

The Post Publishing Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2014

Independent Auditor's Report

To the Shareholders of The Post Publishing Public Company Limited

I have audited the accompanying consolidated financial statements of The Post Publishing Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of The Post Publishing Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Narong Puntawong
Certified Public Accountant (Thailand) No. 3315

EY Office Limited
Bangkok: 23 February 2015

The Post Publishing Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	6	101,701,411	76,921,966	60,525,406	15,063,708
Trade and other receivables	7, 8	652,281,838	649,894,905	534,963,644	520,934,406
Inventories	9	85,063,274	94,897,660	83,760,397	94,404,590
Short-term loans to related parties	7	-	-	138,250,000	47,550,000
Corporate income tax deducted at source		35,254,293	36,420,860	28,377,902	23,178,676
Other current assets		62,274,146	50,968,852	25,990,931	20,324,344
Total current assets		936,574,962	909,104,243	871,868,280	721,455,724
Non-current assets					
Investments in subsidiaries	10	-	-	100,892,450	125,892,450
Investment in associate	11	-	-	-	-
Other long-term investment	12	-	-	-	-
Property, plant and equipment	13	983,250,205	940,609,388	881,787,168	929,272,688
Goodwill	10	53,769,227	53,769,227	-	-
Other intangible assets - computer software	14	145,703,987	117,012,485	117,269,469	112,174,395
Deferred tax assets	24	51,653,029	45,318,755	32,412,407	25,882,834
Other non-current assets		15,183,497	16,905,717	1,996,377	2,712,628
Total non-current assets		1,249,559,945	1,173,615,572	1,134,357,871	1,195,934,995
Total assets		2,186,134,907	2,082,719,815	2,006,226,151	1,917,390,719

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 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	15	448,000,000	396,795,538	448,000,000	396,795,538
Trade and other payables	7, 16	402,501,836	299,052,863	323,575,150	246,969,379
Short-term loans from non-controlling interests					
of the subsidiary	17	5,880,000	5,880,000	-	-
Current portion of long-term loans	18	241,666,000	100,000,000	241,666,000	100,000,000
Current portion of liabilities under					
finance lease agreements	19	4,859,905	4,371,743	4,859,905	4,371,743
Income tax payable		2,040,360	2,238,145	-	-
Unearned subscription fee		77,078,463	78,724,509	64,615,776	67,415,195
Other current liabilities		<u>99,140,082</u>	<u>105,353,797</u>	<u>74,860,201</u>	<u>89,822,758</u>
Total current liabilities		<u>1,281,166,646</u>	<u>992,416,595</u>	<u>1,157,577,032</u>	<u>905,374,613</u>
Non-current liabilities					
Long-term loans, net of current portion	18	208,334,000	150,000,000	208,334,000	150,000,000
Liabilities under finance lease agreements, net					
of current portion	19	3,471,550	8,574,147	3,471,550	8,574,147
Provision for long-term employee benefits	20	<u>88,909,644</u>	<u>74,606,387</u>	<u>84,640,921</u>	<u>72,920,725</u>
Total non-current liabilities		<u>300,715,194</u>	<u>233,180,534</u>	<u>296,446,471</u>	<u>231,494,872</u>
Total liabilities		<u>1,581,881,840</u>	<u>1,225,597,129</u>	<u>1,454,023,503</u>	<u>1,136,869,485</u>

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 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Shareholders' equity					
Share capital					
Registered					
505,000,000 ordinary shares of Baht 1 each		<u>505,000,000</u>	<u>505,000,000</u>	<u>505,000,000</u>	<u>505,000,000</u>
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	21	50,500,000	50,500,000	50,500,000	50,500,000
Unappropriated		56,825,091	309,180,217	1,702,648	230,021,234
Other components of shareholders' equity		-	-	-	-
Equity attributable to owners of the Company		607,325,091	859,680,217	552,202,648	780,521,234
Non-controlling interests of the subsidiary		<u>(3,072,024)</u>	<u>(2,557,531)</u>	-	-
Total shareholders' equity		<u>604,253,067</u>	<u>857,122,686</u>	<u>552,202,648</u>	<u>780,521,234</u>
Total liabilities and shareholders' equity		<u>2,186,134,907</u>	<u>2,082,719,815</u>	<u>2,006,226,151</u>	<u>1,917,390,719</u>
		-	-	-	-

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

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 Directors

The Post Publishing Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales and service income	22	2,258,726,734	2,446,980,146	1,809,036,868	2,066,405,974
Cost of sales and services		<u>(1,739,806,778)</u>	<u>(1,690,305,871)</u>	<u>(1,353,901,383)</u>	<u>(1,414,151,060)</u>
Gross profit		518,919,956	756,674,275	455,135,485	652,254,914
Selling expenses		<u>(343,473,400)</u>	<u>(319,986,536)</u>	<u>(247,743,003)</u>	<u>(259,868,764)</u>
Administrative expenses		<u>(335,190,603)</u>	<u>(281,852,220)</u>	<u>(362,746,208)</u>	<u>(215,221,678)</u>
Income (loss) from sales and rendering of services		<u>(159,744,047)</u>	<u>154,835,519</u>	<u>(155,353,726)</u>	<u>177,164,472</u>
Other income					
Dividend income from jointly controlled entity	10	250,880	250,880	-	-
Gain on disposal of equipment		395,749	-	1,082,678	-
Others		<u>21,877,124</u>	<u>27,706,790</u>	<u>33,753,694</u>	<u>25,294,005</u>
Profit (loss) before finance cost and income tax expenses		<u>(137,220,294)</u>	<u>182,793,189</u>	<u>(120,517,354)</u>	<u>202,458,477</u>
Finance cost		<u>(28,436,562)</u>	<u>(25,034,248)</u>	<u>(28,137,813)</u>	<u>(24,561,783)</u>
Profit (loss) before income tax expenses		<u>(165,656,856)</u>	<u>157,758,941</u>	<u>(148,655,167)</u>	<u>177,896,694</u>
Income tax expenses	24	<u>(2,970,312)</u>	<u>(37,661,583)</u>	<u>3,866,341</u>	<u>(39,267,488)</u>
Profit (loss) for the year		<u>(168,627,168)</u>	<u>120,097,358</u>	<u>(144,788,826)</u>	<u>138,629,206</u>
Other comprehensive income:					
Actuarial loss	20	(17,639,688)	(9,110,652)	(16,912,199)	(8,923,005)
Less: Income tax effect	24	<u>3,397,237</u>	<u>1,824,117</u>	<u>3,382,439</u>	<u>1,784,601</u>
Other comprehensive income for the year		<u>(14,242,451)</u>	<u>(7,286,535)</u>	<u>(13,529,760)</u>	<u>(7,138,404)</u>
Total comprehensive income for the year		<u>(182,869,619)</u>	<u>112,810,823</u>	<u>(158,318,586)</u>	<u>131,490,802</u>

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 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit attributable to:					
Equity holders of the Company		(168,112,675)	128,885,083	<u>(144,788,826)</u>	<u>138,629,206</u>
Non-controlling interests of the subsidiary		<u>(514,493)</u>	<u>(8,787,725)</u>		
		<u>(168,627,168)</u>	<u>120,097,358</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(182,355,126)	121,598,548	<u>(158,318,586)</u>	<u>131,490,802</u>
Non-controlling interests of the subsidiary		<u>(514,493)</u>	<u>(8,787,725)</u>		
		<u>(182,869,619)</u>	<u>112,810,823</u>		
Earnings per share					
	25				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.34)</u>	<u>0.26</u>	<u>(0.29)</u>	<u>0.28</u>

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 2014

(Unit: Baht)

Consolidated financial statements

	Equity attributable to the owners of the Company			Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
	Ordinary shares - issued and fully paid fully paid	Retained earnings Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2013	500,000,000	50,500,000	287,581,669	838,081,669	6,230,194	844,311,863
Profit for the year	-	-	128,885,083	128,885,083	(8,787,725)	120,097,358
Other comprehensive income for the year	-	-	(7,286,535)	(7,286,535)	-	(7,286,535)
Total comprehensive income for the year	-	-	121,598,548	121,598,548	(8,787,725)	112,810,823
Dividend paid (Note 28)	-	-	(100,000,000)	(100,000,000)	-	(100,000,000)
Balance as at 31 December 2013	<u>500,000,000</u>	<u>50,500,000</u>	<u>309,180,217</u>	<u>859,680,217</u>	<u>(2,557,531)</u>	<u>857,122,686</u>
						-
Balance as at 1 January 2014	500,000,000	50,500,000	309,180,217	859,680,217	(2,557,531)	857,122,686
Loss for the year	-	-	(168,112,675)	(168,112,675)	(514,493)	(168,627,168)
Other comprehensive income for the year	-	-	(14,242,451)	(14,242,451)	-	(14,242,451)
Total comprehensive income for the year	-	-	(182,355,126)	(182,355,126)	(514,493)	(182,869,619)
Dividend paid (Note 28)	-	-	(70,000,000)	(70,000,000)	-	(70,000,000)
Balance as at 31 December 2014	<u>500,000,000</u>	<u>50,500,000</u>	<u>56,825,091</u>	<u>607,325,091</u>	<u>(3,072,024)</u>	<u>604,253,067</u>

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 2014

(Unit: Baht)

	Separate financial statements			Total
	Ordinary shares -	Retained earnings		
	issued and fully paid	Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2013	500,000,000	50,500,000	198,530,432	749,030,432
Profit for the year	-	-	138,629,206	138,629,206
Other comprehensive income for the year	-	-	(7,138,404)	(7,138,404)
Total comprehensive income for the year	-	-	131,490,802	131,490,802
Dividend paid (Note 28)	-	-	(100,000,000)	(100,000,000)
Balance as at 31 December 2013	<u>500,000,000</u>	<u>50,500,000</u>	<u>230,021,234</u>	<u>780,521,234</u>
				-
Balance as at 1 January 2014	500,000,000	50,500,000	230,021,234	780,521,234
Loss for the year	-	-	(144,788,826)	(144,788,826)
Other comprehensive income for the year	-	-	(13,529,760)	(13,529,760)
Total comprehensive income for the year	-	-	(158,318,586)	(158,318,586)
Dividend paid (Note 28)	-	-	(70,000,000)	(70,000,000)
Balance as at 31 December 2014	<u>500,000,000</u>	<u>50,500,000</u>	<u>1,702,648</u>	<u>552,202,648</u>

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 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities				
Profit (loss) before tax	(165,656,856)	157,758,941	(148,655,167)	177,896,694
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Allowance for doubtful debts	4,186,002	5,544,629	3,073,321	497,996
Allowance for sales returns	108,240	1,095,234	108,240	1,095,234
Reduction of inventory to net realisable value (reversal)	(1,719,450)	6,094,337	(2,457,111)	5,004,891
Allowance for diminution in value of loans to subsidiaries	-	-	96,300,000	3,570,000
Allowance for diminution in value of investment in subsidiary	-	-	25,000,000	5,100,000
Write-off investments in other company	-	16,124	-	16,124
Dividend income from jointly controlled entity	(250,880)	(250,880)	-	-
Depreciation and amortisation	137,247,986	112,929,671	119,905,739	107,668,454
Loss (gain) on disposal of equipment	(963,097)	2,165,663	(963,664)	1,495,655
Allowance for impairment loss on equipment	4,144,912	-	-	-
Reversal of allowance for impairment of computer software	(179,069)	(271,179)	(179,069)	(271,179)
Provision for long-term employee benefits	10,874,263	6,191,485	8,218,966	6,046,627
Interest expenses	28,586,927	25,034,248	28,167,529	24,561,783
Profit from operating activities before changes in operating assets and liabilities	16,378,978	316,308,273	128,518,784	332,682,279
Operating assets (increase) decrease				
Trade and other receivables	(6,681,175)	5,666,886	14,421,283	(5,516,990)
Inventories	11,553,836	(16,922,023)	13,101,304	(17,648,275)
Other current assets	(11,101,430)	20,976,563	(5,666,587)	48,175,880
Other non-current assets	1,722,220	(8,372,196)	716,251	(729,308)
Operating liabilities increase (decrease)				
Trade and other payables	92,882,038	(7,806,713)	84,221,392	(3,410,023)
Other current liabilities	(7,859,761)	15,598,331	(17,761,976)	11,450,889
Other non-current liabilities	(14,210,694)	(10,591,307)	(13,410,969)	(10,013,216)
Cash flows from operating activities	82,684,012	314,857,814	204,139,482	354,991,236
Cash paid for interest expenses	(23,563,712)	(23,568,623)	(27,220,307)	(23,722,547)
Cash paid for corporate income tax	(5,142,431)	(51,361,987)	(4,480,019)	(37,095,303)
Net cash flows from operating activities	53,977,869	239,927,204	172,439,156	294,173,386

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 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flow from investing activities				
Increase in short-term loans to related party	-	-	(187,000,000)	(45,000,000)
Investments in subsidiary	-	-	-	(24,975,000)
Dividend received from jointly controlled entity	250,880	250,880	-	-
Proceeds from sales of equipment	19,969,046	192,734	18,536,554	131,987
Cash paid for purchase of equipment	(172,291,040)	(143,409,306)	(106,862,719)	(136,134,799)
Cash paid for purchase of computer software	(53,025,068)	(40,019,431)	(27,549,051)	(38,123,620)
Net cash flows used in investing activities	<u>(205,096,182)</u>	<u>(182,985,123)</u>	<u>(302,875,216)</u>	<u>(244,101,432)</u>
Cash flows from financing activities				
Bank overdrafts and short-term loans from financial institutions	51,204,462	163,250,560	51,204,462	163,250,560
Long-term loans from financial institutions	300,000,000	-	300,000,000	-
Repayment of long-term loans from banks	(100,000,000)	(100,000,000)	(100,000,000)	(100,000,000)
Repayment of liabilities under finance lease agreements	(5,306,704)	(5,044,284)	(5,306,704)	(5,044,284)
Decrease in short-term loans from related party	-	-	-	(10,000,000)
Dividend paid	(70,000,000)	(100,000,000)	(70,000,000)	(100,000,000)
Net cash flows from (used in) financing activities	<u>175,897,758</u>	<u>(41,793,724)</u>	<u>175,897,758</u>	<u>(51,793,724)</u>
Net increase (decrease) in cash and cash equivalents	<u>24,779,445</u>	<u>15,148,357</u>	<u>45,461,698</u>	<u>(1,721,770)</u>
Cash and cash equivalents at beginning of year	<u>76,921,966</u>	<u>61,773,609</u>	<u>15,063,708</u>	<u>16,785,478</u>
Cash and cash equivalents at end of year	<u><u>101,701,411</u></u>	<u><u>76,921,966</u></u>	<u><u>60,525,406</u></u>	<u><u>15,063,708</u></u>
	-	-	-	-
Supplemental cash flows information:				
Non-cash item				
Purchase of equipment and computer software for which cash has not been paid	26,183,889	19,944,517	11,349,286	19,219,860
Sales of equipment to subsidiary for which cash was not been received	-	-	31,632,082	-

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

The Post Publishing Public Company Limited and its subsidiaries
Consolidated notes to financial statements
For the year ended 31 December 2014

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.

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 and jointly controlled entity:

Company's name	Nature of business	Percentage of shareholding		Country of incorporation
		<u>2014</u> Percent	<u>2013</u> Percent	
Subsidiaries				
Post TV Company Limited (owned by Post Holding Company Limited)	Rental service for internet domain name and 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

Company's name	Nature of business	Percentage of shareholding		Country of incorporation
		<u>2014</u> Percent	<u>2013</u> Percent	
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
Jointly controlled entity				
Post-ACP Company Limited (owned by Post International Media Company Limited)	Publishing and distribution of magazines	70	70	Thailand

- b) Post International Media Company Limited has a 70% equity interest in Post-ACP Company Limited and 51% of the voting rights in that company. However, under the joint venture agreement between Post International Media Company Limited and the co-venturer, Post International Media Company Limited, continues to have joint control of 50% in Post-ACP Company Limited.
- c) Subsidiaries and jointly controlled entity 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 and jointly controlled entity are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company, its subsidiaries and jointly controlled entity 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, which present investments in subsidiaries and associate under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

Conceptual Framework for Financial Reporting (revised 2014)

Accounting standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standard:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
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- TFRIC 4 Determining whether an Arrangement contains a Lease
 - TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
 - TFRIC 7 Applying the Restatement Approach under TAS 29 *Financial Reporting in Hyperinflationary Economies*
 - TFRIC 10 Interim Financial Reporting and Impairment
 - TFRIC 12 Service Concession Arrangements
 - TFRIC 13 Customer Loyalty Programmes
 - TFRIC 17 Distributions of Non-cash Assets to Owners
 - TFRIC 18 Transfers of Assets from Customers
- Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the Company's financial statements.

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

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. 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 accounting standards. The management of the Company believes they will not have any significant impact on the Company's financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

At present, the Company and its subsidiaries use the proportionate consolidated method to account for jointly controlled entities when preparing the consolidated financial statements. The management of the Company and its subsidiaries have assessed the effect of this standard and believe that when it is adopted in 2015, there will be no impact to shareholders' equity and net profit/loss in the financial statements, but only to the presentation in the statements of financial position and the statement of comprehensive income.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore will have no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 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.

4.2 Cash and cash equivalents

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

4.3 Trade 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.

4.4 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.

4.5 Investments

- a) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries 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).

4.6 Property, plant and equipment and depreciation

Land is stated at cost. 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	4 and 5 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.

4.7 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.

4.8 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.

The intangible assets with finite useful lives are computer software which has an estimated useful life of 3 to 10 years.

No amortisation is provided for computer software under installation.

4.9 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.

4.10 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 it recognises 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.

4.11 Related party transactions

Related parties comprise enterprises and individuals 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 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.

4.12 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.

4.13 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.

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. 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.

4.15 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.

4.16 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. 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.

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.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash	113	219	113	219
Bank deposits	101,588	76,703	60,412	14,845
Total	<u>101,701</u>	<u>76,922</u>	<u>60,525</u>	<u>15,064</u>

As at 31 December 2014, bank deposits in savings accounts and fixed deposits carried interest at the rates between 0.4 and 2.25 percent per annum (2013: between 0.4 and 2.25 percent per annum).

7. 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		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of goods	-	-	54	35	Market price
Rental income	-	-	19	7	Market price
Advertising income	-	-	-	7	Market price
Television production service income	-	-	-	21	Contract price
Interest income	-	-	2	-	Rates between 3.17 to 5.25 percent per annum
Advertising expenses	-	-	-	9	Market price
Rental expenses of television air time	-	-	2	1	Market price
<u>Transactions with jointly controlled entity</u>					
(eliminated from the consolidated financial statements in proportion to Company's interest)					
Purchase of goods	5	13	10	26	Market price
Management income	3	3	-	-	Contract price

The balances of the accounts as at 31 December 2014 and 2013 between the Company and those related companies are as follow:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	71,795	4,631
Jointly controlled entity	396	531	808	4
Total trade and other receivables - related parties	396	531	72,603	4,635
<u>Trade and other payables - related parties (Note 16)</u>				
Subsidiaries	-	-	20,151	13,590
Jointly controlled entity	3,427	3,491	6,885	6,776
Associate	-	20	-	20
Total trade and other payables - related parties	3,427	3,511	27,036	20,386

Long-term loans to related parties

As at 31 December 2014 and 2013, the balance of loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

Loans to	Related by	Separate financial statements		
		Balance as at 31 December 2013	Increase during the year	Balance as at 31 December 2014
Post International Media Co., Ltd.	Subsidiary	45,000	22,000	67,000
Post News Co., Ltd	Subsidiary	6,120	-	6,120
Post TV Co., Ltd.	Subsidiary	-	165,000	165,000
		51,120	187,000	238,120
Less: Allowance for doubtful accounts		(3,570)	(96,300)	(99,870)
Total		47,550	90,700	138,250

In 2014, Post TV Company Limited received a loan of Baht 165 million from the Company. The loan is repayable on demand and carries interest at the rate of 5.25 percent per annum.

In 2014, Post International Media Company Limited received a loan of Baht 67 million from the Company. The loan is repayable on demand and carries interest at the rate of 5.25 percent per annum.

In 2010, Post News Company Limited received a loan of Baht 6.1 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 2014 and 2013, the Company and its subsidiaries incurred employee benefit expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	93	93	50	56
Post-employment benefits	2	1	1	1
Total	95	94	51	57

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Trade receivables - related party</u>				
Aged on the basis of due dates				
Not yet due	40	-	16,092	-
Past due				
Up to 3 months	-	-	879	193
3 - 6 months	-	-	37	-
Total trade receivables - related party	<u>40</u>	<u>-</u>	<u>17,008</u>	<u>193</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	284,616	290,124	211,750	222,023
Past due				
Up to 3 months	322,712	320,205	214,673	260,502
3 - 6 months	36,348	28,272	29,353	25,619
6 - 12 months	12,814	21,770	10,706	13,149
Over 12 months	18,681	9,970	9,856	7,887
Total	675,171	670,341	476,338	529,180
Less : Allowance for doubtful debts	(16,204)	(14,104)	(6,896)	(5,908)
Allowance for sales returns	(7,081)	(6,973)	(7,081)	(6,973)
Total trade receivables - unrelated parties, net	<u>651,886</u>	<u>649,264</u>	<u>462,361</u>	<u>516,299</u>
Total trade receivables - net	<u>651,926</u>	<u>649,264</u>	<u>479,369</u>	<u>516,492</u>
<u>Other receivables</u>				
Amounts due from related parties	356	531	55,595	4,442
Other receivables	-	100	-	-
Total other receivables	<u>356</u>	<u>631</u>	<u>55,595</u>	<u>4,442</u>
Trade and other receivables - net	<u><u>652,282</u></u>	<u><u>649,895</u></u>	<u><u>534,964</u></u>	<u><u>520,934</u></u>

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Allowance to reduce cost to net realisable value		Inventories - net	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Finished goods	59,104	52,709	(40,226)	(40,686)	18,878	12,023
Raw materials	51,630	63,346	(1,071)	(296)	50,559	63,050
Raw materials in transit	4,197	8,686	-	-	4,197	8,686
Others	12,946	14,691	(1,517)	(3,552)	11,429	11,139
Total	127,877	139,432	(42,814)	(44,534)	85,063	94,898

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Allowance to reduce cost to net realisable value		Inventories - net	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Finished goods	45,943	40,146	(22,806)	(24,096)	23,137	16,050
Raw materials	51,630	63,346	(1,071)	(296)	50,559	63,050
Raw materials in transit	4,197	8,686	-	-	4,197	8,686
Others	6,867	9,561	(1,000)	(2,942)	5,867	6,619
Total	108,647	121,739	(24,877)	(27,334)	83,760	94,405

10. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Carrying amount based on cost method		Dividend received during	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
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	5,100	5,100	-	-
Post New Media Company Limited	25,000	25,000	100	100	25,000	25,000	-	-
Total					130,992	130,992		
Less: Allowance for loss from investments					(30,100)	(5,100)		
					100,892	125,892		

Post International Media Company Limited

The excess of the investment cost over the fair value of the identifiable assets and liabilities of the subsidiary as at the purchase date in 2008 was Baht 59.3 million. The amount was presented as goodwill in the consolidated statements of financial position. Later, the amount of the goodwill was reduced by Baht 5.5 million to Baht 53.8 million in the statements of financial position. This was a result of the adoption of the accounting policy for income tax by Post International Media Company Limited in 2009.

11. Investment in associate

11.1 Details of associate:

Company's name	Nature of business	Country of incorporation	Shareholding		Cost		Carrying amounts based on equity method - net	
			2014	2013	2014	2013	2014	2013
			(%)	(%)				
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					-	-	-	-

11.2 Summarised financial information of associate

Financial information of the associate is summarised below:

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit for the year ended	
	as at		as at		as at		for the year ended		year ended	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Flash News Company Limited	23	23	4	6	3	3	15	20	(2)	2

12. Long-term investment

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

	Paid up Capital	Equity interest	Cost	
			2014	2013
			Percent	
Singapore Press Holdings Limited	27,393,300	-	-	-

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	
Cost						
1 January 2013	202,076	859,496	1,045,396	203,397	3,530	2,313,895
Additions	-	60	6,804	16,224	138,553	161,641
Disposals	-	-	(16,848)	(4,889)	-	(21,737)
Transfers	-	360	7,084	15,265	(23,281)	(572)
31 December 2013	202,076	859,916	1,042,436	229,997	118,802	2,453,227
Additions	-	-	1,074	56,303	151,719	209,096
Disposals	-	-	(23,011)	(76,002)	(46,951)	(145,964)
Transfers	-	-	40,659	110,417	(151,076)	-
31 December 2014	202,076	859,916	1,061,158	320,715	72,494	2,516,359
Accumulated depreciation						
1 January 2013	-	662,781	633,434	146,685	-	1,442,900
Depreciation for the year	-	13,738	57,760	17,953	-	89,451
Depreciation on disposals	-	-	(16,299)	(3,100)	-	(19,399)
Transfers	-	-	-	(334)	-	(334)
31 December 2013	-	676,519	674,895	161,204	-	1,512,618
Depreciation for the year	-	13,742	53,806	45,676	-	113,224
Depreciation on disposals	-	-	(22,999)	(73,879)	-	(96,878)
31 December 2014	-	690,261	705,702	133,001	-	1,528,964
Allowance for impairment						
31 December 2013	-	-	-	-	-	-
Additions	-	-	-	4,145	-	4,145
31 December 2014	-	-	-	4,145	-	4,145
Net book value						
31 December 2013	202,076	183,397	367,541	68,793	118,802	940,609
31 December 2014	202,076	169,655	355,456	183,569	72,494	983,250
Depreciation for the year						
2013 (Baht 76 million included in manufacturing cost, and the balance in selling and administrative expenses)						89,451
2014 (Baht 96 million included in manufacturing cost, and the balance in selling and administrative expenses)						113,224

(Unit: Thousand Baht)

	Separate financial statements					Total
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	
Cost						
1 January 2013	202,076	859,495	1,031,063	188,856	3,531	2,285,021
Additions	-	61	6,804	10,039	137,268	154,172
Disposals	-	-	(16,848)	(3,277)	-	(20,125)
Transfers	-	360	7,084	15,837	(23,281)	-
31 December 2013	202,076	859,916	1,028,103	211,455	117,518	2,419,068
Additions	-	-	1,074	30,246	67,672	98,992
Disposals	-	-	(23,011)	(76,002)	(46,951)	(145,964)
Transfers	-	-	40,659	27,944	(68,603)	-
31 December 2014	202,076	859,916	1,046,285	193,643	69,636	2,372,096
Accumulated depreciation						
1 January 2013	-	662,781	623,037	137,605	-	1,423,423
Depreciation for the year	-	13,738	57,760	13,371	-	84,869
Depreciation on disposals	-	-	(16,299)	(2,198)	-	(18,497)
31 December 2013	-	676,519	664,498	148,778	-	1,489,795
Depreciation for the year	-	13,742	53,806	29,884	-	97,932
Depreciation on disposals	-	-	(22,999)	(73,879)	-	(96,878)
31 December 2014	-	690,261	695,305	104,743	-	1,490,309
Net book value						
31 December 2013	202,076	183,397	363,605	62,677	117,518	929,273
31 December 2014	202,076	169,655	351,520	88,900	69,636	881,787
Depreciation for the year						
2013 (Baht 74 million included in production cost, and the balance in selling and administrative expenses)						84,870
2014 (Baht 84 million included in production cost, and the balance in selling and administrative expenses)						97,392

As at 31 December 2014, 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 1,001 million (2013: Baht 1,076 million) (The Company only: Baht 989 million, 2013: Baht 1,064 million).

14. Computer software

The net book value of computer software as at 31 December 2014 and 2013 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cost				
1 January	290,159	250,816	277,834	239,717
Additions	52,651	40,020	27,549	38,124
Disposals	(13,932)	(677)	(13,932)	(7)
31 December	<u>328,878</u>	<u>290,159</u>	<u>291,451</u>	<u>277,834</u>
Accumulated amortisation				
1 January	169,272	146,449	161,785	138,992
Amortisation during the year	24,019	23,480	22,514	22,800
Accumulated amortisation of disposals	(10,431)	(657)	(10,431)	(7)
31 December	<u>182,860</u>	<u>169,272</u>	<u>173,868</u>	<u>161,785</u>
Allowance for impairment				
1 January	3,875	4,146	3,875	4,146
Reversal of allowance for impairment of computer software	(3,561)	(271)	(3,561)	(271)
31 December	<u>314</u>	<u>3,875</u>	<u>314</u>	<u>3,875</u>
Net book value as at 31 December	<u>145,704</u>	<u>117,012</u>	<u>117,269</u>	<u>112,174</u>
Amortisation expenses:				
Included in production cost	21,279	19,680	20,303	19,377
Included in selling and administrative expenses	2,740	3,800	2,211	3,423
Total amortisation expenses for the year	<u>24,019</u>	<u>23,480</u>	<u>22,514</u>	<u>22,800</u>

As at 31 December 2014, the Company's computer software included computer software under installation amounting to Baht 11 million (2013: Baht 30 million).

As at 31 December 2014, 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 107 million (2013: Baht 93 million) (The Company only: Baht 97 million, 2013: Baht 82 million).

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Bank overdrafts	MOR	-	16,796	-	16,796
Short-term loans from financial institutions	MMR		380,000		380,000
		<u>448,000</u>		<u>448,000</u>	
Total		<u>448,000</u>	<u>396,796</u>	<u>448,000</u>	<u>396,796</u>

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade payables - related parties	3,373	3,321	26,239	20,361
Trade payables - unrelated parties	166,604	150,505	100,014	91,258
Amount due to related parties	54	190	797	25
Accrued expenses	149,293	87,305	133,646	80,038
Other payables	83,178	57,732	62,879	55,287
Total trade and other payables	<u>402,502</u>	<u>299,053</u>	<u>323,575</u>	<u>246,969</u>

17. Long-term loans from non-controlling interests of subsidiary

As at 31 December 2014, 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.

18. 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	2014	2013
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	150,000	250,000
2	Fixed rate of 4.75 percent per annum	Quarterly installment of Baht 18.7 million each, commencing March 2015	300,000	-
Less: Current portion			(241,666)	(100,000)
Long-term loans - net of current portion			<u>208,334</u>	<u>150,000</u>

The long-term loan agreements contain certain covenants pertaining to the maintenance of a financial ratio. However, in December 2014 the Company was allowed by the lender to maintain the financial ratio at a rate higher than that prescribed in the loan agreement, but only in respect of the 2014 financial statements.

19. Liabilities under finance lease agreements

(Unit: Thousand Baht)		
	<u>2014</u>	<u>2013</u>
Liabilities under finance lease agreements	8,804	14,110
Less : Deferred interest expenses	(472)	(1,164)
Total	<u>8,332</u>	<u>12,946</u>
Less : Portion due within one year	(4,860)	(4,372)
Liabilities under finance lease agreements - net of current portion	<u><u>3,472</u></u>	<u><u>8,574</u></u>

The Company has entered into the finance lease agreements with leasing companies for rental 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 2014			
	Less than 1 year	1-4 years	Total
Future minimum lease payments	5.3	3.5	8.8
Deferred interest expenses	(0.4)	(0.1)	(0.5)
Present value of future minimum lease payments	<u>4.9</u>	<u>3.4</u>	<u>8.3</u>

(Unit: Million Baht)

As at 31 December 2013

	Less than 1		
	year	1-4 years	Total
Future minimum lease payments	5.1	9.1	14.2
Deferred interest expenses	(0.7)	(0.5)	(1.2)
Present value of future minimum lease payments	4.4	8.6	13.0

20. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	74,606	69,896	72,921	67,964
Current service cost	7,586	3,986	6,505	3,864
Interest cost	1,769	1,993	1,714	1,971
Benefits paid during the year	(12,691)	(10,591)	(13,411)	(10,013)
Actuarial loss	17,640	9,110	16,912	8,923
Past service costs	-	212	-	212
Defined benefit obligation at end of year	88,910	74,606	84,641	72,921

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current service cost	7,586	3,986	6,505	3,864
Interest cost	1,769	1,993	1,714	1,971
Past service costs recognised during the year	-	212	-	212
Total expense recognised in profit or loss	9,355	6,191	8,219	6,047
Line items in profit or loss under which such expenses are included				
Cost of sales	6,281	3,682	5,337	3,625
Selling and administrative expenses	3,074	2,509	2,882	2,422

As at 31 December 2014, the cumulative actuarial losses, which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 26.7 million (2013: Baht 9.1 million) (The Company only: Baht 25.8 million and 2013: Baht 8.9 million)

Key actuarial assumptions used for the valuation are as follows:

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
	(% per annum)	(% per annum)
Discount rate	2.0 - 3.8	2.3 - 4.5
Future salary increase rate	3.0	3.0
Employee turnover rate (depending on age of employees)	3.4 - 27.4	5.2 - 14.0

The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

	(Unit: Thousand Baht)			
	Defined benefit obligations		Experience adjustments on the obligations	
	Consolidated	Separate	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
Year 2014	88,910	84,641	3,012	2,899
Year 2013	74,606	72,921	8,929	8,775
Year 2012	69,896	67,964	-	-
Year 2011	71,525	70,091	-	-
Year 2010	71,051	69,991	-	-

21. 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.

22. Sales and service income

These include sales and advertising revenues of approximately Baht 40 million (2013: Baht 43 million) (Separate financial statements: Baht 23 million (2013: Baht 49 million)) arising from exchanges of dissimilar goods or services with other companies.

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Salaries and wages and other employee benefits	874	772	631	624
Depreciation and amortisation	137	133	120	107
Advertising expenses	145	157	100	113
News service expenses	61	43	47	39
Travelling expenses	76	68	72	65
Allowance for diminution in value of loans to subsidiary	-	-	96	-
Allowance for diminution in value of investment in subsidiary	-	-	25	-
Raw materials and consumables used	641	652	556	567
Changes in inventories of finished goods and work in progress	5	2	3	2

24. Deferred tax assets/Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Current income tax charge	6,368	45,298	-	37,904
Adjustment in respect of income tax of previous year	(461)	1,739	(719)	1,574
Total	<u>5,907</u>	<u>47,037</u>	<u>(719)</u>	<u>39,478</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,937)	(9,375)	(3,147)	(211)
Total	<u>(2,937)</u>	<u>(9,375)</u>	<u>(5,147)</u>	<u>(211)</u>
Income tax expense reported in the statement of comprehensive income	<u><u>2,970</u></u>	<u><u>37,662</u></u>	<u><u>(5,866)</u></u>	<u><u>39,267</u></u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax relating to actuarial loss	3,397	1,824	3,382	1,785

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Accounting profit before tax	(165,657)	157,759	(148,655)	177,897
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	(33,131)	31,552	(29,731)	35,579
Adjustment in respect of income tax of previous year	(462)	1,739	(719)	1,574
Adjustment in respect of deferred tax assets of previous year	1,864	-	1,864	-
Utilisation of previously unrecognised tax losses	(331)	(643)	-	-
Tax losses of subsidiaries for the year that have not been recognised as deferred tax assets	33,325	2,883	-	-
Tax effect of an allowance for diminution in value of loans to, and investment in subsidiary, not recognised as deferred tax assets	-	-	24,260	-
Effects of:				
Non-deductible expenses	1,792	2,186	599	2,114
Additional expense deductions allowed	(67)	-	(41)	-
Exempted dividend income	(50)	(55)	-	-
Others	30	-	(98)	-
Income tax expense reported in the statement of comprehensive income	2,970	37,662	(3,866)	39,267

As of 31 December 2014 and 2013, the components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Provision for long-term employee benefits	17,476	14,907	16,928	14,584
Tax loss carried forward	15,701	8,964	6,738	-
Allowance for loss from loan to and investment in subsidiary and associate	5,100	7,100	-	2,000
Allowance for doubtful debts	1,665	1,199	1,379	1,182
Allowance for sales returns	1,314	1,960	545	530
Allowance for diminution in value of inventories	8,550	8,650	4,975	5,467
Provisions	1,461	1,703	1,461	1,284
Allowance for impairment of computer software	63	775	63	775
Others	323	61	323	61
Total deferred tax assets	<u>51,653</u>	<u>45,319</u>	<u>32,412</u>	<u>25,883</u>

As at 31 December 2014, the subsidiaries had deductible temporary differences, unused tax losses and unused tax credits totaling Baht 167 million (2013: Baht 5 million). No deferred tax assets have been recognised on these amounts as the subsidiaries believes that it is not probable that future taxable profit will be available to allow the deferred tax assets to be utilised.

25. 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.

26. Segment information

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

For management purposes, the 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 2014 and 2013.

(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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Revenue from external customers	2,042	2,164	57	131	160	152	2,259	2,447	-	-	2,259
Inter-segment revenue	50	58	15	28	3	79	68	165	(68)	(165)	-	-
Segment profit (loss)	299	495	(123)	(52)	(1)	(6)	175	437	-	-	175	437

(Unit: Million Baht)

Segment total assets	Publishing and advertising segment		Production of television programs segment		Other segments		Unallocated		Adjustments and eliminations of inter-segment		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		1,974	1,460	400	162	58	72	224	597	(470)	(208)	2,186

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 2014, the Company and its subsidiaries have earned revenue from one major customer in the amount of Baht 244 million, arising from sales by the publishing and advertising segment (2013: Baht 305 million derived from one major customer, arising from sales by publishing and advertising segment).

27. 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. During 2014, the Company and its subsidiaries contributed Baht 38 million (2013: Baht 34 million) (Separate financial statements: Baht 29 million (2013: Baht 29 million)) to the fund.

28. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	(Unit: Million Baht)
			Dividend per share (Baht per share)
Final dividends for 2012	Annual General Meeting of the shareholders on 26 April 2013	50,000	0.10
Interim dividends for 2013	Board of Directors' meeting on 8 November 2013	50,000	0.10
Total for 2013		<u>100,000</u>	<u>0.20</u>
Final dividends for 2013	Annual General Meeting of the shareholders on 25 April 2014	70,000	0.14
Total for 2014		<u>70,000</u>	<u>0.14</u>

29. Commitments and contingent liabilities

29.1 Capital commitments

The Company had commitments relating to the acquisition of equipment and the developing and maintaining of computer systems as follows:

	(Unit: Million Baht)	
	As at 31 December	
	<u>2014</u>	<u>2013</u>
Payable:		
In up to 1 year	50	40
In over 1 up to 5 years	146	-

29.2 Purchase commitments

The subsidiaries have outstanding commitments, payable within one year, in respect of the purchase of paper for magazine printing in the quantity and at the rates stipulated in the agreement.

29.3 Long-term service commitments

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

29.4 Guarantees

As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 14 million (2013: Baht 16 million) issued in the normal course of business of the Companies.

29.5 Litigation

The Company has been named a defendant in a labor suit arising in the ordinary course of its business. The management believes that the resolution of this case will not have any material adverse effect on the Company's financial statements.

30. Financial instruments

30.1 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 2014

	Fixed interest rates				Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing		
Financial Assets						
Cash and cash equivalents	-	-	41	61	101	0.4 - 2.25
Trade and other receivables	-	-	-	652	652	-
	-	-	41	713	754	
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	448	-	448	MMR, MOR
Trade and other payables	-	-	-	403	403	-
Long-term loans from non-controlling interests of the subsidiary	-	-	6	-	6	Reference to MLR
Long-term loans	142	158	150	-	450	4.75, Reference to MLR
Liabilities under finance lease agreement	5	3	-	-	8	Fixed rates
	147	161	604	404	1,316	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2013

	Fixed interest rates				Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing		
Financial Assets						
Cash and cash equivalents	-	-	56	21	77	0.4 - 2.25
Trade and other receivables	-	-	-	650	650	-
	-	-	56	671	727	
Financial Liabilities						
Bank overdrafts and short-term loans from financial institutions	-	-	397	-	397	MMR, MOR
Trade and other payables	-	-	-	299	299	-
Long-term loans from non-controlling interests of the subsidiary	-	-	6	-	6	Reference to MLR
Long-term loans	-	-	250	-	250	Reference to MLR
Liabilities under finance lease agreement	4	9	-	-	13	Fixed rates
	4	9	653	299	965	

(Unit: Million Baht)

Separate financial statements as at 31 December 2014

	Fixed interest rates				Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing		
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	14	47	61	0.5 - 2.25
Trade and other receivables	-	-	-	535	535	-
Short-term loan to related parties	136	-	3	-	139	5.25, MLR
	<u>136</u>	<u>-</u>	<u>17</u>	<u>582</u>	<u>735</u>	
<u>Financial Liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	-	-	448	-	448	MMR, MOR
Trade and other payables	-	-	-	324	324	-
Long-term loans	142	158	150	-	450	4.75, Reference to MLR
Liabilities under finance lease agreement	5	3	-	-	8	Fixed rates
	<u>147</u>	<u>161</u>	<u>598</u>	<u>324</u>	<u>1,230</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2013

	Fixed interest rates				Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing		
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	-	15	15	0.5 - 2.25
Trade and other receivables	-	-	-	521	521	-
Short-term loan to related parties	45	-	3	-	48	3.25, MLR
	<u>45</u>	<u>-</u>	<u>3</u>	<u>536</u>	<u>584</u>	
<u>Financial Liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	-	-	397	-	397	MMR, MOR
Trade and other payables	-	-	-	247	247	-
Long-term loans	-	-	250	-	250	Reference to MLR
Liabilities under finance lease agreement	4	9	-	-	13	Fixed rates
	<u>4</u>	<u>9</u>	<u>647</u>	<u>247</u>	<u>907</u>	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from purchase of goods 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 2014 and 2013, there were no forward contracts outstanding.

30.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

31. 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 2014, the Group's debt-to-equity ratio was 2.60:1 (2013: 1.43:1) (Separate financial statements: 2.63:1 (2013: 1.46:1)).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 23 February 2015.