

Plan B Media Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2018

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 2018, 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 2018, 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.

Emphasis of matter

I draw attention to Note 11 to the financial statements. In June 2018, the Group invested in ordinary shares of BNK48 Office Company Limited which is engaged in providing the management and development of the BNK48 members at a price of Baht 182 million. The Group provisionally recorded the acquisition using the best estimate for the identifiable assets acquired and liabilities assumed. The Group is to complete the recording of this acquisition within 1 year after the acquisition date in accordance with Thai Financial Reporting Standard No. 3 Business Combinations. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current year. These matters were 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 these matters.

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 these matters. 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 matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

Revenue recognition from providing media advertising

Revenue from sales of the Group is the most significant account in the statements of comprehensive income. Service income 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.

Business combination

As discussed in Note 12 to the financial statements, the Group invested in Bangkok Metro Networks Limited which has the right to manage commercial area in Mass Rapid Transit and Sanctuary Billboards Sdn. Bhd. which is engaged in providing out-of-home media advertising in Federation of Malaysia. As at the date of acquisition, the Group recognised and measured the assets acquired and liabilities assumed at their fair value and recognised goodwill from the business combination by applying the acquisition method. I have focused on these business acquisitions since they are material to the financial statements as a whole, and management was required to exercise substantial judgment when appraising the fair value of the assets acquired and liabilities assumed. There is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed, including recognised goodwill.

I have examined the recognition of the assets acquired and liabilities assumed from the acquisition of business by

- Reviewing the terms and conditions of the agreements and inquired with management as to the nature and objectives of the acquisitions in order to evaluate whether the acquisitions meet the definition of a business combination under Thai Financial Reporting Standard 3 Business combinations.
- Checking the value of the acquisitions to supporting documents and related payments to assess whether they reflected the fair value of the consideration transferred and did not include acquisition-related costs.
- Assessing the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by the management, by considering the methods and significant assumptions used by the management in calculating the fair value of such assets and liabilities.

- Reviewing the components of the financial model, comparing significant assumptions with the entities's historical information and industry and related economic information such as interest rate and inflation rate, comparing discount rate with the entities's financial costs and industry and evaluating the expertise, ability and integrity of the management
- Assessing the rationale of goodwill recognised from the business combinations by analysing the pricing models, and reviewing the disclosures related to the business combinations in the notes to financial statements.

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

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

Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 28 February 2019

Plan B Media Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets					
Current assets					
Cash and cash equivalents	7	440,458,189	441,562,686	100,786,788	343,818,932
Current investment	8	-	138,709,057	-	138,709,057
Trade and other receivables	9	1,332,472,475	907,697,585	1,182,759,298	868,465,362
Prepaid expenses amortised within 1 year	10	633,654,402	573,476,768	547,795,473	540,624,485
Short-term loans to related parties	6	1,050,000	1,350,000	165,045,000	72,102,641
Short-term loan to unrelated person		3,000,000	-	-	-
Other current assets		79,040,013	52,889,041	55,826,336	44,469,176
Total current assets		2,489,675,079	2,115,685,137	2,052,212,895	2,008,189,653
Non-current assets					
Investments in subsidiaries	11	-	-	470,328,893	500,345,100
Investments in associates	12	370,181,191	36,171,176	262,214,267	-
Unallocated cost from business acquisition	11	133,995,459	-	-	-
Leasehold improvement and equipment	14	2,237,680,997	1,566,202,485	1,899,831,593	1,302,783,401
Intangible assets	15	262,369,585	256,077,974	99,267,788	85,708,047
Deferred tax assets	23	10,492,749	11,090,978	8,340,843	8,684,571
Prepaid expenses amortised more than 1 year	10	96,350,483	107,512,680	37,851,741	47,351,480
Rental deposits	16	73,082,020	83,738,619	74,196,623	74,196,623
Other non-current assets		60,196,792	23,811,032	38,130,710	19,190,991
Total non-current assets		3,244,349,276	2,084,604,944	2,890,162,458	2,038,260,213
Total assets		5,734,024,355	4,200,290,081	4,942,375,353	4,046,449,866

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 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	974,615,337	411,035,425	1,198,455,858	651,818,098
Current portion of long-term loans from financial institutions	18	2,006,643	10,910,865	-	-
Current portion of liabilities under financial					
lease agreements		2,029,709	1,077,588	912,461	77,909
Income tax payables		54,438,042	14,778,917	4,515,782	-
Unearned income		203,423,602	24,696,201	28,109,339	22,929,885
Undue output tax		104,677,304	64,847,292	69,597,132	49,545,495
Other current liabilities		27,657,196	13,788,959	15,736,474	7,330,222
Total current liabilities		1,368,847,833	541,135,247	1,317,327,046	731,701,609
Non-current liabilities					
Long-term loans from financial institutions - net					
of current portion	18	6,266,705	10,799,181	-	-
Liabilities under financial lease agreements - net					
of current portion		5,678,421	3,225,803	2,887,869	-
Provision for long-term employee benefits		8,355,603	6,495,521	8,355,603	6,495,521
Other non-current liabilities		-	384,000	-	-
Total non-current liabilities		20,300,729	20,904,505	11,243,472	6,495,521
Total liabilities		1,389,148,562	562,039,752	1,328,570,518	738,197,130

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 2018

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Shareholders' equity					
Share capital					
Registered					
4,588,489,574 ordinary shares of Baht 0.10 each					
(31 December 2017: 3,535,000,000 ordinary shares					
of Baht 0.10 each)	19	458,848,957	353,500,000	458,848,957	353,500,000
Issued and fully paid					
3,529,607,365 ordinary shares of Baht 0.10 each	19	352,960,737	352,960,737	352,960,737	352,960,737
Share premium		2,293,363,147	2,293,363,147	2,293,363,147	2,293,363,147
Capital reserve for share-based payment transactions		29,220,274	29,220,274	29,220,274	29,220,274
Retained earnings					
Appropriated - statutory reserve	20	45,884,896	35,350,000	45,884,896	35,350,000
Unappropriated		1,334,524,613	861,113,765	892,375,781	597,358,578
Other components of shareholders' equity		293,955	(298,623)	-	-
Equity attributable to owners of the Company		4,056,247,622	3,571,709,300	3,613,804,835	3,308,252,736
Non-controlling interests of the subsidiaries		288,628,171	66,541,029	-	-
Total shareholders' equity		4,344,875,793	3,638,250,329	3,613,804,835	3,308,252,736
Total liabilities and shareholders' equity		5,734,024,355	4,200,290,081	4,942,375,353	4,046,449,866
		-	-	-	-

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 2018

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit or loss:					
Revenues					
Sales and service income		4,011,686,607	2,980,027,803	3,309,170,847	2,897,541,669
Dividend income	11	-	-	-	7,599,992
Other income		27,572,020	26,597,756	29,256,865	26,226,101
Total revenues		4,039,258,627	3,006,625,559	3,338,427,712	2,931,367,762
Expenses					
Cost of sales and services		2,620,394,296	1,967,062,448	2,329,033,995	2,123,224,729
Selling, distribution and servicing expenses		243,472,174	217,829,958	225,372,805	202,037,280
Administrative expenses		279,118,251	261,238,403	199,924,740	206,624,505
Impairment loss on investment	11	-	-	28,516,207	28,516,207
Total expenses		3,142,984,721	2,446,130,809	2,782,847,747	2,560,402,721
Profit before share of profit from investments in associates, finance cost and income tax expenses		896,273,906	560,494,750	555,579,965	370,965,041
Share of profit from investments in associates		4,009,670	9,757,471	-	-
Profit before finance cost and income tax expenses		900,283,576	570,252,221	555,579,965	370,965,041
Finance cost		(1,404,637)	(2,046,602)	(14,933)	(17,936)
Profit before income tax expenses		898,878,939	568,205,619	555,565,032	370,947,105
Income tax expenses	22, 23	(162,487,512)	(93,217,035)	(91,180,602)	(55,615,223)
Profit for the year		736,391,427	474,988,584	464,384,430	315,331,882
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		(667,402)	(293,604)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(667,402)	(293,604)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		-	1,746,250	-	1,746,250
Less: income tax effect	23	-	(349,250)	-	(349,250)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	1,397,000	-	1,397,000
Other comprehensive income for the year		(667,402)	1,103,396	-	1,397,000
Total comprehensive income for the year		735,724,025	476,091,980	464,384,430	316,728,882

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 2018

(Unit: Baht)

	<u>Note</u>	Consolidated		Separate	
		financial statements		financial statements	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit attributable to:					
Equity holders of the Company		642,778,075	460,516,481	464,384,430	315,331,882
Non-controlling interests of the subsidiaries		93,613,352	14,472,103		
		<u>736,391,427</u>	<u>474,988,584</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		642,446,135	461,614,858	464,384,430	316,728,882
Non-controlling interests of the subsidiaries		93,277,890	14,477,122		
		<u>735,724,025</u>	<u>476,091,980</u>		
Basic earnings per share	24				
Profit attributable to equity holders of the Company		<u>0.18</u>	<u>0.13</u>	<u>0.13</u>	<u>0.09</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 2018

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before tax	898,878,939	568,205,619	555,565,032	370,947,105
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	493,727,850	443,814,083	370,613,652	346,942,696
Allowance for doubtful accounts	1,987,863	4,540,525	-	-
Loss (Gain) on disposal and write-off of assets	(407,446)	259,768	(435,731)	259,768
Impairment loss on investment	-	7,864,698	28,516,207	28,516,207
Provision for long-term employee benefits	1,860,082	1,739,967	1,860,082	1,739,967
Capital reserve for share-based payment transactions	-	13,614,214	-	13,614,214
Share of profit from investments in associates	(4,009,670)	(9,757,471)	-	-
Dividend income	-	-	-	(7,599,992)
Interest income	(2,746,923)	(5,069,422)	(5,417,120)	(5,052,465)
Interest expenses	1,404,637	2,046,602	14,933	17,936
Profit from operating activities before changes in operating assets and liabilities	1,390,695,332	1,027,258,583	950,717,055	749,385,436
Operating assets (increase) decrease				
Trade and other receivables	(288,711,572)	(150,426,252)	(313,212,329)	(139,500,473)
Other current assets	(68,962,583)	(132,404,067)	(18,528,148)	(148,428,180)
Other non-current assets	(14,566,967)	(38,510,950)	(9,439,977)	(43,984,076)
Operating liabilities increase (decrease)				
Trade and other payables	120,139,150	60,041,632	248,979,034	183,593,637
Unearned income	114,767,013	(15,358,671)	5,179,454	(1,209,987)
Other current liabilities	63,875,545	5,314,945	28,457,889	1,190,301
Other non-current liabilities	(384,000)	99,000	-	-
Cash from operating activities	1,316,851,918	756,014,220	892,152,978	601,046,658
Cash paid for interest expenses	(1,671,803)	(1,958,247)	(16,449)	(35,872)
Cash paid for income tax expenses	(140,166,578)	(102,549,150)	(86,321,092)	(71,889,519)
Net cash from operating activities	1,175,013,537	651,506,823	805,815,437	529,121,267

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 2018

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Decrease in restricted bank deposits	-	18,087,000	-	18,087,000
Increase in short-term loans to related parties	(3,000,000)	-	-	-
Decrease (increase) in short-term loan to unrelated person	300,000	150,000	(92,942,359)	(30,720,000)
Cash paid for investments in subsidiaries	-	-	-	(14,000,000)
Cash receipt from selling of investment in subsidiary	1,500,000	-	1,500,000	-
Cash receipt for business acquisition (Note 11)	17,196,015	-	-	-
Cash paid for investments in associates	(330,000,345)	-	(262,214,267)	-
Acquisition of equipment	(696,432,078)	(373,578,080)	(595,721,167)	(287,598,934)
Payment of payable for purchase of equipment	(42,870,950)	(27,410,750)	(40,251,375)	(20,506,563)
Acquisition of intangible assets	(86,317,173)	(8,284,190)	(44,403,185)	(7,978,539)
Cash receipt from disposal of equipment	1,375,659	357,589	1,111,148	357,589
Interest income	2,823,452	4,239,532	4,335,512	4,254,408
Dividend received	-	-	-	7,599,992
Decrease (increase) in current investment	138,709,057	(138,709,057)	138,709,057	(138,709,057)
Decrease in long-term investment	-	10,000,000	-	10,000,000
Net cash used in investing activities	(996,716,363)	(515,147,956)	(889,876,636)	(459,214,104)
Cash flows from financing activities				
Repayment of long-term loans from financial institutions	(13,436,698)	(9,469,652)	-	-
Repayment of liabilities under financial lease agreements	(1,030,726)	(1,568,530)	(152,262)	(814,353)
Cash receipt from share capital increased	-	84,500,057	-	84,500,057
Cash receipt from share capital increased				
from non-controlling interests of the subsidiaries	13,550,000	11,000,000	-	-
Dividends paid	(158,816,845)	(122,640,754)	(158,818,683)	(122,640,754)
Dividends paid to non-controlling interests of the subsidiaries	(19,000,000)	-	-	-
Net cash used in financing activities	(178,734,269)	(38,178,879)	(158,970,945)	(38,955,050)
Decrease in translation adjustments	(667,402)	(293,604)	-	-
Net increase (decrease) in cash and cash equivalents	(1,104,497)	97,886,384	(243,032,144)	30,952,113
Cash and cash equivalents at beginning of year	441,562,686	343,676,302	343,818,932	312,866,819
Cash and cash equivalents at end of year	440,458,189	441,562,686	100,786,788	343,818,932
	-	-	-	-

Supplementary cash flow information

Non-cash transactions

Purchases of equipment under finance lease agreements	4,438,465	2,199,000	3,874,683	-
Purchase of equipment for which no cash has been paid	340,894,493	15,416,331	337,897,968	40,251,375
Equipment received from share subscription	44,068,194	-	-	-
Transfer intangible asset to leasehold improvement and equipment	-	1,170,301	-	-
Share subscription	41,125,000	-	-	-

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 2018

(Unit: Baht)

Consolidated financial statements											
	Other components of shareholders' equity										
	Other comprehensive income										
	Surplus from changes					Total equity			Equity attributable		
	Issued and		Capital reserve	Retained earnings		in the ownership	Exchange differences on	Total other	attributable	to non-controlling	Total
	paid-up		for share-based	Appropriated		interests	translation of financial	components of	to owners of	interests of	shareholders'
Note	share capital	Share premium	payment	- statutory reserves	Unappropriated	in subsidiary	in foreign currency	shareholders' equity	the Company	the subsidiaries	equity
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)	(298,623)	1,098,377	5,019	1,103,396
Total comprehensive income for the year	-	-	-	-	461,913,481	-	(298,623)	(298,623)	461,614,858	14,477,122	476,091,980
Capital reserve for share-based payment transactions	1,347,689	83,152,368	13,614,214	-	-	-	-	-	98,114,271	-	98,114,271
Warrant cancelation	-	-	(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	352,960,737	2,293,363,147	29,220,274	35,350,000	861,113,765	-	(298,623)	(298,623)	3,571,709,300	66,541,029	3,638,250,329
Balance as at 1 January 2018	352,960,737	2,293,363,147	29,220,274	35,350,000	861,113,765	-	(298,623)	(298,623)	3,571,709,300	66,541,029	3,638,250,329
Profit for the year	-	-	-	-	642,778,075	-	-	-	642,778,075	93,613,352	736,391,427
Other comprehensive income for the year	-	-	-	-	-	-	(331,940)	(331,940)	(331,940)	(335,462)	(667,402)
Total comprehensive income for the year	-	-	-	-	642,778,075	-	(331,940)	(331,940)	642,446,135	93,277,890	735,724,025
Dividend paid	27	-	-	-	(158,832,331)	-	-	-	(158,832,331)	-	-
Transferred to statutory reserve	20	-	-	-	10,534,896	(10,534,896)	-	-	-	-	-
Non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	147,233,770	147,233,770
Dividends paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	(19,000,000)	(19,000,000)
Change in non-controlling interests of the subsidiary from selling of investment in a subsidiary	11	-	-	-	-	924,518	-	924,518	924,518	575,482	1,500,000
Balance as at 31 December 2018	352,960,737	2,293,363,147	29,220,274	45,884,896	1,334,524,613	924,518	(630,563)	293,955	4,056,247,622	288,628,171	4,344,875,793

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 2018

(Unit: Baht)

Separated financial statements							
		Issued and paid-up share capital	Share premium	Capital reserve for share-based payments	Retained earnings Appropriated - statutory reserves	Unappropriated	Total shareholders' equity
	Note						
Balance as at 1 January 2017		351,613,048	2,210,210,779	40,988,702	35,350,000	378,311,621	3,016,474,150
Profit for the year		-	-	-	-	315,331,882	315,331,882
Other comprehensive income for the year		-	-	-	-	1,397,000	1,397,000
Total comprehensive income for the year		-	-	-	-	316,728,882	316,728,882
Capital reserve for share-based payment transactions		1,347,689	83,152,368	13,614,214	-	-	98,114,271
Warrant cancelation		-	-	(25,382,642)	-	25,382,642	-
Dividend paid	27	-	-	-	-	(123,064,567)	(123,064,567)
Balance as at 31 December 2017		352,960,737	2,293,363,147	29,220,274	35,350,000	597,358,578	3,308,252,736
Balance as at 1 January 2018		352,960,737	2,293,363,147	29,220,274	35,350,000	597,358,578	3,308,252,736
Total comprehensive income for the year		-	-	-	-	464,384,430	464,384,430
Dividend paid	27	-	-	-	-	(158,832,331)	(158,832,331)
Transferred to statutory reserve	20	-	-	-	10,534,896	(10,534,896)	-
Balance as at 31 December 2018		352,960,737	2,293,363,147	29,220,274	45,884,896	892,375,781	3,613,804,835

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

Plan B Media Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2018

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	
			2018	2017
<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
Golink Online Company Limited (formerly known as “Plan B Online Company Limited”)	Provide mobile software application	Thailand	70	100
SRPB Media Company Limited (the Company has control)	Digital advertising agency	Thailand	45	45

Company's name	Nature of business	Incorporation	Percentage of shareholding	
			<u>2018</u> Percent	<u>2017</u> Percent
<u>Subsidiaries directly held by Master Standard</u>				
<u>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
Panyathip Plan B Media Laos Company Limited (Subsidiary has control)	Provide advertising media	Laos	50	50

- 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 2018, 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 Master Standard</u>			
<u>Display Company Limited</u>			
W.P.S. Media Company Limited (Subsidiary has control)	Provide advertising media in airport	Thailand	50
BNK48 Office Company Limited (Subsidiary has control)	Administrate the development of BNK48 members	Thailand	35

The Company included the financial statements of the two 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, Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Group is currently evaluating the impact of this financial statements in the year when it is adopted.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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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 make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

Revenue from Sales

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

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 and other receivables

Trade and other receivables 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 and associates 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 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 Group, whether directly or indirectly, or which are under common control with the Group.

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

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

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group 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:

Consolidation of subsidiary that the Group holds less than half of shares

The management of the Group determined that the Group has control over subsidiaries, even though the Group holds shares and voting rights that is less than half and half of shares and voting rights as follow.

Company's name	Percentage of shareholding	
	<u>2018</u> Percent	<u>2017</u> Percent
<u>Subsidiary directly held by the Company</u>		
SRPB Media Company Limited	45	45
<u>Subsidiaries directly held by Master Standard Display Company Limited</u>		
Bright Sky Media Company Limited	50	50
Panyathip Plan B Media Laos Company Limited	50	50

This is because the Group is a major shareholder and has the ability to direct the significant activities. As a result, the subsidiaries of the Group is deemed to be a subsidiaries of the Group and has to be included in the consolidated financial statements from the date on which the Group assumed control.

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.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Group 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Advertising space rental expenses	-	-	774.2	493.3	Contract price
Dividend income	-	-	-	7.6	As declared
Transactions with related parties					
Advertising space rental expenses	99.3	21.3	99.3	21.3	Contract price
Service expenses	34.7	-	-	-	Mutually agreed price
Royalty expenses	37.5	-	-	-	Contract price

As at 31 December 2018 and 2017 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Rental deposits</u>				
Subsidiary	-	-	2,127	2,127
Related Company (related by common director)	1,363	-	350	-
Director	403	403	403	403
Total rental deposits	<u>1,766</u>	<u>403</u>	<u>2,880</u>	<u>2,530</u>
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	86,259	15,036
Associates	1,997	-	1,997	-
Related Company (related by common director)	20,282	-	-	-
Total trade and other receivables - related parties	<u>22,279</u>	<u>-</u>	<u>88,256</u>	<u>15,036</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Trade and other payable - related parties (Note 17)</u>				
Subsidiaries	-	-	476,422	283,689
Related Company (related by common director)	104,267	-	-	-
Total trade and other payables - related parties	<u>104,267</u>	<u>-</u>	<u>476,422</u>	<u>283,689</u>

As at 31 December 2018 and 2017, the balance of loans between the Company, its subsidiaries and those related parties and the movement are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Balance as at	During the year		Balance as at
	31 December			31 December
	2017	Increase	Decrease	2018
<u>Short-term loan to related party</u>				
Associate				
2000 Publishing and Media Company				
Limited	1,350	-	(300)	1,050
Total	1,350	-	(300)	1,050

The short-term loan to an associate 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		Balance as at
	31 December			31 December
	2017	Increase	Decrease	2018
<u>Short-term loan to related parties</u>				
Subsidiaries				
Tuna Advertising Company Limited	3,883	-	(3,883)	-
Master Standard Display Company Limited	68,220	169,625	(95,800)	142,045
W.P.S. Media Company Limited	-	25,000	(2,000)	23,000
Total	72,103	194,625	101,683	165,045

The short-term loans to subsidiaries have interest charge at rate 2% and 5 % per annum with repayment at call.

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Group had employee benefit expenses of their directors and management as below.

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Short-term employee benefit	38.5	28.1	34.9	28.1
Long-term employee benefit	0.5	0.5	0.5	0.5
Total	39.0	28.6	35.4	28.6

7. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Cash	123	114	-	-
Bank deposits	440,335	441,449	100,787	343,819
Total cash and cash equivalents	440,458	441,563	100,787	343,819

As at 31 December 2018, bank deposits in saving accounts and fixed deposits carried interests at 0.50 - 0.75 percent per annum (2017: at 0.50 - 1.25 percent per annum).

8. Current investment

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Fixed deposits	-	138,709	-	138,709
Total current investment	-	138,709	-	138,709

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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade receivables - related parties				
<u>Aged on the basis of due dates</u>				
Not yet due	240	-	23,037	7,508
Past due				
Up to 3 months	-	-	37,119	3,496
3 - 6 months	-	-	3,684	-
6 - 12 months	15,242	-	9,512	-
Over 12 months	4,997	-	-	-
Total trade receivables - related parties	<u>20,479</u>	<u>-</u>	<u>73,352</u>	<u>11,004</u>
Trade receivables - unrelated parties				
<u>Aged on the basis of due dates</u>				
Not yet due	1,015,388	655,650	866,984	649,266
Past due				
Up to 3 months	98,854	76,780	75,186	70,475
3 - 6 months	6,590	14,369	5,297	9,479
6 - 12 months	4,426	5,305	2,982	2,723
Over 12 months	5,170	8,013	4,958	5,461
Total trade receivables - unrelated parties	<u>1,130,428</u>	<u>760,117</u>	<u>955,407</u>	<u>737,404</u>
Less: Allowance for doubtful accounts	<u>(168)</u>	<u>(2,720)</u>	<u>(168)</u>	<u>(168)</u>
Total trade receivables - unrelated parties, net	<u>1,130,260</u>	<u>757,397</u>	<u>955,239</u>	<u>737,236</u>
Other receivables				
Accrued income - related parties	1,800	-	14,904	4,032
Accrued income - unrelated parties	174,654	129,873	133,201	112,609
Other receivables	4,077	20,043	41	6
Others	5,178	2,373	6,022	3,578
Total other receivables	<u>185,709</u>	<u>152,289</u>	<u>154,168</u>	<u>120,225</u>
Less: Allowance for doubtful accounts	<u>(3,976)</u>	<u>(1,988)</u>	<u>-</u>	<u>-</u>
Total other receivables, net	<u>181,733</u>	<u>150,301</u>	<u>154,168</u>	<u>120,225</u>
Total trade and other receivables - net	<u>1,332,472</u>	<u>907,698</u>	<u>1,182,759</u>	<u>868,465</u>

10. Prepaid expenses

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Prepaid advertising space rental				
- related parties	-	-	16,061	15,720
- unrelated parties	571,253	602,925	500,041	518,419
Others	158,751	78,065	69,545	53,836
Total prepaid expenses	730,004	680,990	585,647	587,975
Less: Amortised within 1 year	(633,654)	(573,477)	(547,795)	(540,624)
Prepaid expenses amortised more than 1 year	96,350	107,513	37,852	47,351

11. 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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
			(%)	(%)				
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	-	-
Master Standard Display Company Limited	219,000	219,000	100	100	287,000	287,000	-	7,600
Golink Online Company Limited (formerly known as "Plan B Online Company Limited")	5,000	5,000	70	100	3,500	5,000	-	-
SRPB Media Company Limited	20,000	20,000	45	45	9,000	9,000	-	-
Total investments in subsidiaries					765,300	766,800	-	7,600
Less: Impairment loss on investment					(294,971)	(266,455)		
Total investments in subsidiaries - net					470,329	500,345		

Details of investments in subsidiaries

- a) On 20 December 2017, the Board of Directors of Master Standard Display Company Limited ("MSD") passed a resolution approving the purchase of additional registered share capital in W.P.S. Media Company Limited. Subsequently, MSD entered into the Share Purchase Agreement to purchase 30,000 share capital of W.P.S. Media Company Limited (equal to 50 percentage of issued and paid-up shares of that company) and has control over such company due to having more voting right in board of directors. MSD paid Baht 3 million on 24 January 2018 (the acquisition date) for such shares acquisition.

On 9 March 2018, the Extraordinary General Shareholders' Meeting of W.P.S. Media Company Limited passed a resolution approving a Baht 6 million increase in the registered share capital to Baht 43 million, by issuing 370,000 additional shares with a par value of Baht 100 per share. W.P.S. Media Company Limited registered the additional share capital with Ministry of Commerce on 22 March 2018. MSD invested Baht 11 million (57 percent paid up) in the additional common shares of this subsidiary, in proportion to its existing shareholding.

- b) On 6 May 2018, the Extraordinary General Meeting of Shareholders of Plan B Online Company Limited passed a resolution approving the rename of Plan B Online Company Limited to Golink Online Company Limited ("Golink"). The Company registered the change with the Department of Business Development on 7 May 2018. On 6 July 2018, the Extraordinary General Meeting of Shareholders of Golink passed a resolution approving the dispose of share capital in Golink to an unrelated party. Subsequently, the Company entered into the Share Purchase Agreement to dispose 15,000 share capital of Golink (equal to 30 percentage of issued and paid-up shares of that company). The Company transferred such shares on 9 August 2018 (the disposal date) and received payment of Baht 1.5 million. The Company had gain on sales of investment in Golink under the equity method amounting to Baht 0.9 million, and this was included under the caption "Surplus from changes in the ownership interests in a subsidiary" in the statement of changes in shareholders' equity.

c) On 14 May 2018, the Board of Directors' meeting of the Company passed a resolution approved the acquisition by Master Standard Display Company Limited ("MSD") which is a subsidiary, of shares in BNK48 Office Company Limited ("BNK") which provide the management and development of the BNK48 members. MSD purchased 350,000 common shares of BNK from the existing shareholders (equal to 17.50 percentage of its issued and paid-up share capital from the existing shareholders) and MSD has significant influence over such company. MSD received the shares transferred on 16 June 2018 (the acquisition date) and paid Baht 41 million for the share capital of BNK from its existing shareholders on 23 July 2018. Under the share purchase agreement, it was agreed that additional payments of not more than Baht 41 million would be made to the existing shareholders of BNK, depending on BNK's 2018 operating results. As at the acquisition date, the management of MSD estimated the contingent consideration of Baht 41 million.

On 6 July 2018, the Extraordinary General Meeting of Shareholders of BNK passed a resolution approving the increase of the registered share capital by Baht 5 million from the existing registered share capital of Baht 20 million to Baht 25 million by issuing 538,500 additional ordinary shares with a par value of Baht 10. MSD purchased all of such additional share capital and received the shares transferred on 6 July 2018 (the acquisition date). As a result, its shareholding in BNK changed from 17.5 percent to 35 percent. On 10 July 2018, MSD paid Baht 50 million for such additional registered share capital. Under the share purchase agreement, it was agreed that additional payments of not more than Baht 50 million would be made for the additional registered share capital of BNK, depending on BNK's 2018 operating results. The management of MSD estimated the contingent consideration of Baht 50 million.

The values of the acquired assets and liabilities of BNK as at the acquisition date are summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	108,321
Trade and other receivables	188,128
Other current assets	9,733
Equipment	319
Trade and other payables	(168,504)
Other current liabilities	(126)
Net assets of the subsidiary	137,870
Non-controlling interests of subsidiary (65 percent)	(89,616)
Net assets of the subsidiary attributable to MSD's interest (35 percent)	48,254
Add: Difference between cost of business acquisition and value of business	133,996
Cost of investment in subsidiary	182,250
Deducted: Payable from purchase of investment	(91,125)
Cash paid for business acquisition	91,125
Deducted: Cash and cash equivalents of the subsidiary	(108,321)
Net cash received for business acquisition	(17,196)

Revenue and net income of BNK since the acquisition date has been included in the consolidated profit or loss for the year ended 31 December 2018 amounting to Baht 416 million and Baht 107 million, respectively.

MSD presented the excess from cost of investment in subsidiary over its net asset value amounting to Baht 135 million as a separate item in the consolidated statement of financial position as at 30 September 2018 under the caption of "Unallocated costs of business acquisition" in the non-current assets section.

At present, MSD is in the process of assessing the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to such identifiable items. This assessment process mainly involves the identification and valuation of intangible assets and certain tangible assets. It is to be completed within the period of 1 year from the acquisition date allowed under Thai Financial Reporting Standard No. 3 *Business Combinations*. During the measurement period, MSD will adjust provisional amounts recognised at the acquisition date, recognise additional assets or liabilities, and adjust earnings to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

12. Investments in associates

(Unit: Thousand Baht)

			Consolidated financial statements					
Company's name	Nature of business	Country of incorporation	Shareholding		Cost		Carrying amounts based on equity	
			percentage				method	
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
			(%)	(%)				
<u>Associate held by the Company</u>								
Bangkok Metro Networks Limited	Manage commercial area in all MRT stations and MRT trains	Thailand	19.48	-	262,214	-	268,813	-
<u>Associates held by the subsidiary</u>								
2000 Publishing and Media Company Limited	Trading of books, printed forms and other printed matters	Thailand	35.00	35.00	3,500	3,500	4,274	2,289
Sanctuary Billboards Sdn. Bhd.	Advertising media production	Malaysia	40.00	30.00	85,917	21,381	97,578	33,882
BNK Production Company Limited	TV production, Movie Advertising, Event Organizer and All types of entertainment	Thailand	49.99	-	3,250	-	(484)	-
Total investments in associates					354,881	24,881	370,181	36,171

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Carrying amount based on cost method	
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
			(%)	(%)		
Bangkok Metro Networks Limited	Manage commercial area in all MRT stations and MRT trains	Thailand	19.48	-	262,214	-
Total investment in associate					<u>262,214</u>	<u>-</u>

12.1 Details of investments in associates

- a) On 20 December 2017, the Board of Directors' meeting of the Company passed a resolution approving the acquisition of shares in Bangkok Metro Networks Limited ("BMN") which has the right to manage commercial area in Mass Rapid Transit. The Company purchased 4,947,439 common shares of BMN (equal to 19.48 percentage of its issued and paid-up share capital) from its existing shareholders for a total of Baht 262 million and the Company has significant influence over such company. The Company paid for such shares acquisition and shares transferred on 9 February 2018 (the acquisition date).

The Company arranged for the assessment of the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed on January 2019, which was within the period of 1 year from the acquisition of business date allowed by Thai Financial Reporting Standard 3 Business Combinations.

The Company's management made estimates of the assets of the assets and liabilities of BMN as at 31 January 2018 and acquisition date determined that were not significantly different.

The fair values of the identifiable assets acquired and liabilities assumed of BMN as at 31 January 2018 are summarised below

	(Unit: Thousand Baht)
Cash and cash equivalents	65,609
Trade and other receivables	84,015
Intangible asset	842,250
Building improvement and equipment	18,150
Project costs	337,769
Other assets	40,301
Trade and other payables	(94,017)
Provision for long-term employee benefits	(16,539)
Loans	(161,500)
Other liabilities	(43,754)
Deferred tax liability	(165,598)
Net assets from business acquisition	<u>906,686</u>
Net assets of the associate attributable to the Company's interest (19.48%)	176,622
Add: Goodwill from business acquisition	<u>85,592</u>
Cash paid for business acquisition	<u><u>262,214</u></u>

Goodwill of Baht 86 million from business combination mainly comprises future business expansion.

On 12 November 2018, the Board of Directors' meeting of the Company passed a resolution approving the addition purchase of shares in BMN by the Company. The Company purchased 132,561 common shares of BMN. As a result of this investment, its shareholding in BMN changed from 19.48 percent to 20 percent. The Company paid Baht 7 million for such shares acquisition and shares transferred on 15 January 2019 (the acquisition date). The Company is currently in the process of assessing the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to such identifiable items. It is to be completed within the period of 1 year from the acquisition date allowed under Thai Financial Reporting Standard No. 3 Business Combinations.

- b) On 20 December 2017, the Board of Directors' meeting of the Company passed a resolution approving the addition purchase of shares in Sanctuary Billboards Sdn. Bhd. ("Sanctuary") by MSD. MSD purchased 1,000 common shares of Sanctuary. As a result of this investment, its shareholding in Sanctuary changed from 30 percent to 40 percent. MSD paid Baht 65 million for such shares acquisition and shares transferred on 5 April 2018 (the acquisition date).

MSD arranged for the assessment of the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed on January 2019, which was within the period of 1 year from the acquisition of business date allowed by Thai Financial Reporting Standard 3 Business Combinations.

MSD's management made estimates of the assets and liabilities of Sanctuary as at 31 March 2018 and acquisition date determined that were not significantly different.

The fair values of the identifiable assets acquired and liabilities assumed of Sanctuary as at 31 March 2018 are summarised below

	(Unit: Thousand Baht)
Cash and cash equivalents	24,432
Trade and other receivables	22,133
Equipment	40,400
Intangible asset	226,408
Other assets	17,509
Trade and other payables	(30,443)
Loans	(38,052)
Other liabilities	(1,050)
Deferred tax liability	(57,977)
Net assets from business acquisition	<u>203,360</u>
Net assets of the associate attributable to	
MSD's interest (10.00%)	20,336
Add: Goodwill from business acquisition	<u>44,200</u>
Cash paid for business acquisition	<u>64,536</u>

Goodwill of Baht 44 million from business combination mainly comprises future business expansion.

- c) On 23 May 2018, the Board of Directors' meeting of BNK passed a resolution approving the registered of BNK Production Company Limited ("BNKP") with Workpoint Entertainment Public Company Limited. BNK holds 19,999 commons shares of BNKP with a par value of Baht 100 per share, totaling Baht 2 million (equal to 49.99 of issued and paid-up shares of that company). On 31 August 2018, the Extraordinary General Meeting of shareholders of BNKP passed a resolution approving the increase of the registered share capital by issuing 100,000 additional ordinary share with a par value of Baht 100. BNKP registered the additional share capital with Ministry of Commerce on 12 September 2018. BNK invested Baht 1 million (25 percent paid up) in the additional common shares of this associate, in proportion to its existing shareholding.

12.2 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:

Company	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of profit (loss) from investment in associate	
	2018	2017
Bangkok Metro Network Limited	6,599	-
2000 Publishing and Media Company Limited	1,985	437
Sanctuary Billboards Sdn. Bhd.	(840)	9,320
BNK Production Company Limited	(3,734)	-
Total	4,010	9,757

During 2018 and 2017, the Group had no dividend received from its associates.

12.3 Summarised financial information about material associate

Bangkok Metro Network Limited

Summarised information about financial position

	(Unit: Million Baht)
	As at
	31 December 2018
Current assets	155.6
Non-current assets	386.0
Current liabilities	(93.5)
Non-current liabilities	(151.1)
Net assets	297.0
Shareholding percentage (%)	19.48
Share of net assets	57.9

Summarised information about comprehensive income

	(Unit: Million Baht)
	For the year ended
	31 December 2018
Revenue	563.3
Profit	56.1

Sanctuary Billboards Sdn. Bhd.

Summarised information about financial position

	(Unit: Million Baht)	
	As at 31 December	
	<u>2018</u>	<u>2017</u>
Current assets	82.3	46.1
Non-current assets	33.6	73.8
Current liabilities	(55.1)	(77.6)
Net assets	60.8	42.3
Shareholding percentage (%)	40.0	30.0
Share of net assets	24.3	12.7

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the year ended 31 December	
	<u>2018</u>	<u>2017</u>
Revenue	64.0	71.3
Profit	14.5	31.1

14. 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 2017	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
Additions	383	11,824	11,336	13,290	1,005,131	1,041,964
Increase from the receipt of shares	-	-	-	44,068	-	44,068
Increased from the acquisition of subsidiary (Note 11)	-	319	-	-	-	319
Disposals	(300)	(348)	-	(7,187)	-	(7,835)
Write-off	-	(580)	-	-	-	(580)
Transfers to intangible asset	-	-	-	-	(200)	(200)
Transfers in (out)	4,375	4,114	-	942,130	(950,619)	-
31 December 2018	36,585	72,866	39,944	3,711,339	337,187	4,197,921

(Unit: Thousand Baht)

Consolidated financial statements

	Leasehold improvement	Furniture and office equipment	Motor vehicles	Advertising equipment and related equipment	Assets under installation	Total
Accumulated depreciation:						
1 January 2017	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
Depreciation for the year	4,183	10,171	4,217	395,132	-	413,703
Depreciation on disposals	(300)	(291)	-	(6,331)	-	(6,922)
Depreciation on write-off	-	(524)	-	-	-	(524)
31 December 2018	22,257	41,871	19,988	1,869,810	-	1,953,926
Allowance for impairment loss:						
31 December 2017	-	-	-	6,314	-	6,314
31 December 2018	-	-	-	6,314	-	6,314
Net book value:						
31 December 2017	13,753	25,022	12,837	1,231,715	282,875	1,566,202
31 December 2018	14,328	30,995	19,956	1,835,215	337,187	2,237,681
Depreciation for the year						
2017 (Baht 343 million included in cost of sales and services, and the balance in selling, distribution, servicing and administrative expenses)						358,857
2018 (Baht 326 million included in cost of sales and services, and the balance in selling, distribution, servicing and administrative expenses)						413,703

(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 2017	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
Additions	69	8,419	7,338	184	921,484	937,494
Disposals	(300)	(348)	-	(6,819)	-	(7,467)
Write-off	-	(579)	-	-	-	(579)
Transfers in (out)	4,375	4,050	-	865,296	(873,721)	-
31 December 2018	35,738	58,703	27,733	3,125,474	282,001	3,563,649

(Unit: Thousand Baht)

	Separate financial statements					
	Leasehold improvement	Furniture and office equipment	Motor vehicles	Advertising equipment and related equipment	Assets under installation	Total
Accumulated depreciation:						
1 January 2017	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
Depreciation for the year	4,070	7,985	1,997	325,719	-	339,771
Depreciation on disposals	(300)	(292)	-	(6,256)	-	(6,848)
Depreciation on write-off	-	(524)	-	-	-	(524)
31 December 2018	22,063	34,885	16,031	1,584,524	-	1,657,503
Allowance for impairment loss:						
31 December 2017	-	-	-	6,314	-	6,314
31 December 2018	-	-	-	6,314	-	6,314
Net book value:						
31 December 2017	13,301	19,445	6,361	1,029,438	234,238	1,302,783
31 December 2018	13,675	23,818	11,702	1,568,636	282,001	1,899,832
Depreciation for the year						
2017 (Baht 294 million included in cost of sales and services, and the balance in selling, distribution, servicing and administrative expenses)						307,037
2018 (Baht 326 million included in cost of sales and services, and the balance in selling, distribution, servicing and administrative expenses)						339,771

As at 31 December 2018, the Group had advertising equipment and related equipment and vehicle under finance lease agreement with net book value amounting to Baht 8 million (2017: Baht 7 million) (The Company only: Baht 7 million and 2017: Baht 5 million).

As at 31 December 2018, 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 976 million (2017: Baht 740 million) (The Company only: Baht 730 million and 2017: Baht 533 million).

15. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			
		Computer	Leasehold	
	Licenses	software	right	Total
As at 31 December 2018				
Cost	446,907	41,110	322,506	810,524
<u>Less</u> Accumulated amortisation	(207,190)	(6,948)	(208,476)	(422,614)
<u>Less</u> Allowance for impairment loss	(125,460)	(80)	-	(125,540)
Net book value	114,257	34,082	114,030	262,270

(Unit: Thousand Baht)

	Consolidated financial statements			
		Computer	Leasehold	
	Licenses	software	right	Total
As at 31 December 2017				
Cost	446,907	11,561	266,909	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)

	Separate financial statements		
	Computer	Leasehold	
	software	right	Total
As at 31 December 2018			
Cost	34,001	260,221	294,222
<u>Less</u> Accumulated amortization	(5,746)	(189,128)	(194,874)
<u>Less</u> Allowance for impairment loss	(80)	-	(80)
Net book value	28,175	71,093	99,268

(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 amortisation	(4,062)	(159,969)	(164,031)
<u>Less</u> Allowance for impairment loss	(80)	-	(80)
Net book value	<u>5,853</u>	<u>79,855</u>	<u>85,708</u>

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	256,078	333,921	85,708	117,635
Acquisition of computer software	30,520	3,008	24,006	2,703
Acquisition of leasehold right	55,597	5,276	20,397	5,276
Transfers from assets under installation	200	-	-	-
Transfer	-	(1,170)	-	-
Amortisation	(80,025)	(84,957)	(30,843)	(39,906)
Net book value at end of year	<u>262,370</u>	<u>256,078</u>	<u>99,268</u>	<u>85,708</u>

16. 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.

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Trade payables - related parties	22,401	-	343,783	247,622
Trade payables - unrelated parties	229,550	164,288	200,986	155,345
Share subscription	41,125	-	-	-
Other payables - unrelated parties	12,953	8,379	7,417	8,063
Accrued expenses - related parties	81,866	-	132,639	36,067
Accrued expenses - unrelated parties	245,373	195,058	175,280	164,031
Dividend payables	453	439	453	439
Account payables for construction	340,894	42,871	337,898	40,251
Total trade and other payables	<u>974,615</u>	<u>411,035</u>	<u>1,198,456</u>	<u>651,818</u>

18. Long-term loans

Loan	Interest rate (percent per annum)	Monthly repayment schedule	Collateral/ Guarantee by	(Unit: Thousand Baht)	
				Consolidated	
				financial statements	
				<u>2018</u>	<u>2017</u>
1	4	Starting November 2015 to November 2022	(a)	2,937	3,619
2	MRR	Starting March 2015 to March 2022	(a)	-	3,354
3	MLR+1	Starting July 2016 to July 2019	(b)	63	8,481
4	MLR+1	Starting August 2016 to August 2023	(b)	4,901	5,769
5	MLR	Starting December 2016 to December 2021	(c)	373	487
Total				<u>8,274</u>	<u>21,710</u>
Less: current portion				<u>(2,007)</u>	<u>(10,911)</u>
Long-term loans, net of current portion				<u>6,267</u>	<u>10,799</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 2018, the long-term credit facilities of such subsidiary company which have not yet been drawn down amounted to Baht 5.8 million (2017: Baht 5.8 million).

19. Share capital

On 19 April 2018, the Annual General Shareholders' meeting of the Company passed the following resolutions:

- 1) Approving the reduction of the registered share capital by Baht 539,263.50, from the current registered share capital of Baht 353,500,000.00 to Baht 352,960,736.50, by canceling 5,392,635 unissued shares of the Company with a par value of Baht 0.10 per share reserved for ESOP scheme. The Company registered the reduction of its capital with the Ministry of Commerce on 8 May 2018.
- 2) Approving the increase of the registered share capital by Baht 105,888,220.90, from the existing registered share capital of Baht 352,960,736.50 to Baht 458,848,957.40, by issuing 1,058,882,209 additional ordinary shares with a par value of Baht 0.10 for accommodating the capital increase under the General Mandate basis. The Company registered the change in the par value with the Ministry of Commerce on 9 May 2018.

20. 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. At present, the statutory reserve has fully been set aside.

21. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salary, wages and other employee benefits	298,015	229,182	203,140	192,012
Depreciation and amortisation expenses	493,728	443,814	370,614	346,943
Rental of advertising space expenses	1,931,161	1,037,165	1,562,086	1,393,371
Purchases of merchandise goods	109,643	-	-	-
Signboard, house and building tax expenses	40,130	31,994	32,726	26,824
Sales promotion expenses	93,930	68,392	93,703	68,392
Media production expenses	50,789	55,237	47,874	53,298
Commission expenses	58,983	73,844	51,900	62,007
Repair and maintenance expenses	42,506	43,399	38,195	39,593
Event activity expenses of Football	73,826	60,126	-	-
Impairment loss on investment	-	7,865	28,516	28,516

22. Privileges for International Headquarters

On 10 December 2017, MSD registered with the Revenue Department as the International Headquarters (“IHQ”) to provide managerial, technical, supporting services or financial management to its affiliated enterprises. MSD is granted certain privileges as IHQ under the Royal Decree Regarding Reduction and Exemption from Revenue Taxes (No.586) B.E.2558. MSD has complied with the conditions stipulated in the Royal Decree and related Notifications of the Director-General of the Revenue Department in order to receive such privileges.

23. Income tax

Corporate income tax for the year was calculated at the rate of 20 percent on net profit of the business, after adding back certain expenses which are disallowable for tax purposes.

For the International Headquarters, income tax for the year was calculated at the rate of 10 percent on net profit after adding back certain expenses which are disallowable for tax purposes under the Notification of the Director-General of the Revenue Department on income tax regarding “Rules, procedures and conditions for reduction of income tax and exemption of specific business tax for companies that are International Headquarters” dated 29 May 2015.

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Current income tax charge	161,890	94,335	90,837	56,483
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>598</u>	<u>(1,118)</u>	<u>344</u>	<u>(868)</u>
Income tax expense reported in the statement of comprehensive income	<u>162,488</u>	<u>93,217</u>	<u>91,181</u>	<u>55,615</u>

The amounts of income tax relating to each component of other comprehensive income for year ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to actuarial gains	<u>-</u>	<u>349</u>	<u>-</u>	<u>349</u>
	<u>-</u>	<u>349</u>	<u>-</u>	<u>349</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting profit before tax	<u>898,879</u>	<u>568,206</u>	<u>555,565</u>	<u>370,947</u>
Applicable tax rates	0% - 20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	179,522	113,641	111,113	74,189
Deferred tax assets which were reversed (recognised) during the year	598	(769)	344	(519)
Utilisation and recording of previously unrecognised deferred tax assets	(1,968)	-	-	-
Effects of:				
Non-deductible expenses	8,210	14,196	6,122	11,422
Additional expense deductions allowed	(26,971)	(30,092)	(26,398)	(28,196)
Exemption of income	-	-	-	(1,520)
Others	3,097	(3,759)	-	239
Total	<u>(15,664)</u>	<u>(19,655)</u>	<u>(20,276)</u>	<u>(18,055)</u>
Income tax expenses reported in the statement of comprehensive income	<u>162,488</u>	<u>93,217</u>	<u>91,181</u>	<u>55,615</u>

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</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	7,509	8,479	5,357	6,073
Provision for long-term employee benefits	1,671	1,299	1,671	1,299
Total	<u>10,493</u>	<u>11,091</u>	<u>8,341</u>	<u>8,685</u>

24. Basic 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.

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the year attributable to equity holders of the Company (Thousand Baht)	641,664	460,516	464,384	315,332
Weighted average number of ordinary shares (Thousand shares)	3,529,607	3,517,275	3,529,607	3,517,275
Basic earnings per share (Baht per share)	0.18	0.13	0.13	0.09

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.

For management purposes, the Group structured business units in accordance with the governance of the chief operating decision maker. The Group have two principal reportable segments, which are Advertising media segment and Engagement marketing segment. Advertising media segment comprising advertising media production, advertising space and air time rental services. Engagement marketing segment comprising management and development of the BNK48 members (BNK48 Office Company Limited) and administrate the benefit contracts with Football Association of Thailand under Patronage of His Majesty the King and Premier League (Thailand) Company Limited (Plan B Eleven Company Limited). The Company operates only in Thailand and two subsidiaries operate in Malaysia and Laos, which revenues are not significant.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The following tables present the financial information for the year ended 31 December 2018 and 2017 of the Group by segment.

(Unit: Million Baht)

	Advertising media		Engagement marketing		Elimination of inter-segment revenues		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue from external customers	3,551	2,950	520	98	(59)	(68)	4,012	2,980
Segment operating profit	1,027	934	363	79	-	-	1,390	1,013
Other income							27	26
Selling, distribution and servicing expenses							(243)	(218)
Administrative expenses							(279)	(261)
Share of profit from investments in associates							4	10
Finance cost							(1)	(2)
Profit before income tax expenses							898	568
Income tax expenses							(162)	(93)
Profit for the year							736	475

Major customers

For the year 2018, the Group have revenues from two major customers in amount of Baht 507 million and Baht 417 million, arising from advertising media segment (2017: revenue from two major customers in amount of Baht 628 million and Baht 305 million, arising from advertising media segment).

26. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Group 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 2018, the Group contributed Baht 5.23 million to the fund (2017: Baht 4.63 million) (the Company only: Baht 4.56 million and 2017: Baht 4.25 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 2017	The Annual General Shareholders' meeting on 19 April 2018	158.83	0.05
Total for 2018		158.83	0.05

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2018, the Company had capital commitments of approximately Baht 385 million (2017: Baht 304 million), relating to the construction of advertising equipment and related equipment.

28.2 Operating lease commitments

The Group 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 financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Payable:				
In up to 1 year	1,000	940	840	814
In over 1 and up to 5 years	2,057	2,081	1,785	1,776
In over 5 years	905	1,153	902	1,130

In addition, the Company has commitments with 20 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) The Company was as an agency 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 - 22.5 percent of the income generated from such administration.

- b) Mercy Plus Company Limited, a 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.

28.4 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 235 million (2017: Baht 199 million) and for the Company only of approximately Baht 167 million (2017: Baht 149 million) issued by banks on behalf of the Group 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.

28.6 Investment commitment

- 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 will 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 2018, MSD 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 30.30 percentage of its issued and paid-up share capital) from its existing shareholders. The Company is in the process of implementing the contract. MJS holds 66 percent of the issued shares of JKJ.
- c) On 19 September 2017, 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. During 2017, MSD paid Baht 27 million (USD 840,000) for the shares of this company, which is 60 percent of the value of the common shares hold by MSD in that company. Under the shareholders' agreement, it was agreed that additional payments of not more than USD 560,000 would be made to the existing shareholders of PPBML, depending on PPBML's 2019 operating results. As of the acquisition date the management of MSD's assessment was that MSD will not have to make any such additional payments.

- d) On 19 December 2018, the Board of Directors' meeting of the Company passed the following resolutions:
- 1) To approve the acquisition by MSD of shares in Sign Work Media Company Limited ("Signwork") which provide advertising media in several airports. Subsequently, MSD entered into the Share Purchase Agreement to purchase 10,000 share capitals of Signwork with a par value of Baht 100 per share, totaling Baht 1 million (equal to 50 percentage of issued and paid-up shares of that company). As at 31 December 2018, MSD has not yet paid in this share capital.
 - 2) To approve the acquisition by MSD of shares in Digital Factory Company Limited ("Digital Factory") which provide online advertising media. Subsequently, MSD entered into the Share Purchase Agreement to purchase 100,000 share capital of Digital Factory (equal to 50 percentage of issued and paid-up shares of that company). MSD paid Baht 5 million on 8 February 2019 (the acquisition date) and received the shares transferred for such shares acquisition.
- e) On 25 January 2019, MSD, together with Atmos (Bangkok) Company Limited, registered 2 new companies, Atmos Sports Lab Company Limited and Atmos Apparel Company Limited in order to import and distribute sport and fashion goods. MSD holds 18,450 common shares of Atmos Sports Lab Company Limited with a par value of Baht 100 per share, totaling Baht 1.8 million (equal to 36.9 percentages of issued and paid-up shares of that company) and holds 22,450 common shares of Atmos Sports Lab Company Limited with a par value of Baht 100 per share, totaling Baht 2.2 million (equal to 44.9 percentages of issued and paid-up shares of that company). As at 31 December 2018, has not yet paid in this share capital.

29. Financial instruments

29.1 Financial risk management

The Group's 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 Group exposed to credit risk primarily with respect to trade and other receivables. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group 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 Group's 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 Group's 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 2018							
Fixed interest rates						Effective interest rate (% per annum.)	
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	440	-	440	0.50 - 0.75
Trade and other receivables	-	-	-	-	1,332	1,332	-
Total	-	-	-	440	1,332	1,772	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	975	975	-
Liabilities under finance lease agreement	2	6	-	-	-	8	4.47 - 9.12
Total	2	6	-	-	975	983	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2017

	Fixed interest rates					Effective
	Within	1-5	Floating	Non- interest		
	1 year	years	interest rate	bearing	Total	interest rate
						(% per annum)
<u>Financial Assets</u>						
Cash and cash equivalent	-	-	442	-	442	0.50 - 1.25
Current investment	139	-	-	-	139	1.25
Trade and other receivables	-	-	-	908	908	-
Total	139	-	442	908	1,489	
<u>Financial liabilities</u>						
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)

Separate financial statements

As at 31 December 2018

	Fixed interest rates					
	Within	1-5	Floating	Non- interest		Effective
	1 year	years	interest rate	bearing	Total	interest rate
						(% per annum)
<u>Financial Assets</u>						
Cash and cash equivalent	-	-	101	-	101	0.50 - 1.25
Trade and other receivables	-	-	-	1,183	1,183	-
Total	-	-	101	1,183	1,284	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	1,198	1,198	-
Liabilities under finance lease agreement	1	3	-	-	4	4.47
Total	1	3	-	1,198	1,202	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2017						
Fixed interest rates						
Within 1 year	1-5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate	
						(% per annum)
<u>Financial Assets</u>						
Cash and cash equivalent	-	-	344	-	344	0.50 - 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	-
Total	-	-	-	652	652	

Foreign currency risk

The Group's 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. 11 and 12.

29.2 Fair values of financial instruments

Since the majority of the Group's 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 Group's 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 2018, the Group's debt-to-equity ratio was 0.32:1 (2017: 0.15:1) and the Company's was 0.37:1 (2017: 0.22:1).

31. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 28 February 2019.