

Plan B Media Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2019

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 2019, and the related consolidated statements of comprehensive income, the related consolidated statement of 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 2019, 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 matters

I draw attention to

- a) Note 10 to the financial statements regarding the Company's investment in ordinary shares of Independent Artist Management Company Limited (formerly known as "BNK48 Office Company Limited") during 2018. The Group completed the measurement of fair value of the identifiable assets acquired and liabilities assumed at the acquired date in June 2019. The Company restated the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income for the year then ended, presented herein as comparative information, to reflect the fair value of the identifiable assets acquired and liabilities assumed of Independent Artist Management Company Limited as from the acquisition date.
- b) Note 33 a) to the financial statements regarding the Company's acquisition of shares in Master Ad Public Company Limited and the Company entering into right to Sell Advertising Media Agreement.

My opinion is not modified in respect of these matters.

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. The Group's 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 10 to the financial statements, the Group invested in Independent Artist Management Company Limited which is engaged in providing the management and development of the BNK48 members and Digital Factory Company Limited which is engaged in providing online advertising media. As at the date of acquisitions, 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: 27 February 2020

Plan B Media Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	2,360,140,293	440,458,189	2,044,302,884	100,786,788
Current investment		12,360,954	-	-	-
Trade and other receivables	8	1,559,841,860	1,332,472,475	1,463,996,282	1,182,759,298
Prepaid expenses amortised within 1 year	9	429,563,639	633,654,402	325,834,126	547,795,473
Short-term loans to related parties	6	69,792,370	1,050,000	23,500,000	165,045,000
Short-term loans to unrelated persons		13,000,000	3,000,000	-	-
Inventories		13,255,582	-	-	-
Other current assets		63,544,682	79,040,013	36,006,517	55,826,336
Total current assets		4,521,499,380	2,489,675,079	3,893,639,809	2,052,212,895
Non-current assets					
Restricted bank deposits	18	11,234,805	-	-	-
Investments in subsidiaries	10	-	-	792,375,187	470,328,893
Investments in joint ventures	12	14,750,648	-	-	-
Investments in associates	13	117,600,578	370,181,191	-	262,214,267
Investment properties		8,399,726	-	-	-
Property, leasehold improvement and equipment	14	2,424,899,511	2,237,680,997	2,043,646,392	1,899,831,593
Intangible assets	15	562,121,661	541,249,635	156,624,154	99,267,788
Goodwill	10	51,386,938	49,491,459	-	-
Deferred tax assets	25	11,829,317	10,492,749	8,639,018	8,340,843
Prepaid expenses amortised more than 1 year	9	96,530,662	96,350,483	44,689,479	37,851,741
Other non-current assets	16	159,194,584	133,278,812	114,064,646	112,327,333
Total non-current assets		3,457,948,430	3,438,725,326	3,160,038,876	2,890,162,458
Total assets		7,979,447,810	5,928,400,405	7,053,678,685	4,942,375,353

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	739,262,671	974,615,337	1,057,838,593	1,198,455,858
Current portion of long-term loans from financial institutions	18	19,928,229	2,006,643	-	-
Current portion of liabilities under financial lease agreements		3,379,113	2,029,709	950,984	912,461
Income tax payables		45,946,049	54,438,042	13,537,588	4,515,782
Unearned income		74,014,634	203,423,602	34,531,066	28,109,339
Undue output tax		111,065,284	104,677,304	77,520,418	69,597,132
Other current liabilities		23,857,286	27,657,196	13,317,278	15,736,474
Total current liabilities		1,017,453,266	1,368,847,833	1,197,695,927	1,317,327,046
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	18	5,449,145	6,266,705	-	-
Liabilities under financial lease agreements - net of current portion		2,302,262	5,678,421	1,936,885	2,887,869
Provision for long-term employee benefits		9,360,040	8,355,603	8,946,923	8,355,603
Deferred tax liability	25	46,731,921	55,776,009	-	-
Other non-current liabilities		8,180,705	-	-	-
Total non-current liabilities		72,024,073	76,076,738	10,883,808	11,243,472
Total liabilities		1,089,477,339	1,444,924,571	1,208,579,735	1,328,570,518

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
Shareholders' equity					
Share capital					
Registered					
4,588,489,574 ordinary shares of Baht 0.10 each	19	458,848,957	458,848,957	458,848,957	458,848,957
Issued and fully paid					
3,882,568,101 ordinary shares of Baht 0.10 each (2018 : 3,529,607,365 ordinary shares of Baht 0.10 each)	19	388,256,810	352,960,737	388,256,810	352,960,737
Share premium	19	4,515,746,984	2,293,363,147	4,515,746,984	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	45,884,896	45,884,896	45,884,896
Unappropriated		1,397,935,193	1,328,107,028	865,989,986	892,375,781
Other components of shareholders' equity		(1,679,696)	293,955	-	-
Equity attributable to owners of the Company		6,375,364,461	4,049,830,037	5,845,098,950	3,613,804,835
Non-controlling interests of the subsidiaries		514,606,010	433,645,797	-	-
Total shareholders' equity		6,889,970,471	4,483,475,834	5,845,098,950	3,613,804,835
Total liabilities and shareholders' equity		7,979,447,810	5,928,400,405	7,053,678,685	4,942,375,353
		-	-	-	-

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 2019

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
			(Restated)		
Profit or loss:					
Revenues					
Sales and service income	21	4,861,009,600	4,011,686,607	3,820,651,213	3,309,170,847
Dividend income	10	-	-	72,999,035	-
Other income		58,488,486	27,572,020	52,933,166	29,256,865
Total revenues		<u>4,919,498,086</u>	<u>4,039,258,627</u>	<u>3,946,583,414</u>	<u>3,338,427,712</u>
Expenses					
Cost of sales and services		3,173,133,968	2,643,314,248	2,633,464,686	2,329,033,995
Selling, distribution and servicing expenses		323,369,541	243,472,174	289,178,431	225,372,805
Administrative expenses		365,040,406	279,118,251	229,009,533	199,924,740
Impairment loss on investments	10	-	-	28,516,207	28,516,207
Total expenses		<u>3,861,543,915</u>	<u>3,165,904,673</u>	<u>3,180,168,857</u>	<u>2,782,847,747</u>
Profit before share of profit (loss) from investments in joint ventures and associates, finance cost and income tax expenses		<u>1,057,954,171</u>	<u>873,353,954</u>	<u>766,414,557</u>	<u>555,579,965</u>
Share of loss from investments in joint ventures	12	(449,152)	-	-	-
Share of profit (loss) from investments in associates	13	(1,801,371)	4,009,670	-	-
Profit before finance cost and income tax expenses		<u>1,055,703,648</u>	<u>877,363,624</u>	<u>766,414,557</u>	<u>555,579,965</u>
Finance cost		(1,477,211)	(1,404,637)	(140,791)	(14,933)
Profit before income tax expenses		<u>1,054,226,437</u>	<u>875,958,987</u>	<u>766,273,766</u>	<u>555,565,032</u>
Income tax expenses	25	(197,398,307)	(157,903,521)	(119,293,040)	(91,180,602)
Profit for the year		<u>856,828,130</u>	<u>718,055,466</u>	<u>646,980,726</u>	<u>464,384,430</u>
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		(3,955,574)	(667,402)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain - net of income tax	25	1,141,446	-	1,141,446	-
Other comprehensive income for the year		<u>(2,814,128)</u>	<u>(667,402)</u>	<u>1,141,446</u>	<u>-</u>
Total comprehensive income for the year		<u>854,014,002</u>	<u>717,388,064</u>	<u>648,122,172</u>	<u>464,384,430</u>

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 2019

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Profit attributable to:				
Equity holders of the Company	743,194,686	636,360,490	646,980,726	464,384,430
Non-controlling interests of the subsidiaries	113,633,444	81,694,976		
	<u>856,828,130</u>	<u>718,055,466</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	742,362,481	636,028,549	648,122,172	464,384,430
Non-controlling interests of the subsidiaries	111,651,521	81,359,515		
	<u>854,014,002</u>	<u>717,388,064</u>		
Basic earnings per share	26			
Profit attributable to equity holders of the Company	<u>0.196</u>	<u>0.180</u>	<u>0.170</u>	<u>0.132</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 2019

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Cash flows from operating activities				
Profit before tax	1,054,226,437	875,958,987	766,273,766	555,565,032
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	623,170,685	512,063,810	432,823,154	370,613,652
Allowance for doubtful accounts	8,460,490	1,987,863	8,460,490	-
Reduction of inventories to net realisable value	7,651,457	-	-	-
Gain on disposal of assets	(1,336,858)	(407,446)	(2,302,755)	(435,731)
Loss on write-off of equipment	44,950	-	44,950	-
Impairment loss on investments	-	-	28,516,207	28,516,207
Provision for long-term employee benefits	2,400,082	1,860,082	2,018,127	1,860,082
Loss on disposal of investment in associate	6,599,207	-	-	-
Share of loss from investments in joint ventures	449,152	-	-	-
Share of loss (profit) from investments in associates	1,801,371	(4,009,670)	-	-
Gains on bargain purchases of business acquisition	(1,936,817)	-	-	-
Dividend income	-	-	(72,999,035)	-
Interest income	(29,257,020)	(2,746,923)	(30,472,311)	(5,417,120)
Interest expenses	1,477,211	1,404,637	140,791	14,933
Profit from operating activities before changes in operating assets and liabilities	1,673,750,347	1,386,111,340	1,132,503,384	950,717,055
Operating assets (increase) decrease				
Trade and other receivables	(188,926,774)	(288,711,572)	(291,975,775)	(313,212,329)
Inventories	(20,907,039)	-	-	-
Other current assets	242,568,494	(68,962,583)	234,755,433	(18,528,148)
Other non-current assets	(8,369,231)	(14,566,967)	(8,575,051)	(9,439,977)
Operating liabilities increase (decrease)				
Trade and other payables	(41,991,301)	120,139,150	85,643,594	248,979,034
Unearned income	(136,415,054)	114,767,013	6,421,727	5,179,454
Other current liabilities	(2,529,840)	63,875,545	5,504,090	28,457,889
Other non-current liabilities	(566,000)	(384,000)	-	-
Cash from operating activities	1,516,613,602	1,312,267,926	1,164,277,402	892,152,978
Cash paid for interest expenses	(1,912,273)	(1,671,803)	(281,583)	(16,449)
Cash paid for income tax expenses	(221,266,846)	(135,582,586)	(110,854,769)	(86,321,092)
Net cash flows from operating activities	1,293,434,483	1,175,013,537	1,053,141,050	805,815,437

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 2019

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Cash flows from investing activities				
Increase in restricted bank deposits	(11,034,805)	-	-	-
Decrease (increase) in short-term loans to related parties	(350,000)	300,000	141,545,000	(92,942,359)
Increase in short-term loan to unrelated persons	(10,000,000)	(3,000,000)	-	-
Cash paid for investments in subsidiaries	-	-	(359,000,000)	-
Cash receipt from capital reduction of subsidiary	-	-	8,437,500	-
Cash receipt from selling of investment in subsidiary	-	1,500,000	-	1,500,000
Cash receipt (paid) for business acquisition (Note 10)	(114,828,425)	17,196,015	-	-
Cash paid for investments in joint ventures	(15,199,800)	-	-	-
Cash paid for investments in associates	(18,034,231)	(330,000,345)	-	(262,214,267)
Cash receipt from disposal of investment in associate	269,240,000	-	269,240,000	-
Cash paid for acquisition of equipment	(523,143,897)	(696,432,078)	(443,911,023)	(595,721,167)
Cash paid for repayment of equipment payables	(340,894,493)	(42,870,950)	(337,897,968)	(40,251,375)
Cash paid for purchase of intangible assets	(100,614,485)	(86,317,173)	(84,265,696)	(44,403,185)
Cash receipt from disposal of equipment	8,793,753	1,375,659	8,177,042	1,111,148
Interest income	28,645,556	2,823,452	32,750,611	4,335,512
Dividend income from subsidiaries	-	-	72,999,035	-
Decrease (increase) in current investment	(12,360,954)	138,709,057	-	138,709,057
Net cash flows used in investing activities	(839,781,781)	(996,716,363)	(691,925,499)	(889,876,636)
Cash flows from financing activities				
Repayment of long-term loans from financial institutions	(14,938,775)	(13,436,698)	-	-
Repayment of liabilities under financial lease agreements	(2,026,755)	(1,030,726)	(912,461)	(152,262)
Cash receipt from share capital increased	2,258,948,710	-	2,258,948,710	-
Cash paid for share offering expenses	(1,268,800)	-	(1,268,800)	-
Cash receipt from share capital increased				
from non-controlling interests of the subsidiaries	600,000	13,550,000	-	-
Cash paid for capital reduction to non-controlling				
interest of the subsidiary	(10,312,500)	-	-	-
Dividend paid	(674,466,904)	(158,816,845)	(674,466,904)	(158,818,683)
Dividend paid to non-controlling interests of the subsidiaries	(86,550,000)	(19,000,000)	-	-
Net cash flows from (used in) financing activities	1,469,984,976	(178,734,269)	1,582,300,545	(158,970,945)
Decrease in translation adjustments	(3,955,574)	(667,402)	-	-
Net increase (decrease) in cash and cash equivalents	1,919,682,104	(1,104,497)	1,943,516,096	(243,032,144)
Cash and cash equivalents at beginning of year	440,458,189	441,562,686	100,786,788	343,818,932
Cash and cash equivalents at end of year	2,360,140,293	440,458,189	2,044,302,884	100,786,788
	-	-	-	-
Supplementary cash flow information				
Non-cash transactions				
Purchases of equipment under finance lease agreements	-	4,438,465	-	3,874,683
Purchase of equipment but not yet paid	117,064,549	340,894,493	111,736,836	337,897,968
Equipment received from share subscription	-	44,068,194	-	-
Increase in share subscription payables	-	41,125,000	-	-
Increase in share subscription receivables	6,800,000	-	-	-
Transfer from prepaid expense to investment in associate	7,025,733	-	7,025,733	-

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 2019

(Unit: Baht)

	Consolidated financial statements										
						Other components of shareholders' equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment	Retained earnings		Surplus from changes in the ownership interests in subsidiary	Other comprehensive income Exchange differences on translation of financial in foreign currency	Total other components of shareholders' equity			
				- statutory reserves	Unappropriated						
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 - as restated (Note 10)	-	-	-	-	636,360,490	-	-	-	636,360,490	81,694,976	718,055,466
Other comprehensive income for the year - as restated (Note 10)	-	-	-	-	-	-	(331,940)	(331,940)	(331,940)	(335,462)	(667,402)
Total comprehensive income for the year - as restated	-	-	-	-	636,360,490	-	(331,940)	(331,940)	636,028,550	81,359,514	717,388,064
Dividend paid (Note 29)	-	-	-	-	(158,832,331)	-	-	-	(158,832,331)	-	(158,832,331)
Transferred to statutory reserve (Note 20)	-	-	-	10,534,896	(10,534,896)	-	-	-	-	-	-
Non-controlling interests of the subsidiaries - as restated (Note 10)	-	-	-	-	-	-	-	-	-	304,169,772	304,169,772
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	-	-	-	-	-	924,518	-	924,518	924,518	575,482	1,500,000
Balance as at 31 December 2018	<u>352,960,737</u>	<u>2,293,363,147</u>	<u>29,220,274</u>	<u>45,884,896</u>	<u>1,328,107,028</u>	<u>924,518</u>	<u>(630,563)</u>	<u>293,955</u>	<u>4,049,830,037</u>	<u>433,645,797</u>	<u>4,483,475,834</u>
Balance as at 1 January 2019 - as previously reported	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
Adjustment of the fair value of the identifiable assets acquired and liabilities assumed as a result of the acquisition of a subsidiary (Note 10)	-	-	-	-	(6,417,585)	-	-	-	(6,417,585)	145,017,626	138,600,041
Balance as at 1 January 2019 - as restated	<u>352,960,737</u>	<u>2,293,363,147</u>	<u>29,220,274</u>	<u>45,884,896</u>	<u>1,328,107,028</u>	<u>924,518</u>	<u>(630,563)</u>	<u>293,955</u>	<u>4,049,830,037</u>	<u>433,645,797</u>	<u>4,483,475,834</u>
Profit for the year	-	-	-	-	743,194,686	-	-	-	743,194,686	113,633,444	856,828,130
Other comprehensive income for the year	-	-	-	-	1,141,446	-	(1,973,651)	(1,973,651)	(832,205)	(1,981,923)	(2,814,128)
Total comprehensive income for the year	-	-	-	-	744,336,132	-	(1,973,651)	(1,973,651)	742,362,481	111,651,521	854,014,002
Increase in share capital (Note 19)	35,296,073	2,222,383,837	-	-	-	-	-	-	2,257,679,910	-	2,257,679,910
Dividend paid (Note 29)	-	-	-	-	(674,507,967)	-	-	-	(674,507,967)	-	(674,507,967)
Non-controlling interests of the subsidiaries increased from the acquisition and decreased in share capital of subsidiaries	-	-	-	-	-	-	-	-	-	55,858,692	55,858,692
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	(86,550,000)	(86,550,000)
Balance as at 31 December 2019	<u>388,256,810</u>	<u>4,515,746,984</u>	<u>29,220,274</u>	<u>45,884,896</u>	<u>1,397,935,193</u>	<u>924,518</u>	<u>(2,604,214)</u>	<u>(1,679,696)</u>	<u>6,375,364,461</u>	<u>514,606,010</u>	<u>6,889,970,471</u>

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

Plan B Media Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payments	Retained earnings		
				Appropriated - statutory reserves	Unappropriated	
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
Profit for the year	-	-	-	-	464,384,430	464,384,430
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	464,384,430	464,384,430
Dividend paid (Note 29)	-	-	-	-	(158,832,331)	(158,832,331)
Transferred to statutory reserve (Note 20)	-	-	-	10,534,896	(10,534,896)	-
Balance as at 31 December 2018	<u>352,960,737</u>	<u>2,293,363,147</u>	<u>29,220,274</u>	<u>45,884,896</u>	<u>892,375,781</u>	<u>3,613,804,835</u>
Balance as at 1 January 2019	352,960,737	2,293,363,147	29,220,274	45,884,896	892,375,781	3,613,804,835
Profit for the year	-	-	-	-	646,980,726	646,980,726
Other comprehensive income for the year	-	-	-	-	1,141,446	1,141,446
Total comprehensive income for the year	-	-	-	-	648,122,172	648,122,172
Increase in share capital (Note 19)	35,296,073	2,222,383,837	-	-	-	2,257,679,910
Dividend paid (Note 29)	-	-	-	-	(674,507,967)	(674,507,967)
Balance as at 31 December 2019	<u>388,256,810</u>	<u>4,515,746,984</u>	<u>29,220,274</u>	<u>45,884,896</u>	<u>865,989,986</u>	<u>5,845,098,950</u>

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 2019

1. General information

Plan B Media Public Company Limited (“the Company”) is a company incorporated and domiciled in Thailand. The Company and its subsidiaries (together as “the Group”) 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	
			2019	2018
<u>Subsidiaries directly held by the Company</u>			%	%
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	Provide mobile software application	Thailand	70	70
SRPB Media Company Limited (The Company has control)	Digital advertising agency	Thailand	45	45
Plan B CS Company Limited	Provide digital out of home advertising	Thailand	80	-

Company's name	Nature of business	Incorporation	Percentage of shareholding	
			2019 %	2018 %
<u>Subsidiaries held by Master Standard Display Company Limited ("MSD")</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 (MSD 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 (MSD has control)	Provide advertising media	Laos	50	50
W.P.S Media Company Limited (MSD has control)	Provide advertising media in airport	Thailand	50	50
Independent Artist Management Company Limited (formerly known as "BNK48 Office Company Limited") (MSD has control)	Administrate the development of BNK48 members	Thailand	35	35
Sign Work Media Company Limited (MSD has control)	Provide advertising media in several airports	Thailand	50	-
Digital Factory Company Limited (MSD has control)	Provide online advertising media	Thailand	50	-
Splash Media Public Company Limited	Provide advertising space and advertising media production	Thailand	70	-
Stark Multimedia Company Limited	Provide digital out of home advertising media	Thailand	75	-

Company's name	Nature of business	Incorporation	Percentage of shareholding	
			<u>2019</u>	<u>2018</u>
			%	%
<u>Subsidiaries held by Independent Artist Management Company Limited</u>				
<u>(formerly known as "BNK48 Office Company Limited")</u>				
Platform Makkasan Company Limited	Provide the management and development of artists	Thailand	70	-
More than I can say Company Limited	Provide the management and development of artists	Thailand	65	-
Dreamers Society Management Company Limited	Provide the management and development of artists	Thailand	59	-
<u>Subsidiary held by Splash Media Public Company Limited</u>				
Splash Estate Company Limited	Production and provide the rental of billboard	Thailand	100	-

- 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 2019, there were changes in the composition of the Group by having new subsidiaries as follow:

Investor	Subsidiary	Nature of business	Percentage of shareholding	Description	Amount
			(%)		(Thousand Baht)
Plan B Media Public Company Limited	Plan B CS Company Limited	Provide digital out of home advertising media	80	Registered a new subsidiary to the Department of Business Development On 16 August 2019. The Company holds 80,000 common shares with a par value of Baht 100 per share.	8,000
Master Standard Display Company Limited (“MSD”)	Sign Work Media Company Limited (“Signwork”)	Provide advertising media in airport	50	Invested in 10,000 newly issued share capitals, and received the shares transferred on 7 February 2019 (the acquisition date). MSD has control over Signwork.	1,000
Master Standard Display Company Limited	Digital Factory Company Limited (“Digital Factory”)	Provide online advertising media	50	Invested in 100,000 newly issued share capitals, and received the shares transferred on 8 February 2019 (the acquisition date). MSD has control over Digital Factory.	5,000
Master Standard Display Company Limited	Splash Media Public Company Limited	Provide advertising space and advertising media production	70	Invested in 126,000,000 newly issued share capitals, and received the shares transferred on 7 August 2019 (the acquisition date).	160,776

Investor	Subsidiary	Nature of business	Percentage of shareholding	Description	Amount
			(%)		(Thousand Baht)
Master Standard Display Company Limited	Stark Multimedia Company Limited	Provide digital out of home advertising media	75	Invested in 180,000 common shares with a par value of Baht 100 per share, and received the shares transferred on 15 August 2019 (the acquisition date).	18,000
Independent Artist Management Company Limited (“iAM”) (formerly known as “BNK48 Office Company Limited”)	Platform Makkasan Company Limited	Provide the management and development of artist	70	Registered a new subsidiary to the Department of Business Development on 6 September 2019. iAM holds 14,000 common shares with a par value of Baht 100 per share.	1,400
Independent Artist Management Company Limited	More than I can say Company Limited	Provide the management and development of artist	65	Registered a new subsidiary to the department of Business Development on 19 November 2019. iAM holds 20,000 common shares of such company with a par value of Baht 100 per share.	1,300
Independent Artist Management Company Limited	Dreamers Society Management Company Limited	Provide the management and development of artist	59	Invested in 59,000 common shares with a par value of 100 Baht per share. As at 31 December 2019, iAM has not yet paid this investment.	5,900
Splash Media Public Company Limited (“Splash Media”)	Splash Estate Company Limited	Production and provide rental of billboard	100	Subsidiary held by Splash Media	-

- 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 subsidiaries 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 Independent Artist Management Company Limited (“iAM”) (formerly known as “BNK48 Office Company Limited”) has joint arrangements which assessed as joint operation with other joint operators. iAM recognises its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, to the consolidated financial statements, the details of such joint arrangements as follows:

Name of entity	Nature of Business	Country of incorporation	Interest in joint operations	
			2019	2018
			%	%
Joint Venture Tom Oh Ple Film	Film production	Thailand	33.33	-

- 2.4 Separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

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

During the year, 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 and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which 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
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4. Significant accounting policies

4.1 Revenue recognition

Revenue from sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received on receivable, excluding value added tax, of goods supplied after deducting discounts.

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.

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 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by FIFO method.

4.5 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).

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

4.6 Investment properties

The Group initially measured the investment properties at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

4.7 Property, 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 land and assets under installation.

4.8 Intangible assets

The Group initially recognises the intangible assets acquired through business combination 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 allowance for impairment loss (if any).

The Group amortises the intangible assets with finite lives on a systematic basis over the economic useful life and test for impairment whenever there is an indication that the intangible asset may be impaired. The Group reviews the amortisation period and the amortisation method of such intangible assets 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
Copyright	7	years

4.9 Goodwill

The Group initially records goodwill at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

The Group presents the goodwill at cost less accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, The Group will recognise impairment loss in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 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.

4.11 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.

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group'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.

4.13 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 and review the impairment of goodwill by annually. 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.

The group will recognise an impairment loss in profit or loss.

4.14 Employee benefits

Short-term employee benefits

The Group recognise 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 Group determine the obligation under the defined benefit plan is by using the projected unit credit method which perform by a professionally qualified independent actuary based on actuarial techniques.

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

4.15 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.

4.16 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.

4.17 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.

4.18 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 subsidiaries 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>2019</u>	<u>2018</u>
	%	%
<u>Subsidiary directly held by the Company</u>		
SRPB Media Company Limited	45	45
<u>Subsidiaries held by Master Standard Display Company Limited</u>		
Bright Sky Media Company Limited	50	50
Panyathip Plan B Media Laos Company Limited	50	50
W.P.S. Media Company Limited	50	50
Independent Artist Management Company Limited (formerly known as "BNK48 Office Company Limited")	35	35
Sign Work Media Company Limited	50	-
Digital Factory Company Limited	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.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to

be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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		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	-	-	773.6	774.2	Contract price
Transactions with related parties					
Advertising space rental expenses	18.4	99.3	18.4	99.3	Contract price
Space rental expenses	19.6	15.4	7.8	7.8	Contract price
Service expenses	3.2	34.7	-	-	Mutually agreed price
Royalty expenses	63.6	37.5	-	-	Contract price

As at 31 December 2019 and 2018 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Rental guarantee - related parties</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 guarantee - related parties	<u>1,766</u>	<u>1,766</u>	<u>2,880</u>	<u>2,880</u>
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	90,396	86,259
Associate	300	1,997	300	1,997
Related company (related by common director)	2,143	20,282	-	-
Total trade and other receivables - related parties	<u>2,443</u>	<u>22,279</u>	<u>90,696</u>	<u>88,256</u>
<u>Prepaid expenses related parties (Note 9)</u>				
Subsidiaries	-	-	1,020	16,061
Related company (related by common director)	18,600	-	-	-
Total prepaid expenses - related parties	<u>18,600</u>	<u>-</u>	<u>1,020</u>	<u>16,061</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade and other payables - related parties (Note 17)				
Subsidiaries	-	-	568,326	476,422
Joint venture	305	-	305	-
Related companies (related by common directors)	70,731	104,267	-	-
Related persons (subsidiary's shareholders)	1,859	-	-	-
Total trade and other payables - related parties	72,895	104,267	568,631	476,422

As at 31 December 2019 and 2018, 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 1 January 2019	During the year		Balance as at 31 December 2019	
		Increase from the acquisition of a subsidiary	Increase		Decrease
Short-term loans to related parties					
2000 Publishing and Media Company Limited (Associate)	1,050	-	-	(150)	900
Looker Media Company Limited (related by common director)	-	68,392	-	-	68,392
Rose Artist Management Company Limited (related by common director)	-	-	26,800	(26,800)	-
Related persons (subsidiary's shareholders)	-	-	13,600	(13,100)	500
Total short-term loans to related parties	1,050	68,392	40,400	(40,050)	69,792

The short-term loans to an associate, related company and related persons have interest charge at rate 2% per annum with repayment at call.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 1 January 2019	During the year		Balance as at 31 December 2019
		Increase	Decrease	
Short-term loans to related parties				
Subsidiaries				
Master Standard Display Company Limited	142,045	274,700	(416,745)	-
W.P.S. Media Company Limited	23,000	-	(9,500)	13,500
Sign Work Media Company Limited	-	10,000	-	10,000
Total short-term loans to related parties	165,045	284,700	(426,245)	23,500

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

Directors and management's benefits

During the years ended 31 December 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	37.5	38.5	32.0	34.9
Long-term employee benefit	0.7	0.5	0.7	0.5
Total	<u>38.2</u>	<u>39.0</u>	<u>32.7</u>	<u>35.4</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	180	123	-	-
Bank deposits	2,359,960	440,335	2,044,303	100,787
Total cash and cash equivalents	<u>2,360,140</u>	<u>440,458</u>	<u>2,044,303</u>	<u>100,787</u>

As at 31 December 2019, bank deposits in saving accounts and fixed deposits carried interests at 0.50 - 0.75% per annum (2018: at 0.50 - 0.75% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables - related parties				
<u>Aged on the basis of due dates</u>				
Not yet due	1,073	240	15,198	23,037
Past due				
Up to 3 months	803	-	25,913	37,119
3 - 6 months	267	-	17,382	3,684
6 - 12 months	-	15,242	1,070	9,512
Over 12 months	-	4,997	12,887	-
Total trade receivables - related parties	<u>2,143</u>	<u>20,479</u>	<u>72,450</u>	<u>73,352</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables - unrelated parties				
<u>Aged on the basis of due dates</u>				
Not yet due	1,001,865	1,015,388	961,346	866,984
Past due				
Up to 3 months	83,559	98,854	65,380	75,186
3 - 6 months	15,311	6,590	9,993	5,297
6 - 12 months	1,166	4,426	656	2,982
Over 12 months	29,502	5,170	26,750	4,958
Total - unrelated parties	1,131,403	1,130,428	1,064,125	955,407
Less: Allowance for doubtful accounts	(9,822)	(168)	(8,628)	(168)
Total trade receivables - unrelated parties, net	1,121,581	1,130,260	1,055,497	955,239
Other receivables				
Accrued income - related parties	300	1,800	14,046	14,904
Accrued income - unrelated parties	421,549	174,654	314,408	133,201
Share subscription receivables	6,800	-	-	-
Other receivable - related party	-	-	4,200	-
Other receivables - unrelated parties	6,002	4,077	779	41
Others	6,054	5,178	2,616	6,022
Total other receivables	440,705	185,709	336,049	154,168
Less: Allowance for doubtful accounts	(4,587)	(3,976)	-	-
Total other receivables, net	436,118	181,733	336,049	154,168
Total trade and other receivables - net	1,559,842	1,332,472	1,463,996	1,182,759

9. Prepaid expenses

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Prepaid advertising space rental				
- related parties	-	-	-	16,061
- unrelated parties	333,629	571,253	271,463	500,041
Others				
- related parties	18,600	-	1,020	-
- unrelated parties	173,866	158,751	98,040	69,545
Total prepaid expenses	526,095	730,004	370,523	585,647
Less: Amortised within 1 year	(429,564)	(633,654)	(325,834)	(547,795)
Prepaid expenses amortised more than 1 year	<u>96,531</u>	<u>96,350</u>	<u>44,689</u>	<u>37,852</u>

10. Investments in subsidiaries

10.1 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		Carrying amount		Dividend received	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	based on cost method		for the years	
			(%)	(%)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Verisign Company Limited	126,000	126,000	100	100	400,000	400,000	59,999	-
Ads Cuisine Company Limited	10,000	10,000	100	100	65,800	65,800	13,000	-
Master Standard Display Company Limited	570,000	219,000	100	100	638,000	287,000	-	-
Golink Online Company Limited	5,000	5,000	70	70	3,500	3,500	-	-
SRPB Media Company Limited	1,250	20,000	45	45	562	9,000	-	-
Plan B CS Company Limited	10,000	-	80	-	8,000	-	-	-
Total					1,115,862	765,300	<u>72,999</u>	<u>-</u>
Less: Impairment loss on investment					(323,487)	(294,971)		
Total investments in subsidiaries - net					<u>792,375</u>	<u>470,329</u>		

During the current period, changes of investments in subsidiaries which have been presented in the separate financial statements are as follows:

Newly subsidiary

Subsidiary	Nature of business	Percentage of shareholding	Description	Amount
		(%)		(Thousand Baht)
Plan B CS Company Limited	Provide digital out of home advertising media	80	Registered a new subsidiary to the Department of Business Development on 16 August 2019. The Company holds 80,000 common shares with a par value of Baht 100 per share.	8,000

Addition of capital by subsidiary

Subsidiary	Nature of business	Percentage of shareholding	Description	Amount
		(%)		(Thousand Baht)
Master Standard Display Company Limited (“MSD”)	Advertising media production and advertising space rental	100	Increasing in share capital from Baht 219 million to Baht 570 million, by issuing 3,510,000 additional shares with a par value of Baht 100 per share. MSD registered the additional share capital with Ministry of Commerce on 19 July 2019. The Company invested in the additional common shares of this subsidiary, in the proportion to its existing shareholding.	351,000

Reduction of capital by a subsidiary

<u>Subsidiary</u>	<u>Nature of business</u>	<u>Percentage of shareholding</u>	<u>Description</u>	<u>Amount</u>
		(%)		(Thousand Baht)
SRPB Media Company Limited ("SRPB")	Digital advertising agency	45	Reduction of share capital from Baht 20 million to Baht 5 million, by cancelling 150,000 common shares with a par value of Baht 100 per share. SRPB registered the decrease in the share capital with Ministry of Commerce on 6 September 2019 and decrease the registered share capital from Baht 5 million to Baht 1.3 million, by cancelling 37,500 common shares with a par value of Baht 100 per share. SRPB registered the decrease in the share capital with Ministry of Commerce on 11 November 2019. The decrease of share capital has no effect to the Company's existing shareholding.	8,438

The Group has considered the acquisition of the following subsidiaries in accordance with the requirements of Thai Financial Reporting Standard No. 3 Business Combinations and concluded that these acquisitions are business combinations.

(Unit: Thousand Baht)

	Independent Artist Management Company Limited (“iAM” (formerly known as “BNK48 Office Company Limited”))		Digital Factory Company Limited	
	Fair value	Carrying value	Fair value	Carrying value
Cash and cash equivalents	108,321	108,321	15,246	15,246
Trade and other receivables	188,128	188,128	14,646	14,646
Other current assets	9,733	9,733	1,490	1,490
Equipment	319	319	381	381
Intangible assets	301,800	-	-	-
Trade and other payables	(168,504)	(168,504)	(24,335)	(24,335)
Deferred tax liability	(60,360)	-	-	-
Other current liabilities	(126)	(126)	(1,218)	(1,218)
Net assets of the subsidiaries	379,311	<u>137,871</u>	6,210	<u>6,210</u>
Non-controlling interests of the subsidiaries (%)	65		50	
Non-controlling interests of the subsidiaries the Group’s interest (%)	(246,552)		(3,105)	
Net assets of the subsidiaries attributable to the Group’s interest	132,759		3,105	
Add: Goodwill	49,491		1,895	
Cash paid for purchase of the subsidiaries	<u>182,250</u>		5,000	
Less: Cash and cash equivalents of the subsidiary			<u>(15,246)</u>	
Net cash received from purchase of the subsidiary			<u>(10,246)</u>	

The Group restated the consolidated statement of financial position as at 31 December 2018, presented herein as comparative information, to reflect the fair value of the identifiable assets acquired and liabilities assumed of iAM as from the acquisition date. The amounts of the adjustments affecting the consolidated statement of financial position as at 31 December 2018 are summarised below.

	(Unit: Thousand Baht)
	<u>Amount</u>
Decreased in estimated amount by which costs of the acquisition of investment in the subsidiary exceed identifiable net assets of the acquiree	(133,995)
Increased in goodwill	49,491
Increased in intangible assets	278,880
Increased in deferred tax liability	(55,776)
Increased in non-controlling interests of the subsidiary	(145,018)
Decreased in unappropriated retained earnings of equity attributable to owners of the Company	6,418

Furthermore, the Group restated the related consolidated statements of comprehensive income for the year ended 31 December 2018, presented herein as comparative information. As result, cost of sales and services were increased by Baht 23 million and income tax expenses were decreased by Baht 5 million.

The Group has considered the acquisition of the following subsidiaries in accordance with the requirements of Thai Financial Reporting Standard No. 3 Business Combinations and concluded that these acquisitions are in substance of asset acquisitions.

(Unit: Thousand Baht)

	Sign Work Media Company Limited	Splash Media Public Company Limited	Stark Multimedia Company Limited
Cash and cash equivalents	1,005	24,233	29,463
Trade and other receivables	18	24,080	747
Short-term loan to related party	-	68,392	-
Other current assets	1,497	17,626	3,563
Investment properties	-	8,525	-
Property, plant and equipment	-	47,748	-
Other non-current assets	-	18,787	1,388
Trade and other payables	(514)	(4,920)	(8,169)
Loans from financial institution	-	(32,042)	-
Other current liabilities	-	(3,588)	(414)
Other non-current liabilities	-	(8,778)	-
Net assets of the subsidiaries	2,006	160,063	26,578
Non-controlling interests of the subsidiaries (%)	50	30	25
Non-controlling interests of the subsidiaries the Group's interest (%)	(1,003) 50	(48,019) 70	(6,645) 75
Net assets of the subsidiaries attributable to the Group's interest	1,003	112,044	19,933
Add: Intangible assets (Leasehold rights) (Note 15)	-	48,732	-
Less: Gain on a bargain purchase	(3)	-	(1,933)
Cash paid for purchase of the subsidiaries	1,000	160,776	18,000
Less: Cash and cash equivalents of the subsidiaries	(1,005)	(24,233)	(29,463)
Net cash paid (received) for purchase of the subsidiaries	(5)	136,543	(11,463)

10.2 Details of investment in subsidiary that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)	(%)		(Restated)				
Independent Artist Management Company Limited (formerly known as "BNK48 Office Company Limited")	65	65	307,545	291,800	108,810	108,593	69,550	9,750

11. Joint arrangements - joint operation

On 17 August 2019, the Board of Directors' meeting of Independent Artist Management Company Limited ("iAM") (formerly known as "BNK48 Office Company Limited") passed a resolution approved to invest in "Joint Venture Tom Oh Ple film", a newly joint arrangement with Sahamongkolfilm International Company Limited and Madamegusga Company Limited. This joint operation was established with a capital of Baht 16 million. iAM invested in joint operation, totaling Baht 5 million (equal to 33.33% of capital).

Financial information of the Group only and the joint operation is presented including in the consolidated financial statements as below.

	(Unit: Thousand Baht)			
	As at 31 December 2019			
	The Group only	The joint operation	Elimination entry	Consolidated financial statement
Summarised information about financial position:				
Cash and cash equivalents	2,359,782	358	-	2,360,140
Inventories	10,706	2,550	-	13,256
Other current assets	63,344	201	-	63,545
Property, leasehold improvement and equipment	2,424,580	320	-	2,424,900
Trade and other payables	741,263	-	(2,000)	739,263
Other current liabilities	23,828	29	-	23,857

During the year, the joint operation has no operating result.

12. Investments in joint ventures

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements						
			Shareholding percentage		Cost		Carrying amount based on equity method		
			2019	2018	2019	2018	2019	2018	
			(%)	(%)					
<u>Joint ventures held by the subsidiary</u>									
Atmos Sports Lab Company Limited	Import and distribute sport and fashion goods	Thailand	37.00	-	12,950	-	12,798	-	
Atmos Apparel Company Limited	Import and distribute sport and fashion goods	Thailand	45.00	-	2,250	-	1,953	-	
Total investments in joint ventures						15,200	-	14,751	-

12.1 During the current year, changes of investments in joint ventures are as follows:

Investor	Joint venture	Percentage of shareholding	Description	Amount
				(Thousand Baht)
			(%)	
Master Standard Display Company Limited ("MSD")	Atmos Sports Lab Company Limited ("Atmos Sports Lab")	37.00	Invested in 18,450 common shares of the joint venture with a par value of Baht 100 per share. On 15 July 2019, Atmos Sports Lab registered the additional share capital from Baht 5 million to Baht 35 million with Ministry of Commerce, by issuing 300,000 additional shares with a par value of Baht 100 per share. MSD invested in the additional common, in proportion to its existing shareholding.	12,950
Master Standard Display Company Limited	Atmos Apparel Company Limited	45.00	Invested in 22,450 common shares of the joint venture with a par value of Baht 100 per share. MSD paid for such shares on 19 August 2019.	2,250

12.2 Share of profit (loss)

During the year, the Group recognised its share of loss from investments in joint ventures in the consolidated financial statements as follows:

Joint ventures	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of loss from investments in joint ventures during the year	
	2019	2018
Atmos Sports Lab Company Limited	(152)	-
Atmos Apparel Company Limited	(297)	-
Total	(449)	-

During the year 2019 the Group has no dividend income from investments in joint ventures.

13. Investments in associates

Company's name	Nature of business	Country of incorporation	Shareholding percentage	(Unit: Thousand Baht)				
				Consolidated financial statements				Carrying amounts based on equity method
				Cost		2019		
2019	2018	2019	2018	2019	2018	2019	2018	
			(%)	(%)				
<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 subsidiaries</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	3,847	4,274
Sanctuary Billboards Sdn. Bhd.	Advertising media production	Malaysia	40.00	40.00	85,917	85,917	98,031	97,578
BNK Production Company Limited	TV production, Movie Advertising, Event Organizer and All types of entertainment	Thailand	49.99	49.99	3,575	3,250	-	(484)
BL Falcon Pte. Ltd.	Providing digital out-of-home media advertising	Singapore	30.00	-	17,550	-	15,723	-
Total					110,542	354,881	117,601	370,181
Less: Allowance for impairment of investment					(3,575)	-		
Total investments in associates					106,967	354,881		

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Carrying amount based on cost method	
			2019 (%)	2018 (%)	2019	2018
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

13.1 Details of investments in associates

During the current period, changes of investments in associates are as follows.

Investor	Joint venture	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
Plan B Media Public Company Limited	Bangkok Metro Networks Limited ("BMN")	-	The Company additional purchased 132,561 shares of the associate. 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 27 March 2019 (the disposal date) the Company sold the investment in 5,080,000 shares of BMN to Bangkok Expressway and Metro Public Company Limited. The Company had loss on sales of investment in BMN under the equity method amounting to Baht 6.6 million.	269,240
Master Standard Display Company Limited ("MSD")	BL Falcon Pte. Ltd. ("Falcon")	30	Invested in 750,000 newly issued share capitals of the associate with a par value of SGD 1 per share. MSD received shares transferred on 7 June 2019 (the acquisition date).	17,550
Independent Artist Management Company Limited ("iAM") (formerly known as "BNK48 Office Company Limited")	BNK Production Company Limited ("BNKP")	-	iAM paid the second call up of an additional 4.6% of the value of its 69,998 registered ordinary shares with a par value of Baht 100 each, totaling by Baht 0.3 million. On 17 September 2019, BNKP registered its dissolution in with the Ministry of Commerce and the liquidation process is currently in	(3,575)

Investor	Joint venture	Percentage of shareholding (%)	Description	Amount (Thousand Baht)
			progress.	

13.2 Share of profit (loss)

During the years, the Group has recognised its share of profit (loss) from investments in associates in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company	Consolidated financial statements	
	Share of profit (loss) from investments in associates	
	2019	2018
Bangkok Metro Network Limited	-	6,599
2000 Publishing and Media Company Limited	(427)	1,985
Sanctuary Billboards Sdn. Bhd.	453	(840)
BNK Production Company Limited	-	(3,734)
BL Falcon Pte. Ltd.	(1,827)	-
Total	(1,801)	4,010

During the year 2019 and 2018, the Group had no dividend received from its associates.

13.3 Summarised financial information about a material associate which is Sanctuary Billboards Sdn. Bhd. are as follows:

(Unit: Million Baht)

	Summarised financial position as at 31 December	
	2019	2018
Current assets	90.4	82.3
Non-current assets	24.8	33.6
Current liabilities	(51.5)	(55.1)
Non-current liabilities	(4.3)	-
Net assets	59.4	60.8
Shareholding percentage (%)	40.0	40.0
Share of net assets	23.8	24.3
Fair value adjustment of assets acquired and liabilities assumed	30.0	29.1
Goodwill	44.2	44.2
Carrying amounts of associates based on equity method	98.0	97.6

(Unit: Million Baht)
Summarised information about

(Unit: Million Baht)
comprehensive income for
the years ended 31 December

	<u>2019</u>	<u>2018</u>
Revenues	47.6	64.0
Profit	7.6	14.5

14. Property, leasehold improvement and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Leasehold improvement	Furniture and office equipment	Motor vehicles	Advertising equipment and related equipment	Assets under installation	Total
Cost:							
1 January 2018	-	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	-	-	-	-	44,608	-	44,068
Increased from the acquisition of subsidiary (Note 10)	-	-	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
Additions	-	16,042	29,190	1,164	23,755	570,058	640,209
Increased from the acquisition of subsidiary (Note 10)	12,000	-	519	-	27,438	8,172	48,129
Disposals	-	-	(3,296)	(3,531)	(9,555)	(5,088)	(21,470)
Write-off	-	-	(364)	-	(6,473)	-	(6,837)
Transfers in (out)	-	7,758	18,308	-	612,520	(638,586)	-
31 December 2019	12,000	60,385	117,223	37,577	4,359,024	271,743	4,857,952

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	Land	Leasehold improvement	Furniture and office equipment	Motor vehicles	Advertising equipment and related equipment	Assets under installation	Total
Accumulated depreciation:							
1 January 2018	-	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
Depreciation for the year	-	7,027	15,632	5,492	465,466	-	493,617
Depreciation on disposals	-	-	(880)	(3,531)	(9,602)	-	(14,013)
Depreciation on write-off	-	-	(319)	-	(6,473)	-	(6,792)
31 December 2019	-	29,284	56,304	21,949	2,319,201	-	2,426,738
Allowance for impairment loss:							
1 January 2018	-	-	-	-	6,314	-	6,314
31 December 2018	-	-	-	-	6,314	-	6,314
31 December 2019	-	-	-	-	6,314	-	6,314
Net book value:							
31 December 2018	-	14,328	30,995	19,956	1,835,215	337,187	2,237,681
31 December 2019	12,000	31,101	60,919	15,628	2,033,509	271,743	2,424,900
Depreciation for the year							
2018 (Baht 395 million included in cost of sales and services, and the balance in selling, distribution, servicing and administrative expenses)							413,703
2019 (Baht 475 million included in cost of sales and services, and the balance in selling, distribution, servicing and administrative expenses)							493,617

(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 2018	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
Additions	743	18,504	-	22,626	513,774	555,647
Disposals	-	(875)	(3,531)	(825)	(5,088)	(10,319)
Write-off	-	(364)	-	(6,473)	-	(6,837)
Transfers in (out)	7,169	18,094	-	580,448	(605,711)	-
31 December 2019	43,650	94,062	24,202	3,755,250	184,976	4,102,140
Accumulated depreciation:						
1 January 2018	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
Depreciation for the year	4,965	12,415	2,908	385,626	-	405,914
Depreciation on disposals	-	(875)	(3,531)	(39)	-	(4,445)
Depreciation on write-off	-	(319)	-	(6,473)	-	(6,792)
31 December 2019	27,028	46,106	15,408	1,963,638	-	2,052,180

(Unit: Thousand Baht)

Separate financial statements (continued)

	Leasehold improvement	Furniture and office equipment	Motor vehicles	Advertising equipment and related equipment	Assets under installation	Total
Allowance for impairment loss						
1 January 2018	-	-	-	6,314	-	6,314
31 December 2018	-	-	-	6,314	-	6,314
31 December 2019	-	-	-	6,314	-	6,314
Net book value:						
31 December 2018	13,675	23,818	11,702	1,568,636	282,001	1,899,832
31 December 2019	16,622	47,956	8,794	1,785,298	184,976	2,043,646
Depreciation for the year						
2018 (Baht 326 million included in cost of sales and services, and the balance in selling, distribution, servicing and administrative expenses)						339,771
2019 (Baht 392 million included in cost of sales and services, and the balance in selling, distribution, servicing and administrative expenses)						405,914

As at 31 December 2019, the Group had advertising equipment and related equipment and vehicle under finance lease agreement with net book value amounting to Baht 8 million (2018: Baht 8 million) (The Company only: Baht 6 million and 2018: Baht 7 million).

As at 31 December 2019, 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 1,287 million (2018: Baht 976 million) (The Company only: Baht 1,020 million and 2018: Baht 730 million).

15. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Total
		Computer	Leasehold		
	Licenses	software	right	Copyright	
As at 31 December 2019:					
Cost	797,439	96,448	361,581	7,155	1,262,623
<u>Less</u> Accumulated amortisation	(320,492)	(15,305)	(238,665)	(499)	(574,961)
<u>Less</u> Allowance for impairment loss	(125,460)	(80)	-	-	(125,540)
Net book value	<u>351,487</u>	<u>81,063</u>	<u>122,916</u>	<u>6,656</u>	<u>562,122</u>

(Unit: Thousand Baht)

	Consolidated financial statements				Total
		Computer	Leasehold		
	Licenses	software	right	Copyright	
As at 31 December 2018:					
Cost	446,907	41,111	322,506		810,524
<u>Less</u> Accumulated amortisation	(207,190)	(6,927)	(208,497)		(422,614)
<u>Less</u> Allowance for impairment loss	(125,460)	(80)	-		(125,540)
Net book value - as previously reported	114,257	34,104	114,009		262,370
Net book value of identifiable intangible assets from the acquisition of subsidiary (Note 10)	301,800	-	-		301,800
<u>Less</u> Amortisation	(22,920)	-	-		(22,920)
Net book value - as restated	<u>393,137</u>	<u>34,104</u>	<u>114,009</u>		<u>541,250</u>

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	Leasehold right	Total
As at 31 December 2019:			
Cost	80,088	298,400	378,488
<u>Less</u> Accumulated amortisation	(12,157)	(209,627)	(221,784)
<u>Less</u> Allowance for impairment loss	(80)	-	(80)
Net book value	<u>67,851</u>	<u>88,773</u>	<u>156,624</u>
As at 31 December 2018:			
Cost	34,001	260,221	294,222
<u>Less</u> Accumulated amortisation	(5,746)	(189,128)	(194,874)
<u>Less</u> Allowance for impairment loss	(80)	-	(80)
Net book value	<u>28,175</u>	<u>71,093</u>	<u>99,268</u>

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Net book value at beginning of year	541,250	256,078	99,268	85,708
Increased in leasehold rights from the measurement of assets from the acquisition of a subsidiary (Note 10)	48,732	301,800	-	-
Increased from the acquisition of a subsidiary - net book value (Note 10)	953	-	-	-
Acquisition of computer software	55,281	30,520	46,087	24,006
Acquisition of leasehold right	38,178	55,597	38,179	20,397
Acquisition of copyright	7,155	-	-	-
Transfers from assets under installation	-	200	-	-
Amortisation	<u>(129,427)</u>	<u>(102,945)</u>	<u>(26,910)</u>	<u>(30,834)</u>
Net book value at end of year	<u>562,122</u>	<u>541,250</u>	<u>156,624</u>	<u>99,268</u>

16. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Rental guarantee	129,208	117,504	106,715	98,469
Other guarantees	10,514	8,749	7,350	6,832
Withholding tax deducted at source	19,473	-	-	-
Other	-	7,026	-	7,026
Total other non-current assets	<u>159,195</u>	<u>133,279</u>	<u>114,065</u>	<u>112,327</u>

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - related parties	7,432	22,401	410,255	343,783
Trade payables - unrelated parties	228,404	229,550	189,791	200,986
Share subscription payable	-	41,125	-	-
Other payables - related parties	1,859	-	-	-
Other payables - unrelated parties	9,523	12,953	6,385	7,417
Accrued expenses - related parties	63,604	81,866	158,376	132,639
Accrued expenses - unrelated parties	310,882	245,373	180,801	175,280
Dividend payables	494	453	494	453
Account payables for construction	117,065	340,894	111,737	337,898
Total trade and other payables	<u>739,263</u>	<u>974,615</u>	<u>1,057,839</u>	<u>1,198,456</u>

18. Long-term loans

Loan	Interest rate (percent per annum)	Monthly repayment schedule	Collateral/ Guarantee by	(Unit: Thousand Baht) Consolidated financial statements	
				2019	2018
1	4	Starting November 2015 to November 2022	(a)	2,217	2,937
2	MLR+1	Starting July 2016 to July 2019	(b)	-	63
3	MLR+1	Starting August 2016 to August 2023	(b)	3,814	4,901
4	MLR	Starting December 2016 to December 2021	(c)	221	373
5	MLR	Starting February 2019 to June 2020	(c), (d), (e)	16,960	-
6	MLR	Starting February 2019 to January 2022	(f)	2,165	-
Total				25,337	8,274
Less: current portion				(19,928)	(2,007)
Long-term loans, net of current portion				5,449	6,267

Explanation of collateral/guarantee

- (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) Ordinary shares of the subsidiary
- (d) Savings account of the subsidiary
- (e) Assignment of proceeds under a contract of the subsidiary
- (f) Directors of the Subsidiary's Company

As at 31 December 2019, the long-term credit facilities of such subsidiary which have not yet been drawn down amounted to Baht 5.8 million (2018: Baht 5.8 million).

19. 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 2,259 million, 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 1.3 million (net of income tax of Baht 0.3 million) 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% of total shareholding of the issued and paid-up share capital of the Company. Nevertheless, VGI is not deemed to have control over the Company and do not have significant influence to the Company.

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% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

21. Revenues from contracts with customers

(Unit: Thousand Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Type of goods or services:				
Revenue from sales	316,634	244,634	-	-
Advertising revenues, advertising space rental revenues and air time rental revenues	3,900,281	3,395,306	3,373,275	3,138,822
Revenues from right management	315,799	241,059	251,193	170,348
Artist management income, revenues from event advisor and organiser	328,296	130,688	196,183	-
Total revenues from contracts with customers	4,861,010	4,011,687	3,820,651	3,309,170
Timing of revenues recognition:				
Revenues recognised at a point in time	4,434,387	3,800,095	3,455,538	3,138,822
Revenues recognised over time	426,623	211,592	365,113	170,348
Total revenues from contracts with customers	4,861,010	4,011,687	3,820,651	3,309,170

22. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Salary, wages and other employee benefits	375,189	298,015	228,597	203,140
Depreciation and amortisation expenses	623,171	512,064	432,823	370,614
Rental and service expenses	1,366,383	1,333,870	1,744,300	1,562,086
Cost of goods sold	136,644	109,643	-	-
Signboard, house and building tax expenses	41,384	40,130	32,005	32,726
Sales promotion expenses	126,645	93,930	126,645	93,703
Media production expenses	105,233	50,789	46,353	47,874
Commission expenses	61,762	58,983	56,700	51,900
Repair and maintenance expenses	38,177	42,506	34,728	38,195
Event expenses related to sports	193,710	73,826	-	-
Impairment loss on investment	-	-	28,516	28,516

23. Privileges for International Headquarters

On 10 December 2017, Master Standard Display Company Limited (“MSD”) which is a subsidiary, 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.

24. Promotional privileges

On 27 December 2016, Golink Online Company Limited, a subsidiary, has received promotional privileges from the Board of Investment for the software operations, pursuant to the investment promotion certificate No. 60-0305-1-00-2-0 issued on 15 March 2017. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 5 years from the date the

promoted operations begin generating revenues (25 May 2019) and the corporate income tax is exempted.

25. Income tax

Corporate income tax for the year was calculated at the rate of 20% 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% 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 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Current income tax:				
Current income tax charge	207,746	161,890	119,274	90,837
Effects of income tax to the share offering (Note 19)	317	-	317	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(10,665)	(3,986)	(298)	344
Income tax expenses reported in profit or loss	<u>197,398</u>	<u>157,904</u>	<u>119,293</u>	<u>91,181</u>

The amounts of income tax relating to each component of other comprehensive income for year ended 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)
Consolidated/Separate
financial statements

	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial gain	(285)	-
Total	<u>(285)</u>	<u>-</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>
Accounting profit before tax	1,054,226	875,959	766,274	555,565
Applicable tax rates	0% - 20%	0% - 20%	20%	20%
Accounting profit before tax multiplied by applicable tax rates	222,250	174,938	153,255	111,113
Effects of income tax to the share offering (Note 19)	317	-	317	-
Unrecognised deferred tax assets	3,229	598	-	344
Utilisation and recording of previously unrecognised deferred tax assets	(866)	(1,968)	-	-
Effects of:				
Non-deductible expenses	1,812	8,210	7,031	6,122
Additional expense deductions allowed	(28,459)	(26,971)	(26,716)	(26,398)
Exemption of income	-	-	(14,600)	-
Inter-company elimination and other	(885)	3,097	6	-
Total	(27,532)	(15,664)	(34,279)	(20,276)
Income tax expenses reported in profit or loss	197,398	157,904	119,293	91,181

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Statement of financial position			
	Consolidated		Separate	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets				
Allowance for doubtful accounts	1,726	34	1,726	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	7,035	7,509	3,845	5,357
Provision for long-term employee benefits	1,789	1,671	1,789	1,671
Total	11,829	10,493	8,639	8,341
Deferred tax liability				
Leaseholder rights from the measurement of assets from the acquisition of subsidiary	46,732	55,776	-	-

Total	<u>46,732</u>	<u>55,776</u>	<u>-</u>	<u>-</u>
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26. 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Profit for the year attributable to equity holders of the Company (Thousand Baht)	743,195	636,360	646,981	464,384
Weighted average number of ordinary shares (Thousand shares)	3,800,372	3,529,607	3,800,372	3,529,607
Basic earnings per share (Baht per share)	0.196	0.180	0.170	0.132

27. 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 by Independent Artist Management Company Limited (formerly known as "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 and granted for management of boardcasting and commercial right in Thailand for the 2020 Olympic Event and the 2022 Asia Games to Sports Authority of Thailand by Plan B Eleven Company Limited.

The Group mainly operates 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 table presents the financial information for the years ended 31 December 2019 and 2018 of the Group by segment.

(Unit: Million Baht)

	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>
				(Restated)				(Restated)
Revenue from external customers	4,136	3,551	980	520	(255)	(59)	4,861	4,012
Segment operating profit	1,356	1,293	331	75	-	-	1,687	1,368
Other income							58	28
Selling, distribution and servicing expenses							(323)	(243)
Administrative expenses							(365)	(279)
Share of profit (loss) from investments in joint ventures and associates							(2)	4
Finance cost							(1)	(1)
Profit before income tax expenses							1,054	876
Income tax expenses							(197)	(158)
Profit for the year							857	718

Major customers

For the year 2019, the Group have revenues from two major customers in amount of Baht 710 million and Baht 331 million, arising from advertising media segment (2018: revenue from two major customers in amount of Baht 507 million and Baht 417 million, arising from advertising media segment).

28. 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% 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 2019, the Group contributed Baht 6

million to the fund (2018: Baht 5 million) (the Company only: Baht 5 million and 2018: Baht 5 million).

29. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2017	The Annual General Shareholders' meeting on 19 April 2018	158.83	0.05
Total for 2018		<u>158.83</u>	<u>0.05</u>
Final dividends for 2018	The Annual General Shareholders' meeting on 30 April 2019	321.19	0.091
Interim dividends for 2019	The Board of Directors' meeting on 14 August 2019	353.31	0.091
Total for 2019		<u>674.50</u>	<u>0.182</u>

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2019, the Company had capital commitments of approximately Baht 209 million (2018: Baht 385 million), relating to the construction of advertising equipment and related equipment.

30.2 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		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Payable:				
In up to 1 year	867	1,000	894	840
In over 1 and up to 5 years	2,008	2,057	1,961	1,785
In over 5 years	602	905	738	902

In addition, the Company has commitments with 22 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.

30.3 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) Company Limited (“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.

c) Plan B CS Company Limited, a subsidiary, entered into a 10 years management of advertising with CP All Company Limited in order to grant a concession right to manage to the operation of indoor advertising media around 7-Eleven store. The subsidiary has to pay a share of revenue at the rates stipulated in the agreement.

d) The Company entered into a 3 years management of broadcasting and commercial rights with Dentsu Inc., in Japan in order to grant a media right for the 2020-2022 Olympic Events and the 2022 Asian Games. Under the agreement, the Company has to pay a license fee of USD 10 million.

30.4 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 350 million (2018: Baht 235 million) and for the Company only of approximately Baht 199 million (2018: Baht 167 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.

30.5 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.

On 11 September 2019, the Court ordered the dismissal of the case and the plaintiff did not appeal therefore the case was finalised.

30.6 Investment commitment

On 10 August 2017, the Board of Directors' meeting of the Company passed a resolution approved the acquisition by Master Standard Display Company Limited ("MSD") of shares in JKJ Media Services Inc. ("JKJ") which provide the advertising media in Philippines. MSD entered into a share purchase agreement to purchase 637,500 common shares of JKJ (equal to 30% of issued and paid-up share capital of that company) from its existing shareholders. As at 31 December 2019, MSD has not yet paid in this shares capital.

31. Financial instruments

31.1 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, current investment, trade and other receivables, loans, restricted bank deposit, trade and other payables, liabilities under finance lease agreements and loans from financial institutions. 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 and loans. 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 and loans 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, current investment, loans, restricted bank deposit, liabilities under finance lease agreements and loans from institutions. 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 2019						
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 equivalents	1,823	-	537	-	2,360	Note 7
Current investment	12	-	-	-	12	0.80 - 5.25
Trade and other receivables	-	-	-	1,560	1,560	-
Short-term loans to related parties	70	-	-	-	70	Note 6
Short-term loans to unrelated parties	13	-	-	-	13	1.25 - 2.00
Restricted bank deposit	11	-	-	-	11	Note 18
Total	1,929	-	537	1,560	4,026	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	741	741	-
Liabilities under finance lease agreements	3	2	-	-	5	4.47 - 9.12
Loans from financial institutions	20	5	-	-	25	Note 18
Total	23	7	-	741	771	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2018

	Fixed interest rates				Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing		
<u>Financial assets</u>						
Cash and cash equivalents	-	-	440	-	440	Note 7
Trade and other receivables	-	-	-	1,332	1,332	-
Short-term loans to related parties	1	-	-	-	1	Note 6
Short-term loans to unrelated parties	3	-	-	-	3	2.00
Total	4	-	440	1,332	1,776	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	975	975	-
Liabilities under finance lease agreement	2	6	-	-	8	4.47 - 9.12
Loans from financial institutions	2	6	-	-	8	Note 18
Total	4	12	-	975	991	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2019

	Fixed interest rates				Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing		
<u>Financial assets</u>						
Cash and cash equivalent	1,823	-	221	-	2,044	Note 7
Trade and other receivables	-	-	-	1,464	1,464	-
Short-term loans to related parties	24	-	-	-	24	Note 6
Total	1,847	-	221	1,464	3,532	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	1,058	1,058	-
Liabilities under finance lease agreement	1	2	-	-	3	4.47
Total	1	2	-	1,058	1,061	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2018

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	-	-	101	-	101	Note 7
Trade and other receivables	-	-	-	1,183	1,183	-
Short-term loans to related parties	165	-	-	-	165	Note 6
Total	165	-	101	1,183	1,449	
<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	

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. 10 and 13.

31.2 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.

32. 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 2019, the Group's debt-to-equity ratio was 0.16:1 (2018: 0.32:1) and the Company's was 0.20:1 (2018: 0.37:1).

33. Events after reporting period

- a) On 9 January 2020, the Extraordinary General Shareholders' Meeting of the Company passed a resolution approving the acquisition of shares in Master Ad Public Company Limited ("MACO"), which provides out-of-home media services, including production, whereby the Company will subscribe to 1,080,000,000 new common shares of MACO (equal to 19.96% of its issued and paid-up capital after the capital increase) at Baht 1.4381 per share, or for a total of Baht 1,553 million. The meeting also approved the Company entering into a Right to Sell Advertising Media Agreement with MACO, whereby it will manage all current and future marketing and sales of out-of-home advertising media of MACO in Thailand and agrees to pay minimum guaranteed revenue to MACO of Baht 350 million for the six-month period from 1 July 2020 to 31 December 2020 and Baht 700 million per year for the next 4 years. On 15 January 2020, the Company had signed in such an agreement.
- b) On 11 February 2020, Independent Artist Management Company Limited ("iAM") (formerly known as "BNK48 Office Company Limited") registered a newly company, The Ska Talent Management Company Limited ("Ska Talent"), to the Department of Business Development in order to provide rental space for event. iAM holds 25,000 common shares of Ska Talent at the par value of Baht 100 per share, totaling Baht 2.5 million (equal to 50% of issued and paid-up shares of that company).
- c) On 12 February 2020, the Board of Directors' meeting of the Company passed the following resolutions approve an interim dividend payment from the Company's retained earnings as of 30 September 2019 at a rate of Baht 0.0618 per share from the total shares of 3,882,568,101 shares or a total amount of Baht 240 million.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 27 February 2020.