

Bangkok Post Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bangkok Post Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Post Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Bangkok Post Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Material Uncertainty Related to Going Concern

I draw attention to the matter as described in Note 1.2 to the financial statements. The Group has operating loss and as at 30 September 2018 the Group's current liabilities exceeded current assets. However, during the period, the Group has proceeded in accordance with the plan to remedy the situation. Moreover, as at 30 September 2018 the Group's total assets exceeded total liabilities with significant amount. 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 conclusion is not qualified in respect of this matter.

Saifon Inkaew

Certified Public Accountant (Thailand) No. 4434

EY Office Limited

Bangkok: 9 November 2018

Bangkok Post Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		12,287	12,091	9,457	8,509
Trade and other receivables	3	342,698	394,092	174,187	217,297
Inventories	4	61,164	69,877	37,578	44,535
Short-term loans to related parties	2	-	-	69,051	69,451
Corporate income tax deducted at source		89,359	74,133	49,157	40,075
Other current assets		41,431	40,500	16,074	16,529
Total current assets		546,939	590,693	355,504	396,396
Non-current assets					
Investments in subsidiaries	5	-	-	206,473	206,473
Investments in joint venture	6	9,545	16,808	-	-
Investments in associate	7	-	-	-	-
Other long-term investment	8	-	-	-	-
Property, plant and equipment	9	1,477,633	1,339,847	1,462,135	1,321,995
Goodwill		94,851	94,851	-	-
Other intangible assets	10	93,265	114,084	52,944	62,563
Deferred tax assets	11	58,550	59,321	43,116	44,038
Other non-current assets		3,790	7,175	1,218	745
Total non-current assets		1,737,634	1,632,086	1,765,886	1,635,814
Total assets		2,284,573	2,222,779	2,121,390	2,032,210

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 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
Note	30 September 2018	31 December 2017	30 September 2018	31 December 2017	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	12	916,534	843,921	874,142	815,108
Trade and other payables	13	209,103	242,384	126,781	148,426
Short-term loans from non-controlling interests					
of the subsidiary	14	5,880	5,880	-	-
Current portion of long-term loans	15	51,500	12,500	47,500	10,000
Income tax payable		716	-	-	-
Unearned subscription fee		46,572	51,599	41,339	44,477
Other current liabilities		36,953	56,582	19,676	33,034
Total current liabilities		1,267,258	1,212,866	1,109,438	1,051,045
Non-current liabilities					
Long-term loans, net of current portion	15	316,467	364,467	312,467	357,467
Deferred tax liabilities		190,082	151,664	184,625	144,345
Provision for long-term employee benefits		89,581	85,064	82,447	78,937
Total non-current liabilities		596,130	601,195	579,539	580,749
Total liabilities		1,863,388	1,814,061	1,688,977	1,631,794

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 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
505,000,000 ordinary shares of Baht 1 each	<u>505,000</u>	<u>505,000</u>	<u>505,000</u>	<u>505,000</u>
Issued and fully paid up				
500,000,000 ordinary shares of Baht 1 each	500,000	500,000	500,000	500,000
Retained earnings				
Appropriated - statutory reserve	50,500	50,500	50,500	50,500
Unappropriated	(918,200)	(771,893)	(856,586)	(727,463)
Other components of shareholders' equity	<u>738,499</u>	<u>577,379</u>	<u>738,499</u>	<u>577,379</u>
Equity attributable to owners of the Company	370,799	355,986	432,413	400,416
Non-controlling interests of the subsidiaries	<u>50,386</u>	<u>52,732</u>	-	-
Total shareholders' equity	<u>421,185</u>	<u>408,718</u>	<u>432,413</u>	<u>400,416</u>
Total liabilities and shareholders' equity	<u>2,284,573</u>	<u>2,222,779</u>	<u>2,121,390</u>	<u>2,032,210</u>
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Bangkok Post Public Company Limited and its subsidiaries**Statements of comprehensive income****For the three-month period ended 30 September 2018**

(Unit: Thousand Baht except basic loss per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Sales and services income	16	295,797	358,368	203,318	243,314
Cost of sales and services		<u>(233,674)</u>	<u>(290,474)</u>	<u>(164,066)</u>	<u>(195,006)</u>
Gross profit		62,123	67,894	39,252	48,308
Selling expenses		(39,980)	(48,629)	(25,014)	(33,896)
Administrative expenses		(51,732)	(57,439)	(43,752)	(47,367)
Allowance for impairment of goodwill		-	(4,700)	-	-
Allowance for loss from investments in subsidiaries		-	-	-	(7,100)
Loss from sales and rendering of services		(29,589)	(42,874)	(29,514)	(40,055)
Share of loss from investments in joint venture	6	(1,919)	(416)	-	-
Other income		5,699	6,119	12,182	14,157
Loss before finance cost and income tax expenses		(25,809)	(37,171)	(17,332)	(25,898)
Finance cost		<u>(18,354)</u>	<u>(14,360)</u>	<u>(17,408)</u>	<u>(13,951)</u>
Loss before income tax expenses		(44,163)	(51,531)	(34,740)	(39,849)
Income tax revenues (expenses)	11	<u>(16,892)</u>	<u>3,133</u>	<u>(17,877)</u>	<u>4,208</u>
Loss for the period		<u>(61,055)</u>	<u>(48,398)</u>	<u>(52,617)</u>	<u>(35,641)</u>
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Surplus on revaluation of assets	9	201,400	-	201,400	-
Less: Related income tax effect		<u>(40,280)</u>	-	<u>(40,280)</u>	-
Other comprehensive income for the period		<u>161,120</u>	-	<u>161,120</u>	-
Total comprehensive income for the period		<u>100,065</u>	<u>(48,398)</u>	<u>108,503</u>	<u>(35,641)</u>
Profit (loss) attributable to:					
Equity holders of the Company		(59,223)	(50,344)	<u>(52,617)</u>	<u>(35,641)</u>
Non-controlling interests of the subsidiaries		<u>(1,832)</u>	<u>1,946</u>		
		<u>(61,055)</u>	<u>(48,398)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		101,897	(50,344)	<u>108,503</u>	<u>(35,641)</u>
Non-controlling interests of the subsidiaries		<u>(1,832)</u>	<u>1,946</u>		
		<u>100,065</u>	<u>(48,398)</u>		
Loss per share					
17					
Basic loss per share					
Loss attributable to equity holders of the Company		<u>(0.12)</u>	<u>(0.10)</u>	<u>(0.11)</u>	<u>(0.07)</u>

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

(Unaudited but reviewed)

Bangkok Post Public Company Limited and its subsidiaries**Statements of comprehensive income****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht except basic loss per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Sales and services income	16	889,688	1,000,300	584,781	705,615
Cost of sales and services		<u>(735,886)</u>	<u>(848,565)</u>	<u>(493,231)</u>	<u>(612,248)</u>
Gross profit		153,802	151,735	91,550	93,367
Selling expenses		(116,984)	(142,364)	(81,455)	(102,641)
Administrative expenses		(155,500)	(172,140)	(133,715)	(139,349)
Allowance for impairment of goodwill		-	(4,700)	-	-
Allowance for loss from investments in subsidiaries		-	-	-	<u>(7,100)</u>
Loss from sales and rendering of services		<u>(118,682)</u>	<u>(167,469)</u>	<u>(123,620)</u>	<u>(155,723)</u>
Dividend received from subsidiary	5	-	-	-	15,000
Share of profit (loss) from investments in joint venture	6	(937)	927	-	-
Other income		<u>21,791</u>	<u>28,147</u>	<u>44,182</u>	<u>47,856</u>
Loss before finance cost and income tax expenses		<u>(97,828)</u>	<u>(138,395)</u>	<u>(79,438)</u>	<u>(92,867)</u>
Finance cost		<u>(51,200)</u>	<u>(40,425)</u>	<u>(48,763)</u>	<u>(39,553)</u>
Loss before income tax expenses		<u>(149,028)</u>	<u>(178,820)</u>	<u>(128,201)</u>	<u>(132,420)</u>
Income tax revenues (expenses)	11	<u>375</u>	<u>12,553</u>	<u>(922)</u>	<u>14,211</u>
Loss for the period		<u>(148,653)</u>	<u>(166,267)</u>	<u>(129,123)</u>	<u>(118,209)</u>
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Surplus on revaluation of assets	9	201,400	-	201,400	-
Less: Related income tax effect		<u>(40,280)</u>	-	<u>(40,280)</u>	-
Other comprehensive income for the period		<u>161,120</u>	-	<u>161,120</u>	-
Total comprehensive income for the period		<u>12,467</u>	<u>(166,267)</u>	<u>31,997</u>	<u>(118,209)</u>
Profit (loss) attributable to:					
Equity holders of the Company		(146,307)	(169,983)	<u>(129,123)</u>	<u>(118,209)</u>
Non-controlling interests of the subsidiaries		<u>(2,346)</u>	<u>3,716</u>		
		<u>(148,653)</u>	<u>(166,267)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		14,813	(169,983)	<u>31,997</u>	<u>(118,209)</u>
Non-controlling interests of the subsidiaries		<u>(2,346)</u>	<u>3,716</u>		
		<u>12,467</u>	<u>(166,267)</u>		
Loss per share					
17					
Basic loss per share					
Loss attributable to equity holders of the Company		<u>(0.29)</u>	<u>(0.34)</u>	<u>(0.26)</u>	<u>(0.24)</u>

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

(Unaudited but reviewed)

Bangkok Post Public Company Limited and its subsidiaries

Cash flow statements

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Loss before tax	(149,028)	(178,820)	(128,201)	(132,420)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Allowance for doubtful debts (Reversal)	(6,985)	(43)	7,141	11,593
Reversal of allowance for sales returns	(2,911)	(9,333)	(2,911)	(9,333)
Reduction of inventory to net realisable value	339	451	339	510
Allowance for impairment of goodwill	-	4,700	-	-
Allowance for loss from investments in subsidiaries	-	-	-	7,100
Dividend received from subsidiary	-	-	-	(15,000)
Depreciation and amortisation	89,437	103,902	74,274	85,048
Gain on disposal and write off equipment and computer software	(1,094)	(6,594)	(1,094)	(6,430)
Share of loss (profit) from investments in joint venture	937	(927)	-	-
Provision for long-term employee benefits	4,517	4,127	3,510	3,349
Interest expenses	51,200	40,425	48,763	39,553
Profit (loss) from operating activities before changes in operating assets and liabilities	(13,588)	(42,112)	1,821	(16,030)
Operating assets (increase) decrease				
Trade and other receivables	61,290	55,697	38,880	63,015
Inventories	8,374	9,303	6,618	8,375
Other current assets	(931)	(10,370)	455	(5,128)
Other non-current assets	3,385	655	(473)	435
Operating liabilities increase (decrease)				
Trade and other payables	(40,905)	(53,652)	(24,115)	(61,991)
Other current liabilities	(24,656)	(16,726)	(16,496)	(11,682)
Cash flows from (used in) operating activities	(7,031)	(57,205)	6,690	(23,006)
Cash paid for interest expenses	(44,914)	(39,614)	(47,685)	(39,056)
Cash paid for corporate income tax	(15,226)	(19,170)	(9,082)	(11,159)
Cash received from refund of withholding tax deducted at source	-	25,274	-	25,274
Net cash flows used in operating activities	(67,171)	(90,715)	(50,077)	(47,947)

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

(Unaudited but reviewed)

Bangkok Post Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Decrease (increase) in short-term loans to related parties	-	-	400	(12,526)
Decrease in restricted bank deposits	-	10,375	-	-
Dividend received from subsidiary	-	-	-	15,000
Dividend received from joint venture	6,326	8,672	-	-
Cash receipt from investments in joint venture	-	352	-	-
Proceeds from sales of equipment	1,196	8,461	1,196	7,838
Cash paid for purchase of equipment	(3,506)	(18,176)	(2,089)	(5,538)
Cash paid for purchase of computer software	(262)	(7,201)	(16)	-
Net cash flows from (used in) investing activities	<u>3,754</u>	<u>2,483</u>	<u>(509)</u>	<u>4,774</u>
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from financial institutions	72,613	122,512	59,034	107,639
Cash receipt from long-term loans	-	10,000	-	-
Repayment of long-term loans	(9,000)	(98,166)	(7,500)	(98,166)
Net cash flows from financing activities	<u>63,613</u>	<u>34,346</u>	<u>51,534</u>	<u>9,473</u>
Net increase (decrease) in cash and cash equivalents	196	(53,886)	948	(33,700)
Cash and cash equivalents at beginning of period	<u>12,091</u>	<u>69,571</u>	<u>8,509</u>	<u>47,046</u>
Cash and cash equivalents at end of period	<u>12,287</u>	<u>15,685</u>	<u>9,457</u>	<u>13,346</u>
	-	-	-	-
Supplemental cash flows information:				
Non-cash item:				
Purchase of equipment for which cash				
has not been paid	1,392	51	1,392	-

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

(Unaudited but reviewed)

Bangkok Post Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements								
Equity attributable to the owners of the Company								
				Other components of equity		Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and fully paid-up share capital	Retained earnings		Other comprehensive income	Total other components of shareholders' equity			
Appropriated - statutory reserve		Unappropriated	Surplus on revaluation of land					
Balance as at 31 December 2016	500,000	50,500	(407,245)	577,379	577,379	720,634	59,266	779,900
Total comprehensive income for the period	-	-	(169,983)	-	-	(169,983)	3,716	(166,267)
Balance as at 30 September 2017	<u>500,000</u>	<u>50,500</u>	<u>(577,228)</u>	<u>577,379</u>	<u>577,379</u>	<u>550,651</u>	<u>62,982</u>	<u>613,633</u>
Balance as at 31 December 2017	500,000	50,500	(771,893)	577,379	577,379	355,986	52,732	408,718
Loss for the period	-	-	(146,307)	-	-	(146,307)	(2,346)	(148,653)
Other comprehensive income for the period	-	-	-	161,120	161,120	161,120	-	161,120
Total comprehensive income for the period	-	-	(146,307)	161,120	161,120	14,813	(2,346)	12,467
Balance as at 30 September 2018	<u>500,000</u>	<u>50,500</u>	<u>(918,200)</u>	<u>738,499</u>	<u>738,499</u>	<u>370,799</u>	<u>50,386</u>	<u>421,185</u>
	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Bangkok Post Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Retained earnings		Other components of equity		
		Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Total other components of	
				Surplus on revaluation of land	shareholders' equity	
Balance as at 31 December 2016	500,000	50,500	(410,758)	577,379	577,379	717,121
Total comprehensive income for the period	-	-	(118,209)	-	-	(118,209)
Balance as at 30 September 2017	<u>500,000</u>	<u>50,500</u>	<u>(528,967)</u>	<u>577,379</u>	<u>577,379</u>	<u>598,912</u>
Balance as at 31 December 2017	500,000	50,500	(727,463)	577,379	577,379	400,416
Loss for the period	-	-	(129,123)	-	-	(129,123)
Other comprehensive income for the period	-	-	-	161,120	161,120	161,120
Total comprehensive income for the period	-	-	(129,123)	161,120	161,120	31,997
Balance as at 30 September 2018	<u>500,000</u>	<u>50,500</u>	<u>(856,586)</u>	<u>738,499</u>	<u>738,499</u>	<u>432,413</u>
	-	-	-	-	-	-

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

Bangkok Post Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 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 address is 136 Sunthorn Kosa Road, Kwang Klong Toey, Khet Klong Toey, Bangkok.

1.2 Fundamental accounting assumptions

The Group has operating loss and as at 30 September 2018 the Group's current liabilities exceeded current assets. However, during the period, the Group has proceeded in accordance with its operating, investing and financing plans to remedy the situation, which has resulted in an improvement in its earnings compared to previous periods. Moreover, as at 30 September 2018 the Group's total assets exceeded total liabilities. 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 improve its future operations. 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.

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.4 Basis of consolidation

These consolidated interim financial statements include the financial statements of Bangkok Post Public Company Limited and its subsidiaries and are prepared on the same basis as the consolidated financial statements for the year ended 31 December 2017, with no structural changes related to subsidiaries occurring during the current period.

1.5 New financial reporting standards

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

During the period, 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 in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standard are summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. 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 is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

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

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

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 is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

(Unaudited but reviewed)

2. Related party transactions

During the periods, 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)

	For the three-month periods ended 30 September				For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		Consolidated financial statements		Separate financial statements		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
Transactions with subsidiaries (eliminated from the consolidated financial statements)									
Purchase of goods	-	-	5	3	-	-	10	13	Market price
Advertising income	-	-	1	-	-	-	2	-	Market price
Rental income	-	-	3	4	-	-	9	9	Market price
Interest income	-	-	6	5	-	-	16	15	Rates between 5 to 7.125 percent per annum
Management income	-	-	2	2	-	-	6	6	Contract price
Transactions with joint venture									
Purchase of goods	-	1	-	1	2	3	2	3	Market price
Advertising income	-	-	-	-	1	-	1	-	Market price
Management income	2	2	1	1	7	7	3	3	Contract price

The balances of the accounts as at 30 September 2018 and 31 December 2017 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Audited)		(Audited)	
<u>Trade and other receivables - related parties (Note 3)</u>				
Subsidiaries	-	-	46,924	34,604
Joint venture	3,035	3,422	1,466	984
Less: Allowance for doubtful accounts	-	-	(43,463)	(30,319)
Total trade and other receivables - related parties	3,035	3,422	4,927	5,269
<u>Trade and other payables - related parties (Note 13)</u>				
Subsidiaries	-	-	6,523	9,079
Joint venture	1,564	1,721	1,420	1,494
Total trade and other payables - related parties	1,564	1,721	7,943	10,573

(Unaudited but reviewed)

Short-term loans to related parties

As at 30 September 2018 and 31 December 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	Balance as at
Loans to related parties	Related by	31 December 2017	(decrease)	30 September 2018
			during the period	
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	(400)	340,015
		407,535	(400)	407,135
Less: Allowance for doubtful accounts		(338,084)	-	(338,084)
Total		69,451	(400)	69,051

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company and its subsidiaries incurred employee benefits expenses payable to their directors and management as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	15	11	5	5
Post-employment benefits	1	1	-	-
Total	16	12	5	5

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	32	37	14	16
Post-employment benefits	2	2	-	-
Total	34	39	14	16

(Unaudited but reviewed)

3. Trade and other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	1,776	-	42
Past due				
Up to 3 months	382	-	-	-
3 - 6 months	835	50	1,421	-
Total trade receivables - related parties	1,217	1,826	1,421	42
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	89,171	175,290	52,871	85,833
Past due				
Up to 3 months	120,287	76,301	83,882	42,933
3 - 6 months	33,043	83,957	7,596	75,369
6 - 12 months	6,107	17,213	2,887	4,308
Over 12 months	37,902	23,992	14,644	16,161
Total	286,510	376,753	161,880	224,604
Less : Allowance for doubtful debts	(19,231)	(26,216)	(15,821)	(21,824)
Allowance for sales returns	(2,209)	(5,120)	(2,209)	(5,120)
Total trade receivables - unrelated parties, net	265,070	345,417	143,850	197,660
Total trade receivables - net	266,287	347,243	145,271	197,702
<u>Other receivables</u>				
Unbilled revenue	74,593	45,253	25,410	14,368
Amounts due from related parties	1,818	1,596	46,969	35,546
Less : Allowance for doubtful debts	-	-	(43,463)	(30,319)
Total other receivables - net	76,411	46,849	28,916	19,595
Trade and other receivables - net	342,698	394,092	174,187	217,297

(Unaudited but reviewed)

4. Allowance to reduce cost to net realisable value

Movements in the allowance to reduce cost of the inventory to net realisable value during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	50,226	33,852
Add: Reversal of reduce cost to net realisable value of inventory account	339	339
Balance as at 30 September 2018	<u>50,565</u>	<u>34,191</u>

5. Investments in subsidiaries

	(Unit: Thousand Baht)	
	Separate financial statements	
Company's name	Carrying amount based on cost method	
	30 September 2018	31 December 2017
		(Audited)
Post-IM Plus Company Limited	2	2
Post International Media Company Limited	100,890	100,890
Post News Company Limited ⁽¹⁾	5,100	5,100
Mushroom Group Company Limited	178,690	178,690
Post New Media Company Limited	25,000	25,000
Total	309,682	309,682
Less: Allowance for loss from investment	(103,209)	(103,209)
Investments in subsidiaries - net	<u>206,473</u>	<u>206,473</u>

⁽¹⁾ Post News Company Limited is in the process of liquidation.

The dividend income from subsidiary presented in the statements of comprehensive income is dividend income from Post International Media Company Limited for the nine-month period ended 30 June 2017.

(Unaudited but reviewed)

6. Investments in joint venture

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements			
	Cost		Carrying amount based on equity method	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Bangkok Post-Bauer Media Co., Ltd.	11,500	11,500	9,545	16,808

The Company recognised its share of comprehensive income from investments in the joint ventures in the consolidated financial statements and dividend income in the separate financial statements for the three-month and the nine-month periods ended 30 September 2018 and 2017 as follows:

(Unit: Thousand Baht)

Joint ventures	For the three-month periods ended 30 September					
	Share of profit (loss) from investments in joint ventures during the period		Share of other comprehensive income from investments in joint ventures during the period		Dividend received during the period	
	2018	2017	2018	2017	2018	2017
	Bangkok Post-Bauer Media Co., Ltd.	(1,919)	(416)	-	-	-

(Unit: Thousand Baht)

Joint ventures	For the nine-month periods ended 30 September					
	Share of profit (loss) from investments in joint ventures during the period		Share of other comprehensive income from investments in joint ventures during the period		Dividend received during the period	
	2018	2017	2018	2017	2018	2017
	Bangkok Post-Bauer Media Co., Ltd.	(937)	927	-	-	6,326

(Unaudited but reviewed)

7. Investment in associate

(Unit: Thousand Baht)

Company's name	Cost		Carrying amount based on equity method	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Audited)		(Audited)	
Flash News Co., Ltd.	10,000	10,000	2,704	2,704
Less: Allowance for loss from investment	(10,000)	(10,000)	(2,704)	(2,704)
Net	-	-	-	-

8. Long-term investment

(Unit: Thousand Baht)

	Paid up Capital	Equity interest Percent	Cost	
			30 September 2018	31 December 2017
			(Audited)	
Singapore Press Holdings Limited	27,393,300	-	16	16
Less: Allowance for loss from investments			(16)	(16)
Net			-	-

9. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	1,339,847	1,321,995
Acquisitions during period - at cost	4,871	3,454
Write off during period - net book value at write off date	(99)	(99)
Surplus on revaluation of land during period	201,400	201,400
Depreciation for the period	(68,386)	(64,615)
Net book value as at 30 September 2018	1,477,633	1,462,135

(Unaudited but reviewed)

The Company has mortgaged parts of its land with a total net book value (revalued amount) as at 30 September 2018 of Baht 300 million as collateral for the Company's credit facilities from a bank.

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

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

10. Intangible assets

Movements of the intangible assets account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	114,084	62,563
Acquisitions during period - at cost	235	43
Write off during period - net book value at write off date	(3)	(3)
Amortisation for the period	(21,051)	(9,659)
Net book value as at 30 September 2018	<u>93,265</u>	<u>52,944</u>

11. Deferred tax assets/Income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	(292)	1,905	-	-
Deferred tax:				
Relating to origination of temporary differences				
during the period	11,462	(5,038)	12,155	(4,208)
A reversal of deferred tax assets of previous year	5,722	-	5,722	-
Income tax expenses (income) reported in the statements of comprehensive income	<u>16,892</u>	<u>(3,133)</u>	<u>17,877</u>	<u>(4,208)</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	716	4,122	-	-
Deferred tax:				
Relating to origination of temporary differences				
during the period	(6,813)	(16,675)	(4,800)	(14,211)
A reversal of deferred tax assets of previous year	5,722	-	5,722	-
Income tax expenses (income) reported in the statements of comprehensive income	<u>(375)</u>	<u>(12,553)</u>	<u>922</u>	<u>(14,211)</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
			(Audited)		(Audited)
Bank overdrafts	MOR	46,534	28,921	4,142	108
Short-term loans from financial institutions	MMR	870,000	815,000	870,000	815,000
Total		916,534	843,921	874,142	815,108

13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
Trade payables - related parties	1,420	1,495	7,937	10,568
Trade payables - unrelated parties	104,329	113,455	42,684	47,966
Amounts due to related parties	144	226	6	5
Accrued expenses	68,395	93,038	42,187	56,757
Other payables	34,815	34,170	33,967	33,130
Total trade and other payables	209,103	242,384	126,781	148,426

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

As at 30 September 2018, a subsidiary had short-term Baht loans from its shareholders who have non-controlling interests. The loans carry interest at the rates with reference to Minimum Loan Rate a commercial bank charges to its prime customers, and repayable on demand.

15. Long-term loans

Movements in the long-term loans account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 January 2018	376,967	367,467
Less: Repayment	(9,000)	(7,500)
Balance as at 30 September 2018	367,967	359,967
Less: Current portion	(51,500)	(47,500)
Long-term loans - net of current portion	<u>316,467</u>	<u>312,467</u>

The long-term loan agreements require the Company and subsidiary to maintain a debt-to-equity ratio of not more than 2.25 times. However, the Company has been permitted by the lender to maintain the ratio at a rate higher than that prescribed in the agreement in respect of the 2017 financial statements.

16. Sales and services income

Sales and services income for the nine-month period ended 30 September 2018 included sales and advertising revenues arising from exchanges of dissimilar goods or services with other companies totaling approximately Baht 2 million (Separate financial statements: Baht 1 million) (30 September 2017: Baht 9 million (Separate financial statements: Baht 4 million)).

17. Loss per share

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

18. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017, respectively.

(Unit: Thousand Baht)

For the three-month period ended 30 September 2018	Publishing and advertising segment	Production of television programs segment	Other segments	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	232,674	36,633	26,490	295,797	-	295,797
Inter-segment	4,631	429	-	5,060	(5,060)	-
Segment profit (loss)	(2,685)	4,488	18,914	20,717	1,426	22,143

(Unit: Thousand Baht)

For the three-month period ended 30 September 2017	Publishing and advertising segment	Production of television programs segment	Other segments	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	268,488	68,089	21,791	358,368	-	358,368
Inter-segment	3,859	-	-	3,859	(3,859)	-
Segment profit (loss)	(3,883)	15,618	6,387	18,122	1,143	19,265

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2018	Publishing and advertising segment	Production of television programs segment	Other segments	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	667,333	157,844	64,511	889,688	-	889,688
Inter-segment	10,850	595	-	11,445	(11,445)	-
Segment profit (loss)	(33,858)	20,508	46,313	32,963	3,855	36,818

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2017	Publishing and advertising segment	Production of television programs segment	Other segments	Total segments	Adjustments and eliminations	Consolidated
Revenue						
External customers	778,053	159,713	62,534	1,00,300	-	1,000,300
Inter-segment	13,413	-	-	13,413	(13,413)	-
Segment profit (loss)	(47,160)	38,402	15,474	6,716	2,655	9,371

19. Commitments and contingent liabilities**19.1 Capital and long-term service commitments**

As at 30 September 2018 and 31 December 2017, the Company and its subsidiaries had commitments relating to the improvement of building, the acquisition of equipment and the bookkeeping as follows:

	(Unit: Million Baht)	
	<u>30 September 2018</u>	<u>31 December 2017</u>
Payable:		
In up to 1 year	59	70
In over 1 and up to 5 years	180	165
In over 5 years	51	82

19.2 Long-term service commitments

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

19.3 Guarantees

As at 30 September 2018, there were outstanding bank guarantees of approximately Baht 12 million (31 December 2017: Baht 8 million) issued in the normal course of business of the Company and subsidiaries.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 9 November 2018.