

รายงานประจำปี 2562 ANNUAL REPORT 2019



บริษัท ประกิต โฮลดิ้งส์ จำกัด (มหาชน)
Prakit Holdings Public Company Limited

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Although 2020 is a difficult year for Thai economy,
**we will overcome this obstacle
with full cooperation and teamwork**

Board of Directors' Report to the Shareholders.

Like the rest of the world, Thailand's economy in 2019 was in a regression mode. In 2018, the world economy increased by 3.6% while Thailand's economic growth was 4.1%. However, in 2019 the world GDP was just 3.0%, whereas Thailand's was 2.4%. This shows that the economies of both the world and Thailand had started to decline. The main cause is the trade war between the USA and China. With neither side giving any quarter, the knock-on effect was felt around the world. With such turbulence in the world economy, trade estimates had to be downsized, causing countries to miss their export targets, resulting in belt-tightening measures in order to ensure survival.

In 2020 the world is still facing problems which have arisen and will cause continuing upheaval. In Thailand this will be a year of great concern for several reasons. Firstly, there are still no signs of positive improvements from the USA and China trade war. Secondly there is the internal problem Thailand faces from an ongoing severe drought which has reduced crop yields and made off-season cultivation impossible. Last, but certainly not least, is the spread of the Corona Virus or COVID 19. Although the Chinese Government acted quickly by banning Chinese people from traveling abroad and closing down entire cities, COVID-19 has nonetheless spread rapidly to many countries around the world. Thailand is no exception.

The Thai government has already put many measures in place to help keep the number of cases to a bare minimum. However, these measures, plus travel bans by many other countries around the world will have a severe effect on the Thai economy. Annually Thailand attracts some 40 million tourists. This will all but dry up causing a roll-on effect in popular tourist destinations, hotel accommodation, tour groups and restaurants, to name but a few. Already we can see that major retail centers, restaurants and entertainment venues are attracting fewer and fewer

people. Even Bangkok's traffic jams have eased as people stay at home! The financial impact will be as enormous as the Tom Yum Kung crisis of 1997. The only positive sign is that some experts are predicting that COVID-19 could start to come under control by July. If this is the case, we can be optimistic that the Thai economy will expand in quarters 3 and 4 of this year, resulting in a GDP growth in 2020 of between 1.00% - 2.4%.

During the past year, the advertising business in Thailand was as problematic as the economy. Due to the economic recession, clients reduced spending on advertising, events and public relations. The advertising industry depends on the country's economic situation. If the economy is healthy, advertising blooms. In times of recession, clients normally cut their advertising budgets first. However, thanks to our hard work and efforts, our company achieved a good turnover and made a profit for the year 2019. The amount is 53.73 million baht. The Board of Directors have therefore approved a dividend payment at 60 satang per share, equivalent to a net profit of 67.5%

In regard to the Ruamjai Rak Hospital, construction is proceeding according to schedule. All of the foundation piling work has been completed, so we are currently in the process of selecting a contractor.

The construction is expected to be completed within 24 months so that we will be ready for operation in 2022. We are confident that the Ruamjai Rak Hospital investment will provide long term, positive results for shareholders. We are able to invest in this project with funds accumulated by the company over the past years so there was no need for fund-raising or bank loans.

In conclusion; 2020 will be a challenging year in Thailand. With some ongoing residual global economic problems and the COVID19 virus, every business will face hardships. However, with the focus of attention for a solution being a top priority amongst the world's leading experts, we hope this pandemic will be controlled by midyear, so that the global and Thailand economies can start to recover in quarters 3 and 4.

Although 2020 is a difficult year for the Thai economy, we will continue our efforts to overcome this obstacle so that it has minimum impact. We encountered similar obstacles in 1997 and we were able to overcome. With full cooperation and teamwork, we remain confident that we will be able to lead our company through this crisis, in the same positive way.



Prakit Apisarnthanarax
Chairman of the Board of Directors

Audit Committee Report

The Audit Committee was appointed by the Board of Directors. The Audit Committee comprised of Dr. Pichai Charnsupharindr, Chairman; and Dr. Manoon Pahirah and Mr. Sommanous Na Bangchang, Members.

The Audit Committee performed its duties and responsibilities as assigned by the Board of Directors. This year, the Audit Committee held four meetings to review with the Management and the external auditor as summarized below:

1. Review of financial reports

The Audit Committee reviewed the 2019 quarter, annual, and consolidated financial statements. All adequate information in connection with the related transaction had been disclosed and complied with accounting standard under generally accepted accounting principles. The Executives participated in every meeting.

2. Review of internal control

The Audit Committee reviewed the internal control and internal audit of the Company and reported the result in the Audit Committee meeting quarterly. The committee agreed that the internal control system was adequate and effective for the type of business. Moreover, the Audit Committee proposed to the Board of Directors to appoint the internal audit firm for improving its internal control continuously. The Board of Directors considered and approved the hiring of the internal auditor firm for 2020.

3. Review of corporate governance

The Audit Committee monitored, enforced compliance with the Company's regulations, ethics, and corporate governance, and announced the regulations and ethics to all employees. The Committee reported the compliance results to the Board of Directors quarterly. In case of finding the violation, the Committee would discuss with the Board to find solutions to put into practice. In 2019, no violation of the regulations, ethics and corporate governance is found.


4. Review of risk management

The Audit Committee reviewed the Company's risk management policy, management plan and operations and discussed with Management the area where risk might occur and preventive measure that could be applied.

5. Appointment of the external auditor

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

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



Dr. Pichai Charnsupharindr

Chairman of Audit Committee



Vision

Growing Together

The Company grows up in advertising industry together with the stakeholders.

Mission

The greatest assets are our people

Our people's talents create great value to our clients.

Works we produce add value to the stakeholders
and the community at large.

These values flow through everything we do,
it allows us all to prosper in a synergistic manner.

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

In 2019, the Board has considered and approved the Company's vision, mission and strategy adequately and monitor the conduct. In every board meeting, the Management reports the performance results and review whether we achieve the goal and follow the strategy.

Significant Changes and Developments

In 1978, the Company started off (registered) as an advertising company under the name “Prakit & Associates Company Limited” with Mr. Prakit Apisanthanarak as the founder. Afterward, the Company joint-invested with Foote, Cone & Belding International Corp. (FCB) which then was the top three advertising agency in the USA and set up new company namely “Prakit and FCB Company Limited” in 1986, became a Public Company in 1992 and was listed in the Stock Exchange of Thailand (SET) in 1993.

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

1. Investment in subsidiaries, associated and other companies.
2. Providing management service, consultancy for accounting, finances and other services for group of companies and other companies.
3. Providing media strategic planning and operating as a media buying agent.

As well as subsidiaries and associated companies provides advertising materials and other advertising concerned.

January 2014

Approving investment USD 22,500 in Prakit Advertising Co., Ltd. in Myanmar or 90% of issued shares.

March 2014

Approving the Share Repurchase Program for Financial Management Purposes, not exceeding Baht 79,460,000. The Company will repurchase up to 5,800,000 shares or 9.67% of the issued 60,000,000 shares of the Company.

April 2014

Changing in major shareholding structure of the Company as IPG Group (FCB) which held 14,800,000 shares or 24.67% of the Company's issued shares sold its shares. Yet after transaction completed, there was not any new shareholder possessed more than 5% of issued shares of the Company.

July 2014

Changing the Company's Securities Symbol from P- FCB to PRAKIT.

October 2014

Approving Prakit Advertising Limited (subsidiary) to invest in the new company, “Bangkok Writer and Partners Limited”.

July 2015

1. Approving the Company's acquisition 7,500 ordinary shares and purchase 2,992,500 newly issued ordinary shares with a par value of baht 100 per share at the price of paid-up capital of Baht 100 per share in Sukhumvit 62 Medical Limited. “Medical”, a total 3,000,000 shares or 300 million Baht, or 35.41% of registration shares of “Medical”.
2. Approving the sale of land, (7 deeds), with total area of 3 rai, 1 ngarn and 54 square wah at Soi Sukhumvit 62, Pra Khanong Tai, Pra Khnong, Bangkok to Sukumvit 62 Medical Limited and agreed to total purchase price of 250.3 million baht.

November 2016

Written off treasury stocks and decrease the registered and paid up capital by written off the 5,045,200 unsold treasury stocks. After the decrease, the paid-up share will amount to Baht 54,954,800, divided into 54,954,800 shares at a par value of Baht 1.00 each.

August 2019

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

Awards and Honors

Prakit's works received a variety of national and international awards. It represents our ability and creativity being accepted worldwide. Here are our awards and honors during 2018 – 2019.

Year	Award	Category
2561	CANNES LIONS	1 Bronze / Industry Craft Lions
	ADMAN	1 Silver / Illustration for graphic design
		1 Bronze / Telecommunication business equipment & service
2562	ONE SHOW	1 Bronze Craft/Illustration
	CLIO AWARDS	1 Silver Craft/Illustration
	D&AD AWARDS	1 Graphite pencil
	London International Awards	1 Bronze / Design use of Illustration
	SPIKES ASIA AWARDS	2 Gold (Design / Illustration) 2 Silver (Design / Illustration)
ADFEST		1 Silver (Print Craft Lotus)
		1 Bronze (Design Lotus)

Company Shareholding Structure

Company and the Group of Companies operate advertising and public relations which is highly competitive with rapid communication development and changes. It is essential, therefore, to have very experienced persons who can deliver maximized benefits in all perspective to clients. The company arranged the types of business to fit with the expertise of human resource in the group of companies.

Operational policy for the group of companies

Advertising and Public Relations which are highly competitive with rapid communication development. It is essential, therefore, to have very experienced persons in specific fields to deliver maximized benefits in all perspective to clients. The company arranged the types of business to fit with the expertise of human resource in the group of companies.

1. Media strategic planning and media broker. These jobs require experienced persons. The Company provides services for every company in the group in buying all media at the best cost for clients.
2. Providing advertisement materials, the process of works starts from strategic planning who develops strategy so that creative teams can create works that answer to the planned strategy. Subsidiary companies will be responsible for the said creation while account management teams will bridge creative people with strategic, media and clients, making sure that the whole process will go smooth, fast and successful as planned.
3. Direct advertising (event) covers special marketing activities which better reach target consumer,

enabling them to make decision to buy client's service or products. There are various types of activities, such as, new product launches, exhibitions, road show and product sampling. It is necessary that we had specialist team who could get things done within time limit and workaround to bring success to the activities.

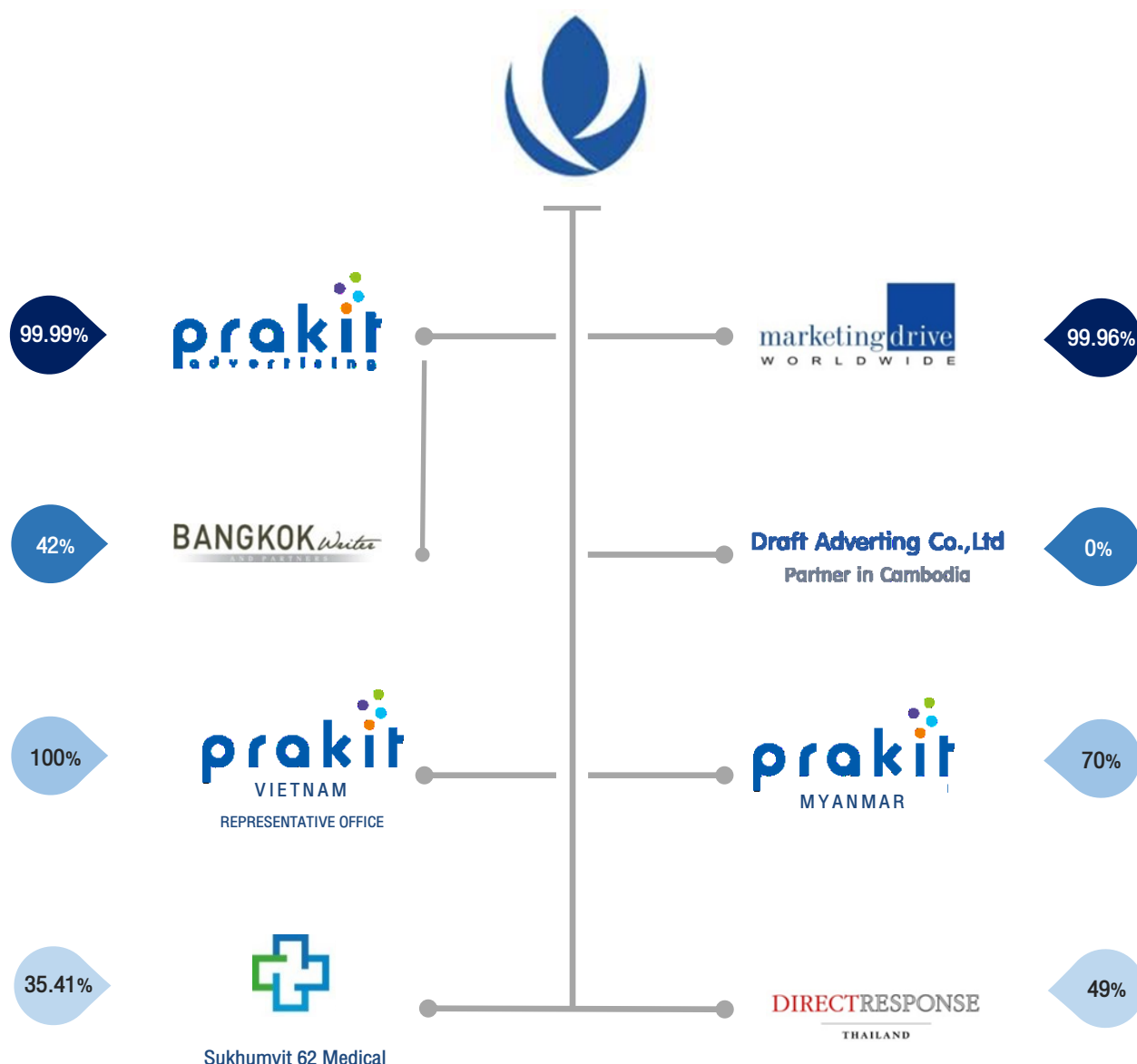
4. Public Relation - The nature of this business is to get across the activities and development of clients to consumers. Public Relation is a very effective channel for the job. The Company must have good connection with PR persons of all media for such activities as press conference, press release, etc.
5. For business in Indo-China, the office in each country will take charge of all types of work in cooperation with the specialist local companies.

Summary of Associated and Subsidiary Companies

1. Prakt Advertising Limited
Company's share 99.993%
2. Marketing Drive Worldwide (Thailand) Ltd.
Company's share 99.965%
3. Prakt Advertising Company Limited (Myanmar)
Company's share 70%
4. Direct Response (Thailand) Co., Ltd.
Company's share 49%
5. Sukhumvit 62 Medical Ltd.
Company's share 35.41%

Besides, Prakt Advertising Limited which is the subsidiary of the Company held 42% share of Bangkok Writer and Partners Limited.

Shareholding Structure



Note

1. Direct Response (Thailand) Company Limited of which 51% shares are held by Miss Pavinee Apisarnthanarax and Mr. Anucha Apisarnthanarax. Both are authorized Directors of Direct Response (Thailand) Company Limited.
2. Draft Advertising Co., Ltd. has 4 Thai Shareholders. 2 major shareholders have total shares not exceeding 90%. They are not related parties of the Company. Other 2 Thai shareholders, the company directors, hold total shares not exceeding 10%, are:

Mr. Phisal Prahasdangkura	5%
Mr. Apirak Apisarnthanarak	5%
3. Prakit Advertising Limited (Myanmar) with 10% shares held by 1 Thai who is not related parties of the Company
4. Bangkok Writer and Partners Limited with 58% shares held by

Mr. Apirak Apisarnthanarak (Company's director)	8%
Mrs.Thanaporn Boonyangyuen	15%

- | | |
|---|-----|
| Miss Panita Boonyangyuen | 10% |
| Mr. Ratrong Srilert | 25% |
| Mrs.Thanaporn Boonyangyuen, Miss Panita Boonyangyuen and Mr. Ratrong Srilert are not related persons nor have conflict of interest in the company | |
5. Sukhumvit 62 Medical Limited with 64.59% shares held by

Saha-Union Plc.	47.21%
Mr.Prakit Apisarnthanarax *	2.25%
Dr.Prapand Apisarnthanarax **	0.12%
1 Thai Company and 9 Thais are not related parties of the Company	15.01%

* Mr.Prakit Apisarnthanarax is Company Chairman.

** Dr.Prapand Apisarnthanarax is Mr.Prakit Apisarnthanarax's brother.



Nature of Business

Revenue Structure

Revenue structure of Company and subsidiaries-to financial budget (of) from 2017-2019

unit : thousand baht

Product line	Operated by	% of share	2019 Revenue	%	2018 Revenue	%	2017 Revenue	%
Revenue from media	• Prakrit Holdings Plc..	-	103,570	26.65	138,226	29.24	101,219	19.64
planning and buying	• Prakrit Advertising Co.,Ltd	99.99	47,216	12.15	49,637	10.50	54,164	10.51
brokerage	• Subsidiaries		2,935	0.76	2,884	0.61	1,677	0.32
			153,721	39.56	190,747	40.35	157,060	30.47
Revenue from product	• Prakrit Holdings Plc..	-	28,392	7.31	64,100	13.56	91,146	17.68
advertisement	• Prakrit Advertising Co.,Ltd	99.99	126,000	32.42	138,753	29.35	209,997	40.74
	• Subsidiaries		17,288	4.45	15,201	3.21	11,234	2.18
			171,680	44.18	218,054	46.12	312,377	60.60
Revenue from public	• Marketing Drive	99.96	22,021	5.66	25,451	5.38	11,125	2.16
Relation and Direct	Worldwide (Thailand) Co.,							
Advertising	Ltd.							
			22,021	5.66	25,451	5.38	11,125	2.16
Revenue from other	• Prakrit Holdings Plc..	-	31,040	7.99	25,884	5.47	22,003	4.27
investments	• Prakrit Advertising Co.,Ltd	99.99	6,999	1.80	12,042	2.55	12,404	2.41
	• Subsidiaries		3,146	0.81	590	0.13	466	0.09
			41,185	10.60	38,516	8.15	34,873	6.77
Total			388,607	100.00	472,768	100.00	515,435	100.00

Product Types

Providing media strategic planning and operating as a media buying agents

Media strategic planning and media buying is responsible by the Media Department who will study clients' products before effectively planning and buying as planned. After client's approval, media team who act as client's agent will contact TV channels, program producers, print medium, sign board or billboard and others for buying. Company charges brokerage (Agency commission) for service.

Producing all types of advertising

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

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

1. Account Management Department

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

2. Strategic Planning Department

The insight, target consumer's behavior analysis and all the factors that affected their decision procedure will be utilized for strategic and marketing communication plan. There are 5 steps of operation starting from learning – understanding – triggering of idea – crafting the idea to get access to consumer – last but not least is turning the idea into clever and tangible piece of work.

3. Creative Department

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

4. Production Department

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

Producing all types of advertising

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

1. Production of print material & Billboard

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

Productions vary in term of technique. Publishing technology for press ad is different from other materials which depend on the design and creation of visual and copy. Computer graphic is the technology utilized in creating layout for presentation. Until satisfying client, Company will proceed to artwork and advertisement which needs computerized technology and varieties of technique.

Such technology needs knowledgeable and experienced personnel, on-going development of human resource and equipment. Budget and time frame should be taken into serious consideration when working on print materials.

Ingenuity of personnel in each unit could be an issue when comes to print materials. Computer graphic experts must be able to efficiently solve problems arising without affecting on budget and timing.

2. Production of a TV commercial

A TV commercial, although, is 60 – 30 or 15 second length of time, it takes the least one month on production stage. It needs close cooperation between Creative and production teams, all of whom must profoundly understand the core of the work and in all details before the production get started. Any mistake will cost the company.

Production steps

1. Get to know the structure and story of the board thoroughly well among the teams which means both video and audio.
2. Internal Pre-production is the preparation step which includes casting, location selection, props, wardrobe, etc. Decision in all items will be made before proceeding on to client.
3. Pre-production meeting is where and when Company and production house persons present all the details which had been agreed upon internally for client to acknowledge and approve. Any disapproval, Company will adjust for approval.
4. Shooting of commercial to cover all details as per agreed with client. The production team may conduct further shooting in addition to make the commercial more interesting. However, the main story must not be adapted.
5. Post production is the step when the shot materials be cut to tell story, put special technique and sound to complete the commercial before aired.

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

Problems and obstacle arise during the production stage are details and budget control. With the length of 30 – 60 seconds, the production must cover all the planned details. Besides, with the long hours work and high budget, the Company must employ highly capable person in the field who has experience to select the right production company, who can take control in every step to avoid error. And most importantly is to control budget and ensure the production time frame as planned.

3. Production of a radio spot

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

Production steps

1. Sound producer gets brief on the idea of the script from creative team and agree on the announcer for the script.
2. Sound recording of voice and sound effects.
3. Sound Mixing - the process of mixing of voice and sounds upon agreement.



Create an advertisement that effectively impact customers

The challenge of sound producing is that it needs a sound specialist who can recommend announcer suitable for the idea of the script and take control of the whole process.

4. Production of a digital advertisement

Strategic Planning

Design and plan a communication method to attract consumers' attention and reaction such as what platform to use and which way to present the content to match with the product and target group.

Creating

Create content and presentation method matched with each product in order to effectively communicate, attracts and encourage reactions from the consumers, be it a message, picture, video, game and more.

Production

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

Media Planning

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

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

Non-handed over works

- None -

Market and competition

The Company provides media strategic planning and is a medium size media buying agent in the industry. The main used is TV commercial because of the price rate. Company must have solid connection with business partners in order to get ads-rate that satisfies clients.

New media, especially online media, can effectively reach consumer. Thus, the Company has to monitor all the consumer behavior changes in order to recommend the best of interest for clients.

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

Drastic competition is going on in advertising business such as cutting service fee to earn the job. Good advertising that bring success to clients is a factor which keep them with us. The Company maintains solid relationship to keep current clients as well as expanding new client base.

The following is how to win new clients:

1. Acquiring through pitching

The company has been invited to enter new business pitches against other agencies. The winner will be awarded the handling of advertising production and planning for clients.

2. Acquiring through personal relationship of the management.

After over 20 years in the business - with a number of widely recognized works – with the ingenuity of the Company's Directors and executive management who has broad personal connection with people in various industries, all of which enhance client base for the Company.

3. Contact potential clients

The Company directly contacts potential clients to make presentation of credential and portfolio. The Company will start to work on details for further step if clients show interest.



Manage The Risk

We are aware of and value risk management.

We consistently identify, review, monitor,
and prevent the risks.



Risk Factor

Business risk

Loss of principal clients

Under the current competitive situation, the Company and its group may lose all or part of the earning from main clients which would significantly affect the company's revenue. As such, the group of Companies has to put effort to get the opportunity to present ourselves to prospects. Development of the staff must be carried on simultaneously in order to improve quality of works and services which will eventually win new clients.

The increase of TV media rate

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

The increase of production cost for advertising materials

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

The decrease of agency commission and service fee rate

Currently, the competition in advertising industry is high as to cut the rate of agency and service fees. Inevitably, the Company has to cut down the afore-mentioned rate in order to maintain the existing clients as well as to acquire new ones. The associated and subsidiary companies will put effort in earning new business and revenue to make up for what was decreased. A policy to control costs and expenses is also in action.

The power of online media

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

Legal risk

At the moment, law enforcement on the prohibition of advertising on cigarette and alcoholic products is in action. The enforcement will be applied to other products sometimes in the future. It is fortunate that at present the associated and subsidiary companies do not service clients with prohibited products. But if there is any in the future, the group of companies will advise client to strictly comply to the law.

Personnel risk

Human resource is a key factor in advertising business. As a specialist in their field, they are very much sought after. Agency is at the risk of losing them any time.

Company realizes that our people are our greatest assets as mentioned in the mission. Thus, Agency implements policy to develop staffs with on-going trainings, arrange activities which strengthen relationship between the management and staffs. Last but not least is the provident fund scheme, zero-interest loan and etc.

Corruption Risk

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

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

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

Assets Used for Business

Fixed assets of the company and its subsidiary and associated companies

Land and building

The Company is located at 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok. This land and building belong to the Company and have been mortgaged as followed:

- To the Bangkok Bank Public Company Limited-Vibhawadi-rangsit Branch as collateral for a 30- million-baht credit line for overdrafts facilities of its subsidiary.
- Credit facilities obtained by a joint venture for the issue of promissory notes, tender offer and letter of guarantee in the total amount of 80 million baht.

Land

The Company has 1 plot of land which is the land at Sukhumvit Soi 50 totaling 708 square wah has been leased out with 28 years contract of lease started from May 9, 2001 until September, 2029.

Value of land and building on land at December 31, 2019 is as follows:

	(For company)	(Baht)
Land (At cost)		101,026,000.00
Land Improvement (At cost)		2,699,157.82
Building and improvement (At cost)		<u>95,032,072.93</u>
Total		198,757,230.75
Less Accumulated Depreciation		<u>81,196,857.87</u>
Net book Value		<u>117,560,372.88</u>

Intangible assets of Associated and subsidiary companies

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

Investment policy in Associated and subsidiary companies

The Company invested in associated and subsidiary companies according to types of business and clients.

In addition, the Company invested in overseas locations of the associated and subsidiary companies as per the request of major clients in Thailand. Beyond that, it is the vision of the management for potentiality and opportunity.

Moreover, the Company has policy of expansion from the current advertising business, such as, providing marketing consultancy, packaging design, and web design. All of which are the trend of today's advertising business.

The Company may diversify to other business if opportunity allows and with joint investor in order to generate long term returns to Company and shareholders.

Valuation of assets

The plot of land which is not where the Company situated on, mentioned in Assets Used for Business, was fairly and approximately valued by a valuation company at 387.28 million baht. (Financial Statement as at December 31, 2018 disclosed this fair value on the Notes of the financial statement no. 13 Investment property).

Legal Cases

A subsidiary company took one of the clients to court case claiming an approximate amount of 8.0 million baht because of financial crisis. The two parties later on came to a compromise. Client agreed to pay on installment.

However, this subsidiary has already accrued allowance for bad debt for this client.

General and Other Important Information

General information

Company name	: Prakrit Holdings Public Company Limited
Office address	: 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok
Company register no.	: 0107535000389
Telephone no.	: 027153000
Facsimile no.	: 023328522
Website	: www.prakit.com
Registered capital	: Ordinary share 94,438,800 shares of 1 Baht par value
Issued and fully paid up capital	: 60,450,262 baht or 60,450,262 shares
Type of business	: Media strategic planning, media buying and invest in associated and subsidiary companies with advertising business or concerned, and other business types for the expansion of Company's business.

Summary of Associated and Subsidiary Company

Associated Companies

Direct Response (Thailand) Limited

Company name	: Direct Response (Thailand) Limited
Office address	: 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok
Type of business	: Direct advertising and Public Relation
Type and amount of shares	: Registered ordinary 2,000 shares of 1,000 baht par value, issue and fully paid up
Number of shares held by the Company	: Ordinary share of 980 shares which is 49% of issued and fully paid-up

Sukhumvit 62 Medical Limited

Company name	: Sukhumvit 62 Medical Limited
Office address	: 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok
Type of business	: Private hospital
Type and amount of shares	: Ordinary share of 8,472,500 shares, par value of 100 Baht issued and paid up: 1. Ordinary share of 100,000 shares – fully paid up 2. Ordinary share of 8,372,500 shares – 50% paid up

Number of shares : Ordinary share of 3,000,000 shares at 35.41% of the issued shares as follows:
held by the Company 1. Ordinary share of 7,500 shares – fully paid up
2. Ordinary share of 2,992,500 shares – 50% paid up

Joint Venture

Bangkok Writer and Partners Limited

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

Subsidiary

Prakit Advertising Limited

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

Marketing Drive Worldwide (Thailand) Limited

Company name : Marketing Drive Worldwide (Thailand) Limited
Office address : 88 Soi Sukhumvit 62, 3rd intersection, Phra Khanong Tai, Phra Khanong, Bangkok
Type of business : Direct advertising (event) covers special marketing activities which better reach target
Registered Share : Ordinary share 20,000 shares of 100 baht par value, issue and fully paid-up
Number of shares : Ordinary share 19,993 shares that is 99.965% of issued and fully paid-up

PRAKIT ADVERTISING CO., LTD.

Company name : PRAKIT ADVERTISING Co.,Ltd.
Office address : (111/44B), Yodayar Street, 9 Mile, Mayangone Township, Pyay Road, Yangon, Myanmar
Type of business : Media broker and creating advertisement, direct advertising (event) and Public Relation
Registered Share : Ordinary share 500 shares of US\$ 100 par value, 50% issued and fully paid-up
Number of shares : 70% of issued and fully paid-up

Other reference information

Registrar

Thailand Securities Depository Co., Ltd.
93 SET building, Fl. 14, Rachadapisek Road,
Dindaeng, Dindaeng, Bangkok 10400.
Tel. 0-2009-9378 Fax 0-2009-9476

Auditor

Mr. Pornchai Kitti-punyangam and/or Mrs. Suwanee Kitti-punyangam and/or Ms. Saleela Puttitarungvong
Bunchikij Co., Ltd.
87/102-103 Modern Tower Building, 9th Floor, Ekamai Soi 3, Sukhumvit 63 Rd.,
Klongton-Nua, Wattana, Bangkok 10110
Telephone no. (66) 2382-0414 Facsimile no. (66) 2381-5849

Internal Audit

THIRTY-FOUR AUDIT OFFICE CO., LTD.
48b Thana Place, 2nd Floor, Soi Charansanitwong 34, Charansanitwong Rd.,
Arun Amarin, Bangkok Noi, Bangkok 10700
Tel 02-4349999 Fax 02-4349998

Legal advisor

Mr. Siwa Tishabiramy
Attorney Certificate No. 13357/2529
44/86 Moo 11, Soi Charoenpattana, Tiwanont Road,
Taladkwan, Mueng, Nonthaburi 110000

Other reference information

Board of Director Office

Contact the Secretary of the Company via Tel: 027153000 or Email: wichuda@prakit.com

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

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

Capital and Shareholders Information

Issue and fully paid-up capital

There was authorized share capital of 94,438,800 baht with ordinary shares of 94,438,800 shares 1-baht par value, issued and fully paid-up capital 60,450,262 ordinary shares, 1 baht each, totally 60,450,262.00 baht.

The company doesn't have any other shares with different conditions than ordinary share such as, preferred share.

The shareholders

The name and the shareholding ratio of the major shareholders as at March 25, 2019 are as follow:

Major Shareholders		Amount held	Percentage
1. Prakit and Associates Co., Ltd.**		15,092,160	24.97
2. Apisarnthanarak Family			
Mr. Prakit	Apisarnthanarak	6,029,890	9.97
Ms. Pavinee	Apisarnthanarak	2,918,953	4.83
Mr. Anucha	Apisarnthanarak	2,944,642	4.87
Mr. Apirak	Apisarnthanarak	3,168,902	5.24
3. Promart International Company Limited		1,606,000	2.66
4. Mr. Wichai	Jiracharoenkikul	1,463,590	2.42
5. MR. Pridiyathorn	Devakula	1,100,000	1.82
6. Ms. Wichuda	Grairithikul	637,450	1.06
7. Mr. Prapoj	Harnjirakarn	564,000	0.93
8. Ms. Nopsarun	Pongpairoj	550,000	0.91
9. Mr Boonchai	Jinangkul	464,530	0.77
10. Mrs. Ornanong	Artree	440,000	0.73
Mr. Atsada	Vipakul	440,000	0.73
Total		37,420,117	61.90

Note : ** Prakit and Associates Co., Ltd., which had advertising business before joining with FCB. Now it changes its business to investment in stock market. There is no business relationship except directorship.

Other capital

- None -

Dividend payment policy

The company has the policy to pay dividend not less than 60 % of normal net profit. There is no dividend policy in associated and subsidiary companies but dividend payment is subject to Board of Directors consideration of the company's overall operation result and future projects (if any) and proposes to shareholders getting approval.

Detailed information of dividend payment data during the past 5 years

Detail	2018	2017	2016	2015	2014
Cash Dividend payment / share	0.90	0.80	0.10	1.00	0.80
Stock Dividend	-	-	10:1	-	-
% of Net Profit	73.12	83.30	N/A	108.12	93.63

Remark

1. Dividend payment percentage for year 2015, was calculated from Net Operating profit which did not include net gain from sales of investment property.
2. In year 2017, the Company paid cash dividend 0.10 baht per share and paid stock dividend in the ratio of 10 current shares per 1 dividend share.



**Mr. Prakrit
Apisarnthanarax**

Executive President

Detail of Director and Executive Management

Age

81 years old

Position

Executive President and Authorized Director

Company Share Portion

9.97% of voting right common stock

Education

BA in Economic

Thammasart University

Family Relationship of Directors

Father of Mr. Apirak Apisarnthanarak

(Managing Director)

Working Experience within 5 Years

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

Vice President

Detail of Director and Executive Management

Age

75 years old

Position

Executive Vice President and
Authorized Director

Company Share Portion

0.15% of voting right common stock

Education

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

Family Relationship of Directors

- None -

Working Experience within 5 Years

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

Director

Detail of Director and Executive Management

Age

72 years old

Position

Director and Authorized Director

Company Share Portion

0.23% of voting right common stock

Education

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

Family Relationship of Directors

- None -

Working Experience within 5 Years

Present	Director Prakit Holdings Plc.
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**Mr. Vichien
Nakintanond**

Director

Detail of Director and Executive Management

Age

71 years old

Age

Director

Company Share Portion

- None -

Education

High School

Vatrangbua School

Family Relationship of Directors

- None -

Working Experience within 5 Years

Present

Director

Prakit Holdings Plc.



Mr. Sommanous Na Bangchang

Independent Director

Detail of Director and Executive Management

Age

71 years old

Position

Audit Committee and Independent Director

Company Share Portion

- None -

Education

MBA

Southeastern Oklahoma, State University

Family Relationship of Directors

- None -

Working Experience within 5 Years

Present	Independent Director and Audit Committee Prakit Holdings Plc.
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**Dr. Pichai
Charnsupharindr
Independent Director**

Detail of Director and Executive Management

Age

77 years old

Position

Audit Committee and Independent Director

Company Share Portion

- None -

Education

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

Family Relationship of Directors

- None -

Working Experience within 5 Years

- | | |
|---------|--|
| Present | <ul style="list-style-type: none"> ● Independent Director / Audit Committee
Prakit Holdings Plc. ● Director
Thammasart Association ● Consultant of The Feceration
of Saving of Thailand Limited |
|---------|--|



**Dr. Manoon
Pahirah**

Independent Director

Detail of Director and Executive Management

Age

81 years old

Position

Audit Committee and Independent Director

Company Share Portion

- None -

Education

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

Family Relationship of Directors

- None -

Working Experience within 5 Years

- | | |
|---------|---|
| Present | <ul style="list-style-type: none"> ● Independent Director / Audit Committee
Prakit Holdings Plc. ● Consultant
The Feceration of Saving
of Thammasart University |
|---------|---|



**Mr. Apirak
Apisarnthanarak**

Managing Director

Detail of Director and Executive Management

Age

48 years old

Position

Managing Director and Authorized Director

Company Share Portion

5.24% of voting right common stock

Education

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

Family Relationship of Directors

The President's son

Working Experience within 5 Years

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

Detail of Director and Executive Management

Ms. Wichuda Grairithikul

Age

61 years old

Position

Chief Finance officer

Company Secretary

Audit Committee Secretary

Company Share Portion

1.06% of voting right common stock

Education

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

Family Relationship of Directors

- None -

Working Experience within 5 Years

1999 - present Finance Director
Prakit Holdings Plc.

Mrs. Siriorn Chernpipat

Age

56 years old

Position

Executive Media Director

Company Share Portion

- None -

Education

B.A.in Mass Communication
Thammasart University

Family Relationship of Directors

- None -

Working Experience within 5 Years

1993 - present Executive Media Director
Prakit Holdings Plc.

Management Structure

Board of Directors

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

Director's Name			Position	Date of Appointment	Term as Director
1.	Mr. Prakrit	Apisarnthanarax	President	28 December 1992	28 years
2.	Mr. Phisal	Prahasdangkura	Vice President/Director	28 December 1992	28 years
3.	Mr. Pheecha	Chaochotechuang	Director	28 December 1992	28 years
4.	Mr. Apirak	Apisarnthanarak	Managing Director/Director	24 April 2008	12 years
5.	Mr. Vichien	Nakintanond	Director	28 December 1992	28 years
6.	Dr. Pichai	Charnsupharindr	Independent Director/Audit Committee	25 April 2005	15 years
7.	Mr.Sommanous	Na Bangchang	Independent Director/Audit Committee	28 December 1992	28 years
8.	Dr. Manoon	Pahirah	Independent Director/Audit Committee	26 April 2004	16 years

Noted: Mr. Apirak Apisarnthanarak was in the position of Managing Director on March 16, 2016.

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

- (1) One shareholder holds the number of votes as of the number of shares.
- (2) The shareholders must use all the entitled votes according to (1). Votes for either one or more persons to be a Director(s) who cannot divide and specify the number of votes among them.
- (3) The persons who get highest votes respectively will be the Directors which must meet the number required. If there are more voted persons than needed, the Chairman will make the final decision.

Each year, one third of Company's Directors must leave the post. If and when it does not make the precise number, the closest to the one third of the number will be the final.

The Directors who are retiring by rotation may be re-appointed.

The Company authorized directors

The signatory Directors consist of Mr. Prakrit Apisarnthanarax co-signs with Mr. Phisal Prahasdangkura or Mr. Pheecha Chaochotechuang or Mr. Apirak Apisarnthanarak with the Company seal. There is no restriction on the authority of Directors.

Sub-Committee

Audit Committee

The Audit Committee consists of 3 independent directors appointed by The Company's Board of Director 4/2019 on February 26, 2019 each with 3 years term. All of the Audit Committee are independent director.

1. Dr. Pichai Charnsuparindr Audit Committee Chairman
2. Dr. Manoon Pahirah Audit Committee Member

3. Mr. Sommanous Na Bangchang Audit Committee Member with financial and accounting Knowledge
4. Ms. Wichuda Grairithikul Audit Committee Secretary

Executive Management

As of December 31, 2019, Executive Management was management team of the Company consisted of 5 members as follows:

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

Secretary of the Company

The Company appoints Miss Wichuda Grairithikul as Company Secretary. The details are on page 33.

Remuneration of Directors and management

Company's Board of Directors defined the Directors' remuneration policy as follow:

1. Remuneration for Directors who are not management and thus without salary for that. The remuneration depends on duty and responsibility of the Directors
2. Meeting allowance, 10,000 baht per time, is paid for independent Directors to attend Board of Directors meeting, Audit committee meeting and shareholders meeting.

In 2019, total remuneration for directors was as follows:

Company

Cash remuneration

Director's Name		Remuneration and Meeting allowance
1.	Mr. Phisal Prahasdangkura	1,200,000 baht
2.	Mr. Pheecha Chaochotechuang	1,440,000 baht
3.	Mr. Vichien Nakintanond	360,000 baht
4.	Dr. Pichai Charnsupharindr	50,000 baht
5.	Mr. Sommanous Na Bangchang	240,000 baht
6.	Dr. Manoon Pahirah	50,000 baht

Other Benefits

Group Accident Insurance and Medical Expense totally 218,499.50 baht. Moreover, Company paid the remuneration to Directors who were Executive Management and Executive Management Member as salary, bonus and other benefits was 13,214,656.76 baht.

Subsidiaries

Subsidiary Companies did not pay to Director in cash or other benefits for the position of Directors. Subsidiary Companies paid the remuneration to Director who was Executive Management and Executive Management Member as salary, bonus and other benefits was 23,446,438.00 baht.

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

Human Resource

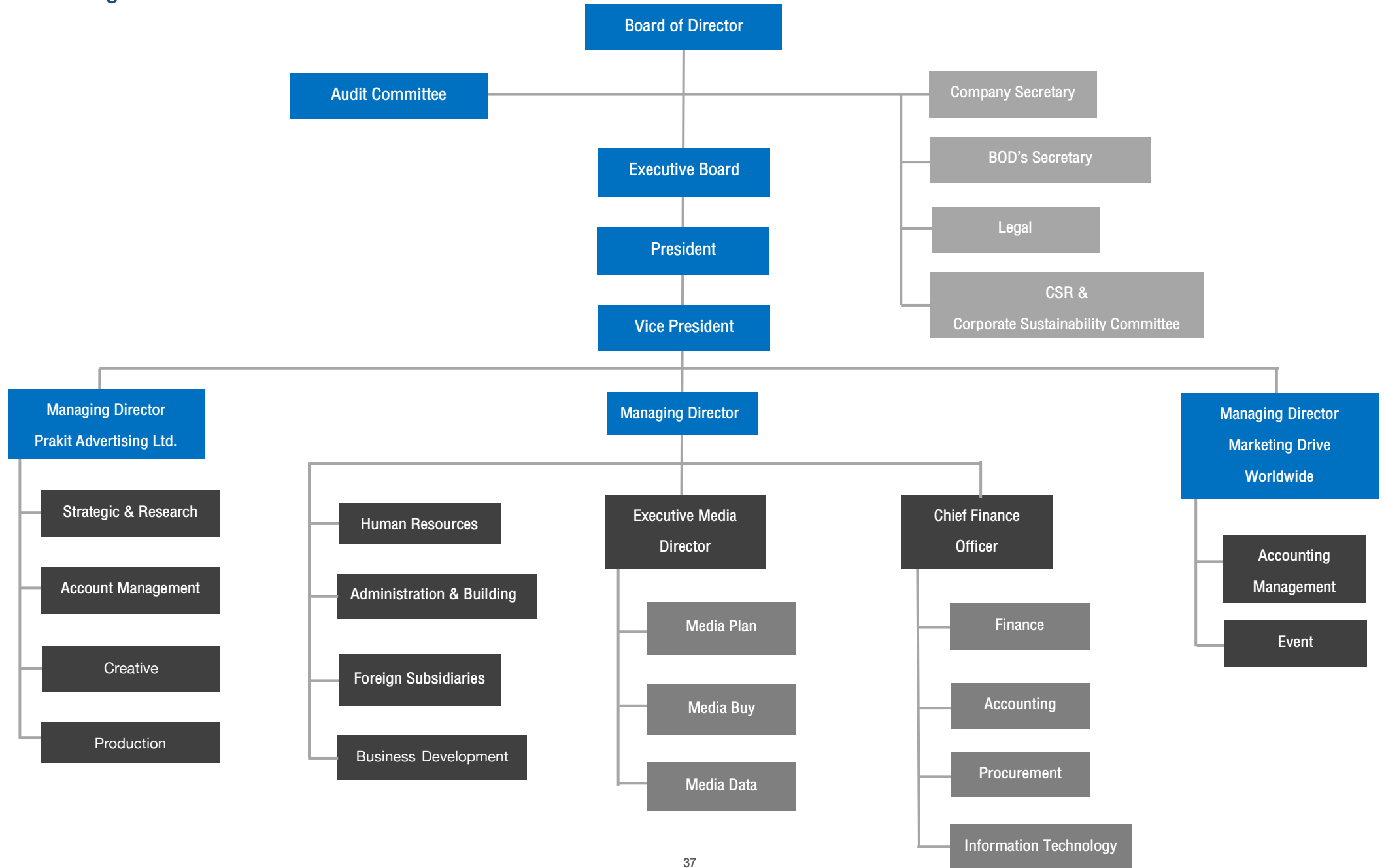
As at December 31, 2019, staffs of the Company and subsidiary are as follow:

Department	Company	Subsidiaries
Management	3	10
Media	53	5
Account team/Creative/Strategic planning/Production	4	91
Administration	41	22
Total	101	128

The remuneration as salary, bonus, provident fund and social insurance contribution of 2019 totaled:

Company	Subsidiaries
63,517,324.82	91,398,130.91
baht	baht

Management Structure Chart



Report of Number of Share Held by Directors and Executives

as at December 31, 2019

Name	2019		2018		Increase/ (Decrease)	2019 in total	Percentage
	Director	Spouse	Director	Spouse			
Mr. Prakit Apisarnthanarax	5,829,890	200,000	5,829,890	228,800	(28,800)	6,029,890	9.97
Mr. Phisal Prahasdadangkura	25,300	63,700	25,300	63,700	-	89,000	0.15
Mr. Preecha Chaochotechuang	16,500	123,200	16,500	123,200	-	139,700	0.23
Mr. Sommanous NaBangchang	-	-	-	-	-	-	-
Dr. Pichai Charnsupharindr	-	-	-	-	-	-	-
Mr. Vichien Nakintanond	-	-	-	-	-	-	-
Dr. Manoon Pahirah	-	-	-	-	-	-	-
Mr. Apirak Apisarnthanarak	3,018,252	150,650	3,018,252	139,550	11,100	3,168,902	5.24
Ms. Wichuda Grairithikul	637,450	-	637,450	-	-	637,450	1.05
Mrs. Siriorn Chernpipat	-	-	-	-	-	-	-

Details of Subsidiaries Director

Name of Director	Prakit Holdings PLC	Subsidiary Company			Joint Venture	Related Company		Other Company		
		Prakit Advertising	Marketing Drive Worldwide	Prakit Advertising (Myanmar)	Bangkok Writer & Partners	Direct Response	Sukhumvit 62 Medical	62 Content & Design	Double P Marketing	Prakit & Associate
Mr.Prakit Apisarnthanarax	B,A,C	A,C	C				B,C			A,C
Mr. Phisal Prahadsadangkura	B,C	C	C						C	
Mr. Preecha Chaochotechuang	C									
Mr. Sommanous NaBangchang	F,G									
Dr. Pichai Charnsupharindr	F,G									
Mr. Vichien Nakintanond	C									
Dr. Manoon Pahirah	F,G									
Mr. Apirak Apisarnthanarak	B,D	B,D	C	C	C		C	C		
Ms. Wichuda Grairithikul	B	B		C	C		C	B,C	C	
Mrs. Siriorn Chernpipat	B	B		C						

A = President

B = Executive Board

C = Director

D = Managing Director

E = General Manager

F = Audit Committee

G = Independent Director



Corporate Governance

Corporate Governance Policy

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

Corporate Governance

Conduct of Corporate Governance

The Board of Directors have well recognized the importance of Good Corporate Governance and adopted a policy to ensure that all corporate business is conducted in accordance with high standards of Corporate Governance with legally and ethically accepted corporate practices as well as complies with the Securities and Exchanges Acts, regulation of the SET and the resolution of the shareholder's meeting constantly.

Business Ethics

Aware of the importance of operating with good morals, the Board of Director set the code of conduct based on the company's ethics and publishes to all employees and executives. For new employees, the Company arranges an orientation about the code of conduct and has the employees sign an acknowledgement and compliance document.

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

Rights of Shareholders

Shareholders Meeting

The Company provides meeting invitation, reference prior to each meeting with opinion of the Board of Directors. Shareholders can propose additional agenda. There is complete and accurate meeting report for the shareholders to check 14 days in advance on the Company's website. Moreover, information about the shareholders' meeting has been posted beforehand in the Company's website: www.prakit.com. Then invitation letter includes the way to post questions in advance. The Board and the management always conduct the shareholder's meeting in fair and square and equality manner.

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

Conflict of Interest

The Company's Board of Directors and Executive have been informed of legal and ethical conflict of interests and related transactions guidelines. The Company has disclosed, in accordance with the regulations of Stock Exchange of Thailand, information, detail and reason/necessity, if any, in the Company's annual report and the 56-1 form.

Internal Information Policy

The company's policy does not allow directors, executives, spouses and children who has not become the legal age to use the internal information of the Company for personal benefits prior to public disclosure. Company's Board of Directors will determine penalty according to each incident.

The Company has informed the Board of Directors and senior executives of the responsibility to report the first Company's shareholding report and a change in shareholding report to The Office of the Securities and Exchange Commission (SEC) within 3 days, starting from the date of change and to the Company Secretary in the same day.

Role of Stakeholders

Rights of stakeholders

Company realizes the importance of the rights of the stakeholders. The Board of Directors stipulates a process to build cooperation between the Company and employee, customers, partners, creditors, competitors and shareholders.

Employee

The Company takes care of its staff with appropriate and fair returns of provident fund, transportation service, birthday activities and training. In 2018, the Company provides both outsources and internal trainings, encourages staff to participate in variety of activities. For example, urging creative teams to enter their creative works to win awards

Customers

The Company has the policy to develop quality works for clients, so that they meet with success, to take care of clients' benefit and operate strictly according to agreement. Moreover, The Company and the customer both evaluate each other's yearly performance in order to enhance working efficiency.

Partners

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

Creditor

The Company complies to the credit contract and condition. It also manages the cost to pay the creditor in time.

Competitors

Being a member of the Advertising Association, the Company strictly follows the rules and regulations of the Association which enhances fair and square business competition.

Shareholders

It is the Company policy to treat all stakeholders fairly and equally. To comply with the Corporate Governance, Right of Shareholders, the Company allows the shareholder to propose a person with adequate qualification and are not prohibited to be nominated for the Company's director beforehand. The criteria and regulation were disclosed on the Company's website www.prakit.com from 30 October 2019 to 31 December 2019. Shareholders can go to *The Criteria for shareholders right to propose the Agenda and to nominate the Candidate for being a director* on the website.

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

E-mail: linda@prakit.com

Tel: 027153000

Society

The Company has policy regarding social responsibility. See detail on page 54-57.

Transparency Disclosure

The Company has disclosed important and complete information with transparency via the Stock Exchange of Thailand.

The Company stipulates that the President, the Managing Director and Secretary of the Company are responsible for disclosing appropriate information to the stakeholders as well as granting analyst and investors a meeting with Company's Director on advance appointment. In 2019, Company's Director has talked to a security company and investors twice.

Board of Director

Duties and Responsibilities

The authority of Directors is defining policy, directing the operation in accord with policy within the rules and regulations of the Company, related rules of law as well as the resolutions of the shareholders meeting.

Authority of the Company's policy are:

1. Establish and review the Company's vision and mission and ensure the operation complying with the vision.
2. Consider the annual budget and quarterly result of the Company and group of companies
3. Consider the investment in new projects, acquisition and disposition of assets.
4. Consider and approve salary adjustment, bonus for the management and staffs.
5. Consider the appointment and end of Directors, audit committee, company's secretary, subcommittee, subsidiary company's Directors and executive management as well as defining the Directors' remuneration.
6. Consider and set the annual general meeting of shareholders date, agenda and interim dividend payment.
7. Direction governance and management with integrity, good moral, follow the Company's rules and regulations, related rules of law and the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission.

Audit Committee

Duties and Responsibilities

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

1. Review and ensure that the company's financial disclosure is accurate and sufficient.
2. Ensure that the company has appropriate and effective internal control and internal audit systems. Select and nominate the head of internal audit unit and/or external internal audit company. Participate the meeting with the internal audit unit at least 4 times yearly.
3. Monitor that the company complies with the securities and Exchange Acts, regulation of the SET, and any related business laws.

4. Consider, select, nominate, terminate the employment, propose audit fee and have meeting with the Company's auditors at least once a year.
5. Consider that the company complies with all connected transaction disclosures or the conflict of interest disclosures and propose to the Board for consideration.
6. Carry out the assignment from the Board of Directors, which is agreed upon by the Audit Committee.

Audit Committee meeting

In 2019, the Audit Committee held 4 meeting attended by the following:

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

Mr. SommanousNa Bangchangis the Audit Committee with adequate financial knowledge and experience to review and prove opinion to the financial statement.

In 2019 The Audit Committee joined the meeting with the auditors twice and with the internal audit company 4 times.

Committee of Corporate Social Responsibility and Sustainability of the Organization

The Committee consists of

1. Company's Managing Director
2. Company's Secretary
3. Human Resource Director
4. Representatives from associates and subsidiaries

Duties and Responsibilities

1. Determine the operation to prevent corruption in the corporation.
2. Plan staff development of the group of company.
3. Plan and operate social responsibility activities.

Executive Management

Duties and Responsibilities

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

Executive President/Chief Executive Officer

Duties and Responsibilities

1. Propose policy, goals, and company operating results to the Board of Director for approval.

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

Appointment of Board of Directors and Executive

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

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

Criteria for independent director nomination

1. Must hold no more than 1% of all voting share in the Company, its subsidiaries, affiliates or others which may cause a conflict of interests, which is inclusive of shareholding of one relating to the Independent Director
2. The Director must not or never be part of the management, employee, consultant with regular salary nor with controlling authority over the Company, its subsidiaries, affiliates or others which may cause a conflict of interests for at least two years.
3. Must not be related, in anyway, to Executives, major shareholders who has controlling authority or a nominee for Executive or a person who has controlling authority over the Company or its subsidiaries.
4. Must have no business relation with the Company, affiliates or others which may cause a conflict of interests that could lead to the lack of independent judgement. Must not be major shareholders, director or management of the partners of the Company, its subsidiaries, affiliates or others which may cause conflict of interests for at least two years.
5. Must not be external auditor of the Company, its subsidiaries, affiliates or others which may cause conflict of interest. And must not be major shareholders, directors or partner of Auditor Company which audit the Company, its subsidiaries, affiliates or others which may cause a conflict of interest for at least two years.
6. Must not or never be the company of professional services including legal consultant or financial consultant which earn service fee of more than two million baht per year from the Company, its subsidiaries, affiliates or others which may cause a conflict of interest and must not be major

shareholders, directors or partner of the Company providing this professional services for at least two years.

7. The Director must not be appointed to represent the Company's director, major shareholders nor shareholders related to Company's major shareholders.
8. Must not have any characteristic causing incapability to make independent comment on the Company's operation.

Remuneration for Directors and Management

The Company takes into consideration remuneration paid in similar types of business to pay for Company's Directors and Management. This is meant to draw highly qualified professionals to join for a long period of time.

As at December 31, 2019, the Company Directors consisted of:

1. The Board of Directors consists of 8 members:

Executive Directors	4 persons
External Directors	1 persons
Independent Director	3 persons

2. Audit Committee consists of 3 members:

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

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

Company's Directors come from various directions. Executive Directors have long time experience with the Company's business whereas External Directors are specialist of art and marketing to support the operation of Executive Board. Independent Directors are Audit Committee who control and audit performance of Executive Board, which is a combination of committee and non-committee specialists to ensure that everything is in accordance with Company's policy.

Board's Responsibility

Board of Directors Meeting

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

1. The Board meeting must be held regularly which can be divided to 4 quarterly meetings and 3 or more meetings on other agenda.
2. The agenda of each meeting must be clearly defined and must consist of the review of operating results.
3. The Company Secretary prepares the meeting invitation letter, agenda and other document for the Directors 7 days before the meeting date to provide adequate information to the Directors before attending the meeting.

4. The Company Secretary informs all Directors about the advance annual meeting schedule. The date of the meeting on other agenda will be announced at least 2 weeks in advance.
5. 2 of 3 Directors must be present at the meeting when the vote to approve any agenda is made.

Board of Director meeting schedule

1/2020	26 February 2020
2/2020	9 March 2020
3/2020	14 May 2020
4/2020	11 August 2020
5/2020	12 November 2020

Board of Director participation

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

In 2019, there is one meeting held by the Non-executive Directors.

Director's Reporting

The Board of Director is responsible for the Consolidated and the Company Financial Statements and the financial information as shown in the annual report. The financial statements had been prepared in accordance with Thai General Accepted Accounting Standard. Significant accounting policies include consistency prudence and accruals. With discrete, diligence and the best of judgment, the Company has disclosed enough significant information in the notation of budget section

Training and Education for Director

It is the Company's policy to encourage the Directors and Executives on knowledge and skill by providing trainings and other education. In 2019, there are a Director and an Executive attending a course and seminar.

Name	Position	Course
Mr. Apirak Apisarnthanarak	Managing Director	ADVANCED MANAGEMENT PROGRAM FOR CEO & SUCCESSOR
Miss Wichuda Grairithikul	Chief Finance Officer	Fundamental Law on Taxation 2019

Director Orientation

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

Succession Plan

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

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

Performance Result Assessment

The Board manages the performance results assessment yearly. The topics of the assessment are 1) Board qualification and structure 2) Quality of the Board meeting 3) Role, duty and responsibility of the Board. The assessment is conducted by:

1. The evaluation of the Board's performance once per year.
2. The Company Secretary summarizes the evaluation and reports to the Board for future development.

Directing the operation of subsidiary and associated companies

Policy of the Company is that the Board of Directors appoints or selects qualified persons to be Directors and Executives of subsidiaries to take best care of the Company's investment.

The Board of subsidiary company appoints the Managing Director and senior Executives to define the operational policy for maximum benefits of the subsidiaries.

Directors of the Company define policy for subsidiary companies. The appointed Directors and Executives hold the authority to make decision in the line of business operation except for the cases which require approval from the Company's Board of Directors

Internal Control and Risk Management

The Board of Directors, the Audit Committee and the Executive Management reviewed internal controlling system on accounting, finance and the adequacy of the Organization control system as well as appraise, risk management policy and information technology system and agreed that internal control was adequate and effective for the type of business.

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



Anti-Corruption

The Company set the operation policy to prevent corruption within the company as follows:

1. Directors, executives and staff of group of companies are prohibited to accept or support or take part in corruption neither nor indirectly.
2. The Group of companies totally prohibit bribe acceptance including gifts in all forms.
3. Staff must not ignore overlook any deemed corruption and must report to executive with full responsibility. Company will give full protection and justice to the reporter while investigates the issue.
4. Company will give training to Directors, executives and staff of how to prevent corruption as well as developing ethical performance.
5. Arrange the risk assessment on corruption, separately from other risk factors. The internal audit is responsible for auditing, assessing, and reporting the result to the Audit Committee and Board of Director.

Whistle Blowing Policy

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

Whistle blowing channel

1. Send complaints via the Secretary of Audit Committee at wichuda@prakit.com or Tel: 027153000
2. Report to the supervisor and/or head of human resource via e-mail: info@prakit.com
3. Report directly to the Chairman of the Board of Director by sending a mail to 88 Sukhumvit 62 section 3, Phra Khanong Tai, Phra Khanong, Bangkok 10260.

Complaint receiving process

1. After receiving the compliant, the person entitled will report the Audit Committee.
2. The person entitled by the Audit committee conducts the investigation within 7 days.

3. After finishing the investigation and fixing the problem, the results will be announced to the whistle blower, both the employees and other people, within 15 days. Shall the whistle blower is not satisfied with the result and solution, the whistle blower can appeal to the Audit Committee.

Whistle blower protection

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

Remuneration of The Audit Committee

In 2019, The Company and Subsidiaries paid Bunchi-Kij Company Limited as follow:

1. Remuneration for auditing at 1,370,000 baht
2. Other services: - None -



Sustainable Development Report

The Company's and the subsidiaries' Sustainability
Report consists of policy and activity
complying with the vision and mission.

Committed to grow with our stakeholders,
we operate with responsibility to stakeholders,
community, society and the environment.

Our sustainably operation covers 3 aspects:
economy, society, and environment.

Our Customer's Growth Is Our Growth

Deliver quality work.

Help our customer grow financially and sustainably.

Responsibility to Stakeholders

Stakeholders	Treatment
Customer	Create awareness of consumers for clients' products.
Consumer	Generate Clients' product's information to customers with accuracy - hence the product becomes an option for customers.
Shareholder	Achieve satisfying operating results and sustainability for the highest benefit of all stakeholders.
Trade Partner	Be available for business partners to make presentation, such as, production houses. Take into consideration the capability, price, etc.
Competitor	Define policy of competition with ethic. The Company defines policy of ethical competition. No defamation on competitors.
Employee	Provide fair employment and variety of welfare schemes beyond legal definition, which are equally accessible to all employees.
Society	Run projects that support and create values to the society. We create a culture that helps our employees to be responsible to their society. We also try our best to limit the impact and pollution from our operation on the community and others.

Sustainable Development

Economy

Perform with Potentials

The Company has an effective business strategy, risk management and control, and the ability to adapt to the rapid changes of advertising market. The example is the change in movie commercial platform that has been moving from TV to the internet. We always prepare ourselves to compete with competency.

In 2019, the Company and its subsidiaries achieved satisfying operating results on the internet section. The media and other related fields had 75% increases in the growth

Deliver Quality Work

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

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



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



Operate with Good Governance

We creating value and sustainability to all stakeholders.

Society

Contribute to Society

Create income to community

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

Support SMEs

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

1. Recruit small business companies which meet the requirement of the project.
2. Interview companies' executives in order to understand both products and needs.
3. Provide workshop on marketing strategy planning, media planning and generate knowledge about advertising on internet.
4. Follow up on the actual practice and result for improvement for the year to come.

Encourage the youth

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

Operate with Good Governance

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

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

Provide Employee with Well-being

The Company's core business is service. Thus, employees are Company's valuable asset who will receive fair employment and variety of welfare schemes beyond legal definition, which are equally accessible to all employees.

Provident fund

To encourage employees to save for security after retirement, the Company set up Provident Fund. All employees have the right to be member. According to our policy, the employees collect 5% of their salary and the Company adds more 5%.

Group accident and life insurance

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

Welfare loan

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

Training

Each year, Company executives will set policy and training guidelines for employees. Human Resource department will set topics according to Company's policy together with annual training schedule.

Company provides annual party each year during which the senior management will explain the Company's operation result of the passing year as well as the policy of the year to come. Such has been the annual event from the first year of Company's set up.

1. Promote "sharing" activities whereas specialized staffs share their specialty with other employees.
2. Training for professional development are as follow:
 - For broader scope of knowledge, in 2019 Company arranged a training: "Google Sharing by Google Team".
 - Enter the Company's employees in seminars as a scheme to develop staff potentiality. Annual training budget has been set for this propose. In 2019, our employees entered the following seminars:
 - Techsauce Global Summit 2019
 - DAAT DAT 2019 (All Tings Digital)
 - Facebook "APAC PARTNER SUMMIT 2019"

Create pleasant working environment

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

Employee Bonding Activity

Company provides joint activities among employees and staffs with Management to enhance better relationship within the organization. In 2019, we arranged the following activities:

1. Arranged an annual Buddhist ritual in the Company in January to bless all employees. After the ritual, all employees joined lunch together.
2. Arranged the Company Sport Day. Employees from the Company and the subsidiaries joined the activity. It was a pleasant day. The employee's satisfaction result on this activity is 4.18 of 5 with positive comments. Mostly, they thought it allowed the colleagues to interact more with each other and help delight the office environment. They wanted the Company to carry out the Sport Day again.
3. Providing badminton court and football field to support joining activities among staffs.

Occupational Safety and Health

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

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

Workplace Accident Case

2019

0 times

Environment

Since the Company's product is service, The Company, focusing on results from its internal operation, conserves the environment. In 2019, we arranged the following activities

Resource Utilization

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

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

The result of the policy and action shows in the 20% decrease in electricity cost and management expense.

Raise Public Minds

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

In 2019, The Company initiated "Pixstas" Project, starting from creating a Facebook page to announce and provided knowledge about environment preservation and resources utilization. The messages were delivered in cartoons, pictures, and short articles. We hope that our employees and people who see the content would be aware and have public minds to help preserve the environment.



www.facebook.com/pixstas/

Related Transaction

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

Rental income

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

Relationship	Company	Amount (thousand baht)
Subsidiaries	• Prakit Advertising Ltd.	3,633
	• Marketing Drive Worldwide (Thailand)Ltd.	480
Joint Venture	• Bangkok Writer & Partners Ltd.	360
Related Company	• Double P Marketing Communication Ltd.	600
	• 62 Content & Design Ltd.	68
Total		5,141

Management Income

Reason: The Company has agreement with subsidiaries, joint venture, and related companies for management service. This was due to these companies are not these specialists.

Relationship	Company	Amount (thousand baht)
Subsidiaries	• Prakit Advertising Ltd.	3,306
	• Marketing Drive Worldwide (Thailand)Ltd.	384
Joint Venture	• Bangkok Writer & Partners Ltd.	1,800
Related Company	• 62 Content & Design Ltd. (Executive of the Company listed as Director and Shareholder)	60
Total		5,550

Income from other services, Water / Electricity bill

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

Relationship	Company	Amount (thousand baht)
Subsidiaries	• Prakit Advertising Ltd.	514
	• Marketing Drive Worldwide (Thailand)Ltd.	96
Joint Venture	• Bangkok Writer & Partners Ltd.	94
Related Company	• Double P Marketing Communication Ltd.	131
	• 62 Content & Design Ltd.	16
Total		851

Commission Income

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

Relationship	Company	Amount (thousand baht)
Subsidiaries	• Prakrit Advertising Ltd.	5,863
Joint Venture	• Bangkok Writer & Partners Ltd.	738
Related Company	• Double P Marketing Communication Ltd.	2,825
	• Draft Advertising Co., Ltd. (Cambodia)	6
Total		9,432

Cost of Rendering of Service

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

Relationship	Company	Amount (thousand baht)
Subsidiaries	• Prakrit Advertising Ltd.	4,062
Related Company	• 62 Content & Design Ltd. (Executive of the Company listed as Director and Shareholder)	255
Total		4,317

Dividend Income

Reason: Dividend payment from investment in subsidiaries.

Relationship	Company	Amount (thousand baht)
Subsidiaries	• Prakrit Advertising Ltd.	4,999
	• Marketing Drive Worldwide (Thailand)Ltd.	1,999
	• Prakrit/FCB Cambodia Co.,Ltd.	1,135
Total		8,133

Interest Income

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

Relationship	Company	Amount (thousand baht)
Joint Venture	• Bangkok Writer & Partners Ltd.	763
Total		763

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

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

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

- The Company's fixed deposit amount of 30 million baht has been pledged as collateral and to facilitate an overdraft of 25 million baht and bank guarantee of 5 million baht from the bank for security of Bangkok Writer and Partners Limited.
- The Company mortgaged part of its land and building of its current office premises, to a bank as collateral:
 - 30 million baht overdraft facilities of Prakit Advertising Limited.
 - Credit facilities obtained by Bangkok Writer and Partners Co., Ltd. for issued of promissory notes, tender offer and letter of guarantee in the total amount of 80 million baht.

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

Significant Financial Information

Consolidated Financial Statement

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

PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019, 2018 AND 2017

Unit : Baht

ASSETS	Consolidated financial statements		
	2019	2018	2017
CURRENT ASSETS			
Cash and cash equivalents	155,215,431	136,048,545	129,085,052
Current investments			
Private fund	34,775,608	32,263,638	31,739,118
Others	304,448,630	238,066,970	323,986,029
Current portion of held-to-maturity debt securities	30,000,000	15,000,000	12,001,000
Trade accounts and other receivables	294,591,970	364,922,279	350,077,955
Short-term loan to related party	5,000,000	42,000,000	10,000,000
Other current assets	9,752,380	14,553,130	17,956,077
Total current assets	833,784,019	842,854,562	874,845,231
NON-CURRENT ASSETS			
Bank deposit held as collateral	30,000,000	30,000,000	30,000,000
Investments in joint venture, associated and subsidiary companies	118,243,057	117,770,347	117,292,202
Other long-term investments	107,487,386	122,083,510	114,633,148
Loan to employees	30,000	125,000	90,000
Investment property	46,215,000	46,215,000	46,215,000
Property, plant and equipment	99,109,140	104,669,338	99,319,226
Intangible assets	7	7	2,530
Deferred tax assets	16,674,060	13,060,990	6,870,235
Other non-current assets	11,413,196	11,840,567	11,643,950
Total non-current assets	429,171,846	445,764,759	426,066,291
TOTAL ASSETS	1,262,955,865	1,288,619,321	1,300,911,522

PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2019, 2018 AND 2017

	Consolidated financial statements		
	2019	2018	2017
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade accounts and other payable	269,204,954	265,184,026	315,053,041
Accrued income tax	3,265,144	9,174,861	1,950,713
Other current liabilities	31,069,585	37,782,940	34,376,665
Total current liabilities	303,539,683	312,141,827	351,380,419
NON-CURRENT LIABILITIES			
Deferred Leasehold right	10,787,711	12,312,254	13,396,737
Employee benefit obligations	42,701,721	41,632,538	22,889,447
Other non current liabilities	540,000	540,000	-
Total non-current liabilities	54,029,432	54,484,792	36,286,184
TOTAL LIABILITIES	357,569,115	366,626,619	387,666,603
EQUITY			
Share capital			
Authorized share capital			
94,438,800 common shares of Baht 1 each	94,438,800	94,438,800	94,438,800
Issued and fully paid - up capital			
60,450,262 common shares of Baht 1 each	60,450,262	60,450,262	60,450,262
Premium on share capital	193,568,560	193,568,560	193,568,560
Retained earnings			
Appropriated to legal reserve	10,000,000	10,000,000	10,000,000
Unappropriated	674,974,171	675,648,100	659,439,635
Other components of equity	(34,949,959)	(20,389,579)	(12,440,100)
Total equity attributable to the Company's shareholders	904,043,034	919,277,343	911,018,357
Non-controlling interests	1,343,716	2,715,359	2,226,562
Total equity	905,386,750	921,992,702	913,244,919
TOTAL LIABILITIES AND EQUITY	1,262,955,865	1,288,619,321	1,300,911,522

PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019, 2018 AND 2017

	Consolidated financial statements		
	2019	2018	2017
REVENUES			
Revenue from rendering services	193,700,657	243,504,746	323,502,065
Commission income	153,720,897	190,747,078	157,060,737
Interest income	4,879,210	5,132,467	4,836,726
Dividend income	7,995,430	2,866,961	1,332,745
Management income	1,860,000	1,860,000	1,895,000
Other revenues	26,450,162	28,656,933	26,807,528
Total revenues	388,606,356	472,768,185	515,434,801
EXPENSES			
Cost of rendering of services	154,917,181	203,885,557	280,517,055
Selling expenses	72,059,583	62,104,087	60,191,482
Administrative expenses	97,593,298	114,142,749	103,762,593
Total expenses	324,570,062	380,132,393	444,471,130
Profit before share of net results from investments in joint venture and associated companies	64,036,294	92,635,792	70,963,671
Share of profit from investments in joint venture and associated companies- equity method	472,878	773,583	1,940,934
Profit before income tax	64,509,172	93,409,375	72,904,605
Income tax	(10,436,414)	(18,515,794)	(14,854,855)
Net profit for the year	54,072,758	74,893,581	58,049,750
Other comprehensive income (loss):			
Item that will not be reclassified to profit or loss			
Actuarial gain (losses)	-	(11,924,527)	-
Actuarial gain (losses) in joint venture	-	(369,296)	-
Income tax effect	-	2,458,764	-
	-	(9,835,059)	-
Items that may be reclassified subsequently to profit or loss			
Gain(loss) of revaluation of available for sale investment	(19,067,292)	(9,547,093)	12,133,194
Foreign currency translation differences for foreign operation	693,455	(311,804)	(143,482)
Income tax effect	3,813,457	1,909,418	(2,426,639)
	(14,560,380)	(7,949,479)	9,563,073
Other comprehensive income (loss) for the year, net of income tax	(14,560,380)	(17,784,538)	9,563,073
Total comprehensive income for the year	39,512,378	57,109,043	67,612,823
Profit attributable to:			
The Company's shareholders	53,731,307	74,403,734	58,101,059
Non-controlling interests	341,451	489,847	(51,309)
Net profit for the year	54,072,758	74,893,581	58,049,750
Total comprehensive income (loss) attributable to:			
The Company's shareholders	39,170,927	56,619,196	67,664,132
Non-controlling interests	341,451	489,847	(51,309)
Total comprehensive income for the year	39,512,378	57,109,043	67,612,823
Earnings per share (Unit :Baht)			
Basic earnings per share	0.89	1.23	0.96

PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY(CONSOLIDATED)
FOR THE YEAR ENDED 31 DECEMBER 2019, 2018 AND 2017

	Equity attributable to owners of the Company									
	Retained earnings				Other components of shareholders' equity			Equity attributable to owners of the Company	Non-controlling interests	Total Shareholders' equity
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Currency translation differences	Total other components of equity			
Balance at 1 January 2017	54,954,800	193,568,560	10,000,000	612,514,980	(21,765,004)	(238,169)	(22,003,173)	849,035,167	1,546,194	850,581,361
Stock dividend	5,495,462	-	-	-	-	-	-	5,495,462	-	5,495,462
Dividend paid	-	-	-	(10,990,960)	-	-	-	(10,990,960)	(700)	(10,991,660)
Change in ownership interests in subsidiaries										
without a change in control	-	-	-	(185,444)	-	-	-	(185,444)	732,377	546,933
Profit (loss) for the year	-	-	-	58,101,059	-	-	-	58,101,059	(51,309)	58,049,750
Other comprehensive income (loss)	-	-	-	-	9,706,555	(143,482)	9,563,073	9,563,073	-	9,563,073
Balance at 31 December 2017	60,450,262	193,568,560	10,000,000	659,439,635	(12,058,449)	(381,651)	(12,440,100)	911,018,357	2,226,562	913,244,919
Balance at 1 January 2018	60,450,262	193,568,560	10,000,000	659,439,635	(12,058,449)	(381,651)	(12,440,100)	911,018,357	2,226,562	913,244,919
Dividends paid	-	-	-	(48,360,210)	-	-	-	(48,360,210)	(1,050)	(48,361,260)
Total comprehensive income for the year										
Profit for the year	-	-	-	74,403,734	-	-	-	74,403,734	489,847	74,893,581
Other comprehensive income										
Actuarial gain (losses)	-	-	-	(9,539,622)	-	-	-	(9,539,622)	-	(9,539,622)
Actuarial loss from in joint venture	-	-	-	(295,437)	-	-	-	(295,437)	-	(295,437)
Other	-	-	-	-	(7,637,675)	(311,804)	(7,949,479)	(7,949,479)	-	(7,949,479)
Balance at 31 December 2018	60,450,262	193,568,560	10,000,000	675,648,100	(19,696,124)	(693,455)	(20,389,579)	919,277,343	2,715,359	921,992,702
Balance at 1 January 2019	60,450,262	193,568,560	10,000,000	675,648,100	(19,696,124)	(693,455)	(20,389,579)	919,277,343	2,715,359	921,992,702
Dividends paid	-	-	-	(54,405,236)	-	-	-	(54,405,236)	(1,050)	(54,406,286)
Disposal of investment in subsidiary	-	-	-	-	-	-	-	-	(1,712,044)	(1,712,044)
Total comprehensive income for the year										-
Profit for the year	-	-	-	53,731,307	-	-	-	53,731,307	341,451	54,072,758
Other comprehensive income										
Other	-	-	-	-	(15,253,835)	693,455	(14,560,380)	(14,560,380)	-	(14,560,380)
Balance at 31 December 2019	60,450,262	193,568,560	10,000,000	674,974,171	(34,949,959)	-	(34,949,959)	904,043,034	1,343,716	905,386,750

PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019, 2018 AND 2017

	Consolidated financial		
	statement		
	2019	2018	2017
Cash Flows from Operating Activities			
Profit for the year	54,072,758	74,893,581	58,049,750
Adjustment to net cash from operating activities			
Depreciation	12,131,828	9,171,725	7,924,972
Amortisation of intangible assets	-	2,523	9,999
Bad debts	-	1,281,350	-
Bad debts recovered	20,000	-	-
Bad debts written off	8,457,771	-	-
Reversal of allowance for doubtful accounts	(8,457,771)	-	-
Written off withholding tax over 3 years	3,652,467	-	-
Impairment loss from investment	-	-	3,142,837
(Gain) loss on sales of current and long-term investments	(2,322,591)	(3,540,153)	(2,391,629)
(Gain) loss on adjustment of fair value of current investment	(5,159,412)	(2,009,808)	(5,041,104)
(Gain) loss on sale of equipment	232,879	(179,168)	(224,870)
Provisions for employee benefits	5,225,557	10,588,964	2,214,680
Revenue from deferred lease right	(1,524,543)	(1,084,483)	(1,084,483)
Dividend income	(7,995,430)	(2,866,961)	(1,332,745)
Interest income	(4,879,210)	(5,132,467)	(4,836,726)
Share of (profit) loss from associated companies and joint venture - equity method	(472,878)	(773,583)	(1,940,934)
Gain from sale of investment in subsidiary	(507,358)	-	-
Unrealized (gain) loss form exchange rate	27,347	75,497	43,555
Income tax expense	10,436,414	18,515,794	14,854,855
	62,937,828	98,942,811	69,388,157
Changes in operating assets and liabilities			
Current investments sold	96,378,815	176,071,218	142,061,573
Addition to current investments	(159,218,001)	(88,382,672)	(80,000,000)
Trade and other accounts receivable	69,569,172	(15,974,628)	(105,904,099)
Other current assets	7,539,195	7,714,066	(16,951,907)
Other non current assets	(3,225,097)	(196,616)	441,549
Trade and other account payable	4,020,927	(49,869,013)	12,606,925
Other current liabilities	(6,185,132)	3,406,273	7,343,530
Other non-current liabilities	-	540,000	-
Employee benefit obligations paid	(4,156,374)	(3,770,400)	(836,000)
Net cash Provided by (used in) Operating Activities	67,661,333	128,481,039	28,149,728
Income tax paid	(19,412,241)	(17,499,197)	(3,001,953)
Net cash Provided by (used in) Operating Activities	48,249,092	110,981,842	25,147,775

PRAKIT HOLDINGS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019, 2018 AND 2017

	Consolidated financial statement		
	2019	2018	2017
Cash Flows from Investing Activities			
Loans to employees	-	(200,000)	(200,000)
Repayments from employees.	120,000	130,000	280,000
Loan repayments from related parties	63,000,000	10,000,000	-
Loan to related parties	(26,000,000)	(42,000,000)	(10,000,000)
Increase in long - term investments	(45,412,188)	(80,193,959)	(36,428,427)
Proceeds from redemption of long-term investments	15,000,000	12,001,000	28,000,000
Proceeds from sales of long-term investments	12,368,577	51,452,459	33,355,320
Sale of investment in a subsidiary	507,358	-	-
Purchase of property, plant and equipment	(7,786,751)	(14,951,542)	(10,034,644)
Proceeds from sale of equipment	982,243	579,439	336,649
Dividend received	7,995,430	2,866,961	2,410,745
Interest received	5,568,000	4,940,924	4,354,198
Non controlling interests	(1,712,044)	-	-
Net cash provided by (used in) investing activities	24,630,625	(55,374,718)	12,073,841
Cash flows from financing activities			
Dividend paid	(54,405,236)	(48,360,210)	(5,495,498)
Dividend paid to non-controlling interests	(1,050)	(1,050)	(700)
Net cash provided by (used in) financing activities	(54,406,286)	(48,361,260)	(5,496,198)
Net increase (decrease) in cash and cash equivalent	18,473,431	7,245,864	31,725,418
Cash and cash equivalent at 1 January	136,048,545	129,085,052	97,478,142
Gain(loss) from currency translation of foreign subsidiary financial statement	693,455	(282,371)	(118,508)
Cash and Cash Equivalent at 31 December	155,215,431	136,048,545	129,085,052
Additional information			
Unutilized credit facilities for future working capital	41,000,000	41,000,000	41,000,000

Management Discussion and Analysis on the Operating results and Financial Status

Operating results

Total revenue from advertising activities of the company's group in the year 2019 was amounting to Baht 192.50 million while other income was amounting to Baht 41.18 million, totally Baht 233.68 million. After having deducted with selling and administrative expenses amounting to Baht 169.65 million, there was profit from recurring activities amounting to Baht 64.03 million. After having deducted with income tax amounting to Baht 10.43 million, there was profit from recurring activities after tax amounting to Baht 53.60 million. Moreover, there was share of profit from associated companies amounting to Baht 0.47 million, therefore, there was net profit for the year 2019 amounting to Baht 54.07 million. Apart from net profit net profit for the year, there was other comprehensive loss-net from tax effect amounting to Baht 14.56 million. Consequently, there was total comprehensive income for the year 2019 amounting to Baht 39.51 million.

Financial Status

As at December 31, 2019 total assets of the company's group was amounting to Baht 1,262.95 million whereas total liabilities was amounting to Baht 357.57 million, therefore, total owners' equity was amounting to Baht 905.38 million. So, total liabilities was only 28.3% of total assets and 39.5% of total owners' equity. Especially, there wasn't any short or long term loans, therefore, there was no obligation to repay the principal and interests. Moreover, there were net profit as well as total comprehensive income including there is a chance to derive additional income in the future from the investment in Sukhumvit 62 Medical Limited. Therefore, it could be concluded that long-term financial status of Prakit's group is quite sound. In addition, short-term financial status of Prakit's group is also quite sound because current assets as at December 31, 2019 was amounting to Baht 833.78 million whereas current liabilities was amounting to Baht 303.54 million, so, current assets was greater than current liabilities 2.75 times while quick current assets was greater than current liabilities 2.56 times. Moreover, most of clients settle on time which also enable the company's group could also settle current liabilities on time.

Conclusion

Operating results and financial status of Prakit's Group of the year 2019 were favorable.

In addition, it is expected that the advertising budgets in the year 2020 will lower than the year 2019 because of the COVID-19 epidemic since the beginning of the year 2020, many events and activities were stopped. So, Prakit's group is intentionally to speedup in acquiring new clients including expand the business through the potential channels. Accordingly Prakit's group is still confident in able to operate the business continuously.

Explanation and Analysis on Operating Results and Financial Status

Operating results

The business of Prakit's group is mainly dealing with advertising activities. There are two type of services render to clients, which are producing the advertising materials as well as planing and buying media for clients. The company's group would be provided budgets of both activities from clients to manage for them accordingly. However, the revenues from both activities are determined differently. They are as follows:

1. Revenue from producing advertising materials means total amount of billings charged to clients for collecting total costs of producing advertising materials plus agency's service fees. This revenue presented in Comprehensive Income Statement under the terminology "Revenue from rendering service" where as costs of producing advertising materials would be presented separately under the terminology "Cost of rendering of services".

2. Revenue from planning and buying media for clients means total amount of billings charged to clients for collecting both of media costs and agency's commission less total amount of invoices charged from media owners. Consequently, this revenue presented in Comprehensive Income Statement with the amount of agency's fee and under the terminology "Revenue from agency".

Since the operating performance of advertising business is specific type, therefore, the classification of revenues costs and expenses should be difference from the others so as to reflect true operating performance of this type of business. To serve the analytical purpose correctly, the original form of Consolidated Comprehensive Income Statement is modified as follows:

Consolidated Comprehensive Income Statement (After having Modification)

(Unit : Million Baht)

Drescription	Prakit Group		
	2019	2018	2017
1. Income from service	193.70	243.50	323.50
2. <u>Less</u> Cost of service	(154.92)	(203.88)	(280.52)
3. Income from service (net)	38.78	39.62	42.98
4. Agency fees	153.72	190.75	157.06
5. Total income from advertising activities	192.50	230.37	200.04
6. Management Income	1.86	1.86	1.89
7. Interest income	4.88	5.13	4.84
8. Dividend income	7.99	2.87	1.33
9. Other income	26.45	28.66	26.81
10. Total income from other activities	41.18	38.52	34.87
11. Total income from recurring activities	233.68	268.89	234.91
12. <u>Less</u> Selling expenses	(72.06)	(62.11)	(60.19)
13. <u>Less</u> Administrative expenses	(97.59)	(114.14)	(103.76)
14. Profit from recurring activities-before tax	64.03	92.64	70.96
15. Income tax expenses	(10.43)	(18.52)	(14.86)
16. Profit from recurring activities-after tax	53.60	74.12	56.10
17. Share of profit from associated companies and join venture	0.47	0.77	1.94
18. Net profit for the year	54.07	74.89	58.04
19. Other comprehensive income (loss):			
20. Net change in fair value of available for sale investment	(19.06)	(9.55)	12.13
21. Foreign currency translation differences for foreign operation	0.69	(0.31)	(0.14)
22. Actuarial gains(loss) recognized in other comprehensive	0.00	(12.29)	0.00
23. Total other comprehensive income (loss) before income tax	(18.37)	(22.15)	11.99
24. Income tax on other comprehensive income (loss)	3.81	4.37	(2.42)
25. Total other comprehensive income (loss) after income tax	(14.56)	(17.78)	9.57
26. Total comprehensive income for the year	39.51	57.11	67.61

With reference to the modified Comprehensive Income Statement, the operating results of the company's group in the year 2019 are summarized through each activity as follows:

1. Main activity or advertising activity

The revenue from rendering services as well as the revenue from agency of the company's group during the years 2017-2019 were as follows:

1.1 Revenue from rendering services the year 2019 was Baht 193.70 million whereas the year 2018 and the year 2017 were Baht 243.50 and 323.50 million respectively. The much decreasing of this revenue from the year 2018 was due to the clients changed to do more online marketing activities and spending budgets on the producing of advertising materials much decreased , because cost of online production are lower than other media production cost.

Cost of service The year 2019 was Baht 154.92 million whereas the year 2018 and the year 2017 were Baht 203.88 and 280.52 million respectively. The much decreasing of this item from the year 2018 was due to the same reasons as before-said.

Net Revenue from rendering services means revenue from rendering services deduct with its costs. The year 2019 was Baht 38.78 million whereas the year 2018 and the year 2017 were Baht 39.62 and 42.98 million respectively. Although revenue from rendering services of the year 2019 was lower than the year 2018 but net revenue from rendering services was so little lower than the year 2018 This was due to the higher rate of net revenue from rendering services. Moreover, the said rate of the year 2019 was 20% while it was only 16.3% in the year 2018.

1.2 Revenue from agency The year 2019 was Baht 153.72 million whereas the year 2018 and the year 2017 were Baht 190.75 and 157.06 million respectively. This revenue of the year 2019 decreased from the year 2018 amounting to Baht 37.03 million .The decreasing of this revenue was due to he company and subsidiaries clients had reduced TV advertising production spendings and much increased in online advertisementthat had lower production cost.

Total revenues from advertising activity means net revenue from rendering services plus revenue from agency. Therefore, the year 2019 was Baht 192.50 million whereas the year 2018 and the year 2017 were Baht 230.37 and 200.04 million respectively.

Conclusion Total revenues from advertising activity in the year 2019 was lower than the years 2018 amounting to Baht 37.87 million but higher than the year 2017 amounting 30.33 million .

2. Other recurring activities

These activities are rendering management services to the affiliated companies, investing on debt and equity instruments of the listed companies in the Stock Exchange of Thailand, trading on listed securities in The Stock Exchange of Thailand and depositing at banks or financial institutions. Therefore, the revenues of these activities are as follows:

2.1 Management income The year 2019 and 2018 were the same amount as Baht 1.86 million whereas the year 2017 was Baht 1.89 million . So, this revenue of the year 2019 and 2018 was lower than the year 2017 .

2.2 Interest income The year 2019 was Baht 4.88 million whereas the year 2018 and the year 2017 were Baht 5.13 and 4.84 million respectively. The decreasing of this revenue from the years 2018 from lower interest rate and during the year 2018 including the average of bank deposits during the year 2018 was also increase from 2017. Including interest income was received from loan by Joint Venture.

2.3 Dividend income The year 2019 was Baht 7.99 million whereas the year 2018 and the year 2017 were Baht 2.87 and 1.33 million respectively. Resulting from the investment on marketable equity securities in the year 2019 increased from the year 2018 and 2017, had dividend pay-out more than the year 2018 and 2017

2.4 Other income means other recurring revenues such as gain from sale of investments, rent income and etc. The year 2019 was Baht 26.45 million whereas the years 2018 and 2017 were Baht 28.65 and 26.81 million respectively. Therefore, the year 2019 decreased slightly from the year 2018 and 2017

Total revenues from other activities. The year 2019 was Baht 41.18 million whereas the year 2018 and the year 2017 were Baht 38.52 and 34.87 million respectively.

Total revenues from recurring activities means revenue from main activity, i.e., advertising activity plus revenues from other recurring activities. The year 2019 was Baht 233.68 million whereas the year 2018 and the year 2017 were Baht 268.89 and 234.91 million respectively. Consequently, total revenues from recurring activities in the year 2019 was lower than the year 2018 and 2017 amounting Baht 35.21 and 1.23 million respectively.

Apart from the afore-mentioned revenues, followings are the summary of operating expenses which comprise of selling expenses and administrative expenses.

Selling expenses The year 2019 was Baht 72.06 million whereas the year 2018 and the year 2017 were Baht 62.11 and 60.19 million respectively. The increase of selling expenses in the year 2019 was due to the increase in personnel expenses related to sales department and the reclassification of some administrative expenses to selling expenses. While other selling expenses changed slightly.

Administrative expenses. The year 2019 was Baht 97.59 million whereas the year 2018 and the year 2017 were Baht 114.14 and 103.76 million respectively. The decrease of administrative expenses was due to the reclassification of some administrative expenses to selling expenses. The Prakit's group also issued a control expense policy to reduce the expenses.

Profit from recurring activities-before tax means total revenues from recurring activities deduct with selling and administrative expenses. The year 2019 was Baht 64.03 million whereas the year 2018 and the year 2017 were Baht 92.64 and 70.96 million respectively.

Income tax expenses Income tax rate for all 3 years was 20% equally. However, profit from recurring activities - before tax of all 3 years were adjusted in order to calculate income tax expenses in accordance with the revenue code. Therefore, income tax expense for the year 2019 was Baht 10.43 million whereas the year 2018 and the year 2017 were Baht 18.52 and 14.86 million respectively.

Profit from recurring activities-after tax The year 2019 was Baht 53.60 million whereas the year 2018 and the year 2017 were Baht 74.12 and 56.10 million respectively.

3. Non-recurring activity

In 2019, the Company sold investment in Prkit/FCB (Cambodia) Co., Ltd. at the value of USD20,000.00 (Baht 507,358).

4. Investing activities in associated companies and joint venture The return on this investment is share of profit (loss) from investment in associated companies and joint venture equity method. The year 2019 was Baht 0.47 million whereas the year 2018 and the year 2017 were Baht 0.77 and 1.94 million respectively.

Net profit for the year The year 2019 was Baht 54.07 million whereas the year 2018 and the year 2017 were Baht 74.89 and 58.04 million respectively. Therefore, net profit for the year 2019 lower than the years 2018 and 2017 amounting to Baht 20.82 and 3.97 million respectively.

Other comprehensive income (loss) for the year - net of income tax Apart from the before-said activities, the following items were presented under the part of other comprehensive income (loss)

1. Gain (loss) on fair value adjustment of available for sale investment The year 2019 and 2018 were loss at Baht 19.06 and 9.55 million respectively whereas the year 2017 was gain at Baht 12.13 million because fair value of the holding securities at year end 2019 decreased from the end of both years sharply.

2. Foreign currency translation differences for foreign operation The year 2019 was gain at Baht 0.69 million whereas the year 2018 and the year 2017 were loss at Baht 0.31 million and 0.14 million respectively.

3. Actuarial gains (losses) on the employee's benefit scheme to conform with the latest correction of labour law. There were no any adjustment in the year 2019 and 2017. The year 2018 was loss at Baht 12.29 million from the adjusting on employee benefits to conform with the latest correction of labour law .

Followings were the sum of the said 3 items, income tax effects and total other comprehensive income (loss)-net of income tax during the years 2017-2019

	(Unit : Million Baht)		
	2019	2018	2017
Total other comprehensive income(loss) before income tax	(18.37)	(22.15)	11.99
Income tax effects	3.81	4.37	(2.42)
Total other comprehensive income(loss)-net income tax	(14.56)	(17.78)	9.57

Total comprehensive income for the year means net profit for the year plus or deduct with other comprehensive income (loss) after tax effects. So, the year 2019 was Baht 39.51 million whereas the year 2018 and the year 2017 were Baht 57.11 and 67.61 million respectively.

Conclusion Considering especially to net profit for the year, the amount of the year 2019 was lower than the years 2018 and 2017. However, if consider to comprehensive income for the year, the amount of the year 2018 was lower than both years. The causes in this regard has been afore-mentioned.

Financial ratios for evaluate the operational results

Financial ratios in relevant with operating results are as follows :

1. Profitability ratios

	(Unit)	<u>2019</u>	<u>2018</u>	<u>2017</u>
Profit from peducing of advertising materials	(%)	20.02	16.27	13.29
Profit from recurring activities	(%)	3.44	4.48	2.98
Net profit for the year	(%)	3.47	4.52	3.09
Return on equity	(%)	5.92	8.16	6.59

2. Efficiency ratio

	(Unit)	<u>2019</u>	<u>2018</u>	<u>2017</u>
Return on assets	(%)	4.21	5.75	4.61

3. Growth rates

	(Unit)	<u>2019</u>	<u>2018</u>	<u>2017</u>
Billings	(%)	(5.84)	(12.01)	14.68
Total income from advertising activities	(%)	(16.44)	15.16	17.26
Total income from recurring activities	(%)	(13.09)	14.46	12.31
Operating Expenses	(%)	(3.74)	7.50	14.83
Profit from recurring activities-after tax	(%)	(27.68)	32.14	4.72
Net profit for the year	(%)	(27.80)	29.05	5.74

Conclusion The operating results of the year 2019 in comparison with the years 2018 and 2017 are summarized as follows:

Even though net revenue from rendering of services in the year 2019 decreased from the year 2018 slightly but the gross margin rate of the year 2019 was 20% that was higher than the year 2018 and 2017. The gross margin rate of the year 2018 and 2017 were 16.27% and 13.29% respectively. The much decreasing of this revenues was due to the company and subsidairies clients had reduced TVC production that cost was high and changed to spend on online VDO that was lower cost and more reachable to the specific target group. Additional , Subsidairies had more revenues from strategic planning . That made the commision income decreased because of changing advetising spending from TVC media to online media.

The revenues from other recurring activities of the year 2019 was higher than the previous year was due to the increasing of dividend income. When adding revenues from advertising activity with total revenue from other recurring activities to be total revenues, the year 2019 was lower than the year 2018 and 2017. the year 2018.

However, the afore conclusion regardless to the items in other comprehensive income (OCI) because the value of them could be changed in the future.

Financial Status

<u>Asset</u>	<u>Baht : million</u>		
	<u>Dec.31, 2019</u>	<u>Dec.31, 2018</u>	<u>Dec.31, 2017</u>
Current assets	833.78	842.85	874.84
Non-current assets	429.17	445.77	426.07
Total	<u>1,262.95</u>	<u>1,288.62</u>	<u>1,300.91</u>

Explanations :

1. Total assets of the company and its subsidiary companies as at December 31, 2019 was Baht 1,262.95 million whereas total assets of the company and its subsidiary companies as at December 31, 2018 and December 31 2017 were Baht 1,288.62 million and Baht 1,300.91 million respectively.
2. The changes of assets in the year 2019 from the year 2018 were as follows:

	<u>Baht : million</u>
Cash and cash equivalent increased	19.17
Current Investments in private fund increased	2.51
Other current investment increased	66.38
Current portion of held-to-maturity debt securities increased	15.00
Trade accounts and other receivables decreased	(70.33)
Short-term loan to related party decreased	(37.00)
Other current assets decreased	(4.80)
Bank deposit held as collateral	Not changed
Investments in joint venture, associated and subsidiary companies increased	0.47
Other long-term investment decreased	(14.60)
Loan to employees decreased	(0.09)
Investment property	Not changed
Property, plant and equipment decreased	(5.56)
Intangible assets	Not changed
Deferred tax assets increased	3.61
Other non-current assets decreased	<u>(0.43)</u>
Total decreased	<u>(25.67)</u>

The above changes were summarized as follows:

1. Cash and cash equivalent increased Baht 19.17 million. It provided from operating activities Baht 48.25 million and from investing activities Baht 24.63 million, used in financing activities Baht 54.41 million and provide from other activities Baht 0.69 million.

2. Other current investments increased sharply because reserving fund available for the 50% shares payment of Sukhumvit 62 Medical Ltd.
 3. Current portion of held-to maturity debt securities increased were due to the maturity of long term investment more than last year.
 4. Trade accounts and other receivables decreased were due to the decrease of clients' spending on advertising budgets and average collection period reduced 2 days.
 5. Short-term loan to related party decreased were due to the partial principle repayment.
 6. Other current assets decreased were due to the decrease of input tax and written off withholding tax from the clients.
 7. Other long-term investments decreased were due to selling off investment that had gain.
 8. Property, plant and equipment slightly decreased were due to depreciation.
 9. Deferred tax assets increased were due to loss of revaluation of available-for-sale investments
3. The quality of the significant assets are summarized as follows:
1. Most of clients settle on time. There average collection period in the year 2019 was 67 days which faster than the year 2018 but slower than the year 2017. However, the allowance for doubtful accounts as at December 31, 2019 was Baht 6.89 million which estimated from the analysis of the clients' settlement in the past together with the expectation of the clients' repayment in the future.
 2. Short-term and long-term investment consist of investment in private fund and investment in debt and equity securities. Their total fair-value as at December 31, 2019 changed from the end of last year. As at December 31, 2019 there was unrealized loss from adjustment of fair value in securities amounting to Baht 43.69 million whereas the end of the year 2018 and the year 2017 were Baht 24.62 and 15.07 million respectively.
 3. The recoverable amount of PPE (property, plant and equipment) as well as investment property as at December 31, 2019 were greater than carrying amount, therefore, there was no impairment of assets.

	Baht : million		
<u>Liabilities</u>	<u>Dec.31, 2019</u>	<u>Dec.31, 2018</u>	<u>Dec.31, 2017</u>
Current Liabilities	303.54	312.14	351.38
Non-current liabilities	54.03	54.49	36.29
Total	<u>357.57</u>	<u>366.63</u>	<u>387.67</u>

Explanations:

1. Total liabilities of the company and its subsidiary companies as at December 31, 2019 was Baht 357.57 million whereas total liabilities of the company and its subsidiary companies as at December 31, 2018 and December 31, 2017 were Baht 366.63 million and Baht 387.67 million respectively.
2. The change of liabilities in the year 2019 from the year 2018 were as follows:

	Baht : million
Trade accounts and other payables increased	4.02
Accrued income tax decreased	(5.91)
Other current liabilities decreased	(6.72)
Employee benefit obligations increased	1.07
Deferred lease right decreased	(1.52)
Other non-current liabilities	Not Changed
Total decreased	<u>(9.06)</u>

The above changes were summarized as follows :

1. Trade accounts and other payables increased were due to company and subsidiaries had billing agent payable increased.
2. Accrued income tax decreased was due to the decrease of profit before tax for the year 2019.
3. Other current liabilities increased were due to the increase of output tax and withholding tax.
4. Employee benefit obligations increased were due to the adjustment on employee benefit which calculated according to actuarial basis annually.
5. Deferred lease right decreased was due to the amortization to income by straight-line method every year.

Shareholders' equity

	Baht : million		
	<u>Dec.31, 2019</u>	<u>Dec.31, 2018</u>	<u>Dec.31, 2017</u>
Shareholders' equity	<u>905.38</u>	<u>921.99</u>	<u>913.24</u>

1. Shareholders' equity of the company and its subsidiary companies as at December 31, 2019 was Baht 905.38 million whereas shareholders' equity of the company and its subsidiary companies as at December 31, 2018 and December 31, 2017 were Baht 921.99 million and Baht 913.24 million respectively.
2. The changes of shareholders' equity in the year 2019 from the year 2018 were as follows:

	Baht : million
Total comprehensive income for the year	39.51
Sale of Investment in subsidiary	(1.71)
Dividend paid for the year	(54.41)
Total	<u>(16.61)</u>

Financial ratios including per share ratios and growth rates which relevant with financial status are summarized as follows:

1. Financial policy ratios

	<u>Unit</u>	<u>Dec.31, 2019</u>	<u>Dec.31, 2018</u>	<u>Dec.31, 2017</u>
Debt/Equity Ratio	(Times)	0.40	0.40	0.42
Interest Coverage Ratio	(Times)	none	none	none
Dividend Payout Ratio	(%)	Dividend hasn't been declared	73.12	83.33

According to the above results, these ratios for the year 2019 closed to the years 2018 and 2017 because debt-to-equity ratio for the year 2019 closed to both years. However, the financial risks for all 3 years were slightly because total debt was so little when compare with shareholders' equity, moreover, there was no short-term or long-term loans, therefore, there was no interest obligation. In addition, dividend hasn't been declared for the year 2019.

2. Per share ratios

	<u>Unit</u>	<u>Dec.31, 2019</u>	<u>Dec.31, 2018</u>	<u>Dec.31, 2017</u>
Book value per share	(Baht)	14.95	15.21	15.07
Profit from recurring activities per share	(Baht)	0.89	1.23	0.93
Earning per share	(Baht)	0.89	1.23	0.96
Dividend per share	(Baht)	Dividend hasn't been declared	0.90	0.80

According to the above results, per share ratios in the year 2019 were lower than the years 2018 and 2017 because book value per share, profit from recurring activities per share , earning per share of the year 2019 was lower than the year 2018 and 2017.

3. Growth rates

	<u>Unit</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets	(%)	(1.99)	(0.94)	6.97
Liabilities	(%)	(2.47)	(5.43)	6.06

According to the above results, the growth rate both of assets and liabilities in the years 2019 and 2018 were decreased and the growth rate of assets was less than the growth rate of liabilities.

Conclusion The Financial status of the company and its subsidiary companies was sound because debt to equity ratio of all 3 years were closely and quite low which total liabilities was less than 50% of shareholders' equity, especially, there wasn't any loan and interest obligation. Moreover, the company's group had net profit continuously. Although there were losses on fair value adjustment of available for sale investment in some years, there were total comprehensive income every years. Consequently, shareholders' equity increased continuously.

Liquidity

Liquidity ratios

	<u>Unit</u>	<u>Dec.31, 2019</u>	<u>Dec.31, 2018</u>	<u>Dec.31, 2017</u>
Current Ratio	(Times)	2.75	2.70	2.49
Quick Ratio	(Times)	2.56	2.40	2.28
Cash Flows Ratio	(Times)	0.16	0.33	0.08
Accounts Receivable Turnover	(Times)	5.39	5.25	7.69
Average Collection Period	(Days)	67	69	47
Accounts payable Turnover	(Times)	6.20	6.25	7.12
Average Payment Period	(Days)	58	58	51
Cash Cycle	(Days)	9	11	(4)

Conclusion The liquidity for the year 2019 was higher than the year 2018 and 2017 because most of liquidity ratio, i.e., current ratio, quick ratio, cash flows ratio, accounts receivable turnover ratio, average collection period, accounts payable turnover ratio, average payment period and cash cycle for the year 2019 closed to both years. Moreover, the liquidity of all 3 years were favorable because the amount of current assets and quick current assets larger than current liabilities about 2 times which enough to settle the whole current liabilities on time. In addition, cash cycle for the year 2019 was only 9 days.

So, the efficiency on the management of assets is favorable.

Report of the Board of Directors

Responsible for Financial Reports.

The Board of Directors Responsible for Financial Reports warrant the accuracy of the report for the year ending December 31, 2019. The Board's responsibilities include ensuring the sufficiency of accompanying explanatory Notes to the Financial Statements; appointment of an Audit Committee to ensure the quality and complete accuracy of Reports; reviewing with the Internal Audit Department to ensure the company has proper internal systems and controls to prevent serious risks or fraud.

Having undertaken these duties the Board of Directors confirm that the Financial Statements of Prakti Holdings Public Company Limited as of December 31, 2019, reflect the true financial status and operating results of the Company in an accurate and reliable manner in accordance with generally accepted accounting standards.

A handwritten signature in black ink, appearing to read 'P. Apisarnthanarax', with a long horizontal line extending to the right.

Prakit Apisarnthanarax
Chairman of the Board of Directors

Prakit Holdings Public Company Limited
and its Subsidiaries
Financial Statements
and Independent Auditor's Report
1 January 2019 to 31 December 2019

Independent Auditor's Report

To the Shareholders and the Board of Directors of Prakit Holdings Public Company Limited

Opinion

I have audited the consolidated financial statements of Prakit Holdings Public Company Limited and its subsidiaries (the Group) and the separate financial statements of Prakit Holdings Public Company Limited (the Company), which comprise the consolidated and separate statements of financial position as at 31 December 2019, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of Prakit Holdings Public Company Limited and its subsidiaries and the separate financial position of Prakit Holdings Public Company Limited as at 31 December 2019, and the related consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed
<p>Commission income on media agency service</p> <p>For the year ended 31 December 2019, the Group and the Company earns commission income from media agency service amounting to Baht 154 million in the consolidated financial statements and Baht 109 million in the separate financial statements. The commission income is recognized when the advertisement of client is broadcasted through media and based on commission rate, discount rate and media costs. Accordingly, the timing of revenue recognition and measurement of the commission income is a significant risk of material misstatement to the financial statement of the Group and the Company.</p>	<p>The key audit procedures included, but not limited to, the followings:</p> <ul style="list-style-type: none">• Inquire the management to obtain the agreement and understand criteria of media agency service regarding sale and purchase, discount, and significant change from previous year,• Evaluate and test of key internal control for commission income system.• Analyze the commission rate and compare with the agreement of media agency service.• Perform sampling test to verify supporting documents of commission income, media cost and related discount.• Perform sampling test to verify cash received and trace to the accounting records.• Perform subsequent test to verify media discount received after the financial reporting period.

Other matter

The consolidated financial statements of Prakit Holdings Public Company Limited and its subsidiaries and the separate financial statements of Prakit Holdings Public Company Limited for the year ended 31 December 2018 which are presented herein as comparative information, were audited by another auditor of Bunchikij Co., Ltd. who expressed an unmodified opinion on those statements in his report dated 26 February 2019.

Other Information

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

My opinion on the consolidated and separate financial statements does not cover the other information as referred to above and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information as referred to above when it becomes available and, in doing so, consider whether such the other information is materially inconsistent with the audited consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the Group's annual report, if I conclude that there is any material misstatement in those other information, I am required to communicate the matter to the management and those charged with governance to correct such information.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report



(Mr. Pornchai Kittipanya-ngam)

Certified Public Accountant No. 2778

Bunchikij Co., Ltd.

Bangkok

26 February 2020

Prakit Holdings Public Company Limited and its Subsidiaries

Statements of Financial Position

As at 31 December 2019

Unit : Baht

ASSETS	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
CURRENT ASSETS					
Cash and cash equivalents	5	155,215,431	136,048,545	85,671,292	57,143,863
Current investments					
Private fund	6	34,775,608	32,263,638	34,775,608	32,263,638
Others	7	304,448,630	238,066,970	226,271,680	230,246,064
Current portion of held-to-maturity debt securities	11	30,000,000	15,000,000	30,000,000	15,000,000
Trade accounts and other receivables	8	294,591,970	364,922,279	268,186,525	309,934,986
Short-term loan to related party	4.5	5,000,000	42,000,000	-	20,000,000
Other current assets		9,752,380	14,553,130	4,403,559	7,169,321
Total current assets		833,784,019	842,854,562	649,308,664	671,757,872
NON-CURRENT ASSETS					
Bank deposit used as collateral	9	30,000,000	30,000,000	30,000,000	30,000,000
Investments in joint venture, associated and subsidiary companies	10	118,243,057	117,770,347	164,947,481	165,454,840
Other long-term investments	11	107,487,386	122,083,510	107,487,386	122,083,510
Loans to employees	12	30,000	125,000	-	-
Investment property	13	46,215,000	46,215,000	46,215,000	46,215,000
Property, plant and equipment	14	99,109,140	104,669,338	97,546,470	103,314,083
Intangible assets		7	7	4	4
Deferred tax assets	15	16,674,060	13,060,990	10,502,024	7,257,964
Other non-current assets		11,413,196	11,840,567	95,400	-
Total non-current assets		429,171,846	445,764,759	456,793,765	474,325,401
TOTAL ASSETS		1,262,955,865	1,288,619,321	1,106,102,429	1,146,083,273

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

Prakit Holdings Public Company Limited and its Subsidiaries

Statements of Financial Position

As at 31 December 2019

Unit : Baht

		Consolidated financial statements		Separate financial statements	
LIABILITIES AND EQUITY	Notes	2019	2018	2019	2018
CURRENT LIABILITIES					
Trade accounts and other payables	16	269,204,954	265,184,026	194,296,882	199,272,318
Accrued income tax		3,265,144	9,174,861	2,359,244	9,174,861
Other current liabilities		31,069,585	37,782,940	17,215,183	20,362,469
Total current liabilities		303,539,683	312,141,827	213,871,309	228,809,648
NON-CURRENT LIABILITIES					
Deferred lease right	17	10,787,711	12,312,254	10,787,711	12,312,254
Employee benefit obligations	18	42,701,721	41,632,538	17,790,016	18,941,927
Other non-current liabilities		540,000	540,000	540,000	540,000
Total non-current liabilities		54,029,432	54,484,792	29,117,727	31,794,181
TOTAL LIABILITIES		357,569,115	366,626,619	242,989,036	260,603,829
EQUITY					
Share capital					
Authorized share capital					
94,438,800 common shares of Baht 1 each		94,438,800	94,438,800	94,438,800	94,438,800
Issued and paid - up capital					
60,450,262 common shares of Baht 1 each	19	60,450,262	60,450,262	60,450,262	60,450,262
Premium on share capital		193,568,560	193,568,560	193,568,560	193,568,560
Retained earnings					
Appropriated to legal reserve		10,000,000	10,000,000	10,000,000	10,000,000
Unappropriated		674,974,171	675,648,100	634,044,530	641,156,746
Other components of equity		(34,949,959)	(20,389,579)	(34,949,959)	(19,696,124)
Total equity attributable to the Company's shareholders		904,043,034	919,277,343	863,113,393	885,479,444
Non-controlling interests		1,343,716	2,715,359	-	-
Total equity		905,386,750	921,992,702	863,113,393	885,479,444
TOTAL LIABILITIES AND EQUITY		1,262,955,865	1,288,619,321	1,106,102,429	1,146,083,273

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

Prakit Holdings Public Company Limited and its Subsidiaries

Statements of Comprehensive Income

For the year ended 31 December 2019

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
REVENUES					
Revenues from rendering of services	22	193,700,657	243,504,746	28,391,929	64,100,353
Commission income	22	153,720,897	190,747,078	109,433,366	138,225,528
Interest income		4,879,210	5,132,467	3,890,109	3,798,290
Dividend income		7,995,430	2,866,961	16,128,907	9,865,912
Management income		1,860,000	1,860,000	5,549,720	32,623,124
Other revenues		26,450,162	28,656,933	21,470,983	21,565,818
Total revenues		388,606,356	472,768,185	184,865,014	270,179,025
EXPENSES					
Costs of rendering of services		154,917,181	203,885,557	26,448,243	60,320,376
Selling expenses		72,059,583	62,104,087	41,512,199	37,009,128
Administrative expenses		97,593,298	114,142,749	62,522,333	75,313,125
Total expenses		324,570,062	380,132,393	130,482,775	172,642,629
Profit before share of net results from investments in joint venture and associated companies		64,036,294	92,635,792	54,382,239	97,536,396
Share of profit from investments in joint venture and associated companies					
- equity method		472,878	773,583	-	-
Profit before income tax		64,509,172	93,409,375	54,382,239	97,536,396
Income tax	25	(10,436,414)	(18,515,794)	(7,089,219)	(17,339,277)
Net profit for the years		54,072,758	74,893,581	47,293,020	80,197,119
Other comprehensive income (loss):					
Items that will not be reclassified to profit or loss					
Actuarial loss	18	-	(11,924,527)	-	(4,848,270)
Actuarial loss in joint venture		-	(369,296)	-	-
Income tax effects		-	2,458,764	-	969,654
		-	(9,835,059)	-	(3,878,616)
Items that may be reclassified subsequently to profit or loss					
Gain (loss) of revaluation of available-for-sale investments		(19,067,292)	(9,547,093)	(19,067,292)	(9,547,093)
Foreign currency translation differences for foreign operations		693,455	(311,804)	-	-
Income tax effects		3,813,457	1,909,418	3,813,457	1,909,418
		(14,560,380)	(7,949,479)	(15,253,835)	(7,637,675)
Other comprehensive income (loss) for the years, net of income tax		(14,560,380)	(17,784,538)	(15,253,835)	(11,516,291)
Total comprehensive income for the years		39,512,378	57,109,043	32,039,185	68,680,828
Profit (loss) attributable to:					
The Company's shareholders		53,731,307	74,403,734	47,293,020	80,197,119
Non-controlling interests		341,451	489,847	-	-
Net profit for the years		54,072,758	74,893,581	47,293,020	80,197,119
Total comprehensive income (loss) attributable to:					
The Company's shareholders		39,170,927	56,619,196	32,039,185	68,680,828
Non-controlling interests		341,451	489,847	-	-
Total comprehensive income for the years		39,512,378	57,109,043	32,039,185	68,680,828
Earnings per share					
The accompanying notes are an integral part of these financial statements.					
Basic earnings per share	26	0.89	1.23	0.78	1.33

Prakit Holdings Public Company Limited and its Subsidiaries

Consolidated statement of changes in equity

For the year ended 31 December 2019

Unit : Baht

		Equity attributable to the Company's shareholders									
		Retained earnings				Other components of equity					
						Fair value	Currency	Total other	Equity		
						changes in	translation	components of	attributable to		
						available-for-sale			the Company's	Non-Controlling	Total
Notes	Issued and paid - up	share capital	Share premium	Legal reserve	Unappropriated	investments	differences	equity	shareholders	Interests	equity
Balance at 1 January 2018		60,450,262	193,568,560	10,000,000	659,439,635	(12,058,449)	(381,651)	(12,440,100)	911,018,357	2,226,562	913,244,919
Dividend paid	21	-	-	-	(48,360,210)	-	-	-	(48,360,210)	(1,050)	(48,361,260)
Total comprehensive income (loss) for the year											
Profit for the year		-	-	-	74,403,734	-	-	-	74,403,734	489,847	74,893,581
Other comprehensive income (loss)											
Actuarial loss		-	-	-	(9,539,622)	-	-	-	(9,539,622)	-	(9,539,622)
Actuarial loss in joint venture		-	-	-	(295,437)	-	-	-	(295,437)	-	(295,437)
Others		-	-	-	-	(7,637,675)	(311,804)	(7,949,479)	(7,949,479)	-	(7,949,479)
Balance at 31 December 2018		60,450,262	193,568,560	10,000,000	675,648,100	(19,696,124)	(693,455)	(20,389,579)	919,277,343	2,715,359	921,992,702
Balance at 1 January 2019		60,450,262	193,568,560	10,000,000	675,648,100	(19,696,124)	(693,455)	(20,389,579)	919,277,343	2,715,359	921,992,702
Dividend paid	21	-	-	-	(54,405,236)	-	-	-	(54,405,236)	(1,050)	(54,406,286)
Disposal of investment in a subsidiary		-	-	-	-	-	-	-	-	(1,712,044)	(1,712,044)
Total comprehensive income (loss) for the year											
Profit for the year		-	-	-	53,731,307	-	-	-	53,731,307	341,451	54,072,758
Other comprehensive income (loss)											
Others		-	-	-	-	(15,253,835)	693,455	(14,560,380)	(14,560,380)	-	(14,560,380)
Balance at 31 December 2019		60,450,262	193,568,560	10,000,000	674,974,171	(34,949,959)	-	(34,949,959)	904,043,034	1,343,716	905,386,750

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

Prakit Holdings Public Company Limited and its Subsidiaries

Separate statement of changes in equity

For the year ended 31 December 2019

Unit : Baht

	Notes	Issued and paid - up share capital	Share premium	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	
Balance at 1 January 2018		60,450,262	193,568,560	10,000,000	613,198,453	(12,058,449)	865,158,826
Dividend paid	21	-	-	-	(48,360,210)	-	(48,360,210)
Total comprehensive income (loss) for the year							
Profit for the year		-	-	-	80,197,119	-	80,197,119
Other comprehensive income (loss)							
Actuarial loss		-	-	-	(3,878,616)	-	(3,878,616)
Others		-	-	-	-	(7,637,675)	(7,637,675)
Balance at 31 December 2018		<u>60,450,262</u>	<u>193,568,560</u>	<u>10,000,000</u>	<u>641,156,746</u>	<u>(19,696,124)</u>	<u>885,479,444</u>
Balance at 1 January 2019		60,450,262	193,568,560	10,000,000	641,156,746	(19,696,124)	885,479,444
Dividend paid	21	-	-	-	(54,405,236)	-	(54,405,236)
Total comprehensive income (loss) for the year							
Profit for the year		-	-	-	47,293,020	-	47,293,020
Other comprehensive income (loss)							
Actuarial loss		-	-	-	-	-	-
Others		-	-	-	-	(15,253,835)	(15,253,835)
Balance at 31 December 2019		<u>60,450,262</u>	<u>193,568,560</u>	<u>10,000,000</u>	<u>634,044,530</u>	<u>(34,949,959)</u>	<u>863,113,393</u>

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

Prakit Holdings Public Company Limited and its Subsidiaries

Statements of Cash Flows

For the year ended 31 December 2019

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Cash flows from operating activities					
Profit for the years		54,072,758	74,893,581	47,293,020	80,197,119
Adjustments to net cash from operating activities					
Depreciation	14	12,131,828	9,171,725	11,650,213	8,871,455
Amortisation of intangible assets		-	2,523	-	2,523
Bad debts		-	1,281,350	-	-
Bad debts recovered		20,000	-	-	-
Bad debts written off		8,457,771	-	5,317,377	-
Reversal of allowance for doubtful accounts		(8,457,771)	-	(5,317,377)	-
Written off withholding tax over 3 years		3,652,467	-	-	-
(Gain) loss on sales of current and long-term investments		(2,322,591)	(3,540,153)	(2,297,520)	(4,131,645)
(Gain) loss on adjustment of fair value of current investments		(5,159,412)	(2,009,808)	(5,071,530)	(1,026,106)
(Gain) loss on sale of equipment		232,879	(179,168)	223,033	(185,264)
Provisions for employee benefits	18	5,225,557	10,588,964	1,331,872	5,306,729
Revenue from deferred lease right		(1,524,543)	(1,084,483)	(1,524,543)	(1,084,483)
Dividend income		(7,995,430)	(2,866,961)	(16,128,907)	(9,865,912)
Interest income		(4,879,210)	(5,132,467)	(3,890,109)	(3,798,290)
Share of (profit) loss from associated companies					
and joint venture - equity method		(472,878)	(773,583)	-	-
Gain from sale of investment in a subsidiary		(507,358)	-	-	-
Unrealized (gain) loss from exchange rates		27,347	75,497	-	-
Income tax expense	25	10,436,414	18,515,794	7,089,219	17,339,277
		62,937,828	98,942,811	38,674,748	91,625,403
Changes in operating assets and liabilities					
Current investments sold	7	96,378,815	176,071,218	91,621,907	122,442,761
Addition to current investments	7	(159,218,001)	(88,382,672)	(84,218,001)	(88,382,672)
Trade accounts and other receivables		69,569,172	(15,974,628)	41,245,883	(43,702,112)
Other current assets		7,539,195	7,714,066	2,765,762	(186,226)
Other non-current assets		(3,225,097)	(196,616)	-	-
Trade accounts and other payables		4,020,927	(49,869,013)	(6,367,619)	(18,771,520)
Other current liabilities		(6,185,132)	3,406,273	(3,147,286)	3,131,659
Other non-current liabilities		-	540,000	-	540,000
Employee benefit obligations paid	18	(4,156,374)	(3,770,400)	(1,091,600)	(329,400)
Cash provided by (used in) operating activities		67,661,333	128,481,039	79,483,794	66,367,893
Income tax paid		(19,412,241)	(17,499,197)	(13,335,437)	(11,278,363)
Net Cash provided by (used in) operating activities		48,249,092	110,981,842	66,148,357	55,089,530

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

Prakit Holdings Public Company Limited and its Subsidiaries

Statements of Cash Flows

For the year ended 31 December 2019

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Cash flows from investing activities					
Loans to employees		-	(200,000)	-	-
Loan repayments from employees		120,000	130,000	-	25,000
Loan repayments from related parties	4.5	63,000,000	10,000,000	20,000,000	-
Loans to related parties	4.5	(26,000,000)	(42,000,000)	-	(20,000,000)
Increase in long-term investment	11	(45,412,188)	(80,193,959)	(45,412,188)	(80,193,959)
Proceeds from redemption of long-term investments	11	15,000,000	12,001,000	15,000,000	12,001,000
Proceeds from sales of long-term investments		12,368,577	51,452,459	12,368,577	51,452,459
Sale of investment in a subsidiary		507,358	-	507,358	-
Purchases of property, plant and equipment	14	(7,786,751)	(14,951,542)	(7,087,876)	(13,826,697)
Proceeds from sale of equipment		982,243	579,439	982,243	579,439
Dividend received		7,995,430	2,866,961	16,128,907	9,865,912
Interest received		5,568,000	4,940,924	4,297,287	3,559,864
Non-controlling interests		(1,712,044)	-	-	-
Net cash provided by (used in) investing activities		24,630,625	(55,374,718)	16,784,308	(36,536,982)
Cash flows from financing activities					
Dividend paid	21	(54,405,236)	(48,360,210)	(54,405,236)	(48,360,210)
Dividend paid to non-controlling interests		(1,050)	(1,050)	-	-
Net cash provided by (used in) financing activities		(54,406,286)	(48,361,260)	(54,405,236)	(48,360,210)
Net increase (decrease) in cash and cash equivalents		18,473,431	7,245,864	28,527,429	(29,807,662)
Cash and cash equivalents at 1 January		136,048,545	129,085,052	57,143,863	86,951,525
Gain (loss) from currency translation of foreign subsidiaries financial statements		693,455	(282,371)	-	-
Cash and cash equivalents at 31 December		155,215,431	136,048,545	85,671,292	57,143,863
Additional information					
Unutilized credit facilities for future working capital		41,000,000	41,000,000	1,000,000	1,000,000

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

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For year ended 31 December 2019

1. General information

Prakit Holdings Public Company Limited (“the Company”), was incorporated in Thailand and has its registered office at 88 Soi Sukhumvit 62 , 3rd intersection, Sukhumvit Road, Phra Kanong Tai, Prakanong, Bangkok, Thailand.

The Company was registered with the Stock Exchange of Thailand on 30 July 1991.

The major shareholder for the period is Prakit and Associated Co., Ltd (held 24.97%) which was incorporated in Thailand.

The Company and its subsidiaries (“the Group”) is principally engaged in the production of media and advertisement, media agency, investing in securities and providing the management service to subsidiary and affiliated companies. Details of the Company’s subsidiaries as at 31 December 2019 and 2018 are disclosed in note 10.

2. Basis for preparation and presentation of the financial statements

2.1 The financial statements have been prepared in accordance with the Thai Financial Reporting Standards, which are issued under the Accounting Professions Act B.E.2547, and according to the related requirements of the Securities and Exchange Commission.

2.2 The financial statements are presented for Thai currency reporting purpose and prepared in Thai language. This English translation of financial statements has been prepared for the convenience of the readers. All financial information presented in Thai Baht has been rounded in the notes to the financial statements unless otherwise stated.

2.3 New and Revised Thai Financial Reporting Standards

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

The Group have adopted the new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, Thai Accounting Standard Interpretations, and Guidelines promulgated by the Federation of Accounting Professions that have been effective for accounting periods beginning on or after 1 January 2019. The adoption of these standards, interpretations and guidelines does not have any material effect on the Group’s financial statements.

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

The Federation of Accounting Professions has promulgated several new and revised Thai Financial Reporting Standards, Thai Accounting Standards, Thai Financial Reporting Standard Interpretations, which will be effective for accounting periods beginning on or after 1 January 2020. The new standards which involve changes to key principles, which are summarized as below:

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

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

Thai Accounting Standards

TAS 32 Financial Instruments : Presentation

Thai Financial Reporting Standards

TFRS 7 Financial Instruments : Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

Thai Financial Reporting Standards 16 Leases

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

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

The Group have not adopted the above standards before the effective date. The management of the Group are in the process of assessing the impact on the financial statements in the year that the above standards are applied.

2.4 Historical cost is used as measurement basis in preparing these financial statements except some items indicated in relevant notes.

2.5 Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 13 Investment property
- Note 27 Financial instruments

3. Significant accounting policies

The accounting policies set out below have been applied consistently in all periods presented in these financial statements.

3.1 Basis of consolidation

The consolidated financial statements relate to the Group and the Group's interests in associates and joint venture.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an equity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group treats transactions with non-controlling interests similar to transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Change in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Associates

Associates are those entities in which the Group has significant influence, but not control or joint controls over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Joint venture

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture is accounted for in the consolidated financial statement using the equity method and are recognised initially at cost, includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which joint control ceases.

3.2 Foreign currencies**Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign operations

The monetary assets and liabilities of foreign operations are translated to Thai Baht at the exchange rate at reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rate at the dates of the transactions.

Foreign exchange differences arising on translation are recognized in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

3.3 Cash and cash equivalents

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

3.4 Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.5 Investments**Investments in joint venture, associates and subsidiaries**

Investments in joint venture, associated and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investment in joint venture and associates in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

3.6 Investment property

Investment property are property which is held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is stated at cost less impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property to a working condition for its intended use.

The Group did not depreciate the investment in property in land.

3.7 Property, plant and equipment**Recognition and measurement****Owned assets**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount of buildings and equipment, which are the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	30	Years
Buildings and improvement	8-30	Years
Leasehold asset and improvement	5	Years
Furniture and fixtures	5-10	Years
Office equipment	3-10	Years
Vehicles	5	Years

No depreciation is provided on freehold land or assets under construction and installation.

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

3.8 Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	3	Years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

3.9 Impairment of assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

3.10 Trade and other accounts payables

Trade and other accounts payable are stated at cost.

3.11 Deferred lease right

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

3.12 Employee benefits**Defined contribution plans**

Obligations for contributions to the registered provident fund are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group/Company can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.13 Provisions

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

3.14 Revenue

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

Revenue of services rendered

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

Commissions income

When the Group acts in capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission made by the Group.

Investments

Revenue from investments comprises rental income from investment property, dividend and interest income from investments and bank deposits.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Rental income

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

Dividend income

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

Interest income

Interest income is recognised in profit or loss on the accrual basis.

3.15 Expenses**Operating leases**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration,

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Other expense

Other expense is recognized in profit or loss on the accrual basis.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

3.16 Income tax

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

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

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

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

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

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

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the amount that the related tax benefit will be realised.

3.17 Earnings per share

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

3.18 Segment reporting

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment, as well as those that can be allocated on reasonable basis.

4. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the other parties are subject to common control or common significant influence. Related parties may be individuals or other entities.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Relationships with the related parties beside subsidiaries and associate companies and joint venture as disclosed in note 10 are as follows:

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

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

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

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

The related party transactions for each of the years ended 31 December 2019 and 2018 are detailed as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Subsidiary companies				
Management income	-	-	3,690	30,763
Rental income	-	-	4,113	3,107
Dividend income	-	-	8,133	6,998
Commission income	-	-	5,863	-
Other income	-	-	610	1,099
Service income	-	-	-	9
Other expenses	-	-	-	150
Costs of services	-	-	4,062	7,997
Joint Venture				
Service income	5,696	6,187	-	343
Commission income	738	568	738	568
Management income	1,800	1,800	1,800	1,800
Rental income	360	360	360	360
Interest income	1,543	1,584	763	382
Other income	94	89	94	89
Costs of services	-	60	-	-
Other related parties				
Service income	2,189	6,066	2,008	5,592
Commission income	823	1,244	823	1,244
Management income	60	60	60	60
Rental income	668	668	668	668
Other income	2,367	144	146	144
Costs of services	26,165	9,985	255	726
Sale of vehicles	1,050	250	1,050	250
Key management remuneration				
Short - term benefits	24,904	27,039	17,184	16,914
Post-employment benefits	636	6,965	373	5,265

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Balances as at 31 December 2019 and 2018 with related parties are detailed as follows:

4.1 Trade accounts receivable-related parties

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Subsidiary companies				
Prakit Advertising Ltd.	-	-	15,473	39,108
Marketing Drive Worldwide (Thailand) Ltd.	-	-	504	367
Joint Venture				
Bangkok Writer and Partners Ltd.	6,667	11,405	579	1,226
Other related companies				
Double P Marketing Communications Ltd.	148	359	148	231
62 Content & Design Ltd.	32	904	-	37
DRAFT Advertising (Cambodia) Ltd.	2	235	2	-
Total	6,849	12,903	16,706	40,969
Less Allowance for doubtful account	-	-	-	-
Net	6,849	12,903	16,706	40,969

As at 31 December 2019 and 2018, aging analyses of trade accounts receivable from related parties are detailed as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Within credit terms	1,754	2,335	3,942	10,417
Overdue:				
Less than 3 months	1,560	1,884	2,361	8,708
3 - 6 months	1,515	2,332	3,417	8,223
6 - 12 months	2,020	3,281	6,986	13,584
Over 12 months	-	3,071	-	37
Total	6,849	12,903	16,706	40,969
Less Allowance for doubtful account	-	-	-	-
Net	6,849	12,903	16,706	40,969

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

4.2 Media receivable-related parties

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Subsidiary companies				
Prakit Advertising Ltd.	-	-	33,795	16,322
Marketing Drive Worldwide (Thailand) Ltd.	-	-	6,242	27,310
Prakit Advertising Co., Ltd. (Myanmar)	-	-	-	276
Joint Venture				
Bangkok Writer and Partners Ltd.	15,319	14,826	15,319	14,826
Other related companies				
DRAFT Advertising (Cambodia) Ltd.	40	-	40	-
Double P Marketing Communication Ltd.	14,411	20,853	14,411	20,853
Total	29,770	35,679	69,807	79,587

As at 31 December 2019 and 2018 , aging analyses of media accounts receivable from related parties are detailed as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Within credit terms	20,017	15,459	34,427	43,650
Overdue:				
Less than 3 months	9,753	17,354	26,314	22,244
3 - 6 months	-	2,866	9,066	2,866
6 - 12 months	-	-	-	7,160
Over 12 months	-	-	-	3,667
Total	29,770	35,679	69,807	79,587
Less Allowance for doubtful account	-	-	-	-
Net	29,770	35,679	69,807	79,587

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

4.3 Advances to related parties

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
			financial statements	
	2019	2018	2019	2018
Other related company				
DRAFT Advertising (Cambodia) Ltd.	1	2,302	-	-

4.4 Accrued interest income – related party

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
			financial statements	
	2019	2018	2019	2018
Joint Venture				
Bangkok Writer and Partners Ltd.	144	923	-	382

4.5 Short-term loans to a related party

		Unit : Thousand Baht			
	Interest Rate	Consolidated		Separate	
	per annum	financial statements		financial statements	
		2019	2018	2019	2018
Joint Venture					
Bangkok Writer and Partners Ltd.	5.00	5,000	42,000	-	20,000

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

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
			financial statements	
	2019	2018	2019	2018
Joint Venture				
At 1 January	42,000	10,000	20,000	-
Increase	26,000	42,000	-	20,000
Decrease	(63,000)	(10,000)	(20,000)	-
Balance as at 31 December	5,000	42,000	-	20,000

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

4.6 Trade accounts payable-related parties

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2019	2018	2019	2018
Subsidiary companies				
Prakit Advertising Ltd.	-	-	13,173	19,237
Marketing Drive Worldwide (Thailand) Ltd.	-	-	35	1,932
Prakit Advertising Co., Ltd. (Myanmar)	-	-	16,776	16,369
Joint Venture				
Bangkok Writer and Partners Ltd.	-	161	-	-
Other related companies				
62 Content & Design Ltd.	5,279	5,513	273	218
Double P Marketing Communication Ltd.	468	-	468	-
Total	<u>5,747</u>	<u>5,674</u>	<u>30,725</u>	<u>37,756</u>

4.7 Billing agent payable - related party

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2019	2018	2019	2018
Other related company				
DRAFT Advertising (Cambodia) Ltd.	<u>61,117</u>	<u>46,866</u>	<u>29,471</u>	<u>17,596</u>

4.8 Employee expenses payable-related party

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	2019	2018	2019	2018
Subsidiary company				
Prakit Advertising Ltd.	<u>-</u>	<u>-</u>	<u>1,392</u>	<u>-</u>

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

4.9 Other matters

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

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

Two subsidiary companies have entered into agreements to rent office spaces from the Company for periods of 1 year and 3 years ended December 2019 and ending December 2021, respectively, with the monthly rental rates at Baht 197,000 and Baht 40,000, respectively.

Two related companies have entered into agreements to rent office spaces from the Company for periods of 3 years ending June 2022 and ended December 2019, with the monthly rental rates at Baht 50,000 and Baht 5,700, respectively.

A subsidiary has entered into an agreement to lease office equipment and vehicle from the Company for a period of 3 years ending December 2020, with the monthly rental rate at Baht 105,738.

A joint-venture company has entered into an agreement to rent office space from the Company for a period of 2 years ending December 2020 with the monthly rental rates at Baht 30,000.

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

5. Cash and cash equivalents

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	350	90	45	45
Cash at banks – current accounts	6,937	5,735	3,465	1,978
Cash at banks – savings accounts	147,928	130,224	82,161	55,121
Total	155,215	136,049	85,671	57,144

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

6. Current investments - investment in Private Fund

In 2005, the Company invested in a private fund and appointed SCB Asset Management Co., Ltd. As the Company's fund management with the initial fund of Baht 20 million. The Company has set the investment policy as Privileged Select - IPO which is a flexible fund and emphasizes on investing in equity securities, common shares of newly listed companies and debt securities with good performance. Such investment policy is depending upon the authorized fund management's judgment based on the Company's investment objective. The management and custodian fees will be charged at the rates stipulated in the fund management contract. Bank of Ayudhaya Plc. Has been appointed as the Company's custodian.

As at 31 December 2019 and 2018, investment in private fund is consisted of.

	Unit : Thousand Baht	
	Consolidated and Separate	
	financial statements	
	2019	2018
Investment in private fund - at cost	20,000	20,000
Unrealized gain on fair value adjustment	14,776	12,264
Total	34,776	32,264

As at 31 December 2019 and 2018, the Company received the investment report from the assets management company, the manager of the above- mentioned fund, which is detailed as follows:

	Unit : Thousand Baht	
	Consolidated and Separate	
	financial statements	
	2019	2018
Cash on hand and at banks		
Deposits	5,167	1,631
Investments in securities- fair value		
Debt securities		
Debentures	18,347	19,076
Bonds	2,048	4,985
Open-End Fund	9,077	6,460
Other assets and liabilities		
Other assets	180	123
Other liabilities	(43)	(11)
Total	34,776	32,264

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

7. Current investments - others

As at 31 December 2019 and 2018 current investments - others are consisted of :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trading securities				
Marketable equity securities	-	8,112	-	8,112
Gain (loss) on fair value adjustment	-	(1,060)	-	(1,060)
Total	-	7,052	-	7,052
Unit trusts	299,309	228,185	221,618	220,756
Gain (loss) on fair value adjustment	5,140	2,830	4,654	2,438
Total	304,449	231,015	226,272	223,194
Net	304,449	238,067	226,272	230,246

The movements of current investments for each of the years ended 31 December 2019 and 2018 are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Balances at beginning of the years	236,297	323,986	228,868	262,929
Acquisition	159,218	88,383	84,218	88,383
Disposal	(93,364)	(176,072)	(88,626)	(122,444)
Classified to available-for-sale investments	(2,842)	-	(2,842)	-
Total	299,309	236,297	221,618	228,868
Gain from fair value adjustment	5,140	1,770	4,654	1,378
Net	304,449	238,067	226,272	230,246

As of 3 September 2019, the company reviewed and classified investment from trading securities to available-for-sale securities at the market price of Baht 2.39 million resulting in a loss from the fair value adjustment of Baht 0.45 million was recorded in profit or loss.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

8. Trade accounts receivable and other receivables

As at 31 December 2019 and 2018, trade accounts receivable and other receivables are detailed as follows :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable				
Trade accounts receivable				
Related parties	6,849	12,903	16,706	40,969
Other parties – net	24,963	36,276	12,957	13,232
Media receivables				
Related parties	29,770	35,679	69,807	79,587
Other parties – net	174,685	219,529	137,427	140,842
Other receivables				
Billing agent receivables	15,092	22,900	4,825	13,703
Advances to related parties	1	2,302	-	-
Advanced payments for media	11,676	9,079	5,637	2,345
Accrued income	27,661	19,765	18,527	14,988
Accrued income from a related party	144	923	-	382
Advanced payments – others	59	80	45	60
Others	3,692	5,486	2,255	3,827
Net	294,592	364,922	268,186	309,935

As at 31 December 2019 and 2018, aging analyses of trade accounts receivable from other companies are detailed as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Within credit terms	14,418	13,448	10,573	2,673
Overdue:				
Less than 3 months	10,425	14,988	2,367	4,401
3-6 months	110	7,551	12	6,106
6-12 months	10	392	5	52
Over 12 months	1,541	4,574	-	2,042
Total	26,504	40,953	12,957	15,274
Less allowance for doubtful accounts	(1,541)	(4,677)	-	(2,042)
Net	24,963	36,276	12,957	13,232

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

As at 31 December 2019 and 2018, aging analyses of media receivables from other companies are detailed as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Within credit terms	102,197	78,716	77,995	40,362
Overdue:				
Less than 3 months	68,981	137,704	58,847	97,517
3-6 months	2,961	2,621	579	2,487
6-12 months	539	488	-	476
Over 12 months	5,351	11,911	6	3,647
Total	180,029	231,440	137,427	144,489
Less allowance for doubtful accounts	(5,344)	(11,911)	-	(3,647)
Net	174,685	219,529	137,427	140,842

9. Bank Deposit used as collateral

	Unit : Thousand Baht			
	Consolidated/ Separate financial statements			
	2019		2018	
	Amount	Interest Rate	Amount	Interest Rate
Time deposit – used as collateral				
for bank overdraft	30,000	1.85%	30,000	1.85%
Total	30,000		30,000	

10. Investments in joint venture , associated and subsidiary companies

As at 31 December 2019

Unit : Thousand Baht

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

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

As at 31 December 2018

Unit : Thousand Baht

Consolidated financial statements

Entitles’ Name	Type of business	Valuation				
		Paid-up share	Investment			
		capital	Ownership	Cost	Equity	Dividend
		(in Baht)	(%)	method	method	received
Associated Companies						
Direct Response (Thailand) Ltd.	Advertising	2,000,000	49.00	1,421	945	-
Sukhumvit 62 Medical Ltd.	Hospital	428,625,000	35.41	150,375	93,712	-
Joint Venture (Held by a subsidiary)						
Bangkok Writer and Partners Ltd.	Advertising	10,000,000	42.00	16,800	23,113	-
					117,770	-

Unit : Thousand Baht

Investments in subsidiaries

	Separate financial statement	
	2019	2018
At 1 January	13,659	13,659
Disposals	(507)	-
Total	13,152	13,659
Less Allowance for impairment of investment in subsidiary	-	-
Total investments in subsidiaries	<u>13,152</u>	<u>13,659</u>

Disposals

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

Guarantee

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

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

As at 31 December 2019 and 2018

Unit : Thousand Baht

Separate financial statements								
Entitles’ Name	Type of business	Paid-up share						
		Capital (in Baht/ US\$)	Investment Ownership		Valuation of investments		Dividend	
			(%)		by cost method			
			2019	2018	2019	2018	2019	2018
Subsidiary Companies								
Prakit Advertising Ltd	Advertising	10,000,000	99.99	99.99	9,999	9,999	4,999	4,999
Prakit&FCB (Cambodia) Co., Ltd.	Advertising	25,000 US\$	-	80.00	-	507	1,135	-
Marketing Drive Worldwide								
(Thailand) Ltd.	Advertising	2,000,000	99.965	99.965	1,999	1,999	1,999	1,999
Prakit Advertising Co.,Ltd.(Myanmar)	Advertising	50,000 US\$	70.00	70.00	1,154	1,154	-	-
					13,152	13,659		
Associated Companies								
Direct Response (Thailand) Ltd.	Advertising	2,000,000	49.00	49.00	1,421	1,421	-	-
Sukhumvit 62 Medical Ltd.	Hospital	428,625,000	35.41	35.41	150,375	150,375	-	-
Total					164,948	165,455	8,133	6,998
Less Allowance for impairment loss					-	-		
Total investments					164,948	165,455		

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

	Unit : Thousand Baht					
	Direct response		Bangkok Writer and		Sukhumvit 62	
	(Thailand) Ltd.		Partners Ltd.		Medical Ltd.	
	2019	2018	2019	2018	2019	2018
Total assets	1,947	1,964	78,252	143,159	437,789	431,929
Total liabilities	5	6	51,292	118,128	10,035	3,203
Total income	7	7	271,483	254,188	1,549	1,286
Profit (loss) for the years	(15)	(14)	1,929	1,608	(971)	296
Comprehensive income (loss) for years	-	-	-	(703)	-	-
Share of profit (loss) on equity method	7	(7)	810	675	(344)	105
Share of comprehensive income (loss)						
on equity method	-	-	-	(295)	-	-
Group share of net asset	952	959	11,323	10,513	151,468	151,812

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

11. Other Long-Term Investments

Unit : Thousand Baht

As at 31 December 2019

Consolidated/ Separate financial statements

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

Unit : Thousand Baht

As at 31 December 2018

Consolidated/ Separate financial statements

	Consolidated/ Separate financial statements			
	Available			
	for Sale	Held to	Other	
	Securities	Maturity	Investments	Total
Debt Securities - at cost	-	62,000	-	62,000
Unrealized gain (loss) on fair value adjustment	-	-	-	-
	-	62,000	-	62,000
Less Current portion of held to maturity debt securities	-	(15,000)	-	(15,000)
Total long-term debt securities	-	47,000	-	47,000
Equity Securities - at cost	99,704	-	3,143	102,847
Unrealized gain (loss) on fair value adjustment	(24,620)	-	-	(24,620)
Allowance for impairment from investment	-	-	(3,143)	(3,143)
Total equity securities	75,084	-	-	75,084
Net	75,084	47,000	-	122,084

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Movements of long-term investments for each of the years ended 31 December 2019 and 2018 are as follows:

	Unit : Thousand Baht	
	Consolidated / Separate financial statements	
	2019	2018
Balances at beginning of the years	164,847	144,850
Acquisition	45,412	80,194
Redemption	(15,000)	(12,001)
Disposal	(13,329)	(48,196)
Transfer from trading securities (Note 7)	2,388	-
Total	184,318	164,847
Loss from impairment	(3,143)	(3,143)
Unrealized gain (loss) on fair value adjustment	(43,688)	(24,620)
Net investments	137,487	137,084
Less Current portion of held to maturity debt securities	(30,000)	(15,000)
Net	107,487	122,084

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

As at 31 December 2019, Investments of the Company included Lottery Savings in the total amount of Baht 2 million with carrying interest rates at 0.33% per annum, and due for redemption on 20 August 2021. The Lottery Savings in the amount of Baht 1.3 million are pledged as collateral for a contract to publicize advertising media for a client.

12. Loans to employees

As at 31 December 2019 and 2018, the movements of loans to employees are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019		2018	
Balances at beginning of the years	245	175	-	25
Add increase during the years	-	200	-	-
Total	245	375	-	25
Less decrease during the years	(120)	(130)	-	(25)
Balances at the end of the years	125	245	-	-
Less current portion of due within 1 year	(95)	(120)	-	-
Net	30	125	-	-

According to the Company's policy, the interest free loans are provided to its employees as staff welfare. Current portion of loans to employees was included in other current assets.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

13. Investment property

As at 31 December 2019, the investment property represents investment in land for lease at the cost value of Baht 46.22 million (2018 : Baht 46.22 million), while the approximate fair value is approximately Baht 387.28 million (2018 : Baht 125.32 million).

Measurement of fair value

The fair value of investment property was assessed by an external independent property appraiser, with appropriate professional qualifications and experiences. The Group has its policy to reassess the fair value of the Group's investment property for every 5 years.

The fair value measurement for investment property of Baht 387.28 million (2018 : Baht 125.32 million) has been categorised as a level 2 fair value based on the inputs to the valuation technique used.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

14. Property, plant and equipment

Unit : Thousand Baht

	Consolidated financial statements								
		Buildings and	Land	Leasehold asset	Furniture and	Office		Assets in	
At Cost	Land	improvement	improvement	improvement	fixtures	equipment	Vehicles	progress	Total
As at 1 January 2018	54,811	95,032	2,699	55	22,351	18,807	16,145	-	209,900
Purchases	-	-	-	-	235	3,485	3,506	7,725	14,951
Disposals	-	-	-	-	(1,194)	(463)	(3,818)	-	(5,475)
As at 31 December 2018	54,811	95,032	2,699	55	21,392	21,829	15,833	7,725	219,376
Purchases	-	-	-	-	500	3,447	1,264	2,575	7,786
Disposals	-	-	-	-	(7)	(168)	(3,457)	-	(3,632)
Transfer in (out)	-	-	-	-	10,300	-	-	(10,300)	-
As at 31 December 2019	54,811	95,032	2,699	55	32,185	25,108	13,640	-	223,530
Accumulated depreciation									
As at 1 January 2018	-	70,946	1,900	31	12,268	13,713	11,723	-	110,581
Depreciation for the year	-	4,085	90	11	2,449	1,592	944	-	9,171
Disposals	-	-	-	-	(1,187)	(434)	(3,424)	-	(5,045)
As at 31 December 2018	-	75,031	1,990	42	13,530	14,871	9,243	-	114,707
Depreciation for the year	-	4,086	90	11	4,373	2,295	1,277	-	12,132
Disposals	-	-	-	-	(5)	(161)	(2,252)	-	(2,418)
As at 31 December 2019	-	79,117	2,080	53	17,898	17,005	8,268	-	124,421
Net book Value									
As at 31 December 2018	54,811	20,001	709	13	7,862	6,958	6,590	7,725	104,669
As at 31 December 2019	54,811	15,915	619	2	14,287	8,103	5,372	-	99,109

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Unit : Thousand Baht

	Separate financial statements							
	Land	Buildings and improvement	Land improvement	Furniture and fixtures	Office equipment	Vehicles	Assets in progress	Total
At Cost								
As at 1 January 2018	54,811	95,032	2,699	22,048	15,691	14,417	-	204,698
Purchases	-	-	-	233	3,297	2,572	7,725	13,827
Disposals	-	-	-	(1,179)	(194)	(3,819)	-	(5,192)
As at 31 December 2018	54,811	95,032	2,699	21,102	18,794	13,170	7,725	213,333
Purchase	-	-	-	225	3,023	1,264	2,575	7,087
Disposal	-	-	-	-	(23)	(3,457)	-	(3,480)
Transfer in (out)	-	-	-	10,300	-	-	(10,300)	-
As at 31 December 2019	54,811	95,032	2,699	31,627	21,794	10,977	-	216,940
Accumulated depreciation								
As at 1 January 2018	-	70,946	1,900	12,044	11,061	9,994	-	105,945
Depreciation for the year	-	4,085	90	2,419	1,394	884	-	8,872
Disposals	-	-	-	(1,179)	(194)	(3,425)	-	(4,798)
As at 31 December 2018	-	75,031	1,990	13,284	12,261	7,453	-	110,019
Depreciation for the year	-	4,086	90	4,340	2,044	1,090	-	11,650
Disposals	-	-	-	-	(23)	(2,252)	-	(2,275)
As at 31 December 2019	-	79,117	2,080	17,624	14,282	6,291	-	119,394
Net book Value								
As at 31 December 2018	54,811	20,001	709	7,818	6,533	5,717	7,725	103,314
As at 31 December 2019	54,811	15,915	619	14,003	7,512	4,686	-	97,546

As at 31 December 2019 and 2018, certain portions of land and buildings at the value of Baht 70.73 million and Baht 74.81 million, respectively have been mortgaged to secure the bank overdraft of a subsidiary.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

15. Deferred tax

Deferred tax assets and liabilities as at 31 December 2019 and 2018 are as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets	19,193	15,165	12,924	9,336
Deferred tax liabilities	(2,519)	(2,104)	(2,422)	(2,078)
Net	16,674	13,061	10,502	7,258

Movements in deferred tax assets and liabilities during for the years ended 31 December 2019 and 2018 are detailed as follows:

Unit : Thousand Baht

	Consolidated financial statements			
	(Charged) / Credited to:			
	1 January	Other		31 December
		Profit or loss	comprehensive income	
	2019			2019
Deferred tax assets				
Trade accounts receivable	1,291	(4)	-	1,287
Investments in others securities	628	-	-	628
Investments in marketable securities	4,919	5	3,813	8,737
Employee benefit obligations	8,327	214	-	8,541
Total	15,165	215	3,813	19,193
Deferred tax liabilities				
Investments in marketable securities	2,104	415	-	2,519
Total	2,104	415	-	2,519
Net	13,061	(200)	3,813	16,674

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Unit : Thousand Baht

Consolidated financial statements				
	(Charged) / Credited to:			
	1 January	Profit or	Other	Recognized
	2018	loss	comprehen- sive income	direct to Equity
				31 December 2018
Deferred tax assets				
Trade accounts receivable	1,035	256	-	-
Investments in others securities	628	-	-	-
Investment in marketable securities	3,015	-	1,904	-
Employee benefit obligations	4,578	2,118	2,385	(754)
Total	9,256	2,374	4,289	(754)
Deferred tax liabilities				
Investments in marketable securities	2,386	(277)	(5)	-
Total	2,386	(277)	(5)	-
Net	6,870	2,651	4,294	(754)

Unit : Thousand Baht

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

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Unit : Thousand Baht

	Separate financial statements				
	(Charged) / Credited to:				
	1 January	Profit or	Other	Recognized	31 December
	2018	loss	comprehen- sive income	direct to Equity	2018
Deferred tax assets					
Investments in other securities	628	-	-	-	628
Investments in marketable securities	3,014	-	1,904	-	4,918
Employee benefit obligations	1,824	1,061	970	(65)	3,790
Total	5,466	1,061	2,874	(65)	9,336
Deferred tax liabilities					
Investments in marketable securities	2,250	(167)	(5)	-	2,078
Total	2,250	(167)	(5)	-	2,078
Net	3,216	1,228	2,879	(65)	7,258

16. Trade accounts and other payables

As at 31 December 2019 and 2018, trade accounts payable and other payables are consisted of :

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts payable				
Trade accounts and notes payable				
Related parties	5,747	5,674	30,725	37,756
Other companies	38,450	39,726	3,456	4,956
Media and notes payable				
Other companies	132,008	134,365	107,911	112,366
Total	176,205	179,765	142,092	155,078
Other payables				
Billing agent payable - related parties	61,117	46,866	29,471	17,596
Staff expenses payable - related parties	-	-	1,392	-
Deposits received	17,017	18,371	10,823	11,204
Accrued expenses	7,712	9,538	3,525	4,900
Others	7,154	10,644	6,993	10,494
Total	93,000	85,419	52,204	44,194
Total trade accounts and other payables	269,205	265,184	194,296	199,272

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

17. Deferred lease right

As at 31 December 2019 and 2018, movements of deferred lease right are as follows:

	Unit : Thousand Baht	
	Consolidated and Separate	
	financial statements	
	2019	2018
Deferred lease right	12,312	13,397
Recognised as earnings during the years	(1,524)	(1,085)
Net	10,788	12,312

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

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

18. Employee benefit obligations

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Defined benefit obligations at 1 January	41,632	22,889	18,942	9,116
Actuarial loss	-	11,924	-	4,848
Current service cost recognized in profit or loss	4,015	9,927	922	5,029
Interest on obligation recognized in profit or loss	1,211	662	410	278
Defined benefit obligations paid	(4,156)	(3,770)	(1,092)	(329)
Transfer employees to subsidiaries	-	-	(1,392)	-
Defined benefit obligations at 31 December	42,702	41,632	17,790	18,942

At 31 December 2019, the weighted-average duration of the defined benefit obligation of the Company was 9 years and the subsidiaries were 9 - 16 years).

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Actuarial assumptions at the reporting date are detailed as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(%)			
Discount rate	1.50-3.13	2.50-3.13	1.50	2.50
Turn over rate	3.82-28.65	3.82-28.65	4.78-28.65	4.78-28.65
Future salary increases	3.00	3.00	3.00	3.00
Mortality rate	According to 2017 Thailand Mortality Ordinary Life Table			

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation 31 December 2019				
Discount Rate (0.50% movement)	(1,475)	-	(685)	-
Salary Increase Rate (1.00% movement)	3,247	(2,949)	1,494	(1,361)
Turnover Rate (20.00% movement)	(2,986)	3,367	(1,474)	1,669

19. Share Capital

	Par value (Baht)	2019		2018	
		No. of share	Baht	No. of share	Baht
Share registered					
As at 1 January		94,439	94,439	94,439	94,439
As at 31 December	1	94,439	94,439	94,439	94,439
Paid up share					
As at 1 January		60,450	60,450	60,450	60,450
As at 31 December	1	60,450	60,450	60,450	60,450

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

20. Capital surplus and reserves

Share premium

Section 51 of the Public Companies Act B.E. 1992 requires the Company to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 1992 requires that the Company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other component of equity

Currency translation differences

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

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognized .

21. Dividend

The Company

The Annual General Meeting of the Company No.1/2019 held on 25 April 2019 passed a resolution to pay dividend at the rate of Baht 0.90 per share, totaling Baht 54.40 million and paid on 22 May 2019.

The Annual General Meeting of the Company No.1/2018 held on 25 April 2018 passed a resolution to pay dividend at the rate of Baht 0.80 per share, totaling Baht 48.36 million and paid on 22 May 2018.

The Company has not paid dividend to investors who are not eligible to receive dividend due to their investments have not been made in compliance with rules of the Stock Exchange of Thailand.

Subsidiaries

The Annual Shareholders' Meeting of 2 subsidiaries No.1/2019 held on 26 April 2019 and 29 April 2019 passed their resolutions to pay dividend at the rates of Baht 50 per share and Baht 100 per share, respectively, amounting to Baht 5 million and Baht 2 million, respectively.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

The Annual Shareholders' Meeting of 2 subsidiaries No.1/2018 held on 26 April 2018 and 27 April 2018 passed their resolutions to pay dividend at the rates of Baht 50 per share and Baht 100 per share, respectively, amounting to Baht 5 million and Baht 2 million, respectively.

22. Segment information

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

- Segment 1 Advertising production
- Segment 2 Media agency
- Segment 3 Investing business

In addition, the Group has presented the information relating to geographic segments based on the geographical location of assets.

Information regarding the results of each reportable segment is included in the internal management reports that are reviewed by the Group's CODM.

Information in reportable segment in the consolidated financial statement information for each of the year ended 31 December 2019 and 2018 are as follows:

	Unit : Million Baht							
	Service income		Commission income		Investment income		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	194	244	154	191	21	14	369	449
Profit for reportable segments	39	40	82	129	21	14	142	183
Unallocated other income							21	25
Unallocated expenses							(98)	(115)
Profit before income tax							65	93

	Unit : Million Baht							
	Service income		Commission income		Investment income		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Total assets for reportable segments	31	50	221	278	625	556	877	884
Other unallocated assets	-	-	-	-	-	-	386	405
Consolidated total assets	31	50	221	278	625	556	1,263	1,289

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Information relating to geographical segments in the consolidated financial statements for each of the years ended 31 December 2019 and 2018 are as follows:

	Domestic		Overseas		Unit : Million Baht	
	Total		Total		Total	
	2019	2018	2019	2018	2019	2018
Commission , services and investment income	348	430	21	19	369	449
Profit for reportable segment	141	181	1	2	142	183
Total assets for reportable segment	1,225	1,247	38	42	1,263	1,289

23. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiary companies and their employees contributed to the fund monthly at the rate of 5 percent of the basic salary. The fund, which is managed by Thanachart Fund Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. For the years ended 31 December 2019 and 2018, the Group contributed to the fund in the amounts of Baht 5.39 million and Baht 5.42 million, respectively.

24. Expense classification

Significant expenses classified by nature are consisted of:

	Consolidated financial statements		Unit : Thousand Baht	
	Separate financial statements		Separate financial statements	
	2019	2018	2019	2018
Employee expenses	159,300	164,868	66,131	70,809
Costs of services	154,917	161,232	26,448	60,320
Depreciation	12,132	9,172	11,650	8,871

25. Income tax

Income tax for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2019	2018	2019	2018
Current income tax	10,236	21,167	6,520	18,567
Deferred income tax	200	(2,651)	569	(1,228)
Total	10,436	18,516	7,089	17,339

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Income tax recognized in other comprehensive income:

Unit: Thousand Baht

	Consolidated financial statements					
	2019			2018		
	Tax			Tax		
	(expense)			(expense)		
	Before tax	benefit	Net of tax	Before tax	benefit	Net of tax
Available-for-sale financial assets	(19,067)	3,813	(15,254)	(9,547)	1,909	(7,638)
Employee benefit obligations	-	-	-	(11,925)	2,385	(9,540)
Employee benefit obligations in joint venture	-	-	-	(369)	74	(295)
Total	(19,067)	3,813	(15,254)	(21,841)	4,368	(17,473)

Unit: Thousand Baht

	Separate financial statements					
	2019			2018		
	Tax			Tax		
	(expense)			(expense)		
	Before tax	benefit	Net of tax	Before tax	benefit	Net of tax
Available-for-sale financial assets	(19,067)	3,813	(15,254)	(9,547)	1,909	(7,638)
Employee benefit obligations	-	-	-	(4,848)	970	(3,878)
Total	(19,067)	3,813	(15,254)	(14,395)	2,879	(11,516)

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended 31 December 2019 and 2018, are as follows:

Unit : Thousand Baht

	Consolidated financial statements			
	2019		2018	
	Rate (%)	Amount	Rate (%)	Amount
Profit before income tax expense		64,509		93,409
Income tax using the Thai corporation tax rate	20.00	12,901	20.00	18,682
Effect From elimination with subsidiaries		1,480		819
Exemption of income/Additional expenses allowed		(5,590)		(3,200)
Expenses not deductible for tax purposes and others		1,445		4,866
Current income tax		10,236		21,167
Movements in temporary differences		200		(2,651)
Income tax expenses	16.18	10,436	19.82	18,516

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Unit : Thousand Baht

	Separate financial statements			
	2019		2018	
	Rate (%)	Amount	Rate (%)	Amount
Profit before income tax expense		54,382		97,536
Income tax using the Thai corporation tax rate	20.00	10,876	20.00	19,507
Exemption of income/Additional expenses allowed		(4,894)		(2,784)
Expenses not deductible for tax purposes and others		538		1,844
Current income tax		6,520		18,567
Movements in temporary differences		569		(1,228)
Income tax expenses	13.04	7,089	17.78	17,339

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

26. Earnings per share

The calculation of basic earnings per share for each of the years ended 31 December 2019 and 2018 is based on the profit for each year attributable to shareholders of the Company and the number of common shares outstanding during each year by using weighted average number of common shares during each year as follows:

	Unit : Thousand Baht/ Thousand Shares			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit attributable to common shareholders of the Company	53,731	74,404	47,293	80,197
Number of common shares outstanding	60,450	60,450	60,450	60,450
Basic earnings per share (Baht)	0.89	1.23	0.78	1.33

27. Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group' operations and its cash flows because deposits at banks, bank overdrafts and borrowings from financial institutions interest rates are fluctuations in market interest rates.

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

Unit : Thousand Baht

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

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Unit : Thousand Baht

	Separate financial statements						
	Fixed Rate			Adjusted to market rate	No interest rate	Total	Interest rates (%) per annum)
	Within 1 year	1 - 5 years	>5 years				
Financial assets							
Cash and cash equivalents	-	-	-	82,161	3,510	85,671	0.375
Current investments	-	-	-	-	261,047	261,047	-
Debt securities held to maturity							
due within one year	30,000	-	-	-	-	30,000	3.00-4.75
Trade and other receivables	-	-	-	-	268,187	268,187	-
Bank deposit held as collateral	30,000	-	-	-	-	30,000	1.85
Other long-term investments	-	17,000	-	-	90,487	107,487	3.00-6.80
Financial liabilities							
Trade and other payables	-	-	-	-	194,297	194,297	-

As at 31 December 2018, significant financial assets and liabilities of the Group were exposed from the interest rate risk as follows:

Unit : Thousand Baht

	Consolidated financial statements						
	Fixed Rate			Adjusted to market rate	No interest rate	Total	Interest rates (%) per annum)
	Within 1 year	1 - 5 years	>5 years				
Financial assets							
Cash and cash equivalents	-	-	-	130,224	5,825	136,049	0.375
Current investments	-	-	-	-	270,331	270,331	-
Debt securities held to maturity							
due within one year	15,000	-	-	-	-	15,000	3.20
Trade and other receivables	-	-	-	-	364,922	364,922	-
Short-term loan to related party	42,000	-	-	-	-	42,000	5.00-7.37
Bank deposit held as collateral	30,000	-	-	-	-	30,000	1.85
Other long-term investments	-	47,000	-	-	75,084	122,084	3.00-6.80
Loans to employees	-	-	-	-	125	125	-
Financial liabilities							
Trade and other payables	-	-	-	-	265,184	265,184	-

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Unit : Thousand Baht

	Separate financial statements						
	Fixed Rate			Adjusted to market rate	No interest rates	Total	Interest rates (%) per annum)
	Within 1	1 - 5	>5 years				
	year	years					
Financial assets							
Cash and cash equivalents	-	-	-	55,121	2,023	57,144	0.375
Current investments	-	-	-	-	262,510	262,510	-
Debt securities held to maturity							
within one year	15,000	-	-	-	-	15,000	3.20
Trade and other receivables	-	-	-	-	309,935	309,935	-
Short-term loan to related party	20,000	-	-	-	-	20,000	5.00
Bank deposit held as collateral	30,000	-	-	-	-	30,000	1.85
Other long-term investments	-	47,000	-	-	75,084	122,084	3.00-6.80
Financial liabilities							
Trade and other payables	-	-	-	-	199,272	199,272	-

Foreign currency risk

At 31 December 2019 and 2018, the Group were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following foreign currencies:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
United States Dollars				
Cash and deposits at banks	9,819	14,123	-	-
Trade and other receivables	26,984	24,256	-	-
Other payables	(28,155)	(29,296)	-	-
Gross balance sheet exposure	8,648	9,083	-	-

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant amount of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, due to the large number of parties in the Group's customer base, Management does not anticipate material losses from its debt collection.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair Value Measurement

The Financial instruments carried at fair value, by valuation method with different level defined as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as price) or indirectly (that is, derived from prices)
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable input).

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

Unit: Thousand Baht

Assets	Consolidated financial Statements			
	Level 1	Level 2	Level 3	Total
Short-term investments(Private fund)	-	34,776	-	34,776
Held for trading securities (Unit trusts)	-	304,449	-	304,449
Available-for-sale securities (Marketable equity securities)	90,487	-	-	90,487
Total assets	90,487	339,225	-	429,712

Unit: Thousand Baht

Assets	Separate financial Statements			
	Level 1	Level 2	Level 3	Total
Short-term investments (Private fund)	-	34,776	-	34,776
Held for trading securities (Unit trusts)	-	226,272	-	226,272
Available-for-sale securities (Marketable equity securities)	90,487	-	-	90,487
Total assets	90,487	261,048	-	351,535

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

The following financial assets and liabilities are measured at fair value at 31 December 2018:

Unit: Thousand Baht

Assets	Consolidated financial Statements			
	Level 1	Level 2	Level 3	Total
Short-term investments(Private fund)	-	32,264	-	32,264
Held for trading securities (Unit trusts)	-	231,015	-	231,015
Held for trading securities (Marketable equity securities)	7,052	-	-	7,052
Available-for-sale securities (Marketable equity securities)	75,084	-	-	75,084
Total assets	82,136	263,279	-	345,415

Unit: Thousand Baht

Assets	Separate financial Statements			
	Level 1	Level 2	Level 3	Total
Short-term investments (Private fund)	-	32,264	-	32,264
Held for trading securities (Unit trusts)	-	223,194	-	223,194
Held for trading securities (Marketable equity securities)	7,052	-	-	7,052
Available-for-sale securities (Marketable equity securities)	75,084	-	-	75,084
Total assets	82,136	255,458	-	337,594

Valuation method of fair value for Level 2 input

Investments in fund trust are fair valued using unit price base on Net Asset Value (NAV) of the funds that are publicized by the Fund Manager.

28. Capital management

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

As at 31 December 2019 and 2018, debt-to-equity ratios in the consolidated financial statement are 0.40 : 1 and 0.40 : 1, respectively, and the separate financial statements are 0.28 : 1 and 0.29 : 1, respectively.

Prakit Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements (Continued)

For the year ended 31 December 2019

29. Commitments

As at 31 December 2019, the Company had commitments, which were not disclosed in other places in these financial statements, as follows:

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

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

30. Other information

As at 31 December 2019 and 2018, net asset per share in the consolidated financial statements are Baht 14.95 per share and Baht 15.21 per share, respectively, and are Baht 14.28 per share and Baht 14.65 per share, respectively, in the separate financial statements.

31. Subsequent event

The board of directors' meeting No.5/2019, Sukhumvit 62 Medical Ltd., held on 12 December 2019, had approved to call up share capital for another Baht 25 per share of 2,992,500 common shares amounting to Baht 74,812,500, and shall be paid within 29 February 2020

32. Approval of financial statement

These financial statements have been authorized for issue by the Board of Directors on 26 February 2020 .

