

Bangkok Post Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2019

## **Independent Auditor's Report**

To the Shareholders of Bangkok Post Public Company Limited

### **Opinion**

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Post Public Company Limited and its subsidiaries and of Bangkok Post Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Material Uncertainty Related to Going Concern**

I draw attention to the matter as described in Note 1.2, Note 17 and Note 36 to the financial statements. The Group has operating loss for a number of consecutive years. As at 31 December 2019 the Group's current liabilities exceeded current assets with significant amount. Moreover, up to the audit report date, the securities of the Company have been posted with "C" (Caution) sign. The Group is moving towards digitization through its continuous business strategic and business model plans including the plan to dispose of its assets and has also received the confirmation for financial support from a major shareholder. The Group has paid loan interest and principal on schedule. Therefore, in late 2019 a financial institution granted the waiver regarding the maintenance of financial ratio for 2019. Management therefore believes that the Group will be able to continue as a going concern. The financial statements have therefore been prepared under the going concern basis. However, the Group is in the process to execute the changes in its business strategic and business model plans and to dispose of assets in the future. These events indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. My opinion is not qualified in respect of these matters.

### **Emphasis of matter**

I draw attention to Note 5 to the financial statements, which describes the effect of change in accounting policy on recording building from cost method to revaluation method. My opinion is not qualified in respect of this matter.

### **Key Audit Matters**

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

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, key audit matters and how audit procedures respond to each matter are described below.

## **Revenue recognition**

The Company has many sources of revenues; e.g. sales of publication, advertising revenue and event revenue and there are a variety of conditions in agreements with customers, such as sales promotions and discounts. As a result, conditions to recognise revenue are different for each source of revenues. This will affect amount and timing of revenue recognition.

I have examined the revenue recognition of the Company using significant audit procedures as follow:

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Sending accounts receivable confirmations at interim date and rolling forward to year end date.
- Reviewing credit notes that the Company issued after the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

## **Goodwill, intangible assets from business combination and investments in subsidiaries**

As at 31 December 2019, the Company recorded net investments in subsidiaries amounted to Baht 15 million and net goodwill from business combination amounted to Baht 32 million and no balance of net intangible assets from business combination as discussed in Note 13.1, 18, and 19 to the financial statements, respectively. The assessment of impairment of goodwill, intangible assets from business combination and investments in subsidiaries are a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future and determining the important assumptions used to estimate cash flow e.g. discount rate and long-term growth rate. This will affect the appropriateness of values of goodwill and intangible assets from business combination and investments in subsidiaries.

I have examined the goodwill and intangible assets from business combination and investments in subsidiaries using significant audit procedures as follow:

- Assessing the identification of cash generating units and the financial models selected by management by inquiring the management and gaining an understanding of the management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised.
- Testing the significant assumptions in preparing estimates of the cash flows expected to be realized from the assets, through comparison those assumptions with information from both internal and external sources.
- Comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections.
- Evaluating the discount rate applied by management through analysis of the weighted average costs of the Company and of the industry.
- Testing the calculation of the realisable values of the assets using the selected financial model and considering the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates.
- Reviewing the disclosures made with respect to the impairment assessment for goodwill and intangible assets from business combination and investments in subsidiaries.

#### **Deferred tax assets**

As at 31 December 2019, the Group recorded deferred tax assets amounted Baht 230 million. The Group has disclosed its accounting policy and details relating to deferred tax in Note 6.16 and Note 28 to the financial statements. A deferred tax asset is recognized when it is highly probable that the Group's taxable profit will be sufficient to allow utilization of the temporary differences in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgement with respect to the preparation of the estimates of the future taxable profit. Therefore, there is a risk with respect to the amount of deferred tax assets.

I have examined the deferred tax assets using significant audit procedures as follow:

- Gaining an understanding of controls over the preparation of the estimates of future taxable profit for the purpose of recognizing deferred tax assets by making enquire of the Company's responsible personnel.
- Performing tests of controls over the preparation and approval of the estimates of future taxable profits to ensure that they effectively operate.
- Assessing the reasonableness of estimates by reviewing the information and key economic assumptions that might affect the projected revenue growth and gross profit margin such as economic growth rates, interest rates, and consumer spending rate.
- Testing the calculation of the estimates based on those assumptions and relevant information.
- Comparing past profit projections with actual taxable profits to assess the exercise of management judgement in estimating taxable profits.
- Reviewing the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets are not recognized.

#### **Impairment of machinery, equipment and spare parts**

As at 31 December 2019, the Company recorded the allowance for impairment of machinery and equipment amounting to Baht 79 million and spare parts amounting to Baht 15 million as disclosed in Note 17 and Note 11 to the financial statements respectively. Considering the allowance for impairment of machinery, equipment and spare parts is a result of the Company ceasing the production of newspaper during the year and outsourced to the third party instead. Therefore, there was an indicator of impairment of related assets. Moreover, the Company has plan to sell these assets and arranges an independent appraiser to assess the valuation of these assets. The evaluation result indicated that there was a significant loss on impairment of these assets. The management considered the impairment of machinery, equipment and spare parts by reference to all relevant information and judgement.

I have examined the impairment of machinery, equipment and space parts using significant audit procedures as follow:

- Enquiring of the management about the revaluation and plan to sell of these assets.
- Assessing the report of management's specialist.
- Assessing the reasonableness of management's assumption about forecast selling price of machinery, equipment and spare parts.
- Testing of the accurate calculation based on those assumptions and relevant information.
- Considering the sufficient disclosure.

## **Other Information**

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

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

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

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

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

Saifon Inkaew  
Certified Public Accountant (Thailand) No. 4434

EY Office Limited  
Bangkok: 25 February 2020

**Bangkok Post Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2019**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	5,663,591	8,780,415	4,638,789	6,962,966
Trade and other receivables	8, 10	218,777,074	387,999,294	94,118,338	177,341,712
Inventories	11	13,067,368	69,857,568	3,580,809	33,583,554
Short-term loans to related parties	8	-	-	66,000,000	66,677,171
Corporate income tax deducted at source	12	103,567,356	90,707,092	59,610,445	52,421,785
Other current assets		13,734,944	31,395,430	5,401,770	10,944,387
<b>Total current assets</b>		<b>354,810,333</b>	<b>588,739,799</b>	<b>233,350,151</b>	<b>347,931,575</b>
<b>Non-current assets</b>					
Investments in subsidiaries	13	-	-	15,140,450	206,473,450
Investment in joint ventures	14	7,481,207	10,115,991	-	-
Investment in associate	15	-	-	-	-
Other long-term investment	16	-	-	-	-
Property, plant and equipment	17	1,609,645,826	1,450,415,519	1,609,737,997	1,436,541,528
Goodwill	18	32,171,227	94,850,812	-	-
Intangible assets	19	44,093,920	86,449,439	38,554,574	49,934,389
Deferred tax assets	28	230,463,530	50,397,869	204,287,784	36,365,374
Other non-current assets		5,226,383	3,012,861	245,230	402,549
<b>Total non-current assets</b>		<b>1,929,082,093</b>	<b>1,695,242,491</b>	<b>1,867,966,035</b>	<b>1,729,717,290</b>
<b>Total assets</b>		<b>2,283,892,426</b>	<b>2,283,982,290</b>	<b>2,101,316,186</b>	<b>2,077,648,865</b>

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

**Bangkok Post Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2019**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	20	981,784,968	936,175,789	925,534,516	873,719,217
Trade and other payables	8, 21	124,054,561	198,389,734	73,521,545	111,564,682
Short-term loans from non-controlling interests					
of the subsidiary	22	5,880,000	5,880,000	-	-
Short-term loans from director	8	161,000,000	-	146,000,000	-
Current portion of long-term loans	23	99,000,000	64,000,000	96,000,000	60,000,000
Unearned subscription fee		30,892,847	46,251,928	28,640,536	40,843,792
Other current liabilities		29,395,498	56,201,381	17,123,938	34,057,800
<b>Total current liabilities</b>		<b>1,432,007,874</b>	<b>1,306,898,832</b>	<b>1,286,820,535</b>	<b>1,120,185,491</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	23	201,467,400	300,467,400	201,467,400	297,467,400
Deferred tax liabilities	28	252,420,014	188,616,970	248,496,595	183,780,059
Provision for long-term employee benefits	24	99,538,547	84,891,539	91,360,282	77,421,545
<b>Total non-current liabilities</b>		<b>553,425,961</b>	<b>573,975,909</b>	<b>541,324,277</b>	<b>558,669,004</b>
<b>Total liabilities</b>		<b>1,985,433,835</b>	<b>1,880,874,741</b>	<b>1,828,144,812</b>	<b>1,678,854,495</b>
<b>Shareholders' equity</b>					
Share capital					
Registered					
505,000,000 ordinary shares of Baht 1 each		505,000,000	505,000,000	505,000,000	505,000,000
Issued and fully paid up					
500,000,000 ordinary shares of Baht 1 each		500,000,000	500,000,000	500,000,000	500,000,000
Retained earnings					
Appropriated - statutory reserve	26	50,500,000	50,500,000	50,500,000	50,500,000
Unappropriated		(1,249,280,369)	(935,319,421)	(1,271,315,004)	(886,825,864)
Other components of shareholders' equity		993,986,378	735,120,234	993,986,378	735,120,234
Equity attributable to owners of the Company		295,206,009	350,300,813	273,171,374	398,794,370
Non-controlling interests of the subsidiaries		3,252,582	52,806,736	-	-
<b>Total shareholders' equity</b>		<b>298,458,591</b>	<b>403,107,549</b>	<b>273,171,374</b>	<b>398,794,370</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,283,892,426</b>	<b>2,283,982,290</b>	<b>2,101,316,186</b>	<b>2,077,648,865</b>
		-	-	-	-

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

Directors

**Bangkok Post Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2019**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018 (Restated)
<b>Revenues</b>					
Sales income		155,157,290	213,027,817	151,303,411	206,716,460
Service income		645,682,853	1,007,621,303	369,268,605	570,568,773
Cost of sales and services		<u>(748,410,250)</u>	<u>(991,260,334)</u>	<u>(508,957,116)</u>	<u>(656,282,377)</u>
<b>Gross profit</b>		52,429,893	229,388,786	11,614,900	121,002,856
Selling and distribution expenses		(136,866,056)	(144,614,661)	(97,468,378)	(94,883,742)
Administrative expenses		(197,854,100)	(213,344,171)	(129,311,191)	(159,214,654)
Loss on impairment of investments in subsidiaries	13	-	-	(191,333,000)	-
Loss on impairment of machinery, equipment and spare parts	11, 17	(103,766,355)	-	(94,029,138)	-
Loss on impairment of intangible assets	19	(23,659,694)	-	-	-
Loss on impairment of goodwill	18	<u>(62,679,585)</u>	-	-	-
<b>Loss from sales and rendering of services</b>		(472,395,897)	(128,570,046)	(500,526,807)	(133,095,540)
Share of loss from investments in joint venture	14	(2,634,784)	(365,771)	-	-
Other income		<u>14,541,179</u>	<u>40,208,293</u>	<u>28,991,972</u>	<u>43,410,246</u>
<b>Loss before finance cost and income tax expenses</b>		(460,489,502)	(88,727,524)	(471,534,835)	(89,685,294)
Finance cost		<u>(78,625,992)</u>	<u>(69,662,463)</u>	<u>(74,378,846)</u>	<u>(66,229,147)</u>
<b>Loss before income tax expenses</b>		(539,115,494)	(158,389,987)	(545,913,681)	(155,914,441)
Income tax income (expenses)	28	<u>179,903,401</u>	<u>(9,185,730)</u>	<u>166,622,836</u>	<u>(7,672,492)</u>
<b>Loss for the year</b>		<u>(359,212,093)</u>	<u>(167,575,717)</u>	<u>(379,290,845)</u>	<u>(163,586,933)</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss	24	(5,378,761)	-	(6,497,869)	-
Revaluation of fixed asset	25	323,582,680	201,400,000	323,582,680	201,400,000
Less: Income tax effect	28	<u>(63,640,784)</u>	<u>(40,280,000)</u>	<u>(63,416,962)</u>	<u>(40,280,000)</u>
<b>Other comprehensive income for the year</b>		<u>254,563,135</u>	<u>161,120,000</u>	<u>253,667,849</u>	<u>161,120,000</u>
<b>Total comprehensive income for the year</b>		<u>(104,648,958)</u>	<u>(6,455,717)</u>	<u>(125,622,996)</u>	<u>(2,466,933)</u>

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

**Bangkok Post Public Company Limited and its subsidiaries****Statement of comprehensive income (continued)****For the year ended 31 December 2019**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		(Restated)
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(308,762,653)	(167,650,222)	<u>(379,290,845)</u>	<u>(163,586,933)</u>
Non-controlling interests of the subsidiaries	<u>(50,449,440)</u>	<u>74,505</u>		
	<u>(359,212,093)</u>	<u>(167,575,717)</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(55,094,804)	(6,530,222)	<u>(125,622,996)</u>	<u>(2,466,933)</u>
Non-controlling interests of the subsidiaries	<u>(49,554,154)</u>	<u>74,505</u>		
	<u>(104,648,958)</u>	<u>(6,455,717)</u>		
<b>Loss per share</b>	29			
Basic loss per share				
Loss attributable to equity holders of the Company	<u>(0.62)</u>	<u>(0.34)</u>	<u>(0.76)</u>	<u>(0.33)</u>

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

**Bangkok Post Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2019**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>				
Loss before tax	(539,115,494)	(158,389,987)	(545,913,681)	(155,914,441)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Allowance for doubtful debts (reversal)	16,899,135	(5,978,381)	12,712,491	13,056,883
Reversal of allowance for sales returns	(1,119,722)	(2,824,252)	(1,119,722)	(2,824,252)
Reduction of inventory to net realisable value (reversal)	1,254,751	(1,063,936)	(4,530,460)	(455,864)
Allowance for diminution in value of loans to subsidiaries (reversal)	-	-	(322,829)	1,018,005
Allowance for diminution in value of investments in subsidiaries	-	-	191,333,000	-
Share of loss from investments in joint venture	2,634,784	365,771	-	-
Depreciation and amortisation	94,942,150	118,904,759	82,935,309	98,265,085
Gain on disposal and write-off of equipment and computer software	(1,971,749)	(2,600,437)	(1,164,191)	(2,600,437)
Allowance for impairment loss on machine, equipment and spare parts	103,766,355	-	94,029,138	-
Allowance for impairment loss on goodwill	62,679,585	-	-	-
Allowance for impairment loss on intangible assets	23,659,694	-	-	-
Provision for long-term employee benefits	20,145,104	6,023,000	18,213,724	4,680,766
Interest expenses	<u>78,625,992</u>	<u>69,662,463</u>	<u>74,378,846</u>	<u>66,229,147</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	(137,599,415)	24,099,000	(79,448,375)	21,454,892
Operating assets (increase) decrease				
Trade and other receivables	153,442,807	14,895,076	71,630,605	29,723,130
Inventories	40,183,973	1,083,172	19,181,729	11,407,350
Other current assets	16,259,264	9,105,201	5,542,617	5,584,575
Other non-current assets	(2,213,522)	4,162,345	157,319	341,142
Operating liabilities increase (decrease)				
Trade and other payables	(72,297,773)	(44,531,967)	(36,015,867)	(37,405,682)
Other current liabilities	<u>(42,164,964)</u>	<u>(5,727,888)</u>	<u>(29,137,118)</u>	<u>(2,608,545)</u>
Cash flows from (used in) operating activities	(44,389,630)	3,084,939	(48,089,090)	28,496,862
Cash paid for interest expenses	(79,845,037)	(70,490,170)	(75,587,761)	(67,050,740)
Cash paid for corporate income tax	(12,860,264)	(21,845,629)	(7,188,660)	(12,347,134)
Cash received from refund of withholding tax deducted at source	1,401,222	2,527,813	-	-
Cash paid for long-term employee benefits	<u>(10,876,857)</u>	<u>(6,195,800)</u>	<u>(10,772,856)</u>	<u>(6,195,800)</u>
<b>Net cash flows used in operating activities</b>	<u>(146,570,566)</u>	<u>(92,918,847)</u>	<u>(141,638,367)</u>	<u>(57,096,812)</u>

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

**Bangkok Post Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2019**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flow from investing activities</b>				
Decrease in short-term loans to related parties	-	-	1,000,000	1,756,123
Dividend received from joint venture	-	6,325,772	-	-
Proceeds from sales of equipment	3,967,664	7,603,268	3,033,084	7,534,491
Cash paid for purchase of equipment	(2,453,837)	(3,840,664)	(1,864,929)	(2,307,946)
Cash paid for purchase of computer software	(669,264)	(235,018)	(669,264)	(42,807)
<b>Net cash flows from investing activities</b>	<b>844,563</b>	<b>9,853,358</b>	<b>1,498,891</b>	<b>6,939,861</b>
<b>Cash flows from financing activities</b>				
Increase in bank overdrafts and short-term loans from financial institutions	45,609,179	92,255,211	51,815,299	58,611,060
Cash receipt from short-term loans from director	161,000,000	-	146,000,000	-
Repayment of long-term loans	(64,000,000)	(12,500,000)	(60,000,000)	(10,000,000)
<b>Net cash flows from financing activities</b>	<b>142,609,179</b>	<b>79,755,211</b>	<b>137,815,299</b>	<b>48,611,060</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,116,824)</b>	<b>(3,310,278)</b>	<b>(2,324,177)</b>	<b>(1,545,891)</b>
Cash and cash equivalents at beginning of year	8,780,415	12,090,693	6,962,966	8,508,857
<b>Cash and cash equivalents at end of year</b>	<b>5,663,591</b>	<b>8,780,415</b>	<b>4,638,789</b>	<b>6,962,966</b>
	-	-	-	-
<b>Supplemental cash flows information:</b>				
Non-cash item				
Purchase of equipment for which cash has not been paid	547,139	1,365,494	547,139	1,365,494
Revaluation of fixed assets	323,582,680	201,400,000	323,582,680	201,400,000

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

**Bangkok Post Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity**

**For the year ended 31 December 2019**

(Unit: Baht)

**Consolidated financial statements**

	Equity attributable to the owners of the Company							Total shareholders' equity
	Issued and fully paid-up share capital	Retained earnings		Other components of equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	
		Appropriated	Unappropriated	Other comprehensive				
				income	Total other components of equity			
	-statutory reserve		Surplus on revaluation of assets	shareholders' equity				
<b>Balance as at 1 January 2018</b>	500,000,000	50,500,000	(771,893,199)	577,379,434	577,379,434	355,986,235	52,732,231	408,718,466
Loss for the year	-	-	(167,650,222)	-	-	(167,650,222)	74,505	(167,575,717)
Other comprehensive income for the year	-	-	-	161,120,000	161,120,000	161,120,000	-	161,120,000
Total comprehensive income for the year	-	-	(167,650,222)	161,120,000	161,120,000	(6,530,222)	74,505	(6,455,717)
Transferred revaluation surplus on land to retained earnings arising on disposal of land (note 25)	-	-	4,224,000	(3,379,200)	(3,379,200)	844,800	-	844,800
<b>Balance as at 31 December 2018</b>	<u>500,000,000</u>	<u>50,500,000</u>	<u>(935,319,421)</u>	<u>735,120,234</u>	<u>735,120,234</u>	<u>350,300,813</u>	<u>52,806,736</u>	<u>403,107,549</u>
								-
<b>Balance as at 1 January 2019</b>	500,000,000	50,500,000	(935,319,421)	735,120,234	735,120,234	350,300,813	52,806,736	403,107,549
Loss for the year	-	-	(308,762,653)	-	-	(308,762,653)	(50,449,440)	(359,212,093)
Other comprehensive income for the year	-	-	(5,198,295)	258,866,144	258,866,144	253,667,849	895,286	254,563,135
Total comprehensive income for the year	-	-	(313,960,948)	258,866,144	258,866,144	(55,094,804)	(49,554,154)	(104,648,958)
<b>Balance as at 31 December 2019</b>	<u>500,000,000</u>	<u>50,500,000</u>	<u>(1,249,280,369)</u>	<u>993,986,378</u>	<u>993,986,378</u>	<u>295,206,009</u>	<u>3,252,582</u>	<u>298,458,591</u>

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

**Bangkok Post Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2019**

(Unit: Baht)

	<b>Separate financial statements</b>					Total shareholders' equity
	Issued and fully paid-up share capital	Retained earnings		Other components of equity		
				Other comprehensive income	Total other components of shareholders' equity	
		Appropriated -statutory reserve	Unappropriated	Surplus on revaluation of assets		
<b>Balance as at 1 January 2018</b>	500,000,000	50,500,000	(727,462,931)	577,379,434	577,379,434	400,416,503
Loss for the year	-	-	(163,586,933)	-	-	(163,586,933)
Other comprehensive income for the year	-	-	-	161,120,000	161,120,000	161,120,000
Total comprehensive income for the year	-	-	(163,586,933)	161,120,000	161,120,000	(2,466,933)
Transferred revaluation surplus on land to retained earnings arising on disposal of land (note 25)	-	-	4,224,000	(3,379,200)	(3,379,200)	844,800
<b>Balance as at 31 December 2018</b>	<u>500,000,000</u>	<u>50,500,000</u>	<u>(886,825,864)</u>	<u>735,120,234</u>	<u>735,120,234</u>	<u>398,794,370</u>
						-
<b>Balance as at 1 January 2019</b>	500,000,000	50,500,000	(886,825,864)	735,120,234	735,120,234	398,794,370
Loss for the year	-	-	(379,290,845)	-	-	(379,290,845)
Other comprehensive income for the year	-	-	(5,198,295)	258,866,144	258,866,144	253,667,849
Total comprehensive income for the year	-	-	(384,489,140)	258,866,144	258,866,144	(125,622,996)
<b>Balance as at 31 December 2019</b>	<u>500,000,000</u>	<u>50,500,000</u>	<u>(1,271,315,004)</u>	<u>993,986,378</u>	<u>993,986,378</u>	<u>273,171,374</u>

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

**Bangkok Post Public Company Limited and its subsidiaries**  
**Consolidated notes to financial statements**  
**For the year ended 31 December 2019**

**1. General information**

**1.1 Corporate information**

Bangkok Post Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the publishing and distribution of newspapers, magazines and books. The registered office of the Company is at 136 Sunthorn Kosa Road, Kwang Klong Toey, Khet Klong Toey, Bangkok.

**1.2 Fundamental accounting assumptions**

The Group has operating loss for a number of consecutive years. As at 31 December 2019 the Group's current liabilities exceeded current assets with significant amount. Moreover, since 15 August 2019, the Company's securities have been posted with “C” (Caution) sign. The Group is moving towards digitization through its continuous business strategic and business model plans and has plan to dispose of its assets as discussed in Note 17 and Note 36. The Group has also received the confirmation for financial support from a major shareholder. The Group has paid loan interest and principal on schedule. Therefore, in late 2019 a financial institution granted the waiver regarding the maintenance of financial ratio the 2019. Management therefore believes that the Group will be able to continue as a going concern. The financial statements have therefore been prepared under the going concern basis which assets and liabilities are recorded on a basis whereby the Group will be able to realize its assets and meet its obligations in the ordinary course of business. However, the Group is in the process to execute the changes in its business strategic and business model plans and to dispose of assets in the future. These events indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.

**2. Basis of preparation**

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

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

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

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Bangkok Post Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2019</u> Percent	<u>2018</u> Percent
<b>Subsidiaries</b>				
Post New Media Company Limited	Investment	Thailand	100	100
Post Holding Company Limited (owned by Post New Media Company Limited)	Investment	Thailand	100	100
Post TV Company Limited (owned by Post Holding Company Limited)	Production of television programs and rent of studio	Thailand	100	100
Post International Media Company Limited	Publishing and distribution of magazines	Thailand	100	100
Post-IM Plus Company Limited (49%-owned by the Company and 51%-owned by Post International Media Company Limited)	Publishing and distribution of magazines	Thailand	100	100
Post News Company Limited <sup>(1)</sup>	Production of television programs	Thailand	51	51
Mushroom Group Company Limited	Production of television programs	Thailand	51	51

<sup>(1)</sup> Post News Company Limited is in the process of liquidation.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, joint venture and associate under the cost method.

### **3. New financial reporting standards**

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

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **TFRS 15 Revenue from Contracts with Customers**

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

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

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

The Group adopted TFRS 15 using the full retrospective method of adoption.

The cumulative effect of the change is described in Note 4.

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

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7                                      Financial Instruments: Disclosures

TFRS 9                                      Financial Instruments

Accounting standard:

TAS 32                                      Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16                                    Hedges of a Net Investment in a Foreign Operation

TFRIC 19                                    Extinguishing Financial Liabilities with Equity Instruments

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

The management of the Group expects the adoption of these accounting standards to result in the recognition of credit losses. The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

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

## **TFRS 16 Leases**

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

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

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

#### **4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard**

As described in Note 3 to the financial statements, during the current year, the Group has adopted TFRS 15 using the full retrospective method of adoption. There is no cumulative effect to shareholders' equity and the statement of changes in shareholders' equity but there is the effect to the presentation of the statements of comprehensive income.

The amounts of the adjustments and reclassifications in the statement of comprehensive income are summarised below:

	(Unit: Million Baht)	
	For the year ended 31 December 2018	
	Increase (decrease)	
	Consolidated	Separate
	financial statements	financial statements
<b>Statement of comprehensive income</b>		
Sales and services income	(1,230)	(787)
Sales income	213	207
Service income	1,008	571
Selling and distribution expenses	(9)	(9)

## 5. Change in accounting policy on recording building from cost method to revaluation method

As at 31 December 2019, the Company reviewed and changed its accounting policy regarding measurement of building, switching from the previously applied cost method to revaluation method, which presents the fair value of building as at appraisal date.

The Company followed Thai Accounting Standard No. 8, which stipulates that the Company is not required to adopt the retrospective application in this change of accounting policy to the previous period's financial statements. Therefore, the prospective method is used.

The effect of the changes on the statement of financial position as at 31 December 2019 and the statement of comprehensive income for the year then ended are as summarised below.

	(Unit: Thousand Baht)
	<u>As at 31 December 2019</u>
<b>Statement of financial position</b>	
Increase in buildings	323,583
Increase in deferred tax liabilities	64,717
Increase in other components of shareholders' equity	258,866

	(Unit: Thousand Baht)
	<u>For the year ended 31 December 2019</u>

### Statement of comprehensive income

Other comprehensive income	
Surplus on revaluation of building - net of income tax expense	258,866

The new accounting policy will have an effect to increase accounting expense by approximately Baht 14 million per year in the future.

## 6. Significant accounting policies

### 6.1 Revenue recognition

#### *Sales of goods*

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

#### *Newspaper subscription income*

Newspaper subscription income is recognised on the time-proportion basis over the subscription period.

#### *Rendering of services*

Service income is recognised at a point in time upon completion of the service.

Advertising service income is recognised when the service has been rendered. The service is generally considered to be rendered when the publication carrying the advertisement is issued or when electronic advertising is viewed.

#### *Interest income*

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

#### *Dividends*

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

### **6.2 Cash and cash equivalents**

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

### **6.3 Trade accounts receivable**

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

### **6.4 Inventories**

Finished goods is valued at the lower of cost (determined on the first-in, first-out method) and net realisable value. Such cost include all production costs which consist of cost of materials, labour and production overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of cost (determined on the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

The Company and the subsidiaries set aside allowance to reduce cost to net realisable value for obsolete and slow-moving inventories.

## 6.5 Investments

- a) Investments in joint ventures and associates are stated for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries, joint ventures and associate are stated for in the separate financial statements using the cost method, net of allowance for impairment loss (if any).
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

## 6.6 Property, plant and equipment and depreciation

Land and buildings are stated at revalued amount. Equipment are stated at cost amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements. When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

Depreciation of buildings and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

Buildings	30 - 50 years
Machinery and equipment	3 to 15 years
Office furniture, equipment and vehicles	3 to 10 years

Depreciation is included in determining income.

No depreciation is provided on land, and machinery and equipment under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

## **6.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## **6.8 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses (if any).

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

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

- a) Customer relationship which has an estimated useful life of 2 to 11 years.
- b) Computer software which has an estimated useful life of 3 to 10 years.
- c) License which has an estimated useful life 5 years.

## **6.9 Goodwill**

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

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

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

## **6.10 Related party transactions**

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

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

## **6.11 Long-term leases**

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

## **6.12 Foreign currencies**

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

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

Gains and losses on exchange are included in determining income.

## **6.13 Impairment of assets**

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

An impairment loss is recognised in profit or loss.

## **6.14 Employee benefits**

### ***Short-term employee benefits***

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

### ***Post-employment benefits and other long-term employee benefits***

#### ***Defined contribution plans***

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

#### ***Defined benefit plans and other long-term employee benefits***

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treat these severance payment obligations as a defined benefit plan. In addition, the Group provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

## **6.15 Provisions**

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

## **6.16 Income tax**

Income tax represents the sum of current tax and deferred tax.

### **Current tax**

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

### **Deferred tax**

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

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

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

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **6.17 Fair value measurement**

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers are necessary between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **7. Significant accounting judgements and estimates**

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

### **Impairment of investments**

The Company treats investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement.

### **Property, plant and equipment/Depreciation**

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

The Company measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the comparative approach for land and buildings. The valuation involves certain assumptions and estimates as described in Note 17.

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

## Goodwill and intangible assets from business combination

The initial recognition and measurement of goodwill and intangible assets from business combination and subsequent impairment testing require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

## Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## 8. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Purchase of goods	-	-	5	9	Market price
Rental income	-	-	10	11	Market price
Advertising income	-	-	-	2	Market price
Management income	-	-	6	7	Contract price
<u>Transactions with joint venture</u>					
Purchase of goods	1	4	1	4	Market price
Management income	4	9	2	4	Contract price
Rental income	-	1	-	-	Market price
Advertising income	-	1	-	1	Market price

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b><u>Trade and other receivables - related parties (Note 10)</u></b>				
Subsidiaries	-	-	70,700	51,085
Joint venture	712	2,487	2	1,211
Less: Allowance for doubtful accounts	-	-	(67,603)	(48,199)
<b>Total trade and other receivables - related parties</b>	<b><u>712</u></b>	<b><u>2,487</u></b>	<b><u>3,099</u></b>	<b><u>4,097</u></b>
<b><u>Trade and other payables - related parties (Note 21)</u></b>				
Subsidiaries	-	-	1,602	2,940
Joint venture	1,609	2,964	22	1,871
<b>Total trade and other payables - related parties</b>	<b><u>1,609</u></b>	<b><u>2,964</u></b>	<b><u>1,624</u></b>	<b><u>4,811</u></b>

**Short-term loans to related parties and short-term loans from director**

As at 31 December 2019 and 2018, the balance of short-term loans and short-term loans from director between the Company and those related parties and the movement are as follows:

		(Unit: Thousand Baht)		
		Separate financial statements		
		Increase		
		Balance as at	(decrease)	Balance as at
Loans to related parties	Related by	31 December 2018	during the year	31 December 2019
Post International Media Co., Ltd.	Subsidiary	61,000	5,000	66,000
Post News Co., Ltd	Subsidiary	6,120	-	6,120
Post TV Co., Ltd.	Subsidiary	338,659	(6,000)	332,659
		<u>405,779</u>	<u>(1,000)</u>	<u>404,779</u>
Less: Allowance for doubtful accounts		(339,102)	323	(338,779)
<b>Total</b>		<b><u>66,677</u></b>	<b><u>(677)</u></b>	<b><u>66,000</u></b>

Post International Media Company Limited received a loan of Baht 66 million from the Company. The loan is repayable on demand and carries interest at the rate of 6 percent per annum.

Post News Company Limited received a loan of Baht 6 million from the Company. The loan is repayable on demand and carries interest at the rate with reference to Minimum Loan Rate a commercial bank charges to its prime customers.

Post TV Company Limited received a loan of Baht 333 million from the Company. The loan is repayable on demand and carries interest at the rate of 6 percent per annum.

During the year, the Group received short-term unsecured loans from director amounting to Baht 161 million (Separate financial statements: Baht 146 million) which carries interest at the rate of 5.25 percent per annum. The principal is due at call.

(Unit: Thousand Baht)

		Consolidated financial statements		
		Balance as at	Increase	Balance as at
Loans from related party	Related by	31 December 2018	during the period	31 December 2019
Director	Directorship	-	161,000	161,000

(Unit: Thousand Baht)

		Separate financial statements		
		Balance as at	Increase	Balance as at
Loans from related party	Related by	31 December 2018	during the period	31 December 2019
Director	Directorship	-	146,000	146,000

#### Directors and management's benefits

During the year ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	33	42	15	19
Post-employment benefits	-	2	1	-
Total	33	44	16	19

#### **9. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	-	4	-	4
Bank deposits	5,664	8,776	4,639	6,959
Total	5,664	8,780	4,639	6,963

As at 31 December 2019, bank deposits in savings accounts and fixed deposits carried interest at the rates between 0.10 and 0.75 percent per annum (2018: between 0.10 and 1.0 percent per annum).

## 10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	31	17	2	132
Past due				
Up to 3 months	670	35	109	-
6 - 12 months	11	578	356	578
Total trade receivables - related parties	<u>712</u>	<u>630</u>	<u>467</u>	<u>710</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	40,981	141,770	17,555	68,174
Past due				
Up to 3 months	107,193	115,929	56,945	84,159
3 - 6 months	13,166	10,731	9,600	8,709
6 - 12 months	7,319	21,019	5,249	3,390
Over 12 months	34,694	34,983	11,059	15,372
Total	203,353	324,432	100,408	179,804
Less: Allowance for doubtful debts	(20,234)	(18,135)	(11,477)	(15,083)
Allowance for sales returns	(1,176)	(2,296)	(1,176)	(2,296)
Total trade receivables - unrelated parties, net	<u>181,943</u>	<u>304,001</u>	<u>87,755</u>	<u>162,425</u>
Total trade receivables - net	<u>182,655</u>	<u>304,631</u>	<u>88,222</u>	<u>163,135</u>
<u>Other receivables</u>				
Unbilled revenue	54,009	81,511	3,264	10,820
Amounts due from related parties	-	1,857	70,235	51,586
Less: Allowance for doubtful debts	(17,887)	-	(67,603)	(48,199)
Total other receivables - net	<u>36,122</u>	<u>83,368</u>	<u>5,896</u>	<u>14,207</u>
Trade and other receivables - net	<u>218,777</u>	<u>387,999</u>	<u>94,118</u>	<u>177,342</u>

## 11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	48,728	57,909	(46,126)	(46,676)	2,602	11,233
Raw materials	2,954	14,579	(878)	(1,739)	2,076	12,840
Others	27,132	46,511	(18,743)	(726)	8,389	45,785
Total	78,814	118,999	(65,747)	(49,141)	13,067	69,858

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	29,026	35,826	(27,521)	(31,191)	1,505	4,635
Raw materials	2,954	14,579	(878)	(1,739)	2,076	12,840
Others	15,818	16,575	(15,818)	(466)	-	16,109
Total	47,798	66,980	(44,217)	(33,396)	3,581	33,584

During the current year, the Company reduced cost of inventories by Baht 27 million (2018: Baht 6 million) (The Company only: Baht 19 million and 2018: Baht 5 million), to reflect the net realisable value. This was included in cost of sales and services. In addition, the Company reversed the write-down of cost of inventories by Baht 10 million (2018: Baht 7 million) (The Company only: Baht 8 million and 2018: Baht 6 million), and reduced the amount of inventories recognised as expenses during the year.

## 12. Withholding tax deducted at sources

As at 31 December 2019, the Group had withholding tax deducted at sources for the year 2014 - 2019 and claim for refund from the Revenue Department had already been made for withholding tax deducted at sources for the year 2014 - 2018 and most of them are being reviewed by the Revenue Department. The management believes that the Group has all supporting document for this withholding tax and all withholding tax will be refunded in full amount.

### 13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in the Company's separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Allowance for loss from investments		Investment in subsidiaries - net	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)						
Post-IM Plus Company Limited	50,000	50,000	49	49	2	2	-	-	2	2
(Another 51% owned by Post International Media Company Limited)										
Post International Media Company Limited	25,000	25,000	100	100	100,890	100,890	(90,252)	(9,275)	10,638	91,615
Post News Company Limited	10,000	10,000	51	51	5,100	5,100	(5,100)	(5,100)	-	-
Mushroom Group Company Limited	80,000	80,000	51	51	178,690	178,690	(174,190)	(63,834)	4,500	114,856
Post New Media Company Limited	25,000	25,000	100	100	25,000	25,000	(25,000)	(25,000)	-	-
Total					309,682	309,682	(294,542)	(103,209)	15,140	206,473

### 13.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year	
	2019	2018	2019	2018	2019	2018
	(%)	(%)				
Mushroom Group Company Limited	49	49	61	60	(49)	-

13.3 Summarised financial information that based on amounts before inter-company elimination of the subsidiary that has material non-controlling.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the year ended		Profit (loss) for the year ended	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Mushroom Group Company Limited	80	80	102	218	75	115	124	230	(76)	11

## 14. Investments in joint venture

### 14.1 Details of investment in joint venture:

Investments in joint venture represented investments in entities which are jointly controlled by a subsidiary and other company. Detail of this investment is as follows:

(Unit: Thousand Baht)

Joint ventures	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method - net	
		<u>2019</u> (%)	<u>2018</u> (%)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Bangkok Post - Bauer Media Co., Ltd.	Publishing and distribution of magazines	70	70	11,500	11,500	7,481	10,116
Less: Allowance for loss from investment				(4,019)	-	-	-
Net				<u>7,481</u>	<u>11,500</u>	<u>7,481</u>	<u>10,116</u>

### 14.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in the joint venture and dividend income in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint venture	Share of loss from investments in joint venture during the year		Dividend received during the year	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Bangkok Post - Bauer Media Co., Ltd.	(2,635)	(366)	-	6,326

### 14.3 Summarised financial information of material joint venture

Summarised information about financial position:

(Unit: Million Baht)

Joint venture	Paid-up capital		Total assets		Total liabilities		Total revenues for the year ended		Loss for the year ended	
	as at		as at		as at		ended		year ended	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Bangkok Post - Bauer Media Co., Ltd.	16	16	10	25	2	11	13	47	(6)	(1)

## 15. Investment in associate

### 15.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding		Carrying amounts based on			
			percentage		Cost		equity method - net	
			<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(%)	(%)				
Flash News Company Limited	Production of radio programs	Thailand	40	40	10,000	10,000	2,704	2,704
	Less: Allowance for loss from investment				(10,000)	(10,000)	(2,704)	(2,704)
	Net				-	-	-	-

### 15.2 Summarised financial information of associate

Financial information of the associate is summarised below:

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit for the	
	as at		as at		as at		for the year		year ended	
	31 December		31 December		31 December		ended		31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Flash News Company Limited	25	25	3	3	-	-	-	-	-	-

## 16. Other long-term investment

Other long-term investment represents investment in ordinary shares of the following company:

(Unit: Thousand Baht)

	Paid up Capital	Shareholding percentage	Cost	
			2019	2018
Singapore Press Holdings Limited	27,393,300	(%)	16	16
Less: Allowance for loss from investments			(16)	(16)
			-	-

## 17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Revaluation basis		Cost basis			
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	Total
<b>Cost/Revalued amount:</b>						
1 January 2018	923,800	859,916	960,396	419,365	1,165	3,164,642
Additions	-	-	12	2,611	2,583	5,206
Disposals	(4,800)	(2,191)	(9,854)	(4,087)	-	(20,932)
Transfers	-	-	3,748	-	(3,748)	-
Revaluations	201,400	-	-	-	-	201,400
31 December 2018	1,120,400	857,725	954,302	417,889	-	3,350,316
Additions	-	-	86	1,550	-	1,636
Disposals	-	(3,916)	(7,729)	(7,060)	-	(18,705)
Transfers	-	-	(278)	278	-	-
Revaluations	-	323,583	-	-	-	323,583
31 December 2019	1,120,400	1,177,392	946,381	412,657	-	3,656,830
<b>Accumulated depreciation:</b>						
1 January 2018	-	731,502	743,769	312,191	-	1,787,462
Depreciation for the year	-	13,735	49,442	27,861	-	91,038
Accumulated depreciation on disposals	-	(2,191)	(9,755)	(3,987)	-	(15,933)
31 December 2018	-	743,046	783,456	336,065	-	1,862,567
Depreciation for the year	-	13,702	37,702	24,174	-	75,578
Depreciation on disposals	-	(2,456)	(7,729)	(6,524)	-	(16,709)
31 December 2019	-	754,292	813,429	353,715	-	1,921,436
<b>Allowance for impairment loss:</b>						
31 December 2018	-	-	-	37,333	-	37,333
Increase during the year	-	-	78,678	9,737	-	88,415
31 December 2019	-	-	78,678	47,070	-	125,748
<b>Net book value:</b>						
31 December 2018	1,120,400	114,679	170,846	44,491	-	1,450,416
31 December 2019	1,120,400	423,100	54,274	11,872	-	1,609,646
<b>Depreciation for the year</b>						
2018 (Baht 69 million included in cost of sales and services, and the balance in selling and distribution and administrative expenses)						91,038
2019 (Baht 57 million included in cost of sales and services, and the balance in selling and distribution and administrative expenses)						75,578

(Unit: Thousand Baht)

	Separate financial statements					Total
	Revaluation basis		Cost basis			
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	
<b>Cost/Revalued amount:</b>						
1 January 2018	923,800	859,916	960,396	256,706	1,165	3,001,983
Additions	-	-	12	1,079	2,583	3,674
Disposals	(4,800)	(2,191)	(9,854)	(4,310)	-	(21,155)
Transfers	-	-	3,748	-	(3,748)	-
Revaluations	201,400	-	-	-	-	201,400
31 December 2018	1,120,400	857,725	954,302	253,475	-	3,185,902
Additions	-	-	86	960	-	1,046
Disposals	-	(3,916)	(7,729)	(5,813)	-	(17,458)
Transfers	-	-	(278)	278	-	-
Revaluations	-	323,583	-	-	-	323,583
31 December 2019	1,120,400	1,177,392	946,381	248,900	-	3,493,073
<b>Accumulated depreciation:</b>						
1 January 2018	-	731,502	743,770	204,716	-	1,679,988
Depreciation for the year	-	13,735	49,441	22,421	-	85,597
Depreciation on disposals	-	(2,191)	(9,755)	(4,279)	-	(16,225)
31 December 2018	-	743,046	783,456	222,858	-	1,749,360
Depreciation for the year	-	13,702	37,702	19,482	-	70,886
Accumulated depreciation on disposals	-	(2,456)	(7,729)	(5,404)	-	(15,589)
31 December 2019	-	754,292	813,429	236,936	-	1,804,657
<b>Allowance for impairment loss:</b>						
31 December 2018	-	-	-	-	-	-
Increase during the year	-	-	78,678	-	-	78,678
31 December 2019	-	-	78,678	-	-	78,678
<b>Net book value:</b>						
31 December 2018	1,120,400	114,679	170,846	30,617	-	1,436,542
31 December 2019	1,120,400	423,100	54,274	11,964	-	1,609,738
<b>Depreciation for the year</b>						
2018 (Baht 69 million included in cost of sales and services, and the balance in selling and distribution and administrative expenses)						85,597
2019 (Baht 56 million included in cost of sales and services, and the balance in selling and distribution and administrative expenses)						70,886

The Group arranged for an independent professional valuer to apprise the value of certain assets in 2019 on an assets-by-assets basis. The basis of the revaluation was as follows:

- Land was revalued using the Comparative Method.
- Building was revalued using the Depreciated Replacement Cost Method.

Unobservable valuation inputs used in land valuation are summarised below:

	Consolidated <u>financial statements</u>	Separate <u>financial statements</u>
Price per square wah (Baht)	33,750 - 300,000	33,750 - 300,000

Unobservable valuation inputs used in buildings valuation are summarised below:

	Consolidated <u>financial statements</u>	Separate <u>financial statements</u>
Price per square metre (Baht)	700 - 32,000	700 - 32,000
Remaining of depreciation (Year)	17 - 24	17 - 24

A significant increase (decrease) in the estimated price per square wah of the land and price per square metre of the buildings subject to the revaluation would result in a significant increase (decrease) in the value of the land and building.

Should the land and buildings had been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2019 would have been as follows:

	(Unit: Thousand Baht) Consolidated/Separate <u>financial statements</u>
Land	201,500
Buildings	99,517

As at 31 December 2019, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 562 million (2018: Baht 479 million) (Separate financial statement: Baht 449 million, 2018: Baht 433 million).

The Company mortgaged its land with structure with net book value of Baht 368 million (2018: Baht 374 million) for credit facilities received from bank.

The Board of Directors Meeting No. 5/2019 of the Company, convened on 13 December 2019, passed a resolution to approve the Company to enter into the disposition of assets and connected transaction of (1) Printing plant and Distribution Center (Bangna) consist of land and building, printing machine and equipment, and (2) Office building (Klong Toey) consist of land and building, and passed a resolution to approve the Company to enter into the acquisition of assets of (3) leaseback of office building (Klong Toey) with reasonable rental and service rates. The Company will propose such resolutions to seek approval from the General Meeting of Shareholders.

## 18. Goodwill

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	94,851	94,851
Less: Allowance for impairment of goodwill	(62,680)	-
Net book value at end of year	<u>32,171</u>	<u>94,851</u>

The Company considered goodwill acquired through business combinations for annual impairment testing as follows:

(Unit: Thousand Baht)

	CGU 1	CGU 2	Total
	(Post International Media Co., Ltd.)	(Mushroom Group Co., Ltd.)	
Net book value at beginning of year	53,769	41,082	94,851
Less: Allowance for impairment of goodwill	(21,598)	(41,082)	(62,680)
Net book value at end of year	<u>32,171</u>	<u>-</u>	<u>32,171</u>

The recoverable amount of the CGUs have been determined based on value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period.

Key assumptions used in value in use calculation are summarised below:

(Unit: percent per annum)

	CGU 1 (Post International Media Co., Ltd.)	CGU 2 (Mushroom Group Co., Ltd.)
	Growth rate	-
Discount rate before tax	13	13

The management determined growth rates based on expected market growth rate and discount rates is the pre-tax rate that reflects the risks specific to each CGU.

## 19. Intangible assets

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

	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Customer relationship	License	Computer software	Total	Computer software	Total
<b>Cost:</b>						
1 January 2018	71,395	7,200	345,096	423,691	297,439	297,439
Additions	-	-	231	231	39	39
31 December 2018	71,395	7,200	345,327	423,922	297,478	297,478
Additions	-	-	669	669	669	669
Write off	-	-	(5)	(5)	(5)	(5)
31 December 2019	71,395	7,200	345,991	424,586	298,142	298,142
<b>Accumulated amortization:</b>						
1 January 2018	34,800	481	260,714	295,995	234,562	234,562
Amortisation during the year	12,410	1,440	14,016	27,866	12,668	12,668
31 December 2018	47,210	1,921	274,730	323,861	247,230	247,230
Amortisation during the year	4,568	1,438	13,358	19,364	12,048	12,048
Accumulated amortisation on disposal	-	-	(5)	(5)	(5)	(5)
31 December 2019	51,778	3,359	288,083	343,220	259,273	259,273
<b>Allowance for impairment loss:</b>						
31 December 2018	-	-	13,612	13,612	314	314
Increase during the year	19,617	3,841	202	23,660	-	-
31 December 2019	19,617	3,841	13,814	37,272	314	314
<b>Net book value</b>						
31 December 2018	24,185	5,279	56,985	86,449	49,934	49,934
31 December 2019	-	-	44,094	44,094	38,555	38,555

As at 31 December 2019, the Group had certain items of computer software which were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation and allowance for impairment loss of those assets amounted to approximately Baht 219 million (2018: Baht 196 million) (Separate financial statements: Baht 184 million, 2018: Baht 184 million).

## 20. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Bank overdrafts	MOR	74,785	51,176	31,535	3,719
Short-term loans from financial institutions	MMR	907,000	885,000	894,000	870,000
Total		981,785	936,176	925,535	873,719

## 21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Trade payables - related parties	-	1,871	1,565	4,792
Trade payables - unrelated parties	44,685	100,175	11,821	35,126
Amount due to related parties	1,609	1,093	59	19
Accrued expenses	45,293	66,644	28,216	43,796
Other payables	32,468	28,607	31,861	27,832
Total trade and other payables	124,055	198,390	73,522	111,565

## 22. Short-term loans from non-controlling interests of the subsidiary

As at 31 December 2019, a subsidiary had a short-term Baht loans from its shareholders who have non-controlling interests amounted to Baht 5.9 million (31 December 2018: Baht 5.9 million). The loans carry interest at the rates with reference to Minimum Loan Rate a commercial bank charges to its prime customers, and repayable on demand.

## 23. Long-term loans

The balance represents the Company's long-term Baht loans from a local bank, which are summarised below.

Loan	Interest rate (%)	Repayment schedule	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			2019	2018	2019	2018
1	Fixed rate of 5.50 percent per annum	Quarterly installments commencing September 2017 to December 2022	297,467	357,467	297,467	357,467
2	Fixed rate of 5.25 percent per annum	Quarterly installments commencing January 2018 to July 2020	3,000	7,000	-	-
Total			300,467	364,467	297,467	357,467
Less: Current portion			(99,000)	(64,000)	(96,000)	(60,000)
Long-term loans - net of current portion			201,467	300,467	201,467	297,467

The long-term loan agreements require that the Company maintain a debt-to-equity ratio of not more than 2.25 times. However, in December 2019, the Company had been granted the waiver regarding the maintenance of a debt-to-equity ratio for the 2019 financial statements at a rate higher than that prescribed in the loan agreement with some conditions for 2020. However, in February 2020, the Company received a new waiver letter which superseded the December 2019 waiver letter but still waived the debt to equity ratio over the specified rate in the agreement for 2019 without any conditions.

#### 24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	84,892	85,064	77,422	78,937
Included in profit or loss:				
Current service cost	7,427	4,990	6,749	3,734
Interest cost	1,242	1,033	1,091	946
Past service cost	11,476	-	10,373	-
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Demographic assumptions changes	20,069	-	17,689	-
Financial assumptions changes	378	-	3,402	-
Experience adjustments	(15,068)	-	(14,593)	-
Benefits paid during the year	(10,877)	(6,195)	(10,773)	(6,195)
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	<u>99,539</u>	<u>84,892</u>	<u>91,360</u>	<u>77,422</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cost of sales and services	(1,469)	4,387	(1,318)	3,620
Selling and distribution and administrative expenses	21,614	1,636	19,531	1,060
<b>Total expense recognised in profit or loss</b>	<u>20,145</u>	<u>6,023</u>	<u>18,213</u>	<u>4,680</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 11 million (Separate financial statement: Baht 10 million) as a result. The Group reflect the effect of the change by recognising past service costs as expenses in the income statement of the current period.

The Group expect to pay Baht 13 million of long-term employee benefits over the next year (Separate financial statements: Baht 13 million) (2018: Baht 9 million, separate financial statements: Baht 9 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefits is between 4.3 and 22.9 years (Separate financial statements: between 4.3 and 7.4 years) (31 December 2018: between 7.3 and 21.2 years, separate financial statements: 7.3 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Discount rate	1.3 - 1.4	1.1 - 3.2	1.3 - 2.1	1.1 - 3.2
Salary increase rate	0.0 - 6.0	3.0 - 5.0	-	3.0
Turnover rate (depending on age of employees)	1.9 - 51.6	0 - 41.5	10.5 - 51.6	4.2 - 41.5

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2)	2	(2)	2
Salary increase rate	4	(1)	2	-
Turnover rate	(9)	11	(8)	9

(Unit: Million Baht)

As at 31 December 2018

	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(4)	5	(3)	3
Salary increase rate	4	(3)	3	(2)
Turnover rate	(6)	5	(5)	5

## 25. Surplus on revaluation of assets

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	<u>2019</u>	<u>2018</u>
Balance - beginning of the year	735,120	577,379
Revaluation	323,583	201,400
Transferred to retained earnings arising on disposal of land	-	(4,224)
Less: Income tax effect	(64,717)	(39,435)
Balance - end of the year	<u>993,986</u>	<u>735,120</u>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

## 26. Statutory reserve

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

## 27. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Salaries and wages and other employee benefits	496	549	392	421
Loss on impairment of machine, equipment and spare part expenses	104	-	94	-
Depreciation and amortisation	95	119	83	98
Raw materials and consumables used	70	128	59	111
Loss on impairment of goodwill	63	-	-	-
Changes in inventories of finished goods and work in progress	28	29	7	(6)
Loss on impairment of intangible assets	24	-	-	-
Travelling expenses	21	37	16	32
Allowance for doubtful debts	20	(2)	16	(1)
Advertising expenses	17	21	13	16
News service expenses	16	20	16	20
Loss on impairment of investments in subsidiaries	-	-	191	-

## 28. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Current income tax charge	-	(2,745)	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	179,903	(6,441)	166,623	(7,672)
<b>Income tax income (expense) reported in the statement of comprehensive income</b>	<u>179,903</u>	<u>(9,186)</u>	<u>166,623</u>	<u>(7,672)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax from revaluation of assets	(64,717)	(40,280)	(64,717)	(40,280)
Deferred tax on actuarial loss	1,076	-	1,300	-
	<u>(63,641)</u>	<u>(40,280)</u>	<u>(63,417)</u>	<u>(40,280)</u>

The reconciliation between accounting loss and income tax expense is shown below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting loss before tax	<u>(539,115)</u>	<u>(158,390)</u>	<u>(545,914)</u>	<u>(155,914)</u>
Applicable tax rate	<u>20%</u>	<u>20%</u>	<u>20%</u>	<u>20%</u>
Accounting loss before tax multiplied by income tax rate	(107,823)	(31,678)	(109,183)	(31,183)
Adjustment in respect of deferred tax assets of previous year	(89,996)	13,971	(96,596)	11,821
Tax losses for the year that have not been recognised as deferred tax assets	10,493	26,539	-	23,193
Tax effect of an allowance for diminution in value of loans to and investment in subsidiary, not recognised as deferred tax assets	-	-	38,201	3,747
Effects of:				
Non-deductible expenses	8,437	851	955	128
Additional expense deductions allowed	-	(34)	-	(34)
Share of profit (loss) from joint ventures	-	73	-	-
Others	<u>(1,014)</u>	<u>(536)</u>	<u>-</u>	<u>-</u>
Income tax expense reported in the statement of comprehensive income	<u>(179,903)</u>	<u>9,186</u>	<u>(166,623)</u>	<u>7,672</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Deferred tax assets:</b>				
Allowance for doubtful accounts	7,260	3,224	2,295	3,016
Allowance for sales returns	236	263	236	263
Allowance for diminution in value of inventories	10,566	6,679	8,843	6,679
Allowance for impairment of machinery and equipment	17,659	-	15,712	-
Allowance for impairment of intangible assets	809	-	-	-
Provision for long-term employee benefits	19,908	16,978	18,272	15,484
Unused tax loss	174,026	23,276	158,930	10,945
Others	-	(22)	-	(22)
<b>Total</b>	<u>230,464</u>	<u>50,398</u>	<u>204,288</u>	<u>36,365</u>
<b>Deferred tax liabilities:</b>				
Surplus on revaluation of assets	248,497	183,780	248,497	183,780
Intangible assets from business combination	3,923	4,837	-	-
<b>Total</b>	<u>252,420</u>	<u>188,617</u>	<u>248,497</u>	<u>183,780</u>

As at 31 December 2019, the Company recognised additional deferred tax assets on unused tax loss, taking into consideration the plan to dispose of assets as discussed in Note 17 and Note 36 and it is expected that future taxable profit will be available against the utilization of these tax losses.

As at 31 December 2019, the Group had deductible temporary differences and unused tax losses totaling Baht 329 million (2018: Baht 938 million) (Separate financial statements: None (2018: Baht 510 million)), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of such temporary differences.

Details of expiry date of unused tax loss are summarised as below:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
31 December 2020	257	257	103	103
31 December 2021	189	189	112	112
31 December 2022	263	263	182	182
31 December 2023	162	162	141	141
31 December 2024	328	-	257	-
	<u>1,199</u>	<u>871</u>	<u>795</u>	<u>538</u>

## 29. Loss per share

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

## 30. Segment information

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

For management purposes, the Group are organised into business units based on its products and services and have three reportable segments as follows:

- Publishing and advertising segment
- Production of television programs segment
- Other segments

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

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit (loss) and total assets information regarding the Group's operating segments for the year ended 31 December 2019 and 2018.

(Unit: Million Baht)

	<b>Publishing and advertising segment</b>		<b>Production of television programs segment</b>		<b>Other segments</b>		<b>Total segments</b>		<b>Adjustments and eliminations</b>		<b>Consolidated</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<b>Year ended 31 December</b>											
Revenue from external customers	588	899	124	230	89	92	801	1,221	-	-	801	1,221
Inter-segment revenue	8	14	-	-	-	-	8	14	(8)	(14)	-	-
<b>Segment profit (loss)</b>	(134)	7	(12)	39	54	28	(92)	74	8	11	(84)	85

(Unit: Million Baht)

	<b>Publishing and advertising segment</b>		<b>Production of television programs segment</b>		<b>Other segments</b>		<b>Unallocated</b>		<b>Adjustments and eliminations</b>		<b>Consolidated</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<b>Segment total assets</b>											
	1,983	1,987	190	307	-	11	151	143	(271)	(164)	2,053	2,284

### Geographic information

The Group operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

### Major customers

For the year 2019, the Group have earned revenue from one major customer in the amount of Baht 49 million, arising from sales of the publishing and advertising segment (2018: Baht 59 million derived from one major customer, arising from sales of publishing and advertising segment).

## **31. Provident fund**

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the employees and the Group contributed to the fund monthly at the rates of 4 percent to 8 percent of the basic salary. The fund, which is managed by The Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 15 million (2018: Baht 24 million) were recognised as expenses (Separate financial statements: Baht 13 million (2018: Baht 20 million)).

## **32. Commitments and contingent liabilities**

### **32.1 Service commitments**

The Group has entered into several service agreements in respect of information technology system service and other services. The term of the agreements are generally not over 1 year.

Future minimum service payments required under these non-cancellable service contracts were as follows:

	(Unit: Million Baht)	
	As at 31 December	
	<u>2019</u>	<u>2018</u>
Payable:		
In up to 1 year	21	66
In over 1 up to 5 years	-	1

## 32.2 Long-term service commitments

The subsidiary and joint venture have entered into trademark agreements under which foreign companies granted their permission to use their trademarks. The subsidiary and joint venture are obliged to pay the counterparties service fees, calculated in accordance with the conditions and at rates stipulated in the agreements.

## 32.3 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 14 million (2018: Baht 15 million) issued in the normal course of business of the Group.

## 33. Fair value hierarchy

As of 31 December 2019 and 2018, the Group had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated/ Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Land and buildings	-	-	1,544	1,544

(Unit: Million Baht)

	Consolidated/ Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Land	-	-	1,120	1,120

## 34. Financial instruments

### 34.1 Financial risk management

The Group financial instruments, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other receivables, short-term loans to related parties, trade and other payables, bank overdrafts and short-term loans from financial institutions, short-term loans and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

### **Credit risk**

The Group are exposed to credit risk primarily with respect to trade accounts receivable and short-term and long-term loans to related parties. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses, except for the amount provided by an allowance for doubtful debts. In addition, the Group do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and short-term loans to related parties as stated in the statements of financial position.

### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to their cash at banks, short-term loans to related parties, bank overdrafts and short-term loans from financial institutions, short-term loans and long-term borrowings. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	1	5	6	0.10 - 0.75
Trade and other receivables	-	-	-	219	219	-
	-	-	1	224	225	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	-	982	-	982	MMR, MOR
Trade and other payables	-	-	-	124	124	-
Short-term loans from non-controlling interests of the subsidiary	-	-	6	-	6	Reference to MLR
Short-term loans from director	161	-	-	-	161	5.25
Long-term loans	99	201	-	-	300	5.25 - 5.50
	260	201	988	124	1,573	

(Unit: Million Baht)

## Consolidated financial statements as at 31 December 2018

	Fixed interest rates				Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing		
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	4	5	9	0.10 - 1.0
Trade and other receivables	-	-	-	388	388	-
	-	-	4	393	397	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	-	936	-	936	MMR, MOR
Trade and other payables	-	-	-	198	198	-
Short-term loans from non- controlling interests of the subsidiary	-	-	6	-	6	Reference to MLR
Long-term loans	64	300	-	-	364	5.25 - 5.50
	64	300	942	198	1,504	

(Unit: Million Baht)

## Separate financial statements as at 31 December 2019

	Fixed interest rates				Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing		
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	-	5	5	0.10 - 0.75
Trade and other receivables	-	-	-	94	94	-
Short-term loan to related parties	66	-	-	-	66	5.25 - 7.13
	66	-	-	99	165	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	-	926	-	926	MMR, MOR
Trade and other payables	-	-	-	74	74	-
Short-term loan from director	146	-	-	-	146	5.25
Long-term loans	96	201	-	-	297	5.50
	242	201	926	74	1,443	

## Separate financial statements as at 31 December 2018

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	3	4	7	0.10 - 1.0
Trade and other receivables	-	-	-	177	177	-
Short-term loan to related parties	67	-	-	-	67	5 - 5.5, MLR
	67	-	3	181	251	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	-	874	-	874	MMR, MOR
Trade and other payables	-	-	-	112	112	-
Long-term loans	60	297	-	-	357	5.50
	60	297	874	112	1,343	

**Foreign currency risk**

The Group do not consider themselves exposed to foreign currency risk because the Group have no significant business transactions in foreign currency.

**34.2 Fair values of financial instruments**

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

**35. Capital management**

The primary objective of the Group's capital management is to ensure that they have an appropriate financial structure in order to support their businesses and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 6.65:1 (2018: 4.67:1) (Separate financial statements 6.69:1 (2018: 4.21:1)).

**36. Events after the reporting period**

On 25 February 2020, the meeting of Board of Directors No.1/2020 approved to propose to the Annual General Meeting of shareholder of the Company to consider and approve the entering into the disposition of assets and connected transaction (after the resolution by Board of Directors' Meeting No. 5/2019 as discussed in Note 17) and approved the appropriate price range of the value of assets disposal and set criteria for negotiation with person expected to be a buyer.

**37. Approval of financial statements**

These financial statements were authorised for issue by the Company's authorised directors on 25 February 2020.