

The Post Publishing Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2013

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 2013, 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 judgment, 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 2013, 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

Ernst & Young Office Limited
Bangkok: 17 February 2014

The Post Publishing Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Assets					
Current assets					
Cash and cash equivalents	6	76,921,966	61,773,609	15,063,708	16,785,478
Trade and other receivables	7, 8	649,894,905	662,201,654	520,934,406	517,010,646
Inventories	9	94,897,660	84,069,974	94,404,590	81,761,206
Short-term loans to related parties	7	-	-	47,550,000	-
Corporate income tax deducted at source		36,420,860	75,881,284	23,178,676	67,532,169
Other current assets		50,968,852	30,212,589	20,324,344	26,529,127
Total current assets		909,104,243	914,139,110	721,455,724	709,618,626
Non-current assets					
Long-term loans to related parties	7	-	-	-	6,120,000
Investments in subsidiaries	10	-	-	125,892,450	106,017,450
Investment in associate	11	-	-	-	-
Other long-term investment	12	-	16,124	-	16,124
Property, plant and equipment	13	940,609,388	870,994,575	929,272,688	861,597,733
Goodwill	10	53,769,227	53,769,227	-	-
Other intangible assets - computer software	14	117,012,485	100,221,212	112,174,395	96,578,576
Deferred tax assets	24	45,318,755	34,119,098	25,882,834	23,888,022
Other non-current assets		16,905,717	8,533,521	2,712,628	1,983,319
Total non-current assets		1,173,615,572	1,067,653,757	1,195,934,995	1,096,201,224
Total assets		2,082,719,815	1,981,792,867	1,917,390,719	1,805,819,850

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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	15	396,795,538	233,544,978	396,795,538	233,544,978
Trade and other payables	7, 16	299,052,863	288,571,351	246,969,379	232,436,261
Short-term loans from non-controlling interests					
of the subsidiary	17	5,880,000	-	-	-
Current portion of long-term loans	18	100,000,000	100,000,000	100,000,000	100,000,000
Current portion of liabilities under					
finance lease agreements	19	4,371,743	4,110,917	4,371,743	4,110,917
Short-term loans from related party	7	-	-	-	10,000,000
Income tax payable		2,238,145	4,229,198	-	-
Unearned subscription fee		78,724,509	75,022,012	67,415,195	67,165,040
Other current liabilities		105,353,797	93,281,102	89,822,758	78,622,024
Total current liabilities		992,416,595	798,759,558	905,374,613	725,879,220
Non-current liabilities					
Long-term loans from non-controlling interests					
of the subsidiary	17	-	5,880,000	-	-
Long-term loans, net of current portion	18	150,000,000	250,000,000	150,000,000	250,000,000
Liabilities under finance lease agreements, net					
of current portion	19	8,574,147	12,945,889	8,574,147	12,945,889
Provision for long-term employee benefits	20	74,606,387	69,895,557	72,920,725	67,964,309
Total non-current liabilities		233,180,534	338,721,446	231,494,872	330,910,198
Total liabilities		1,225,597,129	1,137,481,004	1,136,869,485	1,056,789,418

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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
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		309,180,217	287,581,669	230,021,234	198,530,432
Other components of shareholders' equity		-	-	-	-
Equity attributable to owners of the Company		859,680,217	838,081,669	780,521,234	749,030,432
Non-controlling interests of the subsidiary		(2,557,531)	6,230,194	-	-
Total shareholders' equity		<u>857,122,686</u>	<u>844,311,863</u>	<u>780,521,234</u>	<u>749,030,432</u>
Total liabilities and shareholders' equity		<u>2,082,719,815</u>	<u>1,981,792,867</u>	<u>1,917,390,719</u>	<u>1,805,819,850</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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Profit or loss:					
Revenues					
Sales and service income	22	2,446,980,146	2,376,173,287	2,066,405,974	1,999,162,246
Costs of sales and services		<u>(1,690,305,871)</u>	<u>(1,657,468,496)</u>	<u>(1,414,151,060)</u>	<u>(1,429,248,640)</u>
Gross profit		756,674,275	718,704,791	652,254,914	569,913,606
Selling expenses		(319,986,536)	(304,467,198)	(259,868,764)	(290,944,704)
Administrative expenses		<u>(281,852,220)</u>	<u>(256,088,010)</u>	<u>(215,221,678)</u>	<u>(198,561,967)</u>
Income from sales and rendering of services		154,835,519	158,149,583	177,164,472	80,406,935
Other income					
Dividend income from subsidiary and jointly controlled entity	10	250,880	250,880	-	41,300,000
Reversal of allowance for loss from loan to associate		-	600,000	-	600,000
Gain on disposal of equipment		-	7,157,191	-	7,157,191
Others		<u>27,706,790</u>	<u>28,978,139</u>	<u>25,294,005</u>	<u>26,799,637</u>
Profit before finance cost and income tax expenses		182,793,189	195,135,793	202,458,477	156,263,763
Finance cost		<u>(25,034,248)</u>	<u>(26,280,755)</u>	<u>(24,561,783)</u>	<u>(25,891,994)</u>
Profit before income tax expenses		157,758,941	168,855,038	177,896,694	130,371,769
Income tax expenses	24	<u>(37,661,583)</u>	<u>(39,729,598)</u>	<u>(39,267,488)</u>	<u>(21,369,968)</u>
Profit for the year		<u>120,097,358</u>	<u>129,125,440</u>	<u>138,629,206</u>	<u>109,001,801</u>
Other comprehensive income:					
Actuarial loss	20	(9,110,652)	-	(8,923,005)	-
Income tax effect	24	<u>1,824,117</u>	<u>-</u>	<u>1,784,601</u>	<u>-</u>
Other comprehensive income for the year		<u>(7,286,535)</u>	<u>-</u>	<u>(7,138,404)</u>	<u>-</u>
Total comprehensive income for the year		<u>112,810,823</u>	<u>129,125,440</u>	<u>131,490,802</u>	<u>109,001,801</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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Profit attributable to:					
Equity holders of the Company		128,885,083	126,371,606	<u>138,629,206</u>	<u>109,001,801</u>
Non-controlling interests of the subsidiary		<u>(8,787,725)</u>	<u>2,753,834</u>		
		<u>120,097,358</u>	<u>129,125,440</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		121,598,548	126,371,606	<u>131,490,802</u>	<u>109,001,801</u>
Non-controlling interests of the subsidiary		<u>(8,787,725)</u>	<u>2,753,834</u>		
		<u>112,810,823</u>	<u>129,125,440</u>		
Earnings per share					
	25				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.26</u>	<u>0.25</u>	<u>0.28</u>	<u>0.22</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 2013

(Unit: Baht)

Consolidated financial statements						
Equity attributable to the owners of the Company						
Ordinary shares - issued and fully paid fully paid	Retained earnings		Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity	
	Appropriated - statutory reserve	Unappropriated				
Balance as at 1 January 2012	500,000,000	50,500,000	241,210,063	791,710,063	3,476,360	795,186,423
Total comprehensive income for the year	-	-	126,371,606	126,371,606	2,753,834	129,125,440
Dividened paid (Note 28)	-	-	(80,000,000)	(80,000,000)	-	(80,000,000)
Balance as at 31 December 2012	<u>500,000,000</u>	<u>50,500,000</u>	<u>287,581,669</u>	<u>838,081,669</u>	<u>6,230,194</u>	<u>844,311,863</u>
Balance as at 1 January 2013	500,000,000	50,500,000	287,581,669	838,081,669	6,230,194	844,311,863
Total comprehensive income for the year	-	-	121,598,548	121,598,548	(8,787,725)	112,810,823
Dividened 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>

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 2013

(Unit: Baht)

	Separate financial statements			Total shareholders' equity
	Ordinary shares - issued and fully paid	Retained earnings		
		Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2012	500,000,000	50,500,000	169,528,631	720,028,631
Total comprehensive income for the year	-	-	109,001,801	109,001,801
Dividened paid (Note 28)	-	-	(80,000,000)	(80,000,000)
Balance as at 31 December 2012	<u>500,000,000</u>	<u>50,500,000</u>	<u>198,530,432</u>	<u>749,030,432</u>
Balance as at 1 January 2013	500,000,000	50,500,000	198,530,432	749,030,432
Total comprehensive income for the year	-	-	131,490,802	131,490,802
Dividened 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>

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 2013

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities				
Profit before tax	157,758,941	168,855,038	177,896,694	130,371,769
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Allowance for doubtful debts (reversal)	5,544,629	(603,791)	497,996	1,143,774
Allowance for sales returns	1,095,234	1,457,853	1,095,234	1,457,853
Allowance to reduce cost to net realisable value	6,094,337	13,515,463	5,004,891	9,747,095
Provision for loss on loan to associate (reversal)	-	(600,000)	3,570,000	(600,000)
Allowance for loss from investments in subsidiary	-	-	5,100,000	-
Write-off investments in other company	16,124	-	16,124	-
Dividend income from subsidiary and jointly controlled entity	(250,880)	(250,880)	-	(41,300,000)
Depreciation and amortisation	112,929,671	140,213,960	107,668,454	135,053,612
Loss (gain) on disposal of equipment	2,165,663	(7,157,191)	1,495,655	(7,157,191)
Reversal of allowance for impairment of computer software	(271,179)	(1,026,586)	(271,179)	(1,026,586)
Provision for long-term employee benefits	6,191,485	6,651,232	6,046,627	6,153,890
Interest expenses	<u>25,034,248</u>	<u>26,280,755</u>	<u>24,561,783</u>	<u>25,891,994</u>
Profit from operating activities before changes in operating assets and liabilities	316,308,273	347,335,853	332,682,279	259,736,210
Operating assets (increase) decrease				
Trade and other receivables	5,666,886	(205,325,264)	(5,516,990)	(191,148,734)
Inventories	(16,922,023)	23,387,790	(17,648,275)	22,948,507
Other current assets	20,976,563	(7,915,113)	48,175,880	(9,040,170)
Other non-current assets	(8,372,196)	3,175	(729,308)	190,409
Operating liabilities increase (decrease)				
Trade and other payables	(7,806,713)	(6,948,838)	(3,410,023)	(19,243,237)
Other current liabilities	15,598,331	11,664,264	11,450,889	10,982,807
Other non-current liabilities	<u>(10,591,307)</u>	<u>(8,280,969)</u>	<u>(10,013,216)</u>	<u>(8,280,560)</u>
Cash flows from operating activities	314,857,814	153,920,898	354,991,236	66,145,232
Cash paid for interest expenses	(23,568,623)	(25,980,596)	(23,722,547)	(24,891,498)
Cash paid for corporate income tax	<u>(51,361,987)</u>	<u>(55,302,527)</u>	<u>(37,095,303)</u>	<u>(27,298,970)</u>
Net cash flows from operating activities	<u>239,927,204</u>	<u>72,637,775</u>	<u>294,173,386</u>	<u>13,954,764</u>

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 2013

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flow from investing activities				
Increase in short-term loans to related party	-	-	(45,000,000)	-
Purchase of investments in subsidiary	-	-	(24,975,000)	-
Dividend received from subsidiary and jointly controlled entity	250,880	250,880	-	41,300,000
Cash received from repayment of loan to associate	-	600,000	-	600,000
Proceeds from sales of equipment	192,734	7,224,147	131,987	7,224,147
Cash paid for purchase of equipment	(143,409,306)	(43,790,036)	(136,134,799)	(41,433,989)
Cash paid for purchase of computer software	(40,019,431)	(17,070,254)	(38,123,620)	(14,810,157)
Net cash flows used in investing activities	<u>(182,985,123)</u>	<u>(52,785,263)</u>	<u>(244,101,432)</u>	<u>(7,119,999)</u>
Cash flows from financing activities				
Bank overdrafts and short-term loans from financial institutions	163,250,560	182,963,418	163,250,560	202,963,418
Repayment of long-term loans from banks	(100,000,000)	(122,500,000)	(100,000,000)	(122,500,000)
Repayment of liabilities under finance lease agreements	(5,044,284)	(2,853,087)	(5,044,284)	(2,853,087)
Decrease in short-term loans from related party	-	-	(10,000,000)	-
Increase in loans from subsidiary	-	-	-	4,000,000
Dividend paid	(100,000,000)	(80,000,000)	(100,000,000)	(80,000,000)
Net cash flows used in financing activities	<u>(41,793,724)</u>	<u>(22,389,669)</u>	<u>(51,793,724)</u>	<u>1,610,331</u>
Net increase (decrease) in cash and cash equivalents	15,148,357	(2,537,157)	(1,721,770)	8,445,096
Cash and cash equivalents at beginning of year	<u>61,773,609</u>	<u>64,310,766</u>	<u>16,785,478</u>	<u>8,340,382</u>
Cash and cash equivalents at end of year	<u><u>76,921,966</u></u>	<u><u>61,773,609</u></u>	<u><u>15,063,708</u></u>	<u><u>16,785,478</u></u>
	-	-	-	-
Supplemental cash flows information:				
Non-cash item				
Purchase of equipment and computer software for which cash has not been paid	19,944,517	2,188,550	19,219,860	1,182,588
Purchase of assets under finance lease agreements	-	14,470,048	-	14,470,048

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 2013

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>2013</u> Percent	<u>2012</u> Percent	
Subsidiaries				
Post TV Company Limited (owned by Post Holding Company Limited, formally known as Job Job Company Limited)	Rental service for internet domain name and production of television	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	-	Thailand

Company's name	Nature of business	Percentage of shareholding		Country of incorporation
		<u>2013</u> Percent	<u>2012</u> Percent	
Post Holding Company Limited (owned by Post New Media Company Limited)	Investment	100	100	Thailand
Post News Company Limited	Production of television programming	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 accounting standards

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

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

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements.

The Company and its subsidiaries have early adopted TAS 12 Income Taxes.

(b) Accounting standards that will become effective in the future

	<u>Effective date</u>
Accounting Standard:	
TAS 1 (revised 2012) Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012) Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012) Income Taxes	1 January 2014
TAS 17 (revised 2012) Leases	1 January 2014
TAS 18 (revised 2012) Revenue	1 January 2014
TAS 19 (revised 2012) Employee Benefits	1 January 2014
TAS 21 (revised 2012) The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012) Related Party Disclosures	1 January 2014
TAS 28 (revised 2012) Investments in Associates	1 January 2014
TAS 31 (revised 2012) Interests in Joint Ventures	1 January 2014

	<u>Effective date</u>
TAS 34 (revised 2012) Interim Financial Reporting	1 January 2014
TAS 38 (revised 2012) Intangible Assets	1 January 2014
Financial Reporting Standard:	
TFRS 2 (revised 2012) Share-based Payment	1 January 2014
TFRS 3 (revised 2012) Business Combinations	1 January 2014
TFRS 4 Insurance Contracts	1 January 2016
TFRS 5 (revised 2012) Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012) Operating Segments	1 January 2014
Accounting Standard Interpretations:	
TSIC 15 Operating Leases - Incentives	1 January 2014
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32 Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7 Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10 Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014
TFRIC 17 Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18 Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

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	
	2013	2012	2013	2012
Cash	219	413	219	210
Bank deposits	76,703	61,361	14,845	16,575
Total	<u>76,922</u>	<u>61,774</u>	<u>15,064</u>	<u>16,785</u>

As at 31 December 2013, bank deposits in savings accounts and fixed deposits carried interest at the rates between 0.4 and 2.25 percent per annum (2012: between 0.6 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of goods	-	-	35	32	Market price
Rental income	-	-	7	6	Market price
Advertising income	-	-	7	42	Market price
Television production service income	-	-	21	57	Contract price
Advertising expenses	-	-	9	40	Market price
Rental expenses of television air time	-	-	1	5	Market price
Management fee income	-	-	-	2	Contract price
<u>Transactions with jointly controlled entity</u>					
(eliminated from the consolidated financial statements at the Company's proportionated interest)					
Purchase of goods	13	16	26	33	Market price
Management income	3	-	-	-	Contract price

The balances of the accounts as at 31 December 2013 and 2012 between the Company and those related companies are as follow:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	4,631	9,080
Jointly controlled entity	531	383	4	4
Associate	-	1	-	1
Total trade and other receivables - related parties	531	384	4,635	9,085
<u>Trade and other payables - related parties (Note 16)</u>				
Subsidiaries	-	-	13,590	9,679
Jointly controlled entity	3,491	4,402	6,776	8,933
Associate	20	-	20	-
Total trade and other payables - related parties	3,511	4,402	20,386	18,612

Long-term loans to related parties

As at 31 December 2013 and 2012, 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 2012	Increase during the year	Balance as at 31 December 2013
Post International Media Co., Ltd.	Subsidiary	-	45,000	45,000
Post News Co., Ltd.	Subsidiary	6,120	-	6,120
		6,120	45,000	51,120
Less: Allowance for doubtful accounts		-	(3,570)	(3,570)
Total		6,120	41,430	47,550

In 2013, Post International Media Company Limited received a loan of Baht 45 million from the Company. The loan is repayable on demand and carries interest at the rate of 3.25 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.

Short-term loans from related party

As at 31 December 2013 and 2012, the balance of loans between the Company and this related party and the movement are as follows:

(Unit: Thousand Baht)

Loans to related party	Related by	Separate financial statements			
		Balance as at 31 December 2012	Increase during the year	Decrease during the year	Balance as at 31 December 2013
Post International Media Company Limited	Subsidiary	10,000	-	(10,000)	-

The above short-term loans are repayable on demand and subject to interest at the rate reference to the 12-month fixed deposit of a local commercial bank. During the current year, the Company paid such loans in full amount.

Directors and management's benefits

During the year ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	93	81	56	51
Post-employment benefits	1	1	1	1
Total	<u>94</u>	<u>82</u>	<u>57</u>	<u>52</u>

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Trade receivables - related party</u>				
Age on the basis of due dates				
Not yet due	-	-	-	5,118
Past due				
Up to 3 months	-	-	193	2,559
Total trade receivables - related party	<u>-</u>	<u>-</u>	<u>193</u>	<u>7,677</u>
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	290,124	295,941	222,023	219,270
Past due				
Up to 3 months	320,205	322,790	260,502	251,991
3 - 6 months	28,272	33,475	25,619	29,861
6 - 12 months	21,770	12,528	13,149	11,264
Over 12 months	9,970	12,031	7,887	8,254
Total	<u>670,341</u>	<u>676,765</u>	<u>529,180</u>	<u>520,640</u>
Less : Allowance for doubtful accounts	(14,104)	(9,789)	(5,908)	(6,836)
Allowance for sales returns	<u>(6,973)</u>	<u>(5,878)</u>	<u>(6,973)</u>	<u>(5,878)</u>
Total trade receivables - unrelated parties, net	<u>649,264</u>	<u>661,098</u>	<u>516,299</u>	<u>507,926</u>
Total trade receivables - net	<u>649,264</u>	<u>661,098</u>	<u>516,492</u>	<u>515,603</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>Other receivables</u>				
Amounts due from related parties	531	384	4,442	1,408
Other receivables	100	720	-	-
Total other receivables	631	1,104	4,442	1,408
Trade and other receivables - net	<u>649,895</u>	<u>662,202</u>	<u>520,934</u>	<u>517,011</u>

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Allowance to reduce cost to net realisable value		Inventories - net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Finished goods	52,709	50,639	(40,686)	(34,010)	12,023
Raw materials	63,346	52,735	(296)	(2,219)	63,050	50,516
Raw materials in transit	8,686	4,110	-	-	8,686	4,110
Others	14,691	15,025	(3,552)	(2,210)	11,139	12,815
Total	<u>139,432</u>	<u>122,509</u>	<u>(44,534)</u>	<u>(38,439)</u>	<u>94,898</u>	<u>84,070</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Allowance to reduce cost to net realisable value		Inventories – net	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Finished goods	40,146	38,072	(24,096)	(18,510)	16,050
Raw materials	63,346	52,735	(296)	(2,219)	63,050	50,516
Raw materials in transit	8,686	4,110	-	-	8,686	4,110
Others	9,561	9,173	(2,942)	(1,600)	6,619	7,573
Total	<u>121,739</u>	<u>104,090</u>	<u>(27,334)</u>	<u>(22,329)</u>	<u>94,405</u>	<u>81,761</u>

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follow:

(Unit: Thousand Baht)

Company's name	Separate financial statements								
	Paid-up capital		Shareholding percentage		Carrying amount based on cost method		Dividend received during		
	2013	2012	2013	2012	2013	2012	2013	2012	
				(%)	(%)				
Post TV Company Limited (Formally known as Job Job Company Limited)	-	25	-	100	-	25	-	-	
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	-	41,300	
Post News Company Limited	10,000	10,000	51	51	5,100	5,100	-	-	
Post New Media Company Limited	25,000	-	100	-	25,000	-	-	-	
Total					130,992	106,017	-	41,300	
Less: Allowance for loss from investments					(5,100)	-	-	-	
					125,892	106,017	-	41,300	

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:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method - net	
			2013	2012	2013	2012	2013	2012
			(%)	(%)				
Flash News Company Limited	Production of radio programming	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:

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for the year ended		Profit for the year ended	
	as at		as at		as at		ended		year ended	
	31 December		31 December		31 December		31 December		31 December	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Flash News Company Limited	23	23	6	6	3	4	20	21	2	2

12. Long-term investment

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

(Unit: Thousand Baht)

	Paid up Capital	Equity interest	Cost	
			2013	2012
		Percent		
Singapore Press Holdings Limited	27,393,300	-	-	16

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 2012	202,076	859,496	1,038,507	178,714	5,141	2,283,934
Additions	-	-	9,200	31,448	12,785	53,433
Disposals	-	-	(4,143)	(19,329)	-	(23,472)
Transfers	-	-	1,832	12,564	(14,396)	-
31 December 2012	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
Accumulated depreciation						
1 January 2012	-	627,382	579,631	143,118	-	1,350,131
Depreciation for the year	-	35,399	57,946	22,830	-	116,175
Depreciation on disposals	-	-	(4,143)	(19,263)	-	(23,406)
31 December 2012	-	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
Net book value						
31 December 2012	202,076	196,715	411,962	56,712	3,530	870,995
31 December 2013	202,076	183,397	367,541	68,793	118,802	940,609
Depreciation for the year						
2012 (Baht 95 million included in manufacturing cost, and the balance in selling and administrative expenses)						116,175
2013 (Baht 76 million included in manufacturing cost, and the balance in selling and administrative expenses)						89,451

(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 2012	202,076	859,495	1,026,757	165,370	5,141	2,258,839
Additions	-	-	6,567	30,902	12,785	50,254
Disposals	-	-	(4,092)	(19,980)	-	(24,072)
Transfers	-	-	1,831	12,564	(14,395)	-
31 December 2012	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
Accumulated depreciation						
1 January 2012	-	627,382	571,159	137,198	-	1,335,739
Depreciation for the year	-	35,399	55,970	20,321	-	111,690
Depreciation on disposals	-	-	(4,092)	(19,914)	-	(24,006)
31 December 2012	-	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
Net book value						
31 December 2012	202,076	196,714	408,026	51,251	3,531	861,598
31 December 2013	202,076	183,397	363,605	62,677	117,518	929,273
Depreciation for the year						
2012 (Baht 92 million included in production cost, and the balance in selling and administrative expenses)						111,690
2013 (Baht 74 million included in production cost, and the balance in selling and administrative expenses)						84,870

As at 31 December 2013, the Company, subsidiaries and jointly controlled entity had certain equipment items which have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 1,076 million (2012: Baht 1,004 million) (Separate financial statements: Baht 1,064 million (2012: Baht 994 million)).

14. Computer software

The net book value of computer software as at 31 December 2013 and 2012 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cost				
1 January	250,816	249,012	239,717	240,444
Additions	40,020	17,045	38,124	14,785
Disposals	(677)	(15,241)	(7)	(15,512)
31 December	<u>290,159</u>	<u>250,816</u>	<u>277,834</u>	<u>239,717</u>
Accumulated amortisation				
1 January	146,449	137,650	138,992	131,140
Amortisation during the year	23,480	24,039	22,800	23,363
Accumulated amortisation of disposals	(657)	(15,240)	(7)	(15,511)
31 December	<u>169,272</u>	<u>146,449</u>	<u>161,785</u>	<u>138,992</u>
Allowance for impairment				
1 January	4,146	5,172	4,146	5,172
Reversal of allowance for impairment of computer software	(271)	(1,026)	(271)	(1,026)
31 December	<u>3,875</u>	<u>4,146</u>	<u>3,875</u>	<u>4,146</u>
Net book value as at 31 December	<u>117,012</u>	<u>100,221</u>	<u>112,174</u>	<u>96,579</u>
Amortisation expenses:				
Included in production cost	19,680	19,987	19,377	19,507
Included in selling and administrative expenses	3,800	4,052	3,423	3,856
Total amortisation expenses for the year	<u>23,480</u>	<u>24,039</u>	<u>22,800</u>	<u>23,363</u>

As at 31 December 2013, the Company's computer software included computer software under installation amounting to Baht 30 million (2012: Baht 8 million).

As at 31 December 2013, the Company and its subsidiaries had certain computer software which have been 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 93 million (2012: Baht 62 million) (Separate financial statements: Baht 82 million (2012: Baht 51 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	
		2013	2012	2013	2012
Bank overdrafts	MOR	16,796	15,545	16,796	15,545
Short-term loans from financial institutions	MMR	380,000	218,000	380,000	218,000
Total		396,796	233,545	396,796	233,545

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Trade payables - related parties	3,321	4,377	20,361	18,354
Trade payables - unrelated parties	150,505	144,322	91,258	85,268
Amount due to related parties	190	25	25	258
Accrued expenses	87,305	101,283	80,038	93,393
Other payables	57,732	38,564	55,287	35,163
Total trade and other payables	299,053	288,571	246,969	232,436

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

As at 31 December 2013, 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 local banks, which are summarised below.

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	2013	2012
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	250,000	350,000
Less: Current portion			(100,000)	(100,000)
Long-term loans - net of current portion			150,000	250,000

The long-term loan agreements contain certain covenants pertaining to the maintenance of financial ratios.

19. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u>
Liabilities under finance lease agreements	14,110	19,154
Less : Deferred interest expenses	<u>(1,164)</u>	<u>(2,097)</u>
Total	12,946	17,057
Less : Portion due within one year	<u>(4,372)</u>	<u>(4,111)</u>
Liabilities under finance lease agreements - net of current portion	<u>8,574</u>	<u>12,946</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)		
	<u>As at 31 December 2013</u>		
	Less than 1		
	year	1-4 years	Total
Future minimum lease payments	5.1	9.1	14.2
Deferred interest expenses	<u>(0.7)</u>	<u>(0.5)</u>	<u>(1.2)</u>
Present value of future minimum lease payments	<u>4.4</u>	<u>8.6</u>	<u>13.0</u>

	(Unit: Million Baht)		
	<u>As at 31 December 2012</u>		
	Less than 1		
	year	1-4 years	Total
Future minimum lease payments	5.1	14.1	19.2
Deferred interest expenses	<u>(1.0)</u>	<u>(1.1)</u>	<u>(2.1)</u>
Present value of future minimum lease payments	<u>4.1</u>	<u>13.0</u>	<u>17.1</u>

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees on their retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Defined benefit obligation at beginning of year	69,896	71,525	67,964	70,091
Current service cost	3,986	4,734	3,864	4,262
Interest cost	1,993	1,918	1,971	1,892
Benefits paid during the year	(10,591)	(8,281)	(10,013)	(8,281)
Actuarial loss	9,110	-	8,923	-
Past service costs	212	-	212	-
Defined benefit obligation at end of year	74,606	69,896	72,921	67,964

Long-term employee benefit expenses included in the profit or loss was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Current service cost	3,986	4,734	3,864	4,262
Interest cost	1,993	1,918	1,971	1,892
Past service costs recognised during the year	212	-	212	-
Total expense recognised in profit or loss	6,191	6,652	6,047	6,154
Line items under which such expenses are included in profit or loss				
Cost of sales	3,682	4,008	3,625	3,651
Selling and administrative expenses	2,509	2,644	2,422	2,503

Total actuarial gains and losses recognized in the other comprehensive income of the Company and its subsidiaries as at 31 December 2013 amounted to Baht 9.1 million (The Company only: Baht 8.9 million).

Principal actuarial assumptions of the Company and its subsidiaries at the valuation date were as follows:

	(Unit: Thousand Baht)	
	<u>2013</u>	<u>2012</u>
	(% per annum)	(% per annum)
Discount rate (depending on employee's remaining service year)	2.3 - 4.5	1.9 - 4.3
Future salary increase rate	3.0	3.0
Staff turnover rate	5.2 - 14.0	5.2 - 14.0

Amounts of defined benefit obligation for the current and previous three periods are as follows:

	(Unit: Thousand Baht)			
	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated	Separate	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
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 has now been fully set aside. The statutory reserve is not available for dividend distribution.

22. Sales and service income

These include sales and advertising revenues of approximately Baht 43 million (2012: Baht 53 million) (Separate financial statements: Baht 49 million (2012: Baht 92 million)) arising from exchanges of dissimilar goods or services with other companies.

23. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Salaries, wages and other employee benefits	772	727	624	611
Depreciation and amortisation	133	140	107	135
Advertising expenses	157	114	113	137
News service expenses	43	60	39	40
Travelling expenses	68	81	65	69
Raw materials and consumables used	652	648	567	610
Changes in inventories of finished goods and work in progress	2	9	2	10

24. Deferred tax assets/Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current income tax:				
Current income tax charge	45,298	20,366	37,904	1,912
Adjustment of prior year's income tax	1,739	(49)	1,574	(422)
Total	47,037	20,317	39,478	1,490
Deferred tax:				
Relating to origination and reversal of temporary differences	(9,375)	(2,115)	(211)	(1,016)
Utilisation of tax loss carried forward during the year	-	19,828	-	19,828
Effect of the change in income tax rate	-	1,700	-	1,068
Total	(9,375)	19,413	(211)	19,880
Income tax expense reported in the statement of comprehensive income	<u>37,662</u>	<u>39,730</u>	<u>39,267</u>	<u>21,370</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Deferred tax relating to actuarial loss	<u>1,824</u>	<u>-</u>	<u>1,785</u>	<u>-</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Accounting profit before tax	<u>157,971</u>	<u>168,855</u>	<u>178,109</u>	<u>130,372</u>
Applicable tax rate	<u>20%</u>	<u>23%</u>	<u>20%</u>	<u>23%</u>
Accounting profit before tax multiplied by applicable tax rate	31,552	38,837	35,579	29,986
Adjustment of prior year's income tax	1,739	(49)	1,574	(422)
Utilisation of previously unrecognised tax losses	(643)	(1,123)	-	-
Effect of the change in income tax rates	-	1,700	-	1,068
Tax losses of subsidiaries for the year that have not been recognised as deferred tax assets	2,883	-	-	-
Effects of:				
Non-deductible expenses	2,186	422	2,114	237
Exempted dividend income	(55)	(57)	-	(9,499)
Income tax expense reported in the statement of comprehensive income	<u>37,662</u>	<u>39,730</u>	<u>39,267</u>	<u>21,370</u>

As of 31 December 2013 and 2012, the components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Provision for long-term employee benefits	14,907	13,695	14,584	13,593
Tax loss carried forward	8,964	-	-	-
Allowance for loss from loan to and investment in subsidiary and associate	7,100	7,100	2,000	2,000
Allowance for doubtful accounts	1,199	1,958	1,182	1,367
Allowance for sales returns	1,960	1,269	530	491
Allowance for diminution in value of inventories	8,650	7,354	5,467	4,466
Provisions	1,703	1,577	1,284	1,107
Allowance for impairment of computer software	775	829	775	829
Others	61	67	61	35
Total deferred tax assets	<u>45,319</u>	<u>34,119</u>	<u>25,883</u>	<u>23,888</u>

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

As at 31 December 2013, a subsidiary has deductible temporary differences, unused tax losses and unused tax credits totaling Baht 5 million (2012: Baht 20 million), on which deferred tax assets have not been recognised as the subsidiary 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 2013 and 2012.

(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	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Revenue from external customers	2,164	1,980	131	239	152	157	2,447	2,376	-	-	2,447
Inter-segment revenue	58	91	28	102	79	66	165	259	(165)	(259)	-	-
Segment profit (loss)	495	407	(52)	6	(6)	1	437	414	-	(1)	437	413

(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	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		1,460	1,352	162	109	72	56	597	574	(208)	(109)	2,083

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 2013, the Company and its subsidiaries have revenue from one major customer in amount of Baht 305 million, arising from sales by the publishing and advertising segment (2012: Baht 246 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 employees and the Company and its subsidiaries contributed to the fund monthly at the rates of 4 percent to 8 percent of basis 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 2013, the Company and its subsidiaries contributed Baht 34 million (2012: Baht 30 million) (Separate financial statements: Baht 29 million (2012: Baht 27 million)) to the fund.

28. Dividends

Dividends	Approved by	(Unit: Million Baht)	
		Total dividends (Thousand Baht)	Dividend per share (Baht per share)
Final dividends for 2011	Annual General Meeting of the shareholders on 25 April 2012	50,000	0.10
Interim dividends for 2012	Board of Directors' meeting on 9 November 2012	30,000	0.06
Total for 2012		<u>80,000</u>	<u>0.16</u>
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>

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>2013</u>	<u>2012</u>
Payable:		
In up to 1 year	40	50
In over 1 up to 5 years	-	8

29.2 Purchase newsprint commitments

As at 31 December 2013, the Company has outstanding commitment in respect of the purchase of newsprint amounting to USD 0.3 million or equivalent to Baht 8 million (As at 31 December 2012, the Company had no outstanding commitment in respect of purchase of newsprint).

The subsidiaries have outstanding commitments, payable within one year, in respect of the purchase of paper for magazine printing at the rate and quantities 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, which are calculated in accordance with the conditions and at rates stipulated in the agreements.

29.4 Guarantees

As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 16 million (2012: Baht 20 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 2013

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years				
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	56	21	77	0.4 - 2.25
Trade and other receivables	-	-	-	650	650	-
	-	-	56	671	727	
<u>Financial Liabilities</u>						
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)

Consolidated financial statements as at 31 December 2012

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years				
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	37	25	62	0.6 - 2.25
Trade and other receivables	-	-	-	662	662	-
	-	-	37	687	724	
<u>Financial Liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	-	-	234	-	234	MMR, MOR
Trade and other payables	-	-	-	289	289	-
Long-term loans from non- controlling interests of the subsidiary	-	-	6	-	6	Reference to MLR
Long-term loans	50	-	300	-	350	Fixed rates and MLR
Liabilities under finance lease agreement	4	13	-	-	17	Fixed rates
	54	13	540	289	896	

(Unit: Million Baht)

Separate financial statements as at 31 December 2013

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years				
<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 party	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>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2012

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years				
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	1	16	17	0.62 - 2.25
Trade and other receivables	-	-	-	517	517	-
Long-term loans to related parties	-	-	6	-	6	Reference to MLR
	<u>-</u>	<u>-</u>	<u>7</u>	<u>533</u>	<u>540</u>	
<u>Financial Liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	-	-	234	-	234	MMR, MOR
Trade and other payables	-	-	-	232	232	-
Short-term loans from related party	-	-	10	-	10	Reference to the 12 month fixed deposit rates
Long-term loans	50	-	300	-	350	Fixed rates and MLR
Liabilities under finance lease agreement	4	13	-	-	17	Fixed rates
	<u>54</u>	<u>13</u>	<u>544</u>	<u>232</u>	<u>843</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 2013 and 2012, 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 2013, the Group's debt-to-equity ratio was 1.43:1 (2012: 1.36:1) (Separate financial statements: 1.46:1 (2012: 1.41:1)).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 17 February 2014.