others	5,089	22,285	686	13,225
<b>Net</b>	<b>350,078</b>	<b>252,732</b>	<b>266,019</b>	<b>177,305</b>

Unit : Thousand Baht

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

As at 31 December 2017 and 2016, trade accounts receivable 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>	
	2017	2016	2017	2016
Within credit terms	23,492	7,648	10,548	1,711
Overdue:				
Less than 3 months	20,540	6,983	4,089	3,325
3-6 months	1,211	2,518	826	1,524
6-12 months	790	143	24	133
Over 12 months	4,462	3,844	2,150	2,163
<b>Total</b>	<b>50,495</b>	<b>21,136</b>	<b>17,637</b>	<b>8,856</b>
Less allowance for doubtful accounts	(4,354)	(3,723)	(2,042)	(2,042)
<b>Net</b>	<b>46,141</b>	<b>17,413</b>	<b>15,595</b>	<b>6,814</b>

As at 31 December 2017 and 2016, 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>	
	2017	2016	2017	2016
Within credit terms	95,170	52,512	46,604	17,482
Overdue:				
Less than 3 months	91,174	30,320	52,863	20,011
3-6 months	6,680	4,156	1,884	2,817
6-12 months	1,161	6,016	1,154	6,015
Over 12 months	15,483	15,886	8,258	8,671
<b>Total</b>	<b>209,668</b>	<b>108,890</b>	<b>110,763</b>	<b>54,996</b>
Less allowance for doubtful accounts	(10,863)	(10,863)	(3,647)	(3,647)
<b>Net</b>	<b>198,805</b>	<b>98,027</b>	<b>107,116</b>	<b>51,349</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

## 9. Bank Deposit held as collateral

Unit : Thousand Baht

	Consolidated/ Separate financial statements			
	2017		2016	
	Amount	Interest Rate	Amount	Interest Rate
Time deposit - bank overdraft	30,000	1.85%	30,000	1.70%
<b>Total</b>	<b>30,000</b>		<b>30,000</b>	

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

As at 31 December 2017

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	952	588
Sukhumvit 62 Medical Ltd.	Hospital	428,625,000	35.41	150,375	93,607	-
<b>Joint Venture (Held by a subsidiary)</b>						
Bangkok Writer and Partners Co., Ltd.	Advertising	10,000,000	42.00	16,800	22,733	-
					<b>117,292</b>	<b>588</b>

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 Limited	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>

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

Unit : Thousand Baht

Investments in subsidiaries	Note	Separate financial statement	
		2017	2016
At 1 January		13,249	15,260
Disposals		(165)	-
Additional called-up		575	-
Total		13,659	15,260
Less Allowance for impairment of investment in subsidiary		-	(2,011)
<b>Total investments in subsidiaries</b>		<b>13,659</b>	<b>13,249</b>

*Disposals*

On 28 August 2017, the Company sold its controlling interest in Prakit Advertising Co., Ltd. (registered in Myanmar) 10 ordinary shares, a par value of USD 500 per share, and called up 50% of share capital, for Baht 0.16 million. Accordingly, its ownership interest was reduced from 90% to 70%. The Group recognized an increase and change in non-controlling interests to Baht 0.73 million and a decrease in retained earning of Baht 0.18 million.

On 28 April 2017, Prakit Advertising Co., Ltd.(Myanmar) additionally called-up 50% of 50 shares, totaling Baht 0.57 million, with a par value of USD 500 per share.

As at 31 December 2017 and 2016

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 (%)		2017	2016	2017	2016
			2017	2016	2017	2016	2017	2016
<b>Subsidiary Companies</b>								
Prakit Advertising Co., Ltd	Advertising	10,000,000	99.99	99.99	9,999	9,999	-	4,999
Prakit&FCB (Myanmar) Limited*	Advertising	88,084 US\$	-	90.00	-	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	50,000 US\$	70.00	-	1,154	-	-	-
		25,000 US\$	-	90.00	-	744	-	-
<b>Associated Companies</b>					13,659	15,260		
Direct Response (Thailand) Limited	Advertising	2,000,000	49.00	49.00	1,421	1,421	588	490
Sukhumvit 62 Medical Limited	Hospital	428,625,000	35.41	35.41	150,375	150,375	-	-
<b>Total</b>					<b>165,455</b>	<b>167,056</b>	<b>2,587</b>	<b>7,488</b>
Less Allowance for impairment loss					-	(2,011)	-	-
<b>Total investments</b>					<b>165,455</b>	<b>165,045</b>	<b>2,587</b>	<b>7,488</b>

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

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

The financial statements of associates and joint ventures as at 31 December 2017 and 2016 were 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.	
	2017	2016	2017	2016	2017	2016
Total assets	1,976	3,485	93,855	78,534	431,388	430,515
Total liabilities	5	25	69,729	58,566	2,959	3,034
Total income	9	23	193,100	149,879	1,495	873
Profit (loss) for the years	(288)	(135)	4,158	3,575	948	(327)
Share of profit (loss) on equity method	(141)	(66)	1,746	1,501	336	(116)
Group share of net asset	966	1,695	10,133	8,387	151,707	151,371

**11. Loans to employees**

As at 31 December 2017 and 2016, the movements of loans to employees are related as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Beginning balance	255	815	205	600
Add increase during the years	200	-	-	-
<b>Total</b>	<b>455</b>	<b>815</b>	<b>205</b>	<b>600</b>
Less decrease during the years	(280)	(560)	(180)	(395)
Ending balance	175	255	25	205
Less current portion of due within 1 year	(85)	(230)	(25)	(180)
<b>Net</b>	<b>90</b>	<b>25</b>	<b>-</b>	<b>25</b>

According to the Company's policy, the interest free loans are provided to its employees as staff welfare. Current portion of loans to employees was included in other current assets.

**12. Investment property**

As at 31 December 2017, the investment property represents investment in land for lease at the cost value of Baht 46.22 million (2016 : Baht 46.22 million), while the approximate fair value is Baht 125.32 million (2016 : Baht 125.32 million).

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

## 13. Property, plant and equipment

Unit : Thousand Baht

		Consolidated financial statements							
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 2016</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>-</b>	<b>206,492</b>
Purchase	-	-	-	-	6,141	2,594	1,300	-	10,035
Disposal	-	-	-	(252)	(8)	(867)	(5,500)	-	(6,627)
<b>As at 31 December 2017</b>	<b>54,811</b>	<b>95,032</b>	<b>2,699</b>	<b>55</b>	<b>22,351</b>	<b>18,807</b>	<b>16,145</b>	<b>-</b>	<b>209,900</b>
<b>Accumulated depreciation</b>									
<b>As at 1 January 2016</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>
Depreciation for the year	-	4,086	90	11	1,605	1,228	905	-	7,925
Disposal	-	-	-	(140)	(3)	(847)	(5,499)	-	(6,489)
<b>As at 31 December 2017</b>	-	<b>70,946</b>	<b>1,900</b>	<b>31</b>	<b>12,268</b>	<b>13,713</b>	<b>11,723</b>	-	<b>110,581</b>
<b>Net book Value</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>
<b>As at 31 December 2017</b>	<b>54,811</b>	<b>24,086</b>	<b>799</b>	<b>24</b>	<b>10,083</b>	<b>5,094</b>	<b>4,422</b>	-	<b>99,319</b>

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

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 2016</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>-</b>	<b>200,940</b>
Purchase	-	-	-	6,127	2,307	1,300	5,841	15,575
Disposal	-	-	-	-	(476)	(5,500)	(5,841)	(11,817)
<b>As at 31 December 2017</b>	<b>54,811</b>	<b>95,032</b>	<b>2,699</b>	<b>22,048</b>	<b>15,691</b>	<b>14,417</b>	<b>-</b>	<b>204,698</b>
<b>Accumulated depreciation</b>								
<b>As at 1 January 2016</b>	<b>-</b>	<b>62,818</b>	<b>1,721</b>	<b>10,441</b>	<b>10,402</b>	<b>13,603</b>	<b>-</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>-</b>	<b>66,860</b>	<b>1,810</b>	<b>10,472</b>	<b>10,474</b>	<b>14,589</b>	<b>-</b>	<b>104,205</b>
Depreciation for the year	-	4,086	90	1,572	1,064	905	-	7,717
Disposal	-	-	-	-	(477)	(5,500)	-	(5,977)
<b>As at 31 December 2017</b>	<b>-</b>	<b>70,946</b>	<b>1,900</b>	<b>12,044</b>	<b>11,061</b>	<b>9,994</b>	<b>-</b>	<b>105,945</b>
<b>Net book Value</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>-</b>	<b>96,735</b>
<b>As at 31 December 2017</b>	<b>54,811</b>	<b>24,086</b>	<b>799</b>	<b>10,004</b>	<b>4,630</b>	<b>4,423</b>	<b>-</b>	<b>98,753</b>

Certain portions of land and building at the value of Baht 78.73 million have been 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 2017 and 2016 are as follows:

Unit : Thousand Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax assets	9,256	11,181	5,466	7,673
Deferred tax liabilities	(2,386)	(1,779)	(2,250)	(1,685)
<b>Net</b>	<b>6,870</b>	<b>9,402</b>	<b>3,216</b>	<b>5,988</b>

Movements in deferred tax assets and liabilities during for the years ended 31 December 2017 and 2016 are detailed as follows:

Unit : Thousand Baht

	Consolidated financial statements				
	(Charged) / Credited to:				
	1 January 2017	Profit or loss	Other comprehen- sive income	Recognized direct to Equity	31 December 2017
<b><i>Deferred tax assets</i></b>					
Trade accounts receivable	1,035	-	-	-	1,035
Investments in subsidiaries	402	(402)	-	-	-
Investment in others	-	628	-	-	628
Investment in marketable securities	5,441	-	(2,426)	-	3,015
Provisions	4,303	275	-	-	4,578
<b>Total</b>	<b>11,181</b>	<b>501</b>	<b>(2,426)</b>	<b>-</b>	<b>9,256</b>
<b><i>Deferred tax liabilities</i></b>					
Investments in marketable securities	1,779	607	-	-	2,386
<b>Total</b>	<b>1,779</b>	<b>607</b>	<b>-</b>	<b>-</b>	<b>2,386</b>
<b>Net</b>	<b>9,402</b>	<b>(106)</b>	<b>(2,426)</b>	<b>-</b>	<b>6,870</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Unit : Thousand Baht

	Consolidated 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>					
Trade accounts receivable	1,035	-	-	-	1,035
Other receivables	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>					
Investments 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>

Unit : Thousand Baht

	Separate financial statements				
	(Charged) / Credited to:				
	1 January 2017	Profit or loss	Other comprehend sive income	Recognized direct to Equity	31 December 2017
<b><i>Deferred tax assets</i></b>					
Investments in subsidiaries	402	(402)	-	-	-
Investments in other	-	628	-	-	628
Investments in marketable securities	5,440	-	(2,426)	-	3,014
Provisions	1,831	(7)	-	-	1,824
<b>Total</b>	<b>7,673</b>	<b>219</b>	<b>(2,426)</b>	<b>-</b>	<b>5,466</b>
<b><i>Deferred tax liabilities</i></b>					
Investments in marketable securities	1,685	565	-	-	2,250
<b>Total</b>	<b>1,685</b>	<b>565</b>	<b>-</b>	<b>-</b>	<b>2,250</b>
<b>Net</b>	<b>5,988</b>	<b>(346)</b>	<b>(2,426)</b>	<b>-</b>	<b>3,216</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

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 receivables	425	(425)	-	-	-
Investments in subsidiaries	402	-	-	-	402
Investments 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>					
Investments 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>

## 15. Trade accounts and other payables

As at 31 December 2017 and 2016, trade accounts payable and other payables are consisted of :

Unit : Thousand Baht

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
<b>Trade accounts payable</b>				
Trade accounts payable and notes payable				
Related parties	6,314	2,575	30,555	31,141
Other companies	48,257	28,688	8,475	5,480
Media and notes payable				
Related parties	-	-	-	-
Other companies	152,388	146,914	113,559	100,961
<b>Total</b>	<b>206,959</b>	<b>178,177</b>	<b>152,589</b>	<b>137,582</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

## For the year ended 31 December 2017

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Other payables</b>				
Billing agent payable – related parties	57,837	46,670	29,441	21,646
Billing agent payable - other	-	1,839	-	1,839
Advance from related parties	-	-	575	-
Deposits received	26,309	51,939	21,117	31,880
Accrued expenses	13,292	10,649	3,821	3,928
Others	10,656	13,172	10,501	10,511
<b>Total</b>	<b>108,094</b>	<b>124,269</b>	<b>65,455</b>	<b>69,804</b>
<b>Total trade accounts payable and other payables</b>	<b>315,053</b>	<b>302,446</b>	<b>218,044</b>	<b>207,386</b>

**16. Deferred lease right**

As at 31 December 2017 and 2016, movements of deferred lease right are as follows:

	Unit : Thousand Baht	
	Consolidated and Separate	
	financial statements	
	2017	2016
Deferred lease right	14,481	15,566
Earned during the year	(1,084)	(1,084)
<b>Net</b>	<b>13,397</b>	<b>14,482</b>

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

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

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

## 17. Employee benefit obligations

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Defined benefit obligations at 1 January	21,511	17,598	9,151	6,061
Actuarial gains recognized in other comprehensive income	-	4,125	-	2,325
Current service cost recognized in profit or loss	1,590	1,724	524	510
Interest on obligation recognized in profit or loss	624	626	277	255
Benefits paid by the plan	(836)	(2,562)	(836)	-
<b>Defined benefit obligations at 31 December</b>	<b>22,889</b>	<b>21,511</b>	<b>9,116</b>	<b>9,151</b>

Actuarial assumption at the reporting date is detailed as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
				(%)
Discount rate	2.87	2.87	2.87	2.87
Turn over rate	0-34	0-34	0-34	0-34
Future salary increases	4.39	4.39	4.39	4.39
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 (The effect of change of Thailand Mortality Ordinary Life table in 2017 is not material)

## 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			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
<i>Defined benefit obligation 31 December 2017</i>				
Discount Rate (0.50% movement)	22,281	23,851	8,842	9,594
Salary Increase Rate (0.50% movement)	24,063	22,077	9,678	8,761
Turnover Rate (0.50% movement)	21,955	24,199	8,705	9,740

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

**18. Share Capital**

		Unit : Thousand shares/ Baht Thousand			
Par value		2017		2016	
(Baht)		No. of share	Baht	No. of share	Baht
<b><i>Shre registered</i></b>					
		94,439	94,439	99,484	99,484
		-	-	(5,045)	(5,045)
	<i>1</i>	<b>94,439</b>	<b>94,439</b>	<b>94,439</b>	<b>94,439</b>
<b><i>Paid up share</i></b>					
		54,955	54,955	60,000	60,000
		-	-	(5,045)	(5,045)
	<i>1</i>	5,495	5,495	-	-
	<i>1</i>	<b>60,450</b>	<b>60,450</b>	<b>54,955</b>	<b>54,955</b>

**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 countries.

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2017***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. Dividend****The Company**

The Company's shareholder at their Annual General Shareholders Meeting No.31 hold on 21 April 2017 had passed a resolution to pay dividend and stock dividend totalling Baht 10.99 million by issuing 5.495 million ordinary shares of per Baht 1 per share to the existing shareholders at the ratio of 10 existing shares to 1 new ordinary share, totaling Baht 5.495 million, and paying in cash at Baht 0.10 per share, totalling Baht 5.495 million. Dividend payment was made to shareholders on 19 May 2017.

The Company's shareholder at the Annual General Shareholders Meeting No.30 hold 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 and paid to shareholders on 23 May 2016.

The Company has not paid dividend to certain foreign shareholders that do not invest their shares in compliance with the rulings of the Stock Exchange of Thailand.

**Subsidiary**

A subsidiary's shareholders at their Annual General Shareholders Meeting No.1/2017 hold on 28 April 2017 had passed a resolution to pay dividend at the rate of Baht 100 per share amounting to Baht 2 million.

Two subsidiaries' shareholders at their Annual General Shareholders Meeting No.1/2016 hold on 28 April 2016 had passed their resolutions to pay dividend at the rates of Bath 50 per share and Baht 100 per share, respectively, amounting to Baht 5 million and Baht 2 million, respectively.

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

**21. 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.

- 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 years ended 31 December 2017 and 2016 are as follows:

Unit : Million Baht

	Service income		Agency income		Investment income		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues	324	229	157	138	14	18	495	385
Profit for reportable segments	43	35	97	82	14	18	154	135
Unallocated other income							24	20
Unallocated expenses							(105)	(87)
<b>Profit before income tax</b>							<b>73</b>	<b>68</b>

Unit : Million Baht

	Service income		Agency income		Investment income		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Total assets for reportable segments	54	33	250	153	630	690	934	876
Other unallocated amounts	-	-	-	-	-	-	367	340
<b>Consolidated total assets</b>	<b>54</b>	<b>33</b>	<b>250</b>	<b>153</b>	<b>630</b>	<b>690</b>	<b>1,301</b>	<b>1,216</b>



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

**Notes to the financial statements**

**For the year ended 31 December 2017**

Information relating to geographical segments in the consolidated financial statements for the years ended 31 December 2017 and 2016 are as follows:

	Unit : Million Baht					
	Domestic		Overseas		Total	
	2017	2016	2017	2016	2017	2016
Agency , services and investment income	483	370	12	15	495	385
Profit for reportable segment	154	132	-	3	154	135
Total assets for reportable segment	1,270	1,183	31	33	1,301	1,216

**22. Provident fund**

The Company and its 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 the 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 years ended 31 December 2017 and 2016, the Company and its subsidiaries contributed to the fund in the amounts of Baht 5.22 million and Baht 4.99 million, respectively.

**23. Expenses by nature**

Significant expenses classified by nature are consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Employee expenses	150,122	137,475	61,743	61,258
Cost of service	280,517	194,425	86,538	85,962
Depreciation expenses	7,925	6,588	7,716	6,319

**24. Income tax**

Income tax for the years ended 31 December 2017 and 2016 are as follows:

	Unit: Thousand Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Current income tax	14,750	11,366	10,655	8,675
Deferred income tax	105	1,444	345	1,184
<b>Income tax reported in the statements of comprehensive income</b>	<b>14,855</b>	<b>12,810</b>	<b>11,000</b>	<b>9,859</b>

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

Income tax recognized in other comprehensive income:

Unit: Thousand Baht

<b>Consolidated financial statements</b>						
	2017			2016		
	Tax (expense)			Tax (expense)		
	Before tax	benefit	Net of tax	Before tax	benefit	Net of tax
Available-for-sale financial assets	12,133	(2,426)	9,707	9,846	(1,969)	7,877
Provisions	-	-	-	(4,125)	825	(3,300)
<b>Total</b>	<b>12,133</b>	<b>(2,426)</b>	<b>9,707</b>	<b>5,721</b>	<b>(1,144)</b>	<b>4,577</b>

Unit: Thousand Baht

<b>Separate financial statements</b>						
	2017			2016		
	Tax (expense)			Tax (expense)		
	Before tax	benefit	Net of tax	Before tax	benefit	Net of tax
Available-for-sale financial assets	12,133	(2,426)	9,707	9,846	(1,969)	7,877
Provisions	-	-	-	(2,325)	465	(1,860)
<b>Total</b>	<b>12,133</b>	<b>(2,426)</b>	<b>9,707</b>	<b>7,521</b>	<b>(1,504)</b>	<b>6,017</b>

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended 31 December 2017 and 2016, are as follows:

Unit : Thousand Baht

<b>Consolidated financial statements</b>				
	2017		2016	
	<i>Rate (%)</i>	<i>Amount</i>	<i>Rate (%)</i>	<i>Amount</i>
Profit before income tax expense		72,905		67,699
Income tax using the Thai corporation tax rate	20	14,581	20	13,540
Effect From elimination with subsidiaries		544		1,052
Exemption of income/Additional expenses deduction allowed		(2,698)		(4,254)
Expenses net deductible for tax purposes and others		2,324		1,028
Current income tax		14,751		11,366
Movements in temporary differences		104		1,444
<b>Income tax expenses</b>	<b>20</b>	<b>14,855</b>	<b>19</b>	<b>12,810</b>

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

Unit : Thousand Baht

	<b>Separate financial statements</b>			
	2017		2016	
	<i>Rate (%)</i>	<i>Amount</i>	<i>Rate (%)</i>	<i>Amount</i>
Profit before income tax expense		61,412		60,472
Income tax using the Thai corporation tax rate	20	12,282	20	12,094
Exemption of income/Additional expenses deduction allowed		(2,594)		(3,678)
Expenses net deductible for tax purposes and others		967		259
Current income tax		10,655		8,675
Movements in temporary differences		345		1,184
<b>Income tax expenses</b>	<b>18</b>	<b>11,000</b>	<b>16</b>	<b>9,859</b>

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.

**25. Earnings per share**

The calculation of basic earnings per share for each of the year ended 31 December 2017 and 2016 is based on the profit for each year attributable to equity holders of the parent and the number of ordinary shares outstanding during the period by using weighted average number of ordinary shares computing as follows:

	Unit : Thousand Baht/ Thousand Shares			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
Profit attributable to ordinary shareholders of the Company	58,101	54,641	50,412	50,613
Number of ordinary shares outstanding	54,955	60,000	54,955	60,000
Less Treasury shares	-	(5,045)	-	(5,045)
Add Sale treasury shares	5,495	961	5,495	961
Weighted average number of paid-up ordinary shares in issue during the years	60,450	55,916	60,450	55,916
<b>Basic earnings per share (Baht)</b>	<b>0.96</b>	<b>0.98</b>	<b>0.83</b>	<b>0.90</b>

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2017****26. 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.

**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.

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

As at 31 December 2017, 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>							
	<u>Fixed Rate</u>			Adjusted to market rate	No interest rates	Total	Interest rates (%) per annum)
	Within 1	1 – 5	>5				
	year	years	years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	116,717	12,368	129,085	0.375
Current investments	-	-	-	-	355,725	355,725	-
Debt securities held to maturity							
within one year	12,001	-	-	-	-	12,001	0.93-4.40
Trade and other receivables	-	-	-	-	350,078	350,078	-
Short-term loan to related party	10,000	-	-	-	-	10,000	7.375
Bank deposit held as collateral	30,000	-	-	-	-	30,000	1.85
Other long-term investments	4,129	32,000	13,000	-	65,504	114,633	3.00-4.75
Loans to employees	-	-	-	-	90	90	-
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	315,053	315,053	-

Unit : Thousand Baht

<b>Separate financial statements</b>							
	<u>Fixed Rate</u>			Adjusted to market rate	No interest rates	Total	Interest rates (%) per annum)
	Within 1	1 – 5	>5				
	year	years	years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	85,300	1,652	86,952	0.375
Current investments	-	-	-	-	294,668	294,668	-
Debt securities held to maturity							
within one year	12,001	-	-	-	-	12,001	0.93-4.40
Trade and other receivables	-	-	-	-	266,019	266,019	-
Bank deposit held as collateral	30,000	-	-	-	-	30,000	1.85
Other long-term investments	4,129	32,000	13,000	-	65,504	114,633	3.00-4.75
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	218,044	218,044	-

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

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>							
	<u>Fixed Rate</u>			Adjusted to market rate	No interest rates	Total	Interest rates (% per annum)
	Within 1	1 – 5					
	year	years	>5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	82,539	14,939	97,478	0.375
Current investments	-	-	-	-	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	-	-	-	-	30,000	1.70
Other long-term investments	-	49,027	13,000	-	52,931	114,958	0.93-6.00
Loans to employees	-	-	-	-	25	25	-
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	302,446	302,446	-

Unit : Thousand Baht

<b>Separate financial statements</b>							
	<u>Fixed Rate</u>			Adjusted to market rate	No interest rates	Total	Interest rates (% per annum)
	Within 1	1 – 5					
	year	years	>5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	55,354	992	56,346	0.375
Current investments	-	-	-	-	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	-	-	-	-	30,000	1.70
Other long-term investments	-	49,027	13,000	-	52,931	114,958	0.93-6.20
Loans to employees	-	-	-	-	25	25	-
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	207,386	207,386	-

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

**Foreign currency risk**

At 31 December 2017 and 2016, the Group were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Unit : Thousand Baht			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
<b><i>United States Dollars</i></b>				
Cash and deposits at banks	9,418	12,852	-	-
Trade and other receivables	20,460	19,098	-	-
Equipment	233	384	-	-
Other payables	(21,367)	(25,272)	-	-
<b>Gross balance sheet exposure</b>	<b>8,744</b>	<b>7,062</b>	<b>-</b>	<b>-</b>

**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).

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

**Notes to the financial statements**

**For the year ended 31 December 2017**

The financial assets and liabilities that are measured at fair value at 31 December 2017

Unit: Thousand Baht

	<b>Consolidated financial Statements</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<i>Assets</i>				
Short-term investments(Private fund)	-	31,739	-	31,739
Held for trading securities (Unit fund)	-	318,803	-	318,803
Held for trading securities (Marketable equity securities)	5,183	-	-	5,183
Available for sale securities (Marketable equity securities)	65,504	4,129	-	69,633
<b>Total assets</b>	<b>70,687</b>	<b>354,671</b>	<b>-</b>	<b>425,358</b>

Unit: Thousand Baht

	<b>Separate financial Statements</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<i>Assets</i>				
Short-term investments (Private fund)	-	31,739	-	31,739
Held for trading securities (Unit fund)	-	257,746	-	257,746
Held for trading securities (Marketable equity securities)	5,183	-	-	5,183
Available for sale securities (Marketable equity securities)	65,504	4,129	-	69,633
<b>Total assets</b>	<b>70,687</b>	<b>293,614</b>	<b>-</b>	<b>364,301</b>

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>
<i>Assets</i>				
Short-term investments (Private fund)	-	30,327	-	30,327
Held for trading securities (Unit 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 assets</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 2017**

Unit: Thousand Baht

	Separate financial Statements			
	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Short-term investments (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 assets</b>	<b>58,697</b>	<b>341,337</b>	<b>-</b>	<b>400,034</b>

*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.

**27. Capital management**

The primary objectives of the Group capital management are to maintain their ability to continue on the ongoing basis and to maintain an appropriate structure.

As at 31 December 2017 and 2016, debt-to-equity ratio in the consolidated financial statement was 0.43 : 1 and 0.43 : 1 , respectively, and the separate financial statement was 0.30 : 1 and 0.30 : 1, respectively.

**28. Commitments**

As at 31 December 2017 and 2016, the Company had commitments, 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.

**Prakit Holdings Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2017****29. Other information**

As at 31 December 2017 and 2016, net asset per share in the consolidated financial statements are Baht 15.07 per shares and Baht 15.45 per shares, respectively, and for the separate financial statements are Baht 14.31 per shares and Baht 14.75 per shares , respectively.

**30. Approval of financial statement**

These financial statements have been authorized for issue by the Board of Directors on 26 February 2018.