The Post Publishing Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2016

Independent Auditor's Report

To the Shareholders of The Post Publishing Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of The Post Publishing Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, 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 The Post Publishing 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 The Post Publishing Public Company Limited and its subsidiaries and of The Post Publishing Public Company Limited as at 31 December 2016, 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 under the Royal Patronage of His Majesty the King 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

As described in Note 1.2 to the financial statements, the Group has operating loss and as at 31 December 2016 the Group's current liabilities exceeded current assets. However, during the year, the Group has proceeded in accordance with the plan to remedy the situation which has resulted in an improvement in its earnings from previous years. In addition, financial institutions agreed to waive compliance with certain covenants in loan agreements and as at 31 December 2016 the Group's total assets exceeded total liabilities and it had positive operating cash flows for the year with significant amount. The management believe that the Group will be able to continue as a going concern and the financial statements have therefore been prepared under the going concern basis. The Group is in the process to execute the changes in its strategic plan and improve its future operations and discussion to obtain continuous financial support from financial creditors. 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 modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current 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 for each matter are described below.

Revenue recognition

The Company has many sources of revenues; e.g. sales of publication, advertising revenue, event revenue and commercial printing 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 the period-end.
- 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.

Business combination

As discussed in Note 12 to the financial statements, in September 2015 the Company invested in Mushroom Television Co. Ltd, which is engaged in the television production and advertising media, amounted Baht 138 million. This transaction is a business combination so the Company has to recognise and measure the assets acquired and liabilities assumed at their fair value and recognise goodwill from the business combination by applying the acquisition method. The measurement of the assets acquired and liabilities assumed, including goodwill has been completed in 2016. I have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise judgement when appraising the fair value of the assets acquired and liabilities assumed, including recognised goodwill.

I reviewed the terms and conditions of the agreement and inquired with management as to the nature and objectives of the acquisition in order to determine whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 (Revised: 2015) Business combinations. In addition, I checked the value of the acquisition to supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred and did not include acquisition-related costs. I also assessed the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by management, by considering the methods and significant assumptions used by management in calculating the fair value of assets and liabilities, reviewing the components of the financial model, comparing significant assumptions with the Company's historical information and industry and related economic information such as interest rate and inflation rate, comparing discount rate with the Company's financial costs and industry. I also tested the calculation of the fair value, assessed the rationale of goodwill recognised from the business combination, and reviewed the disclosures related to the business combination in the notes to financial statements.

Goodwill

As at 31 December 2016, the Company recorded goodwill from business combination amounted Baht 157 million as discussed in Note 17 to the financial statements. The assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgment 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 setting an appropriate discount rate and long-term growth rate. This will affect the appropriate values of goodwill.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of the management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested 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 and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the weighted average costs of the Company and of the industry, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Deferred tax assets

The Company and its subsidiaries recorded deferred tax assets from temporary differences and taxable losses as at 31 December 2016 amounted Baht 89 million (The Company only: Baht 72 million) as discussed in Note 28 to the financial statements. A deferred tax asset is recognised when it is highly probable that the Company's and its subsidiaries taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires management judgement with respect to preparation of business plans and projections of future taxable profit based on approved business plans. This will affect the amount of deferred tax assets.

I made enquiry of responsible executives, gained an understanding of and tested the key related controls over the preparation and approval of the estimates of future taxable profit for the purposes of deferred tax asset recognition. I assessed the estimates of future taxable profit by checking the required information and key economic assumptions used in the projections against information from both internal and external sources, with consideration of information and assumptions that directly affect revenue growth and gross profit margin. Furthermore, I performed comparative analysis based on industry information from external sources, and compared the past projections with actual taxable profits to assess the exercise of management judgment in estimating taxable profits. I also tested the calculation of future taxable profit based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profit, especially in respect of long-term revenue growth. In addition, I reviewed the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets were not recognised by the Company.

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.

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Saifon Inkaew.

Saifon Inkaew
Certified Public Accountant (Thailand) No. 4434

EY Office Limited
Bangkok: 16 February 2017

The Post Publishing Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2016	31 December 2015	31 December 2016	31 December 2015
			(restated)		
Assets					
Current assets					
Cash and cash equivalents	7	69,571,330	79,302,753	47,045,579	14,860,033
Trade and other receivables	8, 9	475,737,813	756,564,205	304,248,347	561,913,689
Inventories	10	54,320,328	82,913,483	51,986,505	77,125,435
Short-term loans to related parties	8	-	-	82,751,310	179,257,000
Corporate income tax deducted at source		75,679,362	66,467,368	50,471,658	53,424,173
Other current assets		47,300,782	69,723,903	18,540,690	32,219,401
Total current assets		722,609,615	1,054,971,712	555,044,089	918,799,731
Non-current assets					
Restricted bank deposits	11	10,375,019	10,233,312	-	-
Investments in subsidiaries	12	-	-	279,582,450	279,582,450
Investment in joint ventures	13	23,057,796	32,919,178	-	-
Investment in associate	14	-	-	-	-
Other long-term investment	15	-	-	-	-
Property, plant and equipment	16	1,424,140,687	1,589,666,798	1,408,062,258	1,504,895,055
Goodwill	17	156,880,812	156,880,812	-	-
Other intangible assets	18	144,562,994	195,614,249	82,963,082	98,781,320
Deferred tax assets	28	89,037,760	64,992,879	71,529,449	53,320,607
Other non-current assets		6,208,833	7,680,184	1,271,321	1,097,701
Total non-current assets		1,854,263,901	2,057,987,412	1,843,408,560	1,937,677,133
Total assets		2,576,873,516	3,112,959,124	2,398,452,649	2,856,476,864

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

The Post Publishing Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
			(restated)		
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	*19*	695,869,095	871,817,382	695,869,095	867,000,000
Trade and other payables	*8, 20*	265,479,328	311,446,924	198,023,535	262,314,545
Short-term loans from non-controlling interests of the subsidiary	*21*	5,880,000	5,880,000	-	-
Current portion of long-term loans	*22*	192,332,400	191,666,000	192,332,400	191,666,000
Current portion of liabilities under hire purchase agreements		-	74,886	-	-
Current portion of liabilities under finance lease agreements	*23*	-	3,424,864	-	3,424,864
Income tax payable		-	2,019,981	-	-
Unearned subscription fee		59,985,887	72,237,390	50,752,241	58,814,213
Other current liabilities		65,714,609	93,944,732	47,151,047	67,464,231
Total current liabilities		1,285,261,319	1,552,512,159	1,184,128,318	1,450,683,853
Non-current liabilities					
Long-term loans, net of current portion	*22*	275,301,100	302,667,500	275,301,100	302,667,500
Deferred tax liabilities	*28*	154,750,644	157,845,849	144,344,859	144,344,859
Provision for long-term employee benefits	*24*	81,660,299	90,096,082	77,557,802	82,841,797
Total non-current liabilities		511,712,043	550,609,431	497,203,761	529,854,156
Total liabilities		1,796,973,362	2,103,121,590	1,681,332,079	1,980,538,009

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

The Post Publishing Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2016	31 December 2015	31 December 2016	31 December 2015
			(restated)		
Shareholders' equity					
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	25	50,500,000	50,500,000	50,500,000	50,500,000
Unappropriated		(407,245,669)	(196,522,900)	(410,758,864)	(251,940,579)
Other components of shareholders' equity		577,379,434	577,379,434	577,379,434	577,379,434
Equity attributable to owners of the Company		720,633,765	931,356,534	717,120,570	875,938,855
Non-controlling interests of the subsidiaries		59,266,389	78,481,000	-	-
Total shareholders' equity		779,900,154	1,009,837,534	717,120,570	875,938,855
Total liabilities and shareholders' equity		2,576,873,516	3,112,959,124	2,398,452,649	2,856,476,864
		-	-	-	-

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

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Directors

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The Post Publishing Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015 (restated)	2016	2015
Profit or loss:					
Revenues					
Sales and service income	*26*	1,803,560,232	2,172,630,902	1,327,235,108	1,698,199,758
Cost of sales and services		(1,496,236,350)	(1,730,303,865)	(1,086,261,027)	(1,326,373,099)
Gross profit		307,323,882	442,327,037	240,974,081	371,826,659
Selling expenses		(241,402,089)	(353,328,988)	(170,248,537)	(261,121,876)
Administrative expenses		(268,556,490)	(338,063,083)	(223,033,714)	(245,973,073)
Loss on impairment of equipment and intangible assets		(44,226,448)	-	-	-
Doubtful debts on loans to subsidiaries		-	-	(56,395,420)	(155,993,000)
Loss from sales and rendering of services		(246,861,145)	(249,065,034)	(208,703,590)	(291,261,290)
Dividend from subsidiary	*12*	-	-	17,850,000	-
Share of profit from investments in joint ventures	*13*	11,009,898	11,296,849	-	-
Other income		50,578,889	27,665,148	66,643,967	59,107,826
Loss before finance cost and income tax expenses		(185,272,358)	(210,103,037)	(124,209,623)	(232,153,464)
Finance cost		(57,301,304)	(42,832,107)	(56,829,252)	(42,397,962)
Loss before income tax expenses		(242,573,662)	(252,935,144)	(181,038,875)	(274,551,426)
Income tax revenues (expenses)	*28*	25,175,813	8,525,621	19,011,192	20,908,199
Loss for the year		(217,397,849)	(244,409,523)	(162,027,683)	(253,643,227)
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain	*24*	5,763,086	-	4,011,748	-
Surplus on revaluation of assets	*16*	-	721,724,293	-	721,724,293
Less: Related income tax effect	*28*	(1,152,617)	(144,344,859)	(802,350)	(144,344,859)
Other comprehensive income for the year		4,610,469	577,379,434	3,209,398	577,379,434
Total comprehensive income for the year		(212,787,380)	332,969,911	(158,818,285)	323,736,207

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

The Post Publishing Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
			(restated)		
Profit attributable to:					
Equity holders of the Company		(215,333,238)	(253,347,991)	(162,027,683)	(253,643,227)
Non-controlling interests of the subsidiaries		(2,064,611)	8,938,468		
		(217,397,849)	(244,409,523)		
Total comprehensive income attributable to:					
Equity holders of the Company		(210,722,769)	324,031,443	(158,818,285)	323,736,207
Non-controlling interests of the subsidiaries		(2,064,611)	8,938,468		
		(212,787,380)	332,969,911		
Earnings per share	29				
Basic earnings per share					
Loss attributable to equity holders of the Company		(0.43)	(0.51)	(0.32)	(0.51)

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

The Post Publishing Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015 (restated)	2016	2015
Cash flows from operating activities				
Loss before tax	(242,573,662)	(252,935,144)	(181,038,875)	(274,551,426)
Adjustments to reconcile loss before tax to				
net cash provided by (paid from) operating activities:				
Allowance for doubtful debts	15,135,687	11,444,462	26,427,258	5,911,884
Allowance for sales returns	3,684,877	3,927,253	3,684,877	3,927,253
Reduction of inventory to net realisable value	9,250,307	771,134	2,764,183	3,698,432
Allowance for diminution in value of loans to subsidiaries	-	-	56,395,420	155,993,000
Dividend received from subsidiary	-	-	(17,850,000)	-
Depreciation and amortisation	180,277,742	172,879,857	130,678,121	135,286,149
Gain on disposal of equipment	(1,659,330)	(740,074)	(1,661,368)	(740,074)
Loss on impairment of equipment and intangible assets	44,226,448	-	-	-
Share of profit from investments in joint ventures	(11,009,898)	(11,296,849)	-	-
Adjustment of contigent consideration	-	8,800,000	-	8,800,000
Provision for long-term employee benefits	4,625,008	7,928,706	6,025,459	6,612,549
Interest expenses	57,301,304	63,247,804	56,829,252	42,397,962
Profit from operating activities before changes				
in operating assets and liabilities	59,258,483	4,027,149	82,254,327	87,335,729
Operating assets (increase) decrease				
Trade and other receivables	262,005,828	(125,367,676)	227,553,207	(36,789,182)
Inventories	19,342,848	1,180,673	22,374,747	2,936,530
Other current assets	22,423,121	1,693,296	13,678,711	477,205
Other non-current assets	1,471,350	4,261,533	(173,620)	898,676
Operating liabilities increase (decrease)				
Trade and other payables	(44,951,541)	(91,371,944)	(63,751,897)	(80,311,690)
Other current liabilities	(40,481,626)	(7,723,446)	(28,375,156)	(13,197,533)
Other non-current liabilities	-	(8,411,673)	-	(8,411,673)
Cash flows from (used in) operating activities	279,068,463	(221,712,088)	253,560,319	(47,061,938)
Cash paid for interest expenses	(56,759,485)	(62,667,610)	(56,297,835)	(40,602,051)
Cash paid for corporate income tax	(43,371,332)	(30,000,839)	(26,069,954)	(25,046,272)
Cash received from refund of				
withholding tax deducted at source	29,022,469	-	29,022,469	-
Cash paid for long-term employee benefits	(7,297,706)	-	(7,297,706)	-
Net cash flows from (used in) operating activities	200,662,409	(314,380,537)	192,917,293	(112,710,261)

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

The Post Publishing Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		(restated)		
Cash flow from investing activities				
Decrease (increase) in short-term loans to related party	-	-	40,110,270	(197,000,000)
Increase in restricted bank deposits	(141,707)	(188,762)	-	-
Dividend received from subsidiary	-	-	17,850,000	-
Net cash paid for investments in subsidiary	-	(147,195,936)	-	(121,000,000)
Cash paid for purchase of additional shares of subsidiary	-	-	-	(40,290,000)
Dividend received from joint venture	18,871,280	10,711,960	-	-
Cash receipt from investments in joint venture	2,000,000	-	-	-
Proceeds from sales of equipment	5,080,101	2,839,284	5,080,101	1,455,370
Cash paid for purchase of equipment	(7,349,819)	(50,428,697)	(17,070,698)	(28,528,947)
Cash paid for purchase of computer software	(5,455,645)	(12,622,243)	(5,356,048)	(5,636,422)
Net cash flows from (used in) investing activities	13,004,210	(196,884,394)	40,613,625	(390,999,999)
Cash flows from financing activities				
Bank overdrafts and short-term loans from financial institutions	(175,948,287)	423,817,382	(171,130,905)	419,000,000
Cash receipt from long-term loans	23,300,000	161,000,000	23,300,000	161,000,000
Repayment of long-term loans	(50,000,000)	(116,666,500)	(50,000,000)	(116,666,500)
Repayment of liabilities under hire purchase agreements	(85,288)	(53,435)	-	-
Repayment of liabilities under finance lease agreements	(3,514,467)	(5,288,613)	(3,514,467)	(5,288,613)
Share capital receipt from non-controlling interests of the subsidiary	-	38,710,000	-	-
Dividend paid	(17,150,000)	-	-	-
Net cash flows from (used in) financing activities	(223,398,042)	501,518,834	(201,345,372)	458,044,887
Net increase (decrease) in cash and cash equivalents	(9,731,423)	(9,746,097)	32,185,546	(45,665,373)
Cash and cash equivalents at beginning of year	79,302,753	89,048,850	14,860,033	60,525,406
Cash and cash equivalents at end of year	69,571,330	79,302,753	47,045,579	14,860,033
	-	-	-	-
Supplemental cash flows information:				
Non-cash item				
Purchase of equipment and computer software for which cash has not been paid	703,580	3,263,424	703,580	2,786,482

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

The Post Publishing Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements							
	Equity attributable to the owners of the Company							
				Other components of equity				
		Retained earnings		Other comprehensive income				
	Ordinary shares - issued and fully paid fully paid	Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of land	Total other components of shareholders' equity	Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2015	500,000,000	50,500,000	56,825,091	-	-	607,325,091	(3,072,024)	604,253,067
Loss for the year - restated	-	-	(253,347,991)	-	-	(253,347,991)	8,938,468	(244,409,523)
Other comprehensive income for the year	-	-	-	577,379,434	577,379,434	577,379,434	-	577,379,434
Total comprehensive income for the year	-	-	(253,347,991)	577,379,434	577,379,434	324,031,443	8,938,468	332,969,911
Increase in equity attributable to non-controlling interests from investments in subsidiary	-	-	-	-	-	-	72,614,556	72,614,556
Balance as at 31 December 2015 - as restated	500,000,000	50,500,000	(196,522,900)	577,379,434	577,379,434	931,356,534	78,481,000	1,009,837,534
								-
Balance as at 31 December 2015 - as previously reported	500,000,000	50,500,000	(194,935,720)	577,379,434	577,379,434	932,943,714	52,019,057	984,962,771
Cumulative effect of adjustment (Note 4)	-	-	(1,587,180)	-	-	(1,587,180)	26,461,943	24,874,763
Balance as at 31 December 2015 - as restated	500,000,000	50,500,000	(196,522,900)	577,379,434	577,379,434	931,356,534	78,481,000	1,009,837,534
Loss for the year	-	-	(215,333,238)	-	-	(215,333,238)	(2,064,611)	(217,397,849)
Other comprehensive income for the year	-	-	4,610,469	-	-	4,610,469	-	4,610,469
Total comprehensive income for the year	-	-	(210,722,769)	-	-	(210,722,769)	(2,064,611)	(212,787,380)
Dividend paid	-	-	-	-	-	-	(17,150,000)	(17,150,000)
Balance as at 31 December 2016	500,000,000	50,500,000	(407,245,669)	577,379,434	577,379,434	720,633,765	59,266,389	779,900,154
								-

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

The Post Publishing Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Separate financial statements					
				Other components of equity		
				Other comprehensive income	Total other	
	Ordinary shares -	Retained earnings		Surplus on	components of	
	issued and	Appropriated -		revaluation of	shareholders'	Total
	fully paid	statutory reserve	Unappropriated	land	equity	shareholders' equity
Balance as at 1 January 2015	500,000,000	50,500,000	1,702,648	-	-	552,202,648
Loss for the year	-	-	(253,643,227)	-	-	(253,643,227)
Other comprehensive income for the year	-	-	-	577,379,434	577,379,434	577,379,434
Total comprehensive income for the year	-	-	(253,643,227)	577,379,434	577,379,434	323,736,207
Balance as at 31 December 2015	500,000,000	50,500,000	(251,940,579)	577,379,434	577,379,434	875,938,855
						-
Balance as at 1 January 2016	500,000,000	50,500,000	(251,940,579)	577,379,434	577,379,434	875,938,855
Loss for the year	-	-	(162,027,683)	-	-	(162,027,683)
Other comprehensive income for the year	-	-	3,209,398	-	-	3,209,398
Total comprehensive income for the year	-	-	(158,818,285)	-	-	(158,818,285)
Balance as at 31 December 2016	500,000,000	50,500,000	(410,758,864)	577,379,434	577,379,434	717,120,570
						-

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

1. General information

1.1 Corporate information

The Post Publishing Public Company Limited ("the Company") is a public company under Thai laws and is domiciled in Thailand. The Company is principally engaged in the publishing and distribution of newspapers, magazines and books and production of television programs. 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 and as at 31 December 2016 the Group's current liabilities exceeded current assets. However, during the year, the Group has proceeded in accordance with its operating, investing and financing plans to remedy the situation, which has resulted in an improvement in its earnings compared to previous years. In addition, the Group has paid loan interest and principal on schedule. Therefore, during 2016 a financial institution granted an extension of loan repayment and in December 2016 the financial institution agreed to waive compliance with certain covenants in loan agreements. The Group is also in the process of discussing to receive the continuous financial support of its financial creditors and as at 31 December 2016 the Company's total assets exceeded total liabilities and it had positive operating cash flows for the year with significant amount. The Group's management believe that the Group will be able to continue as a going concern and will be able to operate in accordance with amended strategic plans, improve its future operations and obtain continuous financial support from financial creditors. Therefore, the financial statements have been prepared under the going concern basis, with 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.

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 28 September 2011, 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 The Post Publishing Public Company Limited ("the Company") and the following subsidiaries:

Company's name	Nature of business	Percentage of shareholding		Country of incorporation
		2016	2015	
		Percent	Percent	
Subsidiaries				
Post TV Company Limited (owned by Post Holding Company Limited)	Production of television programs	100	100	Thailand
Post International Media Company Limited	Publishing and distribution of magazines	100	100	Thailand
Post-IM Plus Company Limited (49%-owned by the Company and 51%-owned by Post International Media Company Limited)	Publishing and distribution of magazines	100	100	Thailand
Post New Media Company Limited	Investment	100	100	Thailand
Post Holding Company Limited (owned by Post New Media Company Limited)	Investment	100	100	Thailand
Post News Company Limited	Production of television programs	51	51	Thailand
Mushroom Television Company Limited	Production of television programs	51	51	Thailand

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 as from the date of acquisition, being 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 Company and its subsidiaries 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 ventures and associates under the cost method.

3. New financial reporting standards

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

4. Cumulative effects of adjustment for business combination transactions during the measurement period

During 2016, the Company has completed the assessment of the fair value of identifiable assets acquired and liabilities assumed at the acquisition date of Mushroom Television Company Limited. The assessment process has been completed within the period of twelve months from the acquisition date as allowed by Thai Financial Reporting Standard 3 (revised 2015), *Business Combinations*. The Company has restated the consolidated financial statements, as presented herein for comparative purposes, to reflect the provisional fair value.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Million Baht)

	As at 31 December 2015	
	Consolidated financial statements	Separate financial statements
Statements of financial position:		
Decrease in unallocated cost from business acquisition	(132)	-
Increase in goodwill	103	-
Increase in intangible assets	67	-
Increase in total non-current assets	*38*	-
Increase in deferred tax liabilities	13	-
Increase in total non-current liabilities	*13*	-
Decrease in retained earnings – unappropriated	(1)	-
Increase in non-controlling interests of the subsidiary	26	-
Increase in total shareholders' equity	*25*	-

(Unit: Million Baht)

	For the year ended 31 December 2015	
	Consolidated financial statements	Separate financial statements
Statements of comprehensive income		
Profit or loss:		
Increase in administrative expenses	(4)	-
Increase in Income tax revenues (expenses)	1	-
Increase in loss for the year	(3)	-
Earnings per share (Baht)		
Decrease in basic earnings per share	(0.01)	-

The adjustment does not have any impact on the statements of financial position as at 1 January 2015. Therefore, it is not necessary to disclose the amount of the correction at the beginning of the earliest prior period presented.

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Newspaper subscription income

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

Rendering of services

Service income is recognised when services have been rendered taking into account the stage of completion.

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.

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.

5.2 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.

5.3 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.

5.4 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 its subsidiaries set aside allowance to reduce cost to net realisable value for obsolete and slow-moving inventories.

5.5 Investments

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

b) Investments in subsidiaries, joint ventures and associate are accounted for in the separate financial statements using the cost method.

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).

5.6 Property, plant and equipment and depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment loss of the assets (if any).

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

Buildings	20	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 for 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.

5.7 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use 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.

5.8 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and allowance for impairment losses of the assets.

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.

No amortisation is provided for computer software under installation.

5.9 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.

5.10 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

The Company and its subsidiaries 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 Company and its subsidiaries 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 Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.11 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.

5.12 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period, if the Company expects not to purchase such assets at the end of the lease period.

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.

5.13 Foreign currencies

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

5.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform 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. 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.

An impairment loss is recognised in profit or loss.

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

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries 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 post-employment benefits are recognised immediately in other comprehensive income.

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

5.16 Provisions

Provisions are recognised when the Company and its subsidiaries 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.

5.17 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 Company and its subsidiaries 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 Company and its subsidiaries 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 Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgments 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:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, debt collection experience, aging profile of outstanding debts and the prevailing economic condition.

Allowance for sales return

In determining an allowance for sales return, the management needs to make judgment and estimates based upon past experience and prevailing market condition.

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

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land. The valuation involves certain assumptions and estimates as described in Note 16.

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

The initial recognition and measurement of goodwill 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.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

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

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015 (restated)	2016	2015
Cash	1,484	48	48	48
Bank deposits	68,087	79,255	46,998	14,812
Total	69,571	79,303	47,046	14,860

As at 31 December 2016, bank deposits in savings accounts and fixed deposits carried interest at the rates between 0.3 and 1.05 percent per annum (2015: between 0.1 and 1.75 percent per annum).

8. Related party transactions

During the years, the Company and its subsidiaries 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 financial statements		Separate financial statements		Transfer Pricing Policy
	2016	2015	2016	2015	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Purchase of goods	-	-	24	33	Market price
Purchase of equipment	-	-	15	-	Contract price
Rental income	-	-	12	22	Market price
Advertising income	-	-	7	1	Market price
Interest income	-	-	22	18	Rates between 5 to 7.125 percent per annum
Service expenses of television production	-	-	13	19	Contract price
Transactions with joint venture					
Purchase of goods	7	12	7	12	Market price
Management income	7	7	-	-	Contract price

The balances of the accounts as at 31 December 2016 and 2015 between the Company and those related companies are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	22,478	9,538
Joint venture	1,272	837	12	74
Less: Allowance for doubtful accounts	-	-	(14,443)	(533)
Total trade and other receivables - related parties	1,272	837	8,047	9,079
Trade and other payables - related parties (Note 20)				
Subsidiaries	-	-	13,271	21,842
Joint venture	2,970	4,219	2,692	4,056
Subsidiary's directors	-	26,200	-	26,200
Total trade and other payables - related parties	2,970	30,419	15,963	52,098

Short-term loans to related parties

As at 31 December 2016 and 2015, the balance of short-term loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements		
Loans to	Related by	Balance as at 31 December 2015	Increase (decrease) during the year	Balance as at 31 December 2016
Post International Media Co., Ltd.	Subsidiary	92,000	(48,000)	44,000
Post News Co., Ltd	Subsidiary	6,120	-	6,120
Post TV Co., Ltd.	Subsidiary	337,000	7,890	344,890
		435,120	(40,110)	395,010
Less: Allowance for doubtful accounts		(255,863)	(56,396)	(312,259)
Total		179,257	(96,506)	82,751

Post TV Company Limited received a loan of Baht 345 million from the Company. The loan is repayable on demand and carries interest at the rate of 5 percent per annum.

Post International Media Company Limited received a loan of Baht 44 million from the Company. The loan is repayable on demand and carries interest at the rate of 5 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.

Directors and management's benefits

During the year ended 31 December 2016 and 2015, the Company and its subsidiaries incurred employee benefit expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	70	90	34	51
Post-employment benefits	1	1	-	1
Total	71	91	34	52

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	628	60	6,117	107
Past due				
Up to 3 months	-	-	-	111
Total trade receivables - related parties	628	60	6,117	218
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	200,460	239,385	128,333	150,645
Past due				
Up to 3 months	183,466	379,904	136,258	284,177
3 - 6 months	27,312	76,484	18,423	62,671
6 - 12 months	27,927	50,977	11,616	47,028
Over 12 months	29,148	29,577	23,449	18,684
Total	468,313	776,327	318,079	563,205
Less : Allowance for doubtful debts	(22,609)	(25,457)	(18,141)	(11,365)
Allowance for sales returns	(14,693)	(11,009)	(14,693)	(11,009)
Total trade receivables - unrelated parties, net	431,011	739,861	285,245	540,831
Total trade receivables - net	431,639	739,921	291,362	541,049
Other receivables				
Unbilled Revenue	43,455	15,866	10,956	12,004
Amounts due from related parties - net	644	777	16,373	9,394
Less : Allowance for doubtful debts	-	-	(14,443)	(533)
Total other receivables	44,099	16,643	12,886	20,865
Trade and other receivables - net	475,738	756,564	304,248	561,914

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Allowance to reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	60,093	58,686	(43,199)	(38,483)	16,894	20,203
Raw materials	37,172	52,760	(2,922)	(1,333)	34,250	51,427
Raw materials in transit	-	30	-	-	-	30
Others	7,327	12,458	(4,151)	(1,205)	3,176	11,253
Total	104,592	123,934	(50,272)	(41,021)	54,320	82,913

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Allowance to reduce cost to net realisable value		Inventories – net	
	2016	2015	2016	2015	2016	2015
Finished goods	41,154	46,420	(24,267)	(26,037)	16,887	20,383
Raw materials	37,172	52,760	(2,922)	(1,333)	34,250	51,427
Raw materials in transit	-	30	-	-	-	30
Others	5,001	6,490	(4,151)	(1,205)	850	5,285
Total	83,327	105,700	(31,340)	(28,575)	51,987	77,125

11. Restricted bank deposits

These represent a subsidiary's fixed deposits pledged with the banks to secure credit facilities.

12. Investments in subsidiaries

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

(Unit: Thousand Baht)

	Separate financial statements							
Company's name	Paid-up capital		Shareholding percentage		Carrying amount based on cost method		Dividend received during	
	2016	2015	2016 (%)	2015 (%)	2016	2015	2016	2015
Post-IM Plus Company Limited (Another 51% owned by Post International Media Company Limited)	50,000	50,000	49	49	2	2	-	-
Post International Media Company Limited	25,000	25,000	100	100	100,890	100,890	-	-
Post News Company Limited	10,000	10,000	51	51	51,00	5,100	-	-
Mushroom Television Company Limited	80,000	80,000	51	51	178,690	178,690	17,850	-
Post New Media Company Limited	25,000	25,000	100	100	25,000	25,000	-	-
Total					309,682	309,682	17,850	-
Less: Allowance for loss from investments					(30,100)	(30,100)	-	-
					279,582	279,582	17,850	-

Investment in Mushroom Television Company Limited

On 16 September 2015 ("acquisition date"), the Company purchased 5,100 ordinary shares of Mushroom Television Company Limited, representing 51% of the total issued and paid-up capital from the former's shareholders. The Company has assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date and the assessment process has been completed in the third quarter of 2016 within the period of twelve months from the acquisition date as allowed by Financial Reporting Standard 3 (revised 2015), *Business Combinations*. During this measurement period, the Company obtained further information on the fair value of part of the assets and liabilities. Therefore, the Company has restated the consolidated financial statements, as presented herein for comparative purposes, to reflect the provisional amount recognised at the acquisition date.

The values of the acquired assets and liabilities of Mushroom Television Company Limited as at the acquisition date are summarised below.

	(Unit: Thousand Baht)
Trade and other receivables	27,811
Other current assets	7,924
Plant and equipment	5,377
Intangible assets	71,632
Restricted bank deposits	10,044
Deferred tax assets	368
Other non-current assets	2,500
Bank overdrafts	(26,196)
Trade and other payables	(10,407)
Other current liabilities	(3,740)
Deferred tax liabilities	(14,279)
Provision for long-term employee benefits	(1,841)
Net assets of the subsidiary	69,193
Net assets of the subsidiary in the company's proportion (51%)	35,288
Add: Goodwill from business combination	103,112
Business acquisition cost	138,400

Goodwill from business combination consists of the potential to expand customer bases and the business opportunity ready to operate immediately from the acquisition date, as well as the expected business efficiency from exchanging expertise between staff of the acquirer and the acquiree.

13. Investments in joint ventures

13.1 Details of investment in joint ventures:

Investments in joint ventures represented investments in entities which are jointly controlled by the Company and other company. Detail of this investment is as follows:

(Unit: Thousand Baht)

		Consolidated financial statements					
Joint venture	Nature of business	Shareholding percentage		Cost		Carrying amounts based on equity method	
		2016	2015	2016	2015	2016	2015
		(%)	(%)				
Post-ACP Co., Ltd.	Publishing and distribution of magazines	70	70	11,500	11,500	22,707	30,568
Joint venture Kantana and Mushroom	Under liquidation	50	50	2,500	2,500	351	2,351
				14,000	14,000	23,058	32,919

13.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements	
Joint venture	Share of profit/loss from investments in joint venture during the year		Share of other comprehensive income from investments in joint venture during the year		Dividend received during the year	
	2016	2015	2016	2015	2016	2015
Post-ACP Co., Ltd	10,881	11,445	129	-	-	-
Joint venture Kantana and Mushroom	-	(148)	-	-	-	-
	10.881	11,297	129	-	-	-

13.3 Summarised financial information about material joint ventures

Summarised information about financial position:

(Unit: Million Baht)

Joint venture	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit for the year ended 31 December	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Post-ACP Co., Ltd	16	16	64	104	25	51	87	132	21	22

14. Investment in associate

14.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method – net	
			2016	2015	2016	2015	2016	2015
			(%)	(%)				
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					-	-	-	-

14.2 Summarised financial information of associate

Financial information of the associate is summarised below:

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit for the year ended 31 December	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Flash News Company Limited	23	23	1	8	-	8	3	17	1	(2)

15. Long-term investment

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

(Unit: Thousand Baht)

	Paid up Capital	Equity Interest	Cost	
			2016	2015
		Percent		
Singapore Press Holdings Limited	27,393,300	-	16	16
Less: Allowance for loss from investments			(16)	(16)
			-	-

16. 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
Cost						
1 January 2015	202,076	859,916	1,061,158	318,230	72,494	2,513,874
Additions	-	-	173	24,177	12,434	36,784
Disposals	-	-	(39,899)	(8,380)	-	(48,279)
Transfers	-	-	9,070	67,790	(83,778)	(6,918)
Surplus on revaluation of land	721,724	-	-	-	-	721,724
Acquisitions of subsidiary during the year	-	-	-	17,818	-	17,818
31 December 2015	923,800	859,916	1,030,502	419,635	1,150	3,235,003
Additions	-	-	193	2,632	3,069	5,894
Disposals	-	-	(7,896)	(13,858)	-	(21,754)
Transfers	-	-	674	1,085	(1,759)	-
31 December 2016	923,800	859,916	1,023,473	409,494	2,460	3,219,143
Accumulated depreciation						
1 January 2015	-	690,261	705,702	131,164	-	1,527,127
Depreciation for the year	-	13,734	41,767	78,798	-	134,299
Depreciation on disposals	-	-	(25,502)	(6,345)	-	(31,847)
Acquisitions of subsidiary during the year	-	-	-	12,441	-	12,441
31 December 2015	-	703,995	721,967	216,058	-	1,642,020
Depreciation for the year	-	13,772	51,534	71,772	-	137,078
Depreciation on disposals	-	-	(7,896)	(10,445)	-	(18,341)
31 December 2016	-	717,767	765,605	277,385	-	1,760,757
Allowance for impairment						
31 December 2015	-	-	-	3,316	-	3,316
Increase during the year	-	-	-	30,929	-	30,929
31 December 2016	-	-	-	34,245	-	34,245
Net book value						
31 December 2015	923,800	155,921	308,535	200,261	1,150	1,589,667
31 December 2016	923,800	142,149	257,868	97,864	2,460	1,424,141

Depreciation for the year	
2015 (Baht 113 million included in manufacturing cost, and the balance in selling and administrative expenses)	134,299
2016 (Baht 109 million included in manufacturing cost, and the balance in selling and administrative expenses)	137,078

(Unit: Thousand Baht)

	Separate financial statements					
	Revaluation basis	Cost basis				
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	Total
Cost						
1 January 2015	202,076	859,916	1,046,825	193,643	69,636	2,372,096
Additions	-	-	173	8,356	11,437	19,966
Disposals	-	-	(25,566)	(6,885)	-	(32,451)
Transfers	-	-	9,070	63,930	(79,711)	(6,711)
Surplus on revaluation of land	721,724	-	-	-	-	721,724
31 December 2015	923,800	859,916	1,030,502	259,044	1,362	3,074,624
Additions	-	-	193	15,239	657	16,089
Disposals	-	-	(7,896)	(13,619)	-	(21,515)
Transfers	-	-	674	1,085	(1,759)	-
31 December 2016	923,800	859,916	1,023,473	261,749	260	3,069,198
Accumulated depreciation						
1 January 2015	-	690,261	695,305	104,743	-	1,490,309
Depreciation for the year	-	13,734	52,164	45,263	-	111,161
Depreciation on disposals	-	-	(25,501)	(6,240)	-	(31,741)
31 December 2015	-	703,995	721,968	143,766	-	1,569,729
Depreciation for the year	-	13,772	51,534	44,198	-	109,504
Depreciation on disposals	-	-	(7,896)	(10,201)	-	(18,097)
31 December 2016	-	717,767	765,606	177,763	-	1,661,136
Net book value						
31 December 2015	923,800	155,921	308,534	115,278	1,362	1,504,895
31 December 2016	923,800	142,149	257,867	83,986	260	1,408,062

Depreciation for the year

2015 (Baht 88 million included in production cost, and the balance in selling and administrative expenses)	111,161
2016 (Baht 86 million included in production cost, and the balance in selling and administrative expenses)	109,504

In 2015, the Company arranged for an independent professional valuer to appraise the value of land based on the market approach.

Unobservable valuation inputs used in the valuation are summarised below:

	Consolidated financial statements	Separate financial statements
Price per square wah (Baht)	30,000 - 250,000	30,000 - 250,000

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

As at 31 December 2016, 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 1,031 million (2015: Baht 894 million) (The Company only: Baht 999 million, 2015: Baht 877 million).

17. Goodwill

(Unit: Thousand Baht)

	Consolidated financial statements	
	2016	2015
Net book value at beginning of year	156,881	53,769
Add: Increase from acquisition of investment in subsidiaries (Note 12)	-	103,112
Net book value at end of year	156,881	156,881

The Company allocated goodwill acquired through business combinations to the cash generating units (CGUs) for annual impairment testing as follows:

(Unit: Thousand Baht)

	CGU 1 (Post International Media Co., Ltd.)	CGU 2 (Mushroom Television Co., Ltd.)	Total
Goodwill	53,769	103,112	156,881

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 Television Co., Ltd.)
Growth rate	2	2
Discount rate before tax	11.25	15.15

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.

The management believes that there is no impairment loss for goodwill.

18. Intangible assets

The net book value of intangible assets as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	Customer relationship	Computer software	Total	Computer software	Total
Cost					
31 December 2015	71,395	344,681	416,076	297,087	297,087
Additions	-	5,646	5,646	5,546	5,546
Disposals	-	(61)	(61)	(11)	(11)
Transfers	-	(190)	(190)	(190)	(190)
31 December 2016	71,395	350,076	421,471	302,432	302,432
Accumulated amortisation					
31 December 2015	3,890	216,258	220,148	197,992	197,992
Amortisation during the year	15,476	27,724	43,200	21,174	21,174
Accumulated amortisation of disposals	-	(52)	(52)	(11)	(11)
31 December 2016	19,366	243,930	263,296	219,155	219,155
Allowance for impairment					
31 December 2015	-	314	314	314	314
Increase during the year	-	13,298	13,298	-	-
31 December 2016	-	13,612	13,612	314	314
Net book value					
31 December 2015	67,505	128,109	195,614	98,781	98,781
31 December 2016	52,029	92,534	144,563	82,963	82,963

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	Customer relationship	Computer software	Total	Computer software	Total
Cost					
31 December 2014	-	327,902	327,902	291,451	291,451
Additions	-	16,419	16,419	5,636	5,636
Additions from acquisitions of subsidiary	71,395	360	71,755	-	-
31 December 2015	71,395	344,681	416,076	297,087	297,087
Accumulated amortisation					
31 December 2014	-	182,110	182,110	173,868	173,868
Amortisation during the year	3,890	34,024	37,914	24,124	24,124
Additions from acquisitions of subsidiary	-	124	124	-	-
31 December 2015	3,890	216,258	220,148	197,992	197,992
Allowance for impairment					
31 December 2014	-	314	314	314	314
31 December 2015	-	314	314	314	314
Net book value					
31 December 2014	-	145,478	145,478	117,269	117,269
31 December 2015	67,505	128,109	195,614	98,781	98,781

As at 31 December 2016, the Company's computer software included computer software under installation amounting to Baht 5 million (2015: Baht 1 million).

As at 31 December 2016, certain items of computer software 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 162 million (2015: Baht 107 million) (The Company only: Baht 152 million, 2015: Baht 97 million).

19. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements 2016	Consolidated financial statements 2015	Separate financial statements 2016	Separate financial statements 2015
Bank overdrafts	MOR	869	4,817	869	-
Short-term loans from financial institutions	MMR	695,000	867,000	695,000	867,000
Total		695,869	871,817	695,869	867,000

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements 2016	Consolidated financial statements 2015	Separate financial statements 2016	Separate financial statements 2015
Trade payables - related parties	2,693	4,106	15,854	24,487
Trade payables - unrelated parties	154,656	148,045	90,346	100,799
Amount due to related parties	277	26,313	109	27,611
Accrued expenses	70,405	95,005	55,050	73,537
Other payables	37,448	37,978	36,665	35,881
Total trade and other payables	265,479	311,447	198,024	262,315

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

As at 31 December 2016, a subsidiary had a short-term Baht loans from its shareholders who have non-controlling interests. 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.

22. Long-term loans

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

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	2016	2015
1	Fixed rate for the first two years and thereafter at a rate referenced to the Minimum Loan Rate	Quarterly installments of Baht 25 million each, commencing September 2012	-	50,000
2	Fixed rate of 5.25 percent per annum	Quarterly installment of Baht 16.7 and 18.7 million each, commencing December 2015 and March 2017	283,334	283,334
3	A rate referenced to the Minimum Loan Rate-1%	Quarterly installment of Baht 12.7 million each, commencing March 2017	184,300	161,000
Less: Current portion			(192,333)	(191,666)
Long-term loans - net of current portion			275,301	302,668

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 2016, the Company has been permitted by the lender to maintain the ratio at a rate higher than that prescribed in the agreement, but only in respect of the 2016 financial statements and the lender will review the maintenance of such financial ratio again in the first quarter of 2017.

During the period, the Company agreed amendments to loan agreements with a financial institution which grants a one-year extension of the loan repayment schedule for the loans with outstanding balance as at 31 December 2015 of Baht 283 million.

23. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	2016	2015
Liabilities under finance lease agreements	-	3,515
Less : Deferred interest expenses	-	(90)
Total	-	3,425
Less : Portion due within one year	-	(3,425)
Liabilities under finance lease agreements - net of current portion	-	-

The Company has entered into the finance lease agreements with leasing companies for rentals of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 4 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	As at 31 December 2016		
	Less than 1 year	1-4 years	Total
Future minimum lease payments	-	-	-
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	-	-	-

(Unit: Million Baht)

	As at 31 December 2015		
	Less than 1 year	1-4 years	Total
Future minimum lease payments	3.5	-	3.5
Deferred interest expenses	(0.1)	-	(0.1)
Present value of future minimum lease payments	3.4	-	3.4

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the company, is made up as follows:

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	90,096	88,738	82,842	84,641
Acquisitions of subsidiary during the year	-	1,841	-	-
Included in profit or loss:				
Current service cost	5,354	6,383	4,451	5,128
Interest cost	1,711	1,546	1,574	1,485
Gains on settlement	(2,440)	-	-	-
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	(9,653)	-	(8,876)	-
Financial assumptions changes	2,663	-	2,592	-
Experience adjustments	1,227	-	2,273	-
Benefits paid during the year	(7,298)	(8,412)	(7,298)	(8,412)
Provision for long-term employee benefits at end of year	81,660	90,096	77,558	82,842

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost of sales	4,259	5,903	3,734	4,942
Selling and administrative expenses	366	2,026	2,291	1,671
Total expense recognised in profit or loss	4,625	7,929	6,025	6,613

The Company and its subsidiaries expect to pay Baht 9 million of long-term employee benefits over the next year (Separate financial statements: Baht 9 million) (2015: Baht 12 million, separate financial statements: Baht 12 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefits is between 8.5 and 29.6 years (Separate financial statements: 8.5 years) (2015: between 10.2 and 29.6 years, separate financial statements: 10.2 years).

Key actuarial assumptions used for the valuation are as follows:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	1.5 - 3.7	2.0 - 3.8	1.5 - 3.5	2.0 - 3.8
Future salary increase rate	3.0	3.0	3.0	3.0
Employee turnover rate (depending on age of employees)	3.9 - 35.6	3.4 - 27.4	3.9 - 35.6	3.4 - 27.4

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit: Million Baht)

	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(4)	5	(4)	4
Salary increase rate	4	(3)	3	(2)
Turnover rate	(5)	5	(4)	5

(Unit: Million Baht)

	As at 31 December 2015			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(5)	6	(4)	5
Salary increase rate	5	(4)	4	(3)
Turnover rate	(7)	7	(6)	7

25. 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.

26. Sales and service income

These include sales and advertising revenues of approximately Baht 10 million (2015: Baht 45 million) (Separate financial statements: Baht 6 million (2015: Baht 25 million)) arising from exchanges of dissimilar goods or services with other companies.

27. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Salaries and wages and other employee benefits	688	767	481	539
Depreciation and amortisation	180	162	131	135
Advertising expenses	61	113	38	89
News service expenses	60	98	42	63
Travelling expenses	65	104	58	99
Allowance for diminution in value of loans to subsidiary	-	-	56	156
Allowance for doubtful debts	15	11	26	6
Allowance for loss on impairment of equipment and intangible assets	44	-	-	-
Raw materials and consumables used	520	660	470	597
Changes in inventories of finished goods and work in progress	2	4	(7)	3

28. Deferred tax assets/Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	3,117	6,048	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(28,293)	(14,574)	(19,011)	(20,908)
Income tax expense (revenue) reported in the statement of comprehensive income	(25,176)	(8,526)	(19,011)	(20,908)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax on gain from revaluation of land	-	(144,345)	-	(144,345)
Deferred tax on actuarial loss	(1,153)	-	(802)	-
	(1,153)	(144,345)	(802)	(144,345)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting loss before tax	(242,574)	(252,935)	(181,039)	(274,551)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(48,515)	(50,587)	(36,208)	(54,910)
Adjustment in respect of deferred tax assets of previous year	(6,814)	10,851	(207)	-
Tax losses of subsidiaries for the year that have not been recognised as deferred tax assets	31,032	30,572	6,231	-
Tax effect of an allowance for diminution in value of loans to, and investment in subsidiary, not recognised as deferred tax assets	-	-	14,061	33,065
Effects of:				
Non-deductible expenses	2,024	2,790	733	801
Additional expense deductions allowed	(51)	-	(51)	-
Share of profit	(2,202)	(2,289)	-	-
Exempted dividend income	-	-	(3,570)	-
Others	(650)	137	-	136
Income tax expense (revenue) reported in the statement of comprehensive income	(25,176)	(8,526)	(19,011)	(20,908)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets				
Provision for long-term employee benefits	16,332	17,531	15,511	16,568
Tax loss carried forward	61,009	38,390	44,321	27,681
Allowance for doubtful debts	3,628	2,273	3,628	2,273
Allowance for sales returns	1,638	823	1,638	823
Allowance for diminution in value of inventories	6,268	5,715	6,268	5,715
Allowance for impairment of computer software	26	45	26	45
Others	137	216	137	216
Total deferred tax assets	89,038	64,993	71,529	53,321
Deferred tax liabilities				
Surplus on revaluation of land	10,406	13,501	-	-
Total deferred tax liabilities	144,345	144,345	144,345	144,345
	154,751	157,846	144,345	144,345

As at 31 December 2016, the Company and its subsidiaries had deductible temporary differences, unused tax losses and unused tax credits totaling Baht 350 million (2015: Baht 284 million) (Separate financial statements: Baht 31 million (2015: Nil)), on which deferred tax assets have not been recognised as the subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
31 December 2017	-	-	-	-
31 December 2018	8	5	-	-
31 December 2019	116	136	-	-
31 December 2020	118	143	-	-
31 December 2021	108	-	31	-
	350	284	31	-

29. Earnings per share

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

30. Operating segment

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 Company and its subsidiaries 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
- Others 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 and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2016 and 2015.

(Unit: Million Baht)

Year ended 31 December	Publishing and advertising segment		Production of television programs segment		Other segments		Total segments		Adjustments and eliminations of inter-segment		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from external customers	1,417	1,872	221	152	166	149	1,804	2,173	-	-	1,804	2,173
Inter-segment revenue	31	34	14	20	1	-	46	54	(46)	(54)	-	-
Segment profit (loss)	88	202	(21)	(47)	(1)	(66)	66	89	-	-	66	89

(Unit: Million Baht)

	Publishing and advertising segment		Production of television programs segment		Other segments		Unallocated		Adjustments and eliminations of inter-segment		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Segment total assets	2,163	2,629	682	936	30	69	269	155	(567)	(676)	2,577	3,113

Geographic information

The Company and its subsidiaries are operated 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 2016, the Company and its subsidiaries have earned revenue from one major customer in the amount of Baht 123 million, arising from sales by the publishing and advertising segment (2015: Baht 205 million derived from one major customer, arising from sales by publishing and advertising segment).

31. Provident fund

The Company and its subsidiaries, and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the employees and the Company and its subsidiaries 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 2016 amounting to approximately Baht 29 million (2015: Baht 37 million) were recognised as expenses (Separate financial statements: Baht 23 million (2015: Baht 28 million)).

32. Commitments and contingent liabilities

32.1 Capital and long-term service commitments

The Company and its subsidiaries had commitments relating to the improvement of building, the acquisition of equipment and the bookkeeping as follows:

(Unit: Million Baht)

	As at 31 December	
	2016	2015
Payable:		
In up to 1 year	70	97
In over 1 up to 5 years	171	452
More than 5 years	123	-

32.2 Long-term service commitments

The subsidiaries and joint venture have entered into trademark agreements under which foreign companies granted their permission to use their trademarks. The subsidiaries 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 2016, there were outstanding bank guarantees of approximately Baht 10 million (2015: Baht 10 million) issued in the normal course of business of the Company and its subsidiaries.

33. Fair value hierarchy

As of 31 December 2016, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated/ Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Land	-	-	923	923

34. Financial instruments

34.1 Financial risk management

The Company and its subsidiaries' 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 and long-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 Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and short-term and long-term loans to related parties. The Company and its subsidiaries 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 Company and its subsidiaries 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 and long-term loans to related parties as stated in the statements of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, short-term and long-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 Company and its subsidiaries' 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.

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 2016					
	Fixed interest rates					
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing	Total	Effective Interest rate
						(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	65	4	69	0.3 - 1.05
Trade and other receivables	-	-	-	476	476	-
	-	-	65	480	545	
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	696	-	696	MMR, MOR
Trade and other payables	-	-	-	265	265	-
Long-term loans from non-controlling interests of the subsidiary	-	-	6	-	6	Reference to MLR
Long-term loans	142	142	184	-	468	5.25, Reference to MLR
	142	142	886	265	1,435	

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2015					
	Fixed interest rates					
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing	Total	Effective Interest rate
						(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	46	33	79	0.1 - 1.75
Trade and other receivables	-	-	-	757	757	-
	-	-	46	790	836	
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	872	-	872	MMR, MOR
Trade and other payables	-	-	-	311	311	-
Long-term loans from non-controlling interests of the subsidiary	-	-	6	-	6	Reference to MLR
Long-term loans	141	142	211	-	494	4.75, Reference to MLR
Liabilities under finance lease agreement	3	-	-	-	3	Fixed rates
	144	142	1,089	311	1,686	

(Unit: Million Baht)

	Separate financial statements as at 31 December 2016					
	Fixed interest rates					
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing	Total	Effective Interest rate
						(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	44	3	47	0.5 - 1.05
Trade and other receivables	-	-	-	304	304	-
Short-term loan to related parties	77	-	6	-	83	5, MLR
	77	-	50	307	434	
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	696	-	696	MMR, MOR
Trade and other payables	-	-	-	198	198	-
Long-term loans	142	142	184	-	468	5.25, Reference to MLR
	142	142	880	198	1,362	

(Unit: Million Baht)

	Separate financial statements as at 31 December 2015					
	Fixed interest rates					
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing	Total	Effective Interest rate
						(% per annum)
Financial Assets						
Cash and cash equivalents	-	-	1	14	15	0.25 - 1.75
Trade and other receivables	-	-	-	562	562	-
Short-term loan to related parties	179	-	-	-	179	5, MLR
	179	-	1	576	756	
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	867	-	867	MMR, MOR
Trade and other payables	-	-	-	262	262	-
Long-term loans	141	142	211	-	494	4.75, Reference to MLR
Liabilities under finance lease agreement	3	-	-	-	3	Fixed rates
	144	142	1,078	262	1,626	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from purcoods and services that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. However, as at 31 December 2016 and 2015, there were no forward contracts outstanding.

34.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' 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 Company and its subsidiaries' 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 2016, the Group's debt-to-equity ratio was 2.30:1 (2015: 2.08:1) (Separate financial statements 2.34:1 (2015: 2.26:1)).

36. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 16 February 2017.