

Plan B Media Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2017

Independent Auditor's Report

To the Shareholders of Plan B Media Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Plan B Media Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Plan B Media Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Plan B Media Public Company Limited and its subsidiaries and of Plan B Media Public Company Limited as at 31 December 2017, their 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 Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current year. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

The key audit matter and how audit procedures respond to this matter are described below.

Revenue recognition

Revenue from sales of the Group is the most significant account in the statements of comprehensive income. As at 31 December 2017, service income amounting to Baht 2,980 million is derived numerous types of advertising media and covers many areas. Conditions in the agreements made with customers vary in terms of the sales promotions, discounts and special discounts offered to boost sales. As a result, the Group's recognition of revenue from sales is complex. I have therefore paid special attention to the appropriateness of the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by assessing and testing of internal controls with respect to the revenue cycle of the Group by making inquiry of responsible executives, gaining an understanding of the control and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls with respond to the above risks. On a sampling basis, I examined documents supporting actual sales transactions occurring during the year, near the end of the accounting period and after the period-end. I also reviewed credit notes that the Group issued after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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'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'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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 matter communicated with those charged with governance, I determine the matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.

I am responsible for the audit resulting in this independent auditor's report.

Khitsada Lerdwana

Certified Public Accountant (Thailand) No 4958

EY Office Limited

Bangkok: 14 February 2018

Plan B Media Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	441,562,686	343,676,302	343,818,932	312,866,819
Current investment	8	138,709,057	-	138,709,057	-
Trade and other receivables	9	907,697,585	760,981,968	868,465,362	728,166,832
Prepaid expenses amortised whithin 1 year	10	573,476,768	428,887,550	540,624,485	385,773,782
Short-term loans to related parties	6	1,350,000	1,500,000	72,102,641	41,382,641
Other current assets		52,889,041	48,399,264	44,469,176	35,485,456
Total current assets		2,115,685,137	1,583,445,084	2,008,189,653	1,503,675,530
Non-current assets					
Restricted bank deposits	11	-	18,087,000	-	18,087,000
Investments in subsidiaries	12	-	-	500,345,100	514,861,307
Investments in associates	13	36,171,176	26,413,705	-	-
Other long-term investment	14	-	17,864,698	-	10,000,000
Leasehold improvement and equipment	15	1,566,202,485	1,505,902,661	1,302,783,401	1,282,588,094
Intangible assets	16	256,077,974	333,920,888	85,708,047	117,634,558
Deferred tax assets	23	11,090,978	10,321,524	8,684,571	8,165,768
Prepaid expenses amortised more than 1 year	10	107,512,680	136,823,773	47,351,480	71,229,820
Rental deposits	17	83,738,619	22,191,794	74,196,623	8,196,623
Other non-current assets		23,811,032	17,535,814	19,190,991	17,328,575
Total non-current assets		2,084,604,944	2,089,061,857	2,038,260,213	2,048,091,745
Total assets		4,200,290,081	3,672,506,941	4,046,449,866	3,551,767,275

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

Plan B Media Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	18	411,035,425	335,065,295	651,818,098	448,073,772
Current portion of long-term loans from financial institutions	19	10,910,865	9,398,622	-	-
Current portion of liabilities under financial lease agreements		1,077,588	802,151	77,909	814,353
Income tax payables		14,778,917	6,317,402	-	-
Unearned income		24,696,201	40,054,872	22,929,885	24,139,872
Undue output tax		64,847,292	55,799,602	49,545,495	42,859,424
Other current liabilities		13,788,959	17,521,702	7,330,222	12,825,991
Total current liabilities		541,135,247	464,959,646	731,701,609	528,713,412
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	19	10,799,181	21,781,076	-	-
Liabilities under financial lease agreements - net of current portion		3,225,803	2,870,770	-	77,909
Provision for long-term employee benefits		6,495,521	6,501,804	6,495,521	6,501,804
Other non-current liabilities		384,000	285,000	-	-
Total non-current liabilities		20,904,505	31,438,650	6,495,521	6,579,713
Total liabilities		562,039,752	496,398,296	738,197,130	535,293,125

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

Plan B Media Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Shareholders' equity					
Share capital					
Registered					
3,535,000,000 ordinary shares of Baht 0.1 each					
(2016: 3,565,000,000 ordinary shares					
of Baht 0.1 each)	20	353,500,000	356,500,000	353,500,000	356,500,000
Issued and fully paid					
3,529,607,365 ordinary shares of Baht 0.1 each					
(2016: 3,516,130,482 ordinary shares					
of Baht 0.1 each)	20	352,960,737	351,613,048	352,960,737	351,613,048
Share premium	20	2,293,363,147	2,210,210,779	2,293,363,147	2,210,210,779
Capital reserve for share-based payment transactions	20	29,220,274	40,988,702	29,220,274	40,988,702
Retained earnings					
Appropriated - statutory reserve	21	35,350,000	35,350,000	35,350,000	35,350,000
Unappropriated		861,113,765	496,882,209	597,358,578	378,311,621
Other components of shareholders' equity		(298,623)	-	-	-
Equity attributable to owners of the Company		3,571,709,300	3,135,044,738	3,308,252,736	3,016,474,150
Non-controlling interests of the subsidiaries		66,541,029	41,063,907	-	-
Total shareholders' equity		3,638,250,329	3,176,108,645	3,308,252,736	3,016,474,150
Total liabilities and shareholders' equity		4,200,290,081	3,672,506,941	4,046,449,866	3,551,767,275
		-	-	-	-

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

Directors

Plan B Media Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:					
Revenues					
Service income		2,980,027,803	2,421,965,449	2,897,541,669	2,404,016,805
Dividend income	12	-	-	7,599,992	5,999,994
Other income		26,597,756	24,227,484	26,226,101	25,606,671
Total revenues		3,006,625,559	2,446,192,933	2,931,367,762	2,435,623,470
Expenses					
Cost of services		1,967,062,448	1,639,062,665	2,123,224,729	1,761,926,673
Selling and servicing expenses		217,829,958	170,041,486	202,037,280	173,745,107
Administrative expenses		261,238,403	213,646,018	206,624,505	185,196,313
Impairment loss on investment	12	-	-	28,516,207	28,516,207
Total expenses		2,446,130,809	2,022,750,169	2,560,402,721	2,149,384,300
Profit before share of profit from investments in associates, finance cost and income tax expenses					
Share of profit from investments in associate		9,757,471	1,874,634	-	-
Profit before finance cost and income tax expense		570,252,221	425,317,398	370,965,041	286,239,170
Finance cost		(2,046,602)	(679,578)	(17,936)	(110,796)
Profit before income tax expenses		568,205,619	424,637,820	370,947,105	286,128,374
Income tax expenses	23	(93,217,035)	(64,302,927)	(55,615,223)	(42,136,947)
Profit for the year		474,988,584	360,334,893	315,331,882	243,991,427
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(293,604)	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(293,604)	-	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		1,746,250	(1,007,654)	1,746,250	(1,007,654)
Less: income tax effect	23	(349,250)	201,531	(349,250)	201,531
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		1,397,000	(806,123)	1,397,000	(806,123)
Other comprehensive income for the year		1,103,396	(806,123)	1,397,000	(806,123)
Total comprehensive income for the year		476,091,980	359,528,770	316,728,882	243,185,304

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

Plan B Media Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit attributable to:				
Equity holders of the Company	460,516,481	351,599,547	315,331,882	243,991,427
Non-controlling interests of the subsidiaries	14,472,103	8,735,346		
	<u>474,988,584</u>	<u>360,334,893</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	461,614,858	350,793,424	316,728,882	243,185,304
Non-controlling interests of the subsidiaries	14,477,122	8,735,346		
	<u>476,091,980</u>	<u>359,528,770</u>		
Earnings per share	24			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.13093</u>	<u>0.10022</u>	<u>0.08965</u>	<u>0.06955</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>-</u>	<u>0.10017</u>	<u>-</u>	<u>0.06951</u>

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

Plan B Media Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit before tax	568,205,619	424,637,820	370,947,105	286,128,374
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	443,814,083	444,537,128	346,942,696	339,831,116
(Reversal of) allowance for doubtful accounts	4,540,525	(1,075,885)	-	(1,075,885)
Loss on disposal of assets	137,650	-	137,650	-
Loss on write-off of assets	122,118	-	122,118	-
Impairment loss on investment	7,864,698	-	28,516,207	28,516,207
Long-term employee benefits expenses	1,739,967	1,727,948	1,739,967	1,727,948
Capital reserve for share-based payment transactions	13,614,214	32,432,831	13,614,214	32,432,831
Share of profit from investments in associates	(9,757,471)	(1,874,634)	-	-
Dividend income	-	-	(7,599,992)	(5,999,994)
Interest income	(5,069,422)	(10,319,687)	(5,052,465)	(10,319,677)
Interest expenses	2,046,602	637,781	17,936	94,843
Profit from operating activities before changes in operating assets and liabilities	1,027,258,583	890,703,302	749,385,436	671,335,763
Operating assets (increase) decrease				
Trade and other receivables	(150,426,252)	(82,027,425)	(139,500,473)	(79,727,221)
Other current assets	(132,404,067)	(354,389,375)	(148,428,180)	(330,150,850)
Other non-current assets	(38,510,950)	(43,967,105)	(43,984,076)	2,702,785
Operating liabilities increase (decrease)				
Trade and other payables	75,457,963	38,283,878	203,338,449	90,894,586
Unearned income	(15,358,671)	29,556,554	(1,209,987)	20,628,324
Other current liabilities	5,314,945	(5,505,734)	1,190,301	2,513,309
Other non-current liabilities	99,000	285,000	-	-
Cash from operating activities	771,430,551	472,939,095	620,791,470	378,196,696
Cash paid for interest expenses	(1,958,247)	(1,317,359)	(35,872)	(205,639)
Cash paid for income tax expenses	(102,549,150)	(113,816,640)	(71,889,519)	(74,160,003)
Net cash from operating activities	666,923,154	357,805,096	548,866,079	303,831,054

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

Plan B Media Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	18,087,000	(7,516,173)	18,087,000	(10,587,000)
Decrease (increase) in short-term loan to related party	150,000	(1,500,000)	(30,720,000)	103,357,359
Net cash paid for investments in subsidiaries	-	(56,345,719)	(14,000,000)	(207,000,000)
Net cash paid for investments in associate	-	(23,831,353)	-	-
Dividend received	-	-	7,599,992	5,999,994
Acquisition of building and equipment	(416,405,161)	(585,865,188)	(327,850,309)	(513,845,236)
Acquisition of intangible assets	(8,284,190)	(33,387,646)	(7,978,539)	(22,890,646)
Cash received from disposal of equipment	357,589	-	357,589	-
Interest income	4,239,532	11,387,466	4,254,408	11,069,895
Decrease (increase) in current investment	(138,709,057)	458,446,492	(138,709,057)	458,446,492
Decrease (increase) in long-term investment	10,000,000	(7,864,698)	10,000,000	-
Net cash used in investing activities	<u>(530,564,287)</u>	<u>(246,476,819)</u>	<u>(478,958,916)</u>	<u>(175,449,142)</u>
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	-	(2,523,469)	-	-
Cash receipt from long-term loans from financial institutions	-	23,155,447	-	-
Repayment of long-term loans from financial institutions	(9,469,652)	(12,743,363)	-	-
Repayment of liabilities under financial lease agreements	(1,568,530)	(3,001,106)	(814,353)	(2,131,530)
Cash receipt from share capital increased	84,500,057	39,375,318	84,500,057	39,375,318
Cash receipt from share capital increased from non-controlling interests of the subsidiaries	11,000,000	5,000,000	-	-
Dividends paid	(122,640,754)	(245,502,572)	(122,640,754)	(245,502,572)
Net cash from (used in) financing activities	<u>(38,178,879)</u>	<u>(196,239,745)</u>	<u>(38,955,050)</u>	<u>(208,258,784)</u>
Decrease in translation adjustments	<u>(293,604)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>97,886,384</u>	<u>(84,911,468)</u>	<u>30,952,113</u>	<u>(79,876,872)</u>
Cash and cash equivalents at beginning of year	<u>343,676,302</u>	<u>428,587,770</u>	<u>312,866,819</u>	<u>392,743,691</u>
Cash and cash equivalents at end of year	<u><u>441,562,686</u></u>	<u><u>343,676,302</u></u>	<u><u>343,818,932</u></u>	<u><u>312,866,819</u></u>
	-	-	-	-
Supplementary cash flow information				
Non-cash transactions:				
Purchases of equipment under finance lease agreements	2,199,000	-	-	-
Transfer intangible asset to leasehold improvement and equipment	1,170,301	-	-	-

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

Plan B Media Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements									
	Issued and paid-up		Capital reserve for share-based payment transactions	Retained earnings		Other components of equity - Other	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Note	share capital	Share premium		Appropriated	Unappropriated	Exchange differences on translation of financial in foreign currency			
Balance as at 1 January 2016	350,739,981	2,171,708,528	8,555,871	35,350,000	391,606,772	-	2,957,961,152	21,996,561	2,979,957,713
Profit for the year	-	-	-	-	351,599,547	-	351,599,547	8,735,346	360,334,893
Other comprehensive income for the year	-	-	-	-	(806,123)	-	(806,123)	-	(806,123)
Total comprehensive income for the year	-	-	-	-	350,793,424	-	350,793,424	8,735,346	359,528,770
Capital reserve for share-based payment transactions	20	873,067	38,502,251	32,432,831	-	-	71,808,149	-	71,808,149
Non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	10,332,000	10,332,000
Dividend paid	27	-	-	-	(245,517,987)	-	(245,517,987)	-	(245,517,987)
Balance as at 31 December 2016	<u>351,613,048</u>	<u>2,210,210,779</u>	<u>40,988,702</u>	<u>35,350,000</u>	<u>496,882,209</u>	<u>-</u>	<u>3,135,044,738</u>	<u>41,063,907</u>	<u>3,176,108,645</u>
Balance as at 1 January 2017	351,613,048	2,210,210,779	40,988,702	35,350,000	496,882,209	-	3,135,044,738	41,063,907	3,176,108,645
Profit for the year	-	-	-	-	460,516,481	-	460,516,481	14,472,103	474,988,584
Other comprehensive income for the year	-	-	-	-	1,397,000	(298,623)	1,098,377	5,019	1,103,396
Total comprehensive income for the year	-	-	-	-	461,913,481	(298,623)	461,614,858	14,477,122	476,091,980
Capital reserve for share-based payment transactions	20	1,347,689	83,152,368	13,614,214	-	-	98,114,271	-	98,114,271
Warrant cancellation	20	-	-	(25,382,642)	-	25,382,642	-	-	-
Non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	11,000,000	11,000,000
Dividend paid	27	-	-	-	(123,064,567)	-	(123,064,567)	-	(123,064,567)
Balance as at 31 December 2017	<u>352,960,737</u>	<u>2,293,363,147</u>	<u>29,220,274</u>	<u>35,350,000</u>	<u>861,113,765</u>	<u>(298,623)</u>	<u>3,571,709,300</u>	<u>66,541,029</u>	<u>3,638,250,329</u>
-									

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

Plan B Media Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2017

(Unit: Baht)

		Separated financial statements				
		Issued and		Capital reserve		
		paid-up		for share-based		
		share capital	Share premium	payment	Retained earnings	
	Note			transactions	Appropriated	Unappropriated

-

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

Plan B Media Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2017

1. General information

Plan B Media Public Company Limited (“the Company”) is a company incorporated and domiciled in Thailand. The Company is principally engaged in providing advertising media production, advertising space and air time rental services. The registered office of the Company is at 298/64-65, Pitsanulok Road, Si Yaek Mahanak, Dusit, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

- a) These consolidated financial statements include the financial statements of Plan B Media Public Company Limited (“the Company”) and the following subsidiary companies (“the Subsidiaries”).

Company's name	Nature of business	Incorporation	Percentage of shareholding	
			<u>2017</u>	<u>2016</u>
<u>Subsidiaries directly held by the Company</u>			Percent	Percent
Verisign Company Limited	Advertising media production and advertising space rental	Thailand	100	100
Ads Cuisine Company Limited	Advertising media production and advertising space rental	Thailand	100	100
Master Standard Display Company Limited	Advertising media production and advertising space rental	Thailand	100	100

Company's name	Nature of business	Incorporation	Percentage of shareholding	
			<u>2017</u>	<u>2016</u>
<u>Subsidiaries directly held by Master</u>			Percent	Percent
<u>Standard Display Company Limited.</u>				
Triple Play Company Limited	Advertising media design and production and advertising agency	Thailand	100	100
Mercy Plus Company Limited	Advertising media production	Thailand	100	100
The One Plus Company Limited	Advertising media design and production and advertising agency	Thailand	100	100
Maxview Media Group Company Limited	Advertising media production	Thailand	85	85
Tuna Advertising Company Limited	Provide advertising media in several airports	Thailand	100	100
Plan B Eleven Company Limited	Official Agency in order to sell and administrate the benefit obtained by related parties	Thailand	100	100
Bright Sky Media Company Limited (Subsidiary has control)	Provide advertising media in several airports	Thailand	50	50
Plan B (Malaysia) Sdn Bhd	Provide advertising media	Malaysia	90	90

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) During the year 2017, there were the following change in the composition of the subsidiaries:

Company's name	Nature of business	Incorporation	Percentage of shareholding
			Percent
<u>Subsidiaries directly held by the Company</u>			
Plan B Online Company Limited	Provide mobile software application	Thailand	100
SRPB Media Company Limited (the Company has control)	Digital advertising agency	Thailand	45
<u>Subsidiaries directly held by Master</u>			
<u>Standard Display Company Limited.</u>			
Panyathip Plan B Media Laos Company Limited (Subsidiary has control)	Provide advertising media	Laos	50

The Company included the financial statements of the three companies in the consolidated financial statements in the current year.

- e) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - f) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
 - g) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - h) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investment in subsidiary under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Rendering of services

Service revenue represents advertising revenues, advertising space and air time rental and revenue from right management. Service income is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividend income

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

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

4.4 Investments

Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

4.5 Leasehold improvement and equipment/Depreciation

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

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

Leasehold improvement	-	5,10	years
Furniture and office equipment	-	5	years
Motor vehicles	-	5	years
Advertising equipment and related equipment	-	5-8	years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

4.6 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	<u>Useful lives</u>	
Computer software	5 - 10	years
Leasehold right	2.3 - 10	years
License	6 - 8.2	years

4.7 Related party transactions

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

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

4.8 Long-term leases

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

Leases of building and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.9 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.10 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.12 Share-based payment

Transfer of the Company's equity instruments by its shareholders to parties (including employees) that have supplied goods or services to the Company are treated as share-based payment transactions, unless the transfer is clearly for a purpose other than payment for goods or services supplied to the Company.

The Company records the excess of the fair value at transfer date over the transfer price of equity instrument as an expense in profit or loss, and as the capital surplus on share-based payment in the statement of changes in shareholders' equity.

4.13 Provisions

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

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - Use of quoted market prices in an observable 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 Company and its subsidiaries determine 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.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates is as follow:

Leasehold improvement and equipment/Depreciation

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

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

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
Transactions with subsidiary					
(eliminated from the consolidated financial statements)					
Advertising space rental expenses	-	-	493.3	371.0	Contract price
Dividend income	-	-	7.6	6.0	As declared
Transactions with related parties					
Advertising space rental expenses	21.3	21.3	21.3	21.3	Contract price

As at 31 December 2017 and 2016 the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Rental deposits</u>				
Subsidiary company	-	-	2,127	2,127
Director	403	403	403	403
Total rental deposits	<u>403</u>	<u>403</u>	<u>2,530</u>	<u>2,530</u>
<u>Trade and other receivable - related party</u>				
(Note 9)				
Subsidiary company	-	-	15,036	13,995
Total trade and other receivable - related party	<u>-</u>	<u>-</u>	<u>15,036</u>	<u>13,995</u>
<u>Trade and other payable - related parties</u>				
(Note 18)				
Subsidiary company	-	-	283,689	172,533
Director	-	18	-	-
Total trade and other payable - related parties	<u>-</u>	<u>18</u>	<u>283,689</u>	<u>172,533</u>

As at 31 December 2017 and 2016, the balance of loans between the Company and those related company and the movement are as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Balance as at	During the year	
	1 January		Balance as at
	2017	Increase	31 December
			2017
<u>Short-term loan to related party</u>			
Associated company			
2000 Publishing and media Company Limited	1,500	-	(150)
Total	1,500	-	(150)

The short-term loan to associated company has interest charge at rate 2% per annum with repayment at call.

	(Unit: Thousand Baht)		
	Separate financial statements		
	Balance as at	During the year	
	1 January		Balance as at
	2017	Increase	31 December
			2017
<u>Short-term loan to related parties</u>			
Subsidiaries			
Tuna Advertising Company Limited	3,883	-	-
Master Standard Display Company Limited	37,500	30,720	-
Total	41,383	30,720	-

The short-term loans to subsidiaries have interest charge at rate 2% per annum with repayment at call.

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

	(Unit: Million Baht)	
	Consolidated/Separate financial statements	
	For the year ended 31 December	
	2017	2016
Short-term employee benefit	27	26
Total	27	26

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash	114	2,060	-	-
Bank deposits	441,449	341,616	343,819	312,867
Total	<u>441,563</u>	<u>343,676</u>	<u>343,819</u>	<u>312,867</u>

As at 31 December 2017, bank deposits in saving accounts and fixed deposits carried interests at 0.5 - 1.25 percent per annum (2016: at 0.75 - 1.25 percent per annum).

8. Current investment

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Fixed deposits	138,709	-	138,709	-
Total	<u>138,709</u>	<u>-</u>	<u>138,709</u>	<u>-</u>

As at 31 December 2017, fixed deposits carried interest at 1.25 percent per annum.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade receivables - related parties				
<u>Aged on the basis of due dates</u>				
Not yet due	-	-	7,508	9,630
Past due up to 3 months	-	-	3,496	4,365
Total trade receivables - related parties	<u>-</u>	<u>-</u>	<u>11,004</u>	<u>13,995</u>

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade receivables - unrelated parties				
<u>Aged on the basis of due dates</u>				
Not yet due	655,650	583,108	649,266	555,293
Past due				
Up to 3 months	76,780	72,339	70,475	72,339
3 - 6 months	14,369	5,063	9,479	4,956
6 - 12 months	5,305	5,857	2,723	1,406
Over 12 months	8,013	168	5,461	168
Total	760,117	666,535	737,404	634,162
Less: Allowance for doubtful debts	(2,720)	(168)	(168)	(168)
Total trade receivables - unrelated parties, net	757,397	666,367	737,236	633,994
Other receivables				
Accrued income - related parties	-	-	4,032	-
Accrued income - unrelated parties	129,873	71,378	112,609	70,288
Other receivables	20,043	13,608	6	9
Others	2,373	9,629	3,578	9,881
Total other receivables	152,289	94,615	120,225	80,178
Less: Allowance for doubtful debts	(1,988)	-	-	-
Total other receivables, net	150,301	94,615	120,225	80,178
Total trade and other receivables - net	907,698	760,982	868,465	728,167

10. Prepaid expenses

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Prepaid advertising space rental	602,925	468,396	534,139	399,222
Others	78,065	97,316	53,836	57,782
Total prepaid expenses	680,990	565,712	587,975	457,004
Less: Amortised within 1 year	(573,477)	(428,888)	(540,624)	(385,774)
Prepaid expenses amortised more than 1 year	107,513	136,824	47,351	71,230

11. Restricted bank deposits

As at 31 December 2017, these represent fixed deposits pledged with the banks to secure credit facilities and letter of guarantee facilities for use in respect of making agreements and bidding of projects.

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received for the years	
	2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)				
Verisign Company Limited	126,000	126,000	100	100	400,000	400,000	-	-
Ads Cuisine Company Limited	10,000	10,000	100	100	65,800	65,800	7,600	6,000
Master Standard Display Company Limited	219,000	219,000	100	100	287,000	287,000	-	-
Plan B Online Company Limited	5,000	-	100	-	5,000	-	-	-
SRPB Media Company Limited	20,000	-	45	-	9,000	-	-	-
Total investments in subsidiaries					766,800	752,800	7,600	6,000
Less : Impairment loss on investment					(266,455)	(237,939)		
Total investments in subsidiaries - net					500,345	514,861		

- On 1 February 2017, the Company registered a new company, Plan B Online Company Limited, to the Department of Business Development in order to provide mobile software application for user to plan their trip especially for public transportation. The Company holds 49,997 common shares of Plan B Online Company Limited at the par value of Baht 100 per share, totally Baht 5 million (equal to 99.99 percentages of issued and paid-up shares of that company).
- On 19 September 2017, Master Standard Display Company Limited ("MSD"), together with Panyathip Advertising Company Limited, registered a new company, Panyathip Plan B Media Laos Co., Ltd. ("PPBML") in order to provide out-of-home media advertising in Vientiane, Lao People's Democratic Republic. MSD holds 50,000 common shares of PPBML with a par value of LAK 232,060 per share, totaling LAK 11,603 million (equal to 50 percentages of issued and paid-up shares of that company) and has control over such company due to having more voting rights in board of directors. As at 31 December 2017, MSD paid Baht 27.43 million (840,000 US Dollar) for the shares of this company, which is 60 percent of the value of the common shares hold by MSD in that company.

- c) On 28 September 2017, the Company registered a new company with the Department of Business Development, namely SRPB Media Company Limited ("SRPB"), in order to provide digital out of home media advertising agency. The Company holds 90,000 common shares of SRPB with a par value of Baht 100 per share, totally Baht 9 million (equal to 45 percentages of issued and paid-up shares of that company) and has control over such company due to having more voting rights in board of directors.

13. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			<u>2017</u> (%)	<u>2016</u> (%)	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
2000 Publishing and Media Company Limited	Trading of books, printed forms and other printed matters	Thailand	35	35	3,500	3,500	2,289	1,852
Sanctuary Billboards Sdn. Bhd.	Advertising media production	Malaysia	30	30	21,381	21,381	33,882	24,562
Total					<u>24,881</u>	<u>24,881</u>	<u>36,171</u>	<u>26,414</u>

13.1 Share of profit (loss)

During the year, the Company has recognised its share of profit (loss) from investment in associate company in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company	Consolidated financial statements	
	Share of profit (loss) from investment in associate	
	<u>2017</u>	<u>2016</u>
2000 Publishing and Media Company Limited	437	(1,306)
Sanctuary Billboards Sdn. Bhd.	<u>9,320</u>	<u>3,181</u>
Total	<u>9,757</u>	<u>1,875</u>

13.2 Summarised financial information about material associate

2000 Publishing and Media Company Limited

Summarised information about financial position

	(Unit: Million Baht)	
	<u>2017</u>	<u>2016</u>
Current assets	9.5	15.0
Non-current assets	0.8	1.2
Current liabilities	(6.5)	(12.5)
Net assets	3.8	3.7
Shareholding percentage (%)	35%	35%
Share of net assets	1.3	1.3

Summarised information about comprehensive income

	(Unit: Million Baht)	
	<u>2017</u>	<u>2016</u>
Revenue	21.97	11.7
Profit (loss)	1.2	(3.7)

Sanctuary Billboards Sdn. Bhd.

Summarised information about financial position

	(Unit: Million Baht)	
	<u>2017</u>	<u>2016</u>
Current assets	46.1	35.5
Non-current assets	73.8	65.4
Current liabilities	(77.6)	(80.5)
Net assets	42.3	20.4
Shareholding percentage (%)	30%	30%
Share of net assets	12.7	6.1

Summarised information about comprehensive income

	(Unit: Million Baht)	
	<u>2017</u>	<u>2016</u>
Revenue	71.3	46.5
Profit	31.1	10.6

- a) On 10 August 2017, the Board of Directors' meeting of the Company passed a resolution approved the acquisition by MSD of shares in JKJ Media Services Inc. ("JKJ") which provide the advertising media in Philippines. MSD entered into the Share Purchase Agreement to purchase 637,500 common shares of JKJ (equal to 30 percentage of its issued and paid-up share capital) from its existing shareholders. As at 31 December 2017, the Company has not yet paid in this shares capital.
- b) On 18 September 2017, the Board of Directors' meeting of the Company passed a resolution approved the acquisition by MSD of shares in MJS Trading Inc. ("MJS") which provide the advertising media in Philippines. MSD will purchase 3,030 common shares of MJS (equal to 30.303 percentage of its issued and paid-up share capital) from its existing shareholders. The Company is in the process of implementing the contract and expects the purchase to be complete within March 2018. MJS holds 66 percent of the issued shares of JKJ.
- c) On 20 December 2017, the Board of Directors' meeting of the Company passed a resolution approved the addition purchase of shares in Sanctuary Billboards Sdn. Bhd. by MSD. MSD will purchase 1,333 common shares of Sanctuary Billboards Sdn. Bhd. As a result of this investment, its shareholding in the associated company will changed from 30 percent to 40 percent. The Company is in the process of implementing the contract and expects the purchase to be complete within June 2018.

14. Other long-term investment

	Interest rate (percent per annum)	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Ordinary shares of PT Estha Yudha Ekatama (10% of shareholding)	-		7,865	-	-
Subordinated bonds of a financial institution	4.38%	-	10,000	-	10,000
Total		7,865	17,865	-	10,000
Less: Allowance for impairment of investment		(7,865)	-	-	-
Total - Net		-	17,865	-	10,000

Investment in subordinated bonds of a financial institution, which is classified as a held-to-maturity debt security. The bonds bear interest at a rate of 4.38% per annum and interest is paid twice a year.

During the year, the Company redeem such subordinated bonds of a financial institution in full.

On 20 December 2017, the Board of Directors' meeting of the Company passed a resolution approved the acquisition of shares in Bangkok Metro Networks Limited which has the right to manage commercial area in Mass Rapid Transit. The Company will purchase 4,947,439 common shares of Bangkok Metro Networks Limited (equal to 19.48 percentage of its issued and paid-up share capital) from its existing shareholders for a total of Baht 262 million. The Company is in the process of implementing the contract.

15. Leasehold improvement and equipment

(Unit : Thousand Baht)

Consolidated financial statements						
	Leasehold improvement	Furniture and office equipment	Motor vehicles	Advertising equipment and related equipment	Assets under installation	Total
Cost :						
1 January 2016	25,221	36,482	13,656	1,771,811	237,516	2,084,686
Additions	734	3,210	3,719	12,153	566,049	585,865
Acquisition of subsidiaries during the year	-	6,049	4,368	21,229	-	31,646
Transfers in (out)	1,357	2,338	-	709,825	(713,520)	-
31 December 2016	27,312	48,079	21,743	2,515,018	90,045	2,702,197
Additions	1,081	9,344	7,399	53,322	347,458	418,604
Disposals	-	(430)	(534)	-	-	(964)
Write-off	-	(822)	-	-	-	(822)
Transfers in (out)	3,734	1,366	-	150,698	(154,628)	1,170
31 December 2017	32,127	57,537	28,608	2,719,038	282,875	3,120,185
Accumulated depreciation:						
1 January 2016	11,522	17,949	9,534	797,175	-	836,180
Depreciation for the year	3,088	7,928	2,522	340,262	-	353,800
31 December 2016	14,610	25,877	12,056	1,137,437	-	1,189,980
Depreciation for the year	3,764	7,762	3,759	343,572	-	358,857
Depreciation on disposals	-	(424)	(44)	-	-	(468)
Depreciation on write-off	-	(700)	-	-	-	(700)
31 December 2017	18,374	32,515	15,771	1,481,009	-	1,547,669
Allowance for impairment los						
31 December 2016	-	-	-	6,314	-	6,314
31 December 2017	-	-	-	6,314	-	6,314
Net book value:						
31 December 2016	12,702	22,202	9,687	1,371,267	90,045	1,505,903
31 December 2017	13,753	25,022	12,837	1,231,715	282,875	1,566,202
Depreciation for the year						
2016 (Baht 342 million included in cost of services, and the balance in selling, servicing and administrative expenses)						353,800
2017 (Baht 343 million included in cost of services, and the balance in selling, servicing and administrative expenses)						358,857

(Unit : Thousand Baht)

Separate financial statements						
	Leasehold improvement	Furniture and office equipment	Motor vehicles	Advertising equipment and related equipment	Assets under installation	Total
Cost :						
1 January 2016	25,221	32,113	13,656	1,530,029	193,273	1,794,292
Additions	734	4,551	4,273	396	503,891	513,845
Transfers in (out)	1,357	2,338	-	671,429	(675,124)	-
31 December 2016	27,312	39,002	17,929	2,201,854	22,040	2,308,137
Additions	548	8,045	3,000	-	316,257	327,850
Disposals	-	(430)	(534)	-	-	(964)
Write-off	-	(822)	-	-	-	(822)
Transfers in (out)	3,734	1,366	-	98,959	(104,059)	-
31 December 2017	31,594	47,161	20,395	2,300,813	234,238	2,634,201
Accumulated depreciation:						
1 January 2016	11,522	16,561	9,534	688,829	-	726,446
Depreciation for the year	3,088	5,593	2,058	282,050	-	292,789
31 December 2016	14,610	22,154	11,592	970,879	-	1,019,235
Depreciation for the year	3,683	6,686	2,486	294,182	-	307,037
Depreciation on disposals	-	(424)	(44)	-	-	(468)
Depreciation on write-off	-	(700)	-	-	-	(700)
31 December 2017	18,293	27,716	14,034	1,265,061	-	1,325,104
Allowance for impairment loss:						
31 December 2016	-	-	-	6,314	-	6,314
31 December 2017	-	-	-	6,314	-	6,314
Net book value:						
31 December 2016	12,702	16,848	6,337	1,224,661	22,040	1,282,588
31 December 2017	13,301	19,445	6,361	1,029,438	234,238	1,302,783
Depreciation for the year						
2016 (Baht 282 million included in cost of services, and the balance in selling, servicing and administrative expenses)						292,789
2017 (Baht 294 million included in cost of services, and the balance in selling, servicing and administrative expenses)						307,037

As at 31 December 2017, the Company had advertising equipment and related equipment and vehicles under finance lease agreements with net book values amounting to Baht 5 million (2016: Baht 2 million).

As at 31 December 2017, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 533 million (2016: Baht 312 million).

16. Intangible assets

The net book value of intangible assets as at 31 December 2017 and 2016 is presented below.

	(Unit : Thousand Baht)			
	Consolidated financial statements			
	Licenses	Computer software	Leasehold right	Total
As at 31 December 2017				
Cost	446,907	11,561	226,909	725,377
<u>Less</u> Accumulated amortisation	(166,264)	(4,203)	(172,122)	(342,589)
<u>Less</u> Allowance for impairment loss	(125,460)	(80)	-	(125,540)
<u>Less</u> Transfer	-	(1,170)	-	(1,170)
Net book value	155,183	6,108	94,787	256,078

	(Unit : Thousand Baht)			
	Consolidated financial statements			
	Licenses	Computer software	Leasehold right	Total
As at 31 December 2016				
Cost	446,907	8,553	261,633	717,093
<u>Less</u> Accumulated amortization	(125,337)	(3,402)	(128,893)	(257,632)
<u>Less</u> Allowance for impairment loss	(125,460)	(80)	-	(125,540)
Net book value	196,110	5,071	132,740	333,921

	(Unit : Thousand Baht)		
	Separate financial statements		
	Computer software	Leasehold right	Total
As at 31 December 2017			
Cost	9,995	239,824	249,819
<u>Less</u> Accumulated amortization	(4,062)	(159,969)	(164,031)
<u>Less</u> Allowance for impairment loss	(80)	-	(80)
Net book value	5,853	79,855	85,708

(Unit : Thousand Baht)

	Separate financial statements		
	Computer software	Leasehold right	Total
As at 31 December 2016			
Cost	7,292	234,548	241,840
<u>Less</u> Accumulated amortisation	(3,319)	(120,806)	(124,125)
<u>Less</u> Allowance for impairment loss	(80)	-	(80)
Net book value	<u>3,893</u>	<u>113,742</u>	<u>117,635</u>

A reconciliation of the net book value of intangible assets for the years 2017 and 2016 is presented below.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net book value at beginning of year	333,921	329,810	117,635	141,786
Acquisition of computer software	3,008	912	2,703	87
Acquisition of leasehold right	5,276	32,475	5,276	22,803
Transfer	(1,170)	-	-	-
Increase from purchase of subsidiary - book values at the acquisition date	-	390	-	-
Increase of licenses from acquisitions of subsidiaries	-	61,071	-	-
Amortisation	(84,957)	(90,737)	(39,906)	(47,041)
Net book value at end of year	<u>256,078</u>	<u>333,921</u>	<u>85,708</u>	<u>117,635</u>

17. Rental deposits

The balance is the rental bonds for advertising space placed with 3 companies under agreements with terms of 3 years to 6 years and 6 months.

18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - unrelated parties	164,288	133,847	155,345	108,787
Trade payables - related parties	-	-	247,622	165,084
Other payables - unrelated parties	8,379	8,652	8,063	7,520
Other payables - related parties	-	18	-	-
Accrued expenses - unrelated parties	195,058	172,006	164,031	138,712
Accrued expenses - related parties	-	-	36,067	7,449
Dividend payables	439	15	439	15
Account payables for construction	42,871	20,527	40,251	20,507
Total trade and other payables	<u>411,035</u>	<u>335,065</u>	<u>651,818</u>	<u>448,074</u>

19. Long-term loans

Loan	Interest rate (percent per annum)	Monthly repayment schedule	Collateral/ Guarantee by	(Unit: Thousand Baht)	
				Consolidated	
				financial statements	
				<u>2017</u>	<u>2016</u>
1	4	Starting November 2015 to November 2022	(a)	3,619	4,290
2	MRR	Starting March 2015 to March 2022	(a)	3,354	4,008
3	MLR+1	Starting July 2016 to July 2019	(b)	8,481	15,636
4	MLR+1	Starting August 2016 to August 2023	(b)	5,769	6,629
5	MLR	Starting December 2016 to December 2021	(c)	487	617
Total				21,710	31,180
Less : current portion				(10,911)	(9,399)
Long-term loans, net of current portion				<u>10,799</u>	<u>21,781</u>

(a) Thai Credit Guarantee Corporation and a Company's director

(b) Directors of the Company, mortgage of related person of the Company's land and Thai Credit Guarantee Corporation

(c) No collateral

As at 31 December 2017, the long-term credit facilities of such subsidiary company which have not yet been drawn down amounted to Baht 5.8 million (2016: Baht 5.8 million).

20. Share capital and warrants

20.1 On 20 April 2017, the Annual General Shareholders' meeting of the Company passed the following resolutions:

- a) To approve the cancellation of the issue and offering of 30,000,000 units of warrants (PLANB - WA) to the directors, management and/or employees of the Company under the ESOP scheme No.2.
- b) To approve the reduction of the registered share capital by Baht 3,000,000, from the current registered share capital of Baht 356,500,000 to Baht 353,500,000, by canceling 30,000,000 unissued shares of the Company with a par value of Baht 0.10 per share reserved for ESOP scheme No.2.

20.2 On 15 May 2017, the Board of Directors' meeting of the Company passed a resolution approving the transfer of capital reserve for share-based payment transactions of Baht 25,382,642 to unappropriated retained earnings in the statement of financial position for the current period due to the cancellation of the issue and offering of warrants (PLANB-WA) as described in Note to financial statements No.20.1 a)

20.3 On 11 December 2014, the Extraordinary General Shareholders' Meeting of the Company approved an offering of 40,000,000 additional ordinary shares with a par value of Baht 0.1 per share to directors, management and/or employees of the Company and/or its subsidiaries under an ESOP scheme. The shares will be offered for sale as part of an ongoing scheme over 3 years (2015 to 2017). The Company will allot one third of all additional ordinary shares under the ESOP scheme each year, with the first offering to be made within 1 year from the date that the shareholders' meeting approved the scheme.

- a) On 3 December 2015, the Board of Directors Meeting no. 11/2558 approved additional details of the first year's offering of additional ordinary shares under the ESOP scheme, as follows:

Number of ordinary shares offered in first year	:	13,333,331 ordinary shares or 33.33% of total shares under ESOP scheme
Offering date	:	8 - 9 December 2015
Exercise price	:	Price equal to 90 percent of the Market Price prior to the date of the offering, with Market Price defined as the weighted average trading price of the shares on the SET during a period of 7 - 15 consecutive business days prior to each Offering Period.

Exercise price for this year : Baht 6.23 per share, which is equal to 90 per cent of the weighted average trading price of the ordinary shares of the Company on the SET during the 7 consecutive business days prior to this offering period i.e. 26,27,30 November and 1- 4 December 2015. The Company shall offer the Shares during the offering period from 8-9 December 2015

Allotment Criteria : To be entitled to shares, directors, executives and/or employees must satisfy the following criteria:

(1) Have been a director, executive and/or employee of the Company and/or its subsidiaries for not less than one year as of the date of the allotment and remain a director, executive and/or employee of the Company and/or its subsidiaries at the time each year's allotment is made; and

(2) the number of newly issued ordinary shares to be allotted to each director, executive and/or employee of the Company/or its subsidiaries may vary depending upon position, experience, responsibilities, period of employment, performance, capability, efficiency and prior performance as well as the benefit which he/she is expected to generate for the Company and its subsidiaries in the future.

b) On 14 November 2016, the Company's Board of Directors Meeting no. 8/2559 approved additional details of the second year's offering of additional ordinary shares under the ESOP scheme, as follows:

Number of ordinary shares : 13,333,331 ordinary shares
offered in second year

Offering date : 28 - 29 November 2016

Exercise price for this year : Baht 4.51 per share.

c) On 8 November 2017, the Company's Board of Directors Meeting no. 7/2560 approved additional details of the third year's offering of additional ordinary shares under the ESOP scheme, as follows:

Number of ordinary shares offered in third year	:	13,333,338 ordinary shares, and the residual of offering shares from year 1 and year 2 in total amount of 5,536,180 shares. The total shares offered are 18,869,518 shares.
Offering date	:	27 November 2017 - 1 December 2017
Exercise price for this year	:	Baht 6.27 per share.

The Company allotted 13,333,331, 13,333,331 and 13,333,338 additional ordinary shares to the first year's to third year's offering, respectively, and totals of 12,399,813 shares, 8,730,669 shares and 13,476,883 shares, respectively, were purchased, leaving 5,392,635 shares unsubscribed. The ESOP scheme ended this year.

During the year, the Company recorded expenses amounting to Baht 13.6 million (2016: Baht 32.4 million) as personnel expenses. As at 31 December 2017, the Company had capital reserves for share-based payment of Baht 29.2 million (2016: Baht 41.0 million).

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

According to the Thai Civil and Commercial Code, the subsidiaries are required to set aside to a statutory reserve an amount equal to at least five percent of its net profit each time the Company pays out a dividend, until such reserve reaches ten percent of its registered share capital. The statutory reserve cannot be used for dividend payment.

22. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Salary and wages and other employee benefits	229,182	200,127	192,012	189,884
Depreciation and amortisation expenses	443,814	444,537	346,943	339,831
Rental of advertising space expenses	1,037,165	875,151	1,393,371	1,136,207
Signboard, house and building tax expenses	31,994	25,680	26,824	22,801
Sales promotion expenses	68,392	75,581	68,392	75,581
Media production expenses	55,237	50,467	53,298	50,895
Commission expenses	73,844	37,316	62,007	37,016
Repair and maintenance expenses	43,399	32,869	39,593	26,594
Event activity expenses of Football	60,126	-	-	-
Impairment loss on investment	7,865	-	28,516	28,516

23. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge	94,335	66,971	56,483	43,849
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,118)	(2,668)	(868)	(1,712)
Income tax expense reported in the statement of comprehensive income	<u>93,217</u>	<u>64,303</u>	<u>55,615</u>	<u>42,137</u>

The amounts of income tax relating to each component of other comprehensive income for year ended 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to actuarial gains (loss)	349	(202)	349	(202)
	<u>349</u>	<u>(202)</u>	<u>349</u>	<u>(202)</u>

The reconcile between accounting profit and income tax expense is shown below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit before tax	<u>568,206</u>	<u>424,638</u>	<u>370,947</u>	<u>286,128</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	113,641	84,928	74,189	57,226
Adjustment in respect of current income tax of previous year	(769)	(2,869)	(519)	(1,913)
Effects of:				
Non-deductible expenses	14,196	14,781	11,422	13,908
Additional expense deductions allowed	(30,092)	(27,135)	(28,196)	(27,036)
Exemption of income	-	-	(1,520)	(1,200)
Others	(3,759)	(5,402)	239	1,152
Total	<u>(19,655)</u>	<u>(17,756)</u>	<u>(18,055)</u>	<u>(13,176)</u>
Income tax expenses reported in the statement of comprehensive income	<u>93,217</u>	<u>64,303</u>	<u>55,615</u>	<u>42,137</u>

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets				
Allowance for doubtful accounts	34	34	34	34
Allowance for asset impairment	1,263	1,263	1,263	1,263
Allowance for intangible assets impairment	16	16	16	16
Accrued rental on straight line method	8,479	7,709	6,073	5,553
Provision for long-term employee benefits	1,299	1,300	1,299	1,300
Total	<u>11,091</u>	<u>10,322</u>	<u>8,685</u>	<u>8,166</u>

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	460,516	351,600	3,517,275	3,508,211	0.13093	0.10022
Effect of dilutive potential ordinary shares						
Ordinary shares under ESOP project	-	-	-	1,887		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming ordinary shares						
are purchased under ESOP	-	351,600	-	3,510,098	-	0.10017

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	315,332	243,991	3,517,275	3,508,211	0.08965	0.06955
Effect of dilutive potential ordinary shares						
Ordinary shares under ESOP project	-	-	-	1,887		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming ordinary shares are purchased under ESOP	-	243,991	-	3,510,098	-	0.06951

There is no calculation of diluted earnings per share for 2017 due to the ESOP scheme ended as described in Note to financial statement No. 20.

25. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The operations of the Company and its subsidiaries involve a single industry segment, namely, advertising media production, advertising space and air time rental. These operations are carried on mainly in geographic area in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. Accordingly, revenues, income and assets as reflected in these financial statements pertain to the industry segment and geographic area mentioned above.

Major customers

For the year 2017, the Company and its subsidiaries have revenues from two major customers in amount of Baht 628 million and Baht 305 million (2016: revenue from two major customers in amount of Baht 546 million and Baht 314 million).

26. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contribute to the fund monthly at the rate of 3 - 5 percent of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2017, the Company and its subsidiaries contributed Baht 4.63 million to the fund (2016: Baht 3.28 million) (Separate financial statements: Baht 4.25 million, 2016: Baht 3.27 million).

27. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2016	The Annual General Shareholders' meeting on 20 April 2017	123.07	0.04
Total for 2017		123.07	0.04
Final dividends for 2015	The Annual General Shareholders' meeting on 21 April 2016	245.52	0.07
Total for 2016		245.52	0.07

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2017, the Company had capital commitments of approximately Baht 304 million (2016: Baht 30 million), relating to the construction of advertising equipment and related equipment.

28.2 Operating lease commitments

The Company and its subsidiaries had entered into several lease agreements in respect of the lease of office building space and advertising space. The terms of the agreements are generally between 1 and 9 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December		As at 31 December	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Payable:				
In up to 1 year	940	1,026	814	930
In over 1 and up to 5 years	2,081	2,217	1,776	1,971
In over 5 years	1,153	1,362	1,130	1,353

In addition, the Company has commitments with 12 counterparties, whereby it is required to pay additional rental expenses if revenue from advertising on rental space is higher than the minimum guarantee as stipulated in the contract. The amount to be paid is a share of the excess revenue determined on a straight line basis.

28.3 Long-term service commitments

- a) On 17 May 2016, the Company entered into agency appointment in order to sell and administrate the benefit contracts with Football Association of Thailand under Patronage of His Majesty the King ("Football Association") and Premier League (Thailand) Co., Ltd. ("Premier League") for the period of 2017 - 2020, with the following details:

1) Football Association

- Minimum revenue guarantee of Baht 250 Million per year for the period of 4 years

2) Premier League

- Minimum revenue guarantee of Baht 260 Million per year for the period of 4 years

The Company shall obtain the considerations as the management fee at the ratio between 15 - 25 percent of the income generated from such administration.

On 11 July 2017, the Company entered into additional agency appointment in order to sell and administrate the benefit contracts addendum which changed such management fee to the ratio between 15 - 22.5 percent of the income generated from such administration.

- b) On 3 May 2016, Mercy Plus Company Limited (“the subsidiary”) entered into a 5 years advertising concession agreement with Big C Supercenter Public Company Limited in order to grant a concession right to manage the sales and operation of indoor and outdoor advertising media around Big C Supercenter Store. The subsidiary has to pay a share of revenue at the rates stipulated in the agreement. During current year, the subsidiary paid amounting to Baht 3.7 million for the revenue share under this contract.

28.4 Guarantees

As at 31 December 2017, there were outstanding bank guarantees of approximately Baht 199 million (2016: Baht 238 million) and separate financial statements approximately Baht 149 million (2016: Baht 179 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business. Bank guarantees on behalf of the subsidiaries are secured by the Company.

28.5 Litigation

In August 2017, the Company was sued as a defendant with several companies (11 defendants in total) for damages amounting to approximately Baht 440 million. The plaintiff claimed that the company jointly violated by construct billboards illegally and cover the plaintiff's billboards. Currently, the case is under the court's consideration.

However, the Company believe that they did not commit any wrongful acts as claimed since the Company is not the builder of the billboards but as only the billboards renter. Therefore, the management and the legal adviser of the Company believe that the litigation will not result in the Company incurring any material loss, and the Company therefore did not record any liabilities in the accounts.

29. Financial instruments

29.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade accounts receivable, other receivables, other long-term investment, restricted bank deposits, short-term loans from financial institutions, trade and other payables, liabilities under finance lease agreement and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, other long-term investment, short-term loans from financial institutions, and long-term loans. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Million Baht)

Consolidated financial statements							
As at 31 December 2017							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	-	-	-	442	-	442	0.5 - 1.25
Current investment	139	-	-	-	-	139	1.25
Trade and other receivables	-	-	-	-	908	908	-
Total	139	-	-	442	908	1,489	
Financial liabilities							
Trade and other payables	-	-	-	-	411	411	-
Liabilities under finance lease agreement	1	3	-	-	-	4	5.03 - 9.12
Total	1	3	-	-	411	415	

(Unit : Million Baht)

Consolidated financial statements							
As at 31 December 2016							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				

(Unit : Million Baht)

Consolidated financial statements

As at 31 December 2016

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	344	-	344	0.75 - 1.25
Trade and other receivables	-	-	-	-	761	761	-
Other long-term investment	-	-	10	-	8	18	4.38
Restricted bank deposits	18	-	-	-	-	18	0.75 - 1.25
Total	18	-	10	344	769	1,141	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	335	335	-
Liabilities under finance lease agreement	1	3	-	-	-	4	5.03 - 9.12
Total	1	3	-	-	335	339	

(Unit : Million Baht)

Separate financial statements

As at 31 December 2017

	Fixed interest rates			Floating interest rate	Non- interest Bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	344	-	344	0.5 - 1.25
Current investment	139	-	-	-	-	139	1.25
Trade and other receivables	-	-	-	-	868	868	-
Total	139	-	-	344	868	1,351	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	652	652	-
Liabilities under finance lease agreement	-	-	-	-	-	-	5.16
Total	-	-	-	-	652	652	

(Unit : Million Baht)

Separate financial statements							
As at 31 December 2016							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest Bearing	Total	Effective interest rate (% per annum.)
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	312	-	312	0.75 - 1.25
Trade and other receivables	-	-	-	-	728	728	-
Other long-term investment	-	-	10	-	-	10	4.38
Restricted bank deposits	18	-	-	-	-	18	0.75 - 1.25
Total	18	-	10	312	728	1,068	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	448	448	-
Liabilities under finance lease agreement	1	-	-	-	-	1	5.03 - 9.12
Total	1	-	-	-	448	449	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk is nil since the business transactions are denominated in Thai Baht and no financial assets and liabilities denominated in foreign currencies outstanding as at the date of the statements of financial position, except for the investments in foreign subsidiaries and investment in foreign associate as Note to the financial statements No. 12 and 13.

29.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market interest rate, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

30. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 0.15:1 (2016: 0.16:1) and the Company's was 0.22:1 (2016: 0.18:1).

31. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 14 February 2018.