

Bangkok Post Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2018

## **Independent Auditor's Report**

To the Shareholders of Bangkok Post Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Bangkok Post Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Post Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Post Public Company Limited and its subsidiaries and of Bangkok Post Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Material Uncertainty Related to Going Concern**

I draw attention to the matter as described in Note 1.2 of the consolidated financial statements. The Group has operating loss and as at 31 December 2018 the Group's current liabilities exceeded current assets. However, during the year, the Group has proceeded in accordance with the plan to remedy the situation. In addition, financial institution agreed to waive compliance with certain covenants in loan agreements and as at 31 December 2018 the Group still had net assets. The management believe that the Group will be able to continue as a going concern and the financial statements have therefore been prepared under the going concern basis. The Group is in the process to execute the changes in its strategic plan and improve its future operations. These events indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, key audit matters and how audit procedures respond to each matter are described below.

## **Revenue recognition**

The Company has many sources of revenues; e.g. sales of publication, advertising revenue, event revenue and commercial printing revenue and there are a variety of conditions in agreements with customers, such as sales promotions and discounts. As a result, conditions to recognise revenue are different for each source of revenues. This will affect amount and timing of revenue recognition.

I have examined the revenue recognition of the Company using significant audit procedures as follow:

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Sending accounts receivable confirmations at the year-end date.
- Reviewing credit notes that the Company issued after the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

## **Goodwill**

As at 31 December 2018, the Company recorded goodwill from business combination amounted to Baht 95 million as discussed in Note 15 to the financial statements. The assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future and determining the important assumptions used to estimate cash flow e.g. discount rate and long-term growth rate. This will affect the appropriateness of values of goodwill.

I have examined the goodwill using significant audit procedures as follow:

- Assessing the identification of cash generating units and the financial models selected by management by inquiring the management and gaining an understanding of the management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised.
- Testing the significant assumptions in preparing estimates of the cash flows expected to be realized from the assets, through comparison those assumptions with information from both internal and external sources.
- Comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections.
- Evaluating the discount rate applied by management through analysis of the weighted average costs of the Company and of the industry.
- Testing the calculation of the realisable values of the assets using the selected financial model and considering the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates.
- Reviewing the disclosures made with respect to the impairment assessment for goodwill as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

#### **Deferred tax assets**

As at 31 December 2018, the Group recorded deferred tax assets from temporary differences and taxable losses amounted Baht 50 million. The Group has disclosed its accounting policy and details relating to deferred tax in Notes 4.10 and Notes 26 to the financial statements, respectively.

A deferred tax asset is recognized when it is highly probable that the Group's taxable profit will be sufficient to allow utilization of the temporary differences in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgment with respect to the preparation of the estimates of the future taxable profit. Therefore, there is a risk with respect to the amount of deferred tax assets.

I have examined the deferred tax assets using significant audit procedures as follow:

- Gaining an understanding of controls over the preparation of the estimates of future taxable profit for the purpose of recognizing deferred tax assets by making enquire of the Company's responsible personnel.
- Performing tests of controls over the preparation and approval of the estimates of future taxable profits to ensure that they effectively operate.
- Assessing the reasonableness of estimates by reviewing the information and key economic assumptions that might affect the projected revenue growth and gross profit margin such as economic growth rates, interest rates, and consumer spending rate.
- Testing the calculation of the estimates based on those assumptions and relevant information.
- Comparing past profit projections with actual taxable profits to assess the exercise of management judgment in estimating taxable profits.
- Reviewing the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets are not recognized.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Saifon Inkaew  
Certified Public Accountant (Thailand) No. 4434

EY Office Limited  
Bangkok: 20 February 2019

**Bangkok Post Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	8,780,415	12,090,693	6,962,966	8,508,857
Trade and other receivables	7, 8	387,999,294	394,091,736	177,341,712	217,297,473
Inventories	9	69,857,568	69,876,804	33,583,554	44,535,040
Short-term loans to related parties	7	-	-	66,677,171	69,451,299
Corporate income tax deducted at source		90,707,092	74,133,599	52,421,785	40,074,651
Other current assets		31,395,430	40,500,631	10,944,387	16,528,962
<b>Total current assets</b>		<b>588,739,799</b>	<b>590,693,463</b>	<b>347,931,575</b>	<b>396,396,282</b>
<b>Non-current assets</b>					
Investments in subsidiaries	10	-	-	206,473,450	206,473,450
Investment in joint ventures	11	10,115,991	16,807,534	-	-
Investment in associate	12	-	-	-	-
Other long-term investment	13	-	-	-	-
Property, plant and equipment	14	1,450,415,519	1,339,846,823	1,436,541,528	1,321,995,446
Goodwill	15	94,850,812	94,850,812	-	-
Intangible assets	16	86,449,439	114,084,550	49,934,389	62,563,364
Deferred tax assets	26	50,397,869	59,320,595	36,365,374	44,037,866
Other non-current assets		3,012,861	7,175,206	402,549	743,691
<b>Total non-current assets</b>		<b>1,695,242,491</b>	<b>1,632,085,520</b>	<b>1,729,717,290</b>	<b>1,635,813,817</b>
<b>Total assets</b>		<b>2,283,982,290</b>	<b>2,222,778,983</b>	<b>2,077,648,865</b>	<b>2,032,210,099</b>

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

**Bangkok Post Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	17	936,175,789	843,920,578	873,719,217	815,108,157
Trade and other payables	7, 18	198,389,734	242,383,914	111,564,682	148,426,464
Short-term loans from non-controlling interests					
of the subsidiary	19	5,880,000	5,880,000	-	-
Current portion of long-term loans	20	64,000,000	12,500,000	60,000,000	10,000,000
Unearned subscription fee		46,251,928	51,599,081	40,843,792	44,476,550
Other current liabilities		56,201,381	56,582,116	34,057,800	33,033,587
<b>Total current liabilities</b>		<b>1,306,898,832</b>	<b>1,212,865,689</b>	<b>1,120,185,491</b>	<b>1,051,044,758</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	20	300,467,400	364,467,400	297,467,400	357,467,400
Deferred tax liabilities	26	188,616,970	151,663,895	183,780,059	144,344,859
Provision for long-term employee benefits	21	84,891,539	85,063,533	77,421,545	78,936,579
<b>Total non-current liabilities</b>		<b>573,975,909</b>	<b>601,194,828</b>	<b>558,669,004</b>	<b>580,748,838</b>
<b>Total liabilities</b>		<b>1,880,874,741</b>	<b>1,814,060,517</b>	<b>1,678,854,495</b>	<b>1,631,793,596</b>

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

**Bangkok Post Public Company Limited and its subsidiaries****Statement of financial position (continued)****As at 31 December 2018**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 December 2018</u>	<u>31 December 2017</u>	<u>31 December 2018</u>	<u>31 December 2017</u>
<b>Shareholders' equity</b>					
Share capital					
Registered					
505,000,000 ordinary shares of Baht 1 each		<u>505,000,000</u>	<u>505,000,000</u>	<u>505,000,000</u>	<u>505,000,000</u>
Issued and fully paid up					
500,000,000 ordinary shares of Baht 1 each		500,000,000	500,000,000	500,000,000	500,000,000
Retained earnings					
Appropriated - statutory reserve	23	50,500,000	50,500,000	50,500,000	50,500,000
Unappropriated		(935,319,421)	(771,893,199)	(886,825,864)	(727,462,931)
Other components of shareholders' equity		<u>735,120,234</u>	<u>577,379,434</u>	<u>735,120,234</u>	<u>577,379,434</u>
Equity attributable to owners of the Company		350,300,813	355,986,235	398,794,370	400,416,503
Non-controlling interests of the subsidiaries		<u>52,806,736</u>	<u>52,732,231</u>	-	-
<b>Total shareholders' equity</b>		<u>403,107,549</u>	<u>408,718,466</u>	<u>398,794,370</u>	<u>400,416,503</u>
<b>Total liabilities and shareholders' equity</b>		<u>2,283,982,290</u>	<u>2,222,778,983</u>	<u>2,077,648,865</u>	<u>2,032,210,099</u>
		-	-	-	-

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

Directors

**Bangkok Post Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2018**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income	24	1,230,032,652	1,328,541,185	786,668,765	944,551,155
Cost of sales and services		<u>(991,260,334)</u>	<u>(1,156,316,866)</u>	<u>(656,282,377)</u>	<u>(823,288,855)</u>
<b>Gross profit</b>		238,772,318	172,224,319	130,386,388	121,262,300
Selling expenses		(153,998,193)	(199,865,600)	(104,267,274)	(144,669,016)
Administrative expenses		(213,344,171)	(226,512,625)	(158,196,649)	(166,405,529)
Loss on impairment of equipment and intangible assets		-	(3,087,983)	-	-
Doubtful debts on loans to subsidiaries	7	-	-	(1,018,005)	(25,825,172)
Loss on impairment of goodwill	15	-	(62,030,000)	-	-
Loss on impairment of investments in subsidiaries		-	-	-	(73,109,000)
<b>Loss from sales and rendering of services</b>		(128,570,046)	(319,271,889)	(133,095,540)	(288,746,417)
Dividend from subsidiary	10	-	-	-	15,000,000
Share of profit (loss) from investments in joint venture	11	(365,771)	2,755,824	-	-
Other income		<u>40,208,293</u>	<u>35,765,895</u>	<u>43,410,246</u>	<u>45,628,197</u>
<b>Loss before finance cost and income tax expenses</b>		(88,727,524)	(280,750,170)	(89,685,294)	(228,118,220)
Finance cost		<u>(69,662,463)</u>	<u>(56,129,532)</u>	<u>(66,229,147)</u>	<u>(54,794,435)</u>
<b>Loss before income tax expenses</b>		(158,389,987)	(336,879,702)	(155,914,441)	(282,912,655)
Tax expenses	26	<u>(9,185,730)</u>	<u>(28,489,224)</u>	<u>(7,672,492)</u>	<u>(28,751,549)</u>
<b>Loss for the year</b>		<u>(167,575,717)</u>	<u>(365,368,926)</u>	<u>(163,586,933)</u>	<u>(311,664,204)</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	21	-	(7,287,441)	-	(6,299,829)
Surplus on revaluation of land	22	201,400,000	-	201,400,000	-
Share of other comprehensive income from investments in joint venture	11	-	21,489	-	-
Less: Income tax effect	26	<u>(40,280,000)</u>	<u>1,453,190</u>	<u>(40,280,000)</u>	<u>1,259,966</u>
<b>Other comprehensive income for the year</b>		<u>161,120,000</u>	<u>(5,812,762)</u>	<u>161,120,000</u>	<u>(5,039,863)</u>
<b>Total comprehensive income for the year</b>		<u>(6,455,717)</u>	<u>(371,181,688)</u>	<u>(2,466,933)</u>	<u>(316,704,067)</u>

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

**Bangkok Post Public Company Limited and its subsidiaries****Statement of comprehensive income (continued)**

For the year ended 31 December 2018

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	(167,650,222)	(358,834,768)	<u>(163,586,933)</u>	<u>(311,664,204)</u>
Non-controlling interests of the subsidiaries	<u>74,505</u>	<u>(6,534,158)</u>		
	<u>(167,575,717)</u>	<u>(365,368,926)</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	(6,530,222)	(364,647,530)	<u>(2,466,933)</u>	<u>(316,704,067)</u>
Non-controlling interests of the subsidiaries	<u>74,505</u>	<u>(6,534,158)</u>		
	<u>(6,455,717)</u>	<u>(371,181,688)</u>		
<b>Loss per share</b>	27			
Basic loss per share				
Loss attributable to equity holders of the Company	<u>(0.34)</u>	<u>(0.72)</u>	<u>(0.33)</u>	<u>(0.62)</u>

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

**Bangkok Post Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2018**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>				
Loss before tax	(158,389,987)	(336,879,702)	(155,914,441)	(282,912,655)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Allowance for doubtful debts (reversal)	(5,978,381)	7,400,008	13,056,883	22,971,219
Reversal of allowance for sales returns	(2,824,252)	(9,572,952)	(2,824,252)	(9,572,952)
Reduction of inventory to net realisable value (reversal)	(1,063,936)	(45,847)	(455,864)	2,512,091
Allowance for diminution in value of loans to subsidiaries	-	-	1,018,005	25,825,172
Allowance for diminution in value of investments in subsidiaries	-	-	-	73,109,000
Dividend received from subsidiary	-	-	-	(15,000,000)
Depreciation and amortisation	118,904,759	141,164,376	98,265,085	111,183,678
Gain on disposal and write-off equipment and computer software	(2,600,437)	(6,888,328)	(2,600,437)	(6,724,335)
Allowance for impairment loss on equipment and intangible assets	-	3,087,983	-	-
Allowance for impairment loss on goodwill	-	62,030,000	-	-
Share of loss (profit) from investments in joint venture	365,771	(2,755,824)	-	-
Provision for long-term employee benefits	6,023,000	6,331,871	4,680,766	5,294,166
Interest expenses	69,662,463	56,129,532	66,229,147	54,794,435
Profit (loss) from operating activities before changes in operating assets and liabilities	24,099,000	(79,998,883)	21,454,892	(18,520,181)
Operating assets (increase) decrease				
Trade and other receivables	14,895,076	83,819,021	29,723,130	73,552,607
Inventories	1,083,172	(15,510,629)	11,407,350	4,939,374
Other current assets	9,105,201	6,800,151	5,584,575	2,011,728
Other non-current assets	4,162,345	(966,374)	341,142	527,630
Operating liabilities increase (decrease)				
Trade and other payables	(44,531,967)	(23,536,323)	(37,405,682)	(49,753,921)
Other current liabilities	(5,727,888)	(17,519,298)	(2,608,545)	(20,393,151)
Cash flows from (used in) operating activities	3,084,939	(46,912,335)	28,496,862	(7,635,914)
Cash paid for interest expenses	(70,490,170)	(54,985,044)	(67,050,740)	(53,934,005)
Cash paid for corporate income tax	(21,845,629)	(24,130,417)	(12,347,134)	(14,876,993)
Cash received from refund of withholding tax deducted at source	2,527,813	25,274,000	-	25,274,000
Cash paid for long-term employee benefits	(6,195,800)	(10,215,218)	(6,195,800)	(10,215,218)
<b>Net cash flows used in operating activities</b>	<b>(92,918,847)</b>	<b>(110,969,014)</b>	<b>(57,096,812)</b>	<b>(61,388,130)</b>

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

**Bangkok Post Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flow from investing activities</b>				
Decrease (increase) in short-term loans to related parties	-	-	1,756,123	(12,525,161)
Decrease in restricted bank deposits	-	10,375,019	-	-
Dividend received from subsidiary	-	-	-	15,000,000
Dividend received from joint venture	6,325,772	8,671,680	-	-
Cash receipt from investments in joint venture	-	351,597	-	-
Proceeds from sales of equipment	7,603,268	8,568,776	7,534,491	8,133,878
Cash paid for purchase of equipment	(3,840,664)	(29,714,988)	(2,307,946)	(6,815,572)
Cash paid for purchase of computer software	(235,018)	(2,149,090)	(42,807)	(14,699)
<b>Net cash flows from (used in) investing activities</b>	<u>9,853,358</u>	<u>(3,897,006)</u>	<u>6,939,861</u>	<u>3,778,446</u>
<b>Cash flows from financing activities</b>				
Increase in bank overdrafts and short-term loans				
from financial institutions	92,255,211	148,051,483	58,611,060	119,239,062
Cash receipt from long-term loans	-	9,500,000	-	-
Repayment of long-term loans	(12,500,000)	(100,166,100)	(10,000,000)	(100,166,100)
<b>Net cash flows from financing activities</b>	<u>79,755,211</u>	<u>57,385,383</u>	<u>48,611,060</u>	<u>19,072,962</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(3,310,278)</u>	<u>(57,480,637)</u>	<u>(1,545,891)</u>	<u>(38,536,722)</u>
Cash and cash equivalents at beginning of year	<u>12,090,693</u>	<u>69,571,330</u>	<u>8,508,857</u>	<u>47,045,579</u>
<b>Cash and cash equivalents at end of year</b>	<u>8,780,415</u>	<u>12,090,693</u>	<u>6,962,966</u>	<u>8,508,857</u>
	-	-	-	-
<b>Supplemental cash flows information:</b>				
Non-cash item				
Purchase of equipment for which cash has not been paid	1,365,494	-	1,365,494	-

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



**Bangkok Post Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity**

**For the year ended 31 December 2018**

(Unit: Baht)

**Consolidated financial statements**

	Equity attributable to the owners of the Company							Total shareholders' equity
	Issued and fully paid-up share capital	Retained earnings		Other components of equity			Total equity attributable to owners of the Company	
				Other comprehensive income		Total other components of shareholders' equity		
				Surplus on revaluation of land	Appropriated -statutory reserve			
<b>Balance as at 1 January 2017</b>	500,000,000	50,500,000	(407,245,669)	577,379,434	577,379,434	720,633,765	59,266,389	779,900,154
Loss for the year	-	-	(358,834,768)	-	-	(358,834,768)	(6,534,158)	(365,368,926)
Other comprehensive income for the year	-	-	(5,812,762)	-	-	(5,812,762)	-	(5,812,762)
Total comprehensive income for the year	-	-	(364,647,530)	-	-	(364,647,530)	(6,534,158)	(371,181,688)
<b>Balance as at 31 December 2017</b>	<u>500,000,000</u>	<u>50,500,000</u>	<u>(771,893,199)</u>	<u>577,379,434</u>	<u>577,379,434</u>	<u>355,986,235</u>	<u>52,732,231</u>	<u>408,718,466</u>
<b>Balance as at 1 January 2018</b>	500,000,000	50,500,000	(771,893,199)	577,379,434	577,379,434	355,986,235	52,732,231	408,718,466
Loss for the year	-	-	(167,650,222)	-	-	(167,650,222)	74,505	(167,575,717)
Other comprehensive income for the year	-	-	-	161,120,000	161,120,000	161,120,000	-	161,120,000
Total comprehensive income for the year	-	-	(167,650,222)	161,120,000	161,120,000	(6,530,222)	74,505	(6,455,717)
Transferred revaluation surplus on land to retained earnings arising on disposal of land (note 22)	-	-	4,224,000	(3,379,200)	(3,379,200)	844,800	-	844,800
<b>Balance as at 31 December 2018</b>	<u>500,000,000</u>	<u>50,500,000</u>	<u>(935,319,421)</u>	<u>735,120,234</u>	<u>735,120,234</u>	<u>350,300,813</u>	<u>52,806,736</u>	<u>403,107,549</u>

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

**Bangkok Post Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

	<b>Separate financial statements</b>					
	Issued and fully paid-up share capital	Retained earnings		Other components of equity		
		Appropriated -statutory reserve	Unappropriated	Other comprehensive		
				Surplus on revaluation of land	Total other components of shareholders' equity	Total shareholders' equity
<b>Balance as at 1 January 2017</b>	500,000,000	50,500,000	(410,758,864)	577,379,434	577,379,434	717,120,570
Loss for the year	-	-	(311,664,204)	-	-	(311,664,204)
Other comprehensive income for the year	-	-	(5,039,863)	-	-	(5,039,863)
Total comprehensive income for the year	-	-	(316,704,067)	-	-	(316,704,067)
<b>Balance as at 31 December 2017</b>	<u>500,000,000</u>	<u>50,500,000</u>	<u>(727,462,931)</u>	<u>577,379,434</u>	<u>577,379,434</u>	<u>400,416,503</u>
						-
<b>Balance as at 1 January 2018</b>	500,000,000	50,500,000	(727,462,931)	577,379,434	577,379,434	400,416,503
Loss for the year	-	-	(163,586,933)	-	-	(163,586,933)
Other comprehensive income for the year	-	-	-	161,120,000	161,120,000	161,120,000
Total comprehensive income for the year	-	-	(163,586,933)	161,120,000	161,120,000	(2,466,933)
Transferred revaluation surplus on land to retained earnings arising on disposal of land (note 22)	-	-	4,224,000	(3,379,200)	(3,379,200)	844,800
<b>Balance as at 31 December 2018</b>	<u>500,000,000</u>	<u>50,500,000</u>	<u>(886,825,864)</u>	<u>735,120,234</u>	<u>735,120,234</u>	<u>398,794,370</u>
						-

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

**Bangkok Post Public Company Limited and its subsidiaries**  
**Consolidated notes to financial statements**  
**For the year ended 31 December 2018**

**1. General information**

**1.1 Corporate information**

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

**1.2 Fundamental accounting assumptions**

The Group has operating loss and as at 31 December 2018 the Group's current liabilities exceeded current assets. However, during the year, the Group has proceeded in accordance with its operating, investing and financing plans. In addition, the Group has paid loan interest and principal on schedule. Therefore, during 2018 a financial institution granted the waiver regarding the maintenance of financial ratio for the 2018 financial statements and as at 31 December 2018 the Company still has net total assets. The Group's management believe that the Group will be able to continue as a going concern and will be able to operate in accordance with amended strategic plans and obtain continuous financial support from financial creditors. Therefore, the financial statements have been prepared under the going concern basis, with assets and liabilities are recorded on a basis whereby the Group will be able to realize its assets and meet its obligations in the ordinary course of business.

**2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, 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 Bangkok Post Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company’s name	Nature of business	Percentage of shareholding		Country of incorporation
		<u>2018</u> Percent	<u>2017</u> Percent	
<b>Subsidiaries</b>				
Post New Media Company Limited	Investment	100	100	Thailand
Post Holding Company Limited (owned by Post New Media Company Limited)	Investment	100	100	Thailand
Post TV Company Limited (owned by Post Holding Company Limited)	Production of television programs and rent of studio	100	100	Thailand
Post International Media Company Limited	Publishing and distribution of magazines	100	100	Thailand
Post-IM Plus Company Limited (49%-owned by the Company and 51%-owned by Post International Media Company Limited)	Publishing and distribution of magazines	100	100	Thailand
Post News Company Limited <sup>(1)</sup>	Production of television programs	51	51	Thailand
Mushroom Group Company Limited	Production of television programs	51	51	Thailand

<sup>(1)</sup> Post News Company Limited is in the process of liquidation.

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

- 2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

**3. New financial reporting standards**

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

**(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019**

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. 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.

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

## **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue – Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

### **(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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 amortised 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.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are 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 or when electronic advertising is viewed.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

###### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

#### **4.2 Cash and cash equivalents**

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

#### **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables which is generally based on collection experience and analysis of debt aging and allowance for sales return which is based on past experience and prevailing market condition.

#### **4.4 Inventories**

Finished goods is valued at the lower of cost (determined on the first-in, first-out method) and net realisable value. Such cost include all production costs which consist of cost of materials, labour and production overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of cost (determined on the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

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

#### **4.5 Investments**

- a) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries, joint ventures and associate are accounted for in the separate financial statements using the cost method.
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

#### **4.6 Property, plant and equipment and depreciation**

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

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.



Differences arising from the revaluation are dealt with in the financial statements. When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

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

Buildings	20 years
Machinery and equipment	3 to 15 years
Office furniture, equipment and vehicles	3 to 10 years

Depreciation is included in determining income.

No depreciation is provided on land, and machinery and equipment under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

#### **4.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **4.8 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

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

- a) Customer relationship which has an estimated useful life of 2 to 11 years.
- b) Computer software which has an estimated useful life of 3 to 10 years.
- c) License which has an estimated useful life 5 years.

No amortisation is provided for computer software under installation.

#### **4.9 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.10 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

#### **4.11 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.12 Long-term leases**

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.13 Foreign currencies**

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

Transactions in foreign currencies are translated into Baht at the exchange rates ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of the reporting period.

Gains and losses on exchange are included in determining income.

#### **4.14 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **4.15 Employee benefits**

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits and other long-term employee benefits***

###### *Defined contribution plans*

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

###### *Defined benefit plans and other long-term employee benefits*

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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

#### **4.16 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

#### **5. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

**Allowance for doubtful accounts**

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

**Allowance for sales return**

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

**Impairment of investments**

The Company treats investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement.

**Property, plant and equipment/Depreciation**

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

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the comparative approach for land. The valuation involves certain assumptions and estimates as described in Note 14.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Goodwill**

The initial recognition and measurement of goodwill and subsequent impairment testing require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

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

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

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash	4	10	4	10
Bank deposits	8,776	12,081	6,959	8,499
Total	<u>8,780</u>	<u>12,091</u>	<u>6,963</u>	<u>8,509</u>

As at 31 December 2018, bank deposits in savings accounts and fixed deposits carried interest at the rates between 0.1 and 1.0 percent per annum (2017: between 0.1 and 1.0 percent per annum).

## 7. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Purchase of goods	-	-	9	18	Market price
Rental income	-	-	11	12	Market price
Advertising income	-	-	2	3	Market price
Interest income	-	-	4	2	Rates between 6 percent per annum
Management income	-	-	7	7	Contract price
<u>Transactions with joint venture</u>					
Purchase of goods	4	7	4	7	Market price
Management income	9	9	4	4	Contract price
Rental income	1	-	-	-	Market price
Advertising income	1	-	1	-	Market price

As at 31 December 2018 and 2017, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Trade and other receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	51,085	34,604
Joint venture	2,487	3,422	1,211	984
Less: Allowance for doubtful accounts	-	-	(48,199)	(30,319)
<b>Total trade and other receivables - related parties</b>	<b>2,487</b>	<b>3,422</b>	<b>4,097</b>	<b>5,269</b>



	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b><u>Trade and other payables - related parties (Note 18)</u></b>				
Subsidiaries	-	-	2,940	9,079
Joint venture	2,964	1,721	1,871	1,494
<b>Total trade and other payables - related parties</b>	<b><u>2,964</u></b>	<b><u>1,721</u></b>	<b><u>4,811</u></b>	<b><u>10,573</u></b>

#### Short-term loans to related parties

As at 31 December 2018 and 2017, the balance of short-term loans between the Company and those related parties and the movement are as follows:

		(Unit: Thousand Baht)		
		Separate financial statements		
		Balance as at	Increase (decrease)	Balance as at
Loans to related parties	Related by	31 December 2017	during the year	31 December 2018
Post International Media Co., Ltd.	Subsidiary	61,000	-	61,000
Post News Co., Ltd	Subsidiary	6,120	-	6,120
Post TV Co., Ltd.	Subsidiary	340,415	(1,756)	338,659
		407,535	(1,756)	405,779
Less: Allowance for doubtful accounts		(338,084)	(1,018)	(339,102)
Total		69,451	(2,774)	66,677

Post International Media Company Limited received a loan of Baht 61 million from the Company. The loan is repayable on demand and carries interest at the rate of 5.5 percent per annum.

Post News Company Limited received a loan of Baht 6 million from the Company. The loan is repayable on demand and carries interest at the rate with reference to Minimum Loan Rate a commercial bank charges to its prime customers.

Post TV Company Limited received a loan of Baht 339 million from the Company. The loan is repayable on demand and carries interest at the rate of 5 percent per annum.

### Directors and management's benefits

During the year ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	42	49	19	21
Post-employment benefits	2	2	-	-
<b>Total</b>	<b>44</b>	<b>51</b>	<b>19</b>	<b>21</b>

### **8. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	17	1,776	132	42
Past due				
Up to 3 months	35	50	-	-
6 - 12 months	578	-	578	-
<b>Total trade receivables - related parties</b>	<b>630</b>	<b>1,826</b>	<b>710</b>	<b>42</b>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	141,770	175,290	68,174	85,833
Past due				
Up to 3 months	115,929	76,301	84,159	107,280
3 - 6 months	10,731	83,957	8,709	11,022
6 - 12 months	21,019	17,213	3,390	4,308
Over 12 months	34,983	23,992	15,372	16,161
<b>Total</b>	<b>324,432</b>	<b>376,753</b>	<b>179,804</b>	<b>224,604</b>
Less : Allowance for doubtful debts	(18,135)	(26,216)	(15,083)	(21,824)
Allowance for sales returns	(2,296)	(5,120)	(2,296)	(5,120)
<b>Total trade receivables - unrelated parties, net</b>	<b>304,001</b>	<b>345,417</b>	<b>162,425</b>	<b>197,660</b>
<b>Total trade receivables - net</b>	<b>304,631</b>	<b>347,243</b>	<b>163,135</b>	<b>197,702</b>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Other receivables</u>				
Unbilled revenue	81,511	45,253	10,820	14,368
Amounts due from related parties	1,857	1,596	51,586	35,546
Less : Allowance for doubtful debts	-	-	(48,199)	(30,319)
Total other receivables	<u>83,368</u>	<u>46,849</u>	<u>14,207</u>	<u>19,595</u>
Trade and other receivables - net	<u>387,999</u>	<u>394,092</u>	<u>177,342</u>	<u>217,297</u>

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Finished goods	57,909	58,816	(46,676)	(46,280)	11,233	12,536
Raw materials	30,294	35,537	(1,739)	(3,315)	28,555	32,222
Others	30,796	25,729	(726)	(610)	30,070	25,119
Total	<u>118,999</u>	<u>120,082</u>	<u>(49,141)</u>	<u>(50,205)</u>	<u>69,858</u>	<u>69,877</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories – net	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Finished goods	35,826	42,149	(31,191)	(29,927)	4,635	12,222
Raw materials	30,294	35,537	(1,739)	(3,315)	28,555	32,222
Others	860	701	(466)	(610)	394	91
Total	<u>66,980</u>	<u>78,387</u>	<u>(33,396)</u>	<u>(33,852)</u>	<u>33,584</u>	<u>44,535</u>

## 10. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	<u>2018</u>	<u>2017</u>	<u>2018</u> (%)	<u>2017</u> (%)	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Post-IM Plus Company Limited (Another 51% owned by Post International Media Company Limited)	50,000	50,000	49	49	2	2	-	-
Post International Media Company Limited	25,000	25,000	100	100	100,890	100,890	-	15,000
Post News Company Limited	10,000	10,000	51	51	5,100	5,100	-	-
Mushroom Group Company Limited	80,000	80,000	51	51	178,690	178,690	-	-
Post New Media Company Limited	25,000	25,000	100	100	25,000	25,000	-	-
Total					309,682	309,682	-	15,000
Less: Allowance for loss from investments					(103,209)	(103,209)	-	-
					<u>206,473</u>	<u>206,473</u>	<u>-</u>	<u>15,000</u>

## 11. Investments in joint venture

### 11.1 Details of investment in joint venture:

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

(Unit: Thousand Baht)

Joint ventures	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		<u>2018</u> (%)	<u>2017</u> (%)	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Bangkok Post - Bauer Media Co., Ltd.	Publishing and distribution of magazines	70	70	11,500	11,500	10,116	16,808

## 11.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Joint ventures	Share of profit/loss from investments in joint venture during the year		Share of other comprehensive income from investments in joint venture during the year		Dividend received during the year	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	Bangkok Post - Bauer Media Co., Ltd.	(366)	2,756	-	17	6,326

## 11.3 Summarised financial information of material joint ventures

Summarised information about financial position:

(Unit: Million Baht)

Joint venture	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the year ended		Profit (loss) for the year ended	
	31 December		31 December		31 December		31 December		31 December	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Bangkok Post - Bauer Media Co., Ltd.	16	16	25	42	11	16	47	59	(1)	5

## 12. Investment in associate

### 12.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method - net	
			<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
			(%)	(%)				
Flash News Company Limited	Production of radio programs	Thailand	40	40	10,000	10,000	2,704	2,704
Less: Allowance for loss from investment					(10,000)	(10,000)	(2,704)	(2,704)
Net					-	-	-	-

### 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		Total assets as at		Total liabilities as at		Total revenues for the year ended		Profit for the year ended	
	31 December		31 December		31 December		31 December		31 December	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Flash News Company Limited	25	25	3	3	-	-	-	-	-	-

### 13. Long-term investment

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

	Paid up Capital	Equity Interest Percent	(Unit: Thousand Baht) Cost	
			2018	2017
Singapore Press Holdings Limited	27,393,300	-	16	16
Less: Allowance for loss from investments			(16)	(16)
			-	-

### 14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Revaluation basis	Cost basis				
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	
<b>Cost:</b>						
1 January 2017	923,800	859,916	1,023,473	409,494	2,460	3,219,143
Additions	-	-	2,790	3,302	14,305	20,397
Disposals	-	-	(71,792)	(7,360)	(754)	(79,906)
Transfers	-	-	5,925	13,929	(14,846)	5,008
31 December 2017	923,800	859,916	960,396	419,365	1,165	3,164,642
Additions	-	-	12	2,611	2,583	5,206
Disposals	(4,800)	(2,191)	(9,854)	(4,087)	-	(20,932)
Transfers	-	-	3,748	-	(3,748)	-
Revaluation	201,400	-	-	-	-	201,400
31 December 2018	1,120,400	857,725	954,302	417,889	-	3,350,316
<b>Accumulated depreciation:</b>						
1 January 2017	-	717,767	765,605	277,385	-	1,760,757
Depreciation for the year	-	13,735	49,913	41,095	-	104,743
Depreciation on disposals	-	-	(71,749)	(6,289)	-	(78,038)
31 December 2018	-	731,502	743,769	312,191	-	1,787,462
Depreciation for the year	-	13,735	49,442	27,861	-	91,038
Depreciation on disposals	-	(2,191)	(9,755)	(3,987)	-	(15,933)
31 December 2018	-	743,046	783,456	336,065	-	1,862,567
<b>Allowance for impairment loss:</b>						
31 December 2017	-	-	-	37,333	-	37,333
31 December 2018	-	-	-	37,333	-	37,333
<b>Net book value</b>						
31 December 2017	923,800	128,414	216,627	69,841	1,165	1,339,847
31 December 2018	1,120,400	114,679	170,846	44,491	-	1,450,416
<b>Depreciation for the year</b>						
2017 (Baht 79 million included in manufacturing cost, and the balance in selling and administrative expenses)						104,743
2018 (Baht 69 million included in manufacturing cost, and the balance in selling and administrative expenses)						91,038

(Unit: Thousand Baht)

	Separate financial statements					Total
	Revaluation basis		Cost basis			
	Land	Buildings	Machinery and equipment	Office furniture, equipment and vehicles	Machinery and equipment under installation	
<b>Cost:</b>						
1 January 2017	923,800	859,916	1,023,473	261,749	260	3,069,198
Additions	-	-	2,790	747	2,576	6,113
Disposals	-	-	(71,792)	(5,790)	(754)	(78,336)
Transfers	-	-	5,925	-	(917)	5,008
31 December 2017	923,800	859,916	960,396	256,706	1,165	3,001,983
Additions	-	-	12	1,079	2,583	3,674
Disposals	(4,800)	(2,191)	(9,854)	(4,310)	-	(21,155)
Transfers	-	-	3,748	-	(3,748)	-
Revaluation	201,400	-	-	-	-	201,400
31 December 2018	1,120,400	857,725	954,302	253,475	-	3,185,902
<b>Accumulated depreciation:</b>						
1 January 2017	-	717,767	765,606	177,763	-	1,661,136
Depreciation for the year	-	13,735	49,913	32,130	-	95,778
Depreciation on disposals	-	-	(71,749)	(5,177)	-	(76,926)
31 December 2017	-	731,502	743,770	204,716	-	1,679,988
Depreciation for the year	-	13,735	49,441	22,421	-	85,597
Depreciation on disposals	-	(2,191)	(9,755)	(4,279)	-	(16,225)
31 December 2018	-	743,046	783,456	222,858	-	1,749,360
<b>Net book value</b>						
31 December 2017	923,800	128,414	216,626	51,990	1,165	1,321,995
31 December 2018	1,120,400	114,679	170,846	30,617	-	1,436,542
<b>Depreciation for the year</b>						
2017 (Baht 75 million included in manufacturing cost, and the balance in selling and administrative expenses)						95,778
2018 (Baht 69 million included in manufacturing cost, and the balance in selling and administrative expenses)						85,597

In September 2018, the Company arranged for an independent professional valuer to appraise the value of land based on the comparative approach.

Unobservable valuation inputs used in the valuation are summarised below:

	Consolidated financial statements	Separate financial statements
Price per square wah (Baht)	33,750 - 300,000	33,750 - 300,000

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

As at 31 December 2018, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,032 million (2017: Baht 1,018 million) (The Company only: Baht 986 million, 2017: Baht 977 million).

The Company mortgaged its land with structure with net book value of Baht 615 million (2017: Baht 354 million) for credit facilities received from bank.

## 15. Goodwill

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	94,851	156,881
Less: Allowance for impairment of goodwill	-	(62,030)
Net book value at end of year	<u>94,851</u>	<u>94,851</u>

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

(Unit: Thousand Baht)

	CGU 1	CGU 2	Total
	(Post International Media Co., Ltd.)	(Mushroom Group Co., Ltd.)	
Net book value at beginning of year	53,769	103,112	156,881
Less: Allowance for impairment of goodwill	-	(62,030)	(62,030)
Net book value at end of year	<u>53,769</u>	<u>41,082</u>	<u>94,851</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 summarised below:

(Unit: percent per annum)

	CGU 1 (Post International Media Co., Ltd.)	CGU 2 (Mushroom Group Co., Ltd.)
	Growth rate	2
Discount rate before tax	11.25	11.25



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.

## 16. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

	Consolidated financial statements				Separate financial statements	
	Customer relationship	License	Computer software	Total	Computer software	Total
	(Unit: Thousand Baht)					
<b>Cost</b>						
31 December 2017	71,395	7,200	345,096	423,691	297,439	297,439
Additions	-	-	235	235	43	43
Write off	-	-	(4)	(4)	(4)	(4)
31 December 2018	71,395	7,200	345,327	423,922	297,478	297,478
<b>Accumulated amortisation</b>						
31 December 2017	34,800	481	260,714	295,995	234,562	234,562
Amortisation during the year	12,410	1,440	14,016	27,866	12,668	12,668
31 December 2018	47,210	1,921	274,730	323,861	247,230	247,230
<b>Allowance for impairment</b>						
31 December 2017	-	-	13,612	13,612	314	314
31 December 2018	-	-	13,612	13,612	314	314
<b>Net book value</b>						
31 December 2017	36,595	6,719	70,770	114,084	62,563	62,563
31 December 2018	24,185	5,279	56,985	86,449	49,934	49,934

	Consolidated financial statements				Separate financial statements	
	Customer relationship	License	Computer software	Total	Computer software	Total
	(Unit: Thousand Baht)					
<b>Cost</b>						
31 December 2016	71,395	-	350,076	421,471	302,432	302,432
Additions	-	7,200	28	7,228	15	15
Transfers	-	-	(5,008)	(5,008)	(5,008)	(5,008)
31 December 2017	71,395	7,200	345,096	423,691	297,439	297,439

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements	
	Customer relationship	License	Computer software	Total	Computer software	Total
	<b>Accumulated amortisation</b>					
31 December 2016	19,366	-	243,930	263,296	219,155	219,155
Amortisation during the year	15,434	481	16,784	32,699	15,407	15,407
31 December 2017	34,800	481	260,714	295,995	234,562	234,562
<b>Allowance for impairment</b>						
31 December 2016	-	-	13,612	13,612	314	314
31 December 2017	-	-	13,612	13,612	314	314
<b>Net book value</b>						
31 December 2016	52,029	-	92,534	144,563	82,963	82,963
31 December 2017	36,595	6,719	70,770	114,084	62,563	62,563

As at 31 December 2018, certain items of computer software were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation and allowance for impairment loss of those assets amounted to approximately Baht 196 million (2017: Baht 189 million) (The Company only: Baht 184 million, 2017: Baht 177 million).

#### 17. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Bank overdrafts	MOR	51,176	28,921
Short-term loans from financial institutions	MMR	885,000	815,000	870,000	815,000
Total		936,176	843,921	873,719	815,108

## 18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade payables - related parties	1,871	1,495	4,792	10,568
Trade payables - unrelated parties	100,175	113,455	35,126	47,966
Amount due to related parties	1,093	226	19	5
Accrued expenses	66,644	93,038	43,796	56,757
Other payables	28,607	34,170	27,832	33,130
Total trade and other payables	<u>198,390</u>	<u>242,384</u>	<u>111,565</u>	<u>148,426</u>

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

As at 31 December 2018, a subsidiary had a short-term Baht loans from its shareholders who have non-controlling interests. The loans carry interest at the rates with reference to Minimum Loan Rate a commercial bank charges to its prime customers, and repayable on demand.

## 20. Long-term loans

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

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2018	2017	2018	2017
1	Fixed rate of 5.50 percent per annum	Quarterly installments commencing September 2017 to December 2022	357,467	367,467	357,467	367,467
2	Fixed rate of 5.25 percent per annum	Quarterly installments commencing January 2018 to July 2020	7,000	9,500	-	-
Total			<u>364,467</u>	<u>376,967</u>	<u>357,467</u>	<u>367,467</u>
Less: Current portion			<u>(64,000)</u>	<u>(12,500)</u>	<u>(60,000)</u>	<u>(10,000)</u>
Long-term loans - net of current portion			<u>300,467</u>	<u>364,467</u>	<u>297,467</u>	<u>357,467</u>

The long-term loan agreements require that the Company maintain a debt-to-equity ratio of not more than 2.25 times. However, in September 2017, the Company had been granted the waiver regarding the maintenance of a debt-to-equity ratio for the 2017 financial statements at a rate higher than that prescribed in the loan agreement. In addition, the Company had been permitted by bank to extend repayment term of long-term loans to be gradually repaid until 2022. The Company mortgaged its land with structure as additional collateral to the lender in December 2017

In December 2018, the Company received a waiver letter from a bank in relation with the maintenance of the debt to equity ratio for the financial statements of 2018, but under certain conditions for the year 2019. However, in February 2019, the Company received a new waiver letter which superseded the December 2018 waiver letter but still waived the debt to equity ratio over the specified rate in the agreement for 2018 financial statements without any other conditions.

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	85,064	81,660	78,937	77,558
Included in profit or loss:				
Current service cost	4,990	4,475	3,734	3,554
Interest cost	1,033	1,027	946	911
Loss (gains) on settlement	-	829	-	829
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Demographic assumptions changes	-	(2,690)	-	(3,765)
Financial assumptions changes	-	1,895	-	1,491
Experience adjustments	-	8,083	-	8,574
Benefits paid during the year	(6,195)	(10,215)	(6,195)	(10,215)
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	<u>84,892</u>	<u>85,064</u>	<u>77,422</u>	<u>78,937</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cost of sales	4,387	4,119	3,620	3,639
Selling and administrative expenses	1,636	2,212	1,060	1,655
<b>Total expense recognised in profit or loss</b>	<u>6,023</u>	<u>6,331</u>	<u>4,680</u>	<u>5,294</u>

The Company and its subsidiaries expect to pay Baht 9 million of long-term employee benefits over the next year (Separate financial statements: Baht 9 million) (2017: Baht 6 million, separate financial statements: Baht 6 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefits is between 7.3 and 21.2 years (Separate financial statements: 7.3 years) (2017: between 7.3 and 21.2 years, separate financial statements: 7.3 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Discount rate	1.1 - 3.2	1.1 - 3.2	1.1 - 3.2	1.1 - 3.2
Salary increase rate	3.0 - 5.0	3.0 - 5.0	3.0	3.0
Employee turnover rate (depending on age of employees)	0 - 41.5	0 - 41.5	4.2 - 41.5	4.2 - 41.5

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2018			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(8)	11	(3)	3
Salary increase rate	10	(7)	3	(2)
Turnover rate	(10)	11	(5)	5

	(Unit: Million Baht)			
	As at 31 December 2017			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(8)	10	(3)	4
Salary increase rate	8	(6)	2	(2)
Turnover rate	(8)	10	(4)	5

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 13 million (The Company only: Baht 12 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

## 22. Revaluation surplus on land

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2018</u>	<u>2017</u>
Balance - beginning of year	577,379	577,379
Revaluation	201,400	-
Transferred to retained earnings arising on disposal of land	(4,224)	-
Less: Income tax effect	(39,435)	-
Balance - end of year	<u>735,120</u>	<u>577,379</u>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

## 23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The reserve, which has now been fully set aside, is not available for dividend distribution.

## 24. Sales and service income

These include sales and advertising revenues of approximately Baht 3 million (2017: Baht 11 million) (Separate financial statements: Baht 2 million (2017: Baht 6 million)) arising from exchanges of dissimilar goods or services with other companies.

## 25. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salaries and wages and other employee benefits	549	615	421	454
Depreciation and amortisation	119	141	98	111
Advertising expenses	21	39	16	28
News service expenses	20	23	20	23
Travelling expenses	37	59	32	51
Allowance for diminution in value of loans to subsidiary	-	-	1	26
Allowance for doubtful debts	(2)	3	(1)	(3)
Loss on impairment of equipment and intangible assets	-	3	-	-
Loss on impairment of investments in subsidiaries	-	-	-	73
Loss on impairment of goodwill	-	62	-	-
Raw materials and consumables used	128	224	111	193
Changes in inventories of finished goods and work in progress	29	7	(6)	3

## 26. Deferred tax assets/Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Current income tax charge	2,745	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	6,441	28,489	7,672	28,752
<b>Income tax expense reported in the statement of comprehensive income</b>	<u>9,186</u>	<u>28,489</u>	<u>7,672</u>	<u>28,752</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax on gain from revaluation of land	(40,280)	-	(40,280)	-
Deferred tax on actuarial loss	-	1,453	-	1,260
	<u>(40,280)</u>	<u>1,453</u>	<u>(40,280)</u>	<u>1,260</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting loss before tax	<u>(158,390)</u>	<u>(336,880)</u>	<u>(155,914)</u>	<u>(282,913)</u>
Applicable tax rate	<u>20%</u>	<u>20%</u>	<u>20%</u>	<u>20%</u>
Accounting loss before tax multiplied by income tax rate	(31,678)	(67,376)	(31,183)	(56,583)
Adjustment in respect of deferred tax assets of previous year	13,971	32,741	11,821	32,674
Tax losses for the year that have not been recognised as deferred tax assets	26,539	49,852	23,193	31,733
Tax effect of an allowance for diminution in value of loans to and investment in subsidiary, not recognised as deferred tax assets	-	-	3,747	23,242
Effects of:				
Non-deductible expenses	851	14,086	128	737
Additional expense deductions allowed	(34)	(388)	(34)	(51)
Share of profit (loss) from joint ventures	73	(551)	-	-
Exempted dividend income	-	-	-	(3,000)
Others	(536)	(487)	-	-
Income tax expense reported in the statement of comprehensive income	<u>9,186</u>	<u>28,489</u>	<u>7,672</u>	<u>28,752</u>



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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	16,978	17,013	15,484	15,788
Tax loss carried forward	23,276	31,341	10,945	17,541
Allowance for doubtful debts	3,224	3,586	3,016	3,328
Allowance for sales returns	263	544	263	544
Allowance for diminution in value of inventories	6,679	6,770	6,679	6,770
Allowance for impairment of computer software	-	8	-	8
Others	(22)	59	(22)	59
<b>Total deferred tax assets</b>	<u>50,398</u>	<u>59,321</u>	<u>36,365</u>	<u>44,038</u>
<b>Deferred tax liabilities</b>				
Intangible assets from business combination	4,837	7,319	-	-
Surplus on revaluation of land	183,780	144,345	183,780	144,345
<b>Total deferred tax liabilities</b>	<u>188,617</u>	<u>151,664</u>	<u>183,780</u>	<u>144,345</u>

As at 31 December 2018, the Company and its subsidiaries had deductible temporary differences, unused tax losses and unused tax credits totaling Baht 938 million (2017: Baht 749 million) (Separate financial statements: Baht 510 million (2017: Baht 335 million)), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of such temporary differences.

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
31 December 2019	171	2	26	-
31 December 2020	242	222	103	80
31 December 2021	180	229	104	96
31 December 2022	211	234	161	159
31 December 2023	134	62	116	-
	<u>938</u>	<u>749</u>	<u>510</u>	<u>335</u>

## **27. Loss per share**

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

## **28. Segment information**

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

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

- Publishing and advertising segment
- Production of television programs segment
- 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, profit and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2018 and 2017.

(Unit: Million Baht)

	Publishing and advertising segment		Production of television programs segment		Other segments		Total segments		Adjustments and eliminations of inter-segment		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Year ended 31 December</b>												
Revenue from external customers	908	931	230	181	92	216	1,230	1,328	-	-	1,230	1,328
Inter-segment revenue	14	21	-	-	-	-	14	21	(14)	(21)	-	-
<b>Segment profit (loss)</b>	7	(198)	39	24	28	142	74	(32)	11	4	85	(28)

(Unit: Million Baht)

	Publishing and advertising segment		Production of television programs segment		Other segments		Unallocated		Adjustments and eliminations of inter-segment		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Segment total assets</b>	1,987	1,917	307	709	11	24	143	209	(164)	(636)	2,284	2,223

### Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

### Major customers

For the year 2018, the Company and its subsidiaries have earned revenue from one major customer in the amount of Baht 59 million, arising from sales of the publishing and advertising segment (2017: Baht 87 million derived from one major customer, arising from sales of publishing and advertising segment).

## **29. Provident fund**

The Company and its subsidiaries, and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the employees and the Company and its subsidiaries contributed to the fund monthly at the rates of 4 percent to 8 percent of the basic salary. The fund, which is managed by The Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 20 million (2017: Baht 24 million) were recognised as expenses (Separate financial statements: Baht 18 million (2017: Baht 20 million)).

## **30. Commitments and contingent liabilities**

### **30.1 Capital and long-term service commitments**

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

	(Unit: Million Baht)	
	As at 31 December	
	<u>2018</u>	<u>2017</u>
Payable:		
In up to 1 year	75	70
In over 1 up to 5 years	187	165
More than 5 years	51	82

### **30.2 Long-term service commitments**

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

### 30.3 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 15 million (2017: Baht 8 million) issued in the normal course of business of the Company and its subsidiaries.

### 31. Fair value hierarchy

As of 31 December 2018, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated/ Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Land	-	-	1,120	1,120

### 32. Financial instruments

#### 32.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, short-term loans to related parties, trade and other payables, bank overdrafts and short-term loans from financial institutions, short-term loans and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and short-term and long-term loans to related parties. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses, except for the amount provided by an allowance for doubtful debts. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and short-term loans to related parties as stated in the statements of financial position.

### **Interest rate risk**

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, short-term loans to related parties, bank overdrafts and short-term loans from financial institutions, short-term loans and long-term borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2018						
	Fixed interest rates				Total	Effective Interest rate (% per annum)
	Within		Floating interest rate	Non- interest bearing		
	1 year	1 to 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	4	5	9	0.1 - 1.0
Trade and other receivables	-	-	-	388	388	-
	-	-	4	393	397	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	-	936	-	936	MMR, MOR
Trade and other payables	-	-	-	198	198	-
Short-term loans from non-controlling interests of the subsidiary	-	-	6	-	6	Reference to MLR
Long-term loans	64	300	-	-	364	5.25 - 5.50
	64	300	942	198	1,504	

(Unit: Million Baht)

## Consolidated financial statements as at 31 December 2017

	Fixed interest rates				Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing		
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	5	7	12	0.1 - 1.0
Trade and other receivables	-	-	-	394	394	-
	-	-	5	401	406	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	-	844	-	844	MMR, MOR
Trade and other payables	-	-	-	242	242	-
Short-term loans from non- controlling interests of the subsidiary	-	-	6	-	6	Reference to MLR
Long-term loans	13	364	-	-	377	5.25 - 5.50
	13	364	850	242	1,469	

(Unit: Million Baht)

## Separate financial statements as at 31 December 2018

	Fixed interest rates				Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years	Floating interest rate	Non- interest bearing		
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	3	4	7	0.1 - 1.0
Trade and other receivables	-	-	-	177	177	-
Short-term loan to related parties	67	-	-	-	67	5 - 5.5, MLR
	67	-	3	181	251	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	-	-	874	-	874	MMR, MOR
Trade and other payables	-	-	-	112	112	-
Long-term loans	60	297	-	-	357	5.50
	60	297	874	112	1,343	

## Separate financial statements as at 31 December 2017

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective Interest rate (% per annum)
	Within 1 year	1 to 5 years				
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	2	6	8	0.1 - 1.0
Trade and other receivables	-	-	-	217	217	-
Short-term loan to related parties	69	-	-	-	69	5 - 5.5, MLR
	<u>69</u>	<u>-</u>	<u>2</u>	<u>223</u>	<u>294</u>	
<b>Financial Liabilities</b>						
Bank overdrafts and short-term loans from financial institutions						
	-	-	815	-	815	MMR, MOR
Trade and other payables	-	-	-	148	148	-
Long-term loans	10	357	-	-	367	5.50
	<u>10</u>	<u>357</u>	<u>815</u>	<u>148</u>	<u>1,330</u>	

**Foreign currency risk**

The Company and its subsidiaries do not consider themselves exposed to foreign currency risk because the Company and its subsidiaries have no significant business transactions in foreign currency.

**32.2 Fair values of financial instruments**

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

**33. Capital management**

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have an appropriate financial structure in order to support their businesses and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 4.67:1 (2017: 4.44:1) (Separate financial statements 4.21:1 (2017: 4.08:1)).



**34. Event after the reporting period**

The Board of Directors Meeting No.1/2562 dated 20 February 2019 resolved to cease printing operation of Post Today Newspaper and M2F Newspaper within March 2019 onwards which resulted in the Company having no income from printing and advertising media from Post Today Newspaper and M2F Newspaper. The Company still has revenue from digital media, websites and social media. In addition, the Company is able to use previous works of Post Today Newspaper and M2F Newspaper to earn revenue.

**35. Approval of financial statements**

These financial statements were authorised for issue by the Company's authorised directors on 20 February 2019.