

BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2020**

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders and Board of Directors of
Bangkok Post Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of Bangkok Post Public Company Limited and its subsidiaries as at June 30, 2020, and the related consolidated statement of comprehensive income for the three-month and six-month periods then ended, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the six-month period then ended, and the condensed notes to the interim financial statements and I have also reviewed the statement of financial position of Bangkok Post Public Company Limited as at June 30, 2020, and the related statement of comprehensive income for the three-month and six-month periods then ended, statement of changes in shareholders’ equity and statement of cash flows for the six-month period then ended, and the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

I conducted my review in accordance with Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

CONCLUSION

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

I draw attention to the matter as described in Note 1.2 to the interim financial statements. The Company and its subsidiaries have operating loss for a number of consecutive years. As at June 30, 2020, the Company and its subsidiaries current liabilities exceeded current assets with significant amount. The Company and its subsidiaries are moving towards digitization through its continuous business strategic and business model plans and including the plan to dispose of its assets to pay the said debt. Moreover, up to the audit report date, the securities of the Company have been posted with “C” (Caution) sign. The Company and its subsidiaries still receiving for financial support from a major shareholder. The Company and its subsidiaries have paid loans interest and principal on schedule. The management therefore believes that the Company and its subsidiaries will be able to continue as a going concern. The financial statements have therefore been prepared under the going concern basis. However, the Company and its subsidiaries are in the process to execute the changes in its business strategic and business model plans and to dispose of assets in the future. These events indicate that a material uncertainty exists that may cast doubt on the Company and its subsidiaries ability to continue as a going concern. In addition, I draw attention to Note 28.1 to the interim financial statements regarding financial plan in the situation that the securities of the Company are posted with “C” (Caution) sign.

My opinion is not qualified in respect of these matters.

EMPHASIS OF MATTER

I draw attention to Note 2.3 to the interim financial statements. Due to the impact of COVID-19 pandemic, in preparing the interim financial information for the three-month and six-month periods ended June 30, 2020, the Company and its subsidiaries have adopted the Accounting Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation” announced by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

OTHER MATTERS

The consolidated statement of financial position of Bangkok Post Public Company Limited and its subsidiaries and the statement of financial position of Bangkok Post Public Company Limited as at December 31, 2019, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in her report dated February 25, 2020, with observation about of the matter material uncertainty related to going concern. The consolidated statement of comprehensive income for the three-month and six-month periods ended June 30, 2019, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the six-month period then ended of Bangkok Post Public Company Limited and its subsidiaries, and the statement of comprehensive income for the three-month and six-month periods ended June 30, 2019, statement of changes in shareholders' equity and statement of cash flows for the six-month periods then ended of Bangkok Post Public Company Limited, which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in her report dated August 14, 2019, with observation about of the matter material uncertainty related to going concern.

(Miss Sulalit Ardsawang)
Certified Public Accountant
Registration No. 7517

Dharmniti Auditing Company Limited
Bangkok, Thailand
August 11, 2020

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

ASSETS

					Thousand Baht			
					Consolidated financial statements		Separate financial statements	
					As at June	As at December	As at June	As at December
					30, 2020	31, 2019	30, 2020	31, 2019
Notes								
Current assets								
	Cash and cash equivalents	6	1,486	5,664	1,068	4,639		
	Trade and other current receivables	7	105,495	218,777	43,070	94,118		
	Short-term loans to related parties	5	-	-	65,800	66,000		
	Inventories	8	14,378	13,067	3,089	3,581		
	Other current assets		10,099	13,735	6,484	5,402		
	Total current assets		131,458	251,243	119,511	173,740		
Non-current assets								
	Investments in subsidiaries	9	-	-	15,140	15,140		
	Investments in joint venture	10	8,000	7,481	-	-		
	Investments in associate	11	-	-	-	-		
	Other long-term investments	12	-	-	-	-		
	Property, plant and equipment	13	1,580,841	1,609,646	1,581,156	1,609,738		
	Goodwill	14	32,171	32,171	-	-		
	Intangible assets	15	37,441	44,094	32,519	38,555		
	Deferred tax assets	16	232,120	230,464	205,031	204,288		
	Corporate income tax deducted at source	17	84,487	103,567	38,287	59,610		
	Other non-current assets		4,887	5,226	265	245		
	Total non-current assets		1,979,947	2,032,649	1,872,398	1,927,576		
	Total assets		2,111,405	2,283,892	1,991,909	2,101,316		

Notes to the interim financial statements form an integral part of these statements.

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT JUNE 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

		Thousand Baht				
		Consolidated financial statements		Separate financial statements		
		As at June	As at December	As at June	As at December	
Notes		30, 2020	31, 2019	30, 2020	31, 2019	
Current liabilities						
	Bank overdrafts and short-term loans from					
	financial institutions	18	981,430	981,785	926,653	925,535
	Trade and other current payables	5, 19	118,804	124,055	72,474	73,522
	Current portion of long-term loans from					
	financial institutions	21	109,000	99,000	108,000	96,000
	Short-term loans from non-controlling interests					
	of the subsidiary	20	5,880	5,880	-	-
	Short-term loans from director	5	227,000	161,000	212,000	146,000
	Unearned subscription fee		28,936	30,893	27,214	28,641
	Other current liabilities		15,951	29,395	12,114	17,123
	Total current liabilities		1,487,001	1,432,008	1,358,455	1,286,821
Non-current liabilities						
	Long-term loans from financial institutions	21	165,467	201,467	165,467	201,467
	Deferred tax liabilities	16	247,089	252,420	247,089	248,497
	Provision for long-term employee benefits	22	103,490	99,539	94,625	91,360
	Total non-current liabilities		516,046	553,426	507,181	541,324
	Total liabilities		2,003,047	1,985,434	1,865,636	1,828,145

Notes to the interim financial statements form an integral part of these statements.

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT JUNE 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		As at June	As at December	As at June	As at December
Notes		30, 2020	31, 2019	30, 2020	31, 2019
Shareholders' equity					
Share capital					
Authorized share capital					
	505,000,000 ordinary shares of Baht 1 each	505,000	505,000	505,000	505,000
Issued and paid-up					
	500,000,000 ordinary shares of Baht 1 each	500,000	500,000	500,000	500,000
Retained earnings (deficits)					
	Appropriated - statutory reserve	50,500	50,500	50,500	50,500
	Unappropriated	(1,426,920)	(1,249,280)	(1,412,580)	(1,271,315)
	Other components of shareholders' equity	23 988,353	993,986	988,353	993,986
	Equity attributable to owners of the Company	111,933	295,206	126,273	273,171
	Non-controlling interests of the subsidiaries	(3,575)	3,252	-	-
	Total shareholders' equity	108,358	298,458	126,273	273,171
	Total liabilities and shareholders' equity	2,111,405	2,283,892	1,991,909	2,101,316

Notes to the interim financial statements form an integral part of these statements.

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

Thousand Baht					
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
Sales income		18,856	36,032	18,001	34,742
Services income		67,442	139,867	39,586	88,105
Cost of sales and services		(112,551)	(166,764)	(80,987)	(113,729)
Gross profit (loss)		(26,253)	9,135	(23,400)	9,118
Selling expenses		(25,528)	(40,878)	(17,411)	(33,998)
Administrative expenses		(29,283)	(50,767)	(22,150)	(36,585)
Loss from operation activities		(81,064)	(82,510)	(62,961)	(61,465)
Share of profit (loss) from investments in joint venture	11	336	(3,391)	-	-
Other income		2,922	5,111	6,954	8,583
Finance cost		(20,729)	(18,941)	(19,516)	(18,140)
Loss before income tax (expenses)		(98,535)	(99,731)	(75,523)	(71,022)
Income tax (expenses)	24	3,914	3,080	(155)	2,165
Loss for the period		(94,621)	(96,651)	(75,678)	(68,857)
Other comprehensive income:					
Items not to be reclassified to profit or loss in subsequent periods					
Actuarial gain		-	2,845	-	-
Surplus on revaluation of assets	23	(3,521)	-	(3,521)	-
Income tax effect of items not to be reclassified					
to profit or loss in subsequent periods	24	704	(148)	704	-
Other comprehensive income (loss) for the period		(2,817)	2,697	(2,817)	-
Total comprehensive loss for the period		(97,438)	(93,954)	(78,495)	(68,857)
Loss attributable to:					
Equity holders of the Company		(93,096)	(88,736)	(75,678)	(68,857)
Non-controlling interests of the subsidiaries		(1,525)	(7,915)	-	-
		(94,621)	(96,651)	(75,678)	(68,857)

Notes to the interim financial statements form an integral part of these statements.

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
Total comprehensive loss attributable to:					
	Equity holders of the Company	(95,913)	(86,039)	(78,495)	(68,857)
	Non-controlling interests of the subsidiaries	(1,525)	(7,915)	-	-
		<u>(97,438)</u>	<u>(93,954)</u>	<u>(78,495)</u>	<u>(68,857)</u>
Loss per share					
	Basic loss per share	25			
	Loss attributable to equity holders of the Company	<u>(0.19)</u>	<u>(0.18)</u>	<u>(0.15)</u>	<u>(0.14)</u>

Notes to the interim financial statements form an integral part of these statements.

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

Thousand Baht					
		Consolidated financial statements		Separate financial statements	
	Notes	2020	2019	2020	2019
Sales income		49,914	83,469	49,079	80,892
Services income		146,114	300,777	89,570	184,630
Cost of sales and services		(238,240)	(388,605)	(175,947)	(282,033)
Gross profit (loss)		(42,212)	(4,359)	(37,298)	(16,511)
Selling expenses		(49,036)	(69,412)	(32,630)	(53,932)
Administrative expenses		(61,349)	(102,517)	(46,423)	(77,425)
Loss from operation activities		(152,597)	(176,288)	(116,351)	(147,868)
Share of profit (loss) from investments in joint venture	11	519	(3,857)	-	-
Other income		3,799	11,196	11,593	17,833
Finance cost		(41,750)	(37,304)	(39,277)	(35,508)
Loss before income tax (expenses)		(190,029)	(206,253)	(144,035)	(165,543)
Income tax (expenses)	24	4,168	8,959	(260)	7,102
Loss for the period		(185,861)	(197,294)	(144,295)	(158,441)
Other comprehensive income:					
Items not to be reclassified to profit or loss in subsequent periods					
Actuarial gain		-	18,026	-	14,055
Surplus on revaluation of assets	23	(7,041)	-	(7,041)	-
Income tax effect of items not to be reclassified					
to profit or loss in subsequent periods	24	1,408	(3,605)	1,408	(2,811)
Other comprehensive income (loss) for the period		(5,633)	14,421	(5,633)	11,244
Total comprehensive loss for the period		(191,494)	(182,873)	(149,928)	(147,197)
Loss attributable to:					
Equity holders of the Company		(179,685)	(185,197)	(144,295)	(158,441)
Non-controlling interests of the subsidiaries		(6,176)	(12,097)	-	-
		(185,861)	(197,294)	(144,295)	(158,441)

Notes to the interim financial statements form an integral part of these statements.

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2020	2019	2020	2019
Total comprehensive loss attributable to:					
	Equity holders of the Company	(185,318)	(170,776)	(149,928)	(147,197)
	Non-controlling interests of the subsidiaries	(6,176)	(12,097)	-	-
		<u>(191,494)</u>	<u>(182,873)</u>	<u>(149,928)</u>	<u>(147,197)</u>
Loss per share					
	Basic loss per share	25			
	Loss attributable to equity holders of the Company	<u>(0.36)</u>	<u>(0.37)</u>	<u>(0.29)</u>	<u>(0.32)</u>

Notes to the interim financial statements form an integral part of these statements.

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

		Thousand Baht								
		Consolidated financial statements								
		Equity attributable to the owners of the Company								
		Other components of equity				Equity		Total		
		Retained earnings (deficits)		Other comprehensive	Total other	Equity attributable	attributable to	Total		
		Appropriated -	Unappropriated	income	components of	to the owners	interests of	shareholders' equity		
Notes	Issued and	statutory reserve	-	Surplus on	shareholders'	of the Company	the subsidiaries	shareholders' equity		
	paid-up	-	-	revaluation of	equity	-	-	-		
	share capital	-	-	assets	-	-	-	-		
	Balance as at January 1, 2020	500,000	50,500	(1,249,280)	993,986	993,986	295,206	3,252	298,458	
	The cumulative effect of the changes in accounting policies									
	due to the adoption of new financial reporting standards	4	-	-	(4,996)	-	-	(4,996)	(651)	(5,647)
	Balance as at January 1, 2020, as adjusted	500,000	50,500	(1,254,276)	993,986	993,986	290,210	2,601	292,811	
	Loss for the period	-	-	(179,685)	-	-	(179,685)	(6,176)	(185,861)	
	Other comprehensive loss for the period	-	-	-	(5,633)	(5,633)	(5,633)	-	(5,633)	
	Total comprehensive loss for the period	-	-	(179,685)	(5,633)	(5,633)	(185,318)	(6,176)	(191,494)	
	Transferred surplus to retained earnings (deficits)	-	-	7,041	-	-	7,041	-	7,041	
	Balance as at June 30, 2020	500,000	50,500	(1,426,920)	988,353	988,353	111,933	(3,575)	108,358	
	Balance as at January 1, 2019	500,000	50,500	(935,319)	735,120	735,120	350,301	52,807	403,108	
	Loss for the period	-	-	(185,197)	-	-	(185,197)	(12,097)	(197,294)	
	Other comprehensive income for the period	-	-	14,421	-	-	14,421	-	14,421	
	Total comprehensive loss for the period	-	-	(170,776)	-	-	(170,776)	(12,097)	(182,873)	
	Balance as at June 30, 2019	500,000	50,500	(1,106,095)	735,120	735,120	179,525	40,710	220,235	

Notes to the interim financial statements form an integral part of these statements.

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

Thousand Baht						
Separate financial statements						
Notes	Issued and fully paid-up share capital	Retained earnings (deficits)		Other components of equity		Total shareholders' equity
		Appropriated - statutory reserve	Unappropriated	Other comprehensive income Surplus on revaluation of assets	Total other components of shareholders' equity	
	500,000	50,500	(1,271,315)	993,986	993,986	273,171
	The cumulative effect of the changes in accounting policies due to the adoption of new financial reporting standards					
4	-	-	(4,011)	-	-	(4,011)
	500,000	50,500	(1,275,326)	993,986	993,986	269,160
	-	-	(144,295)	-	-	(144,295)
	-	-	-	(5,633)	(5,633)	(5,633)
	-	-	(144,295)	(5,633)	(5,633)	(149,928)
	-	-	7,041	-	-	7,041
	500,000	50,500	(1,412,580)	988,353	988,353	126,273
	500,000	50,500	(886,826)	735,120	735,120	398,794
	-	-	(158,441)	-	-	(158,441)
	-	-	11,244	-	-	11,244
	-	-	(147,197)	-	-	(147,197)
	500,000	50,500	(1,034,023)	735,120	735,120	251,597

Notes to the interim financial statements form an integral part of these statements.

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities.				
Loss before income tax (expenses)	(190,029)	(206,253)	(144,035)	(165,543)
Adjustments to reconcile loss before income tax (expenses) to net cash provided by (used in) operating activities				
Allowance for doubtful debts (reversal)	(5,348)	(58)	(2,498)	7,443
Allowance for sales returns (reversal)	(940)	(635)	(940)	(635)
Reduction of inventory to net realisable value (reversal)	1,383	482	(998)	742
Allowance for short-term loans to related parties (reversal)	-	-	(150)	-
Allowance for accrued interest	-	-	9,971	-
Depreciation and amortization	35,482	52,040	34,653	45,964
Gain on disposal equipment	(1,263)	(1,698)	(1,336)	(907)
Share of (profit) loss from investments in joint venture	(519)	3,857	-	-
Provision for long-term employee benefits	3,951	14,176	3,265	12,658
Interest income	-	-	(1,800)	-
Interest expenses	41,750	37,304	39,277	35,508
Loss from operating activities before changes in operating assets and liabilities	(115,533)	(100,785)	(64,591)	(64,770)
Operating assets (increase) decrease				
Trade and other current receivables	112,511	141,810	39,196	54,092
Inventories	(2,693)	22,837	1,490	11,076
Other current assets	3,636	6,803	(1,083)	(1,157)
Other non-current assets	339	46	(19)	140
Operating liabilities increase (decrease)				
Trade and other current payables	(8,666)	(50,405)	(3,935)	(18,401)
Other current liabilities	(13,446)	(29,927)	(5,010)	(16,744)
Cash flows received (paid) from operating	(23,852)	(9,621)	(33,952)	(35,764)
Cash paid for interest expenses	(39,985)	(38,415)	(37,509)	(36,614)
Cash received from interest income	-	-	2,105	-
Cash received from withholding tax refunds	24,168	-	24,168	-
Cash paid for income tax	(5,087)	(7,584)	(2,845)	(3,489)
Net cash used in operating activities	(44,756)	(55,620)	(48,033)	(75,867)

Notes to the interim financial statements form an integral part of these statements.

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BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash received from short-term loans to related parties	-	-	8,150	4,800
Cash paid for short-term loans to related parties	-	-	(7,800)	(1,500)
Cash received from sales of equipment	1,943	2,232	1,943	1,314
Cash paid for purchase of equipment	(1,004)	(1,105)	(943)	(831)
Cash paid for purchase of intangible assets	(6)	(644)	(7)	(644)
Net cash provided by investing activities	933	483	1,343	3,139
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from financial institutions	(355)	32,070	1,119	48,292
Cash received from short-term loans from director	66,000	50,000	66,000	50,000
Cash paid for long-term loans from financial institutions	(26,000)	(32,000)	(24,000)	(30,000)
Net cash provided by financing activities	39,645	50,070	43,119	68,292
Net decrease in cash and cash equivalents	(4,178)	(5,067)	(3,571)	(4,436)
Cash and cash equivalents at the beginning of the period	5,664	8,780	4,639	6,963
Cash and cash equivalents ending of the period	1,486	3,713	1,068	2,527
Supplemental cash flows information				
Non-cash transactions				
Purchase of equipment and computer software				
for which cash has not been paid	240	632	240	632

Notes to the interim financial statements form an intergral part of these statements.

BANGKOK POST PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2020

1. GENERAL INFORMATION

1.1 Corporate information

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

The Company is principally engaged in the publishing and distribution of newspapers, magazines and books.

1.2 Fundamental accounting assumptions

The Company and its subsidiaries have operating loss for a number of consecutive years. As at June 30, 2020, the Company and its subsidiaries’ current liabilities exceeded current assets with significant amount. Moreover, since May 15, 2020, the Company's securities have been posted with “C” (Caution) sign. The Company and its subsidiaries are moving towards digitization through its continuous business strategic and business model plans and including the plan to dispose of its assets to pay the said debt. The Company and its subsidiaries still receiving for financial support from a major shareholder. The Company and its subsidiaries have paid loan interest and principal on schedule. The management therefore believes that the Company and its subsidiaries will be able to continue as a going concern. The financial statements have therefore been prepared under the going concern basis which assets and liabilities are recorded on a basis whereby the Company and its subsidiaries will be able to realize its assets and meet its obligations in the ordinary course of business. However, the Company and its subsidiaries are in the process to execute the changes in its business strategic and business model plans and to dispose of assets in the future. These events indicate that a material uncertainty exists that may cast doubt on the Company and its subsidiaries’ ability to continue as a going concern.

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 Basis for preparation of the interim financial statements

The interim financial statement is prepared on a condensed basis in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting” including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission.

The interim financial statement is prepared to provide an update on the financial statements for the year ended December 31, 2019. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, this interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2019.

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

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

2.2 Basis for consolidation interim financial statements

- a) The consolidated interim financial statement comprises the financial statements of the Company and its subsidiaries. Details of the Company's subsidiaries are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			As at June 30, 2020	As at December 31, 2019
Subsidiaries				
Post New Media Company Limited	Investment	Thailand	100	100
Post Holding Company Limited (owned by Post New Media Company Limited)	Investment	Thailand	100	100
Post TV Company Limited (owned by Post Holding Company Limited)	Production of television programs and rent of studio	Thailand	100	100
Post International Media Company Limited	Publishing and distribution of magazines	Thailand	100	100
Post-IM Plus Company Limited (49%-owned by the Company and 51% - owned by Post International Media Company Limited)	Publishing and distribution of magazines	Thailand	100	100
Post News Company Limited	Production of television programs (In the process of liquidation)	Thailand	51	51
Mushroom Group Company Limited	Production of television programs	Thailand	51	51

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

The separate financial statements present investments in subsidiaries, joint venture and associate under the cost method.

2.3 Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

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

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

TFRS 16 Leases

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

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

The Company and its subsidiaries have adopted TFRSs related to financial instruments and TFRS 16 the first-time in its financial statements by applying modified retrospective approach by adjustment to the retained earnings (deficits) as at January 1, 2020, and the comparative information was not restated. The cumulative effects of the change in accounting policies from adoption of new financial reporting standards is disclosed in Note 4 to the interim financial statements.

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 to December 31, 2020.

The Company and its subsidiaries have elected to apply the following temporary relief measures on accounting alternatives:

- Not to consider the forward-looking information used to adjust the historical loss rates based on expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019 except the changes in accounting policies as follows.

Trade receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade receivables are stated at the amount expected to be collectible. The Company and its subsidiaries apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses. The impairment losses are recognized in profit or loss within administrative expenses.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.3 to the interim financial statements, during the current period, the Company and its subsidiaries have impacts from adoption of TFRS 9. The cumulative effect of the changes in accounting policies are recognized as adjustment to retained earnings (deficits) as at January 1, 2020 and the comparative information was not restated.

The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

	Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	As at December 31, 2019	The impacts of TFRS 9	As at January 1, 2020	As at December 31, 2019	The impacts of TFRS 9	As at January 1, 2020
Statement of financial position						
Trade and other current receivables	218,777	(7,059)	211,718	94,118	(5,014)	89,104
Deferred tax assets	230,464	1,412	231,876	204,288	1,003	205,291
Total assets	<u>449,241</u>	<u>(5,647)</u>	<u>443,594</u>	<u>298,406</u>	<u>(4,011)</u>	<u>294,395</u>
Unappropriated - retained earnings (deficits)	<u>(1,249,280)</u>	<u>(5,647)</u>	<u>(1,254,927)</u>	<u>(1,271,315)</u>	<u>(4,011)</u>	<u>(1,275,326)</u>
Equity attributable to the owners of the Company	<u>295,206</u>	<u>(4,996)</u>	<u>290,210</u>	<u>273,171</u>	<u>(4,011)</u>	<u>269,160</u>
Equity attributable to non-controlling interests of the subsidiaries	<u>3,252</u>	<u>(651)</u>	<u>2,601</u>	<u>-</u>	<u>-</u>	<u>-</u>

The total impacts on the retained earnings (deficits) as at January 1, 2020 is as follows:

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
Increase in loss allowance for trade and other current receivables	5,647	4,011
Adjustment to unappropriated - retained earnings (deficits) from adoption of TFRS 9 on January 1, 2020	5,647	4,011
Equity attributable to the owners of the Company	4,996	4,011
Equity attributable to non-controlling interests of the subsidiaries	651	-

5. TRANSACTIONS WITH RELATED PARTIES

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarized 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.

	Million Baht								Transfer pricing policy
	For the three-month periods ended June 30,				For the six-month periods ended June 30,				
	Consolidated financial statements		Separate financial statements		Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	2020	2019	2020	2019	
Transactions with subsidiaries (eliminated from the consolidated financial statements)									
Purchase of goods	-	-	-	2	-	-	1	4	Market price
Rental income	-	-	2	2	-	-	4	5	Market price
Management income	-	-	1	2	-	-	2	4	Contract price
Transactions with joint venture									
Purchase of goods	-	1	-	1	-	1	-	1	Market price
Management income	-	2	-	1	-	4	-	2	Contract price

The balances of the accounts as at June 30, 2020 and December 31, 2019 between the Company and those related companies are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Trade and other current receivables - related parties				
Subsidiaries	-	-	81,024	70,700
Joint venture	11	712	-	2
Less Allowance for doubtful accounts	-	-	(77,574)	(67,603)
Total trade and other current receivables - related parties	11	712	3,450	3,099

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	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
<u>Trade and other current payables - related parties</u>				
Subsidiaries	-	-	1,137	1,602
Joint venture	1,452	1,609	22	22
Total trade and other current payables - related parties	<u>1,452</u>	<u>1,609</u>	<u>1,159</u>	<u>1,624</u>

Short-term loans to related parties

As at June 30, 2020 and December 31, 2019, the balance of short-term loans between the Company and those related parties and the movement are as follows:

	Related by	Thousand Baht		
		Separate financial statements		
		Balance as at	Increase (decrease)	Balance as at
		December	during the period	June
		31, 2019		30, 2020
Loans to				
Post International Media Company Limited	Subsidiary	66,000	(200)	65,800
Post News Company Limited	Subsidiary	6,120	-	6,120
Post TV Company Limited	Subsidiary	<u>332,659</u>	<u>(150)</u>	<u>332,509</u>
		404,779	(350)	404,429
<u>Less</u> Allowance for doubtful accounts		<u>(338,779)</u>	<u>150</u>	<u>(338,629)</u>
Total		<u>66,000</u>	<u>(200)</u>	<u>65,800</u>

The Company has loans to Post International Media Company Limited. The loan is repayable on demand and carries interest at the rate of 6 percent per annum.

The Company has loans to Post News Company Limited. 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.

The Company has loans to Post TV Company Limited. The loan is repayable on demand and carries interest at the rate of 6 percent per annum.

As at June 30, 2020 and December 31, 2019, the Company and its subsidiaries have short-term unsecured loans from director which carries interest at the rate of 5.25 percent per annum. The principal is due at call.

		Thousand Baht		
		Consolidated financial statements		
Related by		Balance as at December 31, 2019	Increase (decrease) during the period	Balance as at June 30, 2020
Loans from Director	Directorship	161,000	66,000	227,000

		Thousand Baht		
		Separate financial statements		
Related by		Balance as at December 31, 2019	Increase (decrease) during the period	Balance as at June 30, 2020
Loans from Director	Directorship	146,000	66,000	212,000

Directors and management's benefits

For the three-month and six-month periods ended June 30, 2020 and 2019, the Company and its subsidiaries incurred employee benefits expenses payable to their directors and management as follows:

		Thousand Baht			
		For the three-month periods ended June 30,			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Short-term employee benefits		5,762	10,074	3,597	4,423

		Thousand Baht			
		For the six-month periods ended June 30,			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Short-term employee benefits		12,350	17,984	7,616	8,846

6. CASH AND CASH EQUIVALENTS

This account consisted of:

		Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Bank deposits		1,486	5,664	1,068	4,639
Total		1,486	5,664	1,068	4,639

As at June 30, 2020 and December 31, 2019, bank deposits in savings accounts and fixed deposits carried interest at the rates between 0.30 - 0.50 percent per annum and between 0.10 - 0.75 percent per annum, respectively.

7. TRADE AND OTHER CURRENT RECEIVABLES

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	31	107	2
Past due				
Up to 3 months	-	670	-	109
6 - 12 months	11	11	166	356
Total trade receivables - related parties	11	712	273	467
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	22,796	40,981	8,904	17,555
Past due				
Up to 3 months	28,062	107,193	17,060	56,945
3 - 6 months	14,347	13,166	5,569	9,600
6 - 12 months	8,176	7,319	3,828	5,249
Over 12 months	35,320	34,694	13,165	11,059
Total	108,701	203,353	48,526	100,408
<u>Less</u> Allowance for doubtful accounts	(22,686)	(20,234)	(13,994)	(11,477)
Allowance for sales returns	(236)	(1,176)	(236)	(1,176)
Total trade receivables - unrelated parties, net	85,779	181,943	34,296	87,755
Total trade receivables - net	85,790	182,655	34,569	88,222
<u>Other current receivables</u>				
Unbilled revenue	37,592	54,009	5,324	3,264
Amounts due from related parties	-	-	80,751	70,235
<u>Less</u> Allowance for doubtful accounts	(17,887)	(17,887)	(77,574)	(67,603)
Total other current receivables - net	19,705	36,122	8,501	5,896
Trade and other current receivables - net	105,495	218,777	43,070	94,118

8. INVENTORIES

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Finished goods	47,080	48,728	27,737	29,026
Raw materials	2,875	2,954	2,875	2,954
Others	31,553	27,132	15,696	15,818
Total	81,508	78,814	46,308	47,798
Less Allowance for declining of inventories valuation	(67,130)	(65,747)	(43,219)	(44,217)
Inventories - net	14,378	13,067	3,089	3,581

Movements in transactions of allowance for declining of inventories and valuation are summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Beginning balance	65,747	49,141	44,217	33,396
Increase	2,381	16,606	-	10,821
Decrease	(998)	-	(998)	-
Ending balance	67,130	65,747	43,219	44,217

9. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as presented in the separated financial statements are as follows:-

Subsidiary's name	Thousand Baht									
	Paid-up capital		Proportion of shareholding		At cost		Allowance for loss from investments		Investment in subsidiaries - net	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
	(Thousand Baht)	(Thousand Baht)	(Percentage)	(Percentage)						
Post-IM Plus Company Limited (Another 51% owned by Post International Media Company Limited)	50,000	50,000	49	49	2	2	-	-	2	2
Post International Media Company Limited	25,000	25,000	100	100	100,890	100,890	(90,252)	(90,252)	10,638	10,638
Post News Company Limited	10,000	10,000	51	51	5,100	5,100	(5,100)	(5,100)	-	-
Mushroom Group Company Limited	80,000	80,000	51	51	178,690	178,690	(174,190)	(174,190)	4,500	4,500
Post New Media Company Limited	25,000	25,000	100	100	25,000	25,000	(25,000)	(25,000)	-	-
Total					309,682	309,682	(294,542)	(294,542)	15,140	15,140

10. INVESTMENTS IN JOINT VENTURE

Investments in joint venture represented investments in entities which are jointly controlled by a subsidiary and other company is as follows:-

			Thousand Baht			
			Consolidated financial statements			
			At cost		Carrying amounts based on equity method - net	
Joint venture's name	Nature of business	Proportion of shareholding (Percentage)	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Bangkok Post - Bauer Media Company Limited	Publishing and distribution of magazines	70	11,500	11,500	8,000	7,481
<u>Less</u> Allowance for loss from investments			<u>(4,019)</u>	<u>(4,019)</u>	<u>-</u>	<u>-</u>
Investments in joint venture - net			<u>7,481</u>	<u>7,481</u>	<u>8,000</u>	<u>7,481</u>

The Company recognized its share of comprehensive income from investments in the joint ventures and dividend income in the consolidated financial statements for the six-month periods ended June 30, 2020 and 2019 as follows:

			Thousand Baht					
			Share of profit (loss) from investments in joint venture during the periods		Share of other comprehensive income from investments in joint venture during the periods		Dividend received during the periods	
Joint venture's name			2020	2019	2020	2019	2020	2019
Bangkok Post-Bauer Media Company Limited			519	(3,857)	-	-	-	-

11. INVESTMENTS IN ASSOCIATE

Investments in associate represented carrying amount base on equity method in the consolidated financial statements is as follows:-

			Thousand Baht			
			Consolidated financial statements		Separate financial statements	
			Carrying amount based on equity method		At cost	
Associate's name	Nature of business	Proportion of shareholding (Percentage)	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Flash News Company Limited	Production of radio programs	40	2,704	2,704	10,000	10,000
<u>Less</u> Allowance for loss from investments			<u>(2,704)</u>	<u>(2,704)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Investments in associate - net			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. OTHER LONG-TERM INVESTMENTS

Other long-term investments represents investment in share ordinary as follows:-

	<u>Paid up capital</u>	Proportion of shareholding (Percentage)	Thousand Baht	
			<u>Consolidated financial statements</u>	
			At cost	
			As at June 30, 2020	As at December 31, 2019
Share ordinary in:				
Singapore Press Holdings Limited	27,393,300	-	16	16
<u>Less</u> Allowance for loss from investments			<u>(16)</u>	<u>(16)</u>
Other long-term investments - net			<u>-</u>	<u>-</u>

13. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account for the six-month period ended June 30, 2020 are summarized below.

	Thousand Baht	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Net book value at beginning of period	1,609,646	1,609,738
Acquisitions during period - at cost	637	637
Disposals during period - net book value at disposal date	(619)	(608)
Depreciation for the period	<u>(28,823)</u>	<u>(28,611)</u>
Net book value at end of period	<u>1,580,841</u>	<u>1,581,156</u>

As at June 30, 2020 and December 31, 2019, the Company mortgaged its land with structure with net book value of Baht 361 million and Baht 368 million, respectively. for credit facilities received from bank.

The Board of Directors Meeting No. 5/2019 of the Company, convened on December 13, 2019, passed a resolution to approve the Company to enter into the disposition of assets and connected transaction of (1) Printing plant and Distribution Center (Bangna) consist of land and building, printing machine and equipment, and (2) Office building (Klong Toey) consist of land and building, and passed a resolution to approve the Company to enter into the acquisition of assets of (3) leaseback of office building (Klong Toey) with reasonable rental and service rates. And the resolutions of the 2020 Annual General Meeting of Shareholders held on April 22, 2020, approved to the entering into assets disposal transaction between the Company and investors in a total amount not lower than Baht 1,472.85 million.

14. GOODWILL

This account consisted of:

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

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

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

	Thousand Baht	
	CGU 1 (Post International Media Company Limited)	CGU 2 (Mushroom Group Company Limited)
Growth rate	-	-
Discount rate before tax	13	13

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

15. INTANGIBLE ASSETS

Movements of the intangible assets account for the six-month period ended June 30, 2020 are summarized below.

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at beginning of period	44,094	38,555
Acquisitions during period - at cost	6	6
Amortization for the period	<u>(6,659)</u>	<u>(6,042)</u>
Net book value as at end of period	<u>37,441</u>	<u>32,519</u>

16. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities as follows:-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	30, 2020	31, 2019	30, 2020	31, 2019
Deferred tax assets	232,120	230,464	205,031	204,288
Deferred tax liabilities	(247,089)	(252,420)	(247,089)	(248,497)
	<u>(14,969)</u>	<u>(21,956)</u>	<u>(42,058)</u>	<u>(44,209)</u>

Changes in deferred tax assets for the six-month period ended June 30, 2020 are summarized as follows:

	Thousand Baht					
	Consolidated financial statements					
	Balance	The impacts	Balance	Revenue (expenses) during the period		Balance
	as at	of adoption	as at	In profit or loss	In comprehensive	as at
December	of TFRS 9	January		income	June	
31, 2019		1, 2020			30, 2020	
Deferred tax assets:						
Allowance for doubtful accounts	7,261	1,412	8,673	(558)	-	8,115
Allowance for sales returns	318	-	318	(239)	-	79
Allowance for declining of inventories valuation	13,098	-	13,098	251	-	13,349
Allowance for impairment of fixed assets	17,659	-	17,659	-	-	17,659
Allowance for impairment of intangible assets	809	-	809	-	-	809
Provision for long-term employee benefits	19,908	-	19,908	790	-	20,698
Unused tax loss	171,411	-	171,411	-	-	171,411
Total	<u>230,464</u>	<u>1,412</u>	<u>231,876</u>	<u>244</u>	<u>-</u>	<u>232,120</u>
Deferred tax liabilities:						
Surplus on revaluation of assets	248,497	-	248,497	-	(1,408)	247,089
Intangible assets from business combination	3,923	-	3,923	(3,923)	-	-
Total	<u>252,420</u>	<u>-</u>	<u>252,420</u>	<u>(3,923)</u>	<u>(1,408)</u>	<u>247,089</u>

	Thousand Baht					Balance as at June 30, 2020
	Separate financial statements					
	Balance	The impacts	Balance	Revenue (expenses) during the period		
	as at December 31, 2019	adoption of TFRS 9	as at January 1, 2020	In profit or loss	In comprehensive income	
Deferred tax assets:						
Allowance for doubtful accounts	2,295	1,003	3,298	(499)	-	2,799
Allowance for sales returns	236	-	236	(189)	-	47
Allowance for declining of inventories valuation	8,843	-	8,843	(225)	-	8,618
Allowance for impairment of fixed assets	15,712	-	15,712	-	-	15,712
Provision for long-term employee benefits	18,272	-	18,272	653	-	18,925
Unused tax loss	158,930	-	158,930	-	-	158,930
Total	204,288	1,003	205,291	(260)	-	205,031
Deferred tax liabilities:						
Surplus on revaluation of assets	248,497	-	248,497	-	(1,408)	247,089
Total	248,497	-	248,497	-	(1,408)	247,089

17. WITHHOLDING TAX DEDUCTED AT SOURCES

As at June 30, 2020 and December 31, 2019, the Company and its subsidiaries had withholding tax deducted at sources for the year 2014 - 2019 and claim for refund from the Revenue Department had already been made for withholding tax deducted at sources for the year 2014 - 2018 and most of them are being reviewed by the Revenue Department. The management believes that the Company and its subsidiaries have all supporting document for this withholding tax and all withholding tax will be refunded in full amount.

During the year 2020, the Company received withholding tax deduction of Baht 24.17 million (which is tax of 2016).

18. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

This account consisted of:

	Interest rate (percent per annum)	Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Bank overdrafts	MOR	85,825	74,785	32,653	31,535
Short-term loans from financial institutions	MMR	895,605	907,000	894,000	894,000
Total		981,430	981,785	926,653	925,535

19. TRADE AND OTHER CURRENT PAYABLES

This account consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Trade payables - related parties	-	-	1,132	1,565
Trade payables - unrelated parties	45,682	44,685	12,455	11,821
Amounts due to related parties	1,452	1,609	27	59
Accrued expenses	39,625	45,293	28,590	28,216
Other payables	32,045	32,468	30,270	31,861
Total trade and other current payables	<u>118,804</u>	<u>124,055</u>	<u>72,474</u>	<u>73,522</u>

20. SHORT-TERM LOANS FROM NON-CONTROLLING INTERESTS OF THE SUBSIDIARY

As at June 30, 2020 and December 31, 2019, a subsidiary had 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 (MLR) a commercial bank charges to its prime customers, and repayable on demand.

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Movements in the long-term loans from financial institutions account for the six-month period ended June 30, 2020 are summarized below.

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
Balance as at beginning of period	300,467	297,467
<u>Less</u> Repayment	<u>(26,000)</u>	<u>(24,000)</u>
Balance as at end of period	274,467	273,467
<u>Less</u> Current portion	<u>(109,000)</u>	<u>(108,000)</u>
Long-term loans from financial institutions - net of current portion	<u>165,467</u>	<u>165,467</u>

During the year 2020, the financial institution has extended the principal and interest payment of 3 credit lines to the Company as follows:

- For principal-grace period of principal 2 periods June 2020 and September 2020 at Baht 24 million per period. The first principal payment is December 2020 and the principal repayment schedule is readjusted as follows:

	Million Baht
December 2020 - September 2021 (per period)	36
December 2021	24
March 2022 - September 2022 (per period)	26
Final period December 2022	Repay the remaining amount of principal

- For the interest, extend and adjust the monthly interest payment from April 1, 2020 - September 30, 2020 as follows:

Part 1 Interest rate at 3.5 percent per annum of the principal to regularly pay every month.

Part 2 Interest rate at 2.0 percent per annum of the principal to be suspended and to be paid along with the quarterly payment of the principal 4 periods in equal amount each starting the first payment on December 30, 2020. Interest of October 2020 onwards is to be paid regularly at the interest rate at 5.5 percent per annum.

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

22. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits, which post-employment benefits and long-term employee benefits, are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Provision for long-term employee benefits				
at beginning of period	99,539	84,892	91,360	77,422
Included in profit or loss:				
Current service cost	2,978	7,427	2,687	6,749
Interest cost	973	1,242	578	1,091
Past service cost	-	11,476	-	10,373
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Demographic assumptions changes	-	20,069	-	17,689
Financial assumptions changes	-	378	-	3,402
Experience adjustments	-	(15,068)	-	(14,593)
Benefits paid during the period	-	(10,877)	-	(10,773)
Provision for long-term employee benefits				
at end of period	103,490	99,539	94,625	91,360

Significant actuarial assumptions are summarized below:

	Percent per annum			
	Consolidated financial statements		Separate financial statements	
	As at June	As at December	As at June	As at December
	31, 2020	31, 2019	31, 2020	31, 2019
Discount rate	1.30 - 1.40	1.30 - 1.40	1.30 - 2.10	1.30 - 2.10
Salary increase rate	0.00 - 6.00	0.00 - 6.00	-	-
Turnover rate (depending on age of employees)	1.90 - 51.60	1.90 - 51.60	10.50 - 51.60	10.50 - 51.60

23. SURPLUS ON REVALUATION OF ASSETS

Movement in the surplus on revaluation of assets for the three-month and six-month periods ended June 30, 2020 and 2019 as follows:

	Thousand Baht			
	Consolidated/Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
Balance as at beginning of period	991,170	-	993,986	-
Transfers to retained earnings (deficits)	(3,521)	-	(7,041)	-
Income tax effect	704	-	1,408	-
Balance as at end of period	988,353	-	988,353	-

24. INCOME TAX (EXPENSES)

Income tax was calculated on loss before income tax for the period, after adding back disallowable expenses and deducting income which is exempted for tax computation purposes, using the estimated effective tax rate for the year.

Income tax (expenses) for the three-month and six-month periods ended June 30, 2020 and 2019 as follows:

	Thousand Baht							
	For the three-month periods ended June 30,				For the six-month periods ended June 30,			
	Consolidated		Separate		Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019	2020	2019	2020	2019
Income tax (expenses) shown in profit or loss:								
Current income tax:								
Income tax for the period	-	-	-	-	-	-	-	-
Deferred tax:								
Relating to origination of temporary differences during the period	3,914	3,080	(155)	2,165	4,168	8,959	(260)	7,102
Total	3,914	3,080	(155)	2,165	4,168	8,959	(260)	7,102

	Thousand Baht							
	For the three-month periods ended June 30,				For the six-month periods ended June 30,			
	Consolidated		Separate		Consolidated		Separate	
	financial statements		financial statements		financial statements		financial statements	
2020	2019	2020	2019	2020	2019	2020	2019	
Income tax relating to components of other comprehensive income:								
Deferred tax on actuarial gain	-	(148)	-	-	-	(3,605)	-	(2,811)
Surplus on revaluation of assets	704	-	704	-	1,408	-	1,408	-
Total	704	(148)	704	-	1,408	(3,605)	1,408	(2,811)

25. LOSS PER SHARE

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

For the three-month periods ended June 30, 2020 and 2019

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loss for the period attributable to shareholders of the Company (Thousand Baht)	(93,096)	(88,736)	(75,678)	(68,857)
Basic weighted average number of outstanding ordinary shares (Thousand shares)	500,000	500,000	500,000	500,000
Basic loss per share (Baht/Share)	(0.19)	(0.18)	(0.15)	(0.14)

For the six-month periods ended June 30, 2020 and 2019

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loss for the period attributable to shareholders of the Company (Thousand Baht)	(179,685)	(185,197)	(144,295)	(158,441)
Basic weighted average number of outstanding ordinary shares (Thousand shares)	500,000	500,000	500,000	500,000
Basic loss per share (Baht/Share)	(0.36)	(0.37)	(0.29)	(0.32)

26. OPERATING SEGMENT

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

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

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

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

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

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended June 30, 2020 and 2019, respectively.

	Thousand Baht											
	For the three-month periods ended June 30,											
	Publishing and advertising segment		Production of television programs segment		Other segments		Total segments		eliminations of inter-segment		Consolidated Financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue												
Revenue from external customers	56,311	135,383	11,971	22,213	18,016	18,303	86,298	175,899	-	-	86,298	175,899
Inter-segment revenue	857	3,854	-	278	-	-	857	4,132	(857)	(4,132)	-	-
Segment profit (loss)	(39,040)	(31,270)	(3,183)	(6,315)	(11,332)	5,627	(53,555)	(31,958)	1,774	215	(51,781)	(31,743)

	Thousand Baht											
	For the six-month periods ended June 30,											
	Publishing and advertising segment		Production of television programs segment		Other segments		Total segments		eliminations of inter-segment		Consolidated Financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue												
Revenue from external customers	135,071	289,135	22,161	49,888	38,796	45,223	196,028	384,246	-	-	196,028	384,246
Inter-segment revenue	1,573	5,699	-	278	-	-	1,573	5,977	(1,573)	(5,977)	-	-
Segment profit (loss)	(72,735)	(89,851)	(8,970)	(6,693)	(13,250)	19,960	(94,955)	(76,584)	3,707	2,813	(91,248)	(73,771)

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at June 30, 2020, the Company and its subsidiaries had commitments and contingent liabilities as follows:

27.1 Long-term service commitments

27.1.1 The Company and its subsidiaries had commitments with unrelated parties relating to hire contracts, maintenance of system contracts and other service contracts, the services fee will be pay for the future are as follows:

	Million Baht
	<u>Consolidated/Separate financial statements</u>
Payable:	
Within 1 year	52
2 - 3 years	42

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

27.2 Guarantees

The Company and its subsidiaries had outstanding bank guarantees of Baht 9.03 million issued in the normal course of business of the Company and subsidiaries.

28. IMPORTANT MATTERS

28.1 The financial plan

On May 27, 2020, the Company convened the Public Presentation No. 1/2020 to clarify the financial plan the Company has executed continuously to adjust the Company's structure to be suitable for business situation including controlling costs and reducing expenses that are not needed for operations. For instance, entering into the disposition of assets (Printing plant and Distribution Center (Bangna) and Office building (Klong Toey)) as approved by the 2020 Annual General Meeting of Shareholders on April 22, 2020.

Moreover, the Company has continuously conducted strategic and business model change to be able to meet consumers and advertising clients' needs by increasing digital media channels, providing content according to consumers' interests thru the use of artificial intelligence technology (AI). Along with monetizing from 74 years database by developing existing products and services, strengthening the increasing digital products and services, including expanding and creating new revenue streams such as creating digital content or advertising production. As well as enhancing collaboration with leading content creators such as the Wall Street Journal. The Company will still maintain the existing customer base and trying to expand new customer base concurrently.

28.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company and its subsidiaries, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

29. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Board of Directors on August 11, 2020.