The Post Publishing Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2010 and 2009

Report of Independent Auditor

To the Shareholders of The Post Publishing Public Company Limited

I have audited the accompanying consolidated balance sheets of The Post Publishing Public Company Limited and its subsidiaries as at 31 December 2010 and 2009, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of The Post Publishing Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of The Post Publishing Public Company Limited and its subsidiaries and of The Post Publishing Public Company Limited as at 31 December 2010 and 2009, and the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

Ernst & Young Office Limited

Bangkok: 11 February 2011

The Post Publishing Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements 2010	Consolidated financial statements 2009	Separate financial statements 2010	Separate financial statements 2009
Assets					
Current assets					
Cash and cash equivalents	*6*	60,513,805	70,896,988	6,744,761	27,543,249
Trade accounts receivable	*7*				
Related parties	*8*	-	-	14,243,160	-
Unrelated parties		456,504,141	360,641,474	328,129,798	293,939,700
Less: Allowance for doubtful accounts		(14,789,507)	(12,275,964)	(14,607,351)	(12,021,800)
Allowance for sales returns		(7,355,358)	(7,986,373)	(7,355,358)	(7,986,373)
Trade accounts receivable - net		434,359,276	340,379,137	320,410,249	273,931,527
Amounts due from related parties	*8*	3,825	9,494	197,756	49,926
Inventories - net	*9*	98,431,621	82,835,369	94,988,365	80,149,666
Deferred right to use equipment	*10*	2,566,703	-	-	-
Other current assets					
Prepaid corporate income tax		38,262,213	17,650,620	36,027,220	16,760,661
Others		16,901,862	18,574,023	13,368,657	12,187,007
Total current assets		651,039,305	530,345,631	471,737,008	410,622,036
Non-current assets					
Long-term loans to related parties - net	*8*	-	480,000	6,120,000	480,000
Investments in subsidiaries	*11*	-	-	106,017,450	100,917,450
Investment in associate - net	*12*	-	-	-	-
Other long-term investment	*13*	16,124	16,124	16,124	16,124
Property, plant and equipment - net	*14*	1,003,526,299	1,105,900,790	995,782,430	1,102,699,586
Intangible assets					
Computer software - net	*15*	108,366,596	98,560,832	107,346,765	97,468,372
Other non-current assets					
Goodwill	*11*	53,769,227	53,769,227	-	-
Deferred tax assets	*22*	62,109,058	61,888,552	46,143,935	50,318,192
Others		1,520,238	1,428,490	335,141	232,373
Total non-current assets		1,229,307,542	1,322,044,015	1,261,761,845	1,352,132,097
Total assets		1,880,346,847	1,852,389,646	1,733,498,853	1,762,754,133

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

The Post Publishing Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2010 and 2009

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2010	2009	2010	2009
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	*16*	575,000,000	570,000,000	555,000,000	570,000,000
Trade accounts payable					
Related parties	*8*	4,715,183	5,212,581	18,471,001	20,263,863
Unrelated parties		103,353,114	85,068,451	57,790,774	43,007,044
Current portion of long-term loans	*18*	80,000,000	107,500,000	80,000,000	107,500,000
Other current liabilities					
Accrued expenses		72,195,144	53,371,527	66,125,356	50,402,607
Other accounts payable		22,654,081	20,701,710	21,416,543	20,701,711
Corporate income tax payable		8,045,681	5,442,841	-	-
Unearned subscription fee		73,426,373	68,680,596	69,111,202	64,442,849
Others		76,703,596	56,246,098	59,067,648	45,398,302
Total other current liabilities		253,024,875	204,442,772	215,720,749	180,945,469
Total current liabilities		1,016,093,172	972,223,804	926,982,524	921,716,376
Non-current liabilities					
Long-term loan from minority shareholders of subsidiary	*17*	5,880,000	-	-	-
Long-term loans, net of current portion	*18*	22,500,000	102,500,000	22,500,000	102,500,000
Total non-current liabilities		28,380,000	102,500,000	22,500,000	102,500,000
Total liabilities		1,044,473,172	1,074,723,804	949,482,524	1,024,216,376

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

The Post Publishing Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements 2010	Consolidated financial statements 2009	Separate financial statements 2010	Separate financial statements 2009
Shareholders' equity					
Share capital					
Registered					
505,000,000 ordinary shares of Baht 1 each		505,000,000	505,000,000	505,000,000	505,000,000
Issued and fully paid up					
500,000,000 ordinary shares of Baht 1 each		500,000,000	500,000,000	500,000,000	500,000,000
Retained earnings					
Appropriated - statutory reserve	19	50,500,000	50,500,000	50,500,000	50,500,000
Unappropriated		285,373,675	227,165,842	233,516,329	188,037,757
		335,873,675	277,665,842	284,016,329	238,537,757
Equity attributable to the Company's shareholders		835,873,675	777,665,842	784,016,329	738,537,757
Minority interest - equity attributable					
to minority shareholders of subsidiary		-	-	-	-
Total shareholders' equity		835,873,675	777,665,842	784,016,329	738,537,757
Total liabilities and shareholders' equity		1,880,346,847	1,852,389,646	1,733,498,853	1,762,754,133
		-	-	-	-

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

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Directors

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The Post Publishing Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Sales and service income	20	1,815,112,813	1,610,262,788	1,523,392,142	1,363,030,218
Costs of sales and services		(1,265,079,766)	(1,235,734,155)	(1,087,735,991)	(1,099,022,521)
Gross profit		550,033,047	374,528,633	435,656,151	264,007,697
Selling expenses		(231,284,080)	(238,359,563)	(219,615,554)	(214,273,134)
Administrative expenses		(156,523,836)	(172,415,189)	(130,199,279)	(142,396,297)
Management's remuneration	8	(78,766,103)	(84,468,612)	(49,964,805)	(63,753,225)
Income (loss) from sales and rendering of services		83,459,028	(120,714,731)	35,876,513	(156,414,959)
Other income					
Dividend income from subsidiary	11	-	-	28,000,000	31,340,000
Reversal of allowance for loss from loan to associate	8	960,000	480,000	960,000	480,000
Gain on disposal of equipment		9,549,512	1,011,136	9,552,414	1,022,979
Others		24,892,692	21,073,116	22,067,875	19,746,392
Income (loss) before finance cost and income tax		118,861,232	(98,150,479)	96,456,802	(103,825,588)
Finance cost		(22,133,616)	(27,036,864)	(21,803,973)	(27,036,864)
Income (loss) before income tax		96,727,616	(125,187,343)	74,652,829	(130,862,452)
Income tax	22	(18,419,783)	27,256,356	(4,174,257)	39,831,938
Net income (loss) for the year		78,307,833	(97,930,987)	70,478,572	(91,030,514)
Net income (loss) attributable to:					
Equity holders of the parent		83,207,833	(97,930,987)	70,478,572	(91,030,514)
Minority interests of the subsidiary		(4,900,000)	-		
		78,307,833	(97,930,987)		
Basic earnings per share	23				
Net income (loss) attributable to equity holders of the parent		0.17	(0.20)	0.14	(0.18)

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

The Post Publishing Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2010 and 2009

(Unit: Baht)

		Consolidated financial statements					
		Equity attributable to the parent's shareholders					
			Retained earnings				
	Note	Ordinary shares - issued and fully paid-up share capital	Appropriated	Unappropriated	Equity attributable to the parent's shareholders	Minority interest - equity attributable to minority shareholders of subsidiary	Total
Balance as at 31 December 2008		500,000,000	50,500,000	355,096,829	905,596,829	-	905,596,829
Net loss for the year		-	-	(97,930,987)	(97,930,987)	-	(97,930,987)
Total income and expenses recognised during the year		-	-	(97,930,987)	(97,930,987)	-	(97,930,987)
Dividend	*24*	-	-	(30,000,000)	(30,000,000)	-	(30,000,000)
Balance as at 31 December 2009		500,000,000	50,500,000	227,165,842	777,665,842		777,665,842
							-
Balance as at 31 December 2009		500,000,000	50,500,000	227,165,842	777,665,842	-	777,665,842
Net income (loss) for the year		-	-	83,207,833	83,207,833	(4,900,000)	78,307,833
Total income and expenses recognised during the year		-	-	83,207,833	83,207,833	(4,900,000)	78,307,833
Dividend	*24*	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
Increase in minority interest from investment by the minority shareholders		-	-	-	-	4,900,000	4,900,000
Balance as at 31 December 2010		500,000,000	50,500,000	285,373,675	835,873,675	-	835,873,675
							-

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

The Post Publishing Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

		Separate financial statements			
		issued and fully paid-up	Retained earnings		
	Note	share capital	Appropriated	Unappropriated	Total
Balance as at 31 December 2008		500,000,000	50,500,000	309,068,271	859,568,271
Net loss for the year		-	-	(91,030,514)	(91,030,514)
Total income and expenses recognised during the year		-	-	(91,030,514)	(91,030,514)
Dividend	*24*	-	-	(30,000,000)	(30,000,000)
Balance as at 31 December 2009		500,000,000	50,500,000	188,037,757	738,537,757
					-
Balance as at 31 December 2009		500,000,000	50,500,000	188,037,757	738,537,757
Net income for the year		-	-	70,478,572	70,478,572
Total income and expenses recognised during the year		-	-	70,478,572	70,478,572
Dividend	*24*	-	-	(25,000,000)	(25,000,000)
Balance as at 31 December 2010		500,000,000	50,500,000	233,516,329	784,016,329
					-

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

The Post Publishing Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Net income (loss) before tax	96,727,616	(125,187,343)	74,652,829	(130,862,452)
Adjustments to reconcile net income (loss) before tax to				
net cash provided by (paid from) operating activities:				
Allowance for doubtful debts	2,513,543	639,691	2,585,551	3,021,800
Reversal of allowance for sales returns	(631,015)	(3,389,209)	(631,015)	(3,389,209)
Allowance for diminution in value of inventories (reversal)	5,492,631	3,927,648	3,473,256	(735,112)
Reversal of provision for loss on loan to associate	(960,000)	(480,000)	(960,000)	(480,000)
Dividend income from subsidiary	-	-	(28,000,000)	(31,340,000)
Depreciation and amortisation	138,012,092	129,489,545	131,692,460	127,518,810
Gain on disposal of equipment	(9,549,512)	(1,011,136)	(9,552,414)	(1,022,979)
Allowance for impairment of computer software (reversal)	(1,116,738)	4,024,373	(1,116,738)	4,024,373
Interest expenses	22,133,616	27,036,864	21,803,973	27,036,864
Income (loss) from operating activities before changes				
in operating assets and liabilities	252,622,233	35,050,433	193,947,902	(6,227,905)
Operating assets (increase) decrease				
Trade accounts receivable	(95,862,667)	14,427,585	(48,433,258)	(511,942)
Amounts due from related parties	5,669	(8)	(147,830)	(14,421)
Inventories	(21,088,883)	148,199,944	(18,311,955)	150,817,174
Other current assets	1,672,161	27,702,422	(1,181,650)	31,259,850
Other non-current assets	(976,524)	264,947	811,109	211,563
Operating liabilities increase (decrease)				
Trade accounts payable	17,787,265	3,879,557	12,990,868	5,681,519
Other current liabilities	46,073,102	(19,572,876)	33,948,322	(19,066,422)
Cash flows from operating activities	200,232,356	209,952,004	173,623,508	162,149,416
Cash paid for interest expenses	(22,934,085)	(27,475,981)	(22,724,349)	(27,475,981)
Cash paid for corporate income tax	(36,652,200)	(31,689,783)	(19,266,559)	(17,006,823)
Net cash flows from operating activities	140,646,071	150,786,240	131,632,600	117,666,612

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

The Post Publishing Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flow from investing activities				
Dividend received from subsidiary	-	-	28,000,000	44,000,000
Investment in subsidiary	-	-	(5,100,000)	-
Loan to subsidiary	-	-	(6,120,000)	-
Cash received from repayment of loan to associate	1,440,000	-	1,440,000	-
Proceeds from sales of equipment	13,115,626	2,693,408	13,115,626	2,693,408
Cash paid for purchase of right to use equipment	(6,883,543)	-	-	-
Cash paid for purchase of equipment	(15,450,011)	(40,559,429)	(9,889,343)	(37,951,325)
Cash paid for purchase of computer software	(26,531,326)	(51,678,402)	(26,377,371)	(51,414,972)
Net cash flows used in investing activities	(34,309,254)	(89,544,423)	(4,931,088)	(42,672,889)
Cash flows from financing activities				
Short-term loans from banks (repayment)	5,000,000	8,217,334	(15,000,000)	8,217,334
Long-term loan from minority shareholders of subsidiary	5,880,000	-	-	-
Long-term loans from banks	-	60,000,000	-	60,000,000
Repayment of long-term loans from banks	(107,500,000)	(100,000,000)	(107,500,000)	(100,000,000)
Cash investment in subsidiary by				
minority shareholders of subsidiary	4,900,000	-	-	-
Dividend paid	(25,000,000)	(30,000,000)	(25,000,000)	(30,000,000)
Net cash flows from used in financing activities	(116,720,000)	(61,782,666)	(147,500,000)	(61,782,666)
Net increase (decrease) in cash and cash equivalents	(10,383,183)	(540,849)	(20,798,488)	13,211,057
Cash and cash equivalents at beginning of year	70,896,988	71,437,837	27,543,249	14,332,192
Cash and cash equivalents at end of year	60,513,805	70,896,988	6,744,761	27,543,249
	-	-	-	-
Supplemental cash flows information:				
Non-cash item				
Increase (decrease) in accounts payable from				
purchase of equipment	1,204,094	(1,057,737)	442,987	(962,921)
Increase (decrease) in accounts payable from				
purchase of computer software	390,470	536,790	390,470	536,790

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 years ended 31 December 2010 and 2009

1. Corporate information

The Post Publishing Public Company Limited ("the Company") is a public company incorporated and is domiciled in Thailand. The Company is principally engaged in the publishing and distribution of newspapers, magazines and books and its registered address is 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 accounting standards enunciated under the Accounting Profession Act B.E. 2547, except for the early adoption of Thai Accounting Standard No. 12 Income Taxes and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2010, 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 Company and the following subsidiaries and jointly controlled entity.

Company's name	Nature of business	Percentage of shareholding		Country of incorporation	Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
		2010	2009		2010	2009	2010	2009
		Percent	Percent		Percent	Percent	Percent	Percent
Subsidiaries								
Job Job Company Limited	Rental service for internet domain name	100	100	Thailand	0.01	0.01	-	-
Post International Media Company Limited	Publishing and distribution of magazines	100	100	Thailand	5.24	4.77	9.99	10.15
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	1.37	0.91	2.21	2.14
Post News Company Limited (incorporated on 27 April 2010)	Production of television programming	51	-	Thailand	2.87	-	4.09	-
Jointly controlled entity								
Post-ACP Company Limited (51% owned by Post International Media Company Limited)	Publishing and distribution of magazines	51	51	Thailand	2.37	1.89	3.60	3.75

b) Subsidiaries and jointly controlly 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.

c) The financial statements of the subsidiaries and jointly controlled entity are prepared using the same significant accounting policies as the Company.

d) Material balances and transactions between the Company, its subsidiaries and jointly controlled entity have been eliminated from the consolidated financial statements.

e) Investments in the subsidiaries as recorded in the Company's books of account are eliminated against the equity of the subsidiaries.

f) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

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. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

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

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. This includes an entity having to evaluate and make a provision for post-employment benefits according to labour law or liabilities arising from other defined benefit plans using actuarial techniques. Currently, the Company and its subsidiaries account for such employee benefits when they are incurred.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

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, cash 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 subsidiaries set aside allowance for diminution in value of inventories for obsolete and slow-moving inventories.

4.5 Investments

a) Investments in associates are 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 loss on diminution in value (if any).

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as gains or losses in the income statement or recorded as surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as income or expenses in the income statement. If the Company disposes of only part of the investment, the carrying value per share used to calculate the cost of the portion sold is determined using the weighted average method.

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	3-15	years
Office furniture, equipment and vehicles	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 income statement when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use 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 acquired from a non-business combination are measured on initial recognition at cost. Following initial recognition, 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 useful economic 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 the income statement.

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

	Useful lives	
Computer software	3 - 10	years
Right to use equipment	1	year in accordance with the agreement for co-producer of television news programming

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 the income statement.

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. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 Income tax

Income tax 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, which amount is calculated in accordance with the criteria prescribed in the tax legislation.

Deferred Tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities at the balance sheet date and their tax bases. The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each balance sheet date, the Company and its subsidiary 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.

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 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 Foreign currencies

Foreign currency transactions 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 on the balance sheet date.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At each reporting date, the Company and its subsidiaries perform impairment review in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment review 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. In determining value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

4.14 Employee benefits

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

4.15 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 generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follow:

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 salvage values of the plant and equipment and to review estimate useful lives and salvage 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 and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, 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 profits.

Litigation

The Company has contingent liabilities as a result of litigation. 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 balance sheet date. However, actual results could differ from the estimates.

6. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash	628,611	535,000	535,000	535,000
Bank deposits	59,885,194	70,361,988	6,209,761	27,008,249
Total	60,513,805	70,896,988	6,744,761	27,543,249

As at 31 December 2010, bank deposits in savings accounts and fixed deposits carried interest at the rates between 0.25 and 1.25 percent per annum (2009: between 0.25 and 2.50 percent per annum).

7. Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2010 and 2009 aged on the basis of due date, are summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Related party				
Not yet due	-	-	1,250,000	-
Past due				
Up to 3 months	-	-	12,310,000	-
3 – 6 months	-	-	683,160	-
Total	-	-	14,243,160	-
Unrelated parties				
Not yet due	204,815,357	162,435,838	129,823,950	121,674,481
Past due				
Up to 3 months	207,770,141	172,018,953	160,250,126	147,712,637
3 - 6 months	20,120,918	11,598,167	15,530,343	10,993,152
7 - 12 months	11,750,420	6,077,762	10,478,074	5,150,610
Over 12 months	12,047,305	8,510,754	12,047,305	8,408,820
Total	456,504,141	360,641,474	328,129,798	293,939,700
Total accounts receivable	456,504,141	360,641,474	342,372,958	293,939,700
Less : Allowance for doubtful accounts	(14,789,507)	(12,275,964)	(14,607,351)	(12,021,800)
Allowance for sales returns	(7,355,358)	(7,986,373)	(7,355,358)	(7,986,373)
Trade accounts receivable - net	434,359,276	340,379,137	320,410,249	273,931,527

8. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2010	2009	2010	2009	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Purchase of goods	-	-	30.7	28.8	Market price
Rental income	-	-	6.3	6.1	Market price
Advertising income	-	-	23.6	6.9	Market price
Television production service income	-	-	42.0	-	Contract price
Advertising expenses	-	-	24.4	6.4	Market price
Management fee income	-	-	0.9	-	Contract price
Interest income	-	-	0.2	-	Interest rate with reference to MLR per annum
Transactions with jointly controlled entities					
(eliminated from the consolidated financial statements at the Company's proportionated interest)					
Purchase of goods	17.7	19.6	36.2	40.0	Market price
Rental income	-	-	0.1	0.1	Market price
Advertising income	0.1	0.1	0.3	0.3	Market price
Advertising expenses	0.2	0.1	0.4	0.3	Market price
Transactions with associate					
Advertising income	-	0.7	-	0.7	Market price
Interest income	0.1	0.2	0.1	0.2	Interest rate with reference to MOR per annum
Rental expenses of radio air time	-	0.7	-	0.7	Market price

The balances of the accounts as at 31 December 2010 and 2009 between the Company and those related companies are as follow:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Trade account receivable – related party				
Subsidiary				
Post News Company Limited	-	-	14,243,160	-
Amounts due from related parties				
Subsidiaries	-	-	189,949	37,221
Jointly controlled entities and associate	3,825	9,494	7,807	12,705
Total amounts due from related parties	3,825	9,494	197,756	49,926
Long-term loans to related party				
Subsidiary				
Post News Co., Ltd.	-	-	6,120,000	-
Loan to subsidiary	-	-	6,120,000	-
Associate				
Flash News Co., Ltd.	960,000	2,400,000	960,000	2,400,000
Less: Allowance for loss from loan	(960,000)	(1,920,000)	(960,000)	(1,920,000)
Loan to associate - net	-	480,000	-	480,000
Total long-term loans to related party - net	-	480,000	6,120,000	480,000

During 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. The Company does not have an intention to recall the loan within the next 12 months period. The Company therefore classified the loan as a long-term loan.

During the third quarter of 2008, Flash New Company Limited received a loan of Baht 2.4 million from the Company. The loan is repayable on demand and carries interest at a rate with reference to the Minimum Overdraft Rate that commercial banks charge to their prime customers. Because that company had a significant loss during 2008, the Company recorded full allowance for loss from the loan in the accounts. However, during 2010, that company made loan payments totaling approximately Baht 1.4 million to the Company. The balance of allowance for loss from the loan was therefore reversed to income in the income statements.

During the current year, Post-IM Plus Company Limited received additional loans amounting to Baht 3.0 million (2009: Baht 7.0 million) from Post International Media Company Limited. The loans are repayable on demand and carry interest at the rate reference to the average rate of 12-month fixed deposit of four commercial banks.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Trade accounts payable - related parties				
Subsidiaries				
Post International Media Co., Ltd.	-	-	7,443,309	7,947,329
Post-IM Plus Co., Ltd.	-	-	1,404,870	1,678,613
Total trade accounts payable - subsidiaries	-	-	8,848,179	9,625,942
Jointly controlled entity				
Post-ACP Co., Ltd.	4,715,183	5,212,581	9,622,822	10,637,921
Total trade accounts payable - jointly controlled entity	4,715,183	5,212,581	9,622,822	10,637,921
Total trade accounts payable - related parties	4,715,183	5,212,581	18,471,001	20,263,863

Management's remuneration

In 2010, the Company and its subsidiaries had salaries, bonus, meeting allowances and gratuities of their directors and management recognised as expenses totaling Baht 78.8 million (Separate financial statements: Baht 50.0 million) (2009: Baht 84.5 million (Separate financial statements: Baht 63.8 million)).

Guarantee obligation with related party

The Company has outstanding guarantee obligation with a subsidiary, as described in Note 27.4 a) to the financial statements.

9. Inventories

(Unit: Baht)

	Consolidated financial statements					
	Cost		Allowance for diminution in value of inventories		Inventories - net	
	2010	2009	2010	2009	2010	2009
Finished goods	39,938,855	23,782,696	(16,786,228)	(12,341,889)	23,152,627	11,440,807
Raw materials	61,211,407	60,907,324	(1,369,361)	(1,336,703)	59,842,046	59,570,621
Raw materials in transit	4,588,903	4,557,021	-	-	4,588,903	4,557,021
Others	12,312,708	7,715,949	(1,464,663)	(449,029)	10,848,045	7,266,920
Total	118,051,873	96,962,990	(19,620,252)	(14,127,621)	98,431,621	82,835,369

(Unit: Baht)

	Separate financial statements					
			Allowance for diminution in			
	Cost		value of inventories		Inventories - net	
	2010	2009	2010	2009	2010	2009
Finished goods	30,075,846	16,105,110	(4,800,000)	(2,414,000)	25,275,846	13,691,110
Raw materials	61,211,407	60,907,324	(1,369,361)	(1,336,703)	59,842,046	59,570,621
Raw materials in transit	4,588,903	4,557,021	-	-	4,588,903	4,557,021
Others	6,600,592	2,595,338	(1,319,022)	(264,424)	5,281,570	2,330,914
Total	102,476,748	84,164,793	(7,488,383)	(4,015,127)	94,988,365	80,149,666

10. Deferred right to use equipment

Deferred right to use of equipment represents the cost of equipment for providing service as a co-producer of daily television news programming. The equipment is required to be procured by the Company and a subsidiary, and the Company and the subsidiary have the right to use the equipment under the agreement with the government agency outlined in Note 27.6 to the financial statements. Ownership of the equipment will be transferred to the government agency from the date the equipment is transferred.

Movements of the deferred right to use equipment account during 2010 are summarised below.

(Unit: Baht)

	Consolidated financial statements
Net book value as at 1 January 2010	-
Acquisitions during the year - at cost	6,883,543
Amortisation for the year	
(Included in cost of sales and services)	(4,316,840)
Net book value as at 31 December 2010	2,566,703

11. Investments in subsidiaries

(Unit: Baht)

Company's name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Carrying amount based on cost method	
	2010	2009	2010	2009	2010	2009
			(%)	(%)		
Job Job Company Limited	25,000	25,000	100	100	25,000	25,000
Post-IM Plus Company Limited (Another 51% owned by Post International Media Company Limited)	50,000,000	50,000,000	49	49	2,450	2,450
Post International Media Company Limited	25,000,000	25,000,000	100	100	100,980,000	100,890,000
Post News Company Limited	10,000,000	-	51	-	5,100,000	-
Total					106,107,450	100,917,450

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 the second quarter of 2008 is Baht 59.3 million. The amount was presented as goodwill in the consolidated balance sheets. Later, the amount of the goodwill was reduced by Baht 5.5 million, remaining Baht 53.8 million in the balance sheets. This was a result of the adoption of the accounting policy for income tax by Post International Media Company Limited during 2009.

During 2009, the Company received dividend from Post International Media Company Limited totaling Baht 44.0 million. The Company recorded the dividend of Baht 12.7 million as a deduction against investment in subsidiaries since such amount is considered to be a recovery of additional investment in Post International Media Company Limited which the remaining balance of Baht 31.3 million was recorded as dividend income in the separate income statement for 2009.

During 2010, the Company received dividend from Post International Media Company Limited amounting to Baht 28.0 million. The Company recorded this amount as a dividend income in the separate income statement for 2010.

Post News Company Limited

During 2010, the Company invested in 51,000 new ordinary shares of a new subsidiary (Post News Company Limited) at a par value of Baht 100 each, a total price of Baht 5.1 million. This represents 51 percent of the paid-up capital of the subsidiary.

12. Investment in associate

12.1 Details of associate:

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method - net	
			2010	2009	2010	2009	2010	2009
			(%)	(%)				
Flash News Company Limited	Production of radio programming	Thailand	40	40	10,000,000	10,000,000	2,704,142	2,704,142
Less: Allowance for loss from investment					(10,000,000)	(10,000,000)	(2,704,142)	(2,704,142)
Net					-	-	-	-

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost - net	
			2010	2009	2010	2009
			(%)	(%)		
Flash News Company Limited	Production of radio programming	Thailand	40	40	10,000,000	10,000,000
Less: Allowance for loss from investment					(10,000,000)	(10,000,000)
Total					-	-

12.2 Summarised financial information of associate

Financial information of the associate is summarised below:

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Net income for the year ended 31 December	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Flash News Company Limited	23	23	13	14	7	9	18	27	2	1

13. Long-term investment

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

(Unit: Baht)

	Paid up Capital	Equity interest	Cost 2010	Cost 2009
		Percent		
Singapore Press Holdings Limited	27,393,300,000	0.00	16,124	16,124

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	Total
Cost						
As at 31 December 2009	202,076	859,496	1,116,418	144,219	7,698	2,329,907
Purchases	-	-	9,587	5,748	1,319	16,654
Disposals	-	-	(107,434)	-	-	(107,434)
Transfer in (transfer out)	-	-	6,034	2,913	(8,947)	-
As at 31 December 2010	202,076	859,496	1,024,605	152,880	70	2,239,127
Accumulated depreciation						
As at 31 December 2009	-	541,649	548,173	134,184	-	1,224,006
Depreciation for the year	-	42,867	68,498	4,199	-	115,564
Accumulated depreciation of disposals	-	-	(103,969)	-	-	(103,969)
As at 31 December 2010	-	584,516	512,702	138,383	-	1,235,601
Net book value						
31 December 2009	202,076	317,847	568,245	10,035	7,698	1,105,901
31 December 2010	202,076	274,980	511,903	14,497	70	1,003,526

Depreciation for the year

2009 (Baht 91.0 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)	115,164
2010 (Baht 91.3 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)	115,564

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	Total
Cost						
As at 31 December 2009	202,076	859,495	1,108,474	140,046	7,698	2,317,789
Purchases	-	-	8,465	793	1,074	10,332
Disposals	-	-	(107,318)	-	-	(107,318)
Transfer in (transfer out)	-	-	6,034	2,668	(8,702)	-
As at 31 December 2010	202,076	859,495	1,015,655	143,507	70	2,220,803
Accumulated depreciation						
As at 31 December 2009	-	541,649	542,374	131,066	-	1,215,089
Depreciation for the year	-	42,867	67,235	3,686	-	113,788
Accumulated depreciation of disposals	-	-	(103,856)	-	-	(103,856)
As at 31 December 2010	-	584,516	505,753	134,752	-	1,225,021
Net book value						
31 December 2009	202,076	317,846	566,100	8,980	7,698	1,102,700
31 December 2010	202,076	274,979	509,902	8,755	70	995,782
Depreciation for the year						
2009 (Baht 91.0 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						113,607
2010 (Baht 91.3 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						113,788

As at 31 December 2010, the Company, subsidiaries and jointly control 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 406 million (2009: Baht 473 million) (the Company only: Baht 398 million, 2009: Baht 469 million).

15. Computer software

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cost				
1 January	207,281	153,449	200,419	146,850
Additions	26,922	52,246	26,768	51,983
Disposals	(112)	(3,940)	(112)	(3,940)
Transfer from assets under installation	-	5,526	-	5,526
31 December	234,091	207,281	227,075	200,419
Accumulated amortisation				
1 January	101,315	90,324	95,545	84,968
Accumulated amortisation of dispsals	(10)	(3,335)	(10)	(3,335)
Amortisation during the year	18,130	14,326	17,904	13,912
31 December	119,435	101,315	113,439	95,545
Allowance for impairment				
1 January	7,406	-	7,406	-
Transfer from assets under installation	-	3,382	-	3,382
Allowance for impairment loss record (reverse) during the year	(1,117)	4,024	(1,117)	4,024
31 December	6,289	7,406	6,289	7,406
Net book value as at 31 December	108,367	98,560	107,347	97,468
Amortisation expenses:				
Included in manufacturing cost	15,719	12,329	15,719	12,329
Included in selling and administrative expenses	2,411	1,997	2,185	1,583
Total amortisation expenses for the year	18,130	14,326	17,904	13,912

As at 31 December 2010 and 2009, the remaining useful life of the intangible assets is 1 - 10 years.

As at 31 December 2010, computer software included computer software under installation amounting to Baht 47.8 million (2009: Baht 34.0 million).

As at 31 December 2010, the Company had certain computer software which have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 50.6 million (2009: Baht 31.1 million).

16. Short-term loans from banks

The short-term loans from banks of the Company and a subsidiary carried interest at the rate of MMR (Money Market Rate) percent per annum.

The short-term loans from bank of the subsidiary are guaranteed by the Company and the minority shareholders of the subsidiary.

17. Long-term loan from minority shareholders of subsidiary

As at 31 December 2010, a subsidiary had a short-term Baht loan from its minority shareholders, which carries interest at the rates with reference to Minimum Loan Rate a commercial bank charges to its prime customers, and repayable on demand. However, the minority shareholders confirmed not to call for repayment of this loan within the next twelve months. The subsidiary therefore classified the loan as long-term.

18. Long-term loans

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

(Unit: Baht)

Loan	Interest rate (%)	Repayment schedule	2010	2009
1	Fixed rate for the first two years and thereafter at a rate referenced to the Minimum Loan Rate	Semi-annual installments of Baht 50 million each, commencing August 2006	-	50,000,000
2	Fixed rate as stipulated in the loan agreement	Semi-annual installments of Baht 25 million each, commencing February 2010	50,000,000	100,000,000
3	Fixed rate for the first two years and thereafter at a rate referenced to the Minimum Loan Rate	Quarterly installments of Baht 7.5 million each, commencing October 2010	52,500,000	60,000,000
Total			102,500,000	210,000,000
Less: Current portion			(80,000,000)	(107,500,000)
Long-term loans - net of current portion			22,500,000	102,500,000

The long-term loan agreement of the Loan No.3 contains certain covenant pertaining to the maintenance of financial ratio.

19. 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 statutory reserve is not available for dividend distribution.

20. Sales and service income

These include sales and advertising revenues of approximately Baht 63.8 million (2009: Baht 74.5 million) (Separate financial statements: Baht 84.7 million, 2009: Baht 71.7 million) arising from exchanges of dissimilar goods or services with other companies.

21. Expenses by nature

Significant expenses by nature are as follow:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Salary, wages and other employee benefits	665,967,160	666,855,815	559,594,095	599,873,426
Depreciation and amortization	138,012,092	129,489,545	131,692,460	127,518,810
Advertising expenses	109,168,777	127,010,225	110,319,292	97,617,270
News service expenses	44,724,854	46,955,875	41,440,165	46,955,875
Travelling expenses	42,871,426	40,083,444	33,109,419	32,951,863
Raw materials and consumables used	433,910,534	498,745,124	356,025,176	417,489,328
Changes in inventories of finished goods and work in progress - increase (decrease)	20,752,918	(9,035,852)	17,975,990	(6,391,993)

22. Income tax/Deferred tax

Income tax for 2010 and 2009 are made up as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Current income tax:				
Current income tax change	18,642,957	13,739,828	-	-
Adjustment in respect of current income tax of previous year	(79,501)	(484,669)	(76,833)	(484,669)
Total	18,563,456	13,255,159	(76,833)	(484,669)
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,958,517)	(711,589)	(1,909,640)	452,657
Utilisation (record) of tax loss carried forward during the year	9,505,500	(39,799,926)	13,851,386	(39,799,926)
Effect of the change in the Company's tax rate from 25 percent to 30 percent in 2011 because of the expiry of tax reduction privilege	(7,690,656)	-	(7,690,656)	-
Total	(143,673)	(40,511,515)	4,251,090	(39,347,269)
Income tax expense (income) reported in the income statement	18,419,783	(27,256,356)	4,174,257	(39,831,938)

The income tax for 2010 and 2009 differ from the amount computed by applying the standard tax rate to income before tax for the following reasons:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Accounting profit (loss) before tax	96,727,616	(125,187,343)	74,652,829	(130,862,452)
Applicable tax rate	25% and 30 %	25% and 30 %	25%	25%
Accounting profit (loss) before tax multiply with applicable tax rate	26,781,503	(31,296,836)	18,663,207	(32,715,613)
Adjustment in respect of current income tax of previous of year	(79,501)	(484,669)	(76,833)	(484,669)
Utilisation of previously unrecognised tax losses	(1,187,603)	-	-	-
Effect of the change in the Company's tax rate from 25 percent to 30 percent in 2011 because of the expiry of tax reduction privilege	(7,690,656)	-	(7,690,656)	-
Effects of:				
Non-deductible expense	596,040	4,525,149	278,539	1,218,344
Exempted dividend income	-	-	(7,000,000)	(7,850,000)
Income tax expense (income) as shown in income statements	18,419,783	(27,256,356)	4,174,257	(39,831,938)

As of 31 December 2010 and 2009, the components of deferred tax assets are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Deferred tax assets				
Tax loss carried forward	35,484,135	39,505,344	31,138,249	39,505,344
Allowance for loss from loan to and investment in subsidiary and associate	10,937,940	10,629,940	3,288,000	2,980,000
Allowance for doubtful accounts	4,436,852	3,071,500	4,382,205	3,005,450
Allowance for sales returns	2,059,111	2,296,407	1,123,158	1,036,007
Allowance for stock obsolescence	5,185,416	3,597,752	2,246,515	1,003,782
Accrued expenses	2,078,809	718,177	2,078,809	718,177
Allowance for impairment of computer software	1,886,999	1,851,684	1,886,999	1,851,684
Others	39,796	217,748	-	217,748
Total deferred tax assets	62,109,058	61,888,552	46,143,935	50,318,192

As at 31 December 2010, the Company has unrecognised tax losses carried forward which was not recongised as deferred tax assets amounted to Baht 42.2 million (2009: Baht 53.9 million). This was because the Company recognises deferred tax assets to the extent that it is probable that taxable profit will be available against which the deferred tax assets.

The temporary differences associated with investments in subsidiaries and jointly controlled entity, for which deferred tax liability has not been recognised amounted to Baht 24.1 million (2009: Baht 17.7 million) because dividend income from such subsidiaries and jointly controlled entity is tax exempted.

23. Basic earnings per share

Basic earnings per share is calculated by dividing the net income (loss) for the year by the weighted average number of ordinary shares in issue during the year.

24. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		(Baht)	(Baht per share)
Final dividends for 2008	Annual General Meeting of the shareholders on 10 April 2009	30,000,000	0.06
Total for 2009		30,000,000	

Dividends	Approved by	Total dividends	Dividend per share
		(Baht)	(Baht per share)
Interim dividends for 2010	Meeting of the Board of Directors on 12 November 2010	25,000,000	0.05
Total for 2010		25,000,000	

25. Segment information

The Company and its subsidiaries' current significant business operations involve the publishing and distribution of newspapers, magazines and books. The business operations are carried on only in Thailand. As a result, all the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rates of 7 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 2010, the Company contributed Baht 24.6 million (2009: Baht 26.5 million) to the fund.

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2010 and 2009, the Company had capital commitments and related service commitments relating to the purchase of equipment as follows:

(Unit: Million Baht)

	2010	2009
Payable within:		
1 year	23.7	35.5
2 to 5 years	90.9	117.5

27.2 Purchase newsprint commitments

As at 31 December 2010, the Company has outstanding commitments totaling USD 0.2 million or equivalent to Baht 7.5 million in respect of the purchase of newsprint (2009: USD 0.2 million or equivalent to Baht 5.8 million).

The Company's 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.

27.3 Long-term service commitments

Two subsidiaries entered into trademark agreements under which foreign companies granted their permission to use their trademarks. The subsidiaries are obliged to pay the counterparties service fees, which are calculated in accordance with the conditions and at rates stipulated in the agreements. The agreements period can be summarised below.

Agreement	Agreement period
1	From 1 March 2007
2	7 years from 1 January 2008 and can be renewed for another 7 years under the stipulated conditions
3	From May 2009 to December 2014 and can be renewed for another 5 years under the stipulated conditions

27.4 Guarantees

(a) As at 31 December 2010, the Company has guaranteed a bank credit facility of a subsidiary amounting to Baht 10.2 million.

(b) As at 31 December 2010, there were outstanding bank guarantees of approximately Baht 10.2 million (2009: Baht 4.4 million) issued in the normal course of business of the Company.

27.5 Litigation

The Company has been named a defendant in 2 libel suits and 2 labor suits arising in the ordinary course of its business. Although the final outcome of the suits cannot be determined at this stage, it is the management's opinion that the resolution of these matters will not have any material adverse effect on the Company's financial statements as a whole.

27.6 Significant agreement

During 2010, a government agency selected the Company as a co-producer of daily television news programming. The Company agreed to compensate the government agency in terms of cash, and through provision of equipment, news production staff and advertising service, in accordance with the conditions and amounts specified in the agreement. The term of the contract is one year, commencing from May 2010.

28. Financial instruments

28.1 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 accounts receivable, loan to related party, trade accounts payable, short-term loans, and long-term loan. 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 loan 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 loans to related parties as stated in the balance sheets.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, loans to related parties, short-term loans from banks 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 as at 31 December 2010 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.

	Consolidated financial statements				
	Fixed interest rates less than 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate
	(Million Baht)				(% p.a.)
Financial Assets					
Cash and cash equivalents	0.1	49.5	10.9	60.5	0.25 – 1.25
Trade accounts receivable	-	-	434.4	434.4	-
	0.1	49.5	445.3	494.9	
Financial Liabilities					
Short-term loans from banks	-	575.0	-	575.0	MMR and MOR
Trade accounts payable	-	-	108.1	108.1	-
Short-term loan from minority shareholders of subsidiary	-	5.9	-	5.9	Reference to MLR
Long-term loans	72.5	30.0	-	102.5	Fixed rates and MLR minus fixed rates
	72.5	610.9	108.1	791.5	

	Separate financial statements				
	Fixed interest rates less than 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate
	(Million Baht)				(% p.a.)
Financial Assets					
Cash and cash equivalents	-	0.9	5.8	6.7	0.5 – 1.25
Trade accounts receivable	-	-	320.4	320.4	-
Loans to related parties	-	6.1	-	6.1	Reference to MLR and MOR
	-	7.0	326.2	333.2	
Financial Liabilities					
Short-term loans from banks	-	555.0	-	555.0	MMR
Trade accounts payable	-	-	76.3	76.3	-
Long-term loans	72.5	30.0	-	102.5	Fixed rates and MLR minus fixed rates
	72.5	585.0	76.3	733.8	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises 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 2010 and 2009, there were no forward contracts outstanding.

28.2 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 balance sheets.

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.

29. Capital management

The primary objective of the Company and its subsidiaries for capital management is to ensure that it has an appropriate financial structure, preserves the ability to continue its business as a going concern and comply with a condition in a long-term agreement in relation with the maintenance of debt to equity ratio.

The Company's capital used to calculate above financial ratio includes ordinary shares and retained earnings.

No changes were made in the objectives, policies or processes during the years end 31 December 2010 and 2009.

30. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 11 February 2011.