

# Annual Report 2020



Prakit Holdings Public Company Limited

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# Board of Directors' Report to the Shareholders



The year 2020 was the year of "global economic bankruptcy" due to the severe impact of the COVID 19 pandemic that spread throughout the world. Most countries were affected to some extent by this pandemic.

The severity of the impact depended on how well the outbreak was controlled in each country. The most affected are the United States and India along with Brazil and most European countries to some extent.

With most business and manufacturing sectors of these major countries severely restricted due to lock downs, their economies have been plunged into recession. Obviously, this has caused severe disruption in global trade, leading to widespread unemployment and international suffering. Governments therefore had to inject mountains of cash into their economies in an effort to mitigate the effects of the virus on their populations. Thailand also was impacted by this outbreak of COVID 19 which began in Wuhan, China. In fact, we were the first country outside of China to record a positive COVID 19 case.

After the initial outbreak, many people remained optimistic. Most pundits thought it would be like the outbreak of SARS and Avian Flu. These epidemics were limited and relatively easy to bring under control. But COVID 19 turned out to be very different! It had a severe and swift migration from Asia to the rest of the world. Every sector of Thailand's economy has felt the impact of COVID 19. It completely disrupted our Tourism Industry, Manufacturing and Exports. Our economy therefore recorded a negative 6.3% in 2020. However, Thailand is one of the top countries in the battle to control the spread of COVID 19. It has earned us the reputation of having a strong and outstanding global healthcare system. As well, the Thai people cooperated fully with the Government's measures, which greatly helped to control the spread of COVID 19.

Naturally, the impact of the coronavirus outbreak on our business was enormous. Most of our clients stopped, or severely curtailed their investment in marketing and public relations. This caused our first half results to be negative. However, we managed to generate extra business in the third and fourth quarters, allowing us to reverse the loss and end the year in the black. Therefore, with a profit of approximately 21 million baht, I am pleased to announce that we have sufficient funds to pay a dividend to our shareholders this year.

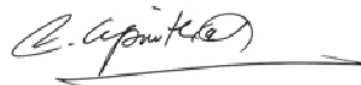
The Board of Directors will present a proposal at the shareholders meeting in April to pay a dividend of 40 satang per share. We will use some of the company's accumulated funds to contribute to the dividend payment. When considering the country's economy, plus the fact that many companies in the stock exchange are paying no, or limited dividends, we feel that our shareholders will be pleased with this result.

As for the investment project in Ruamjai Rak Hospital, the construction is currently continuing according to plan. We expect the hospital structure to be completed by the end of this year and to be operational in March or April 2022. Our initial project was delayed due to problems with EIA approval, but this has actually worked in our favor. As we bid for construction projects and medical equipment during the COVID 19 outbreak, we can negotiate the cost of construction, installation of internal systems and various medical equipment and devices, at lower prices than the original estimates of more than THB200 million.

And when we open the hospital, the COVID 19 outbreak is likely to have been fully controlled.

For our business in 2021, we expect the impacts of the COVID 19 outbreak to fade. We have already begun to see the light at the end of the tunnel. With the number of vaccines now available and the efficiency of vaccination programs, it will hopefully not take long for life around the world to start returning to normal. And the introduction of a Vaccine Passport will obviously stimulate the travel and tourism sectors and Thailand is poised to take advantage of that.

As the Marketing, Advertising and Public Relations industries gradually return to normal, we expect our business prospects to be more promising than in the past year. It is estimated that Thailand's economy this year will grow between 2.5 - 3.5%. This will depend on how much the world can bring COVID 19 under control as our export and tourism sectors are closely related to the world economy. But we are optimistic.



Prakit Apisarnthanarax  
Chairman of the Board of Directors

## Audit Committee Report

The Audit Committee was appointed by the Board of Directors. The Audit Committee is 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 the 2020 quarter, annual, and consolidated financial statements. All adequate information in connection with the related transactions had been disclosed and complied with accounting standards under generally accepted accounting principles. The Executives participated in every meeting.

### 2. Review of internal control

The Audit Committee reviewed the internal control and internal audit of the Company and reported the result in the Audit Committee meeting every quarter. The committee 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 continuously improving its internal control. The Board of Directors considered and approved the hiring of the internal auditor firm for 2021.

### 3. Review of corporate governance

The Audit Committee monitored and enforced compliance with the Company's regulations, ethics, and corporate governance, and announced the regulations and ethics to all employees. The Committee reported the compliance results to the Board of Directors quarterly. In case of any violations, the Committee would discuss with the Board to find solutions to put into practice. In 2020, no violations of the regulations, ethics and corporate governance were found.

### 4. 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 presented preventive measures that could be applied.

### 5. Appointment of the external auditor

The Audit Committee considered, selected and proposed to appoint the Company's auditor, an individual with independence and qualifications in accordance with regulations of the Security Exchange of Thailand, including proposing the auditor's compensation. The Audit committee assigned the auditor to participate in the Audit Committee meeting at least once a year.

According to all the reviews, the Audit Committee believes that The Company's Board of Directors, Executives and Employees have made an excellence effort to deliver great performance results. The Company has been improving and adjusting its working procedures and systems to enhance internal control systems more adequately every year. It will lead the Company to sustainable growth and benefit itself and all stakeholders.



Dr. Pichai Charnsupharindr  
Chairman of Audit Committee



## Vision **Growing Together**



## **The Company grows the 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.**

**We operate our business with good governance,  
anti-corruption and responsibility  
for stakeholders and society.**

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In 2020, the Board has considered and approved the Company's vision, mission and strategy adequately and monitor the conduct. In every board meeting, the Management reports the performance results and reviews whether we achieve the goal and follow the strategy.

# Significant changes and developments



In 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, in 1986, the Company entered into a joint-venture investment with Foote, Cone & Belding International Corp. (FCB) which at that time was one of the top three advertising agencies in the USA, thus setting up a new company called “Prakit and FCB Company Limited “. We became a Public Company in 1992 and were listed on the Stock Exchange of Thailand (SET) in 1993.

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

1. Investment in subsidiaries, associated and other companies.
2. Providing management service, consultancy for accounting, finance and other services for a 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.

## August 2019

Sold all shares of Prakit/FCB (Cambodia) Co., Ltd. to Draft Advertising Co., Ltd. which is FCB’s representative in Cambodia.

## December 2019

Sukhumvit 62 Medical Ltd. held the hospital building Groundbreaking ceremony.

## December 2019

Sukhumvit 62 Medical Ltd. called up share capital for another Baht 25.00 per share, amounting to Baht 74,812,500.00. The Company made the payment on 28 February 2020. (Totally paid up 75% of common shares)

## April 2020

Shareholders Annual General Meeting was held on 24 April 2020 as scheduled, by following COVID-19 meeting protocols.

## May 2020

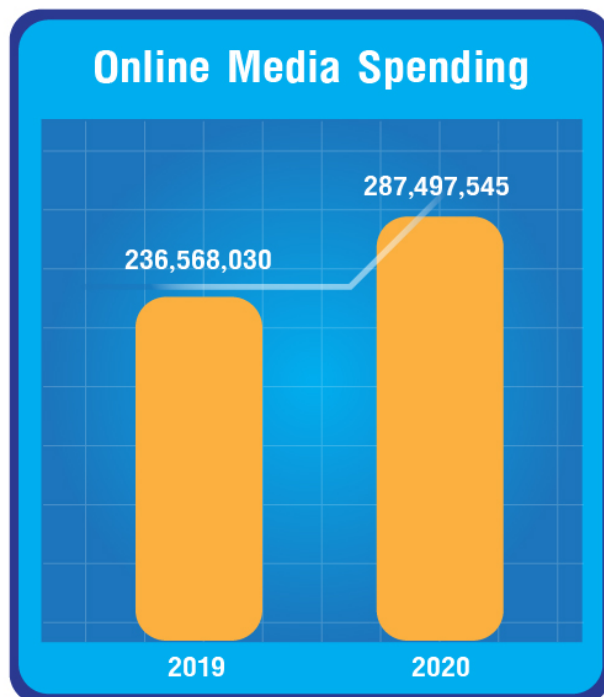
Sukhumvit 62 Medical Ltd. called up share capital for another Baht 25.00 per share, amounting to Baht 74,812,500.00. The Company made the payment on 28 August 2020. (Total fully paid up 100% of common shares)

# Highlight of the Year

For many years the internet has been an integral part of people's lives all over the world. But after the COVID-19 outbreak in 2020, it has become clearer that people rely on the internet more than ever. The internet will become more important in the future. In the advertising business, it is obvious that online media has a significant effect on consumer behavior. People spend more time and money online.

Foreseeing the trend of change, we have studied and adjusted our advertising styles to be responsive to consumer behavior. We established a Digital Department, providing trainings to the staffs to be able to deliver quality online advertising to our customers.

As a result, the 2020 online media spending reached 287,497,545 baht or 21.53% increase comparing to the previous year's online media spending at 236,568,030 baht.



In 2020

Online Media Spending Increased

# 21.53%

This growth is one of the indicators showing that we do not stop adapting our advertising to catch up with the change of consumer behavior and be able to compete and advance sustainably and profitably.



# Company Shareholding Structure

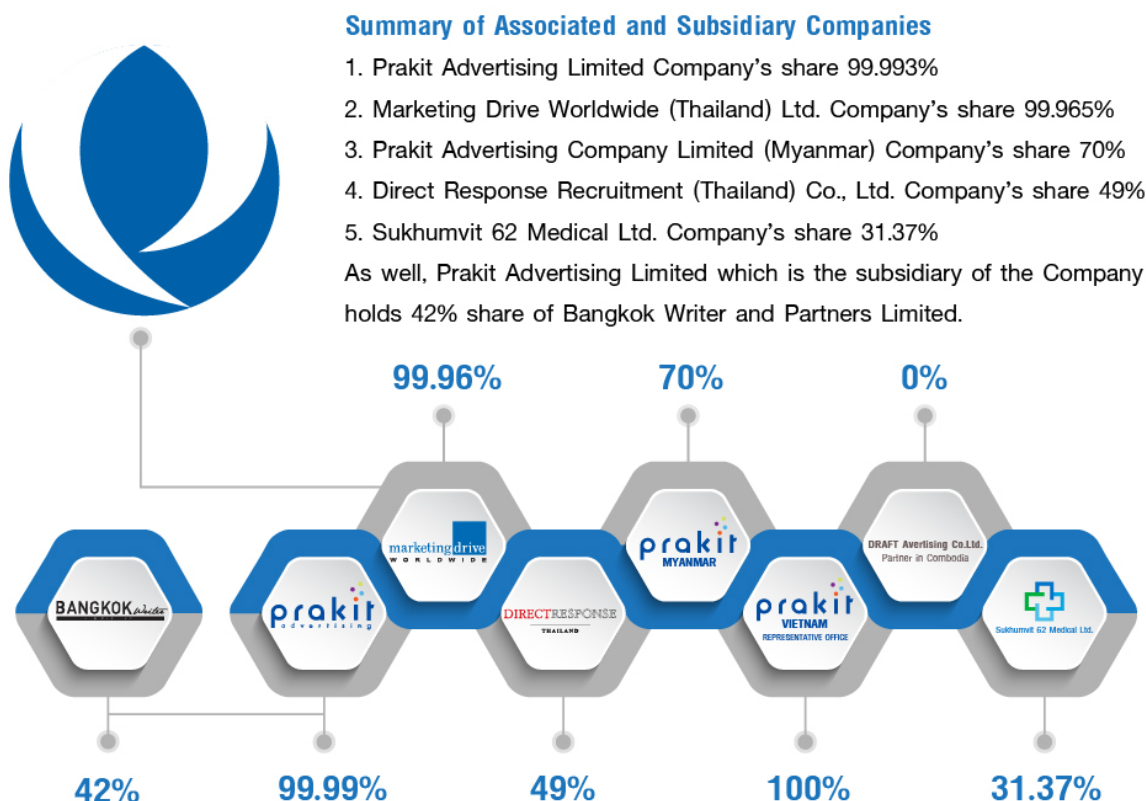


**Company and the Group of Companies operate advertising and public relations which is highly competitive with rapid communication development and changes. It is essential, therefore, to have very experienced persons who can deliver maximized benefits in all perspective to clients. The company arranges the types of business to fit with the expertise of human resources 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 require experienced persons. 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 smoothly, 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 shows and product sampling. It is necessary that we had a specialist team who could get things done within the time limits 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 Relations 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. 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.



#### Note

1. Direct Response Recruitment (Thailand) Co., Ltd. of which 51% shares are held by:

- Miss Pavinee Apisanthanarak 20.40%
- Prakti and Associates Co., Ltd. 30.00%
- Other 6 Thai shareholders 00.60%

2. Draft Advertising Co., Ltd. has 4 Thai Shareholders. 2 major shareholders have total shares not exceeding 90%. They are not related parties of the Company. Other 2 Thai shareholders, the company directors, hold total shares not exceeding 10%, are:

- Mr. Phisal Prahadangkura 5%
- Mr. Apirak Apisanthanarak 5%

3. Prakti Advertising Limited (Myanmar) with 30% shares held by 1 Thai who is not a related party of the Company

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

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

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

5. Sukhumvit 62 Medical Limited: The Extraordinary General Meeting of Shareholders No. 1/2020 on October 14, 2020 approved the capital increase of the Company from 847,250,000.00 baht to the registered capital 956,250,000.00 baht by adding additional capital 109,000,000.00 baht, resulting in a decrease in the shareholding proportion of Prakti Holdings Public Company Limited from 35.41 percent to 31.37 percent. The other 68.63 % of shares are held by:

- |                             |        |                                       |       |
|-----------------------------|--------|---------------------------------------|-------|
| ● Saha-Union Plc.           | 41.83% | ● Mr. Prakti Apisanthanarak 's family | 2.00% |
| ● Mr. Apirak Apisanthanarak | 0.52%  | ● Mr. Prapand Apisanthanarak          | 0.10% |
| ● Mr. Phisal Prahadangkura  | 0.10%  | ● Mr. Preecha Chaochotechuang         | 0.10% |

1 Thai company and 17 Thais are not related parties of the Company 23.98%

\* Mr.Prakti Apisanthanarak is Company Chairman.

\*\* Dr.Prapand Apisanthanarak is Mr.Prakti Apisanthanarak's brother.

\*\*\* Mr. Apirak Apisanthanarak is Managing Director of the Company.

\*\*\*\* Mr. Phisal Prahadangkura and Mr. Preecha Chaochotechuang are Company directors.



# Revenue Structure

Revenue structure of Company and subsidiaries-to financial budget (of) from 2018-2020

unit : thousand baht

Product line	Operated by	% of share	2020 Revenue	%	2019 Revenue	%	2018 Revenue	%
Revenue from media planning and buying brokerage	● Praktik Holdings Plc..		85,096	27.42	103,570	26.65	138,226	29.24
	● Praktik Advertising Co., Ltd	99.99	37,311	12.03	47,216	12.15	49,637	10.50
	● Subsidiaries		2,622	0.84	2,935	0.76	2,884	0.61
			125,029	40.29	153,721	39.56	190,747	40.35
Revenue from product advertisement	● Praktik Holdings Plc..		34,078	10.98	28,392	7.31	64,100	13.56
	● Praktik Advertising Co., Ltd	99.99	89,846	28.96	126,000	32.42	138,753	29.35
	● Subsidiaries		15,148	4.88	17,288	4.45	15,201	3.21
			139,072	44.82	171,680	44.18	218,054	46.12
Revenue from Public Relation and Direct Advertising	● Marketing Drive Worldwide (Thailand) Co., Ltd.		19,357	6.24	22,021	5.66	25,451	5.38
		99.96						
Revenue from other investments	● Praktik Holdings Plc..		18,919	6.10	31,040	7.99	25,884	5.47
	● Praktik Advertising Co., Ltd	99.99	7,854	2.53	6,999	1.80	12,042	2.55
	● Subsidiaries		74	0.02	3,146	0.81	590	0.13
			26,847	8.65	41,185	10.60	38,516	8.15
Total			310,305	100.00	388,607	100.00	472,768	100.00

# Product Types



## Product Types

### Providing media strategic planning and operating as media buying agents

Media strategic planning and media buying is the responsibility of 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 their services.

### Producing all types of advertising

Production of TV commercials, Web TV, all printed materials, radio spots, video etc.

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

#### 1. Account Management Department

The account management staff are the company's representative in contacting the customers in order to understand their objectives and needs in creating an advertisement. They also follow up the result of the advertising including the service fee from the customer.

#### 2. Strategic Planning Department

The insight, target consumer's behavior analysis and all the factors that affect their decision making will be utilized for the strategic and marketing communication plans. 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 a clever and tangible piece of work.

#### 3. Creative Department

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

#### 4. Production Department

Production department produces the work piece of advertisement created by the creative department. They also have contact with our business partners who produce the work piece such as TV commercials and printing.

## Producing all types of advertising

**There are 4 types of products and services affiliated which subsidiary companies produce:**

### **1. Production of print material & Billboard**

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

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 it comes to print materials. Computer graphic experts must be able to efficiently solve problems without impacting on budget and timing.

### **2. Production of a TV commercial**

Although a TV commercial is only 60, 30 or 15 seconds in length, it takes at least one month for the production stage. This stage needs close cooperation between Creative and production teams, all of whom must profoundly understand the core of the work and all details before the production gets started. Any mistake will cost the company.

Production steps

1. Get to know the structure and story of the board thoroughly 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 had been agreed upon internally so that Client can acknowledge and approve.
4. Shooting of commercial to cover all details as agreed with client. The production team may conduct further shooting in addition to make the commercial more interesting. However, the main story must not be adapted.
5. Post production is the step when the shot materials are edited to tell the story, add special techniques/effects and sound to complete the commercial before it goes to air.

Advertising agency will make sure that client approves each and every of the 5 steps.

Problems and obstacles that 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 of work and high budget, the Company must employ highly capable persons in the field who have experience to select the right production company, who can take control in every step to avoid error. Most importantly they must control the budget and ensure the production time frame is strictly followed.





### 3. Production of a radio spot

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

#### **Production steps**

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.

The challenge 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.

### 4. Production of a digital advertisement

Production of a digital advertisement is an online media management function, requiring all involved parties to work together in a synergistic way.

#### **Strategic Planning**

The Marketing Team, Account Management and the Strategic Planners work together to find unique strengths or points of difference in marketing communication. This includes education about the target audience in terms of their thoughts, needs and behaviors when using online channels. They bring all the information together to develop the most powerful Communication concept.

#### **Creating the Work**

Strategic planners present the communication strategies to the creators. They are the ones who develop content and the presentation methods that are suitable for each type of product to communicate and attract attention from consumers. These can effectively generate feedback and can include text, images, video games, and many more.

#### **Production**

Produce and prepare an advertisement in accordance with the plan, be it a video, picture, animation, program, game, application, website and other technology to publicize on appropriate platform depending on the work and the target.

#### **Media Planning**

Plan and determine media use and platform for each advertisement in order to reach the target group and gain a response based on the objective and customer's need.

The strategy, content and media used in online advertisement would differ, based on product type, target group and each customer's objective. We have a coordinating team that contacts the customers so that every advertisement meets the customer's need and achieves the objective. We also constantly monitor, learn and research trends and changes of the online world in order to enhance our work to be modern and effective.

#### **Non-handed over works**

- None -

#### **Market and competition**

The Company provides media strategic planning and is a medium sized media buying agent in the industry. The main medium used is TV because of the price rate. Company must have solid connection with business partners in order to get ad rates 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.

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

Drastic competition is going on in the advertising business such as cutting service fee to earn the job. Good advertising that brings success to clients is a factor which keeps them with us. The Company maintains solid relationships to keep current clients as well as expanding our base through acquisition of new clients.

In addition, many small advertising companies have entered the market in the past several years. This has resulted in intense price competition in the market as these new, smaller companies have lower operating costs than the large companies.

#### **The following is how to win new clients:**

##### **1. Acquiring through pitching**

The company is 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 have 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 a presentation of credentials and portfolio. The Company will start to work on details for further steps if clients show interest.

# Manage The Risk



We are aware of and value risk management. We consistently identify, review, monitor, and prevent the risks.

## Business risk

### Risk Factor

#### **Loss of principal clients**

Under the current competitive situation, the Company and its group may lose all or part of the earning from main 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 out simultaneously in order to improve the quality of our creative work and services which will eventually lead to winning new clients.

#### **The increase of TV media rates**

Occasional increases in the media rate card may decrease client's advertising volume. However, it does not affect advertising budgets planned beforehand. In addition, the increase on the media rate card doesn't affect the agency's income because agency commission is calculated from the agreed rate multiplied with the cost of media billings.

#### **The increase of production cost for advertising materials**

The affect will be similar to the increase of the media rate card.

#### **The decrease of agency commission and service fee rates**

Currently, the competition in the advertising industry is high which leads to cuts in agency rates 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 every effort into earning new business and revenue to make up for what was decreased. A policy to control costs and expenses is also in action.

#### **The power of online media**

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



### 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.

### Personnel risk

Human resource is a key factor in the 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 a policy to develop staff with on-going training, arrange activities which strengthen relationship between the management and staff. Last but not least is the provident fund scheme, zero-interest loan and other incentives.

### Corruption Risk

To prevent corruption in the organization, the Board assigns the internal audit to assess the corruption risk, effect and possibility with a monthly review. The Board also enforces an anti-corruption policy and code of conduct in order to prevent any corruption in our business.

The Board of Directors defines the code of conduct to comply with anti-corruption policy as follows:

1. Directors, Executives and Employees must report vested interest to prevent conflict of interest.
2. The Company shall procure and define an executive representative to give present on occasions.
3. Set communication channel for whistle blowing. Inform the employees about the report channel and set the reporter protection measure.
4. Assign the Audit Committee to assess corruption risk, consider the result of the whistle-blowing and report to the Board of Directors.
5. Establish “Business Ethics” and inform all employees to understand the importance of complying to the Company’s regulation.

### Contagious disease Risk

Communicable diseases are unforeseen events that happen quickly. They are difficult to stop, therefore affecting the business and the industry as a whole, plus impacting the overall economy.

The COVID-19 pandemic since December 2019 has severely impacted global business including our company.

The Executive Board has followed this situation closely and set up operating guideline as follows:

1. Encourage the spreading of knowledge and prevention procedures for employees and their families.
2. Reduce contact by using new technology for online meetings instead of face-to -face gatherings.
3. Enable social distancing by staggering the working hours and setting work-from-home plans.
4. Follow the Ministry of Public health guidelines, conduct health screenings, wearing of facemasks at all times. If employees find someone with respiratory symptoms, they must notify their supervisor immediately.
5. Set up action guidelines for both employees and the Company when encountering someone showing any signs of respiratory symptoms or if they have had close contact with that person.

## Assets Used for Business

### 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, Phra Khanong Tai, Phra Khanong, Bangkok. This land and building belong to the Company and have been mortgaged as follows:

- 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.
- Credit facilities obtained by a joint venture for the issue of promissory notes, tender offer and letter of guarantee in the total amount of 80 million baht.

#### Land

The Company has 1 plot of land located at Sukhumvit Soi 50 totaling 708 square wah. This land has been leased out with a 28 years contract of lease started from May 9, 2001 until September, 2029. Value of land and building on land at December 31, 2020 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)	95,032,072.93
Total	198,757,230.75
Less Accumulated Depreciation	85,372,161.80
Net book Value	113,385,068.95

#### Intangible assets of Associated and Subsidiary companies

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

#### 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, and 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.

#### Valuation of assets

The plot of land which is not where the Company situated on, mentioned in Assets Used for Business, was fairly and approximately valued by a valuation company at 387.28 million baht. (See Page 40: Financial Statement as at December 31, 2020 disclosed this fair value on the Notes of the financial statement no. 13 Investment property).



## Legal Cases

A subsidiary company took one of the clients to court claiming an approximate amount of 8.0 million baht. The two parties later came to a compromise. Client agreed to pay by installment. However, this subsidiary has already accrued allowance for bad debt for this client.

## General and Other Important Information

### General information

Company name	: Prakit Holdings Public Company Limited
Office address	: 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok
Company register no.	: 0107535000389
Telephone no.	: 027153000
Facsimile no.	: 023328522
Website	: 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 baht or 60,450,262 shares
Type of business	: Media strategic planning, media buying and investment in associated and subsidiary companies with advertising business or concern, and other business types for the expansion of Company's business.

### Summary of Associated and Subsidiary Company

#### Associated Companies

##### Direct Response Recruitment (Thailand) Limited

Company name	: Direct Response Recruitment (Thailand) Limited
Office address	: 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok
Type of business	: Recruitment Agency
Type and amount of shares	: Registered ordinary 2,000 shares of 1,000 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

##### Sukhumvit 62 Medical Limited

Company name	: Sukhumvit 62 Medical Limited
Office address	: 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok
Type of business	: Private hospital
Type and amount of shares	: Ordinary share of 9,562,500 shares, par value of 100 Baht issued and paid up:
Number of shares held by the Company	: Ordinary share of 3,000,000 shares at 31.37% of the issued shares as follows:

## Joint Venture

### Bangkok Writer and Partners Limited

Company name	: Bangkok Writer and Partners Limited
Office address	: 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok
Type of business	: Media strategic planning and media broker and creating advertisement, special events and Public Relation
Type and amount of shares	: Registered ordinary 100,000 shares of 1,000 baht par value, issued and fully paid up
Number of shares	: Prakrit Advertising Limited holds 42% of issued and fully paid-up shares or 42,000 shares.

## Subsidiary

### Prakit Advertising Limited

Company name	: Prakrit Advertising Limited
Office address	: 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok
Type of business	: Media broker and creating advertisement
Registered Share	: Ordinary share 100,000 shares of 100 par value, issued and fully paid-up
Number of shares	: Ordinary share 99,993 shares which is 99.993% of issued and fully paid-up

### Marketing Drive Worldwide (Thailand) Limited

Company name	: Marketing Drive Worldwide (Thailand) Limited
Office address	: 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok
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, issued and fully paid-up
Number of shares	: Ordinary share 19,993 shares that is 99.965% of issued and fully paid-up

### PRAKIT ADVERTISING CO., LTD.

Company name	: PRAKIT ADVERTISING Co.,Ltd.
Office address	: (111/44B), Yodayar Street, 9 Mile, Mayangone Township, Pyay Road, 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, issued and fully paid-up
Number of shares	: 70% of issued and fully paid-up

## Other reference information

### 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

### Auditor

Mr. Pornchai Kitti-punyangam and/or Mrs.Suwanee Kitti-punyangam and/or Ms. Saleela Puttitarungvong  
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

Internal Audit

Mr. Thanadol Ruksapol

THIRTY-FOUR AUDIT OFFICE CO., LTD.

48bThana Place, 2nd Floor, Soi Charansanitwong 34, Charansanitwong Rd.,

Arun Amarin, Bangkok Noi, Bangkok 10700

Tel 02-4349999 Fax 02-4349998

Legal advisor

Mr. Siwa Tishabiramy

Attorney Certificate No.13357/2529

44/86 Moo 11, Soi Charoenpattana, Tiwanont Road, Taladkwan, Mueng, Nonthaburi 11000

**Other reference information**

Board of Directors Office

Contact the Secretary of the Company via Tel: 027153000 or Email: [wichuda@prakit.com](mailto:wichuda@prakit.com)

Our stakeholders can send inquiry, opinion, suggestion or complaint via the following channel.

- Chairman of Audit Committee  
Via air mail: 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok 10260
- Secretary of the Company
- Customer Relations via Tel: 027153000 or e-mail: [linda@prakit.com](mailto:linda@prakit.com)
- The Company's website e-mail: [info@prakit.com](mailto:info@prakit.com)

# Capital and Shareholders Information

## Issued and fully paid-up capital

There is authorized share capital of 94,438,800 baht with ordinary shares of 94,438,800 shares 1-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.

## The shareholders

The name and the shareholding ratio of the major shareholders as at March 24, 2020 are as follow:

Major Shareholders		Amount held	Percentage
1. Prakit and Associates Co., Ltd.**		15,092,160	24.97
2. Apisarnthanarak Family			
Mr. Prakit	Apisarnthanarak	6,029,890	9.97
Ms. Pavinee	Apisarnthanarak	2,918,953	4.83
Mr. Anucha	Apisarnthanarak	2,854,642	4.72
Mr. Apirak	Apisarnthanarak	3,168,902	5.24
3. Promart International Company Limited		1,606,000	2.66
4. Mr. Wichai	Jiracharoenkijkul	1,452,090	2.40
5. MR. Pridiyathom Devakula		1,100,000	1.82
6. Ms. Wichuda	Grairithikul	637,450	1.06
7. Mr. Prapoj	Harnjirakarn	610,000	1.01
8. Ms. Nopsarun Pongpairoj		550,000	0.91
9. Mr. Chertsak Chotmongkolsap		549,000	0.91
10. Mr Boonchai Jinangkul		486,530	0.81
Total		37,055,617	61.31

Note : \*\* 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.

### Other capital

- None -

### Dividend payment policy

The company has the policy to pay dividends 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 proposes to shareholders getting approval.

### Detailed information of dividend payment data during the past 5 years

Detail	2019	2018	2017	2016	2015
Cash Dividend payment / share	0.60	0.90	0.80	0.10	1.00
Stock Dividend	-	-	-	10.1	-
% of Net Profit	67.50	73.12	83.30	N/A	108.12

#### 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.

## Detail of Director and Executive Management



### Executive President

## Mr. Prakrit Apisarnthanarax

#### Aage

82 years old

#### Position

Executive President and Authorized Director

#### Company Share Portion

9.97% of voting right common stock

#### Education

BA in Economic

Thammasart University

#### Family Relationship of Directors

Father of Mr. Apirak Apisarnthanarak  
(Managing Director)

#### Working Experience within 5 Years

1986 – present President and Director

Prakit Holdings Plc.

Prakit & Associate Co., Ltd.

Prakit Advertising Co., Ltd.

Marketing Drive Worldwide

(Thailand) Co., Ltd.



## Detail of Director and Executive Management



### Vice President

## Mr. Phisal Prahadangkura

#### Age

76 years old

#### Position

Executive Vice President and  
Authorized Director

#### Company Share Portion

0.15% of voting right common stock

#### Education

B.A. in Mass Communication  
Miami College, United States of America

#### Family Relationship of Directors

- None -

#### Working Experience within 5 Years

1986 – present Vice President and Director  
Prakit Holdings Plc.  
Prakit & Associate Co., Ltd.  
Prakit Advertising Co. Ltd.  
Marketing Drive Worldwide  
(Thailand) Co., Ltd.

## Detail of Director and Executive Management



### Director

## Mr. Preecha Chaochotechuang

#### Age

73 years old

#### Position

Director and Authorized Director

#### Company Share Portion

0.23% of voting right common stock

#### Education

- B.A. in Business  
Ohio College, United States of America
- Marketing Management Certification  
Lausanne University, Switzerland

#### Family Relationship of Directors

- None -

#### Working Experience within 5 Years

Present	Director
	Prakit Holdings Plc.



## Detail of Director and Executive Management



### Director

## Mr. Vichien Nakintanond

#### Age

72 years old

#### Position

Director

#### Company Share Portion

- None -

#### Education

High School Vatrangbua School

#### Family Relationship of Directors

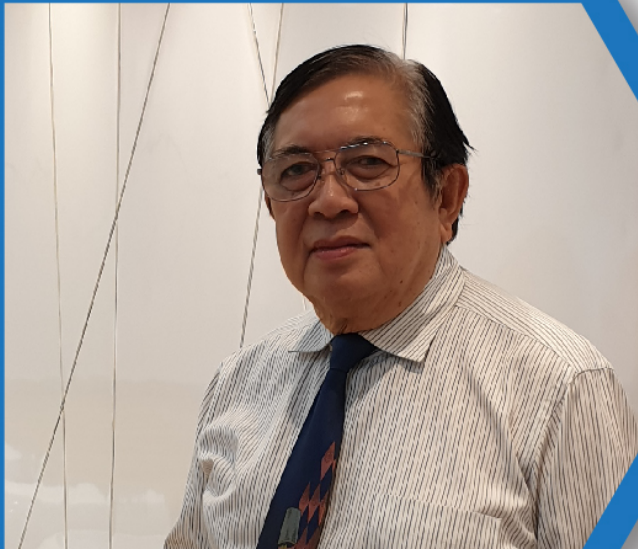
- None -

#### Working Experience within 5 Years

Present

- Director  
Prakit Holdings Plc.
- Director  
Direct Response Recruitmint  
(Thailand) Co.,Ltd.

## Detail of Director and Executive Management



### Independent Director

## Mr. Sommanous Na Bangchang

#### Age

72 years old

#### Position

Audit Committee and Independent Director

#### Company Share Portion

- None -

#### Education

MBA

Southeastern Oklahoma, State University

#### Family Relationship of Directors

- None -

#### Working Experience within 5 Years

Present	Independent Director and Audit Committee Prakit Holdings Plc.
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## Detail of Director and Executive Management



### Independent Director

## Dr. Pichai Charnsupharindr

#### Age

78 years old

#### Position

Audit Committee and Independent Director

#### Company Share Portion

- None -

#### Education

- B.A. in Economic  
Thammasart University
- Master Degree in Economic  
University of the Philippines
- Ph.D. in Economics  
University of the Philippines

#### Family Relationship of Directors

- None -

#### Working Experience within 5 Years

- Present • Independent Director / Audit Committee  
Prakit Holdings Plc.
- Director Thammasart Association
  - Consultant of The Federation  
of Saving of Thailand Limited

## Detail of Director and Executive Management



### Independent Director

## Dr. Manoon Pahirah

#### Age

82 years old

#### Position

Audit Committee and Independent Director

#### Company Share Portion

- None -

#### Education

- B.A. in Economic  
Thammasart University
- Master Degree (ECON)  
University of the Philippines
- Ph.D. (ECON)  
University of Hawaii

#### Family Relationship of Directors

- None -

#### Working Experience within 5 Years

- Present
- Independent Director /  
Audit Committee  
Prakit Holdings Plc.
  - Consultant The Federation of  
Saving of Thammasart University  
2004 – 2014 A Dean of Faculty, Kirk University

## Detail of Director and Executive Management



### Managing Director

## Mr. Apirak Apisarnthanarak

#### Age

49 years old

#### Position

Managing Director and Authorized Director

#### Company Share Portion

5.24% of voting right common stock

#### Education

- BBA in Marketing and Management of Information System  
Southern Methodist University
- MBA at The University of North Carolina, Chapel Hill

#### Family Relationship of Directors

The President's son

#### Working Experience within 5 Years

- |         |  |
|---------|--|
| Present | <ul style="list-style-type: none"><li>• Managing Director<br/>Prakit Holdings Plc.</li><li>• Director Marketing Drive<br/>Worldwide (Thailand) Ltd.</li><li>• Managing Director<br/>Prakit Advertising Co., Ltd.</li></ul> |
|---------|--|



## Detail of Director and Executive Management

### Chief Finance Officer

## Ms. Wichuda Grairithikul

#### Age

62 years old

#### Position

Chief Finance Officer

Company Secretary

Audit Committee Secretary

#### Company Share Portion

1.06% of voting right common stock

#### Education

- B.A.in Accounting  
Thammasart University
- Master degree in Accounting  
Thammasart University

#### Family Relationship of Directors

- None -

#### Working Experience within 5 Years

1999 - present    Chief Finance Officer  
Prakit Holdings Plc.

## Detail of Director and Executive Management

### Executive Media Director

## Mrs. Siriorn Chernpipat

#### Age

57 years old

#### Position

Executive Media Director

#### Company Share Portion

- None -

#### Education

B.A.in Mass Communication  
Thammasart University

#### Family Relationship of Directors

- None -

#### Working Experience within 5 Years

1993 - present	Executive Media Director Prakit Holdings Plc.
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# Management Structure

## Board of Directors

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

Director's Name	Position	Date of Appointment	Term as Director
Mr. Prakrit Apisarnthanarax	President	28 December 1992	29 years
Mr. Phisal Prahasdangkura	Vice President/Director	28 December 1992	29 years
Mr. Pheechea Chaochotechuang	Director	28 December 1992	29 years
Mr. Apirak Apisarnthanarak	Managing Director/Director	24 April 2008	13 years
Mr. Vichien Nakintanond	Director	28 December 1992	29 years
Dr. Pichai Charnsupharindr	Independent Director/Audit Committee	25 April 2005	16 years
Mr. Sommanous Na Bangchang	Independent Director/Audit Committee	28 December 1992	29 years
Dr. Manoon Pahirah	Independent Director/Audit Committee	26 April 2004	17 years

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

- (1) One shareholder holds the number of votes as of the number 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) who 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 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. Pheechea Chaochotechuang or Mr. Apirak Apisarnthanarak with the Company seal. There is no restriction on the authority of Directors.

### Sub-Committee

#### Audit Committee

The Audit Committee consists of 3 independent directors appointed by The Company's Board of Directors 4/2019 on February 26, 2019 each for a 3-year term. All of the Audit Committee are independent directors.

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



## Executive Management

As of December 31, 2020, Executive Management was the management team of the Company and consisted of 5 members as follows:

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

## Secretary of the Company

The Company appoints Miss Wichuda Grairithikul as Company Secretary. The details are on page 30.

## 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, 10,000 baht per time, is paid for independent Directors to attend Board of Directors meeting, Audit committee meeting and shareholders meeting.

In 2020, total remuneration for directors was as follows:

## Company

Cash remuneration

Director's Name	Remuneration and Meeting allowance
1. Mr. Phisal Prahasdangkura	1,080,000 baht
2. Mr. Pheechea Chaochotechuang	1,296,000 baht
3. Mr. Vichien Nakintanond	324,000 baht
4. Dr. Pichai Charnsupharindr	50,000 baht
5. Mr. Sommanous Na Bangchang	224,000 baht
6. Dr. Manoon Pahirah	50,000 baht

## Other Benefits

Group Accident Insurance and Medical Expense totally 367,136.00 baht. Moreover, Company paid the remuneration to Directors who were Executive Management and Executive Management Member as salary, bonus and other benefits was 11,557,829.07 baht.

## Subsidiaries

Subsidiary Companies did not pay to Director in cash or other benefits for the position of Directors. Subsidiary Companies paid the remuneration to Director who was Executive Management and Executive Management Member as salary, bonus and other benefits was 21,306,415.86 baht.

Subsidiary Companies paid meeting allowance, 10,000 baht per time, to the Directors and Executives participating the Subsidiary Companies' Board meeting and Executive meeting.

## Human Resource

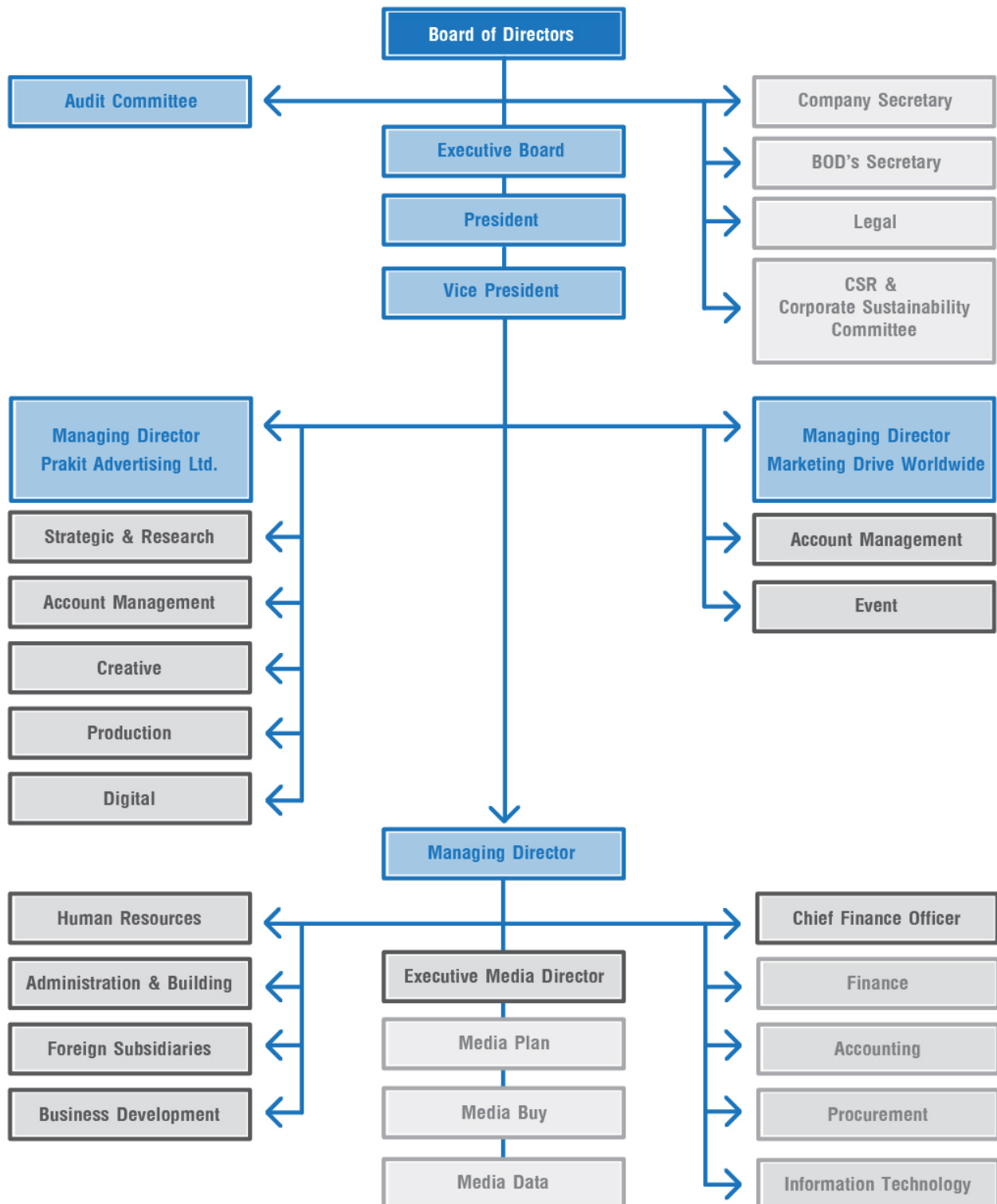
As at December 31, 2020, staff of the Company and subsidiary are as follow:

Department	Company	Subsidiaries
Management	5	11
Media	53	5
Account team/Creative/Strategic planning/Production	5	75
Administration	38	32
<b>Total</b>	<b>101</b>	<b>123</b>

The remuneration as salary, bonus, provident fund and social insurance contribution of 2020 totaled:

Company	Subsidiaries
<b>55,338,516.57</b>	<b>76,001,419.06</b>
<b>baht</b>	<b>baht</b>

# Management Structure Chart



## Report of Number of Shares Held by Directors and Executives

as at December 31, 2020

Name	2020		2019		Increase/ (Decrease	2020 in total	Percentage
	Director	Spouse	Director	Spouse			
Mr. Prakit Apisamthanarax	5,829,890	200,000	5,829,890	200,000	-	6,029,890	9.97
Mr. Phisal Prahasdangkura	25,300	63,700	25,300	63,700	-	89,000	0.15
Mr. Preecha Chaochotechuang	16,500	123,200	16,500	123,200	-	139,700	0.23
Mr. Sommanous NaBangchang	-	-	-	-	-	-	-
Dr. Pichai Charnsupharindr	-	-	-	-	-	-	-
Mr. Vichien Nakintanon	-	-	-	-	-	-	-
Dr. Manoon Pahirah	-	-	-	-	-	-	-
Mr. Apirak Apisamthanarak	3,018,252	150,650	3,018,252	150,650	-	3,168,902	5.24
Ms. Wichuda Grairithikul	637,450	-	637,450	-	-	637,450	1.06
Mrs. Siriorn Chempipat	-	-	-	-	-	-	-



## Details of Subsidiaries Director

as at December 31, 2020

Name of Director	Prakit Holdings PLC	Subsidiary Company			Joint Venture	Related Company			Other Company		
		Prakit Advertising	Marketing Drive Worldwide	Prakit Advertising (Myanmar)		Direct Response Recruitment	Sukhumvit 62 Medical	62 Content & Design	Double P Marketing	Prakit & Associates	
Mr. Prakit Apisamthanarax	B,A,C	A,C	C				B,C			A,C	
Mr. Phisal Prahadangkura	B,C	C	C						C		
Mr. Preecha ChaochoTechuang	C										
Mr. Sommanous NaBangchang	F,G										
Dr. Pichai Charnsupharindr	F,G										
Mr. Vichien Nakintanon	C				C						
Dr. Manoon Pahirah	F,G										
Mr. Apirak Apisamthanarak	B,D	B,D	C	C	C		C	C			
Ms. Wichuda Grairithikul	B	B		C	C		C	B,C	C		
Mrs. Siriorn Chempipat	B	B		C							

A = President  
B = Executive Board  
C = Director  
D = Managing Director  
E = General Manager  
F = Audit Committee  
G = Independent Director

# Corporate Governance



## Corporate Governance Policy

Committed to our mission, the Board aims to develop the Company sustainably with responsibility to stakeholders and society, encourage and support our Employees.

## Corporate Governance

### Conduct of Corporate Governance

The Board of Directors has 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 complying with the Securities and Exchanges Acts, regulation of the SET and the resolution of the shareholder's meeting constantly.

### Business Ethics

Aware of the importance of operating with good morals, the Board of Directors has published a code of conduct based on the company's ethics, which executives and staff must follow. For new employees, the Company arranges an orientation session about the code of conduct and has the employees sign an acknowledgement and compliance document.

The Audit Committee is responsible for enforcing the Company's ethics and to report to the Audit Committee before reporting to the Board of Directors.

## Rights of Shareholders

### Shareholders Meeting

The Company provides a meeting invitation, agenda and reference material prior to each meeting with opinions of the Board of Directors. attached. Shareholders can propose additional agenda items. There is a complete and accurate meeting report for the shareholders to check released 14 days in advance on the Company's website. 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 conducts the shareholder's meeting with fairness and equality for all attendees.

In order to encourage all shareholders to attend the annual general meeting, the Company provides transportation for the shareholders to travel from the nearest BTS station to the Company.

## **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 the Stock Exchange of Thailand, information, detail and reason/necessity, if any, in the Company's annual report and the 56-1 form.

## **Internal Information Policy**

The company's policy does not allow directors, executives, spouses and children who have not reached 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 the first Company's shareholding report and a change in shareholding report to The Office of the Securities and Exchange Commission (SEC) within 3 days, starting from the date of change and to the Company Secretary in the same day.

## **Role of Stakeholders**

### **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, creditors, 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 2018, the Company provides both outsources and internal trainings, encourages staff to participate in a 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. Moreover, The Company and the customer both evaluate each other's yearly performance in order to enhance working efficiency.

### **Partners**

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

### **Creditor**

The Company complies to the credit contract and conditions. It also manages the cost to pay creditors on time.

### **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**

It is the Company policy to treat all stakeholders fairly and equally. To comply with the Corporate Governance, Right of Shareholders, the Company allows the shareholder to propose a person with adequate qualification and are not prohibited to be nominated for the Company's director beforehand. The criteria and regulation were disclosed on the Company's website [www.prakit.com](http://www.prakit.com) from 2 October 2020 to 31 December 2020. Shareholders can go to The Criteria for shareholders right to propose the Agenda and to nominate the Candidate for being a director on the website.

The Company assigns Ms. Wichuda Krairittikul, Company Secretary, to answer the shareholder's and investor's inquiry via:

E-mail: linda@prakit.com

Tel: 027153000

## **Society**

The Company has policy regarding social responsibility. See detail on Sustainable Development Report.

## **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.

## **Board of Directors**

### **Duties and Responsibilities**

The authority of Directors is 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. Establish and review the Company's vision and mission and ensure the operation is in compliance with the vision.
2. Consider the annual budget and quarterly result of the Company and group of companies
3. Consider the investment in new projects, acquisition and disposition of assets.
4. Consider and approve salary adjustment, bonus for the management and staff.
5. Consider 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. Consider and set the annual general meeting of shareholders date, agenda and interim dividend payment.
7. Direct governance and management with integrity, good morals, 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.

## **Audit Committee**

### **Duties and Responsibilities**

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

1. Review and ensure that the company's financial disclosure is accurate and sufficient.
2. Ensure that the company has appropriate and effective internal control and internal audit systems. Select and nominate the head of internal audit unit and/or external internal audit company. Participate the meeting with the internal audit unit at least 4 times yearly.
3. Monitor that the company complies with the Securities and Exchange Acts, regulation of the SET, and any related business laws.
4. Consider, select, nominate, terminate employment, propose audit fee and have meetings with the Company's auditors at least once a year.
5. Consider that the company complies with all connected transaction disclosures or the conflict of interest disclosures and propose to the Board for consideration.
6. Carry out the assignment from the Board of Directors, which is agreed upon by the Audit Committee.



## Audit Committee meeting

In 2020, the Audit Committee held 4 meetings attended by the following:

Name	Participation
1. Dr. Pichai Chamsupharindr	4/4
2. Dr. Manoon Pahirah	4/4
3. Mr. Sommanous Na Bangchang	4/4

Mr. Sommanous Na Bangchang is on the Audit Committee with adequate financial knowledge and experience to review and prove opinion to the financial statement.

In 2020 The Audit Committee joined the meeting with the auditors twice and with the internal audit company 4 times.

## Committee of 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 companies.
3. Plan and operate social responsibility activities.

## Executive Management

Duties and Responsibilities

1. Follow up policy defined by the Company Board of Directors by setting operational plans accordingly.
2. Prepare operational plan and annual budget to propose to the Board of Directors.
3. Conduct and propose investment project to the Board of Directors.
4. Report the Company's performance results to the Audit Committee and Board of Directors.
5. Carry on other tasks assigned by the Board of Directors.

## Executive President/Chief Executive Officer

Duties and Responsibilities

1. Propose policy, goals, and company operating results to the Board of Directors for approval.
2. Propose annual budget and investment plan to the Board of Directors for approval.
3. Entitled to invest and operate within 50-million-baht budget.
4. Monitor and control the Management to operate effectively and in compliance with the policy, strategy, and budget approved by the Board.
5. Propose the organization structure, Executive's and employee's remuneration and welfare to the Board of Directors for approval.
6. Carry out other tasks assigned by the Board of Directors.

## Appointment of Board of Directors and Executive

The Company has not appointed the Appointment Committee. Directors of the company will be determined by the board of Directors for qualification, competence and experience beneficial to the Company including compliance by the Public Limited Company ACT and The Securities and Exchange Act B.E. 2535. Then, the names shall be proposed to the Shareholder's meeting for the appointment.

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

Criteria for independent director nomination

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.

## 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, 2020, the Company Directors consisted of:

1. The Board of Directors consists of 8 members:

Executive Directors	4 persons
External Directors	1 persons
Independent Director	3 persons
2. Audit Committee consists of 3 members:

Independent Committee	3 persons
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3. Executive Management consists of 5 members:

Company's Director	3 persons
Non-Company's Director	2 persons

Company's Directors come from various directions. 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 the Executive Board, which is a combination of committee and non-committee specialists to ensure that everything is in accordance with Company's policy.

## Board's Responsibility

### Board of Directors Meeting

Policy regarding the Board of Director meeting is defined as followed:

1. The Board meeting must be held regularly which can be divided to 4 quarterly meetings and 3 or more meetings on other agendas.
2. The agenda of each meeting must be clearly defined and must consist of the review of operating results.
3. The Company Secretary prepares the meeting invitation letter, agenda and other documents for the Directors 7 days before the meeting date to provide adequate information to the Directors before attending the meeting.
4. The Company Secretary informs all Directors about the annual meeting schedule. The date of the meeting on other agenda will be announced at least 2 weeks in advance.
5. 2/3 of Board Members must be present at the meeting when the vote to approve any agenda is made.

### Board of Directors meeting schedule

1/2021	24 February 2021
2/2021	9 March 2021
3/2021	13 May 2021
4/2021	11 August 2021
5/2021	11 November 2021

### Board of Director participation

Director's Name			Participation
1.	Mr. Prakit	Apisamthanarax	7/7
2.	Mr. Phisal	Prahasdangkura	7/7
3.	Mr. Pheecha	Chaochotechuang	7/7
4.	Mr. Apirak	Apisamthanarak	7/7
5.	Mr. Vichien	Nakintanond	7/7
6.	Dr. Pichai	Charnsupharindr	4/7
7.	Mr. Sommanous	Na Bangchang	7/7
8.	Dr. Manoon	Pahirah	4/7

In 2020, there was one meeting held by the Non-executive Directors.

## Director's Reporting

The Board of Directors 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 include 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

## Training and Education for Director

It is the Company's policy to encourage the Directors and Executives on knowledge and skill by providing trainings and other education. In 2020, there are a Director and an Executive attending a course and seminar.

Name	Position	Course
Mr. Apirak Apisarnthanarak	Managing Director	Adapting to the Disruption –A Post –COVID – 19 World OKR “Objectives and Key Results”
Mrs. Siriorn Chempipat	Executive Media Director	FACEBOOK101
Miss Wichuda Grairithikul	Chief Finance Officer	Accounting system set up and documents and financial report prepared in accordance with Thai Financial Report Standard.

## Director Orientation

The Board of Director prepares media for new director orientation, be it the regulation, ethics, corporate governance, and other information necessary.

## Succession Plan

The Board of Director defines policy on succession plan as followed:

1. The Board defines Executive's knowledge and skill development.
2. The Board selects the Executive who has knowledge, skills, experience and other qualification relevant to the position.
3. The Board evaluates the nominated Executive's knowledge and skills to establish a development plan for each Executive to be ready for the succession.
4. The Board prepare for the future working plan for the Executive. The nominated Executive shall attend the meeting with high-level executive and train to understand the future position.

## Performance Result Assessment

The Board manages the performance results assessment yearly. The topics of the assessment are

- 1) Board qualification and structure
- 2) Quality of the Board meeting
- 3) Role, duty and responsibility of the Board. The assessment is conducted by:
  1. The evaluation of the Board's performance once per year.
  2. The Company Secretary summarizes the evaluation and reports to the Board for future development.



## **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.

## **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 has hired an internal audit firm since 2016. There are many developments in our organization to improve our internal control and reduce risk which may occur in some department.

# Anti-Corruption



## Anti-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 directly 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 it investigates the issue.
4. Company will give training to Directors, executives and staff of how to prevent corruption as well as developing ethical performance.
5. Arrange the risk assessment on corruption, separately from other risk factors. The internal audit is responsible for auditing, assessing, and reporting the result to the Audit Committee and Board of Director.

## Whistle Blowing Policy

The Company provides channels for the employees, stakeholders, and other people to send any information about any acts violating the law, corruption or any acts that may harm the Company. The process is described as follows:

Whistle blowing channel

1. Send complaints via the Secretary of Audit Committee at [wichuda@prakit.com](mailto:wichuda@prakit.com) or Tel: 027153000
2. Report to the supervisor and/or head of human resource via e-mail: [info@prakit.com](mailto:info@prakit.com)
3. Report directly to the Chairman of the Board of Directors by sending a mail to 88 Sukhumvit 62 section 3, Phra Khanong Tai, Phra Khanong, Bangkok 10260.
4. Report via a comment box, which is moderated by the Head of Human Resource

### **Complaint receiving process**

1. After receiving the complaint, the person entitled will report to the Audit Committee.
2. The person entitled by the Audit committee conducts the investigation within 7 days.
3. After finishing the investigation and fixing the problem, the results will be announced to the whistle blower, both the employees and other people, within 15 days. If the whistle blower is not satisfied with the result and solution, the whistle blower can appeal to the Audit Committee.

### **Whistle blower protection**

The Company must keep the whistle blower's information confidential. In case the whistle blower is the victim, the Company will investigate and relieve the damage using fair and appropriate procedures. The Company ensures that the complaints will not be the reason for the whistle blower to be terminated from employment, punished, or any other harmful actions.

### **Remuneration of The Audit Committee**

In 2020, The Company and Subsidiaries paid Bunchi-Kij Company Limited as follows:

1. Remuneration for auditing at 1,478,000 baht
2. Other services: - None -

## Related Transaction

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

### Rental income

Reason: The Company charges office rental per used space based on the rate charged to other tenants

Relationship	Company	Amount (thousand baht)		
		2020	2019	2018
Subsidiaries	● Prakit Advertising Ltd.	3,633	3,633	2,627
	● Marketing Drive Worldwide (Thailand)Ltd.	480	480	480
Joint Venture	● Bangkok Writer & Partners Ltd.	360	360	360
Related Company	● Double P Marketing Communication Ltd.	600	600	600
	● 62 Content & Design Ltd.	54	68	68
Total		5,127	5,141	4,135

### Management Income

Reason: The Company has agreement with subsidiaries, joint venture, and related companies for management service. This was due to the fact that these companies are not specialists in some areas of expertise.

Relationship	Company	Amount (thousand baht)		
		2020	2019	2018
Subsidiaries	● Prakit Advertising Ltd.	1,780	3,306	30,379
	● Marketing Drive Worldwide (Thailand)Ltd.	384	384	384
Joint Venture	● Bangkok Writer & Partners Ltd.	1,800	1,800	1,800
Related Company	● 62 Content & Design Ltd.	60	60	60
	(Executive of the Company listed as Director and Shareholder)			
Total		4,024	5,550	32,623



### Income from other services, Water / Electricity bill

Reason: The Company has agreed with subsidiaries, joint venture and related companies to charge these expenses based on estimated “use” units.

Relationship	Company	Amount (thousand baht)		
		2020	2019	2018
Subsidiaries	● Prakit Advertising Ltd.	608	514	1,003
	● Marketing Drive Worldwide (Thailand)Ltd.	96	96	96
Joint Venture	● Bangkok Writer & Partners Ltd.	88	94	89
Related Company	● Double P Marketing Communication Ltd.	129	131	126
	● 62 Content & Design Ltd.	16	16	16
Total		937	851	1,330

### Commission Income

Reason: The Subsidiaries provide creative work and marketing service to the subsidiaries, joint venture and related companies as the Company can purchase media at more advantageous rates.

Relationship	Company	Amount (thousand baht)		
		2020	2019	2018
Subsidiaries	● Prakit Advertising Ltd.	5,658	5,863	4
	● Marketing Drive Worldwide (Thailand)Ltd.	-	-	5
	● Prakit Advertising Ltd. (Myanmar)	204	-	-
Joint Venture	● Bangkok Writer & Partners Ltd.	553	738	911
Related Company	● Double P Marketing Communication Ltd.	908	2,825	6,821
	● Draft Advertising Co., Ltd. (Cambodia)	313	6	15
Total		7,636	9,432	7,756

### Cost of Rendering of Service

Reason: The Subsidiary and related companies provides creative work and marketing service to the Company at market rate. The Company has no specialists in this area of work.

Relationship	Company	Amount (thousand baht)		
		2020	2019	2018
Subsidiaries	● Prakit Advertising Ltd.	1,159	4,062	7,419
	● Marketing Drive Worldwide (Thailand)Ltd.	-	-	725
	● Prakit Advertising Ltd. (Myanmar)	-	-	3
Related Company	● 62 Content & Design Ltd. (Executive of the Company listed as Director and Shareholder)	336	255	726
Total		1,495	4,317	8,873

### Dividend Income

Reason: Dividend payment from investment in subsidiaries.

Relationship	Company	Amount (thousand baht)		
		2020	2019	2018
Subsidiaries	● Prakit Advertising Ltd.	4,999	4,999	4,999
	● Marketing Drive Worldwide (Thailand)Ltd.	1,999	1,999	1,999
	● Prakit/FCB Cambodia Co., Ltd.	-	1,135	-
Total		6,998	8,133	6,998

### Interest Income

Reason: The Company loaned remaining cash to joint venture which needs working capital.

Relationship	Company	Amount (thousand baht)		
		2020	2019	2018
Joint Venture	● Bangkok Writer & Partners Ltd.	-	763	382
Total		-	763	382

The above-mentioned related transactions are the normal transactions among the Company, subsidiaries, joint venture and related companies. These shared resources allow our group to maximize profit which enables the Company to pay higher dividends to the shareholders.

In case of future related transactions, the Company still complies with general trading conduct and related law and regulations. The Board of Directors consistently reports the transaction to the Audit Committee.

The Company has guaranteed overdraft facilities and short-term loans for subsidiaries and joint venture as follows:

- The Company's fixed deposit amount of 30 million baht has been pledged as collateral and to facilitate an overdraft of and bank guarantee totally 30 million baht from the bank for security of Bangkok Writer and Partners Limited.
- The Company mortgaged part of its land and building of its current office premises, to a bank as collateral:
  - 30 million baht overdraft facilities of Prakit Advertising Limited.
  - Credit facilities obtained by Bangkok Writer and Partners Limited. for issue of promissory notes, tender offer and letter of guarantee in the total amount of 80 million baht.

The above-mentioned collateral was to ensure the subsidiary and joint venture have sufficient working capital.

# Significant Financial Information

## Consolidated Financial Statement

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

**Prakit Holdings Public Company Limited and its  
Subsidiaries Statements of Financial Position  
As at 31 December 2020, 2019, 2018**

Unit : Baht

ASSETS	Consolidated financial statements		
	2020	2019	2018
<b><i>CURRENT ASSETS</i></b>			
Cash and cash equivalents	122,339,116	155,215,431	136,048,545
Trade and other receivables	312,513,655	294,591,970	364,922,279
Short-term loan to related party	-	5,000,000	42,000,000
Other current financial assets			
Private fund	37,110,241	34,775,608	32,263,638
Current portion of held-to-maturity debt securities	-	30,000,000	15,000,000
Others	189,754,727	304,448,630	238,066,970
Other current assets	13,207,388	9,752,380	14,553,130
<b>Total current assets</b>	<b>674,925,127</b>	<b>833,784,019</b>	<b>842,854,562</b>
<b><i>NON-CURRENT ASSETS</i></b>			
Bank deposit used as collateral	30,000,000	30,000,000	30,000,000
Other non-current financial assets	124,671,222	107,487,386	122,083,510
Investments in joint venture, associated and subsidiary companies	266,545,681	118,243,057	117,770,347
Loans to employees	140,000	30,000	125,000
Investment property	46,215,000	46,215,000	46,215,000
Property, plant and equipment	89,473,003	99,109,140	104,669,338
Intangible assets	7	7	7
Deferred tax assets	17,775,497	16,674,060	13,060,990
Other non-current assets	8,924,712	11,413,196	11,840,567
<b>Total non-current assets</b>	<b>583,745,122</b>	<b>429,171,846</b>	<b>445,764,759</b>
<b>TOTAL ASSETS</b>	<b>1,258,670,249</b>	<b>1,262,955,865</b>	<b>1,288,619,321</b>

**Prakit Holdings Public Company Limited and its Subsidiaries**  
**Statements of Financial Position**  
**As at 31 December 2020, 2019, 2018**

Unit : Baht

<b>LIABILITIES AND EQUITY</b>	<b>Consolidated financial statements</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b><i>CURRENT LIABILITIES</i></b>			
Trade accounts and other payables	277,257,403	269,204,954	265,184,026
Accrued income tax	2,494,266	3,265,144	9,174,861
Other current liabilities	29,271,844	31,069,585	37,782,940
<b>Total current liabilities</b>	<b>309,023,513</b>	<b>303,539,683</b>	<b>312,141,827</b>
<b><i>NON-CURRENT LIABILITIES</i></b>			
Deferred lease right	9,680,424	10,787,711	12,312,254
Employee benefit obligations	48,220,931	42,701,721	41,632,538
Other non-current liabilities	540,000	540,000	540,000
<b>Total non-current liabilities</b>	<b>58,441,355</b>	<b>54,029,432</b>	<b>54,484,792</b>
<b>TOTAL LIABILITIES</b>	<b>367,464,868</b>	<b>357,569,115</b>	<b>366,626,619</b>
<b><i>EQUITY</i></b>			
Share capital			
Authorized share capital			
94,438,800 common shares of Baht 1 each	94,438,800	94,438,800	94,438,800
Issued and paid-up capital			
60,450,262 common shares of Baht 1 each	60,450,262	60,450,262	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	656,970,630	674,974,171	675,648,100
Other components of equity	(31,632,323)	(34,949,959)	(20,389,579)
<b>Total equity attributable to the Company's shareholders</b>	<b>889,357,129</b>	<b>904,043,034</b>	<b>919,277,343</b>
Non-controlling interests	1,848,252	1,343,716	2,715,359
<b>Total equity</b>	<b>891,205,381</b>	<b>905,386,750</b>	<b>921,992,702</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,258,670,249</b>	<b>1,262,955,865</b>	<b>1,288,619,321</b>



**Prakit Holdings Public Company Limited and its Subsidiaries**  
**Statements of Comprehensive Income**  
**For the year ended 31 December 2020, 2019, 2018**

Unit : Baht

	<b>Consolidated financial statements</b>		
	2020	2019	2018
<b>REVENUES</b>			
Revenues from rendering of services	158,428,746	193,700,657	243,504,746
Commission income	125,028,769	153,720,897	190,747,078
Interest income	2,121,926	4,879,210	5,132,467
Dividend income	6,207,432	7,995,430	2,866,961
Management income	1,860,000	1,860,000	1,860,000
Other revenues	16,657,899	26,450,162	28,656,933
<b>Total revenues</b>	<b>310,304,772</b>	<b>388,606,356</b>	<b>472,768,185</b>
<b>EXPENSES</b>			
Costs of rendering of services	127,678,513	154,917,181	203,885,557
Selling expenses	67,358,567	72,059,583	62,104,087
Administrative expenses	86,227,418	97,593,298	114,142,749
<b>Total expenses</b>	<b>281,264,498</b>	<b>324,570,062</b>	<b>380,132,393</b>
Profit (Loss) before share of net results from investments in joint venture and associated companies	29,040,274	64,036,294	92,635,792
Share of profit (loss) from investments in joint venture and associated companies - equity method	(1,322,376)	472,878	773,583
<b>Profit (Loss) before income tax</b>	<b>27,717,898</b>	<b>64,509,172</b>	<b>93,409,375</b>
Income tax	(5,226,594)	(10,436,414)	(18,515,794)
<b>Net profit (loss) for the years</b>	<b>22,491,304</b>	<b>54,072,758</b>	<b>74,893,581</b>
<b>Other comprehensive income (loss):</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain (loss)	(4,433,738)	-	(11,924,527)
Gain (loss) of revaluation of other non-current financial assets	4,147,045	-	-
Gain (loss) on sales of other non-current financial assets	(292,820)	-	-
Actuarial gain (loss) in joint venture	-	-	(369,296)
Income tax effects	57,339	-	2,458,764
	(522,174)	-	(9,835,059)
<b>Items that may be reclassified subsequently to profit or loss</b>			
Gain (loss) of revaluation of other non-current financial assets	-	(19,067,292)	(9,547,093)
Foreign currency translation differences for foreign operations	-	693,455	(311,804)
Income tax effects	-	3,813,457	1,909,418
	-	(14,560,380)	(7,949,479)
<b>Total comprehensive income (loss) for the years</b>	<b>21,969,130</b>	<b>39,512,378</b>	<b>57,109,043</b>
<b>Profit (Loss) attributable to:</b>			
The Company's shareholders	22,106,426	53,731,307	74,403,734
Non-controlling interests	384,878	341,451	489,847
<b>Net profit (loss) for the years</b>	<b>22,491,304</b>	<b>54,072,758</b>	<b>74,893,581</b>
<b>Total comprehensive income (loss) attributable to:</b>			
The Company's shareholders	21,584,252	39,170,927	56,619,196
Non-controlling interests	384,878	341,451	489,847
<b>Total comprehensive income (loss) for the years</b>	<b>21,969,130</b>	<b>39,512,378</b>	<b>57,109,043</b>
<b>Earnings (Loss) per share</b>			
Basic earnings (loss) per share	0.37	0.89	1.23

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

**Consolidated statement of changes in equity**

**For the year ended 31 December 2020, 2019, 2018**

	Equity attributable to the Company's shareholders							Other components of equity			Equity			Unit : Baht	
	Retained earnings							Total other components of equity			attributable to the Company's shareholders				
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Fair value changes in financial assets	Currency translation differences	Total other components of equity	Non-Controlling Interests	Total equity						
<b>Balance at 1 January 2018</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>2,226,562</b>	<b>911,018,357</b>	<b>(1,050)</b>	<b>913,244,919</b>				
Dividend paid	-	-	-	(48,360,210)	-	-	-	-	(48,360,210)	-	(48,361,260)				
Total comprehensive income (loss) for the year	-	-	-	74,403,734	-	-	-	489,847	74,403,734	-	74,893,581				
Profit (Loss) for the year	-	-	-	-	-	-	-	-	-	-	-				
Other comprehensive income (loss)	-	-	-	(9,539,622)	-	-	-	-	(9,539,622)	-	(9,539,622)				
Actuarial gain (loss)	-	-	-	(295,437)	-	-	-	-	(295,437)	-	(295,437)				
Actuarial gain (loss) in joint venture	-	-	-	-	-	-	-	-	-	-	-				
Others	-	-	-	-	(7,637,675)	(311,804)	(7,949,479)	-	(7,949,479)	-	(7,949,479)				
<b>Balance at 31 December 2018</b>	<b>60,450,262</b>	<b>193,568,560</b>	<b>10,000,000</b>	<b>675,648,100</b>	<b>(19,696,124)</b>	<b>(693,455)</b>	<b>(20,389,579)</b>	<b>2,715,359</b>	<b>919,277,343</b>	<b>2,715,359</b>	<b>921,992,702</b>				
<b>Balance at 1 January 2019</b>	<b>60,450,262</b>	<b>193,568,560</b>	<b>10,000,000</b>	<b>675,648,100</b>	<b>(19,696,124)</b>	<b>(693,455)</b>	<b>(20,389,579)</b>	<b>2,715,359</b>	<b>919,277,343</b>	<b>(1,050)</b>	<b>921,992,702</b>				
Dividend paid	-	-	-	(54,405,236)	-	-	-	-	(54,405,236)	-	(54,406,286)				
Disposal of investment in a subsidiary	-	-	-	-	-	-	-	-	-	-	-				
Total comprehensive income (loss) for the year	-	-	-	53,731,307	-	-	-	341,451	53,731,307	-	54,072,758				
Profit (Loss) for the year	-	-	-	-	-	-	-	-	-	-	-				
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-				
Others	-	-	-	-	(15,253,835)	693,455	(14,560,380)	-	(14,560,380)	-	(14,560,380)				
<b>Balance at 31 December 2019</b>	<b>60,450,262</b>	<b>193,568,560</b>	<b>10,000,000</b>	<b>674,974,171</b>	<b>(34,949,959)</b>	<b>-</b>	<b>(34,949,959)</b>	<b>1,343,716</b>	<b>904,043,034</b>	<b>1,343,716</b>	<b>905,386,750</b>				
<b>Balance at 1 January 2020</b>	<b>60,450,262</b>	<b>193,568,560</b>	<b>10,000,000</b>	<b>674,974,171</b>	<b>(34,949,959)</b>	<b>-</b>	<b>(34,949,959)</b>	<b>1,343,716</b>	<b>904,043,034</b>	<b>(1,050)</b>	<b>905,386,750</b>				
Dividend paid	-	-	-	(36,270,157)	-	-	-	-	(36,270,157)	-	(36,271,207)				
Total comprehensive income (loss) for the year	-	-	-	22,106,426	-	-	-	384,878	22,106,426	-	22,491,304				
Profit (Loss) for the year	-	-	-	-	-	-	-	-	-	-	-				
Other comprehensive income (loss)	-	-	-	(3,546,990)	-	-	-	-	(3,546,990)	-	(3,546,990)				
Actuarial gain (loss)	-	-	-	(292,820)	3,317,636	-	3,317,636	-	3,024,816	-	3,024,816				
Others	-	-	-	-	-	-	-	-	-	-	-				
Currency translation differences - non controlling interests	-	-	-	-	-	-	-	120,708	-	-	120,708				
<b>Balance at 31 December 2020</b>	<b>60,450,262</b>	<b>193,568,560</b>	<b>10,000,000</b>	<b>656,970,630</b>	<b>(31,632,323)</b>	<b>-</b>	<b>(31,632,323)</b>	<b>1,848,252</b>	<b>889,357,129</b>	<b>1,848,252</b>	<b>891,205,381</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 2020, 2019, 2018**

Unit : Baht

	<b>Consolidated financial statements</b>		
	2020	2019	2018
<b>Cash flows from operating activities</b>			
Profit (Loss) for the years	22,491,304	54,072,758	74,893,581
<i>Adjustments to net cash from operating activities</i>			
Depreciation	12,391,676	12,131,828	9,171,725
Amortisation of intangible assets	-	-	2,523
Bad debts	-	-	1,281,350
Bad debts recovery	(19,000)	(20,000)	-
Bad debts written off	-	8,457,771	-
Expected credit loss of receivables	1,126,372	-	-
Reversal of allowance for doubtful accounts	-	(8,457,771)	-
Written off withholding tax over 3 years	4,159,720	3,652,467	-
(Gain) loss on sales of other current and non-current financial assets	(5,343,318)	(2,322,591)	(3,540,153)
(Gain) loss on adjustment of fair value of other current financial assets	4,152,775	(5,159,412)	(2,009,808)
(Gain) loss on sale of equipment	(180,966)	232,879	(179,168)
Provisions for employee benefits	3,924,761	5,225,557	10,588,964
Revenue from deferred lease right	(1,107,287)	(1,524,543)	(1,084,483)
Dividend income	(6,207,432)	(7,995,430)	(2,866,961)
Interest income	(2,121,926)	(4,879,210)	(5,132,467)
Share of (profit) loss from associated companies			
and joint venture - equity method	1,322,376	(472,878)	(773,583)
Gain from sale of investment in a subsidiary	-	(507,358)	-
Unrealized (gain) loss from exchange rates	37,694	27,347	75,497
Income tax expense	5,226,594	10,436,414	18,515,794
	<b>39,853,343</b>	<b>62,897,828</b>	<b>98,942,811</b>
<i>Changes in operating assets and liabilities</i>			
Trade accounts and other receivables	(19,374,677)	69,609,172	(15,974,628)
Other current financial assets sold	182,749,267	96,378,815	176,071,218
Addition to other current financial assets	(69,199,453)	(159,218,001)	(88,382,672)
Other current assets	(1,298,292)	7,539,195	7,714,066
Other non-current assets	(1,671,236)	(3,225,097)	(196,616)
Trade accounts and other payables	6,680,588	4,020,927	(49,869,013)
Other current liabilities	(1,797,741)	(6,185,132)	3,406,273
Other non-current liabilities	-	-	540,000
Employee benefit obligations paid	(2,839,290)	(4,156,374)	(3,770,400)
Cash provided by (used in) operating activities	133,102,509	67,661,333	128,481,039
Income tax paid	(9,198,285)	(19,412,241)	(17,499,197)
<b>Net Cash provided by (used in) operating activities</b>	<b>123,904,224</b>	<b>48,249,092</b>	<b>110,981,842</b>

**Prakit Holdings Public Company Limited and its Subsidiaries**  
**Statements of Cash Flows**  
**For the year ended 31 December 2020, 2019, 2018**

Unit : Baht

	<b>Consolidated financial statements</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Cash flows from investing activities</b>			
Loans to employees	(200,000)	-	(200,000)
Loan repayments from employees	95,000	120,000	130,000
Loan repayments from related parties	5,000,000	63,000,000	10,000,000
Loans to related parties	-	(26,000,000)	(42,000,000)
Investments in associated company	(149,625,000)	-	-
Increase in other non-current financial assets	(14,131,780)	(45,412,188)	(80,193,959)
Proceeds from redemption of other non-current financial assets	30,000,000	15,000,000	12,001,000
Proceeds from sales of other non-current financial assets	2,174,029	12,368,577	51,452,459
Sale of investment in a subsidiary	-	507,358	-
Purchases of property, plant and equipment	(2,761,490)	(7,786,751)	(14,951,542)
Proceeds from sale of equipment	186,916	982,243	579,439
Dividend received	6,207,432	7,995,430	2,866,961
Interest received	2,424,853	5,568,000	4,940,924
Non-controlling interests	120,708	(1,712,044)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(120,509,332)</b>	<b>24,630,625</b>	<b>(55,374,718)</b>
<b>Cash flows from financing activities</b>			
Dividend paid	(36,270,157)	(54,405,236)	(48,360,210)
Dividend paid to non-controlling interests	(1,050)	(1,050)	(1,050)
<b>Net cash provided by (used in) financing activities</b>	<b>(36,271,207)</b>	<b>(54,406,286)</b>	<b>(48,361,260)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(32,876,315)</b>	<b>18,473,431</b>	<b>7,245,864</b>
Cash and cash equivalents at 1 January	155,215,431	136,048,545	129,085,052
Effect of changes in exchange rate of foreign currency balance		-	-
Gain (loss) from currency translation of foreign subsidiaries financial statements	-	693,455	(282,371)
<b>Cash and cash equivalents at 31 December</b>	<b>122,339,116</b>	<b>155,215,431</b>	<b>136,048,545</b>
<b>Additional information</b>			
Unutilized credit facilities for future working capital	41,000,000	41,000,000	41,000,000



# Management and Discussion and Analysis: MD&A



## Business Operation

**Operating Results** In terms of operating results in 2020, the Group had total revenues of 310.30 million baht, a 20.15 percent decreased from the total income of 388.61 million baht in 2019. This drop is due to the COVID-19 epidemic situation and various government measures. The company was unable to produce commercial films in the first half of the year, which resulted in lower service fees and commission income. In response the Group introduced policies to reduce overheads and expenses. As a result, the selling and administrative expenses decreased from the year 2019 by 16.07 million baht, (9.47 percent), resulting in the Group's net profit for the year 2020 totaling 22.49 million baht, a decrease of 58.40 percent from the year 2019.

**Financial Status** The Group had total assets of 1,258.67 million baht, total liabilities of 367.46 million baht and total shareholders' equity of 891.21 million baht. The group had liabilities at 29.19 percent of total assets and 41.23 percent of shareholders' equity. The Group did not incur either short-term or long-term loans, therefore there is no burden to repay loans and interest. In addition, the Company has invested in Sukhumvit 62 Medical Company Limited, a hospital business, as an opportunity to generate income in the future and which will supplement the revenues from the advertising business, which is the main income of the Group at present. Therefore, the long-term financial position of the Group is stable..

**Factors Impact to Future Business Operation** Even though vaccines against COVID-19 have been produced, the spread of COVID-19 still exists and has had an enormous impact on consumer purchase behavior. The Thailand economy is showing signs of a gradual recovery which also affects the marketing and advertising business. During the COVID-19 outbreak, online media has impacted consumers significantly resulting in huge growth in online shopping. Proof of this can be seen in the rapid growth of freight businesses. The Company forecasts that online shopping or E-Commerce will be the next major trend and has been studying this phenomenon in order to build a strong, competitive position in the advertising market.



## Operating Results and Profitability

With reference to the modified Comprehensive Income Statement, the operating results of the company's group in the year 2020 are summarized as follows:

(Unit : Million Baht)

Description	Prakit Group		
	Y2020	Y2019	Y2018
1. Income from service	158.43	193.70	243.50
2. Less cost of service	(127.68)	(154.92)	(203.88)
3. Income from service (net)	30.75	38.78	39.62
4. Agency fee	125.03	153.72	190.75
5. Total income from advertising activities	155.78	192.50	230.37
6. Management income	1.86	1.86	1.86
7. Interest income	2.12	4.88	5.13
8. Dividend income	6.21	7.99	2.87
9. Other income	16.66	26.45	28.66
10. Total income from other activities	26.85	41.18	38.52
11. Total income from recurring activities	182.63	233.68	268.89
12. Less selling expense	(67.36)	(72.06)	(62.11)
13. Less administrative expense	(86.23)	(97.59)	(114.14)
14. Profit from recurring activities-before tax	29.04	64.03	92.64
15. Income tax expense	(5.23)	(10.43)	(18.52)
16. Profit from recurring activities-after tax	23.81	53.60	74.12
17. Share of profit from associated companies and joint venture	(1.32)	0.47	0.77
18. Net profit for the year	22.49	54.07	74.89
19. Other comprehensive income (loss):			
20. Items that will not be reclassified to profit or loss	(0.58)	-	(9.84)
21. Items that may be reclassified subsequently to profit or loss	-	(18.37)	(7.94)
22. Total other comprehensive income (loss) before income tax	(0.58)	(18.37)	(17.78)
23. Income tax on other comprehensive income (loss)	0.06	3.81	4.37
24. Total other comprehensive income (loss) after income tax	(0.52)	(14.56)	(13.41)
25. Total comprehensive income for the year	21.97	39.51	57.11

## Profitability ratios

	(Unit)	Y2020	Y2019	Y2018
Profit from production of advertising materials	(%)	19.41	20.02	16.27
Profit from recurring activities	(%)	1.74	3.44	4.48
Net profit for the year	(%)	1.64	3.47	4.52
Return on equity	(%)	2.51	5.92	8.16

## Efficiency ratio

	(Unit)	Y2020	Y2019	Y2018
Return on assets	(%)	1.78	4.21	5.75

## Growth rates

	(หน่วย)	ปี 2563	ปี 2562	ปี 2561
Billings	(%)	(12.03)	(5.84)	(12.01)
Total income from advertising activities	(%)	(19.08)	(16.44)	15.16
Operating Expenses	(%)	(9.47)	(3.74)	7.50
Net profit for the year	(%)	(58.41)	(27.80)	29.05

**1. Income from advertising activity :** In the year 2020 Income from advertising activity was Baht 155.78 million, a decrease of Baht 36.72 million or 19.08 % from last year. This was mainly due to clients modifying their marketing spending from traditional TV advertising to more on online marketing activities. Of further impact were the measures and restrictions imposed by the Government during the COVID-19 outbreak. For example, there was no TVC production in the first half of the year others income decreased amounting Baht 1.79 million because of less cash at bank and financial assets.

**2. Income from other activity :** In the year 2020 Income from other activities was Baht 26.85 million, a decrease of Baht 14.33 million or 34.80 % from last year. Interest Income decreased amounting to Baht 2.76 million due to cash reduction from paying 50% of Sukhumvit 62 Medical Ltd. shares. Dividend Income decreased Baht 1.79 million and other income decreased Baht 1.79 million, because of less income from the stock market.

**3. Selling expenses and administrative expense :** Selling expenses and administrative expenses in 2020 are equal to 153.29 million baht, a decrease of 9.48% from 2019 due to the Company's policy to reduce employee salaries since April 1, 2020, as well as cost control measures throughout the company.

## Ability of Asset Management

Financial Status as at 31 December 2020

### 1. Asset

As at 31 December 2020, the company's group total assets were Baht 1,258.67 million, a decrease of Baht 4.29 million from Baht 1,262.96 million as of December 31, 2019.

Main changes were as follows :

- Cash and cash equivalent decreased to Baht 32.88 million
- Trade accounts and other receivables increased by Baht 17.92 million
- Other current investment changed as below :
  - Private Fund increased Baht 2.33 million
  - Current portion of held-to-maturity debt securities and others current investment decreased Baht 144.69 million
- Other non-current financial assets increased Baht 17.18 million
- Investments in joint venture, associated and subsidiary companies increased Baht 148.30 million from paying the rest of 50% of share capital of Sukhumvit 62 Medical Ltd.
- Property, plant and equipment decreased Baht 9.64 million from depreciation and no new major investments.

Conclusion : The decreasing of Cash and cash equivalent and financial assets were from the 50% payment of Sukhumvit 62 Medical Ltd.

The quality of the significant assets are summarized as follows:

- Most clients settle on time. Their average collection period in the year 2020 was 65 days which was 2 days faster than the year 2019.
- Other current financial assets and other non-current financial assets consist of investment in private fund and investment in debt and equity securities which decreased from the year 2019, amounting to Baht 125.18 million due to their sale in order to pay the 50% balance of Sukhumvit 62 Medical Ltd.
- As 31 December 2020, there was unrealized loss from adjustment of fair value in securities amounting to Baht 39.54 million whereas 31 December 2019 it was Baht 43.69 million.

### 2. Liabilities

As at 31 December 2020, the company's group total liabilities were Baht 367.46 million a slight increase of Baht 9.89 million from December 31, 2019. Mainly changes were as follows :

- Trade accounts and other payables increased Baht 8.05 million
- Other current liabilities decreased Baht 2.56 million
- Deferred lease right decreased Baht 1.11 million
- Employee benefit obligations increased Baht 5.52 million

### 3. Shareholders' equity

As at 31 December 2020, the company's group total shareholders' equity was Baht 891.21 million, a decrease of Baht 14.18 million from December 31, 2019. Mainly changes were from dividend payment amounting to Baht 36.27 million. The company group achieved a net profit amounting to Baht 22.49 million.

## Liquidity and Fund Sufficiency

Cash and cash equivalents amounted to 122.34 million baht, a change of 32.87 million baht from the previous year. The change in cash flows from Net cash flow from operating activities was 123.90 million baht, net cash flow used in investing activities was 120.51 million baht, while net cash flow used in financing activities was 36.27 million baht. The liquidity and Fund sufficiency were favorable.

Investing activities amounting to Baht 120.51 million and used in financing activities amounting to Baht 36.27 million. The liquidity and Fund sufficiency were favorable.

### Liquidity ratios

	(Unit)	Y2020	Y2019	Y2018
Current Ratio	(Times)	2.18	2.75	2.70
Quick Ratio	(Times)	2.14	2.56	2.40
Cash Flows Ratio	(Times)	0.40	0.16	0.33
Accounts Receivable Turnover	(Times)	5.52	5.39	5.25
Average Collection Period	(Days)	65	67	69
Accounts payable Turnover	(Times)	5	6	6
Average Payment Period	(Days)	69	58	58
Cash Cycle	(Days)	(4)	9	11

### Commitment and off-balance sheet obligations

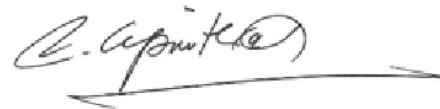
To ensure the subsidiary and joint venture have sufficient working capital, the company and company's director mortgaged the assets as follow :

- The Company's fixed deposit amount of 30 million baht has been pledged as collateral and to facilitate an overdraft and bank guarantee for one Joint Venture.
- Land and building of its current office premises, were mortgaged to bank as collateral for
  - 30 million baht overdraft facilities for one subsidiary
  - 80 million baht credit facilities for issued of promissory notes, tender offer and letter of guarantee for one Joint Venture.
- The Director's fixed deposit amount of 1 million baht has been pledged as collateral and to facilitate an overdraft for one subsidiary.
- The Director's Land and building were mortgaged to bank as collateral for 10 million baht overdraft for one subsidiary.

## **Report of the Board of Directors Responsible for Financial Reports.**

The Board of Directors Responsible for Financial Reports warrant the accuracy of the report for the year ending December 31, 2020. The Board's responsibilities include ensuring the sufficiency of accompanying explanatory Notes to the Financial Statements; appointment of an Audit Committee to ensure the quality and complete accuracy of Reports; reviewing with the Internal Audit Department to ensure the company has proper internal systems and controls to prevent serious risks or fraud.

Having undertaken these duties the Board of Directors confirm that the Financial Statements of Prakti Holdings Public Company Limited as of December 31, 2020, reflect the true financial status and operating results of the Company in an accurate and reliable manner in accordance with generally accepted accounting standards.



Prakit Apisarnthanarax  
Chairman of the Board of Directors



Prakit Holdings Public Company Limited  
and its Subsidiaries  
Financial Statements  
and Independent Auditor's Report  
1 January 2020 to 31 December 2020

## 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 2020, 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 2020, 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.

### **Emphasis of Matter**

I draw attention to Note 2.4.2 to the financial statements, which describes the accounting policies in relation to the adoption of the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ended between 1 January 2020 and 31 December 2020. My opinion is not modified in respect to this matter.

### 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>Commission income on media agency service</p> <p>For the year ended 31 December 2020, the Group and the Company earns commission income from media agency service amounting to Baht 125 million in the consolidated financial statements and Baht 91 million in the separate financial statements. The commission income is recognized when the advertisement of client is broadcasted through media 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 misstatement which might materially affect 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 to obtain the agreement and understand 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>• Analyze the commission rate whether it is corresponding to the agreement of media agency service.</li><li>• Perform sampling test to verify supporting documents of commission income, media cost and related discount.</li><li>• Perform sampling test to verify cash collection and trace to the accounting records.</li><li>• Perform subsequent test to verify media discount received after the financial 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



(Mr. Pornchai Kittipanya-ngam)

Certified Public Accountant No. 2778

Bunchikij Co., Ltd.

Bangkok

24 February 2021

## Prakit Holdings Public Company Limited and its Subsidiaries

## Statements of Financial Position

As at 31 December 2020

Unit : Baht

ASSETS	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
CURRENT ASSETS					
Cash and cash equivalents	5	122,339,116	155,215,431	74,495,365	85,671,292
Trade and other receivables	6	312,513,655	294,591,970	251,182,767	268,186,525
Short-term loan to related party	4.5	-	5,000,000	-	-
Other current financial assets					
Private fund	7	37,110,241	34,775,608	37,110,241	34,775,608
Current portion of held-to-maturity debt securities	10	-	30,000,000	-	30,000,000
Others	8	189,754,727	304,448,630	106,073,459	226,271,680
Other current assets		13,207,388	9,752,380	3,957,311	4,403,559
Total current assets		674,925,127	833,784,019	472,819,143	649,308,664
NON-CURRENT ASSETS					
Bank deposit used as collateral	9	30,000,000	30,000,000	30,000,000	30,000,000
Other non-current financial assets	10	124,671,222	107,487,386	124,671,222	107,487,386
Investments in joint venture, associated and subsidiary companies	11	266,545,681	118,243,057	314,572,481	164,947,481
Loans to employees	12	140,000	30,000	-	-
Investment property	13	46,215,000	46,215,000	46,215,000	46,215,000
Property, plant and equipment	14	89,473,003	99,109,140	86,751,248	97,546,470
Intangible assets		7	7	4	4
Deferred tax assets	15	17,775,497	16,674,060	11,108,702	10,502,024
Other non-current assets		8,924,712	11,413,196	95,400	95,400
Total non-current assets		583,745,122	429,171,846	613,414,057	456,793,765
TOTAL ASSETS		1,258,670,249	1,262,955,865	1,086,233,200	1,106,102,429

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 2020

Unit : Baht

LIABILITIES AND EQUITY	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>CURRENT LIABILITIES</b>					
Trade accounts and other payables	16	277,257,403	269,204,954	182,994,720	194,296,882
Accrued income tax		2,494,266	3,265,144	1,057,984	2,359,244
Other current liabilities		29,271,844	31,069,585	15,555,459	17,215,183
Total current liabilities		309,023,513	303,539,683	199,608,163	213,871,309
<b>NON-CURRENT LIABILITIES</b>					
Deferred lease right	17	9,680,424	10,787,711	9,680,424	10,787,711
Employee benefit obligations	18	48,220,931	42,701,721	20,313,356	17,790,016
Other non-current liabilities		540,000	540,000	540,000	540,000
Total non-current liabilities		58,441,355	54,029,432	30,533,780	29,117,727
TOTAL LIABILITIES		367,464,868	357,569,115	230,141,943	242,989,036
<b>EQUITY</b>					
Share capital					
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 paid-up capital					
60,450,262 common shares of Baht 1 each	19	60,450,262	60,450,262	60,450,262	60,450,262
Premium on share capital	20	193,568,560	193,568,560	193,568,560	193,568,560
Retained earnings					
Appropriated to legal reserve	20	10,000,000	10,000,000	10,000,000	10,000,000
Unappropriated		656,970,630	674,974,171	623,704,758	634,044,530
Other components of equity		(31,632,323)	(34,949,959)	(31,632,323)	(34,949,959)
Total equity attributable to the Company's shareholders		889,357,129	904,043,034	856,091,257	863,113,393
Non-controlling interests		1,848,252	1,343,716	-	-
Total equity		891,205,381	905,386,750	856,091,257	863,113,393
TOTAL LIABILITIES AND EQUITY		1,258,670,249	1,262,955,865	1,086,233,200	1,106,102,429

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 2020

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
REVENUES					
Revenues from rendering of services	22	158,428,746	193,700,657	34,123,471	28,391,929
Commission income	22	125,028,769	153,720,897	90,709,576	109,433,366
Interest income		2,121,926	4,879,210	2,048,796	3,890,109
Dividend income		6,207,432	7,995,430	13,206,383	16,128,907
Management income		1,860,000	1,860,000	4,024,000	5,549,720
Other revenues		16,657,899	26,450,162	13,338,790	21,470,983
Total revenues		310,304,772	388,606,356	157,451,016	184,865,014
EXPENSES					
Costs of rendering of services		127,678,513	154,917,181	32,192,286	26,448,243
Selling expenses		67,358,567	72,059,583	38,235,998	41,512,199
Administrative expenses		86,227,418	97,593,298	55,469,440	62,522,333
Total expenses		281,264,498	324,570,062	125,897,724	130,482,775
Profit (Loss) before share of net results from investments in joint venture and associated companies		29,040,274	64,036,294	31,553,292	54,382,239
Share of profit (loss) from investments in joint venture and associated companies					
- equity method		(1,322,376)	472,878	-	-
Profit (Loss) before income tax		27,717,898	64,509,172	31,553,292	54,382,239
Income tax	25	(5,226,594)	(10,436,414)	(3,320,855)	(7,089,219)
Net profit (loss) for the years		22,491,304	54,072,758	28,232,437	47,293,020
Other comprehensive income (loss):					
Items that will not be reclassified to profit or loss					
Actuarial gain (loss)	18	(4,433,738)	-	(2,511,540)	-
Gain (loss) of revaluation of other non-current financial assets		4,147,045	-	4,147,045	-
Gain (loss) on sales of other non-current financial assets		(292,820)	-	(292,820)	-
Income tax effects		57,339	-	(327,101)	-
		(522,174)	-	1,015,584	-
Items that may be reclassified subsequently to profit or loss					
Gain (loss) of revaluation of other non-current financial assets		-	(19,067,292)	-	(19,067,292)
Foreign currency translation differences for foreign operations		-	693,455	-	-
Income tax effects		-	3,813,457	-	3,813,457
		-	(14,560,380)	-	(15,253,835)
Total comprehensive income (loss) for the years		21,969,130	39,512,378	29,248,021	32,039,185
Profit (Loss) attributable to:					
The Company's shareholders		22,106,426	53,731,307	28,232,437	47,293,020
Non-controlling interests		384,878	341,451	-	-
Net profit (loss) for the years		22,491,304	54,072,758	28,232,437	47,293,020
Total comprehensive income (loss) attributable to:					
The Company's shareholders		21,584,252	39,170,927	29,248,021	32,039,185
Non-controlling interests		384,878	341,451	-	-
Total comprehensive income (loss) for the years		21,969,130	39,512,378	29,248,021	32,039,185
Earnings (Loss) per share					
The accompanying notes are an integral part of these financial statements.					
Basic earnings (loss) per share	26	0.37	0.89	0.47	0.78

## Prakit Holdings Public Company Limited and its Subsidiaries

## Consolidated statement of changes in equity

For the year ended 31 December 2020

Unit : Baht

Notes	Equity attributable to the Company's shareholders									
	Retained earnings				Other components of equity			Equity		
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Fair value changes in financial assets	Currency translation differences	Total other components of equity	attributable to the Company's shareholders	Non-Controlling Interests	Total equity
Balance at 1 January 2019	60,450,262	193,568,560	10,000,000	675,648,100	(19,696,124)	(693,455)	(20,389,579)	919,277,343	2,715,359	921,992,702
Dividend paid	-	-	-	(54,405,236)	-	-	-	(54,405,236)	(1,050)	(54,406,286)
Disposal of investment in a subsidiary	-	-	-	-	-	-	-	-	(1,712,044)	(1,712,044)
Total comprehensive income (loss) for the year										
Profit (Loss) for the year	-	-	-	53,731,307	-	-	-	53,731,307	341,451	54,072,758
Other comprehensive income (loss)										
Others	-	-	-	-	(15,253,835)	693,455	(14,560,380)	(14,560,380)	-	(14,560,380)
Balance at 31 December 2019	60,450,262	193,568,560	10,000,000	674,974,171	(34,949,959)	-	(34,949,959)	904,043,034	1,343,716	905,386,750
Balance at 1 January 2020	60,450,262	193,568,560	10,000,000	674,974,171	(34,949,959)	-	(34,949,959)	904,043,034	1,343,716	905,386,750
Dividend paid	-	-	-	(36,270,157)	-	-	-	(36,270,157)	(1,050)	(36,271,207)
Total comprehensive income (loss) for the year										
Profit (Loss) for the year	-	-	-	22,106,426	-	-	-	22,106,426	384,878	22,491,304
Other comprehensive income (loss)										
Actuarial gain (loss)	-	-	-	(3,546,990)	-	-	-	(3,546,990)	-	(3,546,990)
Others	-	-	-	(292,820)	3,317,636	-	3,317,636	3,024,816	-	3,024,816
Currency translation differences - non controlling interests	-	-	-	-	-	-	-	-	120,708	120,708
Balance at 31 December 2020	60,450,262	193,568,560	10,000,000	656,970,630	(31,632,323)	-	(31,632,323)	889,357,129	1,848,252	891,205,381

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



## Prakit Holdings Public Company Limited and its Subsidiaries

## Separate statement of changes in equity

For the year ended 31 December 2020

Unit : Baht

	Notes	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Fair value changes in financial assets	
Balance at 1 January 2019		60,450,262	193,568,560	10,000,000	641,156,746	(19,696,124)	<b>885,479,444</b>
Dividend paid		-	-	-	(54,405,236)	-	(54,405,236)
Total comprehensive income (loss) for the year							
Profit (Loss) for the year		-	-	-	47,293,020	-	47,293,020
Other comprehensive income (loss)							
Others		-	-	-	-	(15,253,835)	(15,253,835)
Balance at 31 December 2019		<u>60,450,262</u>	<u>193,568,560</u>	<u>10,000,000</u>	<u>634,044,530</u>	<u>(34,949,959)</u>	<u>863,113,393</u>
Balance at 1 January 2020		60,450,262	193,568,560	10,000,000	634,044,530	(34,949,959)	863,113,393
Dividend paid	<b>21</b>	-	-	-	(36,270,157)	-	(36,270,157)
Total comprehensive income (loss) for the year							
Profit (Loss) for the year		-	-	-	28,232,437	-	28,232,437
Other comprehensive income (loss)							
Actuarial gain (loss)		-	-	-	(2,009,232)	-	(2,009,232)
Others		-	-	-	(292,820)	3,317,636	3,024,816
Balance at 31 December 2020		<u>60,450,262</u>	<u>193,568,560</u>	<u>10,000,000</u>	<u>623,704,758</u>	<u>(31,632,323)</u>	<u>856,091,257</u>

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 2020

Unit : Baht

Notes	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (Loss) for the years	22,491,304	54,072,758	28,232,437	47,293,020
<b>Adjustments to net cash from operating activities</b>				
Depreciation	14	12,391,676	12,131,828	11,762,668
Bad debts recovery		(19,000)	(20,000)	-
Bad debts written off		-	8,457,771	-
Expected credit loss of receivables		1,126,372	-	413,183
Reversal of allowance for doubtful accounts		-	(8,457,771)	-
Written off withholding tax over 3 years		4,159,720	3,652,467	-
(Gain) loss on sales of other current and non-current financial assets		(5,343,318)	(2,322,591)	(5,343,318)
(Gain) loss on adjustment of fair value of other current financial assets		4,152,775	(5,159,412)	4,657,093
(Gain) loss on sale of equipment		(180,966)	232,879	-
Provisions for employee benefits	18	3,924,761	5,225,557	1,256,822
Revenue from deferred lease right		(1,107,287)	(1,524,543)	(1,107,287)
Dividend income		(6,207,432)	(7,995,430)	(13,206,383)
Interest income		(2,121,926)	(4,879,210)	(2,048,796)
Share of (profit) loss from associated companies				
and joint venture - equity method		1,322,376	(472,878)	-
Gain from sale of investment in a subsidiary		-	(507,358)	-
Unrealized (gain) loss from exchange rates		37,694	27,347	-
Income tax expense	25	5,226,594	10,436,414	3,320,855
		39,853,343	62,897,828	27,937,274
<b>Changes in operating assets and liabilities</b>				
Trade accounts and other receivables		(19,374,677)	69,609,172	16,432,554
Other current financial assets sold		182,749,267	96,378,815	182,749,267
Addition to other current financial assets		(69,199,453)	(159,218,001)	(64,199,453)
Other current assets		(1,298,292)	7,539,195	446,248
Other non-current assets		(1,671,236)	(3,225,097)	-
Trade accounts and other payables		6,680,588	4,020,927	(12,674,023)
Other current liabilities		(1,797,741)	(6,185,132)	(1,659,724)
Employee benefit obligations paid	18	(2,839,290)	(4,156,374)	(1,245,022)
Cash provided by (used in) operating activities		133,102,509	67,661,333	147,787,121
Income tax paid		(9,198,285)	(19,412,241)	(5,555,893)
Net Cash provided by (used in) operating activities		123,904,224	48,249,092	142,231,228

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 2020

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
Cash flows from investing activities					
Loans to employees	12	(200,000)	-	-	-
Loan repayments from employees	12	95,000	120,000	-	-
Loan repayments from related parties	4.5	5,000,000	63,000,000	-	20,000,000
Loans to related parties	4.5	-	(26,000,000)	-	-
Investments in associated company		(149,625,000)	-	(149,625,000)	-
Increase in other non-current financial assets		(14,131,780)	(45,412,188)	(14,131,780)	(45,412,188)
Proceeds from redemption of other non-current financial assets	10	30,000,000	15,000,000	30,000,000	15,000,000
Proceeds from sales of other non-current financial assets		2,174,029	12,368,577	2,174,029	12,368,577
Sale of investment in a subsidiary		-	507,358	-	507,358
Purchases of property, plant and equipment	14	(2,761,490)	(7,786,751)	(967,446)	(7,087,876)
Proceeds from sale of equipment		186,916	982,243	-	982,243
Dividend received		6,207,432	7,995,430	13,206,383	16,128,907
Interest received		2,424,853	5,568,000	2,206,816	4,297,287
Non-controlling interests		120,708	(1,712,044)	-	-
Net cash provided by (used in) investing activities		(120,509,332)	24,630,625	(117,136,998)	16,784,308
Cash flows from financing activities					
Dividend paid	21	(36,270,157)	(54,405,236)	(36,270,157)	(54,405,236)
Dividend paid to non-controlling interests		(1,050)	(1,050)	-	-
Net cash provided by (used in) financing activities		(36,271,207)	(54,406,286)	(36,270,157)	(54,405,236)
Net increase (decrease) in cash and cash equivalents		(32,876,315)	18,473,431	(11,175,927)	28,527,429
Cash and cash equivalents at 1 January		155,215,431	136,048,545	85,671,292	57,143,863
Gain (loss) from currency translation of foreign subsidiaries financial statements		-	693,455	-	-
Cash and cash equivalents at 31 December		122,339,116	155,215,431	74,495,365	85,671,292
Additional information					
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 year ended 31 December 2020

## 1. General information

Prakit Holdings Public Company Limited (“the Company”), has been incorporated in Thailand and has its registered office at 88 Soi Sukhumvit 62 , 3<sup>rd</sup> intersection, Sukhumvit Road, Phra Kanong Tai, 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 24.97%) which has been 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 2020 and 2019 are disclosed in note 11.

**Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is impacting most business and industries, resulting in an economic slowdown. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management continuously monitored the ongoing development and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

## 2. Basis for preparation and presentation of the financial statements

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards which are issued under the Accounting Professions Act B.E.2547, and have been presented under the Accounting Act. B.E.2543, and applicable rules and regulations of the Securities and Exchange Commission under the Securities and Exchange Act.

2.2 Historical cost is used as measurement basis in preparing these financial statements except for some items as indicated in the accounting policy.

2.3 The financial statements of the Group are prepared and presented from the statutory financial statement that are in Thai language and Thai currency. The English version has been prepared from Thai financial statement.

## 2.4 New and Revised Thai Financial Reporting Standards

2.4.1 The Financial Reporting Standards that have been effective in the current accounting period.

The Group has adopted the new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, Thai Accounting Standard Interpretations, and Guidelines promulgated by the Federation of Accounting Professions that have been effective for accounting periods beginning on or after 1 January 2020. The new standards which involve changes to key principles are summarized as follows:

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Thai Financial reporting standards and Interpretations relating to financial instruments comprise:

Thai Financial Reporting Standards

TFRS 7 Financial Instruments : Disclosures

TFRS 9 Financial Instruments

Thai Accounting Standards

TAS 32 Financial Instruments : Presentation

Thai Financial Reporting Standard Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments require the classification of financial instruments and their measurement at the fair value through profit or loss (FVPL) and at the fair value through comprehensive income (FVOCI) and amortized cost, which will be depended on the characteristics of the contractual cash flow and the entity's business model, impairment of financial instruments for the expected credit loss, and hedge accounting. These include requirement regarding the presentation and disclosure of financial instruments.

The effects of the adoption of these accounting standards are described below:

- Classification and measurement the fair value of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and elects to classify the investments as financial assets at fair value through other comprehensive income. The Group's management assessed and considered that the cost of such investments has represented the fair value of the investments. Therefore, the fair value measurement of the investments in equity instruments of non-listed companies do not have any impact on the adjustments of retained earnings as at 1 January 2020.
- Recognition of credit losses - The Group recognizes an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit impaired event to have occurred. The Group applies simplified approach to consider impairment of trade receivables. The Group's management has considered that the recognition of credit losses does not have any significant impact on the adjustments of retained earnings as at 1 January 2020.

Thai Financial Reporting Standards 16 Leases

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases except for short-term-leases and leases of low value assets.

Accounting by lessors is substantially unchanged to lease accounting. Lessors will continue to classify leases as either operating or finance lease.

The adoption of this TFRS does not have any material effect on the Group's financial statements.



## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

2.4.2 Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”, which the Accounting Treatment Guidance was announced in the Royal Gazette on 22 April 2020 and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 to 31 December 2020.

The Group have selected to apply this temporary relief measures on accounting alternatives based on the below TFRSs as follows:

Thai Financial Reporting Standards No 9: Financial Instrument

- Not to take into forward-looking information using in measurement of expected credit loss for a simplified approach.

Thai Financial Reporting Standards No 13: Fair Value Measurement

- Take into the COVID-19 situation as less weight of input used in the valuation techniques for measuring Level 2 and Level 3 fair values of financial assets that are debt instruments, defined in TAS 32: Financial Instruments: Presentation.

2.4.3 The Financial Reporting Standards that have not yet been effective in the current accounting period.

The Federation of Accounting Professions has promulgated several new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, which will be effective for accounting periods beginning on or after 1 January 2021, which the Group have not adopted the above standards before the effective date.

The Group’s management is in the process of assessing the impact on the financial statements in the year that the above standards are applied.

2.5 Use of judgements and estimates

In the preparation of financial statements in conformity with Thai Financial Reporting Standards, management applied judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions will be reviewed on an ongoing basis. Changes in accounting estimates are accounted for prospectively.

Information about the keys judgements, estimates and assumption made in applying accounting policies that have the most significant effects on the value recognized in the financial statements is as follows:

Investment by equity method

- Considering the significant influence of the Group over an investee.

Consolidation

- Whether the Group has de facto control over an investee.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## Revenue recognition

- Determining a bundled services are capable of being distinct.
- Commission revenue : Determining the transaction of the Group acts as an agent in the transaction rather than as a principal.

## Allowance for expected credit losses of trade receivables

- In determining an allowance for expected credit losses of trade receivables the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic.
- The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will default in the future.

## Leases

- Assessment that an arrangement contains a lease.
- Whether the Group is reasonably certain to exercise extension options.
- Whether the Group exercises termination options.
- Determining the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
- Determining the incremental borrowing rate to measure lease liabilities.

## Employee benefits

- Measurement of defined employee benefit obligations which related to actuarial assumptions.

## Income tax

- Recognition of deferred tax assets, availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized.

## Financial instruments

- Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate.
- Determining the fair value of financial instruments on the basis of significant unobservable inputs.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 3. Significant accounting policies

## 3.1 Basis of consolidation

The consolidated financial statements consisted of the Group's financial statements 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 the 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 associates 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.

**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.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Investment in joint venture is 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 Investments in subsidiaries, associates and joint ventures**

Investment in joint venture, associates and subsidiaries in the separate financial statements of the Company are accounted for using the cost method, while the accounting for investments in joint ventures and associates in the consolidated financial statements is accounted for using the equity method.

**3.3 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 monetary assets and liabilities (except for property, plant and equipment and share capital) of foreign operations are translated to Thai Baht at the exchange rate at reporting date. Property, plant and equipment and share capital are translated at exchange rates at the dates of transactions.

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.

**3.4 Cash and cash equivalents**

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

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

**3.5 Trade and other receivables****Accounting policies adopted before 1 January 2020**

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.

**Accounting policies adopted as from 1 January 2020**

Trade receivables are presented at amount to be receive from customers for services.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

The Group measure expected credit losses by using a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**3.6 Investments**

Investments in subsidiaries in the separate financial statements are accounted for by the cost method less allowance for loss impairment of investment.

**Accounting policies adopted before 1 January 2020**

Investments in unit trust (held for trading) which are non-marketable securities, are accounted for at fair value (The fair value of unit trust is determined from the net asset value). The difference between cost and fair value of trading securities are recorded in profit or loss.

Investments in marketable securities either unit trust or equity securities (available-for-sale investments) are accounted for at fair value (the last bid price as of the end of the accounting period). Change in the value is recorded in other components of equity and will be recorded as gains or losses in profit or loss when they have been disposed.

Investments in debt securities, both due within one year and expected to be held to maturity, are accounted at amortized cost by the effective rate method.

Cost of investments sold and the balance of the investments are computed by using the first - in first - out method.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

**3.7 Financial assets and financial liabilities****Accounting policies adopted as from 1 January 2020****Classification and measurement**

The Group classifies the financial asset depended on the characteristics of the contractual cash flows and the entity's business model, as follows:

**Financial assets - Debt instruments**

- Amortized cost: A financial assets will be measured at amortized cost when the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

**Financial assets - Equity instrument**

- Investment in equity instruments that not held for trading as the financial asset measured at fair value through other comprehensive income. Gains and losses arising from changes in fair value is recognized in other comprehensive income and not subsequently transferred to profit or loss when disposal, it is transferred to retained earnings. Dividends on these investments are recognized in profit or loss.

- Investment in equity instruments that held for trading as the financial asset measured at fair value through profit or loss which are carried in the statement of financial position at fair value. The changes in fair value are recognized in profit or loss. Dividends on these investments are recognized in profit or loss.

The Group are classifying and measure the financial liabilities at amortized cost.

**Derecognition**

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred substantially all the risks and rewards of ownership of the financial assets. The Group derecognize financial liabilities when the obligation under the liabilities is discharged or expires.

**Impairment**

The Group accounts for the expected credit losses on its financial assets carried at amortizes cost and FVOCI without the circumstance that a credit losses. The Group applies the general approach to measurement expected credit losses, except trade receivables applies the simplified approach to measurement expected credit losses.



## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

**3.8 Investment property**

Investment property are property which is 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 property is 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.

No depreciation was considered for property investment in land.

**3.9 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.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

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	8-30	Years
Leasehold asset improvement	5	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 and installation.

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

**3.10 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.

**3.11 Leases****Accounting policies adopted before 1 January 2020****Finance Leases**

The leases of assets, which all substantial risks and rewards associated with the assets have been transferred to the lessee, ownership may or may not eventually be transferred to the lessee under the finance lease arrangements, are classified as finance leases. The Group record asset and obligation at an amount equal to the fair value of the leased asset or the present value of the minimum lease payment, whichever is lower. The interest expense is charged to profit or loss over the lease period. The leased asset is depreciated over the useful life.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

**Operating Leases**

The leases of assets, which all substantial risks and rewards associated with the ownership of the assets have not been transferred to the lessee, are classified as operating leases. The payments made under operating leases are charged to profit or loss on a straight-line method over the period of the lease.

**Accounting policies adopted as from 1 January 2020**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**The Group as a lessee**

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

**Short-term leases and Leases of low-value assets**

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognized as expenses on a straight-line basis over the lease term.

**The Group as a lessor**

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognized as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Subsequently, finance income is recognized over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognized as an expense over the lease term on the same basis as the lease income.

**3.12 Impairment**

The Group assess the impairment of assets i.e. investment property, property, plant and equipment and intangible assets whenever there is indication that an asset may be impaired, the impairment will be assessed by estimating the recoverable amount of asset, if it is below the carrying amount of asset, it signs an asset is impairment. The Group will recognize the impairment loss in profit or loss.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**3.13 Trade and other accounts payables**

Trade and other accounts payable are stated at cost.

**3.14 Deferred lease right**

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

**3.15 Employee benefits****Defined contribution plans**

Obligations for contributions to the registered provident fund 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.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

**Termination benefits**

Termination benefits are expensed at the earlier of when the Group 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.

**3.16 Provisions**

The Group recognized provisions in the financial statements when it has legal obligation or possible obligation arising from past events, the settlement of which is expected to be made in the amount that can be estimated with sufficient reliability.

**3.17 Revenue**

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

**Revenue of services rendered**

Revenue from rendering of services is recognized at point in time based on at the services are provided. The related costs are recognized in profit or loss when they are incurred.

**Commissions income**

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 property, dividend and interest income from investments and bank deposits.

**Rental income**

Rental income is recognized using the straight-line method over the period of lease.

**Dividend income**

Dividend income is recognized when the right to receives dividends established.

**Interest income**

Effective interest rate

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

**3.18 Expenses****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 on the accrual basis.

**3.19 Income tax**

Income tax represents the aggregate of current income tax expense and deferred tax.

Current income tax and deferred tax are recognized in profit or loss except for the related items which recognized directly in equity or in other comprehensive income.

Current income tax represents the amount of expected income tax payable or recoverable on the taxable profit or loss for the period, using tax rate in accordance with the regulation in the Revenue Code.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the consequences that the Company expects, at the end of the reporting period, to recover or settle the carrying amount.

Deferred tax liabilities are recognized for all income tax payable in the future periods in respect of taxable temporary differences.

Deferred tax assets are recognized 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 amount that the related tax benefit will be realised.

**3.20 Earnings per share**

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

**3.21 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 (Continued)

For the year ended 31 December 2020

## 4. Related parties

The financial statements included related party transactions with intercompany shareholding or the same group of shareholders, directors or management team. Besides, the related parties are taken into account when one party has the ability to control another party or can exercise significant influence over another party in making financial and operating decisions. Parts of the Group's assets, liabilities, revenues and expenses arose from transactions with the related parties. The effects of these transactions are reflected in the accompanying financial statements on the basis determined in the business practice normally dealt with other parties.

Relationships with the related parties beside subsidiaries and associate companies and joint venture as disclosed in note 11 are as follows :

Related parties	Country/ Nationality	Relationships
62 Content & Design Limited	Thailand	Common shareholders and/or directors
Double P Marketing Communications Limited	Thailand	Common shareholders and/or directors
DRAFT Advertising (Cambodia) Limited	Cambodia	Common shareholders
Prakit and Sons Limited	Thailand	Common shareholders and/or directors
Haadsaikaew Bankrut Resort Limited Partnership	Thailand	Common shareholders and/or directors
Mr. Chantup Desabaedya	Thai	Director of a subsidiary

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

Transaction	Explanation
Service income	The fees are charged at the same condition and basis as general customers
Cost of service	The mutually agreed rate
Sale of vehicle	The mutually agreed price
Sale of investment property	Appraisal value by independent appraiser
Office rental	Based on the space rate charged to other tenants
Management agreement	The mutually agreed rate
Dividend income	As declared by the invested entities
Interest income	MOR of a Commercial bank

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

The related party transactions for each of the years ended 31 December 2020 and 2019 are detailed as follows :

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Subsidiary companies				
Management income	-	-	2,164	3,690
Rental income	-	-	4,113	4,113
Dividend income	-	-	6,999	8,133
Commission income	-	-	5,613	5,863
Other income	-	-	704	610
Service income	-	-	249	-
Costs of services	-	-	1,159	4,062
Joint Venture				
Service income	962	5,696	-	-
Commission income	553	738	553	738
Management income	1,800	1,800	1,800	1,800
Rental income	360	360	360	360
Interest income	15	1,543	-	763
Other income	88	94	88	94
Costs of services	136	-	-	-
Other related parties				
Service income	774	2,189	654	2,008
Commission income	567	823	567	823
Management income	60	60	60	60
Rental income	654	668	654	668
Other income	2,693	2,367	145	146
Costs of services	6,044	26,165	336	255
Sale of vehicles	-	1,050	-	1,050
Key management remuneration				
Short-term benefits	21,554	24,904	14,949	17,184
Post-employment benefits	537	636	262	373

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Balances as at 31 December 2020 and 2019 with related parties are detailed as follows :

**4.1 Trade accounts receivable - related parties**

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Subsidiary companies				
Prakit Advertising Ltd.	-	-	10,141	15,473
Marketing Drive Worldwide (Thailand) Ltd.	-	-	137	504
Prakit Advertising Co., Ltd. (Myanmar)	-	-	4	-
Joint Venture				
Bangkok Writer and Partners Ltd.	916	6,667	702	579
Associated Companies				
Direct Response Recruitment (Thailand) Co., Ltd. (Formerly name : Direct Response (Thailand) Ltd.)	85	-	85	-
Sukhumvit 62 Medical Ltd.	4	-	4	-
Other related companies				
Double P Marketing Communications Ltd.	146	148	146	148
62 Content & Design Ltd.	-	32	-	-
DRAFT Advertising (Cambodia) Ltd.	296	2	167	2
Total	1,447	6,849	11,386	16,706
Less : allowance for expected credit loss (2019: Allowance for doubtful accounts)	-	-	-	-
Net	1,447	6,849	11,386	16,706

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

As at 31 December 2020 and 2019, aging analyses of trade accounts receivable from related parties are detailed as follows :

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Within credit terms	923	1,754	4,255	3,942
Overdue:				
Less than 3 months	481	1,560	1,856	2,361
3 - 6 months	22	1,515	2,182	3,417
6 - 12 months	21	2,020	3,093	6,986
Over 12 months	-	-	-	-
Total	1,447	6,849	11,386	16,706
Less : allowance for expected credit loss				
(2019: Allowance for doubtful accounts)	-	-	-	-
Net	1,447	6,849	11,386	16,706

**4.2 Media receivable - related parties**

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Subsidiary companies				
Prakit Advertising Ltd.	-	-	50,915	33,795
Marketing Drive Worldwide (Thailand) Ltd.	-	-	522	6,242
Prakit Advertising Co., Ltd. (Myanmar)	-	-	73	-
Joint Venture				
Bangkok Writer and Partners Ltd.	12,285	15,319	12,285	15,319
Other related companies				
DRAFT Advertising (Cambodia) Ltd.	86	40	86	40
Double P Marketing Communication Ltd.	9,501	14,411	9,501	14,411
Total	21,872	29,770	73,382	69,807
Less : allowance for expected credit loss				
(2019: Allowance for doubtful accounts)	-	-	-	-
Net	21,872	29,770	73,382	69,807

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

As at 31 December 2020 and 2019, aging analyses of media accounts receivable from related parties are detailed as follows :

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Within credit terms	15,096	20,017	38,608	34,427
Overdue:				
Less than 3 months	6,776	9,753	30,023	26,314
3 - 6 months	-	-	4,477	9,066
6 - 12 months	-	-	274	-
Over 12 months	-	-	-	-
Total	21,872	29,770	73,382	69,807
Less : allowance for expected credit loss				
(2019: Allowance for doubtful accounts)	-	-	-	-
Net	21,872	29,770	73,382	69,807

**4.3 Advances to related parties**

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Subsidiary company				
Prakit Advertising Co., Ltd. (Myanmar)	-	-	20	-
Other related company				
DRAFT Advertising (Cambodia) Ltd.	23	1	23	-
	23	1	43	-

**4.4 Accrued interest income – related party**

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Joint Venture				
Bangkok Writer and Partners Ltd.	-	144	-	-

**4.5 Short-term loans to a related party**

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

	Interest Rate per annum	Unit : Thousand Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
Joint Venture					
Bangkok Writer and Partners Ltd.	5.00	-	5,000	-	-

Movements during the years ended 31 December of short-term loans to related party are as follows :

Short-term loans to related party	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Joint Venture				
At 1 January	5,000	42,000	-	20,000
Increase	-	26,000	-	-
Decrease	(5,000)	(63,000)	-	(20,000)
Balance as at 31 December	-	5,000	-	-

## 4.6 Trade accounts payable - related parties

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Subsidiary companies				
Prakit Advertising Ltd.	-	-	10,871	13,173
Marketing Drive Worldwide (Thailand) Ltd.	-	-	-	35
Prakit Advertising Co., Ltd. (Myanmar)	-	-	11,533	16,776
Other related companies				
62 Content & Design Ltd.	3,916	5,279	319	273
Double P Marketing Communication Ltd.	307	468	307	468
Total	4,223	5,747	23,030	30,725

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

**4.7 Billing agent payable - related party**

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Other related company				
DRAFT Advertising (Cambodia) Ltd.	38,286	61,117	8,408	29,471

**4.8 Employee expenses payable - related party**

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Subsidiary company				
Prakit Advertising Ltd.	-	-	1,392	1,392

**4.9 Other matters**

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

Certain portions of land and buildings have been mortgaged and pledged as collateral to obtain bank credit facilities for bank overdrafts of a subsidiary company amounting to Baht 30 million.

Two subsidiary companies have entered into agreements to rent office spaces from the Company for periods of 1 year and 3 years ended December 2020 and ending December 2021, respectively, with the monthly rental rates at Baht 197,000 and Baht 40,000, respectively.

Two related companies have entered into agreements to rent office spaces from the Company for periods of 3 years ending June 2022 and ended December 2020, with the monthly rental rates at Baht 50,000 and Baht 4,500, respectively.

A subsidiary has entered into an agreement to lease office equipment and vehicle from the Company for a period of 3 years ended December 2020, 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 years ended December 2020 with the monthly rental rates at Baht 30,000.

The Company has entered into agreements to provide management services to a subsidiary company for a period of 3 years ending December 2021, with the monthly service rates at Baht 32,000. The Company has also entered into an agreement to provide management service to a joint-venture company for a period of 2 years ended December 2020 with the monthly service rate at Baht 150,000.



## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 5. Cash and cash equivalents

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	1,496	350	45	45
Cash at banks – current accounts	12,000	6,937	8,815	3,465
Cash at banks – savings accounts	108,843	147,928	65,635	82,161
Total	122,339	155,215	74,495	85,671

## 6. Trade accounts receivable and other receivables

As at 31 December 2020 and 2019, trade accounts receivable and other receivables are detailed as follows :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts receivable				
Trade accounts receivable				
Related parties	1,447	6,849	11,386	16,706
Other parties – net	27,862	24,963	7,919	12,957
Media receivables				
Related parties	21,872	29,770	73,382	69,807
Other parties – net	187,757	174,685	121,719	137,427
Other receivables				
Billing agent receivables	6,805	15,092	-	4,825
Advances to related parties	23	1	43	-
Advanced payments for media	15,260	11,676	5,846	5,637
Accrued income	42,046	27,661	28,372	18,527
Accrued income from a related party	-	144	-	-
Advanced payments – others	2,023	59	7	45
Others	7,419	3,692	2,509	2,255
Net	312,514	294,592	251,183	268,186

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

As at 31 December 2020 and 2019, aging analyses of trade accounts receivable from other companies are detailed as follows :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Within credit terms	18,869	14,418	3,719	10,573
Overdue:				
Less than 3 months	8,959	10,425	4,218	2,367
3 - 6 months	63	110	-	12
6 - 12 months	91	10	-	5
Over 12 months	1,527	1,541	4	-
Total	29,509	26,504	7,941	12,957
Less : allowance for expected credit loss (2019: Allowance for doubtful accounts)	(1,647)	(1,541)	(22)	-
Net	27,862	24,963	7,919	12,957

As at 31 December 2020 and 2019, aging analyses of media receivables from other companies are detailed as follows :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Within credit terms	129,982	102,197	66,379	77,995
Overdue:				
Less than 3 months	58,751	68,981	55,707	58,847
3 - 6 months	-	2,961	-	579
6 - 12 months	24	539	24	-
Over 12 months	5,345	5,351	-	6
Total	194,102	180,029	122,110	137,427
Less : allowance for expected credit loss (2019: Allowance for doubtful accounts)	(6,345)	(5,344)	(391)	-
Net	187,757	174,685	121,719	137,427

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 7. Other current financial assets/Current investments - private fund

Investments in private funds as at 31 December 2020 and 2019 comprise :

	Unit : Thousand Baht	
	Consolidated/ Separate	
	financial statements	
	2020	2019
Managed by SCB Asset Management Co., Ltd.	33,018	34,776
Managed by Trinity Securities Co., Ltd.	4,092	-
Total	37,110	34,776

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 and debt securities with good performance. 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 2020 and 2019 , investment in private fund managed by SCB Asset Management Co., Ltd. is consisted of.

	Unit : Thousand Baht	
	Consolidated/ Separate	
	financial statements	
	2020	2019
Investment in private fund - at cost	20,000	20,000
Unrealized gain on fair value adjustment	13,018	14,776
Total	33,018	34,776

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

As at 31 December 2020 and 2019 , the Company received the investment report from the assets management company, the manager of the above-mentioned fund, which is detailed as follows :

	Unit : Thousand Baht	
	Consolidated/ Separate	
	financial statements	
	2020	2019
Cash on hand and at banks		
Deposits	1,070	5,167
Investments in securities - fair value		
Debt securities		
Debentures	17,165	18,347
Bonds	7,061	2,048
Open-End Fund	7,678	9,077
Other assets and liabilities		
Other assets	151	180
Other liabilities	(107)	(43)
Total	33,018	34,776

In 2020, the Company invested in another private fund and appointed Trinity Securities Co., Ltd. as the Company's fund management with the initial fund of Baht 3 million. The another Company has set the investment policy by investing in both domestically and internationally in Asia based on the economic and the situation of the invested countries. 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.

As at 31 December 2020, investment in private fund managed by Trinity Securities Co., Ltd. is consisted of.

	Unit : Thousand Baht	
	Consolidated/ Separate	
	financial statements	
	2020	
Investment – at cost		3,000
Unrealized gain on fair value adjustment		1,092
Total		4,092

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

As at 31 December 2020, the Company received the investment report from the assets management company, the manager of the above-mentioned fund, which is detailed as follows :

	Unit : Thousand Baht
	Consolidated/ Separate
	financial statements
	2020
Investments in securities- fair value	4,098
Other assets and liabilities	
Other liabilities	(6)
Total	4,092

8. Other current financial assets/Current investments – others  
(2019: Current investments – others)

As at 31 December 2020 and 2019 other current financial assets/Current investments – others are consisted of :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Unit trusts – at cost	188,102	299,309	105,411	221,618
Gain on fair value adjustment	1,653	5,140	662	4,654
Total	189,755	304,449	106,073	226,272

The movements of other current financial assets – others (2019: trading securities) for each of the years ended 31 December 2020 and 2019 are as follows :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balances at beginning of the years	299,309	236,297	221,618	228,868
Acquisition	66,199	159,218	61,199	84,218
Disposal	(177,406)	(93,364)	(177,406)	(88,626)
Classified to other non-current financial assets				
/long-term investments	-	(2,842)	-	(2,842)
Total	188,102	299,309	105,411	221,618
Gain from fair value adjustment	1,653	5,140	662	4,654
Net	189,755	304,449	106,073	226,272

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 9. Bank Deposit used as collateral

Unit : Thousand Baht

	Consolidated/ Separate financial statements			
	2020		2019	
	Amount	Interest Rate	Amount	Interest Rate
Time deposit – used as collateral				
for bank overdraft	30,000	1.85%	30,000	1.85%
Total	30,000		30,000	

## 10. Other non-current financial assets/Available-for-sale and long-term investments

Unit : Thousand Baht

As at 31 December 2020

	Consolidated/ Separate financial statements			
	Marketable		Non	
	equity securities	Held to Maturity	marketable equity securities	Total
Debt Securities - at cost	-	22,000	-	22,000
Unrealized gain (loss) on fair value adjustment	-	-	-	-
	-	22,000	-	22,000
Less Current portion of held to maturity debt securities	-	-	-	-
Total long-term debt securities	-	22,000	-	22,000
Equity Securities - at cost	142,211	-	3,143	145,354
Unrealized gain ( loss) on fair value adjustment	(39,540)	-	-	(39,540)
Allowance for impairment	-	-	(3,143)	(3,143)
Total equity securities	102,671	-	-	102,671
Net	102,671	22,000	-	124,671

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Unit : Thousand Baht

As at 31 December 2019

	Consolidated/ Separate financial statements			
	Marketable equity securities	Held to Maturity	Non marketable equity securities	Total
Debt Securities - at cost	-	47,000	-	47,000
Unrealized gain (loss) on fair value adjustment	-	-	-	-
	-	47,000	-	47,000
Less Current portion of held to maturity debt securities	-	(30,000)	-	(30,000)
Total long-term debt securities	-	17,000	-	17,000
Equity Securities - at cost	134,175	-	3,143	137,318
Unrealized gain ( loss) on fair value adjustment	(43,688)	-	-	(43,688)
Allowance for impairment	-	-	(3,143)	(3,143)
Total equity securities	90,487	-	-	90,487
Net	90,487	17,000	-	107,487

Movements of other non-current financial assets for each of the years ended 31 December 2020 and 2019 are as follows :

	Unit : Thousand Baht	
	Consolidated/ Separate financial statements	
	2020	2019
Balances at beginning of the years	184,318	164,847
Acquisition	15,503	45,412
Redemption	(30,000)	(15,000)
Disposal	(2,467)	(13,329)
Transfer from other current financial assets/Current investments	-	2,388
Total	167,354	184,318
Loss from impairment	(3,143)	(3,143)
Unrealized gain (loss) on fair value adjustment	(39,540)	(43,688)
Net investments	124,671	137,487
Less Current portion of held to maturity debt securities	-	(30,000)
Net	124,671	107,487

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



## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

As at 31 December 2020, Other non-current financial assets included Lottery Savings in the total amount of Baht 2 million with carrying interest rates at 0.33% per annum, and due for redemption on 20 August 2021.

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

As at 31 December 2020 :

Unit : Thousand Baht

Consolidated financial statements						
Entitles’ Name	Type of business	Paid-up share capital (in Baht)	Investment Ownership (%)	Valuation		Dividend received
				Cost method	Equity method	
Associated Companies						
Direct Response Recruitment (Thailand) Co., Ltd. (Formerly name						
Direct Response (Thailand) Ltd.)	Advertising	2,000,000	49.00	1,421	850	-
Sukhumvit 62 Medical Ltd.	Hospital	926,250,000	31.37	300,000	241,750	-
Joint Venture (Held by a subsidiary)						
Bangkok Writer and Partners Ltd.	Advertising	10,000,000	42.00	16,800	24,045	-
					266,645	-

As at 31 December 2019 :

Unit : Thousand Baht

Consolidated financial statements						
Entitles’ Name	Type of business	Paid-up share capital (in Baht)	Investment Ownership (%)	Valuation		
				Cost method	Equity method	Dividend received
Associated Companies						
Direct Response Recruitment (Thailand) Co., Ltd. (Formerly name						
Direct Response (Thailand) Ltd.)	Advertising	2,000,000	49.00	1,421	952	-
Sukhumvit 62 Medical Ltd.	Hospital	428,625,000	35.41	150,375	93,368	-
Joint Venture (Held by a subsidiary)						
Bangkok Writer and Partners Ltd.	Advertising	10,000,000	42.00	16,800	23,923	-
					118,243	-

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Unit : Thousand Baht

Investments in subsidiaries	Separate financial statement	
	2020	2019
At 1 January	13,152	13,659
Disposals	-	(507)
Total	13,152	13,152
Less Allowance for impairment of investment in subsidiary	-	-
Total investments in subsidiaries	13,152	13,152

**Disposals**

On 16 August 2019, the Company board of director's meeting no. 7/2019 gave an approval to sell all investment in Prakit&FCB (Cambodia) Ltd., at the value of USD 20,000 (Baht 507,358) resulting in a gain from sale of investment in subsidiary in the amount of Baht 507,358.

**Guarantee**

In accordance with the resolution of the Board of Directors Meeting No. 4/2019, on 2 August 2019, the Company has pledged its land and office buildings as collateral for guaranteeing the credit facilities obtained by Bangkok Writer and Partners Ltd., for the issue of promissory notes, tender offer and letter of guarantee in the total amount of Baht 80 million.

**Share capital called up by an associated company**

The board of directors' meeting No.5/2019 of Sukhumvit 62 Medical Ltd., held on 12 December 2019, approved to call up share capital for another Baht 25 per share of 2,992,500 common shares amounting to Baht 74,812,500. The Company made such payment on 28 February 2020.

The board of directors' meeting No.2/2020 of Sukhumvit 62 Medical Ltd., held on 13 May 2020, approved to call up share capital for another Baht 25 per share of 2,992,500 common shares amounting to Baht 74,812,500. The Company made such payment on 28 August 2020.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

As at 31 December 2020 and 2019

Unit : Thousand Baht

Separate financial statements								
Entitles’ Name	Type of business	Paid-up share						
		Capital (in Baht/ US\$)	Investment Ownership		Valuation of investments		Dividend	
			(%)		by cost method			
			2020	2019	2020	2019	2020	2019
Subsidiary Companies								
Prakit Advertising Ltd	Advertising	10,000,000	99.99	99.99	9,999	9,999	4,999	4,999
Prakit&FCB (Cambodia) Co., Ltd.	Advertising	25,000 US\$	-	-	-	-	-	1,135
Marketing Drive Worldwide								
(Thailand) Ltd.	Advertising	2,000,000	99.965	99.965	1,999	1,999	1,999	1,999
Prakit Advertising Co.,Ltd.(Myanmar)	Advertising	50,000 US\$	70.00	70.00	1,154	1,154	-	-
Total subsidiary companies					13,152	13,152		
Associated Companies								
Direct Response Recruitment								
(Thailand) Co., Ltd. (Formerly name								
Direct Response (Thailand) Ltd.)	Advertising	2,000,000	49.00	49.00	1,421	1,421	-	-
		926,250,000/						
Sukhumvit 62 Medical Ltd.	Hospital	428,625,000	31.37	35.41	300,000	150,375	-	-
Total associated companies					301,421	151,796		
Total					314,573	164,948	6,998	8,133
Less Allowance for impairment loss					-	-		
Total investments					314,573	164,948		

The financial statements of associates and joint ventures and the Group's interests in these entities are as follows:

Unit : Thousand Baht

Direct Response							
Recruitment (Thailand)							
Co., Ltd.							
		(Formerly name Direct		Bangkok Writer and		Sukhumvit 62	
		Response (Thailand) Ltd.)		Partners Ltd.		Medical Ltd.	
		2020	2019	2020	2019	2020	2019
Total assets		2,550	1,947	61,201	100,693	994,992	437,789
Total liabilities		814	5	34,188	73,734	43,485	10,035
Total income		25	7	143,201	271,483	1,261	1,549
Profit (loss) for the years		(207)	(15)	54	1,929	(3,872)	(971)
Share of profit (loss) on equity method		(102)	7	23	810	(1,243)	(344)
Group share of net asset		850	952	11,346	11,323	298,511	151,468

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 12. Loans to employees

As at 31 December 2020 and 2019, the movements of loans to employees are as follows :

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balances at beginning of the years	125	245	-	-
Add increase during the years	200	-	-	-
Total	325	245	-	-
Less decrease during the years	(95)	(120)	-	-
Balances at the end of the years	230	125	-	-
Less current portion of due within 1 year	(90)	(95)	-	-
Net	140	30	-	-

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 receivables.

## 13. Investment property

As at 31 December 2020, the investment property represents investment in land for lease at the cost value of Baht 46.22 million (2019 : Baht 46.22 million), while the approximate fair value is approximately Baht 387.28 million (2019 : Baht 387.28 million).

## Measurement of fair value

The fair value of investment property was assessed by an external independent property appraiser. The Group has its policy to reassess the fair value of the Group's investment property for every 5 years.

The fair value measurement for investment property of Baht 387.28 million (2019 : Baht 387.28 million) has been categorised as a level 2 fair value based on the inputs to the valuation technique used.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 14. Property, plant and equipment

Unit : Thousand Baht

	Consolidated financial statements								
	Land	Buildings and improvement	Land improvement	Leasehold asset improvement	Furniture and fixtures	Office equipment	Vehicles	Assets in progress	Total
At Cost									
As at 1 January 2019	54,811	95,032	2,699	55	21,392	21,829	15,833	7,725	219,376
Purchases	-	-	-	-	500	3,447	1,264	2,575	7,786
Disposals	-	-	-	-	(7)	(168)	(3,457)	-	(3,632)
Transfer in (out)	-	-	-	-	10,300	-	-	(10,300)	-
As at 31 December 2019 / 1 January 2020	54,811	95,032	2,699	55	32,185	25,108	13,640	-	223,530
Purchases	-	-	-	-	21	1,149	1,591	-	2,761
Disposals	-	-	-	-	-	(27)	(1,729)	-	(1,756)
As at 31 December 2020	54,811	95,032	2,699	55	32,206	26,230	13,502	-	224,535
Accumulated depreciation									
As at 1 January 2019	-	75,031	1,990	42	13,530	14,871	9,243	-	114,707
Depreciation for the year	-	4,086	90	11	4,373	2,295	1,277	-	12,132
Disposals	-	-	-	-	(5)	(161)	(2,252)	-	(2,418)
As at 31 December 2019 / 1 January 2020	-	79,117	2,080	53	17,898	17,005	8,268	-	124,421
Depreciation for the year	-	4,085	90	2	4,502	2,480	1,232	-	12,391
Disposals	-	-	-	-	-	(21)	(1,729)	-	(1,750)
As at 31 December 2020	-	83,202	2,170	55	22,400	19,464	7,771	-	135,062
Net book Value									
As at 31 December 2019	54,811	15,915	619	2	14,287	8,103	5,372	-	99,109
As at 31 December 2020	54,811	11,830	529	-	9,806	6,766	5,731	-	89,473

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Unit : Thousand Baht

	Separate financial statements						
	Land	Buildings and improvement	Land improvement	Furniture and fixtures	Office equipment	Vehicles	Assets in progress
At Cost							Total
As at 1 January 2019	54,811	95,032	2,699	21,102	18,794	13,170	7,725
Purchases	-	-	-	225	3,023	1,264	2,575
Disposals	-	-	-	-	(23)	(3,457)	-
Transfer in (out)	-	-	-	10,300	-	-	(10,300)
As at 31 December 2019 /							
1 January 2020	54,811	95,032	2,699	31,627	21,794	10,977	-
Purchase	-	-	-	21	935	12	-
Disposal	-	-	-	-	-	-	-
As at 31 December 2020	54,811	95,032	2,699	31,648	22,729	10,989	-
Accumulated depreciation							
As at 1 January 2019	-	75,031	1,990	13,284	12,261	7,453	-
Depreciation for the year	-	4,086	90	4,340	2,044	1,090	-
Disposals	-	-	-	-	(23)	(2,252)	-
As at 31 December 2019 /							
1 January 2020	-	79,117	2,080	17,624	14,282	6,291	-
Depreciation for the year	-	4,085	90	4,436	2,199	953	-
Disposals	-	-	-	-	-	-	-
As at 31 December 2020	-	83,202	2,170	22,060	16,481	7,244	-
Net book Value							
As at 31 December 2019	54,811	15,915	619	14,003	7,512	4,686	-
As at 31 December 2020	54,811	11,830	529	9,588	6,248	3,745	-

As at 31 December 2020 and 2019, certain portions of land and buildings at the value of Baht 66.64 million and Baht 70.73 million, respectively have been mortgaged to secure the bank overdraft of a subsidiary.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 15. Deferred tax

Deferred tax assets and liabilities as at 31 December 2020 and 2019 are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets	19,464	19,193	12,599	12,924
Deferred tax liabilities	(1,689)	(2,519)	(1,490)	(2,422)
Net	17,775	16,674	11,109	10,502

Movements in deferred tax assets and liabilities during for the years ended 31 December 2020 and 2019 are detailed as follows :

Consolidated financial statements					Unit : Thousand Baht
		(Charged) / Credited to:			
		Profit or	Other	Recognized	
	1 January 2020	loss	comprehen-	direct to	31 December 2020
			sive income	Equity	
<b>Deferred tax assets</b>					
Trade accounts receivable	1,287	(3)	-	-	1,284
Financial assets at profit or loss	628	-	-	-	628
Financial assets at FVOCI	8,737	-	(829)	-	7,908
Employee benefit obligations	8,541	217	886	-	9,644
Total	19,193	214	57	-	19,464
<b>Deferred tax liabilities</b>					
Financial assets at FVOCI	2,519	(830)	-	-	1,689
Total	2,519	(830)	-	-	1,689
Net	16,674	1,044	57	-	17,775

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Unit : Thousand Baht

Consolidated financial statements				
	1 January 2019	(Charged) / Credited to:		31 December 2019
		Profit or loss	Other comprehen- sive income	Recognized direct to Equity
<b>Deferred tax assets</b>				
Trade accounts receivable	1,291	(4)	-	-
Financial assets at profit or loss	628	-	-	-
Financial assets at FVOCI	4,919	5	3,813	-
Employee benefit obligations	8,327	214	-	-
Total	15,165	215	3,813	-
<b>Deferred tax liabilities</b>				
Financial assets at FVOCI	2,104	415	-	-
Total	2,104	415	-	-
Net	13,061	(200)	3,813	-

Unit : Thousand Baht

Separate financial statements				
	1 January 2020	(Charged) / Credited to:		31 December 2020
		Profit or loss	Other comprehen- sive income	Recognized direct to Equity
<b>Deferred tax assets</b>				
Financial assets at profit or loss	628	-	-	-
Financial assets at FVOCI	8,736	-	(829)	-
Employee benefit obligations	3,560	2	502	-
Total	12,924	2	(327)	-
<b>Deferred tax liabilities</b>				
Financial assets at FVOCI	2,422	(932)	-	-
Total	2,422	(932)	-	-
Net	10,502	934	(327)	-



## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Unit : Thousand Baht

	Separate financial statements			
	(Charged) / Credited to:			
		Other	Recognized	
	Profit or	comprehen-	direct to	
1 January 2019	loss	sive income	Equity	31 December 2019
<b>Deferred tax assets</b>				
Financial assets at profit or loss	628	-	-	628
Financial assets at FVOCI	4,918	5	3,813	-
Employee benefit obligations	3,790	(230)	-	-
Total	9,336	(225)	3,813	-
<b>Deferred tax liabilities</b>				
Financial assets at FVOCI	2,078	344	-	-
Total	2,078	344	-	-
Net	7,258	(569)	3,813	-

## 16. Trade accounts and other payables

As at 31 December 2020 and 2019, trade accounts payable and other payables are consisted of :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts payable				
Trade accounts and notes payable				
Related parties	4,223	5,747	23,030	30,725
Other companies	58,505	38,450	17,791	3,456
Media and notes payable				
Other companies	145,014	132,008	111,471	107,911
<b>Total</b>	<b>207,742</b>	<b>176,205</b>	<b>152,292</b>	<b>142,092</b>
Other payables				
Billing agent payable - related parties	38,286	61,117	8,408	29,471
Staff expenses payable - related parties	-	-	1,392	1,392
Share payable	1,372	-	1,372	-
Deposits received	23,335	17,017	13,661	10,823
Accrued expenses	1,802	7,712	1,303	3,525
Others	4,720	7,154	4,567	6,993
<b>Total</b>	<b>69,515</b>	<b>93,000</b>	<b>30,703</b>	<b>52,204</b>
<b>Total trade accounts and other payables</b>	<b>277,257</b>	<b>269,205</b>	<b>182,995</b>	<b>194,296</b>

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 17. Deferred lease right

As at 31 December 2020 and 2019, movements of deferred lease right are as follows :

	Unit : Thousand Baht	
	Consolidated/ Separate	
	financial statements	
	2020	2019
Deferred lease right	10,788	12,312
Recognised as earnings during the years	(1,108)	(1,524)
Net	9,680	10,788

Deferred lease right represents amount of lease payment received from a company for leasing a plot of land from the Company for a period of 29 years. Furthermore, the Company receives additional annual rental from the aforesaid lease contract as follows :

(in thousand Baht)	
	Annual rental income
2016-2020	399
2021-2025	439
2026-2029	483

## 18. Employee benefit obligations

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Defined benefit obligations at 1 January	42,702	41,632	17,790	18,942
Actuarial loss	4,433	-	2,511	-
Current service cost recognized in profit or loss	3,283	4,015	986	922
Interest on obligation recognized in profit or loss	642	1,211	271	410
Defined benefit obligations paid	(2,839)	(4,156)	(1,245)	(1,092)
Transfer employees to subsidiaries	-	-	-	(1,392)
Defined benefit obligations at 31 December	48,221	42,702	20,313	17,790

At 31 December 2020, the weighted-average duration of the defined benefit obligation of the Company was 9 years and the subsidiaries were 9 - 16 years).

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Actuarial assumptions at the reporting date are detailed as follows :

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	(%)			
Discount rate	1.09-1.49	1.50-3.13	1.09	1.50
Turn over rate	4.78-34.38	3.82-28.65	5.73-34.38	4.78-28.65
Future salary increases	3.00	3.00	3.00	3.00
Mortality rate	According to 2017 Thailand Mortality Ordinary Life Table			

## 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
<b>Defined benefit obligation 31 December 2020</b>				
Discount Rate (0.50% movement)	(1,498)	1,585	(638)	673
Salary Increase Rate (1.00% movement)	3,170	(2,891)	1,342	(1,234)
Turnover Rate (20.00% movement)	(3,444)	3,920	(1,598)	1,826

## 19. Share Capital

	Par value (Baht)	Unit : Thousand shares/Thousand Baht			
		2020		2019	
		No. of share	Baht	No. of share	Baht
<b>Share registered</b>					
As at 1 January		94,439	94,439	94,439	94,439
As at 31 December	1	94,439	94,439	94,439	94,439
<b>Paid-up share</b>					
As at 1 January		60,450	60,450	60,450	60,450
As at 31 December	1	60,450	60,450	60,450	60,450

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 20. Capital surplus and reserves

## Share premium

Section 51 of the Public Companies Act B.E. 1992 requires the Company 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 the 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.

## Other component of equity

**Currency translation differences**

The currency translation differences account in equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations in other countries.

**Fair value changes in other non-current financial assets**

The fair value changes in other non-current financial assets account within equity comprises the cumulative net change in the fair value of other non-current financial assets until derecognized .

## 21. Dividend

## The Company

The Annual General Meeting of the Company's No.1/2020 held on 24 April 2020 passed a resolution to pay dividend at the rate of Baht 0.60 per share , amounting to Baht 36.27 million and was paid on 22 May 2020.

## Subsidiaries

The Annual Shareholders' Meeting of 2 subsidiaries No.1/2020 held on 27 April 2020 and 29 April 2020 passed their resolutions to pay dividend at the rate of Baht 50 per share and Baht 100 per share, respectively, amounting to Baht 5 million and Baht 2 million, respectively, and were paid on 25 May 2020.

The company does not pay dividends to investors who are prohibited from receiving dividends because they do not invest in accordance with the regulations of the stock market.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 22. Segment information

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

- 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 the consolidated financial statement information for each of the year ended 31 December 2020 and 2019 are as follows :

	Service income		Commission income		Investment income		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues	158	194	125	154	10	21	293	369
Profit for reportable segments	31	39	58	82	10	21	99	142
Unallocated other income							15	21
Unallocated expenses							(86)	(98)
Profit before income tax							28	65

	Service income		Commission income		Investment income		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Total assets for reportable segments	31	31	215	221	648	625	894	877
Other unallocated assets	-	-	-	-	-	-	364	386
Consolidated total assets	31	31	215	221	648	625	1,258	1,263

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Information relating to geographical segments in the consolidated financial statements for each of the years ended 31 December 2020 and 2019 are as follows :

	Unit : Million Baht					
	Domestic		Overseas		Total	
	2020	2019	2020	2019	2020	2019
Commission , services and investment income	275	348	18	21	293	369
Profit for reportable segment	97	141	2	1	99	142
Total assets for reportable segment	1,209	1,225	49	38	1,258	1,263

## 23. Provident fund

The Group 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 2020 and 2019, the Group contributed to the fund in the amounts of Baht 1.23 million and Baht 5.39 million, respectively.

## 24. Expense classification

Significant expenses classified by nature are consisted of :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Employee expenses	139,649	159,300	59,438	66,131
Costs of services	127,678	154,917	32,192	26,448
Depreciation	12,392	12,132	11,763	11,650

## 25. Income tax

Income tax for the years ended 31 December 2020 and 2019 are as follows :

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax	6,271	10,236	4,255	6,520
Deferred income tax	(1,044)	200	(934)	569
Total	5,227	10,436	3,321	7,089

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Income tax recognized in other comprehensive income :

Unit: Thousand Baht

	Consolidated financial statements					
	2020			2019		
	Tax			Tax		
	(expense)			(expense)		
	Before tax	benefit	Net of tax	Before tax	benefit	Net of tax
Other non-current financial assets	4,147	(829)	3,318	(19,067)	3,813	(15,254)
Gain (loss) on sales of other						
non-current financial assets	(293)	-	(293)	-	-	-
Employee benefit obligations	(4,433)	886	(3,547)	-	-	-
Total	(579)	57	(522)	(19,067)	3,813	(15,254)

Unit: Thousand Baht

	Separate financial statements					
	2020			2019		
	Tax			Tax		
	(expense)			(expense)		
	Before tax	benefit	Net of tax	Before tax	benefit	Net of tax
Other non-current financial assets	4,147	(829)	3,318	(19,067)	3,813	(15,254)
Gain (loss) on sales of other						
non-current financial assets	(293)	-	(293)	-	-	-
Employee benefit obligations	(2,511)	502	(2,009)	-	-	-
Total	1,343	(327)	1,016	(19,067)	3,813	(15,254)

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended 31 December 2020 and 2019, are as follows :

Unit : Thousand Baht				
Consolidated financial statements				
2020		2019		
Rate (%)	Amount	Rate (%)	Amount	
Profit before income tax expense	27,718		64,509	
Income tax using the Thai corporation tax rate	20.00	20.00	12,901	
Effect From elimination with subsidiaries	1,695		1,480	
Exemption of income/Additional expenses allowed	(3,563)		(5,590)	
Expenses not deductible for tax purposes and others	2,596		1,445	
Current income tax	6,271		10,236	
Movements in temporary differences	(1,044)		200	
Income tax expenses	18.86	16.18	10,436	

Unit : Thousand Baht				
Separate financial statements				
2020		2019		
Rate (%)	Amount	Rate (%)	Amount	
Profit before income tax expense	31,553		54,382	
Income tax using the Thai corporation tax rate	20.00	20.00	10,876	
Exemption of income/Additional expenses allowed	(3,140)		(4,894)	
Expenses not deductible for tax purposes and others	1,084		538	
Current income tax	4,255		6,520	
Movements in temporary differences	(934)		569	
Income tax expenses	10.53	13.04	7,089	

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



## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## 26. Earnings per share

The calculation of basic earnings per share for each of the years ended 31 December 2020 and 2019 is based on the profit for each year attributable to shareholders of the Company and the number of common shares outstanding during each year by using weighted average number of common shares during each year as follows :

	Unit : Thousand Baht/ Thousand Shares			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit attributable to common shareholders of the Company	22,106	53,731	28,232	47,293
Number of common shares outstanding	60,450	60,450	60,450	60,450
Basic earnings per share (Baht)	0.37	0.89	0.47	0.78

## 27. Financial instruments

**27.1 Financial risk management policies**

The Group's board of directors manages the financial risks for the establishment and oversight of the risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The risk reports identifies risk factors based on their level and potential impact. These risks include credit risk, interest rate risk, foreign exchange risk and, liquidity risk.

The Risk Management Committee will report regularly to the board of directors on its activities.

**Credit risk**

Credit risk refers to the risk that counterparty will default on its agreement and conditions resulting in collection losses to the Group. Credit limit is granted for a specific credit amount and is being monitored regularly. Furthermore, the Group manage the risk by adopting the policy of only dealing with creditworthy counterparty and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial losses from defaults.

**Interest rate risk**

Interest rate risk arises from the potential change in market interest rates to having affected the value of the financial assets and liabilities of the Group. Financial assets and liabilities interest rates are mainly adjust in accordance to market rate or are fixed which is close to current market rate.

The Group has the significant financial assets and liabilities are classified by type of interest rate, and the fixed interest rates are classified based on the maturity date or the date of new interest rate is applied, whichever is earlier.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

As at 31 December 2020, significant financial assets and liabilities of the Group were exposed to the interest rate risk as follows :

Unit : Thousand Baht

	Consolidated financial statements						
	Fixed Rate				No interest rate	Total	Interest rates (%) per annum)
	Within 1 year	1 - 5 years	>5 years	Adjusted to market rate			
Financial assets							
Cash and cash equivalents	-	-	-	108,843	13,496	122,339	0.25
Trade and other receivables	-	-	-	-	312,514	312,514	-
Other current financial assets	-	-	-	-	226,865	226,865	-
Bank deposit used as collateral	30,000	-	-	-	-	30,000	1.85
Other non-current financial assets	-	22,000	-	-	102,671	124,671	2.80-6.80
Financial liabilities							
Trade and other payables	-	-	-	-	277,257	277,257	-

Unit : Thousand Baht

	Separate financial statements						
	Fixed Rate				No interest rate	Total	Interest rates (%) per annum)
	Within 1 year	1 - 5 years	>5 years	Adjusted to market rate			
Financial assets							
Cash and cash equivalents	-	-	-	65,635	8,860	74,495	0.25
Trade and other receivables	-	-	-	-	251,183	251,183	-
Other current financial assets	-	-	-	-	143,184	143,184	-
Bank deposit used as collateral	30,000	-	-	-	-	30,000	1.85
Other non-current financial assets	-	22,000	-	-	102,671	124,671	2.80-6.80
Financial liabilities							
Trade and other payables	-	-	-	-	182,995	182,995	-

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

As at 31 December 2019, significant financial assets and liabilities of the Group were exposed to the interest rate risk as follows :

Unit : Thousand Baht

	Consolidated financial statements						
	Fixed Rate				No interest rate	Total	Interest rates (%) per annum)
	Within 1 year	1 - 5 years	>5 years	Adjusted to market rate			
Financial assets							
Cash and cash equivalents	-	-	-	147,928	7,287	155,215	0.375
Trade and other receivables	-	-	-	-	294,592	294,592	-
Short-term loan to related party	5,000	-	-	-	-	5,000	5.00
Other current financial assets	-	-	-	-	339,224	339,224	-
Debt securities held to maturity							
due within one year	30,000	-	-	-	-	30,000	3.00-4.75
Bank deposit used as collateral	30,000	-	-	-	-	30,000	1.85
Other non-current financial assets	-	17,000	-	-	90,487	107,487	3.00-6.80
Loans to employees	-	-	-	-	30	30	-
Financial liabilities							
Trade and other payables	-	-	-	-	269,205	269,205	-

Unit : Thousand Baht

	Separate financial statements						
	Fixed Rate				No interest rate	Total	Interest rates (%) per annum)
	Within 1 year	1 - 5 years	>5 years	Adjusted to market rate			
Financial assets							
Cash and cash equivalents	-	-	-	82,161	3,510	85,671	0.375
Trade and other receivables	-	-	-	-	268,186	268,186	-
Other current financial assets	-	-	-	-	261,047	261,047	-
Debt securities held to maturity							
due within one year	30,000	-	-	-	-	30,000	3.00-4.75
Bank deposit used as collateral	30,000	-	-	-	-	30,000	1.85
Other non-current financial assets	-	17,000	-	-	90,487	107,487	3.00-6.80
Financial liabilities							
Trade and other payables	-	-	-	-	194,297	194,297	-

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

## Foreign currency risk

The Group's exposure to foreign currency risks relating to purchase and sell which are denominated in foreign currency. The Group's management believes that foreign exchange rate risk will have no material effect to their operations.

As at 31 December 2020 and 2019, the Group is exposed to foreign exchange rate risk. As a result of having financial assets and liabilities denominated in foreign currencies as follows :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Myanmar Kyat</b>				
Cash and cash equivalents	7,633	9,819	-	-
Trade and other receivables	39,040	26,984	-	-
Other payables	(36,393)	(28,155)	-	-
Risky statement of financial position accounts	10,280	8,648	-	-

## 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.

**27.2 Fair values measurement**

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Further information about the fair value assumptions is disclosed in the notes relating to those assets and liabilities.

Financial assets and financial liabilities with short-term maturities, are stated in the statement of financial position approximating their fair value.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

The carrying amounts and fair values of financial assets and financial liabilities by category as at 31 December 2020 are as follows :

Unit: Million Baht

	Consolidated financial Statements				
	Fair value	Fair value	Amortized	Total book	Fair value
	through	through other	cost	value	
	profit or loss	comprehensive income			
Financial assets					
Cash and cash equivalents	122	-	-	122	122
Trade and other receivables	-	-	312	312	312
Other current financial assets					
Private fund	37	-	-	37	37
Unit trusts	190	-	-	190	190
Bank deposit held as collateral	30	-	-	30	30
Other non-current financial assets					
Investment in held to maturity debt securities	-	-	22	22	22
Investment in marketable equity securities	-	103	-	103	103
Financial liabilities					
Trade accounts and other payables	-	-	277	277	277

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Unit: Million Baht

	Separate financial Statements				Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total book value	
Financial assets					
Cash and cash equivalents	74	-	-	74	74
Trade and other receivables	-	-	251	251	251
Other current financial assets					
Private fund	37	-	-	37	37
Unit trusts	106	-	-	106	106
Bank deposit held as collateral	30	-	-	30	30
Other non-current financial assets					
Investment in held to maturity debt securities	-	-	22	22	22
Investment in marketable equity securities	-	103	-	103	103
Financial liabilities					
Trade accounts and other payables	-	-	183	183	183

## Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows :

Level 1 Use of quoted market prices in an active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

The following financial assets and liabilities are measured at fair value at 31 December 2020 :

Unit: Thousand Baht

Assets	Consolidated financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Other current financial assets</b>				
Private fund	-	37,110	-	37,110
Unit trusts	-	189,755	-	189,755
<b>Other non-current financial assets</b>				
Marketable equity securities	102,671	-	-	102,671
Held to maturity debt securities	-	22,000	-	22,000
Total assets	102,671	248,865	-	351,536

Unit: Thousand Baht

Assets	Separate financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Other current financial assets</b>				
Private fund	-	37,110	-	37,110
Unit trusts	-	106,073	-	106,073
<b>Other non-current financial assets</b>				
Marketable equity securities	102,671	-	-	102,671
Held to maturity debt securities	-	22,000	-	22,000
Total assets	102,671	165,183	-	267,854

The following financial assets and liabilities are measured at fair value at 31 December 2019 :

Unit: Thousand Baht

Assets	Consolidated financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Other current financial assets</b>				
Private fund	-	34,776	-	34,776
Unit trusts	-	304,449	-	304,449
<b>Other non-current financial assets</b>				
Marketable equity securities	90,487	-	-	90,487
Held to maturity debt securities	-	47,000	-	47,000
Total assets	90,487	386,225	-	476,712

## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

Unit: Thousand Baht

Assets	Separate financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Other current financial assets</b>				
Private fund	-	34,776	-	34,776
Unit trusts	-	226,272	-	226,272
<b>Other non-current financial assets</b>				
Marketable equity securities	90,487	-	-	90,487
Held to maturity debt securities	-	47,000	-	47,000
Total assets	90,487	308,048	-	398,535

There was no transfer between the fair value levels in this accounting period.

## Valuation Method for Measurement of Fair Value

Level 1 Fair value of marketable equity instruments are based on the closing price by reference to the Stock Exchange of Thailand.

Level 2 The fair value of investments in debt instrument is determined by using the net asset value as announced by Assets Management Companies.

Level 3 The fair values of non-marketable equity instruments are based on adjusted the asset method whereby the information is reasonably available.

## 28. Capital management

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

As at 31 December 2020 and 2019, debt-to-equity ratios in the consolidated financial statement are 0.41 : 1 and 0.40 : 1, respectively, and in the separate financial statements are 0.27 : 1 and 0.28 : 1, respectively.

## 29. Commitments

As at 31 December 2020, the Company had commitments, which were not disclosed in other places in these financial statements, as follows :

Land, buildings and fixed deposits of the Company and directors of subsidiaries were used as collateral for obtaining overdrafts facilities of the Group from several banks amounting to Baht 41 million. In addition, the Company's and subsidiaries' directors had acted as guarantors for such credit facilities.



## Prakit Holdings Public Company Limited and its Subsidiaries

## Notes to the financial statements (Continued)

For the year ended 31 December 2020

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

## 30. Other information

As at 31 December 2020 and 2019, net asset per share in the consolidated financial statements are Baht 14.71 per share and Baht 14.95 per share, respectively, and are Baht 14.16 per share and Baht 14.28 per share, respectively, in the separate financial statements.

## 31. Reclassification

Certain accounts as at 31 December 2019 financial statements have been reclassified to conform to the presentation in the 2020 financial statements.

Unit: Thousand Baht

	Consolidated financial statements			Separate financial Statements		
	Before		After	Before		After
	<u>reclassification</u>	<u>Reclassification</u>	<u>reclassification</u>	<u>reclassification</u>	<u>Reclassification</u>	<u>reclassification</u>
<b>Statements of</b>						
<b>Financial Position</b>						
<b>As at 31 December 2019</b>						
Current investments	339,224	(339,224)	-	261,047	(261,047)	-
Current portion of held-to-maturity debt securities	30,000	(30,000)	-	30,000	(30,000)	-
Other current financial assets						
- Private fund	-	34,776	34,776	-	34,776	34,776
- Current portion of held-to-maturity debt securities	-	30,000	30,000	-	30,000	30,000
- Others	-	304,448	304,448	-	226,271	226,271
Other long-term investments	107,487	(107,487)	-	107,487	(107,487)	-
Other non-current financial assets	-	107,487	107,487	-	107,487	107,487
Total	<u>476,711</u>	<u>-</u>	<u>476,711</u>	<u>398,534</u>	<u>-</u>	<u>398,534</u>

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2020

32. Approval of financial statement

These financial statements have been authorized for issue by the Board of Directors on 24 February 2021 .





Prakit Holdings Public Company Limited



# Sustainable Development Report 2020

# Sustainable Development Report



## About This Report

The Company and its subsidiaries' sustainable development report is based on the guidelines of The Stock Exchange of Thailand.

We believe that operating with good governance, together with social and environment responsibility, is not less important than enhancing the Company's competitiveness.

We are well aware that it is impossible for the business to rely on its economic growth. Social and environmental aspects are needed in the picture. Any business operation has direct and indirect impacts on the society. That is why we are trying our best to operate while being responsible to our stakeholders, society and the environment. And we will continue the effort, keep monitoring the results and making development.

The policy and practice of the Company and its subsidiaries' sustainable development is based on the Company's vision and mission: delivering valued and quality work to increase sales and encourage our clients to grow sustainably. The policy and practice cover three aspects: economy, society and environment.

# Sustainable Development Report



## Vision

**Growing Together:** The Company grows up in the 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.

We operate our business with good governance, anti-corruption and responsibility for stakeholders and society.

# Sustainable Development Report



## Sustainable Strategy

Never fail to seek opportunity, be prepared and enhance potentiality to adapt to new challenges quickly and adequately.

## Value Chain

### Procurement

Our procurement complies with fair trade. The selection and price comparisons are done with high standards and transparency in order to obtain the highest quality work and create highest value to our clients, partners, and consumers.

### Production

We put our heart into every production process, from strategy to adverting to media buying, in order to deliver the best quality work that fulfills our client's objective. Taking the effect of operation on the community into account, we also manage our operation impact such as pollution and waste control.

### Delivery

We present useful and factual information to the consumers, allowing them to optimize their purchase of products and services.



## Responsibility to Stakeholders

Stakeholders	Treatment
Customer	Create awareness of consumers for clients' products.
Consumer	Generate Clients' product information to customers with accuracy - hence the product becomes an option for customers.
Shareholder	Achieve satisfying operating results and sustainability for the highest benefit of all shareholders.
Trade Partner	Be available for business partners to make presentations, such as, production houses. Take into consideration the capability, price, etc.
Competitor	Define policy of fair competition. The Company defines policy of ethical competition. Never defame our competitors.
Employee	Provide fair employment and variety of welfare schemes beyond legal definition, which are equally accessible to all employees.
Society	Run projects that support and create values to the society. We create a culture that helps our employees to be responsible to their society. We also try our best to limit the impact and pollution from our operation on the community and others.

## Sustainable Development Economy

### Perform with Potential

The Company has an effective business strategy, risk management and control, and the ability to adapt to the rapid changes the advertising market and especially, the consumer behavior. The consumers use more internet and we are focusing more on online advertising to catch up with the them. The Company has been preparing for this trend for a while. We have established a Digital Department to increase our competitiveness.

In 2020, the Company and its subsidiaries achieved satisfying operating results on the internet section. The media and other related fields had 27% of in media spending in 2020, or 22% increased comparing to 2019.

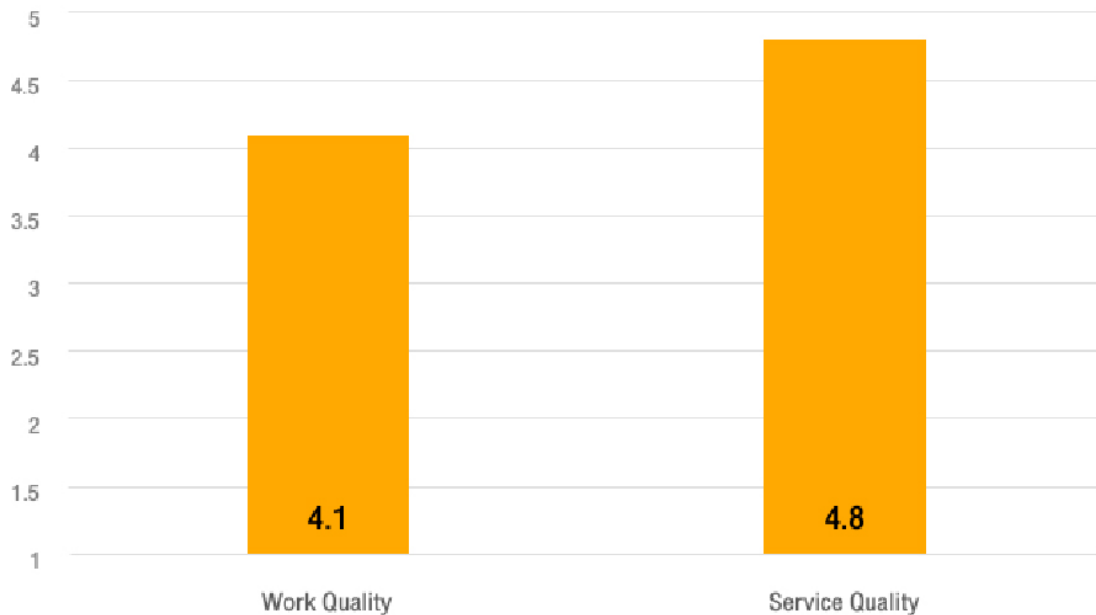
### Deliver Quality Work

To comply with the vision and mission, every piece of our work is produced with the intention to gain maximum benefit to all of our stakeholders. Our work and service will create more access to our customer's products, make their brand more well-known. It creates benefits to our customer and choices to the consumers which will positively affect the market and economy.

The Company conducts a survey and collects client's opinions on the work and service every year. Both the Company and the customer evaluate each other's performance for improvement. The following graph shows the 2020's evaluation results on client's satisfaction.



### Client Satisfaction Result



Moreover, as a connection between producers and consumers, we aim to help the consumer choose wisely. Our advertisement provides accurate information about the product and services in order to allow the consumer to choose what they think is the best.

### Cope with The New Normal

The Covid-19 pandemic has affected the whole economy harmfully and unexpectedly. To prevent any business interruption, the Company established the Emergency Planning Committee which consists of:

1. Managing Director
2. Chief Finance Officer
3. Executive Media Director
4. Client Service Director
5. Executive Creative Director
6. Human Resource Department
7. Information Technology Department

The Emergency Planning Committee is responsible for setting the policy regarding operating during the pandemic to avoid business interruption. The Committee is also assigned to ensure that all employees are informed and strictly comply with the policy, monitor the results, finding solutions and adapt the practice adequately due to each situation.

In April, 2020, the Company declared the crisis policy and procedures to all employees.

1. The Company is committed to the mission: despite the crisis, moving forward and leaving no one behind. Valuing our employees, the Company's important stakeholders, we did not lay off our employees and we still paid fair wage.
2. To prevent a halt in the Company's and our client's business operation, we established new working procedures. Our employees' working method must adapt to the new normal.
3. It is our policy that the Company's business growth is our customer's and partner's. To make sure their business can continue and grow despite this pandemic, our executives kept monitoring and strategizing business operation that catch up with the changing of consumer behavior.

## **Society**

### **Contribute to Society**

#### **Create income to community**

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

##### **Support SMEs**

Since 2015, the Company has continued "SME" project to share "advertising" knowledge with small business companies in need of advertising their products but without knowledge or with small budget. The following 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.

#### **Encourage the youth**

1. The Company carried out sharing knowledge project to Academies by management and staffs to share Creative advertising, Marketing communication, Advertising administration, Management communication, etc.
2. Carry out a project called "Idea Excellence" that allows college students to show their ability by present their work in a contest. This project also discovers and gives opportunities to the new wave of advertising talent, be it creative, client service, strategic planner or media planner. In 2019, 41 teams of students from 10 universities sent their work to our project. We had awards for the winners and also allowed the students who were interested to work with us.

In 2020, the Idea Excellence activity was suspended to comply with the Company's Covid-19 coping measures.

#### **Operate with Good Governance**

Committed to the principle of human rights, it is our policy that all advertisements must not project the image of abusing human rights, be disdainful or create intellectual property infringement.

The Company defines policies on good corporate governance and business ethics, and consistently announces and enforces the policy to all employees. We arrange the internal audit and control to ensure our transparent and fair business, creating value to all stakeholders.

## **Provide Employee with Well-being**

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 a Provident Fund. All employees have the right to be members. According to our policy, the employees collect 5% of their salary and the Company matches it 5%.

### **Group accident and life insurance**

The Company provides group accident and life insurance for all employees.

### **Welfare loan**

The Company provides interest free loans for employees wanting to buy cars. A committee is appointed to be responsible for loan allocation in accordance with the Company's policy.

### **Training**

Each year, Company 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.

The activities in 2020 are:

1. Promote "sharing" activities whereas specialized staff share their specialty with other employees. There were 6 workshop sessions this year.
2. External training for professional development was suspended temporarily in 2020 according to the Company's policy regarding the Covid-19 pandemic.

### **Create pleasant working environment**

1. Providing canteen serving food at reasonable price and renovating the canteen for better quality of life. The renovation was completed in December 2015.
2. Providing transportation between Company and public transport.
3. Providing recreation corners, such as, table tennis, yoga class, etc.
4. Providing birthday gifts for staff.
5. Since the office has opened for a long time, the Company has been renovating the internal floors building since 2017 and will continue until all office renovation is complete. We want to provide our employees with a pleasant environment and more facilities such as new meeting rooms, computers, relax corners and beautiful scenery.

### Employee Bonding Activity

Company provides joint activities among employees and staff with Management to enhance better relationship within the organization. In 2020, we arranged the following activities:

1. Arranged an annual Buddhist ritual in the Company in January to bless all employees.
2. 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 2020, the Company had a lucky draw activity and drawing prizes from the executives, creating a relaxing atmosphere and starting the new year with joy and unity.
3. Arranged a space for employees to bring second-hand goods to sell and buy among colleagues. There was a second hand auction from which the income was donated to the Siriraj Foundation. There were also small fun activities in the event as well as food and beverage service for the staff to relax.
4. Created a Facebook page, Nee Nai Ma Kai Kong, allowing employees to sell their homemade products to their colleagues online.
5. Providing badminton court and football field to support joining activities among staff.

### Occupational Safety and Health

Valuing the employee's safety and health, the Company has the policy on this matter.

1. Hires security guard unit to monitor the office areas, including the parking lot, in order to protect the employees, their property, and the Company's property.
2. Carry out office safety and hygiene inspection such as monthly elevator check-up, power transformer check-up, and pest control every 3 months.
3. All employees must be aware and help keep the working space clean for overall good hygiene and health.
4. Communicate and raise awareness among the employees about safety and hygiene in the workplace via internal e-mail.

## Workplace Accident Case

2020 **0 time**

### The New Normal

Taking into account the safety and hygiene in the workplace, the Company stated the following policy:

1. If the government declares that the state of the epidemic poses a serious risk, the employees will be allowed to work from home to avoid being exposed to infection from traveling.
2. When the situation eases, the employees can come back to working at the office. However, they must strictly comply with protection measures against COVID-19 such as social distancing, wearing a mask, measuring body temperature before entering the workplace and cleaning their hands often.
3. Keep the workplace sterile by cleaning the floors, push buttons, door handles and other risk points daily.
4. To avoid exposing to the virus via meeting with clients or business partners, the meeting shall be arranged online. If it is necessary to work outside the office, the number of employees per unit must be limited to create social distance.
5. Created communication channels between executives and employees to inform news and guidelines.

## Environment

Since the Company's product is service, The Company, focusing on results from its internal operation, conserves the environment. In 2020, we arranged the following activities.

### Resource Utilization

The Company defines the policy of best utilization of resources, be it reusing and recycling. The employees are educated about environment preservation and resources utilization via announcement boards around the office.

The Company also encourage the following actions:

- Use the stairs for one floor walking up or down.
- Turn off the lights and air condition when not in use.
- Save the water by not leaving it run wastefully.
- Reuse paper.
- Use the office stationery and equipment with caution to prolong the lifetime.
- Install solar cells on the office building rooftop.

The result of the policy and action shows in the 12% decrease in electricity cost and management expense.

### Raise Public Minds

We continued "Proud of Your Cup" project. The campaign was to encourage the employees and vendors in our canteen to reduce the use of disposable plastics cup. We made infographics, short videos and e-mails to the target group. The goal was achieved when our employees were aware of the issue and brought their personal cup to use at the office's canteen. The vendors also stopped selling drinks in plastic cups. It helped the company reduce internal plastic waste.

In 2020, The Company continued "Pixstas" Project, a Facebook page to announce and provide knowledge about environment preservation and resources utilization. The messages were delivered in cartoons, pictures, and short articles. We hope that our employees and people who see the content would be aware and have public minds to help preserve the environment.



[www.facebook.com/pixstas/](https://www.facebook.com/pixstas/)



## Waste Management

Waste remains a major problem nationally and globally. The Company focuses on waste management in the workplace to help reduce work of staff who manage waste. In 2020, the Company established a waste segregation campaign to encourage the employees to separate dry and wet waste before putting into separate garbage bins. After interviewing our cleaning department, the employee's cooperation rate was 86%

Sample of the campaign poster





Prakit Holdings Public Company Limited