

Plan B Media Public Company Limited and its subsidiaries
Review report and consolidated interim financial statements
For the three-month period ended 31 March 2019

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Plan B Media Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Plan B Media Public Company Limited and its subsidiaries (the Group) as at 31 March 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Plan B Media Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Emphasis of matter

I draw attention to Note 6 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 and in February 2019, the Group invested in ordinary shares of Digital Factory Company Limited which is engaged in providing online advertising media at a price of Baht 5 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 conclusion is not modified in respect of this matter.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 14 May 2019

Plan B Media Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2019

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		<u>31 March 2019</u>	<u>31 December 2018</u>	<u>31 March 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,484,464	440,458	913,162	100,787
Current investment	3	1,800,000	-	1,800,000	-
Trade and other receivables	4	1,157,585	1,332,473	1,091,740	1,182,759
Prepaid expenses amortised within 1 year	5	545,493	633,654	447,236	547,795
Short-term loans to related parties	2	9,150	1,050	243,045	165,045
Short-term loans to unrelated persons		3,000	3,000	-	-
Other current assets		70,179	79,040	40,575	55,827
Total current assets		<u>5,069,871</u>	<u>2,489,675</u>	<u>4,535,758</u>	<u>2,052,213</u>
Non-current assets					
Investments in subsidiaries	6	-	-	463,200	470,329
Investments in associates	7	100,870	370,181	-	262,214
Investments in joint ventures	8	4,100	-	-	-
Unallocated cost from business acquisition	6	135,891	133,995	-	-
Leasehold improvement and equipment	9	2,245,500	2,237,681	1,921,725	1,899,832
Intangible assets	10	250,906	262,370	98,311	99,268
Deferred tax assets		9,299	10,493	6,947	8,341
Prepaid expenses amortised more than 1 year	5	97,212	96,350	47,981	37,852
Rental deposits		72,070	73,082	74,197	74,197
Other non-current assets		52,949	60,197	33,340	38,129
Total non-current assets		<u>2,968,797</u>	<u>3,244,349</u>	<u>2,645,701</u>	<u>2,890,162</u>
Total assets		<u><u>8,038,668</u></u>	<u><u>5,734,024</u></u>	<u><u>7,181,459</u></u>	<u><u>4,942,375</u></u>

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 March 2019

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated		Separate	
		financial statements		financial statements	
		<u>31 March 2019</u>	<u>31 December 2018</u>	<u>31 March 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	11	867,564	974,615	1,082,527	1,198,456
Current portion of long-term loans from financial institutions	12	1,880	2,007	-	-
Current portion of liabilities under financial lease agreements		3,705	2,030	922	912
Income tax payables		75,715	54,438	-	4,516
Unearned income		128,662	203,423	50,340	28,109
Undue output tax		86,263	104,677	54,314	69,597
Other current liabilities		25,207	27,657	16,529	15,737
Total current liabilities		<u>1,188,996</u>	<u>1,368,847</u>	<u>1,204,632</u>	<u>1,317,327</u>
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	12	5,779	6,267	-	-
Liabilities under financial lease agreements - net of current portion		3,507	5,678	2,654	2,887
Provision for long-term employee benefits		8,860	8,356	8,860	8,356
Total non-current liabilities		<u>18,146</u>	<u>20,301</u>	<u>11,514</u>	<u>11,243</u>
Total liabilities		<u>1,207,142</u>	<u>1,389,148</u>	<u>1,216,146</u>	<u>1,328,570</u>

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 March 2019

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated		Separate	
		financial statements		financial statements	
		<u>31 March 2019</u>	<u>31 December 2018</u>	<u>31 March 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
4,588,489,574 ordinary shares of Baht 0.10 each		458,849	458,849	458,849	458,849
Issued and fully paid					
3,882,568,101 ordinary shares of Baht 0.10 each					
(31 December 2018 : 3,529,607,365 ordinary shares					
of Baht 0.10 each)	13	388,257	352,961	388,257	352,961
Share premium	13	4,515,747	2,293,363	4,515,747	2,293,363
Capital reserve for share-based payment transactions		29,220	29,220	29,220	29,220
Retained earnings					
Appropriated - statutory reserve		45,885	45,885	45,885	45,885
Unappropriated		1,488,595	1,334,525	986,204	892,376
Other components of shareholders' equity		756	294	-	-
Equity attributable to owners of the Company		6,468,460	4,056,248	5,965,313	3,613,805
Non-controlling interests of the subsidiaries		363,066	288,628	-	-
Total shareholders' equity		6,831,526	4,344,876	5,965,313	3,613,805
Total liabilities and shareholders' equity		8,038,668	5,734,024	7,181,459	4,942,375
		-	-	-	-

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 three-month period ended 31 March 2019

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Sales and service income	14	1,195,203	796,956	795,281	754,640
Other income		11,947	7,495	7,113	7,749
Total revenues		<u>1,207,150</u>	<u>804,451</u>	<u>802,394</u>	<u>762,389</u>
Expenses					
Cost of sales and services		781,098	526,367	583,097	541,086
Selling, distribution and servicing expenses		57,099	48,156	52,523	43,648
Administrative expenses		80,721	60,880	48,185	48,322
Impairment loss on investment		-	-	7,129	7,129
Total expenses		<u>918,918</u>	<u>635,403</u>	<u>690,934</u>	<u>640,185</u>
Profit before share of profit (loss) from investments					
in associates, finance cost and income tax expenses		288,232	169,048	111,460	122,204
Share of profit (loss) from investments in associates	7	(498)	1,389	-	-
Profit before finance cost and income tax expenses		<u>287,734</u>	<u>170,437</u>	<u>111,460</u>	<u>122,204</u>
Finance cost		(236)	(408)	(39)	(1)
Profit before income tax expenses		<u>287,498</u>	<u>170,029</u>	<u>111,421</u>	<u>122,203</u>
Income tax expenses	15	(55,559)	(29,082)	(17,593)	(19,271)
Profit for the period		<u>231,939</u>	<u>140,947</u>	<u>93,828</u>	<u>102,932</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currency		923	(1,106)	-	-
Other comprehensive income for the period		<u>923</u>	<u>(1,106)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>232,862</u>	<u>139,841</u>	<u>93,828</u>	<u>102,932</u>
Profit attributable to:					
Equity holders of the Company		154,070	139,105	<u>93,828</u>	<u>102,932</u>
Non-controlling interests of the subsidiaries		<u>77,869</u>	<u>1,842</u>		
		<u>231,939</u>	<u>140,947</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		155,532	138,551	<u>93,828</u>	<u>102,932</u>
Non-controlling interests of the subsidiaries		<u>77,330</u>	<u>1,290</u>		
		<u>232,862</u>	<u>139,841</u>		
Basic earnings per share	16				
Profit attributable to equity holders of the Company		<u>0.043</u>	<u>0.039</u>	<u>0.026</u>	<u>0.029</u>

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

(Unaudited but reviewed)

Plan B Media Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities				
Profit before tax	287,498	170,029	111,421	122,203
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	140,261	109,529	107,005	82,409
Allowance for doubtful accounts	-	497	-	-
Gain on disposal of asset	(328)	(3)	-	(3)
Impairment loss on investment	-	-	7,129	7,129
Provision for long-term employee benefits	504	456	504	456
Loss on sale of investment in associate	6,599	-	-	-
Share of loss (profit) from investments in associates	498	(1,389)	-	-
Gain on a bargain purchase	(3)	-	-	-
Interest income	(819)	(820)	(1,749)	(1,174)
Interest expenses	236	408	39	1
Profit from operating activities before changes in operating assets and liabilities	434,446	278,707	224,349	211,021
Operating assets (increase) decrease				
Trade and other receivables	190,342	(2,032)	92,768	(48,129)
Other current assets	99,430	(48,984)	112,481	(41,201)
Other non-current assets	7,398	(13,668)	(5,338)	(6,218)
Operating liabilities increase (decrease)				
Trade and other payables	20,693	86,527	30,984	117,937
Unearned income	(81,768)	55,312	22,231	27,979
Other current liabilities	(22,084)	17,474	(14,495)	9,536
Other non-current liabilities	-	(144)	-	-
Cash from operating activities	648,457	373,192	462,980	270,925
Cash paid for interest expenses	(342)	(384)	(77)	(2)
Cash paid for income tax expenses	(39,606)	(26,249)	(24,410)	(19,637)
Net cash from operating activities	608,509	346,559	438,493	251,286

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

(Unaudited but reviewed)

Plan B Media Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from investing activities				
Increase in short-term loans to related parties	(8,100)	-	(78,000)	(7,500)
Increase in short-term loans to unrelated persons	-	(10,500)	-	-
Cash receipt for investments in subsidiaries (Note 6)	10,251	-	-	-
Cash paid for investments in associate	-	(262,214)	-	(262,214)
Cash received for disposal in associate	269,240	-	269,240	-
Acquisition of equipment	-	(125,629)	-	(111,817)
Payment of payable for purchase of equipment	(277,003)	(42,827)	(268,591)	(40,251)
Acquisition of intangible assets	(8,740)	(34,794)	(6,224)	(5,799)
Cash receipt from disposal of equipment	328	6	-	6
Interest income	29	9	-	57
Decrease (increase) in current investment	(1,800,000)	30,846	(1,800,000)	30,846
Net cash used in investing activities	(1,813,995)	(445,103)	(1,883,575)	(396,672)
Cash flows from financing activities				
Repayment of long-term loans from financial institutions	(615)	(2,830)	-	-
Repayment of liabilities under finance lease agreements	(496)	(340)	(223)	(29)
Proceed from increase in share capital	2,258,949	-	2,258,949	-
Payments of expense relating to the share offering	(1,269)	-	(1,269)	-
Cash receipt from share capital increased				
from non-controlling interests of the subsidiaries	-	8,550	-	-
Dividends paid	-	(3)	-	(3)
Dividends paid to non-controlling interests of the subsidiaries	(8,000)	(1,000)	-	-
Net cash from (used in) financing activities	2,248,569	4,377	2,257,457	(32)
Increase (decrease) in translation adjustments	923	(1,106)	-	-
Net increase (decrease) in cash and cash equivalents	1,044,006	(95,273)	812,375	(145,418)
Cash and cash equivalents at beginning of period	440,458	441,562	100,787	343,819
Cash and cash equivalents at end of period	1,484,464	346,289	913,162	198,401

Supplementary cash flow information

Non-cash transactions

Purchase of equipment for which no cash has been paid	191,386	69,334	191,024	68,223
Increase in share subscription	4,100	-	-	-
Transfer from prepaid expense to investment in associate	7,026	-	-	-

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

(Unaudited but reviewed)

Plan B Media Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

Consolidated financial statements											
						Other components of equity					
							Comprehensive income				

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

(Unaudited but reviewed)

Plan B Media Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

		Separate fianancial statements					
		Issued and		Capital reserve	Retained earnings		Total
		paid-up		for share-based	Appropriated		shareholders'
	Note	share capital	Share premium	payments	- statutory reserves	Unappropriated	equity
Balance as at 1 January 2018		352,961	2,293,363	29,220	35,350	597,359	3,308,253
Total comprehensive income for the period		-	-	-	-	102,932	102,932
Balance as at 31 March 2018		352,961	2,293,363	29,220	35,350	700,291	3,411,185
Balance as at 1 January 2019		352,961	2,293,363	29,220	45,885	892,376	3,613,805
Increase share capital	13	35,296	2,222,384	-	-	-	2,257,680
Total comprehensive income for the period		-	-	-	-	93,828	93,828
Balance as at 31 March 2019		388,257	4,515,747	29,220	45,885	986,204	5,965,313

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

Plan B Media Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 31 March 2019

1. General information

1.1 Corporate information

Plan B Media Public Company Limited (“ the Company”) is a public 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 Yak Mahanak, Dusit, Bangkok.

1.2 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Plan B Media Public Company Limited and its subsidiaries (“ hereinafter called “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018.

During the current period, there was the following change in the structure of the group:

New subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of shareholding
<u>Subsidiaries held by Master Standard Display Company Limited</u>			
Sign Work Media Company Limited (Subsidiary has control)	Provide online advertising media	Thailand	50
Digital Factory Company Limited (Subsidiary has control)	Provide advertising media in several airports	Thailand	50

During the current period, Master Standard Display Company Limited ("MSD") which is a subsidiary purchased common shares of Sign Work Media Company Limited and Digital Factory Company Limited, MSD has control over these companies as described in Note 6 to the financial statements. The Company included the financial statements of these companies in the consolidated financial statements in the current period and onwards.

1.4 New financial reporting standards

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

During the period, the Group have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are 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 TFRS 15 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.

This standard does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments 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
--------	-------------------------------------

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

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

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

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018, except for the change in the accounting policies due to the adoption of TFRS 15, Revenue from Contracts with Customers, as follow:

Revenue from sales

Sales are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

- a) Advertising revenues, advertising space rental revenues and air time rental revenues are recognised at a point in time upon completion of the service
- b) Revenues from right management is recognised over time based on the straight-line method.
- c) Artist management income, revenues from event advisor and organiser are recognised at a point in time upon completion of the service.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Accrued income” in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Group’s right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group have received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Unearned income” in the statement of financial position. Contract liabilities are recognised as revenue when the Group perform under the contract.

2. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were conclude on commercial terms and bases agreed upon between the Group and related parties.

(Unit: Million Baht)

	For the three-month periods ended 31 March				
	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Advertising space rental expenses	-	-	141.6	137.9	Contract price
Transactions with related parties					
Advertising space rental expenses	4.6	5.3	4.6	5.3	Contract price

(Unaudited but reviewed)

As at 31 March 2019 and 31 December 2018 the balances of the accounts between the Group and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Rental deposits</u>				
Subsidiary	-	-	2,127	2,127
Related company (related by common director)	1,363	1,363	350	350
Director	403	403	403	403
Total rental deposits	<u>1,766</u>	<u>1,766</u>	<u>2,880</u>	<u>2,880</u>
<u>Trade and other receivables - related parties</u>				
(Note 4)				
Subsidiaries	-	-	70,072	86,259
Associates	300	1,997	300	1,997
Related Company (related by common director)	<u>6,137</u>	<u>20,282</u>	<u>-</u>	<u>-</u>
Total trade and other receivables - related parties	<u>6,437</u>	<u>22,279</u>	<u>70,372</u>	<u>88,256</u>
<u>Prepaid expenses related parties (Note 5)</u>				
Subsidiaries	-	-	11,396	16,061
Total prepaid expenses - related parties	<u>-</u>	<u>-</u>	<u>11,396</u>	<u>16,061</u>
<u>Trade and other payables - related parties</u>				
(Note 11)				
Subsidiaries	-	-	501,113	476,422
Related Company (related by common director)	<u>91,275</u>	<u>104,267</u>	<u>-</u>	<u>-</u>
Total trade and other payables - related parties	<u>91,275</u>	<u>104,267</u>	<u>501,113</u>	<u>476,422</u>

(Unaudited but reviewed)

As at 31 March 2019, the balance of loans between the Company, subsidiaries and related parties and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at			Balance as at
	1 January	During the period		31 March
	2019	Increase	Decrease	2019
<u>Short-term loans to related parties</u>				
2000 Publishing and Media Company Limited				
(Associate)	1,050	-	-	1,050
Related person (shareholder of a subsidiary)	-	8,100	-	8,100
Total	1,050	8,100	-	9,150

The short-term loans to an associate and related person has interest charge at rate of 2% per annum with repayment at call and in May 2019, respectively.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at			Balance as at
	1 January	During the period		31 March
	2019	Increase	Decrease	2019
<u>Short-term loans to related parties</u>				
Subsidiaries				
Master Standard Display Company Limited	142,045	81,000	-	223,045
W.P.S Media Company Limited	23,000	-	(3,000)	20,000
Total	165,045	81,000	(3,000)	243,045

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

Directors and management's benefits

During the three-month periods ended 31 March 2019 and 2018, the Group had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefit	10.8	11.3	9.0	11.3
Long-term employee benefit	0.1	0.1	0.1	0.1
Total	10.9	11.4	9.1	11.4

3. Current investment

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	31 March 2019	31 December 2018
		(Audited)
Fixed bank deposits	1,800,000	-
Total current investment	1,800,000	-

As at 31 March 2019, fixed bank deposits carried interest rate at 1.625% per annum.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Trade receivables - related parties				
<u>Aged on the basis of due dates</u>				
Not yet due	1,018	240	10,803	23,037
Past due				
Up to 3 months	4,256	-	16,154	37,119
3 - 6 months	-	-	1,569	3,684
6 - 12 months	-	15,242	11,318	9,512
Over 12 months	-	4,997	-	-
Total trade receivables - related parties	5,274	20,479	39,844	73,352
Trade receivables-unrelated parties				
<u>Aged on the basis of due dates</u>				
Not yet due	771,808	1,015,388	738,144	866,984
Past due				
Up to 3 months	59,735	98,854	42,368	75,186
3 - 6 months	33,228	6,590	33,078	5,297
6 - 12 months	3,578	4,426	2,572	2,982
Over 12 months	4,408	5,170	4,196	4,958
Total trade receivables - unrelated parties	872,757	1,130,428	820,358	955,407
Less: Allowance for doubtful accounts	(168)	(168)	(168)	(168)
Total trade receivables - unrelated parties, net	872,589	1,130,260	820,190	955,239

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	(Audited)		(Audited)	
Other receivables				
Accrued income - related parties	300	1,800	26,328	14,904
Accrued income - unrelated parties	273,891	174,654	194,193	133,201
Other receivables - related party	863	-	4,200	-
Other receivables - unrelated parties	4,026	4,077	6	41
Others	4,618	5,179	6,979	6,022
Total other receivables	283,698	185,710	231,706	154,168
Less: Allowance for doubtful accounts	(3,976)	(3,976)	-	-
Total other receivables, net	279,722	181,734	231,706	154,168
Total trade and other receivables - net	1,157,585	1,332,473	1,091,740	1,182,759

5. Prepaid expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	(Audited)		(Audited)	
Prepaid advertising space rental				
- related parties	-	-	11,396	16,061
- unrelated parties	494,418	571,253	428,101	500,041
Others	148,287	158,751	55,720	69,545
Total prepaid expenses	642,705	730,004	495,217	585,647
Less: Amortised within 1 year	(545,493)	(633,654)	(447,236)	(547,795)
Prepaid expenses amortised more than 1 year	97,212	96,350	47,981	37,852

6. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2019	2018	2019	2018	2019	2018
		(Audited)	(%)	(%)		(Audited)
				(Audited)		
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
Golink Online Company Limited	5,000	5,000	70	70	3,500	3,500
SRPB Media Company Limited	20,000	20,000	45	45	9,000	9,000
Total					763,500	765,300
Less: Allowance for impairment of investment					(302,100)	(294,971)
Investments in subsidiaries - net					463,200	470,329

6.2 Details of changes in investments in subsidiaries

- a) On 14 May 2018, the Board of Directors' meeting of the Company passed a resolution approved the acquisition by MSD, of shares in BNK48 Office Company Limited ("BNK") which provide the management and development of the BNK48 members. MSD purchased 888,500 common shares of BNK (equal to 35% of its issued and paid-up capital of that company), totaling Baht 182 million. MSD already received those shares transferred and MSD has significant influence over BNK.

Up to 31 March 2019, MSD has paid totaling Baht 141 million for share purchase and paid the remaining of Baht 41 million on 5 April 2019.

The fair values of the acquired assets and liabilities of BNK as at the acquisition date (6 July 2018) 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%)	(89,616)
Net assets of the subsidiary attributable to MSD's interest (35%)	48,254
Add: Difference between cost of business acquisition and value of business	133,996
Cost of investment in subsidiary	182,250
Deducted: Cash paid for business acquisition	(141,125)
Payable from purchase of investment	41,125

MSD presented the excess from cost of investment in BNK over its net asset value amounting to Baht 134 million as a separate item in the consolidated statement of financial position as at 31 March 2019 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.

b) 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 purchased 10,000 newly issued share capitals of Signwork (equal to 50% of issued and paid-up capital of that company). MSD paid Baht 1 million and received the shares transferred on 7 February 2019 (the acquisition date).

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

	(Unit: Thousand Baht)
Cash and cash equivalents	1,005
Trade and other receivables	18
Other current assets	1,497
Trade and other payables	(514)
Net assets of the subsidiary	2,006
Non-controlling interests of subsidiary (50%)	(1,003)
Net assets of the subsidiary attributable to MSD's interest (50%)	1,003
Deducted: Gain on a bargain purchase	(3)
Cash paid for purchase of subsidiary	1,000
Less: Cash and cash equivalents of the subsidiary	(1,005)
Net cash received for purchase of subsidiary	(5)

The Company has considered the acquisition of Signwork in accordance with the requirements of Thai Financial Reporting Standard No. 3 Business Combinations and concluded that this acquisition is, in substance, asset acquisition.

- 2) To approve the acquisition by MSD, of shares in Digital Factory Company Limited ("Digital Factory") which provide online advertising media. Subsequently, MSD purchased 100,000 newly issued share capitals of Digital Factory (equal to 50% of issued and paid-up capital of that company). MSD paid Baht 5 million and received the shares transferred on 8 February 2019 (the acquisition date).

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

	(Unit: Thousand Baht)
Cash and cash equivalents	15,246
Trade and other receivables	14,646
Other current assets	1,490
Equipment	381
Trade and other payables	(24,335)
Other current liabilities	(1,218)
Net assets from business acquisition	6,210
Non-controlling interests of subsidiary (50%)	(3,105)
Net assets of the subsidiary attributable to MSD's interest (50%)	3,105
Add: Difference between cost of business acquisition and value of business	1,895
Cash paid for business acquisition	5,000
Less: Cash and cash equivalents of the subsidiary	(15,246)
Net cash received for business acquisition	(10,246)

MSD presented the excess from cost of investment in Digital Factory over its net asset value amounting to Baht 2 million as a separate item in the consolidated statement of financial position as at 31 March 2019 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.

(Unaudited but reviewed)

7. Investments in associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March	31 December	31 March	31 December	31 March	31 December
			2019	2018	2019	2018	2019	2018
			(%)	(%)		(Audited)		(Audited)
(Audited)								
<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	3,456	4,274
Sanctuary Billboards Sdn Bhd	Advertising media production	Malaysia	40.00	40.00	85,917	85,917	97,948	97,578
BNK Production Company Limited	TV production, Movie Advertising, Event Organizer and All types of entertainment	Thailand	49.99	49.99	3,250	3,250	(534)	(484)
Total investments in associates					92,667	354,881	100,870	370,181

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Carrying amount based on cost method	
			31 March 2019	31 December 2018	31 March 2019	31 December 2018
			(%)	(%)		(Audited)
				(Audited)		
Bangkok Metro Networks Limited	Manage commercial area in all MRT stations and MRT trains	Thailand	-	19.48	-	262,214
Total investment in associate					-	262,214

7.1 Details of changes in investments in associates

The Company additionally purchased 132,561 shares of Bangkok Metro Networks Limited ("BMN"). As a result of this investment, its shareholding in BMN changed from 19.48% to 20%. The Company paid Baht 7 million for such shares acquisition and received the shares transferred on 15 January 2019.

On 26 March 2019, the Board of Directors' Meeting of the Company passed a resolution approved the sales of the investment in 5,080,000 shares of BMN to Bangkok Expressway and Metro Public Company Limited (equal to 20% of issued and paid-up capital of that company). The Company transferred such shares to the buyer on 27 March 2019 (the disposal date) and received payment of Baht 269 million for the sales of investment. The Company had loss on sales of investment in BMN under the equity method amounting to Baht 6.6 million which is included in "Administrative expenses" in profit or loss section of the consolidated statement of comprehensive income.

7.2 Share of profit (loss)

The Group have recognised their share of profit (loss) from investments in associates in the consolidated financial statements as follows:

Associates	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of profit (loss) from investment	
	in associates	
	For the three-month periods ended 31 March	
	<u>2019</u>	<u>2018</u>
2000 Publishing and Media Company Limited	(818)	24
Sanctuary Billboards Sdn Bhd	370	1,365
BNK Production Company Limited	(50)	-
Total	<u>(498)</u>	<u>1,389</u>

During the three-month periods ended 31 March 2019 and 2018, the Group had no dividend received from its associates.

8. Investments in joint ventures

(Unit: Thousand Baht)						
Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Shareholding		Cost	
			percentage			
			31 March	31 December	31 March	31 December
			2019	2018	2019	2018
				(%)	(%)	(Audited)
(Audited)						
<u>Joint ventures held by the subsidiary</u>						
Atmos Sports Lab Company Limited	Import and distribute sport and fashion goods	Thailand	36.90	-	1,850	-
Atmos Apparal Company Limited	Import and distribute sport and fashion goods	Thailand	44.90	-	2,250	-
Total investments in joint ventures					4,100	-

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% of issued and paid-up capital of that company) and holds 22,450 common shares of Atmos Apparel Company Limited with a par value of Baht 100 per share, totaling Baht 2.2 million (equal to 44.9% of issued and paid-up capital of that company). As at 31 March 2019, MSD has not yet paid these investments.

9. Leasehold improvement and equipment

Movements of the leasehold improvement and equipment account during the three-month period ended 31 March 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	2,237,681	1,899,832
Acquisitions during period - at cost	127,495	121,717
Increased from the acquisition of subsidiary (Note 6)	381	-
Depreciation for the period	(120,057)	(99,824)
Net book value as at 31 March 2019	2,245,500	1,921,725

10. Intangible assets

Movements of the intangible assets account during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	262,370	99,268
Acquisitions during period - at cost	8,740	6,224
Amortisation for the period	(20,204)	(7,181)
Net book value as at 31 March 2019	250,906	98,311

11. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Trade payables - related parties	265	22,401	445,014	343,783
Trade payables - unrelated parties	272,712	229,550	206,429	200,986
Share subscription	45,225	41,125	-	-
Other payables - related party	543	-	-	-
Other payables - unrelated parties	12,271	12,953	4,306	7,417
Accrued expenses - related parties	90,467	81,866	56,099	132,639
Accrued expenses - unrelated parties	254,242	245,373	179,202	175,280
Dividend payables	453	453	453	453
Account payables for construction	191,386	340,894	191,024	337,898
Total trade and other payables	867,564	974,615	1,082,527	1,198,456

12. Long-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	31 March 2019	31 December 2018
		(Audited)
Long-term loans	7,659	8,274
Less: Current portion	(1,880)	(2,007)
Long-term loans - net of current portion	5,779	6,267

Movement of the long-term loans from financial institutions account during the three-month period ended 31 March 2019 is summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2019	8,274
Less: Repayment	(615)
Balance as at 31 March 2019	7,659

The long-term loans are guaranteed by the subsidiary's directors, mortgage of related person of the subsidiary land and Thai Credit Guarantee Corporation.

13. Share capital

On 26 March 2019, the Board of Directors' meeting of the Company passed a resolution to issue and allocate additional 352,960,736 ordinary shares with a par value of Baht 0.10 per share under the general mandate, at an offering price of Baht 6.40 per share, or for a total of Baht 2,258,948,710.40, to VGI Global Media Public Company Limited ("VGI"). The Company received payment of such newly issued ordinary shares in full, with expenses relating to the share offering of Baht 1,586,000 (net of income tax of Baht 317,200) presented as a deduction from the premium on ordinary shares. The Company registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 27 March 2019.

Moreover, some major shareholders of the Company entered into the agreements to sell certain ordinary shares of the Company to VGI, resulting in VGI becoming a major shareholder of the Company with 18.59% total shareholding of the issued and paid-up capital of the Company. Nevertheless, VGI is not deemed to have control over the Company and do not have significant influence to the Company.

14. Revenues from contracts with customers

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Type of goods or service:				
Revenue from sales	154,968	-	-	-
Advertising revenues, advertising space rental revenues and air time rental revenues	796,500	746,375	728,578	716,187
Revenues from right management	84,521	38,453	66,703	38,453
Artist management income, revenues from event advisor and organizer	159,214	12,128	-	-
Total revenues from contracts with customers	<u>1,195,203</u>	<u>796,956</u>	<u>795,281</u>	<u>754,640</u>
Timing of revenues recognition:				
Revenues recognised at a point in time	1,121,075	758,502	728,578	716,186
Revenues recognised over time	74,128	38,454	66,703	38,454
Total revenues from contracts with customers	<u>1,195,203</u>	<u>796,956</u>	<u>795,281</u>	<u>754,640</u>

15. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Interim corporate income tax charge	56,436	29,105	18,670	19,290
Effects of income tax related to the share offering (Note 13)	317	-	317	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,194)	(23)	(1,394)	(19)
Income tax expense reported in profit or loss	<u>55,559</u>	<u>29,082</u>	<u>17,593</u>	<u>19,271</u>

16. Earnings per share

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

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

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit for the period attributable to equity holders of the Company (Thousand Baht)	154,070	139,105	93,828	102,932
Weighted average number of ordinary shares (Thousand shares)	3,549,216	3,529,607	3,549,216	3,529,607
Basic earnings per share (Baht per share)	0.043	0.039	0.026	0.029

17. Segment information

For management purposes, the Group structured business units in accordance with the governance of the chief operating decision maker. The Group has 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 Thai League 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 following tables present the financial information for the three-month periods ended 31 March 2019 and 2018 of the Group by segment.

	(Unit: Million Baht)							
	For the three-month periods ended 31 March							
	Advertising media		Engagement marketing		Elimination of inter-segment revenues		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue from external customers	862	785	360	23	(27)	(11)	1,195	797
Segment operating profit	215	252	199	19	-	-	414	271
Other income							12	7
Selling, distribution and servicing expenses							(57)	(48)
Administrative expenses							(81)	(61)
Share of profit from investments in associates							-	1
Profit before income tax expenses							288	170
Income tax expenses							(56)	(29)
Profit for the period							232	141

Major customers

During the three-month period ended 31 March 2019, the Group have revenues from two major customers in amount of Baht 70 million and Baht 38 million, arising from advertising media segment (2018: revenue from two major customers in amount of Baht 67 million and Baht 24 million, arising from advertising media segment).

18. Commitments and contingent liabilities**18.1 Capital commitments**

As at 31 March 2019, the Company had capital commitments of approximately Baht 74 million (31 December 2018: Baht 119 million), relating to the construction of advertising equipment and related equipment.

18.2 Operating lease commitments

The Group has entered into several lease agreements in respect of the lease of office building space, 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:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Payable:				
In up to 1 year	1,147	1,000	932	840
In over 1 and up to 5 years	2,066	2,057	1,800	1,785
In over 5 years	897	905	895	902

In addition, the Company has commitments with 19 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.

18.3 Long-term service commitments

- a) The Company was appointed as an official agency to manage commercial rights of Football Association of Thailand under Patronage of His Majesty the King (“Football Association”) and Thai League Company Limited (“Thai 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) Thai 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% 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.

18.4 Guarantees

As at 31 March 2019, the Group had outstanding bank guarantees of approximately Baht 241 million (31 December 2018: Baht 235 million) and for the Company only of approximately Baht 173 million (31 December 2018: Baht 167 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business. Bank guarantees on behalf of the subsidiaries are secured by the Company.

18.5 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.

18.6 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% of its issued and paid-up capital of that company) from its existing shareholders. As at 31 March 2019, MSD has not yet paid in this shares capital.
- b) 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% of issued and paid-up capital 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% 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.
- c) On 28 February 2019, the Board of Directors' meeting of the Company passed a resolution approved the acquisition by MSD, of shares in BL Falcon Pte. Ltd. ("Falcon") which provide digital out-of-home media advertising in Singapore. MSD entered into Share Subscription Agreement to purchase 750,000 newly issued share capitals of Falcon with a par value of SGD 1 per share, totaling SGD 0.75 million (equal to 30% of issued and paid-up capital of that company). MSD paid for the share capital on 10 May 2019. As at 31 March 2019, MSD did not receive the shares transfer yet.

19. Events after the reporting period

a) On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 0.1 million (The Company only: Baht 0.1 million) as a result. The Group will reflect the effect of the change by recognising past service costs as expenses in profit or loss of the period in which the law is effective, which is the second quarter of 2019.

b) On 30 April 2019, the Annual General Meeting of the Company's shareholders passed the following resolutions:

- 1) To approve the payment of a dividend from the Company's operating results for the year ended 31 December 2018 of Baht 0.091 per share, for 3,529,607,365 shares, or a total of Baht 321,194,270.22.

The dividend will be paid to eligible shareholders whose names are listed in the shareholders' registration book as of 10 May 2019. VGI was a holder of the newly issued share capital of the Company as the date on which the Company determined the eligible shareholders. However, VGI agreed to waive its right to receive dividend payment for the additional 352,960,736 ordinary shares, or a total of Baht 32,119,426.97.

- 2) To set aside the annual net profit of the year 2018 of Baht 10,534,896 as the statutory reserve.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 14 May 2019.