

ANNUAL REPORT

NATION MULTIMEDIA GROUP PUBLIC COMPANY LIMITED

2014



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TV



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2014



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Vision Statement

The Multimedia group that reaches every household



Mission Statement

To inform, educate, entertain and inspire in the most trustworthy, timely and creative manner



PRINT



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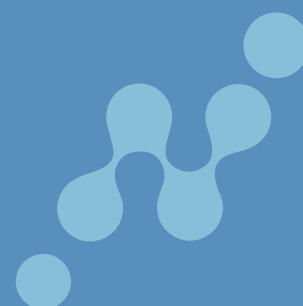


MOBILE



Core Values

- | | |
|-------------------------|---|
| Credibility : | Credibility in business operation and news reporting |
| Integrity : | Honesty to media profession and perform business ethically |
| Synergy : | Recognize the value of multimedia and synergy of various parties, both internally and externally, to provide utmost interests for customers, shareholders and employees |
| Customer Focus : | To provide excellent services to maximize customer satisfaction |
| Innovation : | Innovation in product, marketing, sales, service and management system |



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SOCIAL



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TV



General Information

| | |
|------------------------------------|---|
| Name | Nation Multimedia Group Public Company Limited |
| Head Office | 1858/118 - 119, 121 - 122, 124 - 130, 27th - 32nd Floor, Bangna - Trad Road, Bangna, Bangkok 10260 |
| Telephone | (66) 2338-3333 |
| Fax | (66) 2338-3938 |
| SET Listing Date | June 9, 1988 |
| Public Company Registration | December 14, 1993 (PLC no.0107536001524) |

Business Line

The company and subsidiary companies operate eight business units as follows:

1. **Thai-language News Business Unit** - Production of Krungthep Turakij Thai language daily newspaper together with related businesses including news websites, training programmes, seminars, special events, news via mobile, and digital newspaper (I-Newspaper).
Operated by Krungthep Turakij Media Company Limited. (KTM)
2. **General News Business Unit** - Production of Thai-language newspaper Kom Chad Luek and Nation Weekender.
Operated by Kom Chad Luek Media Company Limited (KMM).
3. **English-language News Business Unit** - Production of The Nation newspaper, training and seminar business and communication skills.
Operated by Nation News Network Company Limited (NNN).
4. **Broadcasting Business Unit**
 - Nation Broadcasting Corporation Public Company Limited (NBC) founder and operator of a full-cycle TV broadcasting business including program production, procurement and sale of air time for news and entertainment programs, production of radio programs, and New Media. NBC Next Vision Company Limited (a subsidiary of NBC) is the owner of the SD News digital TV channel under the name Nation TV (Channel 22).
 - Bangkok Business Broadcasting Company Limited (BBB), a subsidiary of NMG and owner of the general SD digital TV channel NOW (Channel NOW26) presenting variety news and entertainment for the new generation covering economy, stocks, investment and how to succeed, as well as lifestyle programs on culture, sports, environment, family and more, to serve the needs of the modern urban dweller.



5. **Edutainment & International Business Unit** - Production and distribution of print media for children and educational purposes, including production of publications under Nation Books, Nation Junior, advertising representative and distributor of foreign publications, producer of TV programs for children via digital TV, etc. Operated by Nation International Edutainment Public Company Limited (NINE). Also undertakes educational services and related services
Operated by NINE Be Bright Co., Ltd. (a subsidiary of NINE).
6. **Printing Business Unit** - Printing service business.
Operated by WPS (Thailand) Company Limited (WPS).
7. **Logistics Business Unit** - Providing logistics services for printed media and other categories of goods for group companies and general customers.
Operated by NML Company Limited (NML).
8. **Education Business Unit** - Undertaking the education business by managing and operating Nation University providing bachelor's and master's degree courses at its two campuses in Bangkok and Lampang.
Operated by Nation U Company Limited (NU), a subsidiary of NMG.

Registered Capital

- Baht 2,663,572,194.95 consisting of 5,025,607,915 Shares at Baht 0.53 par value

Paid-up Capital

- December 31, 2014 the Company has paid-up capital of Baht 1,757,662,976.14 consisting of 3,316,345,238 Shares at Baht 0.53 par value

Chiang Mai Branch

- 24/1 Soi 5 Kor, Nantaram Road, Haiya, Muang District, Chiang Mai 50100
Tel: (053) 271-831 Fax: (053) 200-151

Khon Kaen Branch

- 67 Moo 8, Lao Na Dee Road, Muang District, Khon Kaen 80000
Tel: (043) 324-170 Fax: (043) 324-243

Hat Yai Branch

- 88/9 Kanchanawanich Road, Baan Pru, Hat Yai, Songkhla 90250
Tel: (074) 210-035-8 Fax: (074) 210-039



Summary of Financial Data and Investments

(Unit : in Million Baht)

| 1. Data from Consolidated Financial Statements | 2014 | 2013 | 2012 (Restated) |
|--|----------|----------|--------------------|
| • Revenue from Sales and Rendering of Services | 2,827.71 | 2,949.25 | 2,936.87 |
| • Total Income | 2,950.80 | 3,059.87 | 3,101.88 |
| • Gross Profit Margin | 843.93 | 1,153.86 | 1,096.13 |
| • Profit Before Interest, Taxes, Depreciation and Amortization | 623.48 | 670.04 | 612.58 |
| • Net Profit | 64.46 | 251.72 | 169.05 |
| • Total Assets | 8,575.88 | 5,351.02 | 4,152.30 |
| • Total Shareholders' Equity | 3,816.16 | 3,784.63 | 1,637.07 |
| 2. Financial Ratios | 2014 | 2013 | 2012 (Restated) |
| • Total Debts to Equity (Times) | 1.25 | 0.41 | 1.54 |
| • Gross Profit Margin (%) | 29.84 % | 39.12 % | 37.32 % |
| • Net Profit on Total Income (%) | 2.18 % | 8.23 % | 5.45 % |
| • Return on Equity (%) | 1.69 % | 6.65 % | 10.33 % |
| • Return on Total Assets (%) | 0.93 % | 5.30 % | 4.20 % |
| • Earnings per Share (Baht) | 0.02 | 0.10 | 0.10 |
| • Dividend per Share (Baht) | 0.02 | - | - |
| • Book Value per Share (Baht) | 1.15 | 1.15 | 0.99 |

Dividend Policy

The Company has a policy to pay dividend to shareholders of no less than 65 percent of net profit (separate financial statements) after corporate income tax, legal reserve and other reserves. However, the dividend payment is subject to the investment plan, business necessity, and other suitable causes in the future. The Board of Director's resolution to pay dividend must be approved at the shareholder's meeting, except for payment of interim dividend at which the Board of Directors have authority to approve and must report such payment at the next shareholder's meeting.



Investments in direct and indirect Subsidiaries of Nation Multimedia Group PCL. as of 31 December 2014

| | Registered Capital (Million Baht) | Percentage of Investments |
|---|--------------------------------------|------------------------------|
| PUBLISHING BUSINESS | | |
| Nation International Edutainment PCL. | 259.25 | 80.06 |
| Nation Edutainment Co., Ltd. (Invested by Nation International Edutainment PCL.) | 41.25 | 80.06 |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) (Invested by Nation International Edutainment PCL.) | 50 | 98.99 |
| Nation News Network Co., Ltd. | 100 | 99.99 |
| Kom Chad Luek Media Co., Ltd. | 25 | 99.99 |
| Krungthep Turakij Media Co., Ltd. | 25 | 99.99 |
| PRINTING SERVICES BUSINESS | | |
| WPS (Thailand) Co., Ltd. | 500 | 84.50 |
| BROADCASTING BUSINESS | | |
| Nation Broadcasting Corporation PCL. | 720.34 | 71.26 |
| NBC Nextmedia Co., Ltd. (Invested by Nation Broadcasting Corporation PCL.) | 1 | 71.26 |
| NBC Next Screen Co., Ltd. (Invested by Nation Broadcasting Corporation PCL.) | 1 | 71.26 |
| NBC Next Vision Co., Ltd. (Invested by Nation Broadcasting Corporation PCL.) | 300 | 71.26 |
| Nation Kids Co., Ltd. (Invested by Nation International Edutainment PCL.) | 1 | 80.06 |
| Bangkok Business Broadcasting Co., Ltd. | 500 | 99.80 |
| LOGISTIC SERVICES BUSINESS | | |
| NML Co., Ltd. | 50 | 99.99 |
| EDUCATION BUSINESS | | |
| Nation U Co., Ltd. | 170 | 90 |
| Nation University (Held licenses by Nation U Co., Ltd.) | - | 90 |
| Nine Be Bright Co., Ltd. (Invested by Nation International Edutainment PCL.) | 1 | 48.03 |
| Investments in Associated Company of Nation Multimedia Group PCL. as of 31 December 2014 | | |
| Yomiuri-Nation Information Service Limited | 4 | 45 |

Chairman's Statement

“Good media” mean good business

2014 marked a watershed year for the Thai media industry with the lifting of the 40-year monopoly on television concessions and the emergence of digital TV on 24 channels, bringing fresh opportunities and choices for both viewers and operators.

Amid the revolutionary changes sweeping the media industry, Nation Group has successfully grasped the opportunities available and overcome the challenges, winning the bidding for two digital TV channels - “Nation TV”, a news channel on slot number 22 and NOW, an SD variety channel on number 26.

After just one year of digital TV, the benefits to viewers are clear. Fierce competition is driving all the television broadcasters to develop content to unprecedentedly high standards in order to win viewers. Nation Group has passed through this first tumultuous year with flying colours, and we are justly proud of both of our digital TV channels.

At the thick of the fierce competition, “Nation TV” is among the frontrunners in the digital news category while up-and-coming NOW26 is making waves with its strikingly different style of Biz-Life-Variety programming. Even though this is only the first year, both channels have achieved satisfactory revenues in accordance with our targets and expectations.

Amidst these sweeping changes, “Nation Group” remains firmly committed to developing the highest standards of content. In 2014, we accelerated investment in human resources and the latest technologies and equipment, elevating our style of presentation to international levels and asserting our presence within the industry.

Above all, the success of Nation Group, whether through our three newspapers or two digital TV channels, is founded upon the “trust” that the Thai people have placed in us as a “quality media organization” throughout the 44 years since our inception.

The trust of the public can only be won through professionalism and a deep understanding of and adherence to professional ethics by our people, the invaluable “assets”



of Nation Group that provide the impetus for our success, driving the organization forward without limit.

The “trust” that the public have placed in our media did not come about overnight. On the contrary, it has been built up over a period of several decades, through the dedication and support of people at all levels - from our



employees' firm belief in what they do, from the guidance of our management and from our shareholders. Together, they stand for our policy of independence and share the same ideology.

Nonetheless, our 44 years in the media profession have not always been easy. It is true that the media business is based on the trust of the public, but we are also required to generate satisfactory levels of profits for shareholders and maintain high levels of social responsibility and professional ethics. Indeed, the parameters of our business are much more restrictive than other industries.

Still, we are confident in the belief that "good media mean good business".

We believe that the long-term benefits of business and of society are one and the same. If Nation Group is able to maintain its standing as a "good media organization", with executives and shareholders who adhere to strict ethical principles in both business and editorial aspects, and who are not under the influence of business entities or political groups, then the benefits to be reaped will be shared by all - shareholders, management, employees and our audience, which is the general public.

As long as we maintain the trust that the people have placed in us, we are confident that Nation Group will continue to grow, without limits. No matter what direction global media take next, we always stand ready to grasp the opportunities and face the challenges.

That is the real benefit that is shared by both the organization and society as a whole.

**As we celebrate our 45th anniversary in the coming year
we will remain steadfast in our belief that**

"good media are the wellspring of good business."

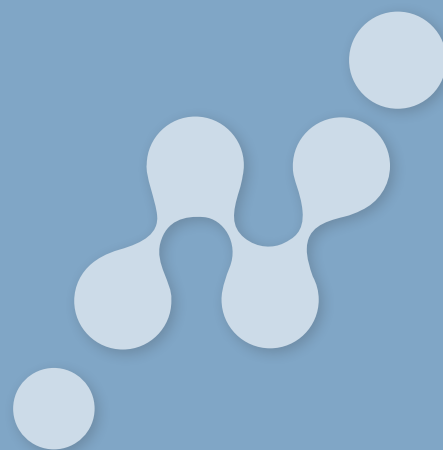
**As an important supporter of our business,
we hope you agree with us.**

Suthichai Yoon
Chairman



Board of Directors

ANNUAL REPORT 2014
รายงานประจำปี 2557



Board of Directors



Mr. Suthichai Sae-Yoon

Chairman

| | | | |
|--|--|--|---------------------------------------|
| Age | 69 years | 2012 - Present | Chairman |
| Education Background | <ul style="list-style-type: none"> Assumption Commercial College Bangkok (ACC) Saengthong School, Had Yai, Songkhla | Director of other non - listed company | Nation International Edutainment Plc. |
| Training Course (s) | <ul style="list-style-type: none"> Thai Institute of Directors Association Director Accreditation Program (DAP # 54/2006) | 2006 - Present | Chairman |
| Training Course (s) 2014 | <ul style="list-style-type: none"> N/A | 2008 - Present | NML Co., Ltd. |
| No. of Shares Held as at February 5, 2015 | <ul style="list-style-type: none"> Mr.Suthichai Sae-Yoon 304,921,742 shares (9.19%) Mrs.Nantawan Sae-Yoon - shares Minor child - shares | 2011 - Present | Chairman |
| Relationship with NMG's Executive | <ul style="list-style-type: none"> Mr.Thepchai Sae-Yong Relationship : Younger brother | 2012 - Present | Nation News Network Co., Ltd. |
| Experience | | 2012 - Present | Chairman |
| 1971 - 2012 | Editor in Chief | 2012 - Present | Nation U Co., Ltd. |
| | Nation Multimedia Group Plc. | 2012 - Present | Chairman |
| 2011 - Present | Chairman | 2012 - Present | NBC Next Media Co., Ltd. |
| | Nation Broadcasting Corporation Plc. | 2012 - Present | Chairman |
| 2012 - Present | Chairman | 2012 - Present | Nation Edutainment Co., Ltd. |
| | Nation Multimedia Group Plc. | 2012 - Present | Chairman |
| 2012 - Present | Chairman | 2013 - Present | Nation Kids Co., Ltd. |
| | Nation International Edutainment Plc. | 2013 - Present | Chairman |
| Director of other listed company | | 29 Dec 2014 - Present | Nine Be Bright Co., Ltd. |
| 2011 - Present | Chairman | | Chairman |
| | Nation Broadcasting Corporation Plc. | | Nation Global Edutainment Co., Ltd. |
| | | Director of a competing company or a related business company | |
| | | <ul style="list-style-type: none"> N/A | |
| | | Year of Directorship 43 Years 5 Months | |
| | | <ul style="list-style-type: none"> Appointed as a director since July 1, 1971 | |
| | | The Meeting Attendance / Meeting held (Frequency) | |
| | | Board of Directors | 6/6 |
| | | Annual General Meeting of Shareholders | 1/1 |

Board of Directors



Mr. Sermsin Samalapa

Vice Chairman

Age 47 years

Education Background

- Master of Science in Real Estate Development, Massachusetts Institute of Technology (MIT), Cambridge, MA, USA
- Bachelor of Architecture from Faculty of Architecture, Chulalongkorn University
- Effective Strategies for Media Companies, Executive Education from Harvard Business School, Harvard University Cambridge, MA, USA

Training Course (s)

- Thai Institute of Directors Association
- Director Accreditation Program (DAP # 24/2004)

Training Course (s) 2014

- N/A

No. of Shares Held as at February 5, 2015

- Mr. Sermsin Samalapa 55,000,000 shares (1.66%)

Relationship with NMG's Executive

- N/A

Experience

| | |
|----------------|---|
| 2010 - Present | Director Nation Multimedia Group Plc. |
| 2011 - Present | Director Nation Broadcasting Corporation Plc. |
| 2011 - Present | Director Nation International Edutainment Plc. |

2012 - Present Vice Chairman

Nation Multimedia Group Plc.

Director of other listed company

2011 - Present Director

Nation Broadcasting Corporation Plc.

2011 - Present Director

Nation International Edutainment Plc.

Director of other non - listed company

2010 - Present Chairman

South-East Asia University

2011 - Present Director

Nation U Co., Ltd.

2013 - Present Director

Nine Be Bright Co., Ltd.

Director of a competing company or a related business company

- N/A

Year of Directorship 4 Years 1 Months

- Appointed as a director since November 9, 2010

The Meeting Attendance / Meeting held (Frequency)

| | |
|--|-----|
| Board of Directors | 6/6 |
| Annual General Meeting of Shareholders | 1/1 |

Board of Directors



Ms. Duangkamol Chotana

Director and President

Age 51 years

Education Background

- BA. Communication Arts, Chulalongkorn University

Training Course

- Thai Institute of Directors Association
- Directors Certification Program (DCP#144/2011)
- Anti-Corruption for Executive Program (ACEP 2/2012)
- Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA)
- Executive Development Program (EDP # 4)

Training Course (s) 2014

- N/A

No. of Shares Held as at February 5, 2015

- Ms. Duangkamol Chotana 21,728,200 shares (0.66%)

Relationship with NMG's Executive

- N/A

Experience

- 2011 - Present Director
Nation Broadcasting Corporation Plc.
- 2012 - Present Director and President
Nation Multimedia Group Plc.

Director of other listed company

- 2011 - Present Director
Nation Broadcasting Corporation Plc.

Director of other non - listed company

- 2010 - Present President
Krungthep Turakij Media Co., Ltd.
- 2012 - Present Director
Nation News Network Co., Ltd.
- 2012 - Present Director
Kom Chad Luck Media Co., Ltd.
- 2012 - Present Director and Chairman
WPS (Thailand) Co., Ltd.
- 2012 - Present Director
NML Co.Ltd.
- 2012 - Present Director
Nation U Co., Ltd.
- 2012 - Present Director
Bangkok Business Broadcasting Co., Ltd.

Director of a competing company or a related business company

- N/A

Year of Directorship 2 Years 10 Months

- Appointed as a director since February 27, 2012

The Meeting Attendance / Meeting held (Frequency)

- Board of Directors 6/6
- Annual General Meeting of Shareholders 1/1

Board of Directors



Mr. Pakorn Borimasporn

Independent Director and Chairman of The Audit Committee

Age 68 years

Education Background

- M.Eng in Electrical Engineering, Chulalongkorn University
- B.Eng in Electrical Engineering, Chulalongkorn University

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP#17/2002 - Fellow Member)
- Capital Market Academy - The Stock Exchange of Thailand
- Capital Market Academy Leadership Program (CMA#3)
- Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA)
- Executive Development Program (EDP # 1)

Training Course (s) 2014

- KPMG Phoomchai Holdings
- COSO 2013 : The Road to Transition

No. of Shares Held as February 5, 2015

- Mr. Pakorn Borimasporn 587,708 shares (0.02%)
- Spouse - shares
- Minor child - shares

Relationship with NMG's Executive

- N/A

Experience

1993 - Present Director and Chief Executive Officer Lighting & Equipment Plc.

1997 - Present Independent Director and Chairman of The Audit Committee

Nation Multimedia Group Plc.

1999 - Present Chairman of the Executive Committee L&E Manufacturing Co., Ltd.

2004 - Present Chairman and Chairman of The Audit Committee Porn Prom Metal Public Co., Ltd.

2010 - Present Chairman of the Executive Committee L&E Solidstate Co., Ltd.

Director of other listed company

1993 - Present Director and Chief Executive Officer Lighting & Equipment Public Co., Ltd.

2004 - Present Chairman and Chairman of The Audit Committee Porn Prom Metal Public Co., Ltd.

Director of other non - listed company

1999 - Present Chairman of the Executive Committee L&E Manufacturing Co., Ltd.

2010 - Present Chairman of the Executive Committee L&E Solidstate Co., Ltd.

Director of a competing company or a related business company

- N/A

Year of Directorship 17 Years 8 Months

- Appointed as a director since April 29, 1997

The Meeting Attendance / Meeting held (Frequency)

| | |
|--|-----|
| Board of Directors | 6/6 |
| Audit Committee | 4/4 |
| Annual General Meeting of Shareholders | 1/1 |

Board of Directors



Mr. Chaveng Chariyapisuthi

Independent Director and Member of The Audit Committee

Age 70 years

Education Background

- Assumption Commercial College Bangkok (ACC)

Training Course (s)

- Thai Institute of Directors Association
- Director Accreditation Program (DAP # 36/2005)
- Understanding Fundamental Statement (UFS # 2)
- Finance for Non-Finance Director (FN # 31)
- Monitoring the System Internal Control and Risk Mgmt. # 1
- Audit Committee Program # 20

Training Course (s) 2014

- N/A

No. of Shares Held as at February 5, 2015

- Mr. Chaveng Chariyapisuthi - shares
- Spouse - shares
- Minor child - shares

Relationship with NMG's Executive

- N/A

Experience

- 1983 - Present Executive Director
Siam Steel Co., Ltd.
- 1991 - Present Executive Director
Siam Integrate Co., Ltd.
- 1991 - Present Executive Director
SST Holding Co., Ltd.
- 1991 - Present Executive Director
Siam Syndicate Technology Co., Ltd.
- 1991 - Present Executive Director
Siam Steel Works Co., Ltd.

- 1995 - Present Independent Director and Member
of The Audit Committee
Nation Multimedia Group Plc.

- 2009 - Present Executive Director
Siam Asia Environment Co., Ltd.

Director of other listed company

- N/A

Director of other non - listed company

- 1983 - Present Executive Director
Siam Steel Co., Ltd.
- 1991 - Present Executive Director
Siam Integrate Co., Ltd.
- 1991 - Present Executive Director
SST Holding Co., Ltd.
- 1991 - Present Executive Director
Siam Syndicate Technology Co., Ltd.
- 1991 - Present Executive Director
Siam Steel Works Co., Ltd.
- 2009 - Present Executive Director
Siam Asia Environment Co., Ltd.

Director of a competing company or a related business company

- N/A

Year of Directorship 19 Years 8 Months

- Appointed as a director since April 19, 1995

The Meeting Attendance / Meeting held (Frequency)

| | |
|--|-----|
| Board of Directors | 6/6 |
| Audit Committee | 4/4 |
| Annual General Meeting of Shareholders | 1/1 |

Board of Directors



Ms. Kaemakorn Vachiravarakarn

Independent Director and Member of The Audit Committee

Age 39 years

Education Background

- Master in Business Administration (M.B.A.), University of Hawaii at Manoa, U.S.A.
- Bachelor in Business Administration - Accounting major (International Program), Thammasat Business School, Thammasat University
- Certified Public Accountant

Training Course (s)

Thai Institute of Directors Association

- Director Accreditation Program (DAP) Thai Program - DAP113/2014

Training Course (s) 2014

Thai Institute of Directors Association

- Director Accreditation Program (DAP) Thai Program - DAP113/2014

The Securities and Exchange Commission, Thailand

- Challenges facing audit committees on listed companies' sustainable development

No. of Shares Held as at February 5, 2015

- Ms. Kaemakorn Vachiravarakarn - shares

Relationship with NMG's Executive

- N/A

Experience

1997 - 1999 Assistant Auditor
SGV Na Thalung Co., Ltd. (Now KPMG)

2001 - 2002 Senior Consultant - Business Recovery Service
Inthanon Business Advisory Ltd.
(Andersen Thailand, Now KPMG)

2002 - 2003 Senior Consultant - Business Recovery Service
Ferrier Hodgson, Now Baker Tilly

2004 - 2011 Corporate secretary and AVP Strategic
Financial Planning
Natural Park Public Co., Ltd.

2003 - Present Director
I Do Idea Co., Ltd.

2013 - Present Independent Director and Member
of The Audit Committee
Nation Multimedia Group Plc.

Director of other listed company

- N/A

Director of other non - listed company

2003 - Present Director
I Do Idea Co., Ltd.

Director of a competing company or a related business company

- N/A

Year of Directorship 1 Years 2 Months

- Appointed as a director since October 17, 2013

The Meeting Attendance / Meeting held (Frequency)

| | |
|--|-----|
| Board of Directors | 6/6 |
| Audit Committee | 3/4 |
| Annual General Meeting of Shareholders | 0/1 |

Board of Directors



Mr. Pana Janviroj

Director

Age 56 years

Education Background

- MA., Tufts University, USA

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP #71/2006)
- Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA)
- Risk Management Seminar & Workshop

Training Course (s) 2014

- N/A

No. of Shares Held as at Febroary 5, 2015

- Mr. Pana Janviroj 20,249,000 shares (0.61%)
- Mrs. Pusadee Janviroj - shares
- Minor child - shares

Relationship with NMG's Executive

- N/A

Experience

2011 - Present Director
Nation International Edutainment Plc.

2012 - Present Director
Nation Multimedia Group Plc.

Aug 7, 2014 - Present President
Nation International Edutainment Plc.

Director of other listed company

2011 - Present Director
Nation International Edutainment Plc.

Aug 7, 2014 - Present President

Nation International Edutainment Plc.

Director of other non - listed company

2008 - Present President
Nation News Network Co., Ltd.

2012 - Present Director
Yomiuri-Nation Information Service Co., Ltd.

2012 - Present Director
Nation Global Edutainment Co., Ltd

Feb 24, 2014 - Present Director
WPS (Thailand) Co., Ltd.

Aug 16, 2014 - Present Director
Nation Edutainment Co., Ltd.

Aug 16, 2014 - Present Director
Nation Kids Co., Ltd.

Director of a competing company or a related business company

- N/A

Year of Directorship 15 Years 8 Months

- Appointed as a director since April 19, 1999

The Meeting Attendance / Meeting held (Frequency)

Board of Directors 4/6
Annual General Meeting of Shareholders 1/1

Board of Directors



Mr. Adisak Limprungsatanakit

Director

Age 54 years

Education Background

- BA. Faculty of Commerce and Accountancy, Thammasart University

Training Course

- Thai Institute of Directors Association
- Directors Certification Program (DCP #71/2006)

Training Course (s) 2014

- Capital Market Academy : Executive MBA (CMA#19/2014)

No. of Shares Held as at February 5, 2015

- Mr. Adisak Limprungsatanakit 15,900,000 shares (0.48%)
- Mrs. Kamolthip Limprungsatanakit - shares
- Minor child - shares

Relationship with NMG's Executive

- N/A

Experience

1982 - 1985 Reporter - Matuphoom Daily & Matuphoom Business Weekly

1985 - 1992 Reporter - The Nation

1992 - 1999 Editor - Krungthep Turakij

1998 - 1999 President of The Economic Reporters Association

2000 - 2008 Editor - Nation Channel and Nation Radio

2001 - 2004 Editor - Kom Chad Luek

2009 - 2010 President of Satellite Television Association (Thailand)

2009 - Present President
Nation Broadcasting Corporation Plc.

2012 - Present Director

Nation Multimedia Group Plc.

Director of other listed company

2009 - Present Director

Nation Broadcasting Corporation Plc.

Director of other non - listed company

2010 - Present Director

Kom Chad Luck Media Co., Ltd.

2012 - Present Director

NBC Next Media Co., Ltd.

2012 - Present Director

NML Co.Ltd.

2012 - Present Director

Nation U Co., Ltd.

2012 - Present Director

NBC Next Vision Co., Ltd.

2012 - Present Director

NBC Next Screen Co., Ltd.

Director of a competing company or a related business company

- N/A

Year of Directorship 12 Years 8 Months

- Appointed as a director since April 19, 1999

The Meeting Attendance / Meeting held (Frequency)

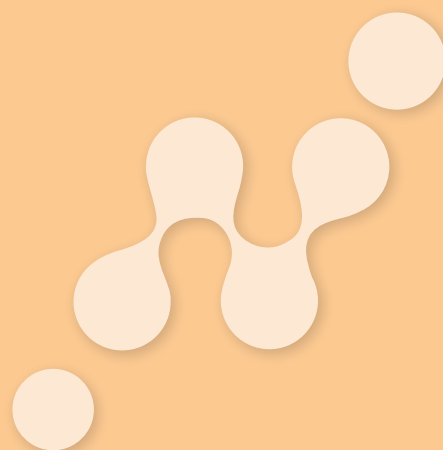
| | |
|--|-----|
| Board of Directors | 6/6 |
| Annual General Meeting of Shareholders | 1/1 |



Executive Board

ANNUAL REPORT 2014

รายงานประจำปี 2557



Executive Board



Mr. Suthichai Sae-Yoon

Chairman

Age 69 years

Education Background

- Assumption Commercial College Bangkok (ACC)
- Saengthong School, Had Yai, Songkhla

Training Course (s)

- Thai Institute of Directors Association
- Director Accreditation Program (DAP # 54)

Training Course (s) 2013

- N/A

No. of Shares Held as at February 5, 2015

- Mr.Suthichai Sae-Yoon 304,921,742 shares (9.19%)
- Mrs.Nantawan Sae-Yoon - shares
- Minor child - shares

Relationship with NMG's Executive

- Mr.Thepchai Sae-Yong
Relationship : Younger brother

Experience

1971 - 2012 Editor in Chief

Nation Multimedia Group Plc.

2011 - Present Chairman

Nation Broadcasting Corporation Plc.

2012 - Present Chairman

Nation Multimedia Group Plc.

2012 - Present Chairman

Nation International Edutainment Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders 1/1

Executive Board



Mr. Sermsin Samalapa

Vice Chairman

Age 47 years

Education Background

- Master of Science in Real Estate Development, Massachusetts Institute of Technology (MIT), Cambridge, MA, USA
- Bachelor of Architecture from Faculty of Architecture, Chulalongkorn University
- Effective Strategies for Media Companies, Executive Education from Harvard Business School, Harvard University Cambridge, MA, USA

Training Course (s)

- Thai Institute of Directors Association
- Director Accreditation Program (DAP # 24/2004)

Training Course (s) 2014

- N/A

No. of Shares Held as at February 5, 2015

- Mr. Sermsin Samalapa 55,000,000 shares (1.66%)

Relationship with NMG's Executive

- N/A

Experience

2010 - Present Director

Nation Multimedia Group Plc.

2011 - Present Director

Nation Broadcasting Corporation Plc.

2011 - Present Director

Nation International Edutainment Plc.

2012 - Present Vice Chairman

Nation Multimedia Group Plc.

Director of other listed company

2011 - Present Director

Nation Broadcasting Corporation Plc.

2011 - Present Director

Nation International Edutainment Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders 1/1

Executive Board



Ms. Duangkamol Chotana

Director and President

Age 51 years

2012 - Present Director and President

Nation Multimedia Group Plc.

Education Background

- BA. Communication Arts,
Chulalongkorn University

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders 1/1

Training Course

- Thai Institute of Directors Association
- Directors Certification Program
(DCP#144/2011)
- Anti-Corruption for Executive Program
(ACEP 2/2012)
- Thai Listed Companies Association,
The Stock Exchange of Thailand (TLCA)
- Executive Development Program (EDP # 4)

Training Course (s) 2014

- N/A

No. of Shares Held as at February 5, 2015

- Ms. Duangkamol Chotana 21,728,200 shares (0.66%)

Relationship with NMG's Executive

- N/A

Experience

2010 - Present President

Krungthep Turakij Media Co., Ltd.

2011 - Present Director

Nation Broadcasting Corporation Plc.

2012 - Present Director and Chairman

WPS (Thailand) Co., Ltd.

Executive Board



Mr. Pana Janviroj

President of international Business Affairs

Age 56 years

Education Background

- MA., Tufts University, USA

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP #71/2006)
- Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA)
- Risk Management Seminar & Workshop

Training Course (s) 2014

- N/A

No. of Shares Held as at Febroary 5, 2015

- Mr. Pana Janviroj 20,249,000 shares (0.61%)
- Mrs. Pusadee Janviroj - shares
- Minor child - shares

Relationship with NMG's Executive

- N/A

Experience

2011 - Present Director
Nation International Edutainment Plc.

2012 - Present Director
Nation Multimedia Group Plc.

Aug 7, 2014 - Present President
Nation International Edutainment Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders 1/1

Executive Board



Mr. Adisak Limprungsatanakit

President of Broadcasting Business Unit

Age 54 years

Education Background

- BA. Faculty of Commerce and Accountancy, Thammasart University

Training Course

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 71/2006)

Training Course (s) 2014

- Capital Market Academy : Executive MBA (CMA#19/2014)

No. of Shares Held as at February 5, 2015

- Mr. Adisak Limprungsatanakit 15,900,000 shares (0.48%)
- Mrs. Kamolthip Limprungsatanakit - shares
- Minor child - shares

Relationship with NMG's Executive

- N/A

Experience

1982 - 1985 Reporter - Matuphoom Daily & Matuphoom Business Weekly
 1985 - 1992 Reporter - The Nation
 1992 - 1999 Editor - Krungthep Turakij
 1998 - 1999 President of The Economic Reporters Association
 2000 - 2008 Editor - Nation Channel and Nation Radio
 2001 - 2004 Editor - Kom Chad Luek
 2009 - 2010 President of Satellite Television Association (Thailand)

2009 - Present President

Nation Broadcasting Corporation Plc.

2012 - Present Director

Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

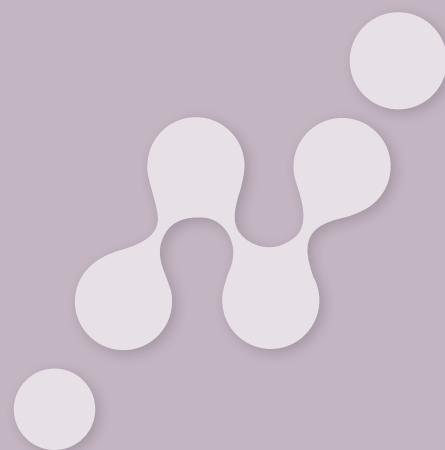
Annual General Meeting of Shareholders 1/1



Management Team

ANNUAL REPORT 2014

รายงานประจำปี 2557



Management Team



Mr. Thepchai Sae-Yong

Director

Age 60 years

Education Background

- Secondary school
- Assumption Commercial College (ACC)

Training Course

- Thai Institute of Directors Association
- Directors Certification Program (DCP #177)

Training Course (s) 2014

- Thailand Energy Academy (TEA#5)
- Energy Literacy for The World # 15

No. of Shares Held as at February 5, 2015

- Mr. Thepchai Sae-Yong 10,000,000 shares (0.30%)
- Minor child - shares

Relationship with NMG's Executive

- Mr. Suthichai Sae-Yoon
Relationship: Elder brother

Experience

| | |
|----------------|--|
| 2008 - 2012 | Managing Director Thai Public Broadcasting Service (TPBS) |
| 2012 - Present | Group Editor-in-Chief Nation Multimedia Group Plc. |
| 2012 - Present | Director |

Nation News Network Co., Ltd.

Apr 24, 2013 - Present Director

Nation Broadcasting Corporation Plc.

May 10, 2013 - Present Director

Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency) :

Appointed as director on May 10, 2013

Annual General Meeting of Shareholders 0/1

Management Team



Mr. Vithoon Pungprasert

Executive Vice President - General The News Business Unit.

Age 61 years

Education Background

- Master of Public Administration, National Institute of Development Administration
- BA. in Political Science, Ramkamhaeng University

Training Course (s)

- Thai Institute of Directors Association
- N/A

Training Course (s) 2014

- N/A

No. of Shares Held as at February 5, 2015

- Mr. Vithoon Pungprasert 100,000 shares (0.01%)
- Mrs. Ludtika Pungprasert 150,050 shares (0.01%)
- Minor child - shares

Relationship with NMG's Executive

- N/A

Experience

| | |
|----------------|--|
| 1997 - 2009 | Assistant to Editor in Chief Nation Multimedia Group Plc. |
| 2010 - 2012 | Senior Editor Kom Chad Luek Kom Chad Luek Media Co., Ltd |
| 2012 - Present | Executive Vice President Kom Chad Luek Media Co.,Ltd |

2012 - Present Director

Kom Chad Luek Media Co.,Ltd

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders 1/1

Management Team



Ms. Nutvara Seangwarin

Executive Vice President - Marketing and Public Relations Department

Age 47 years

Education Background

- Master of Public and Private Management Program, National Institute of Development Administration (NIDA)
- BA Business Administration, Business Computer, Kasem Bundit University

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 148/2011)
- Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA)
- Executive Development Program (EDP # 11) King Prajadhipok's Institute
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives # 9

Training Course (s) 2014

- N/A

No. of Shares Held as at February 5, 2015

- Ms. Nutvara Seangwarin 13,100 shares (0.00%)

Relationship with NMG's Executive

- N/A

Experience

- 2007 - 2010 Senior Vice President
Nation Multimedia Group Plc.
- 2011 - 2012 Senior Vice President
Krungthep Turakij Media Co., Ltd.
- 2012 - Present Director
Krungthep Turakij Media Co., Ltd.
- 2013 - Present Executive Vice President
Nation Multimedia Group Plc.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders 1/1

Management Team



Mr. Supoth Piansiri

Senior Vice President - Accounting

| | | | |
|--|---|--|--|
| Age | 46 years | 2010 - Present | Director |
| Education Background | | | Kom Chad Luek Media Co.,Ltd |
| | • Bachelor Degree of Accounting (Auditing), 2 nd Class Hons., The University of The Thai Chamber of Commerce | 2010 - Present | Director |
| | • Certified Public Accountants (Thailand) Registration No.4666 | 2010 - Present | Director |
| Training Course (s) | | | Bangkok Business Broadcasting Co., Ltd. |
| | Faculty of Commerce and Accountancy, Chulalongkorn University | 2013 - Present | Director |
| | • Strategy Management Program | | WPS (Thailand) Co., Ltd. |
| | Thai Institute of Directors Association | 2013 - Present | Director |
| | • Directors Certification Program (DCP # 150) | | Nine Be Bright Co., Ltd. |
| Training Course (s) 2014 | | May 29, 2014 - Present | Director |
| | • N/A | | Yomiuri-Nation Information Service Co., Ltd. |
| No. of Shares Held as at February 5, 2015 | | Aug 16, 2014 - Present | Director |
| | • Mr. Supoth Piansiri 350,000 shares (0.01%) | | Nation Edutainment Co., Ltd. |
| Relationship with NMG's Executive | | Aug 16, 2014 - Present | Director |
| | • N/A | | Nation Kids Co., Ltd. |
| Experience | | Nov. 1, 2014 - Present | Vice - Rector for Administration |
| | 2010 - 2012 Assistant Senior Vice President - Accounting | | Nation University |
| | Nation Multimedia Group Plc. | Dec 29, 2014 - Present | Director |
| | 2012 - Present Senior Vice President - Accounting | | Nation Global Edutainment Co., Ltd. |
| | Nation Multimedia Group Plc. | | |
| | | The Meeting Attendance / Meeting held (Frequency) | |
| | | Annual General Meeting of Shareholders | 1/1 |

Management Team



Ms. Mathaya Osathanond

Senior Vice President - Finance

Age 45 years

Education Background

- BA. Accounting, Faculty of Commerce and Accountancy, Thammasat University

Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 150)

Training Course (s) 2014

- N/A

No. of Shares Held as at February 5, 2015

- Ms. Mathaya Osathanond 60,000 shares (0.00%)

Relationship with NMG's Executive

- N/A

Experience

2006 - Present Director

Nation Edutainment Co., Ltd.

2008 - Present Director

Nation News Network Co., Ltd.

2011 - Present Director

Nation Global Edutainment Co., Ltd.

2012 - Present Senior Vice President – Finance

Nation Multimedia Group Plc.

Director

Nation Kids Co., Ltd.

2013 - Present

Corporate Secretary

Nation Multimedia Group Plc.

Director

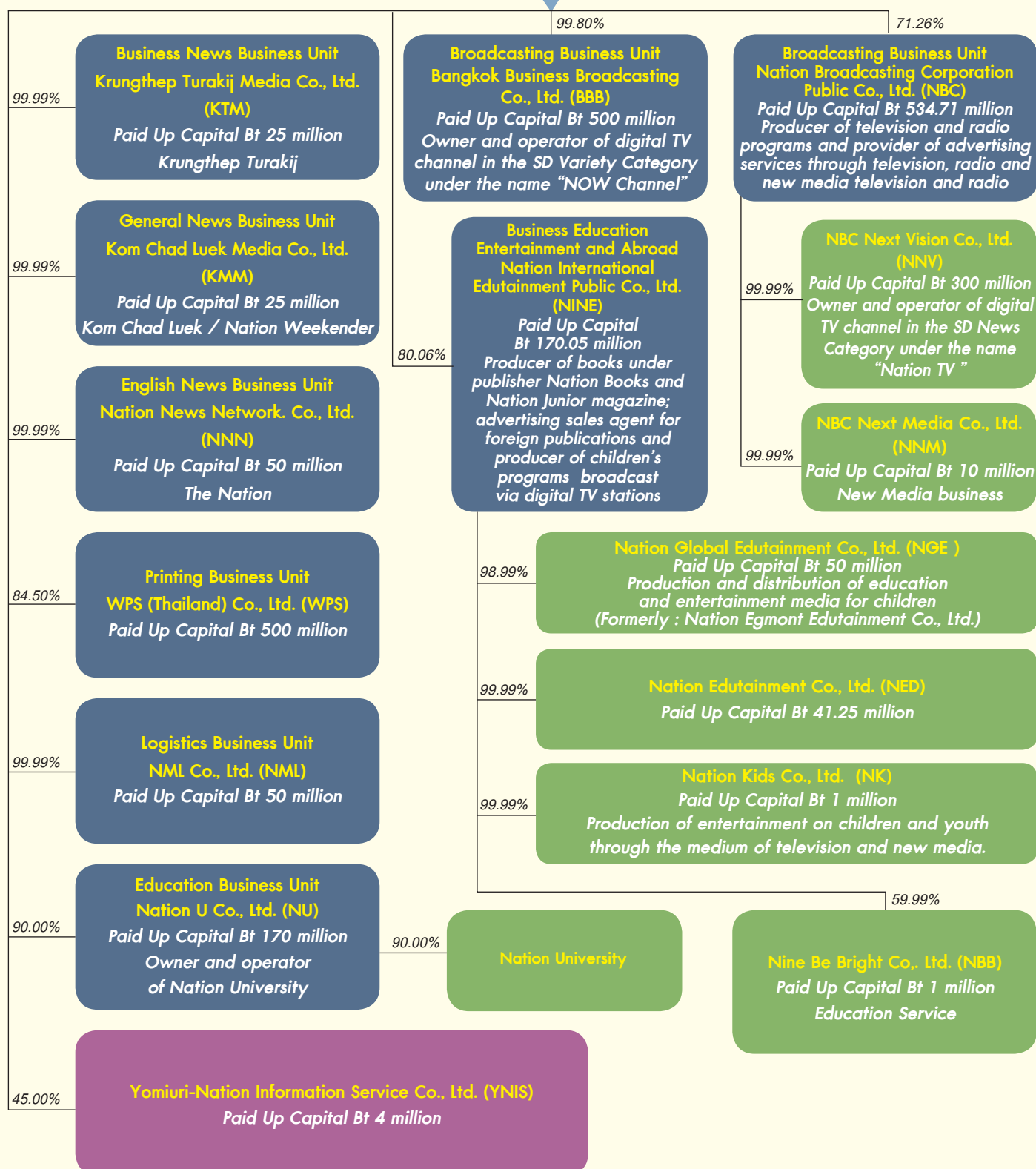
Nine Be Bright Co., Ltd.

The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders 1/1

Business Group Structure

Nation Multimedia Group Public Company Limited





Business Group Structure

1. Thai-language Business News Unit

Krungthep Media Company Limited (KTM)

กรุงเทพธุรกิจ

In 2014, Krungthep Media Co., Ltd. underscored its leadership in business news content with its flagship newspaper Krungthep Turakij daily, which has been entrusted by readers throughout its 26 years of continuous production. With its strong foundation in economic news coverage, Krungthep Turakij has expanded into satellite television broadcasting with the country's first 24-hour business news station "Krungthep Turakij TV" and is now opening a new era of expansion in digital television with the "NOW Channel", a free urban lifestyle television channel that is both informative and entertaining

to serve the needs of the new generation, executives and the modern entrepreneur.



The Krungthep Turakij editorial team's expertise and commitment in the development of news content have enabled the newspaper to produce a wide variety of content formats and new styles of presentation that answer the needs of readers and which can be accessed via any platform. Krungthep Turakij is a valuable source of information entrusted by business persons, with high-quality in-depth economic news as well as lighter reports covering entertainment, music and social news. The newspaper also has

a role as an "intermediary", linking businesses with the social sector to create sustainable growth alongside Thailand's business circles.

Krungthep Turakij has initiated a number of innovations using new technologies to serve the needs of consumers by utilizing applications or iSnap video technology, which link print and TV media together in an effective and interesting way.

www.bangkokbiznews.com



A leading business news website attracting no less than 8 million views per month. The website presents fast, accurate and timely business news, with analyses from experts in various fields and a variety of sections including business, finance-investment, property, and automotive. The website offers Stock Watch, which monitors stock price movements and Stock Quotes, letting users check as many as four stock prices in a portfolio simultaneously.



i-Newspaper

“Krungthep Turakij” digital newspaper or “i-Newspaper” offers readers access to news and information through new communication channels in response to modern lifestyles. Readers are able to follow the news via mobile phone, tablet, iPad, notebook or desktop PC. The i-Newspaper provides the same content as the print version of Krungthep Turakij but offers additional benefits such as news archives, more photos, interactive stock quotes and video clips. The full version together with breaking news can be downloaded in PDF format with a single click from www.bangkokbiznews.com.

Events

Events, such as seminars and other activities, is another business area that aims to promote the dissemination of knowledge or business experience in various forms. Krungthep Turakij acts as a centre in disseminating knowledge from these seminars, which cover subjects as diverse as macroeconomics, finance, investment, preparation for AEC integration, marketing, energy and environment. These activities also support Krungthep Turakij newspaper in its role as a fully integrated Business Experience Provider.



2. General Thai News Business Unit

Kom Chad Luek Media Company Limited (KMM)

คม ชัด ลึก

Producer and distributor of “Kom Chad Luek” a Thai language daily offering readers a “new choice” with news presented by a highly experienced editorial team and leading columnists in various fields with an aim to provide a “creative difference” in news and pictures as well as to emphasize socially responsible content that is appropriate for all family readers.



On July 4, 2014, Kom Chad Luek newspaper received an honorary award from the National Press Council for its editorial calling for political reform and an end to the violence plaguing the country. The award reflects the newspaper’s strong commitment to social wellbeing.

Throughout the past year, Kom Chad Luek has strengthened the depth and variety of its news content with special in-depth reports in response to the preferences of new-generation readers and to be more competitive in the world of news and social media. The improvements have enabled the newspaper to play a more important role in ensuring access to news and information for people of every community and to serve as a true “friend” to members of the public at all levels.

Producer and distributor of “Nation Weekender,” a weekly news magazine offering incisive, in-depth and different analyses of current affairs that has become widely trusted and respected for its high standard and quality of news presentation among readers. Nation Weekender provides impartial, accurate and in-depth news in an innovative and creative presentation with well-known columnists to answer the needs of readers in every target group.



3. English News Business Unit

Nation News Network Company Limited (NNN)



Nation News Network Co., Ltd. (NNN) is the publisher of the English-language daily newspaper *The Nation*. The past year's activities have served to deepen the coverage of Asean, especially Myanmar where there is strong readership interest.

Apart from two daily pages devoted exclusive to news and features from Asean and engaging Asian countries including Japan, China, South Korea, India, etc., *The Nation* has launched a weekly tabloid section on Myanmar called Myanmar in Focus every Monday to serve growing interest in this neighboring country.



The Monday Myanmar section comes as an addition to special weekly supplements on *China* (every Friday) - *China Daily Asia Weekly* and a once every two-month supplement on Russia known as "*Russia Beyond the Headlines*".



The Nation has also made advances into digital technology with the launch of a set of e-Papers in collaboration with members of Asia News Network including Malaysia's *The Star*, Indonesia's *Jakarta Post*, *Philippine Daily Inquirer*, and Myanmar's *Eleven Media*. The service is available on all digital platforms with all digital versions of the five newspapers available for the price of "one subscription" (US\$115) per year.

The paper collaborated with Asia News Network member papers in Indonesia, Malaysia, Sri Lanka, India, Bangladesh, Myanmar and Singapore on a special editorial to commemorate the 10th anniversary of the Asian Tsunami. The issue was published in print, digital and web versions.

NNN has spearheaded cross-regional web advertising among members of Asia News Network in collaboration with technology partner Knorex. The so called "iBanner" rich media advertising covered more than eight Asian countries with initial customers coming from Thailand, Singapore, Hong Kong and Malaysia.

NNN in 2014 conducted communication and journalism workshops in Myanmar and Cambodia to serve the growing need for human resources development at the regional level.

4. Broadcasting Business Unit


4.1. Nation Broadcasting Corporation Public Co., Ltd. (NBC)

is a producer and supplier of television news and knowledge content with various formats and channels aired to reach the company's target customers extensively. In addition, the company has adopted the resources used in the production of TV programs such as news content, news pictures, and news crews to extend the existing business to other related businesses.

Products and services of TV media business

1.) TV station the company operates

The company sets up and manages the full-service TV stations; including program providers, organizing, airtime leasing and broadcasting, and extending ad time. The company's revenue comes from airtime sales, being outsources to produce program and short documentaries and selling airtime. In 2014, the company has administrated the the digital terrestrial television stations fully after having been approved by the NBTC.

| Channel | Concept | Distribution |
|---|---|---|
| 1. Nation TV broadcasted since year 2014  | 24-hour news and knowledge station aiming to provide accurate, independent, up-to-date content with news analysis and in-depth information from experienced reporter team | <ul style="list-style-type: none"> - Set Top Box channel 22 - Satellite TV channel 32 - Local TV cable - Satellite TV Thaicom-6 via C-Band 3880 MHz - Satellite TV Thaicom-5 via KU-Band 12355 MHz - www.nationchannel.com - All network mobile phones - Application on iPad and iPhone |

2.) TV Programs co-produced with free TV stations

The company co-produces news and knowledge programs with free TV channels and receives advertising sale sharing and PR of the company's products and services. In 2014, the company has two TV programs co-produced with free TV on channels as follows:

| Channel | Program | Concept | ON AIR |
|---|-------------------|---|-----------------------------|
|  | Reung Den Yen Nee | Daily news report or talk of town news report | MON-SUN 16.00-17.45 P.M. |



3.) Relating Businesses

In 2014 the company has a policy to take advantage of existing business; data content, qualified personnel, availability of equipments, and company's reputation to expand the business into the related businesses. To provide maximum benefit to the company, popular television content, news or events that are in the interest of society are taken to create a product or activities in different aspects to meet the needs of consumers, increase the income of the company, as well as strengthen the reputation and beneficial image of the company to be known among the audience and potential customers more extensively. The products, services, or activities the Company has operated currently are as follows.

| Product or Service Provided | Format |
|---|---|
| Books and DVD production and distribution | Bring popular TV program recording tape to produce to Books and DVD and sell to general public. The examples produced in 2014 are books and DVC incorporating 52 types of apartments with Ajarn Chiew Chobchoy, style "Akaligo+Hiso+Lowcost" |
| Seminars | Bring popular TV program content, event or talk of town issues to organize to seminars for interested people. The examples of seminars held in 2014 are training news reporter, and training the cost-efficient apartment project, Seminars: Clinic Stop Loss and Take Profit Session #1, #2 Seminars: Adjusted Port and Make Profits in the second half of the year, etc. |
| Travel activities | Organize travel activities for academic learning and commercial business study to allow the audiences travelling with moderator and production team. The example activities in 2014 are Visit Myanmar on Exclusive with Saran Boonprasert. |
| Special Events | Organize entire marketing activities which are social, recreation, and academic activities servicing from creating, operating, producing and broadcasting advertising. The examples in 2014 are Nation TV5 Screen Caravan for publication reaching the up-country audience. "Digital Library", conducting voicing books donated to the Foundation for the Blind in Thailand under the Royal Patronage of H.M the Queen "The Safe Driving with Honda", providing the driving safety training. "The Royal The Rice" project inviting the audience and operators to help farmers by purchasing the organic rice granted to the poor through charitable organizations, police, military, border patrol, as well as the rural national park personnel. World Film Festival 2014, KhonNation News alleviates a coldness of Nan, Variety Talkshow: Good-Humored Kanok: Agreed Understanding, and NationBike. |

Radio Business

The Nation Broadcasting PCL, together with alliances has operated the production to be broadcasted on radio stations for over 24 years. In 2014, the company co-produced news and content programs broadcasted on two FM radio stations and one AM radio station as the following details

| Radio Station | Broadcasting Time & Covered Area | Concept |
|---|---|--|
| F.M. 90.5 MHz Defense Engery Department Radio Station under the name "News Dimension 90.5" | Mon-Fri 8.00 - 12.00 A.M. 13.00 - 15.00 P.M. 18.30 - 20.00 P.M. Sat 05.00 - 09.00 P.M. 19.30 - 20.00 P.M. Transmission radius Bangkok and its vicinity, Ayudya, Ratchaburi, Petburi, Supanburi, Chachuengsao, Samutsongkram | <ul style="list-style-type: none"> - News updates on political, economics, social, marketing, international issues, including in depth analysis and interview with people in news. - Short news updates on current issues - Short news updates on business issues - Popular sport news from around the world - Narrate news and gossips on current issues - Talk on healt; physical and mental, secret on self-caring; beauty, foods, and current interesting issues - Proceed on programs by the Nation Radio. Affiliated Nation TV Editors and field experts. |
| F.M.102.0 MHz Department of Army Transportation Radio Station under the name "Working Station for Working Adults" | Mon-Sun 05.00 - 23.30 P.M. Bangkok and its vicinity | <ul style="list-style-type: none"> - News and knowledge, variety style, that is useful to the daily life. - proceed on programs by the Nation Radio. Affiliated Nation TV Editors and field experts |
| A.M. 1107 KHz KU Radio Station | Every day/ on the hour/ nationwide | Short news updates on current issues |

Besides radio broadcasting, the company has broadcasted radio stations FM 90.5 MHz and FM 102.0 MHz through new media to increase channels for the target audiences to listen to the company's radio staion in more convenient way, as well as retrospective listening. It includes.

- Internet broadcasting via www.nationradio.co.th, and via other sites that have signal linked, for instances, www.sanook.com
- Radio on mobile, smart phone, window phone, via social networks such as [www.twitter.com/NTRadio_NBC](https://twitter.com/NTRadio_NBC) and www.facebook.com/radio.nbc



New Media Business

The company brings its competitive advantage that is readiness in contents to expand to new products and services broadcasting via new media such as website and mobile devices i.e. mobile phone, smart phone, tablet and smart TV in order to meet with the consumers' changing lifestyle via diverse media, including experimental research and development, presentation in new ways that keeps up with modern advanced technology in the rapidly-changing world, and prepare a readiness to support digital TV to offer the experience of watching television differently to the audiences; that is viewing the programmes from overall channels continuously, and surmount the content to interact with the audience.

Products and services: new media business

1. Website Business

The company develops websites to present its products and services. All of which contain news, knowledge and information updates. The company also gains income from selling advertisement on websites. In 2014, the company's websites include the following.

| Website Name | Format |
|---|--|
| www.nationtv.tv | Website presenting Nation Channel's news program |
| www.oknation.net | Blog for the public to share news and information |
| www.nationradio.co.th | Website presenting co-produced FM 90.5 MHz and FM 102 MHz radio programs |
| http://breakingnews.nationtv.tv | Website presenting Nation TV's short news and the Nation, feeding the news to other NMG and partners' websites |
| www.247friend.net | Website to review academic knowledge for youth preparing for university admissions |

In addition, in 2014, the company is also a distributor of online advertising space to third parties. The gained revenue share of advertising in different proportions according to the agreement made. At present, the websites of trading partners under the supervision of the company are as follows:

- www.pantip.com : The biggest resources website in Thailand
- www.exteen.com : Blog for the public to share news and information

Also serves as advertisement agency for website; www.eduzones.com, and services of digital media production along together with 360 Innovative Company Limited, the AdWays Labs (Thailand) Co.,Ltd.

In addition, sales of new media also introduced the E-commerce systems as part of the sites; Nation TV and OK Nation under the name "Nation Mall", another way to make money online in addition to selling advertisement. Consistent with a survey conducted by the National Electronics and Computer Technology Centre (NECTEC); stating that in 2013 Thai customers made online purchases increased from 47.8% to 57.2%, indicating that the behavior of online shopping tends to increase steadily. The other supporting factors include easy-to-shop system, attractive presentation that meets customer need, product diversity, cheap price, and payment channel that is convenient; i.e. payment via credit card and COD (Cash on Delivery), payment made to deliveryman when receiving goods, all these methods allows consumers to have more confidence than to pay through credit card.

2. News on Mobile Phone Business

The company uses news content from the company's television and radio stations as well as that of business partners to provide the services to meet with consumers' needs and modern lifestyles which accept news through new media increasingly. In 2014, the company provides content through mobile devices, for example mobile phone, smart phone, and tablet as follow.

- SMS (Short Message Service) and MMS (Multimedia Messaging Service), news and up-to-date issues on mobile phones through every network. news on mobile phone's services are delivered in accordance with consumer's needs i.e. business news, English news and general news, and so on, The company gains income from providing the company's contents through SMS and MMS subscription, and gains revenue sharing from SMS and MMS of the partners' services which the company serves as marketing representative.

In 2014, SMS and MMS services of the company and its alliances are as follows.

SMS Service

| Service | Format | Rate Charged |
|------------------------------|--|-----------------|
| Nation Update | Important news and news issues occurred timely from the Nation Channel | 49 Baht / Month |
| The Nation News | English news from The Nation | 49 Baht / Month |
| ThaiVisa | English news from ThaiVisa and The Nation Newspapers | 49 Baht / Month |
| Bangkok Business Urgent News | News and update news on economics and finance from Bangkok Business Newspapers | 49 Baht / Month |
| Kom Chad Luek Urgent News | Important news and news issues occurred timely from the Kom Chad Luek Newspapers | 29 Baht / Month |
| Kom Chad Luek 7Baht | Important news and news issues occurred timely from the Kom Chad Luek Newspapers | 7 Baht / Week |
| Kom Chad Luek Small Edition | Important news and news issues occurred timely from the Kom Chad Luek Newspapers | 4 Baht / Week |
| Nation Oil Alert | Update on oil price; rising-falling immediately when changes occur. | 1 Baht / SMS |
| Enjoy English with NJ | Knowledge on English language | 29 Baht / Month |
| Horo Daily | "Daily horoscopes with fortuneteller Tok Taek A4" from Kom Chad Luek Newspapers | 3 Baht / SMS |

บริการ MMS

| Service | Format | Rate Charged |
|-----------------------------|--|-----------------|
| SMS + MMS By Suthichai Yoon | Analysis of crucial news by Suthichai Yoon | 59 Baht / Month |
| Myanmar Tadin | News and update on Myanmar labors in Thailand and other interesting news from Eleven Media | 3 Baht / MMS |

- Application service for viewing information through various mobile devices, for examples, mobile phone, smart phone, and tablet. In addition, watching TV programmes from the Nation TV news station is provided to the customers with free of charge. This is intended to add the broadcasting channels to reach the wider range of the audience.

In 2014, the company has renovated the applications in more consistency with the behavior of the mobile phone users; that is, mobile phone can be used while watching TV or second to make comment with peers or moderator through social media, as well as searching additional information about programmes. In order to facilitate the users, the company has developed the application that can be immediately interacted with the audience from the station, for examples, sharing of information through social media, comments with the programme by using # (Hash Tag), including notification of on-aired programmes. The development of such application allows the content of the comments to be presented through the programmes in the new format, or known as the “Social TV”, which will make the presentations more interesting and different from other stations.

4.2 NOW 26 Digital TV Channel

Nature of Business

ดิจิทัลทีวี
NOW/26
ชีวิตดีได้ไม่ต้องรอ

1. NOW 26 Digital TV Channel

NOW 26 is one of two digital TV channels under the Nation Group, which won the bidding in a digital TV auction on December 27, 2013. The Channel is an extended business of Krungthep Turakij newspaper and has been developed from the Krungthep Turakij satellite TV channel.

NOW 26 has differentiated itself from other SD variety channels, with its concept featuring economic, business and investment content, which are its existing strong points, combined with additional variety programs, such as international series, lifestyle varieties, trends and technologies, and inspirational success programs, which have been created to better satisfy the lifestyles of urban mass audiences.



NOW 26's outstanding content can be attributed to its experienced and professional team from The Nation, Krungthep Turakij and Kom Chad Luek newspapers. Apart from quality news content, the Channel has partnered with alliances to produce several programs and offers a number of purchased locally and internationally-produced programs so that its viewers will receive the best in terms of information and entertainment.

NOW 26's programs are categorized into four groups:

1. **News NOW**, presenting economic, finance and social news by the experienced editorial news team from Krungthep Turakij, Thailand's number one business daily, through the morning, midday and evening news programs. Programs in the news-talk style, such as **Money Go Round**, hosted by well-known finance guru Veera Theerapat, are also featured.

2. **Money Wise**, focusing on wealth management and quality investment through programs such as **Ku Hoo Nak Long Thun**, a program of weekly stock investment analyses co-produced by NOW 26 and Kasikorn Asset Management Co., Ltd., and hosted by Kavee Chukijkasem and Padeomphob Songkroh; **Mao Peek Lek**, presenting the experiences and trends of retail investors, from their failures to success; and **Ringside**, a talk show covering all aspects of stock investment to help investors make smarter investment decisions.
3. **Hang Out**, presenting lifestyle, music, travel, cultural and environment programs, such as **Reung Lao Kham Lok**, a new-style travel program featuring magical wildlife from around the world, presented by Pongpol Adireksarn; **Full Frame**, a program where viewers will be impressed with natural beauty through the lens of renowned documentary photographers Baramee Temboonkiat and Jack Na Ayutthaya; internationally famous series such as **Homeland**, which has won a number of Golden Globe awards and **24 Hours**, as well as **Master Chef**, a popular reality cooking competition in search of the world's best upcoming chefs.
4. **Inspiration**, presenting business experiences and inspiration through variety programs such as **NOW Talks**, relating the younger generation's experiences in their business start-ups; **The Coach**, where viewers receive advice on how to manage their own lives and improve their potential to achieve success; **Marketing Click**, offering viewers all aspects of online marketing to gain high returns, and **Wealthy D.I.Y.**, guiding viewers on how to make their own personal finance plans.

Target Groups of Television Media Business

NOW 26 has two target groups as follows:

1. Target customers which are categorized into two groups:

- Advertising agencies, which are companies providing services of advertising plans and arrangement of advertising time to their customers who are owners of products or services. This customer group will buy advertising time in various package forms for different programs and times. The deals will be made in advance, with advertising periods ranging from one month, three months, six months to one year.
- Product owners, which are companies with the capacity to create their own advertising and public relations plans. This customer group will contact the company directly to buy advertising time.

2. Target audience

NOW 26's target audience includes urban residents, business persons, investors, and new-generation entrepreneurs, which are together referred to as "Urban Mass," categorized as follows:

- Residents of Bangkok and urban areas in other provinces, with a monthly income of around 20,000 baht
- SME group
- Viewers nationwide that frequently shop at hyper markets such as Tesco Lotus and Big C

2. Related Businesses

Thanks to its strength in content and capable personnel, the company has expanded to a number of related businesses by leveraging its program content and hot social issues to create various activities. Aside from better answering customer demand and boosting revenue for the company, these businesses also help bolster the company's reputation and image,

enabling it to reach a wider audience group and target customers. At present, the company's related businesses cover:

2.1 **Seminars** - organized with the cooperation of the company's partners to expand the coverage of hot issues and interesting news topics. The seminars serve as a forum where all sectors of society can join forces to brainstorm solutions to economic and social problems. In 2014, the company held a number of seminars, for example, the "Citizen Reform Forum," which travelled to 10 provinces, "Digital Economy VS Land Link Strategy" and "Thailand Economic Outlook 2015."

2.2 **Special activities** - social, recreational, academic and entertainment activities were organized throughout the year 2014, for example, the 11th Kom Chad Luek Awards, Tan Khun Paen Din 2014, Bike around Siam, NOW... Halloween Bike Night Trip, Bike for KING and the Samui Marathon.

In 2015, NOW 26 plans to focus on the tourism sector in order to meet the demand of viewers who enjoy travelling.



Market and Competition

1. Industrial conditions and competition

The year 2014 marked a transformation of the Thai television sector from analogue-based to the digital TV system. At the end of the year, digital TV broadcasting covered 24 provinces, with 17.6 million households viewing digital TV, accounting for 80 percent of the total number of 22.9 million households in Thailand. In 2015, another 15 more provinces are expected to receive digital TV signals, which will expand digital TV broadcasting to cover 90-95 percent of households, as follows:

- On February 1, 2015, digital TV will be broadcast to five more provinces including Kanchanaburi, Chumphon, Trat, Mukdahan and Tak.
- On April 1, 2015, digital TV will be broadcast to five more provinces including Mae Hong Son, Ranong, Loei, Chaiyaphum and Phrae.
- On June 1, 2015, digital TV will be broadcast to five more provinces including Satun, Uttaradit, Buengkan, Si Sa Ket and Yala.

The remaining provinces are expected to receive access to digital TV within 2015.

The presence of 24 commercial digital TV channels has intensified competition in the TV business in terms of winning audience bases, production, personnel and advertising revenues.



According to AGB Nielsen Media Research, advertising budgets spent through the media from January to November 2014 showed that advertising through all TV platforms amounted to 74,377 million baht in total, rising by 16.7 per cent from the previous year. The advertising budget for analogue TV or free TV (channels 3, 5, 7, 9) was worth 58,755 million baht in total, falling by 7.8 per cent from the previous year, while digital TV and cable and satellite TV recorded total advertising budgets of 10,078 million baht and 5,543 million baht, respectively.

In 2015, the digital TV market trend will be categorized into three groups: the first is top-rating channels with clear audience bases; the second is channels with growth potential and the third is segmented channels with specific audience groups. The top-rating channels may decide to raise their advertising rates if they can identify exact audience numbers. The traditional free TV channels such as channel 3 and channel 7, which have been the business leaders and concurrently broadcast via both analogue and digital TV systems, are likely to remain the first choice for advertising spending if they can successfully maintain their audience bases or win even larger viewer numbers. However, if the free TV channels see their audience numbers erode, it is possible that advertising budgets could shift to the new digital TV channels, which have good ratings and offer lower advertising rates than the free TV channels.

2. Business operation strategies

Since its official broadcasts commenced, NOW 26 has received an active response from its target audiences, most of whom were fans of the former Krungthep Turakij TV. The Channel has attracted an expanding number of viewers with its wider variety of programs. It has formulated several business strategies to strengthen the Channel, as follows:

- **Improve formats and content continuously**

In 2015, NOW 26 will add both local and international variety and entertainment programs. The new programs include “Paris-Dakar,” a rally which currently traverses deserts in South America and Top Gear, featuring automobile tests, which is one of the world’s most popular TV programs. The Channel is Thailand’s sole authorized licensee to broadcast Top Gear Season 14 - 21.

NOW 26 has also received licensing authorization to broadcast Master Chef. Viewers can enjoy this famous competitive cooking reality show from the Master Chef US Season 6, Master Chef Korea and Master Chef China, only on NOW 26.

In addition, NOW 26 plans to broadcast Junior Bake Off Thailand, produced under license of Junior Bake Off, a popular British TV baking competition series, as well as “**Amateur Thai Boxing**,” a reality show displaying the national identity of Thai Boxing, with world boxing champions such as Samart Payakarun, Khaosai Galaxy, Somrak Khamsing and Charoenthong Kiatbanchong acting as co-presenters.

- **Uniquely creative variety programs**

NOW 26 has differentiated itself from other variety TV channels by focusing on a combination of knowledgeable and entertainment contents which are both contemporary and creative in order to satisfy the lifestyles of the new generation. All programs are presented under the “Biz-Life Variety” concept, with entertaining and educational content. NOW 26 will serve as a TV channel for the new generation.

- **Connecting the new generation**

Aside from being a television station, NOW 26 acts as a centre to foster greater connectivity among different groups of the new generation, with its new studio covering an area of over 1,000 square meters at the heart of Siam Square, scheduled to open in February 2015.



Build under the “Creative Community” concept, the venue will serve as a main studio for NOW 26 and a place where people in the creative industries and members of the young generation interested in creative work can socialize and share their ideas through various activities organized by the Channel. The activities, including exhibitions, performances, mini concerts, short films, seminars, events and fairs, will enable the Channel to forge closer relations with and effectively connect to the new generation.

- **Strengthening content through collaboration with business partners**

NOW 26 has received strong support from its partners, including business organizations, production houses and advertising agencies. Major partners producing programs for the Channel include Index Creative Village Plc., producer of Face to Face; Content Lab Co., Ltd. under the JSL Group, producer of Junior Bake Off Thailand; Lineage S Co., Ltd., producer of On Top and Arius Television Co., Ltd., producer of Reung Lao Kham Lok and Full Frame. Other highlight programs created by young-generation producers include Family Mee Hang and Hangout.

Apart from winning support from business partners and sponsors in the form of advertising spots and tie-ins, NOW 26 has teamed up with its partners to produce branded content programs, while offering integrated media services so that the programs will effectively reach its partners’ target groups.

NOW 26’s co-production programs include Junior Bake Off Thailand, sponsored by Mitr Phol Sugar Group; CEO Upclose, sponsored by Toyota Motor Thailand, presenting visions and strategies of the company’s CEO, who has supervised the business in Thailand and many other countries; Face to Face, showing Toyota’s recruitment process for its engineering positions; Carnival of Happiness, where happiness will be delivered to the Thai people across the country through various activities; NOW Talks, co-produced by AIS, presenting the young generation’s business start-ups and short documentaries providing knowledge about energy, co-produced by PTT Production and Exploration Plc.

- **Expanding platforms to go beyond Home TV**

Today’s advanced technology has brought about several new TV platforms in addition to the conventional Home TV. In order to reach greater numbers of viewers, NOW 26 has continuously expanded its platforms by joining forces with many new business partners to broadcast its programs.

At present, viewers can watch NOW 26 via Smart TV, using a set top box with antenna, a satellite dish or cable TV of all systems, or through a smart phone, tablet or notebook. They can also follow short English news items “NOW News Update,” on BTS trains and platforms of all stations throughout the day.

5. Business Network Publishing

1. Pocket books

Operating a business through the company itself under the publisher's name "Nation Book", engaging of producing and distributing the pocket books which have been entrusted with licensed by the famous authors and publishers domestically and internationally as a publisher and distributor of quality works, covering a variety of content, including management, fiction, language and learning, religion, psychology and philosophy, and general that covers the needs of all readers.

Website: www.nationbook.com

2. Cartoon & publications for youth



Nation Egmont Edutainment Co., Ltd. (Currently renamed to "Nation Global Edutainment Co., Ltd.") operates publishing house; producing, importing and distributing youth publications for educational and entertainment skills for prospective customers, primarily at the young age of 18 years and under, most have been licensed from Europe, America and Australia, for examples, Walt Disney, Warner Bros., etc. and undertaking of selling books for the Nations Edutainment Co., Ltd. (NED).

Books and media produced by the Nation Egmont that have been popular including fables, skills-boosting activities, Disney character, Disney Storybook Collection (Hardcover) "Princess Bedtime Stories" etc.

Website: www.nine.co.th, www.facebook.com/NationKids

Nation Edutainment Co., Ltd. operates publishing houses; producing, publishing and distributing publications for youth for educational and entertainment purpose. For prospective customers, primarily targeting the young age of 18 years and under, focusing on the popular cartoon books that has been licensed from leading publishers, both domestic and overseas markets in Asia, including Japan, Korea, as well as comic knowledge and youth literatures from various companies such as Shueisha Inc., Shogakukan Kodansha and Futabasha, etc..



Comic books and juvenile literature produced by the Nation Edutainment Publishing have been highly popular among readers:- Naruto, Death Note –Bleach, Bakuman, and Blue Exorcist. Cartoon Thai:- the 13th Knife, Demonic Corey and so on.

Website: www.nine.co.th, www.facebook.com/nedcomics

Broadcasting Business



Nation Kids Co., Ltd. has engaged in producing TV programmes for youth and families, and transmitted through digital broadcasting system. They are currently broadcasted on 3 channels; including kids (MCOT Family), news (Nation TV 22) and variety (NOW 26), totaled of 7 programmes , which are presented in accompanying with edutainment and the promotional activities simultaneously.

Digital Business

The company has engaged in producing and distributing various styles of electronic publications consistently with reading tastes and individual lifestyle, including administration, management, religion, psychology, philosophy, language, fiction, literature, fables, cartoons and other more. This is to provide those reading-lovers with a convenience to purchase quickly without wasting time on the trip, website by nstore.net, Application NSTORE on iOS, social media, LINE account, E-mail, Telephone

Agent for international publications Business

The Group's main business is a distributor of leading international publications, including online databases and related services through the company's own agency. The publications distributed by the company consist of a total of 185 items; newspapers and magazines in foreign languages. Such business includes membership sales representative and advertising sales agent for the newspapers, the Yomiuri Shimbun, edition published in Thailand, undertaking of printing such as newspapers, the Wall Street Journal Asia and the Yomiuri Shimbun, as well as delivery service many newspapers and magazines. Such service is characterized of One Stop service for the convenience of the owner of the publication in coordinating and solving problems that may arise.

Character Management Business

The company operates the character management business for famous and popular overseas cartoons, execute the licensed cartoons for those manufactures who are interested to buy the copyright and making products for sales in Thailand, including owner of the products and retail stores interested in purchasing the copyrights for promotional activities, as well as marketing to promote cartoon characters under company's supervision to be known and widely recognized in Thailand increasingly.

Education

English learning (NJ)

“Nation Junior” (NJ) is a monthly English magazine that satisfies all the needs of adolescents for over than 20 years. It becomes like a trusted lover among teenagers as it makes English easier in their everyday life. With a compact size worth assimilating knowledge and entertainment of quality columns up to 2 covers in the same book; cover page contains 80% content in English covering IQ EQ education and lifestyle while back cover contains 20% content in Thai covering intensive review and exam preparation in seven core subjects; including English, Thai, Social Studies, Math, Fundamental Sciences, Chemistry, Biology and Physics (alternating among each book).

Website: www.njspellingbee.net

Tutorial

Nine Be Bright Co., Ltd. has engaged in tutoring activities for both elementary and secondary education with the aim to promote the education and increase the capacity of the students, as well as engaged in training business for personnel from public and private sector and general public to improve their performance in various setting. We provide a network of more than seven highly qualified and experienced instructors holding the Master and Doctoral Degree from abroad, who have specialized in different disciplines; English, Mathematics, Physics, Chemistry and Biology. So, they are capable of administrating the course so effectively; and teaching is provided in both Thai and English.

Website: www.bebrightacademy.com

6. Printing Business Unit

WPS (Thailand) Company Limited (WPS)



A subsidiary of Nation Multimedia Group Plc., WPS (Thailand) Company Limited (WPS) primarily offers printing services for Nation Group such as Kom Chad Luek Media Co., Ltd., Krungthep Media Co., Ltd., and Nation News Network Co., Ltd. Its publications include Kom Chad Luek, Krungthep Turakij and The Nation newspapers, biweekly and weekly magazines such as NJ Magazine and Nation Weekender, as well as the local editions of renowned international newspapers such as The Wall Street Journal Asia and Yomiuri Shimbun to serve Nation International Edutainment Plc (NINE), which is licensed to manage the printing, distribution and logistics operations of these newspapers. In addition, the company prints the China Daily newspaper and Russia Beyond the Headlines for insertion in The Nation.

WPS (Thailand) Company Limited also provides printing services for other types of publication, such as magazines, journals, flyers, brochures and pocket books. Affiliate customers include Nation International Edutainment Plc (NINE), Krungthep Media Co., Ltd. and Nation Broadcasting Corporation Plc (NBC) while external customers include Thai Airways, Giffarine, TV Direct and many more. The company utilizes modern fully integrated printing machinery, receiving numerous awards for quality over the years.



7 Logistics Business Unit

NML Co., Ltd.



NML Co., Ltd. is a member of the Nation Group providing a range of logistics services including product delivery (distribution), delivery of direct marketing materials to consumers (leaflet & direct mail), customs handling procedures (import/export), direct delivery of products to consumers (B2C) and delivery of products to business centres and retailers in both traditional and modern trade formats (B2B).

NML operates a nationwide fleet of more than 120 vehicles/day, a team of more than 300 motorcycles, a dedicated communications system, a 2,000-sq.-m. distribution centre located in the metropolitan area, as well as distribution centres of more than 500 sq. m. in three major provincial cities and 14 loading stations of around 100 sq. m. each covering all regions of the country.

NML's Services

1. Express Delivery Services (Next day & 1-3 days)

NML currently provides express delivery services for B2B customers (from manufacturers/product distributors/product owners to retail outlets/distributors in both traditional and modern trade formats) for business districts of all regions of the country.

- Bangkok and surrounding areas 60 districts
 - Central region 143 out of 197 districts
 - Northern region 88 out of 177 districts
 - Northeastern region 127 out of 333 districts
 - Southern region 87 out of 159 districts
- In total, NML serves 505 out of 926 districts nationwide.

NML also accepts products from various regions of the country for delivery to Bangkok, including:

- OTOP and CO-OP products
- Delivery and storage of returned products from customers in provincial areas to Bangkok.



In 2015, NML has been chosen for the transport and distribution of medicines and pharmaceutical products of the Government Pharmaceutical Organization from Bangkok or GPO storage facilities to customers in the Central and Northern regions. Providing services to government organizations represents a new business area for the company.

2. Home Delivery

In 2014, was able to provide B2C delivery services - from manufacturer/product distributor/product owner directly to the consumer for all districts of Bangkok and surrounding areas as well as important provincial districts such as Mae Rim, Hang Dong, Sarapee, San Sai and Sankhampaeng of Chiang Mai; Muang district of Khon Kaen; Banglamung and Sriracha of Chonburi; Hua Hin of Prachuab Khiri Khan; Koh Chang of Trat; Muang district of Phuket; and Muang district and Hat Yai of Songkhla.

In 2015, NML aims to consolidate its network and expand its service coverage to include more provincial capitals and major towns.

3. Distribution

For more than 20 years, NML has provided delivery services for Nation Group print products directly to customers and sales agents. During that time, NML has been able to develop all aspects of its communications systems to keep abreast of developments and progress within the industry, for example in the receipt of deliveries, control over the volume



of deliveries, as well as receiving and expediting orders in order to facilitate deliveries and especially the system of expediting orders. This system is capable of handling more than 10,000 order lists daily with more than 890,000 print copies daily.

In addition, in 2015, NML aims to provide delivery services for SMEs or eCommerce providers which do not have their own warehousing facilities, inventory management or human resources. NML has the necessary experience and elements in place to immediately accommodate the needs of this customer group.

In 2015, NML will implement up-to-date information systems in order to improve all of its delivery and distribution services. The upgraded services will employ Electronic Proof of Delivery, which enables customers to track the status of their orders at any stage and allows the company to produce reports efficiently, significantly boosting customer confidence in the service. Development of the system got underway in January 2015. In addition, the company has upgraded its other processes in order to provide storage services and distribution of products to retail outlets/distributors in both traditional and modern trade formats for business districts of all regions of the country.

4. Leaflet & Direct Mail

NML has been entrusted by customers in Bangkok and its surrounding areas for more than 10 years in the direct delivery of their printed products to consumers.

As a member of Nation Group, NML has a large customer base of newspaper and magazine subscribers. With more than 40 years' experience in this business segment, NML has developed a strong team covering Bangkok and surrounding areas. The company has also undertaken surveys continuously, building up a strong database of information and invested in GIS mapping software to ensure accuracy of information, in order to precisely answer the needs of customers and to define customer segments such as housing estates, condominiums, areas with high or moderate purchasing power, or to pinpoint key areas for the direct mailing of advertising leaflets.

Import/Export

With experience of more than 30 years, NML has developed capabilities in the import and export of foreign publications, developing a strong team of human resources familiar in using the electronic (paperless) system of customs registration and other procedures including import/export documentation, excise tax, value added tax and invoices for air freight goods.

In 2014, NML began offering fully comprehensive Import/Export services as an addition for existing customers who already use the company's delivery and distribution services as well as for interested new customers. The new services have been well received by customers from the wood-processing industry, furniture industry, refrigerated seafood importers, finished footwear suppliers, as well as print media producers, among others.

In 2015, NML plans to develop cross-border services for neighboring countries in response to regional integration under the AEC. The company has entered into business partnerships in the neighboring countries with both private- and public-sector organizations in order to facilitate greater convenience in various procedures and processes, to ensure convenient, rapid and efficient cross-border services for customers.

In addition, NML is planning to offer a nationwide Parcel Service Counter in collaboration with its Nation Group partners and local and international parcel service providers, in order to provide a broader service offering for customers.

8. Education Business Unit



Nation U Co., Ltd.



A subsidiary of Nation Multimedia Group Public Company Limited, Nation U Co., Ltd. has operated “Nation University” since November 2011.

Yonok College, currently known as Nation University (NTU), received approval from the Ministry of University Affairs to provide educational services in 1988. Operated by the Yonok Foundation, approval for Yonok College to upgrade and be renamed “Yonok University” was given by the Office of the Higher Education Commission (OHEC) on August 23, 2006, and subsequently “Nation University” on November 30, 2011, with recommendations by OHEC under the Ministry of Education. NTU currently offers bachelor’s degree and master’s degree programs.

NTU is a private higher education institute located in Lampang province. The University is committed to producing quality graduates to serve society by emphasizing a learning approach in which students are encouraged to think and learn enthusiastically and who will combine academic knowledge and practical applications, based on moral principles with public awareness. Here, students receive first-hand experience and pick up knowledge and skills from various well-designed activities, which can be applied in their actual working lives.



Featuring natural landscapes and a learning-conducive atmosphere, NTU underscores the “University in the Park” concept, in conjunction with promotion of close relations between the Faculty team and students. The University offers facilities such as libraries, male and female student dorms, computer room, communications technology room (where students receive training on broadcasting) and an international languages center. The Lampang Campus is located at 444 Vajiravudh Damneon Road, Phrabat Sub-District, Muang District, Lampang Province. The Nation Bangna Campus is situated at 1854, Bangna-Trad Road (Km 4.5), Bangna, Bangkok.

NTU is well-prepared for the arrival of the Asean Economic Community (AEC), with its outcome-based learning approach. The University has won strong support from both Nation Multimedia Group’s leading business alliances and other companies, so it is equipped with qualified lecturers and personnel who have the necessary expertise in business management, social sciences, information technology, public health and new media management.



NTU has continuously developed its curriculum by conducting research and surveys to pinpoint the real needs of both learners and employers. These results are used to improve and develop proactive curriculum, which are highly-efficient, flexible and adjustable to each constantly evolving educational field, in order to allow students to compete efficiently in both domestic and international markets. The University has a firm commitment to produce graduates with academic excellence, professionalism and public consciousness, and has striven to become an internationally-recognized university. To achieve these missions and differentiate itself from other institutions the University focuses on three main skill sets: professional skill, communication skill and English skill, which are in conformity with its identities of “Learning from Professionals” and “Graduates with Public Minds,” and also in line with the OHEC’s qualification standards for higher education.

NTU has been highly praised by the parents of students for its learning approach which emphasizes real workplace practice with fully-equipped media facilities. At NTU, students receive on-the-job training from the first year of study and are encouraged to integrate theoretical knowledge with practice to deliver highly-efficient working performances.

Skills Development Activities

Nation University places emphasis on the integration of learning, teaching and activities to support the application of acquired knowledge in developing the students, the university and society as a whole in various aspects.

- Selection of student clubs to play a role in the development of student activities and sustainable improvement in the quality of life of students on campus.
- The establishment of student clubs within the university to create opportunities for students to get involved in activities in line with their talents and interests, and to enhance their academic and professional knowledge and personal characteristics through social interaction.
- Student leadership training to prevent the distribution of alcohol and consumption of alcoholic beverages on campus in line with the university’s alcohol-free campus policy.
- English Camp, to improve English language skills for new students
- English Speaking Day, to improve English language skills for students and university personnel
- “Dhamma in the student age” project, to promote the development of knowledge together with moral and ethical principles, for application in academic and daily life.
- Annual activities – sports day, honouring teachers, etc.
- “Hood-wearing” and “bamboo-splitting” savings traditions at the graduation ceremony.



All graduates of Nation University are expected to show well-rounded development academically, professionally, and morally, with a high degree of responsibility towards society and the environment. This includes use of a responsible code of practice to apply in their careers, and towards society and the nation as a whole in their future lives.

Besides, the University has created educational openings for students with the necessary qualifications through educational scholarships in various categories and according to grades, as follows:

- GPA of 3.00-3.24 receive a 20% reduction in tuition fees
- GPA of 3.25-3.49 receive a 50% reduction in tuition fees
- GPA of 3.50-4.00 receive a 100% reduction in tuition fees

* Students that have received educational scholarships covering 100 percent of their course are able to apply for Master's degree scholarships at Nation University, in accordance with the university's conditions.

Scholarships for students with good grades: (Scholarship program of the Secondary Education Office - Office of the Higher Education Commission receive a 20% reduction for the full course of study).

Students receiving scholarships must have demonstrated good moral conduct, have undertaken activities on behalf of their schools and must have been accredited by their schools with a portfolio of supporting materials.

Personnel Scholarship

The recipient must be a person or a child within the organization and have an MOU and a document confirming personnel status to study at university. Recipients receive a 20 percent reduction for the entire duration of the course.

Scholarships for graduates

Receive 20 percent of course fees for the duration of the course for a second bachelor's degree course or a master's degree course.

Nation Multimedia Group 45th Anniversary Scholarships, 2015

Scholarship category 1: Scholarships for Matayom 6th-year students (or equivalent) who achieve GPA of 3.50 or above and demonstrate aptitude in languages, music, art and culture who intend to further their studies at the university level in a subject at Nation University for course fees for the four-year duration of the course. Ten scholarships are awarded worth Bt240,000 each, as follows:

| | |
|--|-----|
| Scholarships for proficiency in languages | - 2 |
| Scholarships for proficiency in music | - 2 |
| Scholarships for proficiency in art | - 2 |
| Scholarships for proficiency in culture | - 2 |
| Scholarships for students of the southern-most provinces | - 2 |

Scholarship category 2: The university will provide a total of 500 scholarships covering 50 percent of costs for the full course of study for M6 students or equivalent for study at Nation University in the following faculties:

| | |
|--|-----------------|
| Faculty of Business Administration - Accountancy (B.Acc.): | 50 scholarships |
| Business Management (B.B.A.): | 50 scholarships |

| | |
|---|------------------|
| Faculty of Health Science - Health Science (B.P.H.): | 150 scholarships |
| Faculty of Communication Arts - Communication Arts (B.Com.Arts): | 150 scholarships |
| Faculty of Social Sciences and Humanities - Public Administration (B.P.A.): | 50 scholarships |
| Faculty of Information Technology - Computer Science (B.B.A.): | 50 scholarships |

Currently, Nation University offers both undergraduate and graduate courses from its campuses at Lampang and Bangna. In the 2014 academic year, students studying undergraduate and graduate levels at both Lampang and Bangna campuses totalled 1,231 students.

Nation University currently offers the following courses:

Nation University - Lampang Campus

Bachelor's Level

Faculty of Communication Arts

- *Communication Arts (Communication Arts)*

Faculty of Business Administration Available

in two subjects:

- *Business Management (Marketing)*
- *Accountancy (Accountancy)*

Faculty of Health Science

- *Health Science (Health Science)*

Faculty of Information Technology

- *Computer Science (Computer Science)*

Faculty of Social Sciences and Humanities

(Weekend classes)

- *Public Administration (Public Administration)*



Master's Level

Faculty of Business Administration

- *Business Administration*

Faculty of Social Science and Humanities

- *Education (Education Management)*
- *Public Administration (Local Administration)*

Nation University - Nation Bangna Campus



Bachelor's Level

Faculty of Business Administration

- *Business Administration*

Faculty of Communication Arts

- *Communication Arts*

Master's Level

Faculty of Business

Administration (MBA)

- *Business Administration*

Industry and Competition Overview

Overall Economy

Overall, the Thai economy in 2014 expanded at a rate of only 1 percent, compared to 2.9 percent in 2013, because of persistent political turmoil from the end of 2013 to early 2014. This resulted in a sluggish economy, prompting consumers to be cautious on spending and investors to delay their investment plans and wait for a clearer economic direction.

Following the change in the country's administration, the political situation became clearer, which boosted confidence among investors and consumers. Gen. Prayut Chan-o-cha, Prime Minister and Head of the National Council for Peace and Order (NCPO), together with his cabinet, has implemented economic stimulus packages. These include expediting payments to farmers under the rice-pledging scheme, extending VAT reduction measures by another year, pushing forward with the 2014 budget reimbursement and expediting budgeting for the year 2015. The Prayut government has also laid down a 'Road Map' in order to solve national problems, explained the situation to the international community and set up a number of committees to drive the economy so as to increase investor confidence, both locally and internationally. The Thai economy subsequently began to recover gradually in the second half of 2014.

The overall advertising industry in 2014 recorded a growth rate of just 1.2 percent from the year 2013 (source: Nielsen), as a result of the economic and political impacts. These impacts caused entrepreneurs to slow down their advertising spending while waiting for signs of economic recovery and the injection of government funds.

Comparative advertising budget of all media 2014-2013

ยอดใช้จ่ายโฆษณาในทุกสื่อ เปรียบเทียบปี 2557-2556 (ล้านบาท)

| MEDIA | 2014 | SOV % | 2013 | SOV % | DIFF | % Change |
|--------------|----------------|--------------|----------------|--------------|------------------|----------------|
| TV * | 63,776 | 62.31 | 69,249 | 61.23 | -(5,473) | -(7.90) |
| RADIO | 5,625 | 5.50 | 6,320 | 5.59 | -(695) | -(11.00) |
| NEWSPAPERS | 13,166 | 12.86 | 15,256 | 13.49 | -(2,090) | -(13.70) |
| MAGAZINES | 4,721 | 4.61 | 5,674 | 5.02 | -(953) | -(16.80) |
| CINEMA | 4,351 | 4.25 | 5,368 | 4.75 | -(1,018) | -(18.96) |
| OUTDOOR | 3,990 | 3.90 | 4,167 | 3.68 | -(177) | -(4.25) |
| TRANSIT | 3,806 | 3.72 | 3,530 | 3.12 | 276 | 7.82 |
| IN STORE | 1,963 | 1.922 | 2,655 | 2.35 | -(692) | -(26.06) |
| INTERNET * | 950 | 0.93 | 877 | 0.78 | 73 | 8.32 |
| TOTAL | 102,346 | 100.0 | 113,097 | 100.0 | -(10,751) | -(9.51) |

ภาพรวมอุตสาหกรรม ไม่รวมเซกชันโฆษณาอยุ่และแฮนด์เอคส์

* ปีนี้จาก 30 เว็บไซต์-หน้าแรกและหน้าใน
* ไม่รวมเคเบิลทีวี, ทีวีดาวเทียม, ทีวีดิจิทัล

nielsen

Overview of the industry

excluding classified and house ads sections

- From 30 websites, first and inner pages
- Exclude cable TV, satellite TV and digital TV

The television business has remained the largest sector in terms of advertising spending, followed by digital media, which is expected to see continued growth.

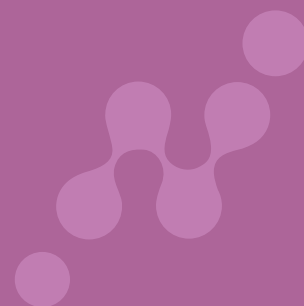
The Office of Industrial Economics predicted that in 2015 Thailand would see an economic growth rate of 3.5-4.5 percent depending on factors such as global economic recovery, productive economic stimulus measures, reinforcement from rises in government spending, especially from mega infrastructure and transport projects, as well as several state enterprise investment projects.

Thailand is likely to see a surge in foreign demand, with expected growing numbers of tourists due to the more stable political situation and falling global oil price. Domestic consumption and investment in the private sector are expected to increase as households are likely to see expenses fall and the private sector will tend to benefit from lower production and transportation costs.

Nature of Business

The company's business consists of eight lines, as follows:

1. **Thai-language business news publications:** Managed by Krungthep Turakij Media Co., Ltd., producer and distributor of "Krungthep Turakij" business daily. Target customers include business people, young-generation executives, academics, government officials, marketing executives, university students and moderately educated to well-educated readers.
2. **Thai-language general news publications:** Managed by Kom Chad Luek Media Co., Ltd., producer and distributor of "Kom Chad Luek" mass-circulation daily, and "The Nation Weekender" weekly news analysis magazine. Target customers are general news readers.
3. **English-language news publications, seminars and communications training:** Managed by Nation News Network Co., Ltd., producer and distributor of "The Nation" daily newspaper and "Nation Junior" magazine. Target customers include Thais who follow the political and economic scene, young-generation readers and foreign residents in Thailand. In addition, Nation Multimedia Group Public Company Limited has entered into partnership with Eleven Media Group of Myanmar to establish a joint venture company "Eleven-Nation Media Co., Ltd." in Yangon, Myanmar. The company holds a 49 percent share to operate media and other related businesses. It aims to expand its business in Myanmar by publishing and distributing an English-language daily newspaper in the country.
4. **Edutainment and foreign-related businesses:** Managed by Nation International Edutainment Public Company Limited (NINE) and its four subsidiaries: Nation Edutainment Co., Ltd., Nation Global Edutainment Co., Ltd., Nation Kids Co., Ltd. and Nine Be Bright Co., Ltd. Business operations include:
 - Production of copyright pocket books from both domestic and international sources, for instance, "Hard Choices" by Hillary Rodham Clinton, "Alex Ferguson: MyAutobiography", "Einstein: His Life and Universe", human resource management and the auspicious sacred calendar 2015 by Joey Yap.
 - Advertising sales agent and distributor for foreign publications in Thailand and the ASEAN region including foreign newspapers, such as The Wall Street Journal Asia and The Yomiuri Shimbun, as well as a range of popular international foreign magazines such as Fortune and Time Magazine.



- Production, import and distribution of educational and entertainment publications for children such as Nation Junior magazine, as well as media to improve children's communication skills from both domestic and international sources.
 - Tutorial institutes offering courses in various fields (operated by Nine Be Bright).
5. **Broadcasting Business:** Operator of a TV news station, radio programs and new media. Target customers are the general public.
- The company has received licenses to operate two digital TV channels as follows:
- 5.1 SD News category - under the Nation TV channel, broadcast on channel 22 and operated by NBC Next Vision Co., Ltd., a subsidiary of Nation Broadcasting Corporation Public Company Limited (NBC).
- 5.2 SD Variety category - under the NOW channel, broadcast on channel 26 and operated by Bangkok Business Broadcasting Co., Ltd., a subsidiary of Nation Multimedia Group Public Company Limited (NMG).
6. **Print Business:** Managed by WPS (Thailand) Co., Ltd. as a provider of newspaper printing services to the Nation Group, including Kom Chad Luek, Krungthep Turakij and The Nation newspapers. In addition, the company prints comic books for the Nation Group, as well as pocket books, print ads and various jobs for external customers, such as magazines, journals, catalogues and brochures.
7. **Logistics Business:** Managed by NML Co., Ltd. as the logistics provider for print products, such as newspapers and all other print products of the Nation Group. The company's main duty is to distribute the Group's newspapers, including Kom Chad Luek, Krungthep Turakij, The Nation, The Wall Street Journal Asia and The Yomiuri Shimbun in Bangkok and surrounding areas, and all provinces nationwide, as well as providing a competitive range of logistics services for external customers.
8. **Education Business:** Managed by Nation U Co., Ltd. (shareholding ratio in December 2014: NMG 90% and South-East Asia University 10%), which is holding the license to operate Nation University (formerly Yonok University). Nation University is located in Prabath Subdistrict, Muang District, Lampang. Currently, the university offers bachelor's degrees in six programs including communication arts, business administration, accountancy, public health, sciences, and public administration, and master's degrees in three programs including business administration, education and public administration.
- The Bangkok campus located at Nation Tower currently offers bachelor's degrees in two programs: communication arts and business administration, and also an Executive MBA program that provides an integrated and modern business management course in tune with contexts in the world of business including case studies and in-depth business techniques from successful CEOs, their visions and the frame of AEC concepts to pave the way for students to become top business leaders in ASEAN.

Competition in the Publishing Business

The publishing business has faced fairly fierce competition and high production costs. It has also encountered a challenging transformation, in which consumers have largely changed their media consumption behavior from print media to digital technologies that offer more convenient access.

Despite this changing media trend, all publications under the Nation Group continue to grow. Though revenues are lower than those of recent years, most of its publications are enjoying above-average growth rates in the publishing industry.

“Krungthep Turakij” remains a leader in the business daily newspaper segment, consistently increasing its sales and currently holding 61% of the market share.

“Kom Chad Luek”, the general daily newspaper retains the third largest advertising market share after “Thai Rath” and “Daily News”.

“The Nation” English-language newspaper has only one competitor: “The Bangkok Post”. “The Nation” holds approximately 24% of the market share in advertising.

“Nation Books” is facing increasingly strong competition from a growing number of pocket book publishers in the market. Quality and variety of content remain key factors in determining readers’ choices. Nation Books’ main competitors include Amarin Printing, Nanmee Books, Matichon and a book.

The edutainment products/comics for children segment continues to expand, although new edutainment publishers are entering the market. This sector shows a tendency to expand as the new generation, with higher levels of education, is willing to invest more in the education of their children. The company’s competitors vary according to each product. Disney licensed books face competition from Aksara Pipat, while the Japanese comic books compete directly with products from Vibulkit and Siam Sport Publishing.

Directions and Trends of Print Media

In 2015, the pulp and paper industry and the print industry are likely to expand, with Thailand’s continued economic recovery and expected rising exports, coupled with economic recovery in the United States, the European Union and China. Investment expansion of the pulp and paper industry in local and international markets is therefore anticipated. Although digital media is very popular, paper is still in high demand as a daily commodity for consumers. This sector shows a tendency to grow, despite the increasingly important social role played by electronic media.

Though the print media is still experiencing a positive trend, paper print media is expected to decline, with increasingly diversified electronic platforms such as tablets, smart phones and online media. The print media has consequently adjusted itself as a “Content Provider” to publicize its content to other media platforms.

Content is considered the heart of print media. If the content is of high-quality, it can be leveraged across all media platforms including television, newspapers, and websites – a strategy adopted by the Nation Group for several years. Operating the two digital TV channels, which are Nation TV, channel 22, and NOW 26, in 2015 the company will use its television platform to advertise and publicize its publications in order to broaden its customer bases and reach greater numbers of consumers.

The print media also needs to adjust in tune with the digital era by offering digital versions in parallel with print publications, so as to fetch and expand its market share for e-books, which have become increasingly popular, with the development of modern applications. Business operators also have to come up with new strategies to improve its content in order to compete efficiently in the highly competitive market.

In terms of advertising, the Media Agency Association Thailand (MAAT) estimated that the advertising business is likely to grow by 6-7 percent from the previous year, with digital TV media being a major contributor.

The newly-developed coverage technologies, together with easily and widely accessible electronic media such as smart phones and websites have enabled digital media to become a key platform to reach consumers nationwide. Product brands have therefore shown greater interest in advertising through digital media, leading to the expectation that advertising spending through digital media will continue to rise.



Risk Factors

1. Business operation risk

1.1 Risk from advertising industry situation

The major revenue of NMG comes from the newspaper business; mainly from advertisement sales. In 2014, the company generated advertising revenue of Bt 1,997.54 million, an increase of 2% from last year's Bt 1,951.63 million, accounting for 73 % of total revenue. The company's cost structure is mostly comprised of fixed costs; its performance therefore largely relies on the situation within the advertising industry. Advertising costs are largely dependent on economic conditions; if the economy is buoyant, spending on media advertising is likely to increase. In contrast, if economic conditions domestically or internationally witness sluggish growth, the advertising industry might be severely affected. To minimize the impact from the instability of economic conditions, NMG has framed all the strategic plans of its subsidiaries in the same direction, aiming to maintain competitiveness and using this competitive advantage to reduce risk by taking advantage of multimedia channels to publicize products and services, with the use of improved sales strategies and media synergy to efficiently satisfy market demands, transforming the company into a Total Media Solution for advertisers. The company has also striven to introduce new technologies to conventional media in every platform, mainly based on content suitability and business potential, in order to cover all of its target groups and to achieve a competitive edge. The company also placed more emphasis on generating revenue through below-the-line activities created to serve customers both in the public and private sectors, such as organizing seminars for major customers, which helped maintain revenues. At the same time, the company concentrated on strict management of expenses.

Currently, advertising revenues from television media represent 65 percent of total industry advertising revenues of Bt83,023 million (arising from Analog TV - Bt63,775 million, Digital TV - Bt12,071 million (Apr-Dec, 14) and Cab/Sat - Bt7,177 million), which is around five times higher than revenues derived from print media. At the same time, conventional print media advertising is tending to fall off as a result of changing consumer behavior, with more people turning to new media instead. In light of these industry transformations, NMG is turning its business direction more to television, with ownership of two new television channels - NOW 26 Channel (SD variety) and Nation TV Channel 22 (SD News). Digital TV is expected to witness high rates of growth in future with better prospects for advertising than satellite TV. The company's move towards the television business will lessen the risks of likely impacts from new media on the print media business in future. The company is also actively pursuing other digital media business segments such as Isnap, E-commerce, M-commerce, S-Commerce (Social Media Commerce), E-Education, etc., and entertainment businesses.

1.2 Risk from subsidiaries management

NMG has a clear business operation structure designed to achieve flexibility in management and has employed Target-Based Strategy assessment to be in line with its corporate policies and visions. The company focuses on maintaining competitive edges and competitive advantages in order to expand its business and create value. The company's business is divided into the following business units: Printing and Advertising Business including Krungthep Turakij Media Co., Ltd., with the main medium of Krungthep Turakij newspaper; Kom Chad Luek Media Co., Ltd., with the main medium of Kom Chad Luek newspaper and Nation News Network Co., Ltd., with the main medium of The Nation newspaper; Broadcasting Business – owner and operator of two digital TV channels, Now 26 (SD variety) operated by Bangkok Business Broadcasting Co., Ltd. and Nation TV 22 (SD news) operated by NBC Next Vision Co., Ltd.; Edutainment and International Business; Logistics Business; Printing House Business; and Education Business.

The company has established a number of subsidiaries in order to achieve optimal business performance and improved management efficiency. Without efficient and productive management and supervision of subsidiaries, there might be non-compliance within the company's directions and strategies, and conflicts of interest between subsidiaries, which would affect the overall performance of the company.

To minimize risk arising from subsidiaries management, NMG has adhered to good corporate governance to lay the firm foundations for sustainable business and create maximum value for the group companies. The company has appointed its top executives as members of the Board of its subsidiaries in order to synergize the group's policies, strategies and business directions, as well as to supervise business expansion of subsidiaries to be in compliance with the group's policies.

Registering good performance, business units as subsidiaries will open the door to new business opportunities and allow greater management flexibility. The strong quality media synergy will enable NMG to help build up and sustain a good society in Thailand. However, some subsidiaries are still incurring losses. For these subsidiaries, the company has to make improvements in management and operational efficiency to enable all of them to be stronger and support each other efficiently.

1.3 Risk from investment in digital TV

The digital television business represents an important turning point in Thai industry with the advent of a licensing system for digital television channels rather than the decades-old government-controlled monopoly on analog television channels. The new system opens the way for new investor groups to enter the free TV business, since digital TV offers greater consumer penetration and good prospects for growth in future. Television is the most widely accepted of all media in Thailand and represents an important advertising revenue stream.

The company has increased its operations in the digital TV business through ownership of two digital TV channels through subsidiary companies - NOW 26 Channel, a standard definition (SD) variety digital TV channel and Nation TV 22, a standard definition news TV channel. The investments give the group full integration across all media types,



answering current business needs and improving prospects and opportunities to boost revenues and expand growth over the long term.

The company is exposed to risk from its investments in the digital TV business. This risk arises from several factors, including business competition, the high investment involved in the license fee, network rental fees and investments in programming. This risk is largely offset by the group's strengths in content, experienced human resources and news teams, and its existing media resources based in The Nation, Krungthep Turakij, Kom Chad Luek, NOW 26 and Nation TV. The company collaborates with partners in the co-production of programs and procures high-quality programs from producers both in Thailand and overseas to offer its viewers the widest choice of educational content and entertainment. The company is confident that its production capabilities can meet the needs of target customers and that it is able to differentiate itself from its competitors, which will in turn enable the company to meet its targets for advertising.

To mitigate investment risks, in 2014 the group companies raised funds totaling Bt2,000 million for the investment and payment of the license fee, with gradual repayment over a period of five years, which will have no impact on the company's available cash flow. Besides, the company has prepared human resources, equipment and content so that it can commence operations without delay. The company believes that within 3-5 years, the television business will be able to generate significant revenues for the group.

2. Production risk

2.1 Risk from content production

For print media, content quality is a major factor in promoting consumer loyalty. NMG's major products are newspapers under the names The Nation, Krungthep Turakij and Kom Chad Luek. Apart from print media, content is broadcast on TV and radio, new media and educational media. Each newspaper has its own character of content presentation, so quality control of content plays a key role in consumer loyalty. Achieving quality content requires a systematic news production process, teamwork among news editorial teams and well-trained personnel to produce and present news, which constitutes the heart of print media. Therefore, the company does have some risk from content production. If the news content is of low-quality, it may affect the quality of the company's overall print media.

To ensure high standards of news production and to rapidly accommodate changes and emerging trends in the global industry, the company has developed a "convergence newsroom" with a team of more than 400 staffers drawn from the editorial departments of The Nation, Krungthep Turakij, Kom Chad Luek, and the two digital TV channels - Nation TV and NOW 26. The multi-skill, multi-platform newsroom creates accurate and timely content drawing on the skills and knowledge of news veterans from the group's various news media.

The innovative "convergence newsroom" employs content management technology to enhance operations under an Integrated Editorial System (IES), which makes the integration of news teams a reality. The IES system acts as a virtual newsroom coordinating communications within the organization through a "central command centre" in line with the rapid and mobile working style of the news teams. The application of new technologies helps improve the speed and convenience

of operations, reduces production costs and facilitates better teamwork, which lowers the risk of staff shortages that could have an effect on the quality of news content.

2.2 Key personnel retention risk

NMG is publicly accredited for its media professionalism. Since personnel play a vital role in the quality of content production, the company is dedicated to develop a team of capable editorial staff instead of being dependent on individuals, to lower the risk of losing key editorial individuals and the subsequent impact on the company. Currently, the company has a total of 607 staff employed in the editorial departments of Nation News Network Co., Ltd., Krungthep Turakij Media Co., Ltd., Kom Chad Luek Media Co., Ltd. and Bangkok Business Broadcasting Co., Ltd. comprising reporters, rewriters, editors, photographers and production staff. The Display Departments of The Nation, Krungthep Turakij and Kom Chad Luek newspapers and Now 26 digital TV channel are under the respective above-mentioned subsidiaries, while the Central Sales Department, holding key account customers and the Sales Department holding the accounts of government agencies, are still under NMG. The news editorial centres, whose content is shared by the regional offices, photography team and Nation News Agency, are also managed by NMG.

In addition to editorial staff, key management personnel from various departments including Sales, Marketing, Circulation and other supporting units, all play significant roles in the overall success of the company. These departments and personnel are under NMG's management.

NMG has consistently emphasized human resource development. The company organizes both in-house and external training for staff to enhance their work skills and enable them to keep pace with changes in the business and technology. Personnel development training is designed to be in accordance with business policies. The company has paid great attention to personnel wages and welfare to be comparable to that of other companies in the media industry. Succession plans, in which senior management are encouraged to participate in key decision making and decentralize authority and responsibilities to sub-level management, have been created, as part of the goal towards decentralization. The decentralization system aims to promote more effective operations, decrease work redundancy and prepare the new generation management to respond to external changes, highly competitive markets and diversified target groups in a timely manner. As well, it enables NMG to create new business opportunities towards sustainable growth, while retaining the core values of credibility, integrity, synergy, customer focus and innovation.

With such a system, in which work is passed from top executives and distributed to every management level, if the company loses a key employee, it will not pose a major impact to the company. At the same time, NMG also concentrates on the synergy of all business units to achieve maximum benefit.

In addition, to ensure working synergy of staff at all levels towards its corporate goals and visions, NMG has employed Key Performance Index (KPI), a result-based measurement, to evaluate the performance of its staff. KPI is closely associated with staff salary increases, varying according to their performance, working behavior and development capabilities. It is designed to promote personnel capabilities based on business competitiveness.



2.3 Technology risk

The introduction of new technologies and innovations such as digital technology and wireless communications that facilitate access to virtually limitless information have given rise to the various New Media, giving the consumer an increasing number of news and information channels to choose from. These technologies present an important source of risk that has the potential to affect business operations at present and in the future.

To reduce this risk and the potential for lost opportunities in business operations it is necessary to strengthen the competitiveness of the organization. The company has developed efficient information management systems and introduced information and communications technologies to help support operations, improve the efficiency, flexibility and speed of the news production process, and provide complete and consistent growth in technology and new media as well as the management of costs and expenses. The company focuses on integrating the various media formats and technologies together to serve the requirements of all channels and across all platforms including the use of social TV - a hybrid of broadcasting technology and new media that enables people to access news and information at all times and eliminates “prime times,” in line with current consumer behavior. The company also has a policy to continuously research and develop products for presentation across multiple media in order to build a deeper understanding of consumer behavior and accumulate experience, as well as develop competitive advantages in target markets in future.

2.4 Risk of volatility in raw material prices

Newsprint, as one of NMG’s major raw materials, represents around 8 % of the company’s cost of goods sold and 74% of total raw material expenses. During the past year, the ratio between imported and domestic newsprint was 90 : 10. Being a commodity, newsprint prices are determined by the balance of global demand and supply, which is the main factor setting the reference price of newsprint in the world market. As a result, the company is exposed to any volatility in newsprint prices, which may subsequently have a direct impact on the company’s production costs and bottom line profit.

NMG’s management, with years of experience in newsprint procurement, has developed a comprehensive understanding of the newsprint price cycle. The company has placed orders for newsprint in advance to ensure sufficient stocks for production. It still stringently employs a paper-usage control policy and effective management of distribution points to lower newspaper returns. Besides, the company manages exchange rate risks by placing forward contracts on orders for newsprint to ensure that newsprint costs have no significant impact on overall production costs. Nonetheless, the company closely monitors newsprint costs and the exchange rate situation.

3. Management risk

3.1 Policy determination from management

The media business is essential in publicizing news and information to the public. Considered as an opinion leader of society in politics and the economy, the media business requires management with lengthy experience and expertise in mass communications to ensure operations are conducted ethically and transparently. Realizing that presenting news ethically and objectively is at the heart of the media profession, NMG’s Board and major shareholders have never interfered in the editorial team’s daily news presentation. Instead, they have outlined news presentation guidelines for the editorial

teams of each NMG unit under its Corporate Governance policy and closely supervised operations to ensure they are in accordance with determined policy.

3.2 Changes in the organizational structure of shareholders/board of directors

During the year, a new group of shareholders invested in the company, altering the overall shareholding structure. Provided these shareholders do not intervene in management or create conflicts of interest, this new shareholding structure will have no effect on the running and development plans of the company, as well as the editorial independence of the group's media. Regardless, as a media institution with a strong structure and professional working principles, whose primary duty is to present news and information of benefit to society and in a responsible and ethical manner, any change in the holding of the company will have no effect on the administration or media stance of the company. On the contrary, the company will continue to maintain its ethical standpoint in presenting the news and in its analysis of the issues affecting society in order to bring maximum benefit to the public and to protect the interests of its employees and retail investors.

4. Financial risk

4.1 Debt obligation risk

As of December 31, 2014, NMG and its subsidiaries had loan liabilities from financial institutions of Bt 744.84 million, divided into a short-term loan for capital flow in the overdraft account, trust receipt and short-term promissory note of Bt 628.68 million, and total long-term loans of Bt 116.16 million. Total debt repayments of Bt 100.80 million will be made within one year, while the remaining Bt 15.36 million will be repaid over the period 2015 - 2016.

If NMG fails to make debt repayments, or does not comply with the financial proportion requirements, or terms and conditions as specified in the loan contracts, creditors will have the right to request immediate repayment. The company has presented financial projection documents, completed on the basis of prudence, to creditors for consideration. Such documents inform the creditors of the tendency of the company's performance, current cash flow and the use of a strict investment policy.

4.2 Risk arising from encumbrances in payment of digital TV license fees

Two subsidiary companies that hold licenses to operate digital TV stations are required to pay digital TV licensing fees to the Office of the National Broadcasting and Telecommunications Commission (NBTC), as follows:

1. Payment of the digital TV license fee in the general SD (standard definition) category worth Bt2,200 million (excluding VAT). The first payment of 50 percent of the minimum bid price plus 10 percent of the amount exceeding the minimum bid price, totaling Bt334 million (excluding VAT and net of the bidding deposit amounting to Bt38 million baht), was made on February 7, 2014. Five more installments have to be paid. The next installment amounting to 30 percent of the minimum bidding price plus 10 percent of the amount exceeding the minimum bid price, totalling Bt296 million (excluding VAT), will be paid in May 2015. Guarantees have been obtained from financial institutions to secure payment of the remaining amount of Bt1,828 million, which will be paid annually according to the conditions specified in the contract and ending on April 25, 2019.



2. Payment of the digital TV license fee in the news and educational content SD (standard definition) category worth Bt1,338 million (excluding VAT). The first payment of 50 percent of the minimum bid price plus 10 percent of the amount exceeding the minimum bid price, totaling Bt199.80 million (excluding VAT and net of the bidding deposit amounting to Bt22 million), was made on February 7, 2014. Five more installments have to be paid. The next installment amounting to 30 percent of the minimum bidding price plus 10 percent of the amount exceeding the minimum bid price, totalling Bt177.80 million (excluding VAT), will be paid in May 2015. Guarantees have been obtained from financial institutions to secure payment of the remaining amount of Bt1,116.20 million, which will be paid annually according to the conditions specified in the contract and ending on April 25, 2019.

4.3 Exchange rate risk

Changes in the foreign exchange rate rely on demand and supply of the Thai currency against other currencies. Fluctuations in foreign exchange rates have an effect on the company's production costs. The company's major raw material is newsprint paper, 96 percent of which is imported using US\$ currency. The company is therefore exposed to foreign currency exchange risks through the import of newsprint.

However, to help counteract this situation, the company has adopted a policy for hedging against foreign currency exchange risks, by placing forward contracts on orders for newsprint. As of December 31, 2014, the cost of imported newsprint amounted to 96 percent of total debts. This amount did not affect the financial statements, in spite of fluctuations in foreign exchange rates.

4.4 Risk from external financial sources

The company has various external financial sources, such as loan credit limits from many banks and financial institutes. As of December 31, 2014, the company and its affiliates had a total loan credit limit of Bt 5,118.39 million and used credit of Bt 3,861.46 million. Thus, the available credit line stands at Bt 1,256.93 million, or 25 percent of total loan credit and current external financial sources are sufficient to meet the company's operational needs.

The company's business operations concentrate on creating sustainable growth, so its performance is likely to grow continuously. Moreover, the company plans to expand business prudently and outlines a capital structure that maintains proper financial ratios. The company is confident that capital will be sufficient to facilitate business expansion, with appropriate financial costs. The company has additional external financial sources as follows:

- From holders of warrants to purchase the company's ordinary shares who exercised their rights to increase shares at the company's third offering (NMG-W3) when the company provided a rights offering to existing shareholders in mid 2013, with a total of 1,647,740,300 units in the ratio of one existing ordinary share per one warrant unit at the exercised price of Bt1 per share. Warrant holders can exercise their rights to purchase shares over a period of five years, every six months, in June and December of each year. They can exercise their rights for the first time on December 15, 2013 and for the final time on June 19, 2018. If all units are sold, the company will have increased its capital by Bt1,647.74 million. As of December 31, 2014, warrant holders exercised their rights to purchase 2,150,981 units. Rights for the remaining unsold units of 1,643,669,730 may be exercised over the period June 2015-June 2018, another three years and six months as of December 31, 2014.

- From holders of warrants to purchase the company's ordinary shares which the company allocated for its directors, management and/or employees and/or its subsidiaries at the company's second offering (NMG-WB) in August 2013, with a total of 82,387,015 units. Warrant holders can exercise their rights to purchase ordinary shares at Bt1 per share every six months for a period of five years. They can exercise their rights for the first time on November 15, 2013 and for the last time on August 14, 2018. If all units are sold, the company will have increased its capital by Bt82.37 million. As of December 31, 2014, warrant holders exercised their rights to purchase 16,793,800 units. Rights for the remaining unsold units of 65,593,215 may be exercised over the period May 2015-August 2018, another three years and eight months as of December 31, 2014.

In this period, it is expected that warrant holders of both categories will exercise their rights to purchase shares at the permitted maximum amount, enabling the company to use this additional source of finance to further facilitate new investments.

4.5 Risk from impairment of accounts receivable

The company acknowledges the risk from the prevention of doubtful debts, as remarked in the financial statements, whereby the company has established policies for debt collection and allowances for doubtful accounts. The company considers the amount of doubtful accounts by estimating the current financial status of debtors, combined with its past experience of debt collection. In addition, the company has a policy to set an allowance for doubtful accounts using an income margin. The company set the allowance for doubtful accounts outstanding at 1 percent of advertising income. As for the income from agents, it stands at 30 percent of returned domestic books and 65 percent of returned foreign books. The company also has a policy for a maximal decrease margin of 12-month debts. As of December 31, 2014, the over 12-month debts (total financial statements) stood at Bt 76.05 million, and 6-12 month debts stood at Bt 10.65 million. As of December 31, 2014, the company had already set the allowance for doubtful debts (total financial statements) of Bt 73.95 million and the allowance for returned goods of Bt20.78 million. In addition, the company has a Debt Collection Unit to continuously follow up on collection of debts and set allowances.

5 Risk factors of investors

5.1 Dilution effect on shareholders from the rights exercise of NMG-W3 warrants

In June 2013, the company issued the NMG-W3 warrants and rights offering for existing shareholders with the intention to boost ordinary share capital with a total of 1,647,740,300 units, lasting five years, in the ratio of one existing ordinary share per one warrant unit. As of December 31, 2014, there were unexercised warrants of 1,643,669,462 units.

In the event that each warrant holder exercises their right to purchase ordinary shares at the maximum amount, the company's ordinary shareholders might receive a dilution effect in the form of a decreased share price in the stock market and reduced shareholding proportions as follows:



Prior to exercising the right of NMG-W3 warrant (December 31, 2014)

| | |
|--|----------------------|
| Paid-up ordinary shares | 3,316,345,238 shares |
| Shareholding proportion prior to exercising the right of warrant | 100 % |

After exercising the right of NMG-W3 warrant

| | |
|--|----------------------|
| Paid-up ordinary shares | 4,960,014,700 shares |
| Shareholding proportion of existing shareholders after exercising the right of warrant | 66.86 % |
| Decreased shareholding proportion of existing shareholders | 33.14 % |

5.2 Dilution effect on shareholders from the rights exercise of NMG-WB warrants

The company issued warrants to purchase the company's ordinary shares for its directors, management and/or employees and/or its subsidiaries (NMG-WB) with a total of 82,387,015 units, in the category of non-value shares, lasting five years, in the ratio of one warrant unit per one ordinary share at the exercised price of Bt1 baht per one ordinary share. As of December 31, 2014, there were unexercised warrants of 65,593,215 units.

In the event that each warrant holder exercises their right to purchase ordinary shares at the maximum amount, the company's ordinary shareholders might receive a dilution effect in the form of a decreased share price in the stock market and reduced shareholding proportions as follows:

Prior to exercising the right of NMG-WB warrant (December 31, 2014)

| | |
|--|----------------------|
| Paid-up ordinary shares | 3,316,345,238 shares |
| Shareholding proportion prior to exercising the right of warrant | 100 % |

After exercising the right of NMG-WB warrant

| | |
|--|----------------------|
| Paid-up ordinary shares | 3,381,938,453 shares |
| Shareholding proportion of existing shareholders after exercising the right of warrant | 98.06 % |
| Decreased shareholding proportion of existing shareholders | 1.94 % |



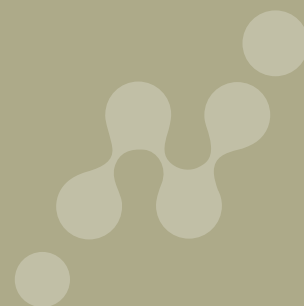
List of Major Shareholders

The top ten shareholders as of 5 February 2015 are ranked as follows:

| Name | Number of Shares | % Holding |
|--|----------------------|----------------|
| 1. Solution Corner (1998) Public Company Limited | 404,985,000 | 12.212 |
| 2. Mr.Suthichai Sae-Yoon | 304,921,742 | 9.195 |
| 3. Mr.Sivasit Sainampeung | 303,100,000 | 9.140 |
| 4. Wattana Capital Public Company Limited | 250,000,000 | 7.538 |
| 5. Southeast Asia University | 141,288,000 | 4.260 |
| 6. DOW JONES & COMPANY, INC., NEW YORK | 120,000,000 | 3.618 |
| 7. Mr.Jessada Lertnantapanya | 112,837,200 | 3.402 |
| 8. Thai NVDR Company Limited | 109,244,068 | 3.294 |
| 9. Mr.Aekkavith Kamolthepa | 89,140,800 | 2.688 |
| 10. Green Siam Co., Ltd. | 81,588,411 | 2.460 |
| Others | 1,399,240,017 | 42.192 |
| Total | 3,316,345,238 | 100.000 |

Categories of shareholders

| Nationality | Number of Shareholders | Number & Shares | Proportion |
|--------------|------------------------|----------------------|---------------|
| Thai | 6,788 | 3,158,866,009 | 95.25 |
| Foreign | 31 | 157,479,229 | 4.75 |
| Total | 6,819 | 3,316,345,238 | 100.00 |



Corporate Governance Report

Corporate Governance Policy

The Board of Directors of Nation Multimedia Group Public Company Limited strongly believes that good corporate governance principles and system will ensure the company's effective, transparent and accountable management and raise the level of credibility and confidence in the company as perceived by shareholders, investors, stakeholders and related parties. Corporate governance also promotes sustainable growth, which will contribute to the company's success, and enable the company to achieve its ultimate goal of rendering the most optimized value to shareholders.

The company's Board of Directors thus sets corporate governance policy in line with the Stock Exchange of Thailand's code of best practices and is in charge of enforcing strict compliance to corporate governance policy, and periodically adjusting the policy to suit circumstances and meet shareholders' expectations, ensuring shareholders' interests are well protected.

The current corporate governance policy has received the consent of the Board of Directors and was first announced on November 10, 2006. It is set that the policy be revised annually to comply with the code of best practices for listed companies introduced in 2012 by the Stock Exchange of Thailand. The latest edition of the policy was released on November 8, 2013, and announced to all employees for acknowledgement and strict adherence.

Communication of the corporate governance policy

The well recognizes the practice of corporate governance to coincide with the company's vision and commitment. As a main factor that drives operations is the employees of the company and subsidiaries, the policy has been communicated to employees by publicizing through the internal website and publishing 'Nation's Way' as a handbook for employees in addition to information in the website to follow the procedure in their operations. Management has closely monitored and ensured that all aspects of the policies have been put into practice. In addition, in order to develop understanding with all stakeholders, the company has publicized good corporate governance principles through the company's website for interested persons and investors' acknowledgement. If any shareholder would like to receive a copy of the aforementioned policies, please contact the corporate secretary and fill in the document request form which will be delivered with the annual report in order to develop understanding on the company's good corporate governance.

Monitoring of the practice of corporate governance policy

From the determination to continuously improve the company's good governance since good corporate governance policy was first introduced in 2006, the evaluation result for the organizing of the ordinary shareholders' meeting has been increasingly outstanding in successive years, as follows:

- According to the evaluation results for the listed companies' good corporate governance for the year 2014, evaluated by the Thai Institute of Directors (IOD), the company was graded a "very good" level (4 stars), based on its reports publicized through the Stock Exchange of Thailand's media channels and its other publications.

- According to the evaluation results for the organizing of the Annual General Meeting for the year 2014, evaluated by the Thai Investors Association, the Thai Listed Companies Association, the Securities and Exchange Commission, and the Stock Exchange of Thailand, the company was rated an "excellent and exemplary" and was one of 32 listed companies out of 528 participating companies receiving complete 100 scores. The company has been rated at an excellent level for four consecutive years. The company also received the "Investors' Choice Award" on September 25, 2014.

In 2014, the company's corporate governance principles covered five areas, namely:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Role of stakeholders
4. Information disclosure and transparency policies
5. Board of Directors' responsibilities

Rights of shareholders

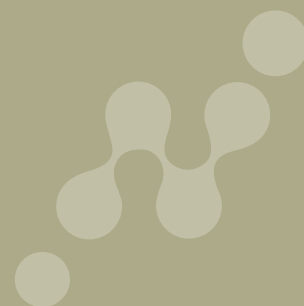
The company realizes that the shareholders are entitled to the company's ownership right. Shareholders control the management by appointing the company's Board of Directors to act and make key decisions for them as stated in the corporate governance principles. The company values and respects the shareholders' rights by adhering to the principles regulated by law.

The company has a policy to treat every shareholder with equality. Realizing that the shareholders are entitled to the rights to receive sufficient and timely information of the company and the company protects the interests of the shareholders more than what is required by the law, the Investor Relations Division was set up to provide information and respond to enquiries. The website: www.nationgroup.com publicizes the company's information for shareholders and investors both in Thai and English. The information provided includes the latest information and an investor's newsletter. Apart from that, the company organizes shareholders' meetings at least four times a year according to the Stock Exchange of Thailand's arranged timetable for shareholders to inquire, request explanations and express their opinions with equality

Shareholders' Meetings

Organizing Shareholders' Meetings

The Board of Directors has recognized the importance of holding the Annual General Meeting to allow shareholders to acknowledge the company's performance, jointly make decisions on significant company matters and inspect operations managed by the Board and management. The company organizes the Annual General Meeting in line with the law and guidelines as suggested in the AGM Checklist manual, published by the Thai Investors Association, the Thai Listed Companies Association, the Securities and Exchange Commission and the Stock Exchange of Thailand.



In 2014, the company organized the Annual General Meeting of Shareholders for the year 2014 on April 4, 2014 at the Ballroom, 5th Fl. S31 Sukhumvit Hotel at 14.00 with registration from 12.00. Nine directors and 425 shareholders and shareholders' representatives attended the meeting, representing shareholdings of 1,396,491,328 shares or 42.27 percent of the 3,304,001,570 total issued shares. The meeting was held in accordance with accepted standards and the requirements of the law, as follows:

Prior to the General Meeting of Shareholders

The company posted the meeting invitation letter with complete information on the company's website 30 days prior to the meeting date. It has appointed Thailand Securities Depository Co., Ltd. to serve as the company's registrar, to circulate meeting invitation letters to the shareholders. The meeting invitation letter provided details on agenda, facts and reasons, the Board of Director's views on each item of the agenda, previous meeting reports, annual reports, related documents required for the consideration of each agenda item, clarification of procedures, information on the Independent Directors, regulations on the shareholders' meeting, map of the meeting venue, reply form and authorization documents as specified by the Ministry of Commerce. The meeting invitation letters were circulated to the shareholders about 21 days prior to the meeting date and announced in the newspaper for three consecutive days and at least three days prior to the meeting date. The company allowed shareholders with minor stakes to propose general meeting agenda and nominate the director candidates, as well as send questions for the annual general meeting in advance through the www.set.or.th or www.nationgroup.com website. No candidates were proposed for the Board of Directors and no additional agenda were proposed.

The company reported the results of shareholders' exercise of right to nominate directors candidates and to propose the general meeting agenda on the company's website on February 3, 2014.

The company also asked the shareholders to send questions for the annual general meeting of the year 2014 in advance through the company's website or fax number 0-2338-3904 from March 7-20, 2013 so that the Board of Directors and management team could arrange for explanations at the meeting. No questions were sent in advance.

The General Meeting of Shareholders

The company set the meeting date and venue that were convenient for attendees and assigned staff to take care of shareholders from the registration process to the meeting attendance process, and presented souvenirs to participating shareholders. Meeting registration could be made from one hour in advance of the meeting until the meeting had concluded. Auditors from KPMG Poomchai Audit Co., Ltd. and law consultant firm Thanathip & Partners Co., Ltd. attended the meeting to hear opinions, answer shareholders' questions and observe the vote counting procedure. All shareholders' meetings were chaired by the Chairman of the Board of Directors.

Prior to the meeting, the company informed shareholders of the rules and regulations for the meeting including the vote casting procedure, vote counting and ballot instruction to the assembly. The Chairman allowed the shareholders to inquire and express their opinions openly and assigned the President and Executive Directors to answer the inquiries. Summaries of questions from the shareholders and explanations as well as the other relevant details were recorded in the minutes.

The company used a barcode system to register attendees and count votes for each agenda item. On the agenda of appointing the company's directors, the company allowed the shareholders to cast votes for directors individually and recorded procedures of vote casting, vote counting and the meeting's consensus. Votes were classified into 'in agreement', 'not in agreement' and 'refrain from voting'. Vote casting was made by ballot to enable possible inspection in future.

The company proposes payment for directors for approval every year. Information proposed to the shareholders for acknowledgement and approval includes payment for each director with comparison with the preceding year, clearly stated

policies and criteria relating to specifications of payments for directors.

The company suggested that the shareholders who were unable to attend the meeting assigned authority to Mr. Chaveng Chariyapisuthi, an Independent Director and Audit Committee Member, who has no benefit in issues being considered to represent and cast votes for them. The company enclosed a proxy form, in which the shareholders can specify their vote for each agenda item, with the meeting invitation letter.

After the General Meeting of Shareholders

The minutes of the meeting, with details of vote casting and the shareholders' inquiries for each item in the agenda, was submitted to the Stock Exchange of Thailand within 14 days and also publicized on the company's website. The company was assessed on the quality of the Annual General Meeting (AGM) by the Thai Investors Association, together with the Thai Listed Companies Association and the Securities and Exchange Commission, as "excellent and exemplary" level.

Equitable treatment of shareholders

The Board of Directors has regularly controlled and checked up on the company's corporate governance structure to ensure equitable treatment for all shareholders, including those with small shareholdings and overseas shareholders, as well as to ensure that the caretaking process is neither complicated nor incurring unnecessarily high costs. The shareholders have the right to participate in decision making and acknowledging the company's decision on important circumstances as stipulated by law or the company's regulations.

- In the shareholders' meeting the company has a policy to uphold the equal right of every shareholder. No item shall be included in the agenda and no important information shall be exchanged if it's not informed to the shareholders in advance. Moreover, no document containing additional important information shall be provided in the meeting, to ensure the shareholders have sufficient time to make decisions.



- All shareholders have a right to vote as per the number of shares one holds. Each share counts for 1 vote and there is no special voting right.
- Shareholders with 1 share and above can propose to add agenda items for the general meeting in 2014 as well as nominate a person with appropriate qualifications to sit in the Board of Directors from November 22, 2013 - January 31, 2014. The company shall make available the information through the Stock Exchange of Thailand's information channel and the company's website with transparent steps and procedures in line with the extra procedure on rights of small shares shareholders. However, in 2014 there are no additional proposed agenda or Board of Directors nominations.
- Shareholders who are unable to attend the meeting may authorize an independent director who has no conflict of interest with the meeting agenda to attend and cast the ballot. Moreover, shareholders can download the proxy form from the company's website.
- No transactions shall be mutually made with any joint-venture or related companies, as it may lead to significant conflicts of interest.

Role of Stakeholders

Apart from caretaking and ensuring the shareholders' rights, the Board of Directors has set a policy to take care of all stakeholders, not only concerning the impact of the business operations, but also on the community. The rights of stakeholders are protected in compliance with relevant laws. The Board of Directors approved the establishment of a procedure to foster cooperation between stakeholders and the company to enhance wealth, financial strength and sustainable business for the company.

In supervising the company's business, stakeholders are classified into several groups as employees, customers, shareholders, investors, trading partners, creditors, trade competitors, society, government agencies, neighboring communities and independent auditors. The Board of Directors has maintained a policy to protect the rights of each group of stakeholders in accordance with related laws or agreements stakeholders have made with the company, and has aimed to boost cooperation between stakeholders and the company to ensure more productive performance and sustainable growth by disclosing relevant and sufficient information. Hence, the Board of Directors set organizational ethics covering various areas on November 10, 2006 and lately reviewed them on February 13, 2015. There were some changes to bring them up to date including the determination of the anti-corruption policy and adjustment of the complaints receiving process. (Nation Multimedia Group Public Company Limited's ethical guidelines can be viewed at www.nationgroup.com)

Ethics of Nation Group's Directors, Management and Employees consist of:

Ethics on business operation

Business operation guidelines

Nation Multimedia Group Public Company Limited was established in 1971 as Thailand's first English-language newspaper managed by Thais. Over the years, the company has remained committed to growing alongside Thai society and performing its media duties with objectivity and credibility, and has a strong determination to drive Thailand towards a knowledge-based society. Today, the company has become one of Thailand's fully-integrated media organizations, with a commitment to perform its duties as a good, creative and dependable media organization under good corporate governance to serve Thai society in the years to come.

Anti-Corruption Policy

The company has a policy to operate its business with honesty and professional media ethics, as well as demonstrate a keen sense of social responsibility and the best interests of all groups of stakeholders in accordance with its corporate governance policy, ethical guidelines and Code of Conduct. The company therefore has outlined its "Anti-Corruption Policy," which has been approved by the Board of Directors, as clear guidelines to operate the business and develop a sustainable organization, as follows:

1. Nation Group's directors, management and employees are prohibited from conducting or accepting every type of corruption both in direct or indirect manner including receiving complimentary items or gifts, joining entertainment or hospitality activities, granting financial aid or donations and other forms of benefits from those doing business with the company.

2. The implementation of the Anti-Corruption Policy covers Nation Group's employees, customers and all groups of stakeholders, both in Thailand and abroad. The Policy is reviewed at least once a year in order to accord with business changes, regulations, standards, and laws. Risk assessment in corruption in the organization is also reviewed every year.

3. Operations relating to the Anti-Corruption Policy must be in line with the guidelines stated in the Nation Group's Corporate Governance Policy and ethical guidelines, related regulations and operation manual, as well as additional guidelines that will be further stipulated by the company.

4. To focus attention on processes which incur a high risk of corruption, Nation Group's directors, management and employees at all levels must conform carefully in the following courses of action:

4.1 Entertainment and hospitality, gifts

Offering gifts or entertainment and hospitality activities must be in compliance with Nation Group's ethical guidelines and Code of Conduct.

4.2 Charitable contributions or aid

Granting contributions or receiving aid must be transparent and in compliance with stipulated laws by confirming that such transactions shall not be claimed as an act of bribery.

4.3 Business relations and procurement process

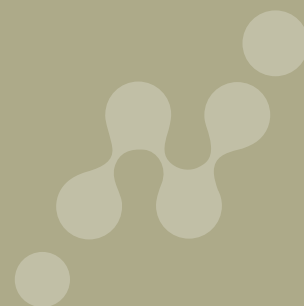
All types of bribery or illegal payments are prohibited in business transactions, whether they are made with suppliers, contract parties or government agencies. Such transactions must be processed transparently and in compliance with related laws and regulation.

Roles and Responsibilities

1. The Board of Directors is responsible for determining policy, monitoring, and forming an effective system supporting Anti-Corruption activities in order to affirm that the Management Team is seriously concerned with, emphasizes, and cultivates an Anti-Corruption mindset as part of the company's culture.

2. The Audit Committee is responsible for revision of financial and accounting reports, internal control, internal audit, and risk management to ensure such operations are concise, appropriate, effective, and in conformity with global standards.

3. Presidents and the Management are responsible for determining the Anti-Corruption system, promoting, and encouraging an Anti-Corruption culture. This also includes revision of the system or regulations in order to best suit business changes, regulations, standards, and laws.



4. The Internal Audit Director is responsible for auditing, assessment, and evaluations in business transactions to ensure they are accurate and in compliance with guidelines, Approval Authority, standards, laws, and policies are monitored in order to assure that the internal controls are sufficient and suitable for probable risk in corruption. This shall be directly reported to the Audit Committee.

Anti-Corruption Guidelines

1. Nation Group's Board of Directors, the Management Team and staff at all levels must follow the company's Anti-Corruption Policy and Code of Conduct by avoiding involvement in any course of corruption, either directly or indirectly.

2. Nation Group's staff shall not be negligent in any corruption conditions involved directly with the company. All staff must notify such acts to supervisors or responsible persons, and collaborate in any investigation. Any queries or questions are needed to be consulted by the supervisor or a responsible person who monitors the compliance of ethical guidelines provided in particular channels.

3. The company shall provide fairness and safeguard staff who deny involvement in or inform of corruption cases relating to the company by applying Protection Policy for appellants or persons who provide Anti-Corruption information as stated in the ethical guidelines number 4 – Complaints and Comments Submissions.

4. A person who commits an act of corruption is considered to be in misconduct according to the Nation Group's ethical guidelines. This means such person will be subject to disciplinary action. Convictions may be applied in cases that violate the law.

5. The company realizes the importance of dissemination, knowledge sharing, and communications with other people who are involved in or affect the company so that those parties shall conform to Anti-Corruption guidelines.

6. The company strives to develop personnel with public consciousness, create good citizens for society and country, and sustain an organizational culture that rejects corruption as unacceptable in every type of business transaction when dealing with both public and private sectors.

Dissemination of the Anti-Corruption Policy

Nation Group disseminates its Anti-Corruption Policy to its staff and stakeholders through the internet system, e-mail and the www.nationgroup.com website. In the past year, it was found that:

1. There were no reports of corruption / ethical misconduct.
2. The company successfully maintained its good reputation with efficient supervision of corporate governance by the Board of Directors.
3. None of the Board of Directors resigned as a result of corporate governance matters.

Ethical Responsibilities

Ethics on responsibilities to the media profession (the "Nation Way")

Since its establishment, the company has strictly observed the code of conduct of the media profession. This is a major reason why the company's media and staff have earned credibility and trust from society in spite of some difficult periods when there were political pressures. The company's staff perform their duty as a credible media organization, closely and consistently adhering to principles.

The "Nation Way" code of conduct was drafted as professional guidelines for the Group's editorial staff at every level. The content covers the basic ethical standard for "news crews" at every level as well as how they behave in public, both on-duty and off-duty. The Group's news staff at every level shall strictly observe the following principles without any exceptions so that we can continue to maintain the credibility and trust of society.

"Nation Way" Code of Conduct is categorized as follows:

- 1 Ethical requirements of the media professionals
- 2 Ethics of Nation Group's media
- 3 Responsibilities to the readers, listeners and audience.
- 4 Commitment to the media profession and organization
- 5 Guidelines for news reporting and desirable behavior with the sources
- 6 Special privileges and conflicts of interest
- 7 Guidelines for participating in political and social activities
- 8 Guidelines for the advertisement, marketing and sale departments.
- 9 Guidelines for copyright and freelancing jobs
- 10 Guidelines for reporters in various beats
- 11 Guidelines for mistakes recovery
- 12 Guidelines for reporting the company's activities
- 13 Guidelines and ethics on Nation Social Media

The company has measures to prevent problems from libel and defamation charges arising from news reports by providing training courses for staff in the news department to keep them informed of the news reporting guidelines, undesirable statements and pictures. The company has also reinforced the parties involved to perform accordingly.

Ethics on responsibilities to shareholders

The company determines to act in a trustworthy manner and ensure the best interests of the shareholders by placing high priority on steady corporate growth and sustainable returns. The company shall operate in a transparent manner, ethically and within the framework of the law and the company's corporate governance policy, and with a credible accounting system. The company's Investor Relations Division was set up to communicate with investors and shareholders who would like to make inquiries and seek explanations on related issues.

In 2014, the company's performance improved, registering a net profit of Bt155.43 million as of December 31, 2014 in the separate financial statements.

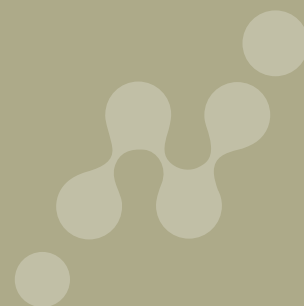
Ethics on relations to customers

The company determines to ensure that the customers and public shall be satisfied with the company's quality products and services with reasonable prices. Besides, the company determines to continuously and seriously enhance its standards as well as maintain this positive and sustainable relationship with the customers.

Emphasizing customer satisfaction, the company consistently organizes a series of activities to relate with each customer segment, such as printed media subscribers which account for a large segment of the company's total customers. The company places importance on customers' opinions of group products. Questionnaires were sent to survey the customers' opinions in terms of content and format. Invitations were made for the customers to participate in various activities such as academic seminars, booth fairs, lucky draws and other events such as rallies, the Kom Chad Luek awards, Nation cycling events and "Nation Hole in One," which has now been organized for more than eight consecutive years.

Ethics on responsibilities to employees

The company realizes that human resources are the most valuable asset that drives the organization to success. The company is committed to develop the quality of employees as well as enhance the corporate culture, promote employees' physical and mental health, ensure a positive work environment, promote team work to build up the employees' confidence, encourage the election of staff representatives to get actively involved in managing staff welfare as stipulated by the law. Furthermore, the company



facilitated the setting up of a “Thai Mass Media Labour Union” according to the Labor Relations Act B.E. 2518 to protect the interests of the employees and promote good relations between the employees and the employers as well as among the employees themselves. Additional activities involving the employees include, for example, monthly alms giving for the executives and the employees, New Year’s celebration and activities of employees’ clubs, such as volunteer for rural development camps, music club, sports clubs, etc.

In terms of employee welfare, the company has paid great attention to labour welfare, implementing appropriate wages and a welfare system based on the employees’ competitiveness in the labour market, growth prospect of career paths, capability and living costs. In addition to wages, employees are entitled to welfare covering leave, provident fund, child allowances, emergency loans, uniform and health expenses, allowances and travel costs. The company has determined labour and human rights practices to be in accordance with international practices and standards on labour and human rights, as well as facilitated the establishment of an employees’ labour committee and union. The company also provides employees with opportunities to express opinions and lodge complaints on different matters to the company. Furthermore, the company has emphasized prevention of accidents and announced measures to provide assistance to employees in the event of accidents, by offering employees at all levels life insurance and health care services consistently, as follows:

1. Provide life insurance (accident and life group insurance for employees at all levels)
2. Provide annual medical check-up (conducted by doctors and nurses from hospitals)
3. Provide annual vaccinations such as influenza vaccinations
4. Provide monetary assistance to employees receiving treatment at hospitals
5. Provide monetary assistance in the event of the death of employees’ parents, spouses, children or the employees themselves.

In terms of safety and hygiene in the workplace, the company has continuously organized training and launched campaigns to raise employees’ awareness on maintaining a safe workplace for life and property. Throughout the year 2014, there were no reports of accidents or medical leave during operating hours as most operations were performed at the office. The company has recognized the importance of the work place, and has constantly maintained working equipment and tools as well as the establishment so that they are always ready to be in service and safe.

In terms of human resources development, the company has concentrated on upgrading employee capability at all levels by organizing internal training courses and external training courses with other institutes or agencies, enabling them to use the acquired knowledge to improve working efficiency. The company has organized training courses in conformity with the Skill Development Promotion Act B.E.2545, stipulating that any company with over 100 employees must organize training courses for employees in the ratio of 50% of the total number of its employees, and apply for training courses certification to the Department of Skill Development. The company strictly follows the Act when it comes to holding training courses for its employees.

In 2014, the company held training courses for 51% of its employees, with in-house training representing 95% and external training with other institutes or agencies accounting for 5%.

In terms of anti-corruption training, the company is well aware of the importance of operating and managing business with integrity and transparency, which will promote sustainable growth and advancement for the company alongside society and the nation. The company has published a code of conduct to provide guidelines for the Board of Directors, the management, and employees on how to work with integrity and morality, counter corruption and omit practices that may lead to corruption such as by refusing to receive high-value gifts. The anti-corruption concept is introduced to employees in the orientation program and is constantly emphasized to employees by the management and supervisors at all levels throughout their employment period.

Compensation and welfare

The company has hired an HR consulting firm to study the company’s compensation and welfare policy as well as succession planning in order to raise the employees’ capability and to be fair and transparent in managing its people. The company

has started to adopt IFRS regarding the employees' welfare after their retirement, beginning in 2011, and sourced specialists in statistics to calculate appropriate welfare levels for retired employees so as to propose to the company's Board of Directors for approval and to adjust the 2014 budget.

To provide financial security to employees who may leave the company or retire, the company has set up a provident fund which accumulates a certain percentage of the employee's salary together with the company's joint fund and the return on investment.

Human Rights

The company has set guidelines in business ethics that all the employees will be treated with respect, prestige and humanity. The employees must not perform any act of legal injury, threats against other employees of different nationality, sexes, religions, ages or physical or mental handicap.

During the past year, there have been no disputes between the company and its employees. The company has received cooperation from the labor union in providing information and building strong understanding among the employees and the company.

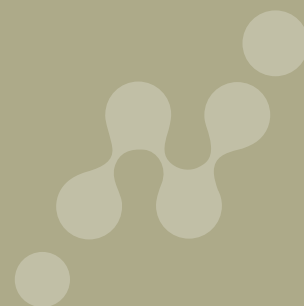
Ethics on relations with trade partners

The company realizes the importance of equality and honesty in business practice as well as the mutual benefits with trade partners. The company strictly abides by law and regulations as well as good business ethics. In regards to the competition, the company adheres to the rules of fair competition and in regards to loans and repayment and trading partners, the company adheres to good practice and fair treatment respectively. The company's guidelines in this respect are as follows:

1. Directors, executives and employees of the company shall not receive, claim or accept offers for benefits that are not in accordance with standard trade practices.
2. Act in strict compliance with the law and regulations.
3. Evaluate and select trade partners using standardized criteria.
4. Strictly follow the conditions concerning trade partners. In the event that the company is unable to follow such conditions, the partner should be informed in advance in order to consider appropriate solutions.
5. Provide accurate and correct information.
6. Support and cooperate with trade partners in the production of high-quality standardized products.
7. Support and cooperate with trade partners in the production of new products and services in order to answer changing customer preferences.
8. Safeguard the confidentiality of trade partners and do not use information for self benefit or the benefit of other parties.

The company always takes relations with trade partners into consideration, such as cooperation with trade partners to provide delivery and distribution services of printed materials by NML which is one of the company's subsidiaries and to utilize each department's resources to the optimum.

In the year under review, the company had no disputes relating to trade partners, competitors, trade creditors or financial institutions.



The company has set selection criteria for new partners as follows:

1. Have the ability to demonstrate a reliable financial background and potential to grow in the long run.
2. Have the ability to produce or distribute quality products according to the company's requirements and allow the company to conduct tests on product quality.
3. Have the ability to support the company in terms of sales promotions and after-sales services provided to customers.

Ethics on relations with trade competitors

The company adheres to ethical rules of business, best practices and fairness in regard to competitors, as follows:

1. Comply with the accepted rules of good competition.
2. Refrain from untruthfully discrediting competitors and avoid dishonest methods to damage competitors.
3. Refrain from sourcing the confidential information of competitors through dishonest or inappropriate means, such as the rates of remuneration of a competitor's employees, etc.

During the year under review, the company did not have any disputes relating to trade competitors.

Ethics on relations with creditors

The company recognizes the importance of equality and honesty in dealing with creditors. To strictly follow loan contracts made with the banks and financial institutions and to meet repayments due on products and services, as well as capital and interest payments, the company has established guidelines as follows:

1. Strictly follows terms and conditions stated in loan agreements made with creditors, both in terms of repayment and collateral, and must not use the loan for purposes other than those stated in agreements.
2. Report the company's financial status that is actual and accurate to creditors honestly.
3. Report to creditors in advance in the event that the company fails to follow the obligations stated in agreements in order to jointly seek solutions with creditors.

The company has received syndicated loans from several banks which have long business relations with the company and ranked the company as a top-rated customer which has thoroughly followed the terms and conditions of its loan contracts.

In the year under review, the company had no disputes relating to creditors and financial institutions.

Ethics on social responsibility and environment

The company has raised employee awareness on conserving the environment and using resources in the most efficient manner through its internal communication process. It has also encouraged employees to take part in a campaign to reduce global warming by changing their behaviors to reduce energy consumption, join in 5S activities, and other activities concerning conservation of the environment, natural resources and energy held by the company. On September 11, 2014, the company invited a speaker from the Thaipat Institute to provide training for concerned managers and employees on the topic "CSR Report".

As a news content producer and distributor to various media, the company shares national concerns over the quality of life and the information consumption of Thais. Therefore, the company has a mission to present quality and useful news to society and the public. The company also participates in efforts to improve the living standard of Thai society. As a business operator in Thailand, the company cares about the environment. In 2014, the company was involved in almost all aspects of community service activities (details as stated in Social Contribution Activities in the Annual Report (56-2)).

As a media company, our staff have not only constantly communicated and listened to the stakeholders' comments and suggestions through various social and business functions, but the management and directors also have opportunities to meet with stakeholders on a regular basis. Furthermore, the company's call centre is always available to take complaints and is ready to solve any dissatisfactions should they arise. The company has constantly responded to such complaints and suggestions.

Complaints and suggestions

The company encourages its management and employees to conduct business with integrity, transparency, fairness and accountability in accordance with good corporate governance and the company's code of business ethics. As part of this policy, the company provides channels for comments, complaints and suggestions from the company's employees and all groups of stakeholders. Complaints and suggestions concerning various issues can be made to the Audit Committee or the Internal Audit Department manager via E-mail audit_nmg@nationgroup.com or by mail to the company at Nation Multimedia Group Public Company Limited 1858/118-119, 121-122, 124-130, 28th Floor, Bangna-Trad Road, Bangna, Bangkok 10260.

Operation procedures after receiving complaints

- The Internal Audit Department will consolidate complaints and launch initial inspections. If the complaints are found to be grounded, they will be forwarded to the Board of Directors, which will set up a fact-finding committee, with the Human Resources Department acting as the committee's secretary. The committee will subsequently present its findings, together with measures against wrongdoers, to the Board of Directors, the Internal Audit Department Manager and the Audit Committee.
- The Audit Committee will provide fairness and safeguard complainants, those in charge of receiving complaints, those who are the subject of complaints and those relating the fact-finding operation by applying protection measures. All involved information will be kept confidential and disclosed only where necessary, with the safety and possible damages to concerned parties taken into consideration.

Information disclosure and transparency policies

The Board of Directors ensures that the company provides its information including financial reports and non financial reports in a manner that is accurate, complete, timely and transparent through easy-to-access channels to the interested parties on an equal and reliable footing.

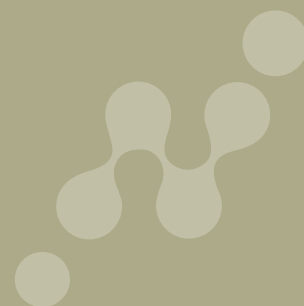
To observe the corporate governance principles, the company requires the directors and management to report any changes of their securities holdings to the Securities and Exchange Commission and the Stock Exchange of Thailand as well as provide the copies thereof to the company's secretary. The company's secretary will provide for the document to be forwarded to the directors and the management in November so that they can update their information thereof. Then, the secretary will collect the shareholding reports to present to the Board of Directors at least once a year.

The company recognizes the importance of preserving confidential data and/or internal information, and the company has issued a 'corporate supervision policy', which prohibits anyone in the company's management or internal agencies who have access to any inside information from disclosing such information to outside parties or non-related persons, except in the case that the disclosure was meant to benefit the company's operations. They shall be barred from buying, selling, transferring, or accepting the company's securities by using the company's confidential data and/or inside information in a manner to cause harm to the company either directly or indirectly.

In the past year, the company has disclosed the company's financial reports and non financial reports accurately, completely, timely, in a transparent manner and in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand through the information disclosure channels of the Stock Exchange of Thailand and the company's website. The company fully complied with the Securities and Exchange Commission and the Stock Exchange of Thailand's requirements on the disclosure of information over the past year.

The company's annual report 2014 provides the following information:

1. Vision, mission and values of the organization
2. List of directors as well as their work and educational backgrounds, their family relationship with the management,



their service in other listed companies and their holding of the company's securities

3. Shareholders' structure
4. Risk factors
5. Corporate Governance Report
6. Directors' remuneration and number of the board meeting's attendance
7. Board of Directors' performance in the past year and the training record of the board
8. Audit Committee's performance in the past year
9. Remuneration policy for directors and high-level management
10. The remuneration for service in the Board of Directors and other assignments for the company and its subsidiaries
11. Annual report of the Audit Committee
12. The Board's accountability report to the financial statements with the required content, endorsed by the Chairman of the Board and President
13. Explanation and analysis of the financial status of the management
14. Accurate and complete financial statements in accordance with accounting standards
15. Financial statements and operating results

The company has disclosed the following information at www.nationgroup.com

1. Roles, duties and responsibilities of the directors, sub-committee, Chairman and President
2. List of related transactions
3. Business ethics and Code of Conduct
4. Corporate Governance Policy
5. Audit Committee charter
6. Internal Audit office charter
7. Quarterly and annual financial statements
8. Annual report
9. Human Resource Management Policy
10. Conflicts of Interest Policy
11. Internal Control Policy
12. Company Regulations
13. Anti-corruption Policy

Investor Relations Section

The Investor Relations section is responsible for communicating with the shareholders, institutional investors, and analysts in an equal and fair manner. The investor relations section answers queries related to the company's and its operations for investors through the company's website, by telephone or via other channels. The company facilitated the distribution of important information by organizing and participating in the following activities in 2014:

- The company held an investors' meeting on the topic "Digital TV and Directions of Nation Group in 2014" on January 15, 2014 at Meeting Room A, 27th Fl., Interlink Tower (formerly Nation Tower). Attended SET Opportunity Day organized by the Stock Exchange of Thailand three times on June 4, September 1 and November 26, 2014.
- Publicize the company's financial status through its newspapers and website 4 times.

The Investor Relations Section can be contacted at:

Address: 1858/118-119,121-122,124-130 Interlink Tower, 27-32 Fl., Bangna-Trad Road, Bangna, Bangkok 10260
Tel: 02-338-3290-91

Email: investor@nationgroup.com

Website: <http://www.nationgroup.com>

Company Secretary Department

The company recognizes the significance of working in compliance with the regulations required by the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant laws in an accurate, complete and transparent manner, which passes through sequential consideration and inspection. The company secretary takes charge of assisting the Chairman of the Board of Directors in monitoring the Board of Directors, sub-committee and all directors to perform in accordance with relevant laws, regulations, and rules. Moreover, the company secretary is responsible for preparing documents in line with meeting agenda, which are sufficient for consideration and making decisions by the board, recording the minutes of meetings accurately and correctly to demonstrate that the board has considered all the proposed agenda fully, faithfully, and responsibly, as a normal person operating the same business should do in the same situation. Also, the company secretary has the responsibility to keep a register of directors, a notice calling meetings, minutes of meetings of the Board of Directors and Shareholders, a report on conflicts of interest, and a report on interest filed by a director or an executive in carrying out duties in full compliance with the guidelines.

Responsibilities of the Board of Directors

Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has an important duty in supervising business operations to ensure the best interests of the company. The Board of Directors is accountable to the shareholders and independent from the management. The Board of Directors consists of persons with knowledge and experience in different fields including accounting and finance, management, marketing, strategy and law.

The Board of Directors has clearly stipulated the duties and responsibilities of the Board of Directors, executive directors and President to ensure the independent judgments of the board to serve the best interests of the company and shareholders. Besides, a monitoring and supervision procedure is in place to ensure the company operates in a manner consistent with the relevant laws and business ethics stipulated by the board

Roles, Duties and Responsibilities of the Chairman

The Chairman plays important roles in chairing and supervising meetings, allocating time for each agenda to ensure each director will have sufficient time to express their views on significant matters and making decisive casting votes when votes cast on both sides are equal in number. The Chairman holds responsibility as head of the Board of Directors to lay the framework and monitor the determination of the company's corporate governance policy, as well as acts as the Chairman of the Annual General Meeting.

Counterbalance of non-executive directors

In 2014, the Board of Directors consists of nine members, three of them are independent directors, and another five are executive directors of the company and its subsidiaries while the other one is a non-executive director. Independent directors and non-executive directors account for more than one third of the board to ensure an effective check and balance system in management.

The three independent directors are fully qualified according to the company's definition of the independent directors, approved by the board and the requirements of the Securities and Exchange Commission issued in 2008. Three out of the three independent directors are members of the Audit Committee. One of them is the Chairman of the Audit Committee and two of them are members of Audit Committee.



Appointment of the Board of Directors

According to the company's requirement, one third of the directors shall vacate their offices when their tenures end every year. The company can re-appoint directors whose tenure ends to the same positions again for another term. The company does not set requirements on the term limit according to the requirement of the Securities and Exchange Commission. The company has set a policy stipulating that its directors must not hold the status of director in more than five other listed companies on the Stock Exchange of Thailand concurrently. The company's directors shall not be directors in competing companies or have conflicts of interest with the company's business. In the case that the directors hold positions in other companies, those company names, types of business and positions of the directors shall be disclosed in the director profile. In 2014, none of the company's directors or executives held positions as directors in more than five listed companies.

The high-level management of the company will not hold any position in other companies, except for subsidiaries and joint ventures. If any member of the high-level management sits in the board of other companies, such service shall be reported in form 56-1

The company appointed Ms. Mathaya Osathanond as the company's secretary on February 15, 2013 to perform duties according to relevant requirements as stipulated by the Securities and Exchange Act. The secretary summarizes the important issues regarding the implementation guidelines and the revised requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as the newly-enacted laws that the board should be aware of in performing their duties. The secretary shall collect information regarding the directors and related parties, take care of the board's activities and work with the management to ensure the Board of Directors' resolutions have been duly executed.

The Board of Directors approves the important issues relating to the company's operation such as the business plan, the operation budget, financial goals, and business strategy that the Chief Executive Officer proposes as well as regularly monitors the operations according to policy and plans.

Sub-committees

The company's Board of Directors has appointed sub-committees to help them screen information relating to the operations by setting the qualifications and responsibility in the requirements for each sub-committee.

At present, the company has two sub-committees, namely the Audit Committee and the Executive Board. The duties and responsibilities of the Audit Committee and the Executive Board are detailed in Point 2 under the topic Sub Committees.

Conflicts of Interest

The company acknowledges the importance of the potential for conflicts of interest. Therefore, the company has announced its conflicts of interest policy which prevents the company's directors, management and employees operating any business which can come into competition with the company, as well as getting involved in a transaction that is likely to lead to a conflict of interest with the company. If it is necessary to do so, the Board of Directors will ensure that the transaction will be transparent and fair. The consideration will be thorough as if the transaction was executed with a third party, whereby the directors, the management or the employees involved shall not be allowed to take part in the approval process. Furthermore, the Stock Exchange of Thailand's regulations shall be strictly observed. Related transactions between the company and its subsidiaries, or associated companies in 2014 were presented before the audit committee and the Board of Directors in February 2014 and the company has disclosed with details and necessities/reasons in the Annual Disclosure Report (56-1 form).

The Board of Directors' Meeting

The Board of Directors' meeting is scheduled in advance with a minimum of once a quarter and special meetings are held as required. Agenda are clearly announced prior to the meetings with routine agenda to follow up on the operational results. The company's secretary is responsible for sending invitation letters informing approved agenda by the Chairman and the Chief Executive Officer together with related documents to all directors seven days in advance. This is to allow time for the directors to

review the information prior to the meeting. Should any director wish to propose additional agenda or require the management to update the progress on any particular issue, he or she can inform their intention to the chairman of the board or the company's secretary.

Generally, each board meeting takes 3-4 hours. The Chairman of the board gives equal opportunity for all directors to independently express their ideas and opinions. The Board of Directors views that to prevent the unintentional leakage of information, the management will report the results of the company's operations only in the month that the meeting is being held. Independent directors and non-executive directors have met regularly to discuss the management issues without the presence of the management. Should there be any issues of concern, the management will be notified to solve or improve them.

Evaluation of the Board of Directors' Performance

The Board of Directors arranges for performance evaluation of the entire board and sub-committees at least once a year so that the Board of Directors and sub-committees can review their performance as well as operational problems and obstacles during the past year for improved operations.

In 2014, the board arranged for performance evaluations in two forms: individual evaluation (self-performance) and entire board evaluation. The company used an evaluation form designed by the Stock Exchange of Thailand and the Thai Institute of Directors (IOD). The evaluation results are divided into four grades: 4 = Absolutely agree, 3 = Mostly agree, 2 = Agree, 1 = Disagree, 0 = Absolutely disagree

The evaluation results can be summarized as follows:

- Individual evaluation categorized under the topics of director's readiness, strategies formulation and business planning, risk management and internal audit, prevention of conflicts of interests, monitoring of financial reports and operations, and the Board of Directors' meeting. The evaluation shows that the Board of Directors fell mainly in the categories of Agree and Mostly agree with Absolutely agree in 91% of cases.
- Evaluation of the entire Board of Directors categorized under the topics of structure and qualifications of the Board, the Board of Directors' meeting, the board's ability to perform their duties, the board's relations with the management, directors' self-development and the management's improvement. The evaluation shows that the Board of Directors fell mainly in the categories of Agree and Mostly agree with Absolutely agree in 98.87% of cases.

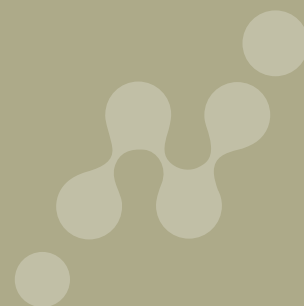
The Board of Directors also arranged for performance evaluation of the Audit Committee, as in the previous year. The evaluation results are divided into Yes = Agree, No = Disagree. The evaluation can be summarized as follows:

- The evaluation of the Audit Committee is based on their responsibilities and duties as well as the committee's meeting. The evaluation result shows that the Audit Committee fell mainly in the category of Yes = Agree with 94%.

Directors' remuneration

The company sets a clear and transparent policy regarding remunerations of directors. Set at competitive rates for this industrial sector, remunerations are high enough to attract directors who have the required qualifications. Remunerations are approved at the shareholders' meetings. Directors tasked with more responsibility and duties shall have appropriate levels of remunerations in line with their newly-assigned duties and responsibilities.

The company's guidelines for the remunerations of the Chief Executive Officer and high-level management are in accordance with the terms and policies stipulated by the Board of Directors. The remunerations reflect the company's and individual's performance. The company's Board of Directors evaluates the performance of the Chief Executive Officer and assigns the Chairman of the board to inform the criteria and results of the evaluations to the Chief Executive Officer. The Executive Board shall approve the results of the performance evaluation of high-level management as proposed by the Chief Executive Officer. The Board of Directors assigned the Executive Board to consider appropriate levels of



In 2013 and 2014, remunerations for directors are as follows:

| Name/Position | Annual Remuneration 2013 | | | | Annual Remuneration 2014 | | | |
|--|--------------------------|-------------------|----------|------------------|--------------------------|-------------------|----------|------------------|
| | Remuneration | Meeting Allowance | Other | Total | Remuneration | Meeting Allowance | Other | Total |
| Chairman: | | | | | | | | |
| • Mr. Suthichai Sae-Yoon | 400,000 | - | - | 400,000 | 400,000 | - | - | 400,000 |
| Chairman of Audit Committee: | | | | | | | | |
| • Mr. Pakorn Borimasporn | 400,000 | - | - | 400,000 | 400,000 | - | - | 400,000 |
| Audit Committee: | | | | | | | | |
| • Mr. Chaveng Chariyapisuthi | 300,000 | - | - | 300,000 | 300,000 | - | - | 300,000 |
| • Ms. Kaemakorn Vachiravarakarn ⁽²⁾ | 150,000 | - | - | 150,000 | 300,000 | - | - | 300,000 |
| Non Executive Director: | | | | | | | | |
| - Mr. Nivat Changariyavong ⁽⁴⁾ | 200,000 | - | - | 200,000 | 150,000 | - | - | 150,000 |
| Executive Directors: | | | | | | | | |
| • Mr. Sermsin Samalapa | 200,000 | - | - | 200,000 | 200,000 | - | - | 200,000 |
| • Ms. Duangkamol Chotana | 200,000 | - | - | 200,000 | 200,000 | - | - | 200,000 |
| • Mr. Adisak Limprungpatankit | 200,000 | - | - | 200,000 | 200,000 | - | - | 200,000 |
| • Mr. Pana Janviroj | 200,000 | - | - | 200,000 | 200,000 | - | - | 200,000 |
| • Mr. Thepchai Sae-Yong ^(1,3) | 150,000 | - | - | 150,000 | 100,000 | - | - | 100,000 |
| Total | 2,400,000 | - | - | 2,400,000 | 2,450,000 | - | - | 2,450,000 |

Note: In 2013 and 2014

1. Board of Director's Meeting No. 3/2013 on May 10, 2013, has approved the appointment of Mr. Thepchai Sae-Yong to be Director to replace Mr. Nissai Vejajiva, Director, who resigned.
2. Board of Director's Meeting No. 6/2013 on October 17, 2013 has approved the appointment of Ms. Kaemakorn Vachiravarakarn to be Independent Director and Audit Committee to replace Mr. Yothin Ngerngchamnon, Independent Director, who resigned.
3. Mr. Thepchai Sae-Yong resigned from his position as Director, effective August 8, 2014.
4. The company received notification from Mr. Nivat Changariyavong that he would resign from his position as Director, effective January 12, 2015.

Director and Management Development Plan

Every new director will attend a basic orientation program conducted by the Chairman of the board, regarding the company's nature of business, history, background, the company's location and branches, the corporate culture as well as being briefed by the Chief Executive Officer and the company's secretary regarding the company's structure, supervision policy, internal control with related documents

The company promotes the development of all directors to enhance their efficiency in performing their duties. The company has set a policy to encourage directors to participate in seminars and training courses organized by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand or other institutes. Topics of seminars and training courses involve development for directors in relation to their duties and responsibilities or new management trends to support continuous development in performing their duties, as well as to enable them to apply acquired knowledge appropriately to consistently improve operations for the benefits of the company. In 2014, the company arranged training courses for directors as follows:

| Order | Name | Name | Name |
|-------|-------------------------------|--|---|
| 1 | Mr. Pakorn Borimasporn | Independent Director and Chairman of the Audit Committee | COSO 2013 : The Road to Transition |
| 2 | Ms. Kaemakorn Vachiravarakarn | Independent Director and Audit Committee Member | Challenges facing the Audit Committee: Sustainable development of listed companies Director Accreditation Program (DAP) class 113/2557 |
| 3 | Mr. Adisak Limprungpatankit | Director | Course for top-executives, Capital Market Academy (CMA), Class 19/2557 |
| 4 | Mr. Thepchai Sae-Yong | Nation Group Editor | Course for top-executives on Energy Science, Thailand Energy Academy, Class 5/2557 |

Succession plans

The company's Board of Directors realizes that the organization's efficiency is a result of its staff. The sustainable growth of the company depends on whether the company will be able to create the qualified personnel to execute the company's mission and continue the intention of the founders as well as to pass on good corporate culture to subsequent generations. The company has therefore instructed the management to give priority to effective management and human resource development with clear directions to achieve the company's vision, mission and values.

The company has set a policy to recruit personnel at all management levels appropriately and transparently to ensure it will acquire management who are professional, unbiased, not getting involved in politics and have a thorough understanding of the media culture and business ethics. The company has succession plans as follows:

1. Chairman / Chief Executive Officer

When the management position of Chairman / Chief Executive Officer vacates or persons holding such position can't perform their duties, the company may select an executive at the nearest level or deputy position to the vacated position to act as a caretaker up until the selection and recruitment process of the vacated position is completed. Successful candidates must have vision, capability, experience and fit well into the organizational culture. The entire Board of Directors will consider qualifications of successful candidates and forward his/her name to the chairman who will further nominate the new Chairman / Chief Executive Officer at the Shareholders Meeting.



2. Vice President

When the management position of vice president vacates or persons holding such position can't perform their duties, the company has succession plans as follows:

1. Analyze the company's business operations in terms of strategies, policies and plans, as well as business expansion plans.
2. Evaluate readiness of the workforce to be in line with the company's business strategies both in the short and long term.
3. Formulate a plan to build workforce readiness by developing staff or recruiting new staff in replacement of those resigning.
4. Create a staff recruitment and training development plan in advance, prior to staff's retirement or resignation.
5. Determine qualifications covering desirable knowledge, skills, personalities and attitudes for each work position and create individual development plans.
6. Evaluate employee performance and capability to consider their suitability for the position.
7. Use KPIs in test and evaluation to measure employee performance and capability.

2. Sub-committees

The company's Board of Directors has appointed two sub-committees, the Audit Committee and the Board of Executive Directors whose roles and responsibilities are described as follows:

2.1 Audit Committee

The Board of Directors appoints the Audit Committee to assist the board in monitoring the quality and reliability of the company's accounting, audit and internal control systems as well as the company's financial reporting process.

The audit committee must be comprised of independent directors to ensure full independence to work fully and reports directly to the Board of Directors. The Audit Committee's duties and responsibilities are set in accordance with the standards and regulations of the Stock Exchange of Thailand, established clearly by charter.

As of December 31, 2014, the Audit Committee comprised three members, as follows:

| Order | Name | Position | Qualification |
|-------|-------------------------------|--------------------------|---|
| 1 | Mr. Pakorn Borimasporn | Audit Committee Chairman | Independent Director |
| 2 | Mr. Chaveng Chariyapisuthi | Audit Committee Member | Independent Director |
| 3 | Ms. Kaemakorn Vachiravarakarn | Audit Committee Member | Independent Director with finance and accounting background |

Roles, duties and responsibilities of the Audit Committee

1. Review the company's financial reporting (quarterly and annual) to ensure accuracy and adequate disclosure regarding the company prior to presenting to the Board of Directors.
2. Review the system of internal control and internal audit to ensure they are appropriate, adequate and effective and consider the independence of the internal audit unit. Also consider and approve the appointment, transfer or dismissal of the head of the internal audit unit or any other unit responsible for the internal audit.
3. Review the system of risk assessment and risk management to ensure that it is adequate, appropriate and effective.
4. Review the company's compliance with regulations of the Securities and Exchange Commission, Stock Exchange and other laws relating to the company's business.
5. Consider the appointment of independent personnel as internal auditors of the company, set remuneration rates and liaise with auditors concerning the objectives, scope, directions and working plan of the audit as well as the scope of problems found during the inspection and any important issues raised by the auditor. Participate in meetings with the auditor but in the absence of management personnel at least once annually.

6. Consider any transactions that may have conflicts of interest to ensure accuracy and completeness in accordance with the laws and regulations of the Stock Exchange of Thailand and ensure correct disclosure of such transactions. This is to ensure that such transactions are reasonable and bring optimal benefit to the company.

7. Produce the Audit Committee Report for disclosure in the company's annual report of the company. The report shall be signed by the Chairman of the Audit Committee and include the following information:

- Comments on the accuracy, completeness and reliability of the financial statements of the company.
- Comments on the adequacy of the system of internal control.
- Comments on the risk management system of the company.
- Comments on the company's compliance with the regulations of the Securities and Exchange Commission, Stock Exchange of Thailand or other laws relating to the company's business.
- Comments on the appropriateness of the company's Auditor.
- Comments on any transactions that may have conflicts of interest.
- The number of Audit Committee meetings held and the attendance of each Audit Committee member.
- Opinions and observations of the Audit Committee encountered while undertaking their duties under the charter.
- Any other information that it is felt the shareholders and investors should know about in carrying out the duties and responsibilities as assigned by the Board of Directors.

8. Perform other duties as assigned by the Board of Directors and approved by the Audit Committee.

In carrying out the duties listed above, the Audit Committee is directly responsible to the Board of Directors while the Board of Directors of the company is responsible for the operations of the company to external parties.

2.2 Board of Executive Directors

The Board of Executive Directors has the authority, duty and responsibility of management with regard to normal business operations, issuing policies covering the business plan, budget, management structure and management authority of the company in accordance with economic circumstances and policies issued by the Board of Directors, for the consideration and/or approval of the Board of Directors, as well as monitoring and tracking the performance of the company in compliance with the policies issued by the Board of Directors.

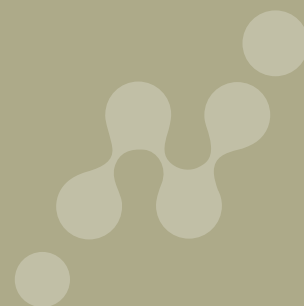
As of December 31, 2014, the Executive Board comprised five executive directors, as follows:

| Rank | Name | Position |
|------|------------------------------|--------------------------------------|
| 1 | Mr. Suthichai Sae-Yoon | Chairman of the Executive Board |
| 2 | Mr. Sermsin Samalapa | Vice Chairman of the Executive Board |
| 3 | Ms. Duangkamol Chotana | Executive Director |
| 4 | Mr. Pana Janviroj | Executive Director |
| 5 | Mr. Adisak Limprungpatanakit | Executive Director |

Roles, duties and responsibilities of the Board of Executive Directors

1. Control business operations and set policies, directions and business strategies in carrying out the policies and goals of the Board of Directors, including the proposal of policies, business plans, budgets and directions in carrying out the company's business and plans for the approval of the Board of Directors.

2. Consider the organizational structure, management authority and salary structure of the company as well as the recruitment, training, hiring, appointment, transfer, assignment and dismissal of executive-level staff including levels of remuneration and bonuses. The company's CEO may be authorized to represent the company in signing employment agreements.



3. Consider and approve operations in the normal course of business, such as product procurement, purchase of licenses, investments in assets, transactions with banks / financial institutions such as the opening of accounts, lending and borrowing, sourcing of credit, loan guarantees and other credit facilities, including the trading and registration of land, carried out in the normal course of business and within authorized credit limits for each type of transaction as set by the Board of Directors.

4. Set business plans, budgets and principles of business operations in accordance with the objectives assigned by the Board of Directors and have the authority to supervise the operations of the company in line with the policies, plans and business strategies approved by the Board of Directors of the company, which are laid down under the company's rules, regulations and Articles of Association.

5. Undertake operations pursuant to policies set by the Board of Directors of the company in connection with operations of the business under the rules, regulations and the Articles of Association of the company, with the exception of areas where the Executive Board may have conflicts of interest with the company or its subsidiaries. Such cases should only proceed following approval in a meeting of the Board of Directors attended only by Independent Directors. Transactions involving the acquisition or disposal of major assets of the company must be undertaken in accordance with the procedures prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission.

6. Consider the company's profit or loss and propose to the Board of Directors the payment of interim dividends and annual dividends.

7. Consider other matters as assigned by the company's Board of Directors. Such authorization must not empower the Executive Board or those who act as representatives of the Executive Board to approve matters in which they themselves may have conflicts of interest or any conflicts of interest as specified by the Securities and Exchange Commission, except for those in accordance with regulations the Board of Directors had earlier approved.

Nonetheless, the approval of matters with conflicts of interest must proceed according to announcements of the Stock Exchange of Thailand, the Capital Market Supervisory Board and / or the Securities and Exchange Commission, on regulations, procedures and related transactions of the listed companies.

Decisions to appoint or dismiss the company's Executive Directors may be taken in meetings of the Board of Directors or Shareholders' meetings.

3. Nomination and appointment of directors and senior executives

(1) Independent directors

Independent Directors are not involved in managing the affairs of the company, its subsidiaries or affiliates, are independent of major shareholders and executives of the company, and hold no relationships that could compromise their independent judgment.

The number of independent directors of the company satisfies the minimum requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Qualifications of independent directors

1. Hold no more than 1 percent of the total number of shares with voting rights of the company, holding company, its subsidiaries or affiliated companies, or of the major shareholders or those with authority to regulate the company, and inclusive of shares held by related parties of the independent director under Section 258 of the Securities and Exchange Act.

2. Have no and have never had any participation in the management of the company, as an employee or an advisor receiving regular compensation or as a person with control or influence over the company, holding company, its subsidiaries or affiliates, or of the company's major shareholders or those with authority over the company, including personnel who may have conflicts of interest, for a period of at least two years prior to appointment in the position. Such prohibitions do not apply to independent

directors who have served as civil servants or advisors to the government, which is the majority shareholder or which has authority or control over the company.

3. Have no and have never had any commercial or business relationship, business conflict of interest or financial or other benefits in management, either directly or indirectly, with the company, holding company, subsidiaries, affiliates, major shareholders or those with authority over the company in a way that may compromise their independent judgment, and which are not nor have ever been significant shareholders or persons with authority or control of the business of the company, its subsidiaries, affiliates or major shareholders, or those persons with authority or control of the business of the company, for a period of at least two years prior to appointment in the position.

4. Has no relationship by family descent or by legal registration as parent, spouse, brother, sister or child, including the spouses of children of executives, major shareholders or controlling parties, or persons in the process of nomination for management positions or other controlling parties of the company or its shareholders.

5. Must not represent openly or covertly directors, major shareholders or other shareholders who are related in any way to major individual shareholders or groups of shareholders of the company.

6. Must act and exercise independence with judgment and without being influenced by the directors, management or major shareholders of the company, including related parties and relatives.

7. Is not and has never been auditors for the company, its holding company, subsidiaries, affiliates, or of the company's major shareholders or those with authority over the company, and is not a major shareholder, controlling party or partner of an auditing firm of the company, its holding company, subsidiaries, affiliates, or of the company's major shareholders or those with authority over the company, for a period of at least two years prior to appointment in the position.

8. Must not and must never have provided professional services, including legal consultancy services, financial consultant or property appraiser with service charges in excess of Bt2 million per year from the company, holding company, subsidiaries, affiliates major shareholders or those with authority over the company, and is not the major shareholder, controlling party or partner of the aforementioned service providers for a period of at least two years prior to appointment in the position.

9. Does not operate in a similar type of business or in competition with the business of the company or its subsidiaries, is not a significant partner of any partnership, executive director, employee, staff member or advisor who receives a regular salary or holds shares amounting to more than 1 percent of total shares with voting rights in other companies involved in similar businesses or in competition with the company of the applicant or its subsidiaries.

10. Independent directors should not have any other characteristics that would preclude them from the exercise of their independent opinion on matters concerning the company and its operations.

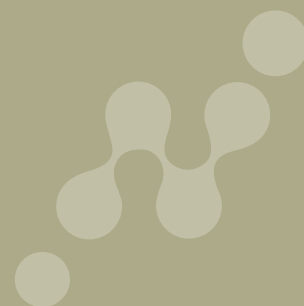
Independent Directors must have undergone the process of nomination and selection of the Board of Directors or shareholders.

(2) Nomination of directors and top management

The company believes that its media business activities play an important function in shaping the views of society at large. For this reason, senior executives and directors of the company must have a clear understanding of the roles and duties of the media, as well as a strict code of media and business ethics in order to set policies in presenting information independently and without bias or distortion. The selection of individuals to serve as directors and executives of the company is considered a serious matter that is placed under the responsibility of the Board of Directors.

Nomination of Directors

The Board of Directors has been assigned responsibility for the nomination of the company's directors, including the proposal of potential candidates, consideration of qualifications and suitability for the position using information from various sources, particularly the Director Pool, to ensure that there are no legal prohibitions or other factors that may affect the operations of the group.



The company also provides opportunities for the company's minority shareholders, either as individuals or as groups who have been shareholders for at least one year, who hold shares on the day of nomination and have documents from the company to verify their shareholdings, to nominate persons for positions as directors. Nominations should be made to the Chairman at least three months prior to the Annual General Meeting of Shareholders, together with the candidate's qualifications and consent.

The appointment of directors is subject to review by the Board of Directors. The number of independent directors, Audit Committee members and the appointment of directors requires the approval of shareholders, in accordance with the rules of the company. The Articles of Association of the company requires that directors are elected in the meeting of shareholders in accordance with the following rules and procedures:

(a) Shareholders have one voting right per share.

(b) Each shareholder must exercise the right to vote for directors individually.

(c) Persons who receive the most votes in descending order will be elected as directors, in accordance with the number of positions to be filled. In the event of a tie in the number of votes for the last director position available, the Chairman shall have the deciding vote.

In each Annual General Meeting of Shareholders, one third of all directors on the board must resign from their positions. Those directors that have occupied their position longest must resign first. However, outgoing directors may be re-elected to the position once again.

Nomination of Senior Executives

Nomination, consideration and recruitment of candidates for the position of Chief Executive Officer is undertaken by the Executive Board. Candidates must demonstrate qualifications as required by the company and should have high levels of vision, knowledge, ability and experience, and fit in well with the company's corporate culture, for the consideration and approval of the Board of Directors.

4. Cross-transactions between the company and its subsidiaries

The company has set a policy concerning cross-transactions between the company and its subsidiaries, joint ventures and affiliates with the same status with parties that may have conflicts of interest, benefits or possible conflicts of interest in the future. Should such a cross-transaction arise, it must follow the normal trading practice transacting with the third party. In the case that the price cannot be compared with a third party, both involved parties must jointly consider and set an appropriate price. The audit committee shall examine the transaction and give opinions about the necessity of the transaction as well as the appropriateness in terms of prices

In 2014 the company and its subsidiaries have cross-transactions with other related companies under market price conditions. Other cross-transaction items, whereby the appropriateness and transaction value has been considered by the audit committee, can be viewed in the accompanying notes to the financial statements.

5. Control of inside information

Policy to prevent insider information

The company maintains a policy to prevent the directors and management from abusing their power, by taking advantage of or damaging other shareholders to be in compliance with code 241 of the Securities and Exchange Act B.E. 2535 as follows:

1. Directors, management and any staff who have access to inside information shall not disclose the inside information to third parties.

2. Directors, management and any staff involved in conducting financial reports or other related documents have to exercise caution in the company's securities transaction during the period prior to the date the financial statements are announced, and if securities transactions are undertaken during the period, the company's board must be informed immediately.

Information disclosure

The Board of Directors has set guidelines for directors and executives of the company and its subsidiaries to disclose information on any conflicts of interest and those involved, in accordance with Section 89/14 of the Securities and Exchange Act B.E. 2551, to ensure transparency and prevent any conflicts of interest, as follows. The directors and executives have to report any movements in their shareholdings to the SEC and SET and should there be any transaction trading, the SEC must be notified within 3 days after the trading. The directors and executives must report the information on their conflict of interest as well as those involved according to the SEC's announcement Torjor 2/2009 which the company has followed since July 1, 2009.

1. The directors and executives must report any information on their conflicts of interest as well as those involved annually. The company's secretary is responsible for collecting and updating the information and having this information ready for disclosure to the Board of Directors, should they require for cross-transaction consideration between companies and directors and / or executives or involved parties who have conflicts of interest.

2. In case that there is a change in the information disclosure, it needs to be updated immediately and reported within 7 days.

3. The company's secretary is responsible for sending a copy of the conflict of interest report to the chairman, the audit committee chairman within 7 days after the company receives such report.

In 2014, information was reported on one occasion without any conflicts of interest.

Report on shareholding

The company's board and management have been informed of their obligation to report their shareholdings to the Securities and Exchange Commission in accordance with code 59 of the Securities and Exchange Act B.E. 2535, and to the company's board for each transaction, transfer or attainment of shares.

In 2013 the company has set a policy that the directors and executives must report their shareholding to the Board of Directors annually and at least once a year. The directors have reported their shareholdings at the Board of Director's Meeting on February 13, 2015.

During the year 2014, the company reported its board and management's shareholding comparing increased/decreased share number from December 31, 2013 - February 5, 2015 as follows:

| Name | Number of Shares | | | Shareholding Proportion (%) as of Feb 5, 2015 |
|---------------------------------|------------------|--------------|---|---|
| | Feb 5, 2015 | Dec 31, 2013 | Increase / Decrease in Number of Shares | |
| 1. Mr. Suthichai Sae-Yoon | 304,921,742 | 304,101,742 | 820,000 | 9.19 |
| 2. Mr. Sermsin Samalapa | 55,000,000 | 300,000,000 | (245,000,000) | 1.66 |
| 3. Mr. Pakorn Borimasporn | 587,708 | 587,708 | - | 0.02 |
| 4. Mr. Chaveng Chariyapisuthi | - | - | - | - |
| 5. Ms. Kaemakorn Vachiravarakam | - | 10,000,000 | (10,000,000) | - |
| 6. Ms. Duangkamol Chotana | 21,728,200 | 20,908,200 | 820,000 | 0.66 |
| 7. Mr. Adisak Limprungpatanakit | 15,900,000 | 15,900,000 | - | 0.48 |
| 8. Mr. Pana Janviroj | 20,249,000 | 20,249,000 | - | 0.61 |

- Note :**
1. Paid up shares of NMG as of February 5, 2015 total 3,316,345,238 shares
 2. Directors' shareholdings are inclusive of shares held by family members (if any)
 3. As of February 12, 2015, one director is in the process of replacing a director who is resigning



6. Auditor's Remuneration

(1) Audit fee

The company and its subsidiaries paid an audit fee for the financial year of Bt3,685,000 to KPMG Phoomchai Audit Limited. The figure can be broken down as follows:

| Order | Company | Amount (baht) |
|-------|--|---------------|
| 1 | Nation Multimedia Group Public Company Limited | 1,615,000 |
| 2 | Krungthep Turakij Media Co., Ltd. | 160,000 |
| 3 | Bangkok Business Broadcasting Co., Ltd. | 180,000 |
| 4 | Nation University | 400,000 |
| 5 | Nation U Co., Ltd. | 65,000 |
| 6 | Kom Chad Luek Media Co., Ltd. | 230,000 |
| 7 | WPS (Thailand) Co., Ltd. | 395,000 |
| 8 | NML Co., Ltd. | 260,000 |
| 9 | Nation News Network Co., Ltd. | 140,000 |
| 10 | Yomiuri-Nation Information Service Ltd. | 240,000 |
| Total | | 3,685,000 |

(2) Non-audit fees

The company and its subsidiaries received no other services from the Office of the Auditor, Auditor's personnel or any other parties related to the Auditor* in the past fiscal year.

Note : *Parties related to the Office or personnel of the Auditor include:

1. Spouses or children who are dependents of the Auditor's staff
2. Parties that have control over the Auditor, are under the control of the Auditor or which are under common control with the Auditor, whether directly or indirectly.
3. Parties significantly influenced by the Auditor.
4. Partners or equivalent of the Auditor.
5. Spouses or children who are dependents of staff of parties in (4)
6. Parties related to the Auditor as in (1) (4) or (5) who have significant control or influence, whether directly or indirectly.

7. Other Aspects of Good Corporate Governance

Meeting Attendance

In 2014, attendance at Board of Directors' meetings, Audit Committee meetings and Shareholders meetings was as follows:

| Order | Director | Meeting Attendance/No. of Meetings | | |
|-------|-------------------------------|------------------------------------|-------------------------|-----------------------|
| | | Directors' Meeting | Audit Committee Meeting | Shareholders' Meeting |
| 1 | Mr. Suthichai Sae-Yoon | 6/6 | - | 1/1 |
| 2 | Mr. Sermsin Samalapa | 6/6 | - | 1/1 |
| 3 | Ms. Duangkamol Chotana | 6/6 | - | 1/1 |
| 4 | Mr. Pakorn Borimasporn | 6/6 | 4/4 | 1/1 |
| 5 | Mr. Chaveng Chariyapisuthi | 6/6 | 4/4 | 1/1 |
| 6 | Ms. Kaemakorn Vachiravarakarn | 6/6 | 3/4 | -/1 |
| 7 | Mr. Thepchai Sae-Yong(1) | 5/5 | - | 1/1 |
| 8 | Mr. Adisak Limprungpattanakit | 6/6 | - | 1/1 |
| 9 | Mr. Pana Janviroj | 6/6 | - | 1/1 |
| 10 | Mr. Nivat Changariyavong | 5/6 | - | 1/1 |

Note: 1. Mr. Thepchai Sae-Yong tendered his resignation as a director to the company's Board of Directors effective from August 8, 2014.

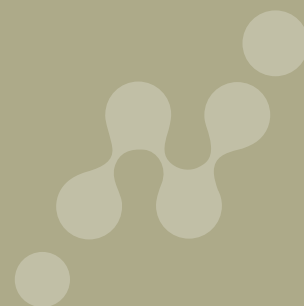
The company maintains written and comprehensive minutes for each meeting held. Meeting minutes are approved by the Board of Directors and available for inspection by directors and other related parties.

Internal control and risk management

The company's Board of Directors places importance on the maintenance of an internal control system, establishing a system that covers finance and operations in accordance with related laws, rules and regulations with effective checks and balances to protect and safeguard the company's assets. The Internal Audit Department monitors the performance of every unit to ensure operations are conducted correctly and according to the regulations. The Audit Committee also oversees and directs the company's internal control system to comply with policies and plans as assigned by the Board of Directors and in accordance with the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission.

Audit Committee's review of the internal audit

In 2014 the Board of Directors received the Audit Committee's review of the financial statements and financial report, including the results of the internal audit. The Board of Directors was of the opinion that overall the company's internal control system was satisfactory with confidence in the credibility of the financial statements. The company appropriately safeguarded assets to prevent



any illicit use by management or employees, operated in line with specified procedures, and maintained a cautious, adequate, and appropriate internal control systems in five respects – organization and environment, risk management, management control, information and communication and monitoring system. Each sector can be summarized as follows:

1. Organization and environment

The company has set clear and assessable business goals, with periodic reviews of the feasibility of the goals. The company offers employees reasonable remuneration in line with their annual performance results. The company's organization structure is clearly divided into separate business units, with ethical guidelines and a Code of Conduct for management and employees to follow, ensuring they perform honestly and ethically, and deliver standardized work. The ethical guidelines and Code of Conduct also encompass care of stakeholders and compliance with related laws. All managers and employees are required to strictly follow the company's ethical guidelines and Code of Conduct.

2. Risk management

The company assesses risk in various areas to ascertain possible impacts on operations. Meetings of the executive committee, including the Managing Director, Senior Vice Presidents and heads of related departments, are held to evaluate risks and the possible consequences that may arise from risks. The meetings cover operational planning as well as implementation and monitoring of operations.

3. Management control

The company has put in place policies and procedures covering various areas including financial transactions, purchasing, hiring and general administration, setting of authority and duties, approval limits for management at each level clearly specified and available in writing, segregation of duties concerning accounting records and information, and safeguarding of the company's assets. In the event that the company approves transactions with major shareholders, directors, executives or other related parties, the company will take into account the best interests of the company as priority and consider such transactions in the same way as those made with external parties.

4. Information system and data communications

The company has established an information system and communication channels for use within the organization and externally, to enable all concerned parties to access information that is accurate, complete and timely, as well as information that is important in decision making.

5. Monitoring system

The company has put in place a monitoring system to ensure that compliance with the internal control system is maintained continuously. The Internal Audit Department is responsible for monitoring the performance of employees in the various segments of the company and reporting the results to the Board of Directors and executives. Any significant problems encountered must be reported for consideration prior to implementing appropriate solutions within a reasonable time period.

Head of the internal audit

Ms. Kanchana Rittirongkachon, Senior Internal Audit Manager, serves as head of the company's internal audit. The Board of Directors feels that the head of the internal audit has the necessary qualifications to perform effectively as she possesses knowledge, ability and experience in the auditing field together with a clear understanding of the activities and operations of the company. In the event of the appointment, removal or transfer of the head of the internal audit, approval must be granted by the Audit Committee.

Social environmental activities

Social and environmental activities in 2014

As Thailand's fully-integrated and leading media operator, Nation Group has realized its important roles and missions in providing news and information that can influence society both in positive and negative ways. To create a better and more sustainable society in Thailand as well as preserve national culture, Nation Group, as part of its good Corporate Governance and Corporate Social Responsibility policies, has organized numerous CSR activities, many in collaboration with external agencies. Nation Group and its subsidiaries' outstanding CSR activities for 2014 are outlined as follows:

Kom Chad Luek's CSR activities in 2014

1. TanKhunPaenDin Project

The "TanKhunPaenDin" Project plays a part in encouraging Thai people to undertake good deeds for society. As an organization established and matured in Thailand, with a commitment to perform its media duties with honesty for over 40 years, Nation Group is one subject of His Majesty the King. Fully recognizing His Majesty the King's kindness extended to all Thai people, Nation Group has adopted His Majesty's guidance, focusing on encouraging his subjects to perform honorable deeds. Nation Group, through its Kom Chad Luek newspaper, has therefore initiated the "TanKhunPaenDin" project to praise and honour individuals who have made significant social contributions.

Objectives

1. To provide good examples of individuals selected as "TanKhunPaenDin People," who will serve as ideal role models to inspire other Thais to perform good deeds.
2. To raise consciousness among Thai people about the importance of self-improvement, development of creativity, social contribution and serving as a driving force to move the Thai people forward to a truly peaceful and sustainable society.

Qualifications of "TanKhunPaenDin People"

1. Persons who have been widely recognized by society as "good people".
2. Persons who have demonstrated creativity with out-of-the-box thinking.
3. Persons whose works benefit society and communities at large.
4. Persons whose works help create a more sustainable society and communities.
5. Persons with inspirational biographies and works, which will ideally serve as role models for other people in society.

Nation Group believes the nomination of good people and model youths under the project will encourage Thai society to recognize the value of beneficial deeds and honour those performing good deeds. The company is confident that the project will set a good example to all sectors of society, raise awareness on social contribution, as well as promote collaboration among all sectors to create a more peaceful





and sustainable Thai society. The company considers human resources development to be a worthy investment as human resources are the driving force behind organizations and society. If most Thai people observe moral and ethical principles, Thai society, as a whole, will be a truly happy, peaceful and sustainable one.

The 2014 TanKhunPaenDin Project saw its organizing committee together with a team of Nation Group reporters traveling around the country in search of model citizens in each province. So far, a total of 491 good people or social contributors have received the TanKhunPaenDin Award.

The selection of the TanKhunPaenDin awardees for the past six years in all regions has been presented through the “TanKhunPaenDin” TV program. The program depicts the ways of living of “model citizens” who have made contributions and played a key role in promoting sustainable development in their communities and in society at large, which could inspire viewers to follow their footsteps.

Promotion of the “do good deeds” values will play a part in steering Thailand towards a country of peace and sustainability, which will serve as a strong foundation for the country to remain steadfast in the constantly changing world and prepare it for the upcoming Asean Economic Community integration.

2. “Kom Chad Luek Volunteers – TanKhunPaenDin” 2014

Throughout 2014, Kom Chad Luek undertook various social-assistance campaigns through the “Kom Chad Luek Volunteers – TanKhunPaenDin” project. Now in its fourth year, the project provides assistance to the public and children in rural or remote areas which are often out of reach of normal assistance channels. Assistance takes the form of construction of school libraries, school canteens, playgrounds, community sports areas, and as emergency aid for victims of disasters such as flooding, drought and unusual cold.

The project was first launched in November 2010 to respond to the needs of areas directly affected by disasters or other urgent situations, as surveyed by members of the press in upcountry areas. It provides help to people in cases such as flooding, drought, cold weather, or for schools and communities in need of assistance. The project draws on information provided through the “outstanding citizens” under the TanKhunPaenDin program, sets up a panel to look into the issue and coordinates with related agencies prior to visiting the actual site to solve the problems, with teams of volunteers ultimately completing the mission.

This year, “Kom Chad Luek Volunteers – TanKhunPaenDin” has undertaken a number of assistance projects for rural schools, as follows:

1. Donated funds of 100,000 baht for construction of a multi-purpose pavilion for Ban Sabtakhro School at Nong Boon Mak district, Nakhon Ratchasima province in October 2013.
2. Provided assistance of 200,000 baht each to two schools affected by flooding during the 2014 school year – Wat Had Soong School in Kabinburi district, Prachinburi province and Wat Paknam Jolo School in Bangkla district, Chachoengsao province. The donations were presented at the end of November 2013.





3. Soft toys and other items necessary to the optimal growth and development of preschool children were donated to children at the Romklao Community to mark Children's Day 2014. The gifts were presented to the children of impoverished parents who leave the children at preschool child care centres during the daytime. The donations were made at the Friends of Romklao Community, Phase 5, Zone 11, Ton Nun sub-district, Lat Krabang district, Bangkok on December 26, 2013.

The Nation's 2013 CSR program

The Nation, together with group company Nation Broadcasting Corporation Public Company Limited and members of the Asia News Network, a partnership of 22 media organizations from 19 countries in the Asian region, organized a campaign to raise funds for victims of Typhoon Haiyan, which brought devastation to large swathes of the Philippines. The funds were donated to the Philippines Red Cross Society via the Philippines Inquirer newspaper, a member of the Asia News Network, and with the support of the Philippines Embassy to Thailand. The campaign succeeded in raising more than US\$160,000 in charity aid.

3. Music Club

The Music Club was founded to give employees a chance to get involved in activities together, to share the joy of performing music with others and to express what is right and beneficial to society. Proceeds earned from the musical performances are donated to charity.

4. Sharing Dreams with Our Children

Kom Chad Luek newspaper organized the project "Sharing Dreams with Our Children" on the occasion of National Children's Day, donating items such as books, toys, clothes, sports equipment and other items deemed necessary for the well-rounded education of children. The items were donated to children living in remote rural communities.

5. Model Graduates

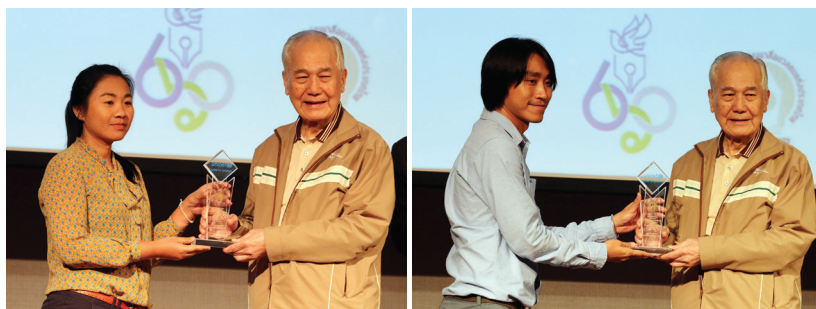
The "Model Graduates" project, whose objective is to encourage young people to dedicate themselves to assisting communities and society, was launched through the cooperation of the Pidthong Lang Phra Foundation, the University Council and members of Nation Group. The project's youth members are encouraged to develop an awareness of social issues and dedicate their time, effort and the knowledge they have gained into helping bring about solutions to pressing problems and benefitting society. The project aims to get the new generation of youngsters involved in helping develop the nation.



Awards

Nation Group companies in 2014





Nation Multimedia Group Public Company Limited (NMG): 1 award

And Nation International Edutainment Public Company Limited (NINE): 1 award

Investors' Choice Award: Presented for listed companies whose meeting organization gained a perfect score of 100 points for four consecutive years from 2011 to 2014. The award was presented by the Thai Investors Association.

Kom Chad Luek Media Co., Ltd. (KMM): 1 awards

1. Outstanding Crime News Award 2014 presented by Mr. Siroj Mingkhwan, of the Good Citizens Foundation (Thailand) in association with the Crime Reporters Association of Thailand and CP All Public Company Limited. The award was presented at CP Tower, Silom Road on December 2, 2014.

Krungthep Turakij Media Co., Ltd. (KTM): 3 awards

Krungthep Turakij newspaper received two awards (honorable mention) from UNICEF and the Thai Journalists Association, presented by Mr. Anand Panyarachun at the Century Park Hotel on November 27, 2014.

1. Honorable Mention in the category of "news documentary promoting the rights of children for 2014" from the story "Ya Rang Kae Chan" by Nipaporn Tabhun.

2. Honorable Mention in the category of "news documentary promoting the rights of children for 2014" from "Nang Seu... Dab Fai" by Chainarong Kitinartintranee.

3. Krungthep Turakij newspaper received an award for the "Kluen Wai" column by Mr. Pakorn Puengnet, Political Crime Editor, from the Good Citizens Foundation (Thailand) in association with the Crime Reporters Association of Thailand and CP All Public Company Limited. The award was presented at CP Tower, Silom Road on December 2, 2014.

Education Business Unit (Nation University): 3 Awards

1. Ms. Panida Chaisombat, first-year student of Communications Arts, won the HRH Princess Maha Chakri Sirindhorn trophy for speech recitation (Thai). The competition was organized by Thanachart Bank.

2. Students from the Faculty of Business Administration won the second essay-writing contest on the topic "Building Ethical Accounting Practices". The competition was organized by the Association of Private Higher Education Institutions of Thailand and held at Kasem Bundit University.

3. Students from the Faculty of Communication Arts won the second runner-up prize in the short documentary category at the 12th World Film Festival of Bangkok.



Characteristics of the Business Structure of Sales and Service Income

Nation Multimedia Group Public Company Limited and Subsidiaries have the structure of revenue from sales and rendering of services grouped by products and services as follows:

(Unit ; in milion Baht)

| Products / Services | Operated by | 2014 | | 2013 | | 2012 | |
|---|---|--------------|-------------|--------------|-------------|--------------|-------------|
| | | Amount | % | Amount | % | Amount | % |
| Publishing and distribution of newspapers, publishing, digital publishing and providing advertising media / news services | Nation Multimedia Group PCL. Kom Chad Luek Media Co., Ltd. | 1,644 | 58% | 2,050 | 70% | 2,099 | 71% |
| Publishing and distribution English newspapers, publishing, digital publishing and advertising media | Nation News Network Co., Ltd. | | | | | | |
| Publishing and distribution of newspaper, publishing, digital publishing and advertising media | Krungthep Turakij Media Co., Ltd. | | | | | | |
| Publishing and distribution educational books and comics | Nation Edutainment Co., Ltd. Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | | | | | | |
| Importing, publishing, distributing local and foreign publications, production of TV programmes and providing advertisements through TV media, digital media and character management | Nation International Edutainment PCL. | | | | | | |
| Production of publishing, and books and publishing services. | WPS (Thailand) Co., Ltd. | | | | | | |
| Production of TV and radio programmes and providing advertisements through TV, radio and new media forms | Nation Broadcasting Corporation PCL. NBC Nextmedia Co., Ltd. NBC Next Screen Co., Ltd. NBC Next Vision Co., Ltd. Nation Kids Co., Ltd. Bangkok Business Broadcasting Co., Ltd. | 1,031 | 36% | 751 | 25% | 728 | 25% |
| Transportation and delivery services | NML Co., Ltd. | 101 | 4% | 91 | 3% | 74 | 3% |
| University and education services | Nation U Co., Ltd. Nation University Nine Be Bright Co.,Ltd. | 52 | 2% | 57 | 2% | 36 | 1% |
| Total | | 2,828 | 100% | 2,949 | 100% | 2,937 | 100% |

Audit Committee's Report for 2014

The Audit Committee of Nation Multimedia Group Public Company Limited comprised of three independent directors : Mr. Pakorn Borimasporn is committee chairman, Mr. Chaveng Chariyapisuthi and Ms. Kaemakorn Vachiravarakarn, are committee members.

In the year 2014, The Audit Committee had organized 4 meetings, each meeting takes approximately 4 hours to carry out its duty as specified in the Audit Committee Charter. In every meeting, there are agenda for meeting with the company's Independent Auditor and agenda for meeting with the Internal Auditor. The Audit Committee had also had meeting with high level management for relevant agendas. The Audit Committee is of the opinion that.

1. The company's 2014 financial reports are fairly presented and no transactions are found that might materially affect the financial reports.
2. The company's internal control system and risk management system are appropriate, sufficient and efficient. At present, there are three experienced internal auditors to carry out the internal audit activities.
3. The related-party transactions in 2014 are general and normal business transactions, they are reasonable and no abnormal transactions are found.
4. The company has complied to the laws of securities and stock exchange as well as regulations and other laws relevant to the company's business.
5. Ms. Patamavan Vadhanakul auditor registration number 9832 was the company's Independent Auditor for the year 2014 and was his first term as the company Independent Auditor. He is knowledgeable and independent as well as has long experience in the auditing activities and therefore is suitable for the job.

As for the appointment of the company's Independent Auditor for the year 2015, the Audit Committee proposes that the following persons from KPMG Poomchai Audit Co.,Ltd. : Ms. Patamavan Vadhanakul, Registration No. 9832 or Mr. Winid Silamongkol, No.3378 or Ms. Vannaporn Jongperadechanon, No. 4098 or Mr. Veerachai Ratanajaratkul, No. 4323 be appointed as the company's Independent Auditor for the year 2015



(Mr. Pakorn Borimasporn)
Chairman of Audit Committee



Report of Responsibilities of the Board of Directors towards the Financial Report for the year 2014

The Company's Board of Directors recognizes the significance of its duties and responsibilities, as directors of a listed company. The Board of Directors ensures that the Company's financial report contains accurate, transparent and full accounting records that reflect the Company's actual financial status and operational results. The Company's financial statements are adequately disclosed to prevent any fraud or mismanagement of the company's assets. The Company adheres to conform with recognized accounting standards that are fair and circumspect in the financial reporting processes of the Company and its Subsidiaries in the year ended 31 December 2014.

In order to strengthen the confidence of the shareholders, investors and other related parties, the Board of Directors establishes the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand and notification of the Capital Market Supervisory Board to review and ensure accuracy and sufficiency of the financial report, including transparent and complete disclosure of connected transactions or transactions with possible conflict of interest. The Audit Committee ensure the Company's risk management system, internal control, internal audit systems and corporate governance are appropriate and effective in compliance with laws of securities and exchange, regulations of the Stock Exchange of Thailand, notification of the Capital Market Supervisory Board and relevant rules and regulations. The Audit Committee had already reported to the Company's Board of Directors and presented them with the Audit Committee Report as an addendum to the annual registration statement (form 56-1) and annual report of the Company.

The Board of Directors is of the opinion that the financial statements for the year ended 31 December 2014 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management and audited by the Company's auditor, reflect accurate and complete financial status, operational results and cash flow in accordance with generally accepted accounting standards, rules, regulations and laws relating to the Company's businesses.

(Mr.Suthichai Sae-Yoon)
Chairman

(Ms.Duangkamol Chotana)
President

The Results of the Consolidated Financial Statements

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended 31 December 2014 represented an operating profit before income tax of Baht 95.21 million. An inclusion of income tax of Baht 30.75 million resulted in operations for the year 2014 had profit of Baht 64.46 million. Compared to the same period of last year, it showed a profit of Baht 251.72 million, decreased by 74%. The Company would like to clarify a significance change of Group's operation results were summarized as follows:

1. Revenue from sales and services for the year 2014 decreased by 4% compared to the same period of 2013. The main reason was from the political situation has incurred since the fourth quarter of 2013, consequently, the economic slowdown and the customers decelerated advertising spending affected advertising revenue increased by 2% as there were from broadcast business unit increased by 37% from advertising revenue from Digital TV in Nation TV Channel 22 and NOW Channel 26, which has begun broadcasting since 25 April 2014, new media advertising increased by 13% while print ads decreased by 18%. Moreover circulation revenue decreased by 21%, resulting from circulation revenue from pocket books and children books decreased by 45% and there was 8% dropped in newspaper whereas revenues from logistic services increased by 11%.

2. Cost of sales and expenses for the year 2014 increased by 5% compared to the same period of 2013. Although, the Group had cost and expenses of Digital TV business increased but the group has a policy to maintain of expenses monitor. As a result, total cost and expenses also slightly increased.

Conclusion :

The Group reported an operating profit before income tax for the year ended 31 December 2014 was at Baht 95.21 million. An inclusion of income tax of Baht 30.75 million resulted in profit of Baht 64.46 million. Compared to the same period of last year, it showed a profit of Baht 251.72 million.

**Nation Multimedia Group Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2014
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th-51st Floors, Empire Tower
1 South Sathorn Road
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Independent Auditor's Report

To the Shareholders of Nation Multimedia Group Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries (the "Group") and of Nation Multimedia Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in blue ink, appearing to be 'Winid Silamongkol'. The signature is stylized with a large, looped 'W' and a long, sweeping horizontal stroke.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
13 February 2015

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of financial position

| Assets | Note | Consolidated | | Separate | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 31 December | | 31 December | |
| | | 2014 | 2013 | 2014 | 2013 |
| | | (in Baht) | | | |
| <i>Current assets</i> | | | | | |
| Cash and cash equivalents | 6 | 652,869,443 | 1,467,849,138 | 21,503,764 | 18,841,677 |
| Current investments | 7 | 694,500,000 | 138,320,000 | - | - |
| Trade accounts receivable | 8 | 550,643,694 | 757,771,277 | 842,502,903 | 554,966,208 |
| Accrued income | 5 | 427,950,416 | 165,420,566 | 280,861,420 | 35,363,113 |
| Other receivables | 9 | 77,600,289 | 68,579,402 | 439,418,974 | 320,178,138 |
| Short-term loans to related party | 5 | - | - | 42,000,000 | 120,000,000 |
| Current portion of long-term loan to related party | 5 | - | - | - | 21,000,000 |
| Inventories | 10 | 386,599,141 | 274,048,248 | 82,557,508 | 79,263,268 |
| Deposits guarantees for licencing auction | 20 | - | 74,000,000 | - | - |
| Other current assets | 11 | 254,646,276 | 126,974,578 | 61,975,875 | 39,779,624 |
| Total current assets | | 3,044,809,259 | 3,072,963,209 | 1,770,820,444 | 1,189,392,028 |
| <i>Non-current assets</i> | | | | | |
| Restricted deposits | 12 | 3,330,908 | 2,589,301 | - | - |
| Investments in associate | 13 | 21,756,420 | 27,791,492 | 1,800,000 | 1,800,000 |
| Investments in subsidiaries | 14 | - | - | 2,504,415,286 | 2,021,893,734 |
| Long-term investments in related parties | 16 | - | - | - | - |
| Long-term investments in other companies | 17 | 47,280,600 | 31,199,517 | 47,280,600 | 31,199,517 |
| Investment properties | | 38,000,000 | 38,000,000 | 38,000,000 | 38,000,000 |
| Property, plant and equipment | 18 | 1,697,384,199 | 1,740,049,863 | 473,185,751 | 472,355,205 |
| Intangible assets | 19 | 68,878,008 | 83,929,434 | 24,768,598 | 30,433,857 |
| Digital television licences | 20 | 3,376,188,219 | - | - | - |
| Deferred tax assets | 21 | 115,663,412 | 98,775,128 | 22,311,024 | 55,084,344 |
| Other non-current assets | 22 | 162,592,750 | 255,721,922 | 124,402,295 | 196,826,592 |
| Total non-current assets | | 5,531,074,516 | 2,278,056,657 | 3,236,163,554 | 2,847,593,249 |
| Total assets | | 8,575,883,775 | 5,351,019,866 | 5,006,983,998 | 4,036,985,277 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of financial position

| | | Consolidated financial statements | | Separate financial statements | |
|---|--------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | 31 December | | 31 December | |
| Liabilities and equity | Note | 2014 | 2013 | 2014 | 2013 |
| <i>(in Baht)</i> | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans | | | | | |
| from financial institutions | 23 | 628,680,584 | 293,915,945 | 564,659,032 | 223,281,757 |
| Trade accounts payable | 24 | 108,345,331 | 115,357,241 | 796,175,912 | 410,201,518 |
| Other payable | 25 | 206,718,660 | 206,368,243 | 70,075,453 | 37,808,058 |
| Current portion of digital television licences payable | 20 | 473,800,000 | - | - | - |
| Current portion of long-term loans | | | | | |
| from financial institutions | 23 | 100,800,000 | 120,331,250 | 100,800,000 | 100,800,000 |
| Current portion of finance lease liabilities | 23 | 2,967,817 | 7,825,544 | 2,967,817 | 2,612,547 |
| Accrued expenses | 5 | 235,417,986 | 235,409,631 | 240,720,274 | 72,689,551 |
| Income tax payable | | 3,830,147 | 2,795,427 | - | - |
| Other current liabilities | 26 | 207,673,815 | 144,863,158 | 64,696,047 | 38,853,515 |
| Total current liabilities | | 1,968,234,340 | 1,126,866,439 | 1,840,094,535 | 886,246,946 |
| Non-current liabilities | | | | | |
| Digital television licences payable | 20 | 2,470,400,000 | - | - | - |
| Long-term loans from financial institutions | 23 | 15,356,293 | 152,217,879 | 15,356,293 | 152,217,879 |
| Finance lease liabilities | 23 | 2,831,825 | 5,799,642 | 2,831,825 | 5,799,642 |
| Employee benefit obligations | 27 | 149,357,718 | 134,458,894 | 48,534,231 | 36,196,879 |
| Other non-current liabilities | 23, 28 | 153,538,659 | 147,047,965 | 121,645,415 | 112,234,930 |
| Total non-current liabilities | | 2,791,484,495 | 439,524,380 | 188,367,764 | 306,449,330 |
| Total liabilities | | 4,759,718,835 | 1,566,390,819 | 2,028,462,299 | 1,192,696,276 |
| Equity | | | | | |
| Share capital | 29 | | | | |
| Authorised share capital | | 2,663,572,195 | 2,663,572,195 | 2,663,572,195 | 2,663,572,195 |
| Issued and paid-up share capital | | 1,757,662,976 | 1,751,120,832 | 1,757,662,976 | 1,751,120,832 |
| Additional paid in capital | 29, 30 | | | | |
| Premium on ordinary shares | | 802,589,749 | 784,501,401 | 802,589,749 | 784,501,401 |
| Premium on ordinary shares of subsidiaries | | 94,328,676 | 94,372,016 | - | - |
| Warrants | 30 | 14,287,705 | 5,135,848 | 11,726,446 | 4,376,490 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | 31 | 19,700,000 | 11,700,000 | 19,700,000 | 11,700,000 |
| Unappropriated | | 641,393,704 | 650,840,315 | 361,998,451 | 280,611,068 |
| Other component of equity | 31 | 24,844,077 | 11,979,210 | 24,844,077 | 11,979,210 |
| Equity attributable to owners of the Company | | 3,354,806,887 | 3,309,649,622 | 2,978,521,699 | 2,844,289,001 |
| Non-controlling interests | | 461,358,053 | 474,979,425 | - | - |
| Total equity | | 3,816,164,940 | 3,784,629,047 | 2,978,521,699 | 2,844,289,001 |
| Total liabilities and equity | | 8,575,883,775 | 5,351,019,866 | 5,006,983,998 | 4,036,985,277 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

| | | Consolidated financial statements | | Separate financial statements | |
|---|--------|--------------------------------------|----------------------|-----------------------------------|---------------------|
| | | For the year ended 31 December | | For the year ended 31 December | |
| | Note | 2014 | 2013 | 2014 | 2013 |
| | | (in Baht) | | | |
| Income | | | | | |
| Revenue from sales of goods and rendering of services | 5 | 2,827,711,317 | 2,949,252,788 | 838,549,756 | 816,152,972 |
| Investment income | 33 | 41,501,285 | 27,455,893 | 82,404,308 | 53,830,663 |
| Gain from bargain purchase | 4 | 7,579,285 | - | - | - |
| Other income | 5, 34 | 74,010,492 | 83,157,067 | 60,374,032 | 51,786,833 |
| Total income | | 2,950,802,379 | 3,059,865,748 | 981,328,096 | 921,770,468 |
| Expenses | | | | | |
| Cost of sales of goods and rendering of services | 5 | 1,983,777,775 | 1,795,387,440 | 294,650,425 | 310,151,503 |
| Selling expenses | 5, 35 | 259,812,841 | 292,663,761 | 143,111,120 | 83,648,859 |
| Administrative expenses | 5, 36 | 438,169,569 | 443,375,404 | 266,920,638 | 269,268,377 |
| Management benefit expenses | 5, 37 | 97,462,677 | 103,778,740 | 46,024,160 | 47,247,415 |
| Finance costs | 39 | 71,167,497 | 76,673,764 | 45,627,182 | 61,436,605 |
| Total expenses | | 2,850,390,359 | 2,711,879,109 | 796,333,525 | 771,752,759 |
| Share of profit of equity-accounted investees | | | | | |
| Associate | 13 | 426,928 | 806,301 | - | - |
| Profit before income tax expense | | 100,838,948 | 348,792,940 | 184,994,571 | 150,017,709 |
| Income tax expense | 40 | (30,748,082) | (71,157,113) | (29,557,103) | (24,394,778) |
| Profit for the year | | 70,090,866 | 277,635,827 | 155,437,468 | 125,622,931 |
| Other comprehensive income | | | | | |
| Net change in fair value of available-for-sale investments | 17 | 16,081,083 | 1,739,797 | 16,081,083 | 1,739,797 |
| Defined benefit plan actuarial gains (losses) | 27 | 132,054 | (44,928,055) | - | (18,424,078) |
| Income tax (expense) benefit on other comprehensive income | 21, 40 | (3,216,216) | 8,484,318 | (3,216,216) | 3,336,856 |
| Other comprehensive income for the year, net of income tax | | 12,996,921 | (34,703,940) | 12,864,867 | (13,347,425) |
| Total comprehensive income for the year | | 83,087,787 | 242,931,887 | 168,302,335 | 112,275,506 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

| | Consolidated | | Separate | |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
| | financial statements | | financial statements | |
| | For the year ended | | For the year ended | |
| | 31 December | | 31 December | |
| <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | <i>(in Baht)</i> | | | |
| Profit attributable to | | | | |
| Owners of the Company | 64,457,948 | 251,721,409 | 155,437,468 | 125,622,931 |
| Non-controlling interests | 5,632,918 | 25,914,418 | - | - |
| Profit for the year | 70,090,866 | 277,635,827 | 155,437,468 | 125,622,931 |
| Total comprehensive income attributable to | | | | |
| Owners of the Company | 77,441,664 | 211,894,340 | 168,302,335 | 112,275,506 |
| Non-controlling interests | 5,646,123 | 31,037,547 | - | - |
| Total comprehensive income for the year | 83,087,787 | 242,931,887 | 168,302,335 | 112,275,506 |
| Earnings per share | <i>41</i> | | | |
| Basic earnings per share | 0.02 | 0.10 | 0.05 | 0.05 |
| Diluted earnings per share | 0.02 | 0.09 | 0.04 | 0.04 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of changes in equity

| Consolidated financial statements | | | | | | | | |
|--|----------------------------------|---------------|-------------------------------|-------------|-------------------|--------------------------|--|--|
| Note | Issued and paid-up share capital | Share premium | Share premium of subsidiaries | Warrants | Retained earnings | | Other component of equity | |
| | | | | | Legal reserve | Unappropriated (in Baht) | Fair value changes in available-for-sale investments | Equity attributable to owners of the Company |
| Year ended 31 December 2013 | | | | | | | | |
| Balance at 1 January 2013 | | | | | | | | |
| | 873,302,359 | - | 79,739,927 | - | 5,200,000 | 438,427,745 | 10,587,373 | 1,637,072,287 |
| Transactions with owners, recorded directly in equity | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | |
| 29 | 873,302,359 | 772,462,871 | - | - | - | - | - | 1,645,765,230 |
| 29, 30 | 4,516,114 | 12,038,530 | 1,064,801 | (9,098,475) | - | - | - | 8,095,726 |
| 30 | - | - | - | 14,234,323 | - | - | - | 14,839,110 |
| | - | - | - | - | - | - | - | (17,514,462) |
| Dividends to non-controlling interest of subsidiaries | | | | | | | | |
| Total contributions by and distributions to owners of the Company | | | | | | | | |
| | 877,818,473 | 784,501,401 | 1,064,801 | 5,135,848 | - | - | - | 1,651,185,604 |
| Changes in ownership interests in subsidiaries | | | | | | | | |
| Acquisition of non-controlling interests without a change in control | | | | | | | | |
| | - | - | 13,567,288 | - | - | 8,410,067 | - | 231,461,914 |
| Total changes in ownership interests in subsidiaries | | | | | | | | |
| | - | - | 13,567,288 | - | - | 8,410,067 | - | 253,439,269 |
| Total transactions with owners, recorded directly in equity | | | | | | | | |
| | 877,818,473 | 784,501,401 | 14,632,089 | 5,135,848 | - | 8,410,067 | - | 1,904,624,873 |
| Comprehensive income for the year | | | | | | | | |
| Profit or loss | | | | | | | | |
| | - | - | - | - | - | 251,721,409 | - | 277,635,827 |
| 40 | - | - | - | - | - | (41,218,906) | 1,391,837 | (34,703,940) |
| Total comprehensive income for the year | | | | | | | | |
| | - | - | - | - | - | 210,502,503 | 1,391,837 | 242,931,887 |
| 31 | - | - | - | - | 6,500,000 | (6,500,000) | - | - |
| Balance at 31 December 2013 | | | | | | | | |
| | 1,751,120,832 | 784,501,401 | 94,372,016 | 5,135,848 | 11,700,000 | 650,840,315 | 11,979,210 | 3,784,629,047 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of changes in equity

| Consolidated financial statements | | | | | | | | | | | |
|---|----------------------------------|---------------|-------------------------------|--------------|-------------------|--------------------------|--|---------------|--|---------------------------|--------------|
| Note | Issued and paid-up share capital | Share premium | Share premium of subsidiaries | Warrants | Retained earnings | | Other component of equity | | Equity attributable to owners of the Company | Non-controlling interests | Total equity |
| | | | | | Legal reserve | Unappropriated (in Baht) | Fair value changes in available-for-sale investments | | | | |
| Year ended 31 December 2014 | | | | | | | | | | | |
| Balance at 1 January 2014 | | | | | | | | | | | |
| | 1,751,120,832 | 784,501,401 | 94,372,016 | 5,135,848 | 11,700,000 | 650,840,315 | 11,979,210 | 3,309,649,622 | 474,979,425 | 3,784,629,047 | |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | | | | |
| 29, 30 | 6,542,144 | 18,088,348 | 679,461 | (12,545,566) | - | - | - | 12,764,387 | 169,681 | 12,934,068 | |
| 30 | - | - | - | 21,724,184 | - | - | - | 21,724,184 | 649,569 | 22,373,753 | |
| 42 | - | - | - | - | - | (66,050,085) | - | (66,050,085) | - | (66,050,085) | |
| | - | - | - | - | - | - | - | - | (20,460,289) | (20,460,289) | |
| Total contributions by and distributions to owners of the Company | | | | | | | | | | | |
| | 6,542,144 | 18,088,348 | 679,461 | 9,178,618 | - | (66,050,085) | - | (31,561,514) | (19,641,039) | (51,202,553) | |
| Changes in ownership interests in subsidiaries | | | | | | | | | | | |
| | - | - | (722,801) | (26,761) | - | 26,677 | - | (722,885) | 373,544 | (349,341) | |
| Total changes in ownership interests in subsidiaries | | | | | | | | | | | |
| | - | - | (722,801) | (26,761) | - | 26,677 | - | (722,885) | 373,544 | (349,341) | |
| Total transactions with owners, recorded directly in equity | | | | | | | | | | | |
| | 6,542,144 | 18,088,348 | (43,340) | 9,151,857 | - | (66,023,408) | - | (32,284,399) | (19,267,495) | (51,551,894) | |
| Comprehensive income for the year | | | | | | | | | | | |
| | - | - | - | - | - | 64,457,948 | - | 64,457,948 | 5,632,918 | 70,090,866 | |
| 40 | - | - | - | - | - | 118,849 | 12,864,867 | 12,983,716 | 13,205 | 12,996,921 | |
| | - | - | - | - | - | 64,576,797 | 12,864,867 | 77,441,664 | 5,646,123 | 83,087,787 | |
| 31 | - | - | - | - | - | (8,000,000) | - | - | - | - | |
| Balance at 31 December 2014 | | | | | | | | | | | |
| | 1,757,662,976 | 802,589,749 | 94,328,676 | 14,287,705 | 19,700,000 | 641,393,704 | 24,844,077 | 3,354,806,887 | 461,358,053 | 3,816,164,940 | |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of changes in equity

| | Note | Separate financial statements | | | | | |
|--|--------|--|--------------------|------------------|-------------------------------|---|----------------------|
| | | Issued and paid-up share capital | Share premium | Warrants | Retained earnings | | Total equity |
| | | | | | Legal reserve (in Baht) | Unappropriated investments Fair value changes in available-for-sale | |
| Year ended 31 December 2013 | | | | | | | |
| Balance at 1 January 2013 | | 873,302,359 | - | - | 5,200,000 | 176,227,399 | 1,065,317,131 |
| Transactions with owner, recorded directly in equity | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | |
| Issue of ordinary shares | 29 | 873,302,359 | 772,462,871 | - | - | - | 1,645,765,230 |
| Share option exercised | 29, 30 | 4,516,114 | 12,038,530 | (8,033,674) | - | - | 8,520,970 |
| Share-based payment transactions | 30 | - | - | 12,410,164 | - | - | 12,410,164 |
| Total contributions by and distributions to owners of the Company | | 877,818,473 | 784,501,401 | 4,376,490 | - | - | 1,666,696,364 |
| Total transactions with owners, recorded directly in equity | | 877,818,473 | 784,501,401 | 4,376,490 | - | - | 1,666,696,364 |
| Comprehensive income for the year | | | | | | | |
| Profit or loss | | - | - | - | - | 125,622,931 | 125,622,931 |
| Other comprehensive income | 40 | - | - | - | - | (14,739,262) | (13,347,425) |
| Total comprehensive income for the year | | - | - | - | - | 110,883,669 | 112,275,506 |
| Transfer to legal reserve | 31 | - | - | - | 6,500,000 | (6,500,000) | - |
| Balance at 31 December 2013 | | 1,751,120,832 | 784,501,401 | 4,376,490 | 11,700,000 | 280,611,068 | 2,844,289,001 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

| | | Separate financial statements | | | | | |
|--|----------------------------------|-------------------------------|-------------------|-----------------------------------|--|-------------------|----------------------|
| | | Retained earnings | | | Other component of equity | | |
| | | | | | Fair value changes in available-for-sale investments | Total equity | |
| Note | Issued and paid-up share capital | Share premium | Warrants | Legal reserve <i>(in Baht)</i> | Unappropriated | | |
| Year ended 31 December 2014 | | | | | | | |
| Balance at 1 January 2014 | 1,751,120,832 | 784,501,401 | 4,376,490 | 11,700,000 | 280,611,068 | 11,979,210 | 2,844,289,001 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | |
| 29, 30 Share option exercised | 6,542,144 | 18,088,348 | (12,286,824) | - | - | - | 12,343,668 |
| 30 Share-based payment transactions | - | - | 19,636,780 | - | - | - | 19,636,780 |
| 42 Dividends to owners of the Company | - | - | - | - | (66,050,085) | - | (66,050,085) |
| <i>Total contributions by and distributions to owners of the Company</i> | 6,542,144 | 18,088,348 | 7,349,956 | - | (66,050,085) | - | (34,069,637) |
| Total transactions with owners, recorded directly in equity | 6,542,144 | 18,088,348 | 7,349,956 | - | (66,050,085) | - | (34,069,637) |
| Comprehensive income for the year | | | | | | | |
| Profit or loss | - | - | - | - | 155,437,468 | - | 155,437,468 |
| Other comprehensive income | - | - | - | - | - | 12,864,867 | 12,864,867 |
| Total comprehensive income for the year | - | - | - | - | 155,437,468 | 12,864,867 | 168,302,335 |
| Transfer to legal reserve | - | - | - | 8,000,000 | (8,000,000) | - | - |
| Balance at 31 December 2014 | 1,757,662,976 | 802,589,749 | 11,726,446 | 19,700,000 | 361,998,451 | 24,844,077 | 2,978,521,699 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|--------------------|-----------------------------------|--------------------|
| | For the year ended 31 December | | For the year ended 31 December | |
| | 2014 | 2013 | 2014 | 2013 |
| | (in Baht) | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit for the year | 70,090,866 | 277,635,827 | 155,437,468 | 125,622,931 |
| <i>Adjustments for</i> | | | | |
| Depreciation | 221,099,851 | 215,441,762 | 30,501,836 | 28,500,742 |
| Amortisation | 74,183,955 | 55,043,869 | 17,029,367 | 19,862,124 |
| Amortisation of digital television licences | 161,811,781 | - | - | - |
| Investment income | (41,501,285) | (27,455,893) | (82,404,308) | (53,830,663) |
| Finance costs | 71,167,497 | 76,673,764 | 45,627,182 | 61,436,605 |
| Bad and doubtful debts expenses (reversal of) | (9,551,067) | 91,680 | (13,055,369) | (1,920,097) |
| Provision for goods returned (reversal of) | (134,908) | 715,267 | (3,184,417) | 490,922 |
| Reversal of impairment loss on investments in subsidiaries | - | - | - | (999,400) |
| Reversal of impairment losses on long-term investments in related party and other companies | (56,000,000) | (1,736,518) | (56,000,000) | (1,736,518) |
| Loss on decline in value of inventories (reversal of) | 3,147,960 | (8,081,913) | (470,923) | (652,231) |
| Gain from bargain purchase | (7,579,285) | - | - | - |
| Loss from the measurement in fair value of prior non-controlling interest of the acquiree | 7,110,884 | - | - | - |
| (Gain) Loss on disposal of investments in subsidiary and related party | 48,035,197 | 1,800,000 | 46,066,252 | 2,799,400 |
| Loss on disposal of investments in other companies | - | 6,975 | - | 6,975 |
| Gain on disposal equipment | (2,903,000) | (8,979,604) | (1,210,165) | (8,733,990) |
| Loss on written off equipment | 1,125,820 | 2,849,137 | - | - |
| Gain on disposal of other non-current assets | - | (73,985) | - | (73,985) |
| Employee benefit obligations | 11,540,862 | 10,857,720 | 3,593,844 | 2,903,361 |
| Share-based payment transactions | 22,373,753 | 14,234,323 | 19,636,780 | 12,410,164 |
| Share of profit of investment in associate, net of income tax | (426,928) | (806,301) | - | - |
| Income tax expense | 30,748,082 | 71,157,113 | 29,557,103 | 24,394,778 |
| | 604,340,035 | 679,373,223 | 191,124,650 | 210,481,118 |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | 216,641,249 | 89,133,922 | (271,469,218) | (265,680,357) |
| Accrued income | (262,529,850) | (22,663,253) | (245,498,307) | (12,684,790) |
| Other receivables | (10,669,511) | 27,345,154 | (114,428,650) | 137,756,329 |
| Inventories | (115,921,961) | (19,442,429) | (3,057,118) | (10,760,599) |
| Other current assets | (124,018,914) | (21,634,284) | (44,238,284) | (1,528,246) |
| Restricted deposits | (302,397) | 1,358,473 | - | - |
| Deferred tax assets | (11,215,903) | - | - | - |
| Other non-current assets | 132,830,303 | 10,521,566 | 94,230,260 | 39,160,136 |
| Trade accounts payable | (10,186,171) | (47,269,791) | 385,974,394 | 146,344,236 |
| Other payable | (3,195,895) | (33,294,565) | 35,736,436 | 2,860,468 |
| Accrued expenses | 22,210,566 | 6,691,970 | 200,135,133 | 1,115,019 |
| Other current liabilities | 51,559,679 | (122,417,336) | 25,842,533 | (17,150,960) |
| Employee benefit obligations | (2,145,945) | (8,409,029) | - | (212,286) |
| Other non-current liabilities | 116,560,633 | 3,221,852 | 119,480,424 | 272,815 |
| Cash generated from operating activities | 603,955,918 | 542,515,473 | 373,832,253 | 229,972,883 |
| Income tax paid | (38,628,884) | (48,200,131) | - | - |
| Net cash from operating activities | 565,327,034 | 494,315,342 | 373,832,253 | 229,972,883 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------------|--|------------------------|
| | For the year ended 31 December | | For the year ended 31 December | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in Baht)</i> | | | |
| <i>Cash flows from investing activities</i> | | | | |
| Interest received | 40,384,692 | 26,550,740 | 5,166,916 | 16,688,289 |
| Dividends income | 7,578,593 | 905,153 | 77,237,393 | 37,142,375 |
| Current investments | (556,180,000) | (138,320,000) | - | - |
| Cash outflow on deposit guarantee for licencing auction | - | (74,000,000) | - | - |
| Proceeds from short-term loan to related party | - | - | 78,000,000 | - |
| Proceeds from long-term loan to related party | - | - | 21,000,000 | 115,000,000 |
| Cash inflow on refund deposit guarantee for licencing auction | 14,000,000 | - | - | - |
| Cash outflow on digital television licences | (533,800,000) | - | - | - |
| Purchase of programmes licences | (71,778,645) | - | - | - |
| Purchase of equipment | (181,972,874) | (85,831,385) | (35,030,739) | (19,559,514) |
| Sale of equipment | 9,357,252 | 51,162,692 | 1,439,481 | 44,958,908 |
| Purchase of intangible assets | (15,969,531) | (31,286,549) | (9,571,178) | (1,327,540) |
| Sale of other non-current assets | - | 1,060,374 | - | 1,060,374 |
| Net cash outflow on investments in subsidiaries | (10,000,000) | (130,000,000) | (499,000,020) | (1,281,793,731) |
| Proceeds from paid-up share capital of non-controlling interests | - | 400,811,177 | - | - |
| Proceeds from sale of long-term investment in subsidiaries and related parties | 26,412,216 | - | 26,412,216 | - |
| Proceeds from share options exercised of non-controlling interests | 169,681 | - | - | - |
| Net cash from (used in) investing activities | (1,271,798,616) | 21,052,202 | (334,345,931) | (1,087,830,839) |
| <i>Cash flows from financing activities</i> | | | | |
| Interest paid | (95,207,449) | (43,061,964) | (73,744,237) | (50,021,137) |
| Dividend paid to owners of the Company | (66,050,084) | - | (66,050,084) | - |
| Dividend paid to non-controlling interests of subsidiaries | (20,460,289) | (17,514,462) | - | - |
| Bank overdrafts and short-term loans from financial institutions | 334,764,639 | (426,150,608) | 341,377,275 | (417,772,002) |
| Finance lease payments | (8,189,980) | (36,051,960) | (2,976,240) | (3,411,455) |
| Repayment of long-term loans from financial institutions | (157,150,000) | (351,884,010) | (137,400,000) | (320,430,000) |
| Proceeds from issue of ordinary shares | - | 1,647,740,300 | - | 1,647,740,300 |
| Proceeds from exercise of share options | 12,764,387 | 8,520,970 | 12,343,668 | 8,520,970 |
| Transaction costs from issue of shares | - | (1,975,070) | - | (1,975,070) |
| Cash outflow for long-term loans fees | (304,677) | - | (304,677) | - |
| Repayment of long-term loans from other parties | (110,069,940) | (6,185,867) | (110,069,940) | (6,185,867) |
| Net cash from (used in) financing activities | (109,903,393) | 773,437,329 | (36,824,235) | 856,465,739 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------------|--|--------------------|
| | For the year ended 31 December | | For the year ended 31 December | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in Baht)</i> | | | |
| Net increase (decrease) in cash and cash equivalents | (816,374,975) | 1,288,804,873 | 2,662,087 | (1,392,217) |
| Cash and cash equivalents at 1 January | 1,467,849,138 | 179,044,265 | 18,841,677 | 20,233,894 |
| Cash and cash equivalents of an indirect subsidiary acquired during the year | 1,395,280 | - | - | - |
| Cash and cash equivalents at 31 December | 652,869,443 | 1,467,849,138 | 21,503,764 | 18,841,677 |
| <i>Non-cash transactions</i> | | | | |
| Purchase of programmes licences | 12,074,242 | - | - | - |
| Purchase of equipment | 15,341,160 | 11,794,848 | 933,981 | 4,403,022 |
| Digital television licences | 2,944,200,000 | - | - | - |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

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Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 13 February 2015.

1 General information

Nation Multimedia Group Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1858/118-119,121-122,124-130, 27th-32nd Floors, Bangna-Trad Road, Kwang Bangna, Khet Bangna, Bangkok, Thailand.

The Company was listed on the Stock Exchange of Thailand in June 1988.

The principal activities of the Company are the publishing and distribution of newspapers and publishing and providing advertising and news services. Details of the Company’s associate, subsidiaries and jointly-controlled entity as at 31 December 2014 and 2013 are given in notes 5, 13, 14, and 15.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS and Announcements relevant to the Group’s operations and effective for annual accounting periods beginning on or after 1 January 2014:

| TFRS | Topic |
|-----------------------|--|
| TAS 1 (revised 2012) | Presentation of financial statements |
| TAS 7 (revised 2012) | Statement of Cash Flows |
| TAS 12 (revised 2012) | Income Taxes |
| TAS 17 (revised 2012) | Leases |
| TAS 18 (revised 2012) | Revenue |
| TAS 19 (revised 2012) | Employee Benefits |
| TAS 21 (revised 2012) | The Effects of Changes in Foreign Exchange Rates |
| TAS 24 (revised 2012) | Related Party Disclosures |
| TAS 28 (revised 2012) | Investments in Associates |
| TAS 34 (revised 2012) | Interim Financial Reporting |
| TAS 36 (revised 2012) | Impairment of Assets |
| TAS 38 (revised 2012) | Intangible Assets |
| TFRS 2 (revised 2012) | Share-based Payment |
| TFRS 3 (revised 2012) | Business Combinations |
| TFRS 8 (revised 2012) | Operating Segments |
| TFRIC 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 | Determining whether an Arrangement contains a Lease |
| TFRIC 10 | Interim Financial Reporting and Impairment |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

| TFRS | Topic |
|--------|------------------------------------|
| TIC 15 | Operating Leases - Incentives |
| TIC 32 | Intangible Assets - Web Site Costs |

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 47.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- Available-for-sale financial assets are measured at fair value;
- Present value of warrants;
- Present value of the defined benefit obligations;
- Liabilities for cash-settled share-based payment arrangements are measured at fair value.

(c) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statement is included in the following notes:

| | |
|-----------|--|
| Note 3(t) | Current and deferred taxation |
| Note 21 | Utilisation of tax losses |
| Note 27 | Measurement of defined benefit obligations |
| Note 30 | Measurement of warrants |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company, its subsidiaries and jointly-controlled entity (together referred to as the “Group”) and the Group’s interest in associate and jointly-controlled entity which are equity-accounted and proportionately-consolidated, respectively.

Business Combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Gain from bargain purchase is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination such as other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Jointly-controlled entity

Jointly-controlled entity is the entity over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The consolidated financial statements include the Group's proportionate share of the entities' assets, liabilities, revenue and expenses combined with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Associate

Associate is entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investment in associate is accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and is recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees after adjustments to align the accounting policies with those of the Group from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entity are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at the reporting date.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences arising from the translation are generally recognised in profit or loss.

(c) *Hedging*

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates.

(d) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Inventories comprised of books, CD, DVD and completed TV programmes are determined by the following principles:

| | |
|------------------------------|---|
| Books, CD and DVD | - Weighted average/first-in first-out |
| TV programmes | - Represented the production costs for both in progress and completed. Costs of the programmes consist of expenses which directly related to the production, are recognised as costs when the rights are delivered and transferred or the programmes are broadcasted, or amortised using the straight-line method based on the estimated broadcasting time. |
| Raw materials | - Specific identification/weighted average |
| Store, supplies and others | - Weighted average |
| Work in progress for project | - Comprises cost of preparation, is stated at cost. |
| Printing in progress | - Weighted average |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

(g) Investments

Investments in associate, subsidiaries and jointly-controlled entity.

Investments in associate, subsidiaries and jointly-controlled entity in the separate financial statements of the Company are accounted for using the cost method. Investment in associate in the consolidated financial statements is accounted for using the equity method. Investment in jointly-controlled entity in the consolidated financial statements is accounted for using the proportionate consolidation.

Investments in other equity securities

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sales in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within income or expense in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risks and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component part of an item of property, plant and equipment. The estimated useful lives are as follows:

| | | |
|-------------------------------------|--------------------|-------|
| Land improvements | 5 - 30 | years |
| Buildings and building improvements | 5 - 20 and 30 - 35 | years |
| Leased assets improvements | 5 - 10 | years |
| Machinery and equipment | 2 - 12 | years |
| Operating equipment | 3 , 5 and 10 | years |
| Furniture and fixtures | 2 - 10 | years |
| Books | 5 | years |
| Vehicles | 5 | years |

No depreciation is provided on land and assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Intangible assets*

Digital television licences

The cost of digital television licences consist of expenditures that are directly attributable to the acquisition of the commercial digital terrestrial TV licences at national level for a news channel and a variety standard definition channel category, are measure at cost less accumulated amortization and impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

The estimated useful lives for the current and comparative periods are as follows:

| | |
|---|---|
| Computer programmes and software licences | 5 years |
| Licence fees - books | Based on the higher amount of amortisation between a straight-line basis over three and five years and calculation based on the numbers of books published and sold under the licence agreements. |
| Digital television licences | 15 years |
| Rights for broadcasting | Amortised based on the straight-line basis over the periods specified in the contract. |
| Trademarks | 14 years |

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or other benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

The employee's share option programme allows the directors and employees of the Group to acquire shares of the Group under certain conditions. The proceeds received on exercise of the options, net of any directly attributable transaction costs, are credited to share capital and share premium when the options are exercised.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met.

(o) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(q) *Revenue*

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sales of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Newspapers subscription income is recognised on a time-proportion basis over the relevant subscription period.

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Tuition fees

Tuition fees are recognised as revenue over the academic year which the service is provided to students.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

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Notes to the financial statements

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(r) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration that are recognised in profit or loss.

(s) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entity to the extent that it is probable that they will not reverse in the foreseeable future.

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Notes to the financial statements

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(v) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Acquisition of an indirect subsidiary

On 31 December 2014, a subsidiary ("Nation International Edutainment PLC") obtained control of Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.), which is a publishing company by acquiring 49 percent of the ordinary shares capital from an existing shareholder with cash settlement of Baht 10 million. As a result, the subsidiary's equity interest in the Company increased from 49.992 percent to 98.992 percent.

Taking control of Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.), will enable the Group to expand business and facilitate its operations.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2014, Nation Global Edutainment Co., Ltd. contributed revenue of Baht 43.74 million and loss of Baht 14.76 million to the Group's results using the proportionate consolidation. If the acquisition had occurred on 1 January 2014, management estimates that consolidated revenue would have been Baht 86.61 million and consolidated loss for the year ended 31 December 2014 would have been Baht 29.22 million.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

| <i>Identifiable assets acquired and liabilities assumed</i> | Carrying value as at 31 December 2014 | Adjustments (in thousand Baht) | Fair value as at 31 December 2014 |
|---|--|-----------------------------------|--|
| Cash and cash equivalents | 2,847 | - | 2,847 |
| Trade accounts receivable | 5,567 | - | 5,567 |
| Accrued income | 4,941 | - | 4,941 |
| Inventories | 233,490 | (22,581) | 200,909 |
| Other current assets | 4,936 | - | 4,936 |
| Restricted deposit | 861 | - | 861 |
| Equipment | 701 | - | 701 |
| Intangible assets | 2,939 | - | 2,939 |
| Deferred tax asset | 22,428 | - | 22,428 |
| Other non-current assets | 572 | - | 572 |
| Trade accounts payable | 174,016 | - | 174,016 |
| Other payables | 31,418 | - | 31,418 |
| Other current liabilities | 3,051 | - | 3,051 |
| Other non-current liabilities | 2,340 | - | 2,340 |
| Total identifiable net assets | 58,457 | (22,581) | 35,876 |

The fair values of identifiable assets acquired and liabilities assumed have been determined in January 2015 by an independent valuation at the acquisition date.

Gain on bargain purchase

Gain on bargain purchase was recognised as a result of the acquisition as follow:

| | Fair value (in thousand Baht) |
|--|----------------------------------|
| Considerations transferred | 10,000 |
| Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree | 362 |
| Fair value of existing interest in the acquiree before the acquisition | 17,935 |
| Fair value of identifiable net assets | (35,876) |
| Gain from bargain purchase | 7,579 |

The remeasurement to fair value of the subsidiary's existing 49.992 percent interest in the acquiree resulted in a loss of Baht 7.11 million (Baht 17.94 million less Baht 25.05 million carrying value of equity - accounted investee at the acquisition date) which gain from bargain purchase and loss were recognised in the Group's consolidated statements of comprehensive income.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries, associate, and jointly-controlled entity are described in notes 13, 14 and 15. Relationship with key management and other related parties were as follows:

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|--|--|
| Key management personnel | Thailand | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group |
| NNN Next Frontier Co., Ltd. | Thailand | 99.99% shareholding by Nation News Networks Co., Ltd., some common directors (liquidated and dissolved on 24 June 2014) |
| Nation University | Thailand | University, a licence holding by Nation U Co., Ltd. |
| Nation Edutainment Co., Ltd. | Thailand | 99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors |
| Nation Kids Co., Ltd. | Thailand | 99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors (ceased its operations since May 2014) |
| Nine Be Bright Co., Ltd. | Thailand | 59.99% shareholding by Nation International Edutainment Public Company Limited, some common directors |
| NBC Nextmedia Co., Ltd. | Thailand | 99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors |
| NBC Next Screen Co., Ltd. | Thailand | 99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors (ceased its operations and in the process of dissolution) |
| NBC Next Vision Co., Ltd. | Thailand | 99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | Thailand | 98.992% shareholding in 2014 and a jointly-controlled entity, 49.992% shareholding in 2013 by Nation International Edutainment Public Company Limited, some common directors |
| Thai Portal Co., Ltd. | Thailand | Related party, 19.00% shareholding by Kom Chad Luek Media Co., Ltd. |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

The pricing policies for particular types of transactions are explained further below:

| Transactions | Pricing policies |
|---|---|
| Revenue from sales of goods and rendering of services | General market price and negotiable rate |
| Interest income on loans | Approximate loan rate of the financial institutions |
| Other Income | Negotiable rate |
| Printing, cost of sales of goods and rendering of services and other expenses | Actual cost allocation rate and negotiable rate which approximates market price |
| Interest expense on borrowings | Approximated loan rate of the financial institutions |

Significant transactions for the years ended 31 December with related parties were as follows:

| Year ended 31 December | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Revenue from sales of goods and rendering of services | - | - | 764,328 | 687,918 |
| Investment income | - | - | 74,690 | 51,556 |
| Other income | - | - | 27,947 | 23,561 |
| Printing, cost of sales of goods and rendering of services and other expenses | - | - | 43,205 | 36,323 |
| Indirect jointly-controlled entity | | | | |
| Revenue from sales of goods and rendering of services | 33,780 | 72,753 | - | - |
| Interest income | 4,433 | 3,354 | - | - |
| Other income | 104 | 99 | - | - |
| Printing, cost of sales of goods and rendering of services and other expenses | 3,255 | 7,166 | - | - |
| Associate | | | | |
| Revenue from sales of goods and rendering of services | 3,674 | 3,962 | 120 | 120 |
| Investment income | - | - | 6,462 | - |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Wages and salaries | 87,289 | 91,160 | 42,576 | 42,724 |
| Defined contribution plans | 4,612 | 4,782 | 1,338 | 1,325 |
| Others | 5,562 | 7,837 | 2,110 | 3,198 |
| Total key management personnel compensation | <u>97,463</u> | <u>103,779</u> | <u>46,024</u> | <u>47,247</u> |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Balances as at 31 December with related parties were as follows:

| <i>Trade accounts receivable from related parties</i> | Consolidated | | Separate | |
|---|-----------------------------|---------------|-----------------------------|----------------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Nation Broadcasting Corporation Public Company Limited | - | - | 6,186 | 2,370 |
| Nation International Edutainment Public Company Limited | - | - | 5,561 | 15,041 |
| Nation News Network Co., Ltd. | - | - | 115,193 | 47,957 |
| NML Co., Ltd. | - | - | 34,390 | 18,624 |
| Kom Chad Luek Media Co., Ltd. | - | - | 327,672 | 186,143 |
| Krungthep Turakij Media Co., Ltd. | - | - | 102,320 | 65,094 |
| Bangkok Business Broadcasting Co., Ltd. | - | - | 11,107 | - |
| WPS (Thailand) Co., Ltd. | - | - | 41,382 | 48,247 |
| Nation University | - | - | 659 | 110 |
| Nation Edutainment Co., Ltd. | - | - | 15,539 | 11,500 |
| NBC Next Screen Co., Ltd. | - | - | 2,616 | 2,616 |
| NBC Next Vision Co., Ltd. | - | - | 29,070 | 3,272 |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | - | 465 | - |
| Indirect jointly-controlled entity | | | | |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | 84,155 | - | 1,874 |
| Associate | | | | |
| Yomiuri-Nation Information Service Limited | 294 | 224 | 11 | 11 |
| Other related party | | | | |
| Thai Portal Co., Ltd. | 67 | 67 | - | - |
| | 361 | 84,446 | 692,171 | 402,859 |
| Less allowance for doubtful accounts | (67) | (67) | - | - |
| Net | 294 | 84,379 | 692,171 | 402,859 |
| Bad and doubtful debts expense for the year | - | - | - | - |

| <i>Accrued income - related parties</i> | Consolidated | | Separate | |
|---|-----------------------------|------|-----------------------------|-------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Nation Broadcasting Corporation Public Company Limited | - | - | 238 | 27 |
| Nation International Edutainment Public Company Limited | - | - | 3,428 | 60 |
| Nation News Network Co., Ltd. | - | - | 5,318 | 146 |
| NML Co., Ltd. | - | - | 164 | 6 |
| Kom Chad Luek Media Co., Ltd. | - | - | 11,044 | 158 |
| Krungthep Turakij Media Co., Ltd. | - | - | 15,954 | 6,619 |
| Bangkok Business Broadcasting Co., Ltd. | - | - | 260 | - |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

Accrued income - related parties

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------|--|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| WPS (Thailand) Co., Ltd. | - | - | 32 | 7 |
| Nation University | - | - | 133 | - |
| Nation Edutainment Co., Ltd. | - | - | - | 4 |
| NBC Next Vision Co., Ltd. | - | - | 38 | - |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | - | 8 | - |
| Indirect jointly-controlled entity | | | | |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | 433 | - | 5 |
| Total | - | 433 | 36,617 | 7,032 |

Other receivables from related parties

| | Consolidated financial statements | | Separate financial statements | |
|--|--|-----------------|--|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Nation Broadcasting Corporation Public Company Limited | - | - | 342 | 715 |
| Nation International Edutainment Public Company Limited | - | - | 1,561 | 5,911 |
| Nation News Network Co., Ltd. | - | - | 5,898 | 10,359 |
| NML Co., Ltd. | - | - | 4,402 | 33,443 |
| Kom Chad Luek Media Co., Ltd. | - | - | 12,170 | 12,123 |
| Krungthep Turakij Media Co., Ltd. | - | - | 2,109 | 2,333 |
| Bangkok Business Broadcasting Co., Ltd. | - | - | 182,173 | 38,000 |
| WPS (Thailand) Co., Ltd. | - | - | 70,319 | 76,482 |
| Nation University | - | - | 120,891 | 109,907 |
| Nation Edutainment Co., Ltd. | - | - | 361 | 751 |
| Nine Be Bright Co., Ltd. | - | - | 2 | - |
| NBC Next Screen Co., Ltd. | - | - | 15 | 15 |
| NBC Next Vision Co., Ltd. | - | - | 2,315 | 111 |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | - | 316 | - |
| Indirect jointly-controlled entity | | | | |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | 13,390 | - | 197 |
| Associate | | | | |
| Yomiuri-Nation Information Service Limited | 153 | 184 | - | 1 |
| Other related parties | | | | |
| Thai Portal Co., Ltd. | 17,345 | 17,345 | - | - |
| Others | 30 | 2,740 | 30 | 2,734 |
| | 17,528 | 33,659 | 402,904 | 293,082 |
| <i>Less allowance for doubtful accounts</i> | <i>(17,345)</i> | <i>(20,051)</i> | <i>-</i> | <i>(2,706)</i> |
| Net | 183 | 13,608 | 402,904 | 290,376 |
| Bad and doubtful debts expense for the year | - | - | - | - |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

| <i>Short-term loan to related party</i> | Interest rate | | Consolidated financial statements | | Separate financial statements | |
|---|----------------------|------|--|----------|--------------------------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | <i>(% per annum)</i> | | <i>(in thousand Baht)</i> | | | |
| Subsidiary | | | | | | |
| WPS (Thailand) Co., Ltd. | 4.26 | 5.49 | <u>-</u> | <u>-</u> | <u>42,000</u> | <u>120,000</u> |

Movements during the years ended 31 December of short-term loan to related party were as follows:

| <i>Short-term loan to related party</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|----------|--------------------------------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiary | | | | |
| At 1 January | - | - | 120,000 | 120,000 |
| Increase | - | - | - | - |
| Decrease | - | - | (78,000) | - |
| At 31 December | <u>-</u> | <u>-</u> | <u>42,000</u> | <u>120,000</u> |

| <i>Long-term loan to related party</i> | Interest rate | | Consolidated financial statements | | Separate financial statements | |
|--|----------------------|------|--|----------|--------------------------------------|---------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | <i>(% per annum)</i> | | <i>(in thousand Baht)</i> | | | |
| Subsidiary | | | | | | |
| Current portion | | | | | | |
| WPS (Thailand) Co., Ltd. | - | 8.66 | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,000</u> |

Movements during the years ended 31 December of long-term loan to related party were as follows:

| <i>Long-term loan to related party</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|----------|--------------------------------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiary | | | | |
| At 1 January | - | - | 21,000 | 136,000 |
| Increase | - | - | - | - |
| Decrease | - | - | (21,000) | (115,000) |
| At 31 December | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,000</u> |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

Trade accounts payable to related parties

| | Consolidated financial statements | | Separate financial statements | |
|--|--|-----------|--|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Nation Broadcasting Corporation Public Company Limited | - | - | 4,086 | 842 |
| Nation International Edutainment Public Company Limited | - | - | 7,776 | 1,194 |
| Nation News Network Co., Ltd. | - | - | 145,737 | 86,237 |
| NML Co., Ltd. | - | - | 200 | 324 |
| Kom Chad Luek Media Co., Ltd. | - | - | 333,843 | 201,633 |
| Krunthep Turakij Media Co., Ltd. | - | - | 241,679 | 105,019 |
| Bangkok Business Broadcasting Co., Ltd. | - | - | 50,245 | - |
| WPS (Thailand) Co., Ltd. | - | - | 46 | 223 |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | - | 61 | - |
| Indirect jointly-controlled entity | | | | |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | 92 | - | - |
| Total | - | 92 | 783,673 | 395,472 |

Other payables to related parties

| | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Nation Broadcasting Corporation Public Company Limited | - | - | 1,713 | 787 |
| Nation International Edutainment Public Company Limited | - | - | 5,853 | 501 |
| Nation News Network Co., Ltd. | - | - | 4,925 | 1,202 |
| NML Co., Ltd. | - | - | 244 | 6 |
| Kom Chad Luek Media Co., Ltd. | - | - | 4,666 | 4,215 |
| Krunthep Turakij Media Co., Ltd. | - | - | 8,618 | 4,726 |
| WPS (Thailand) Co., Ltd. | - | - | 1,569 | 997 |
| Nation University | - | - | 2,000 | 3,000 |
| NBC Next Vision Co., Ltd. | - | - | 30 | - |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | - | 69 | - |
| Indirect jointly-controlled entity | | | | |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | 1,600 | - | 229 |
| Associate | | | | |
| Yomiuri-Nation Information Service Limited | 11 | - | - | - |
| Other related parties | | | | |
| Others | - | 82 | - | - |
| Total | 11 | 1,682 | 29,687 | 15,663 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Accrued expenses - related parties

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------|----------------------------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Nation Broadcasting Corporation Public Company Limited | - | - | 1 | - |
| Nation News Network Co., Ltd. | - | - | 8,744 | 3,438 |
| NML Co., Ltd. | - | - | 150 | - |
| Kom Chad Luek Media Co., Ltd. | - | - | 38,848 | - |
| Krungthep Turakij Media Co., Ltd. | - | - | 45,786 | 2,987 |
| Bangkok Business Broadcasting Co., Ltd. | - | - | 104,175 | - |
| WPS (Thailand) Co., Ltd. | - | - | 175 | 183 |
| Total | <u>-</u> | <u>-</u> | <u>197,879</u> | <u>6,608</u> |

Significant agreements with related party

Short-term loan agreement

The Company entered into a short-term loan agreement with a subsidiary (“WPS (Thailand) Co., Ltd.”) amounting to Baht 42 million. The loan was promissory note and repayable at call. This loan bears interest at the average Minimum Loan Rate (average MLR) of loans from various financial institutions of the Company plus 0.5% per annum.

Long-term loan agreement

On 25 February 2010, the Company entered into a long-term loan agreement with a subsidiary (“WPS (Thailand) Co., Ltd.”) amounting to Baht 288 million and converted a short-term loan of Baht 62 million to long-term loan, totalling of Baht 350 million. This loan bears interest at the average Minimum Loan Rate (average MLR) of two local financial institutions plus cost of borrowings.

Such loan was repayable in monthly instalments of not less than Baht 9 million on the 25th of each month starting from 26 February 2010.

On 20 January 2011, the Company entered into the memorandum of change in long-term loan agreement with a subsidiary (“WPS (Thailand) Co., Ltd.”) whereby the Company permitted such a subsidiary to repay monthly instalments of not less than Baht 5 million from January 2011 to June 2011 and repay monthly instalments of not less than Baht 9 million from July 2011 onwards.

On 20 July 2011, the Company entered into the 2nd memorandum of change in long-term loan agreement with a subsidiary (“WPS (Thailand) Co., Ltd.”) whereby the Company permitted such a subsidiary to repay monthly instalments of not less than Baht 5 million from July 2011 to December 2012 and repay monthly instalments of not less than Baht 9 million from January 2013 onwards. The Company fully received the loans during the first quarter of 2014.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

6 Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|------------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Cash on hand | 1,523 | 1,311 | 177 | 217 |
| Cash at banks - current accounts | 4,429 | 3,351 | 572 | 1,901 |
| Cash at banks - savings accounts | 231,064 | 156,102 | 20,755 | 16,724 |
| Highly liquid short-term investments | 415,853 | 1,307,085 | - | - |
| Total | 652,869 | 1,467,849 | 21,504 | 18,842 |

Cash and cash equivalents of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

7 Current investments

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Short-term deposits at financial institutions | 145,000 | 20,320 | - | - |
| Promissory notes | 549,500 | 118,000 | - | - |
| Total | 694,500 | 138,320 | - | - |

Current investments of the Group as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

8 Trade accounts receivable

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------------|--|----------------|--|----------------|
| | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 5 | 361 | 84,446 | 692,171 | 402,859 |
| Other parties | | 645,062 | 792,113 | 194,132 | 227,499 |
| Total | | 645,423 | 876,559 | 886,303 | 630,358 |
| Less allowance for doubtful accounts | | (74,021) | (97,895) | (35,874) | (64,281) |
| allowance for goods returned | | (20,758) | (20,893) | (7,926) | (11,111) |
| Net | | 550,644 | 757,771 | 842,503 | 554,966 |
| Bad and doubtful debts expense for the year (reversal) | | (9,376) | 92 | (12,883) | (1,920) |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|----------------|--|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Related parties | | | | |
| Within credit terms | 283 | 84,379 | 54,111 | 120,258 |
| Overdue: | | | | |
| Less than 3 months | 11 | - | 149,230 | 47,726 |
| 3 - 6 months | - | - | 124,433 | 70,931 |
| 6 - 12 months | - | - | 273,167 | 125,735 |
| Over 12 months | 67 | 67 | 91,230 | 38,209 |
| | <u>361</u> | <u>84,446</u> | <u>692,171</u> | <u>402,859</u> |
| Less allowance for doubtful accounts | (67) | (67) | - | - |
| allowance for goods return | - | - | - | - |
| | <u>294</u> | <u>84,379</u> | <u>692,171</u> | <u>402,859</u> |
| Other parties | | | | |
| Within credit terms | 357,189 | 389,218 | 90,856 | 105,373 |
| Overdue: | | | | |
| Less than 3 months | 194,121 | 248,937 | 61,918 | 55,748 |
| 3 - 6 months | 7,046 | 31,258 | 2,561 | 3,909 |
| 6 - 12 months | 10,654 | 37,343 | 1,871 | 10,322 |
| Over 12 months | 76,052 | 85,357 | 36,926 | 52,147 |
| | <u>645,062</u> | <u>792,113</u> | <u>194,132</u> | <u>227,499</u> |
| Less allowance for doubtful accounts | (73,954) | (97,828) | (35,874) | (64,281) |
| allowance for goods returned | (20,758) | (20,893) | (7,926) | (11,111) |
| | <u>550,350</u> | <u>673,392</u> | <u>150,332</u> | <u>152,107</u> |
| Net | <u>550,644</u> | <u>757,771</u> | <u>842,503</u> | <u>554,966</u> |

The normal credit term granted by the Group ranges from 7 days to 90 days.

Trade accounts receivable of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

9 Other receivables

| | | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|------|--|----------------|--|----------------|
| | Note | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 5 | <u>183</u> | <u>13,608</u> | <u>402,904</u> | <u>290,376</u> |
| Others | | | | | |
| Other receivables | | 60,728 | 52,177 | 52,795 | 47,772 |
| Prepaid expenses | | 58,370 | 44,007 | 32,419 | 28,196 |
| Advance to employees | | 7,018 | 4,955 | - | - |
| | | <u>126,116</u> | <u>101,139</u> | <u>85,214</u> | <u>75,968</u> |
| Less allowance for doubtful accounts | | (48,699) | (46,168) | (48,699) | (46,166) |
| | | <u>77,417</u> | <u>54,971</u> | <u>36,515</u> | <u>29,802</u> |
| Total | | <u>77,600</u> | <u>68,579</u> | <u>439,419</u> | <u>320,178</u> |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

10 Inventories

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|--------------------------------------|----------------|----------------------------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Finished Goods | 342,562 | 205,856 | 8,957 | 3,717 |
| Raw materials | 89,588 | 97,317 | 76,189 | 78,544 |
| Store, supplies and others | 13,255 | 16,828 | 283 | 111 |
| Work in progress | 17,146 | 6,113 | - | - |
| | 462,551 | 326,114 | 85,429 | 82,372 |
| Less allowance for decline in value | (75,952) | (52,066) | (2,871) | (3,109) |
| Net | 386,599 | 274,048 | 82,558 | 79,263 |

11 Other current assets

| | | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|------|--------------------------------------|----------------|----------------------------------|---------------|
| | Note | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Input value added tax pending | | 113,412 | 66,873 | 39,688 | 17,604 |
| Withholding tax deducted at source | | 45,223 | 39,744 | 22,288 | 22,176 |
| Revenue department receivable | | 38,362 | 4,319 | - | - |
| Programme licences | 19 | 43,601 | - | - | - |
| Others | | 14,048 | 16,039 | - | - |
| Net | | 254,646 | 126,975 | 61,976 | 39,780 |

12 Restricted deposits

As at 31 December 2014, the savings accounts of subsidiaries of Baht 3.33 million (2013: Baht 2.59 million) have been pledged as collateral for letter of credits issued by a local financial institution.

13 Investments in associate

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|---------------|----------------------------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | 27,791 | 26,985 | 1,800 | 1,800 |
| Share of net profit of investment in associate | 427 | 806 | - | - |
| Dividend income | (6,462) | - | - | - |
| At 31 December | 21,756 | 27,791 | 1,800 | 1,800 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Investments in associate as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended, were as follows:

| Associate | Type of business | Consolidated financial statements | | | | | | | | |
|--|-------------------|-----------------------------------|-------|-----------------|-------|-------|--------|--------|-------|-----------------|
| | | Ownership interest | | Paid-up capital | | Cost | | Equity | | Dividend income |
| | | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| | | <i>(in thousand Baht)</i> | | | | | | | | |
| Yomiuri-Nation Information Service Limited | Advertising Agent | 45.00 | 45.00 | 4,000 | 1,800 | 1,800 | 21,756 | 27,791 | 6,462 | - |

The following summarised financial information on associate which have been accounted for using the equity method is not adjusted for the percentage of ownership held by the Company.

| Associate | Reporting date | Ownership interest (%) | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities | Total revenue | Total expense | Net profit |
|--|----------------|------------------------|----------------|--------------------|---------------|---------------------|-------------------------|-------------------|---------------|---------------|------------|
| <i>(in thousand Baht)</i> | | | | | | | | | | | |
| 2014 | | | | | | | | | | | |
| Yomiuri-Nation Information Service Limited | 31 December | 45.00 | 5,792 | 17,578 | 23,370 | 1,035 | 533 | 1,568 | 7,636 | 7,097 | 427 |
| 2013 | | | | | | | | | | | |
| Yomiuri-Nation Information Service Limited | 31 December | 45.00 | 11,432 | 17,289 | 28,721 | 816 | 114 | 930 | 9,399 | 8,265 | 806 |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

14 Investments in subsidiaries

| | Separate financial statements | |
|---|--|-------------------------|
| | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | |
| At 1 January | 2,021,894 | 740,100 |
| Acquisitions | 499,000 | 1,281,794 |
| Reversal of impairment loss on investments in subsidiary | - | 1,000 |
| Disposals | (16,479) | (1,000) |
| At 31 December | <u>2,504,415</u> | <u>2,021,894</u> |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended, were as follows:

| Separate financial statements | | | | | | | | | | | | | | | | | |
|---|--|--------------------|-------|-----------------|-----------|---------|---------|--------------------|-----------|---------------|---------|-----------------|--------|--|--|--|--|
| Name of subsidiary | Type of business | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income | | | | | |
| | | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | | | | |
| | | (%) | | | | | | (in thousand Baht) | | | | | | | | | |
| Nation Broadcasting Corporation Public Company Limited | Production of TV and radio programmes and providing advertisements through TV, radio, and new media forms | 71.26 | 71.30 | 534,708 | 534,413 | 984,802 | 984,802 | - | - | 984,802 | 984,802 | 34,291 | 26,233 | | | | |
| Nation International Edutainment Public Company Limited | Importing, publishing and distribution local and foreign publications, production of TV programmes and providing advertisements through TV, digital media and character management | 80.06 | 83.76 | 170,048 | 170,048 | 356,515 | 372,994 | - | - | 356,515 | 372,994 | 14,243 | 10,004 | | | | |
| Nation News Network Co., Ltd. | Publishing and distribution of English newspaper, publishing, digital publishing and advertising media | 99.99 | 99.99 | 50,000 | 50,000 | 50,000 | 50,000 | - | - | 50,000 | 50,000 | - | - | | | | |
| NNML Co., Ltd. | Delivery of publishing | 99.99 | 99.99 | 50,000 | 50,000 | 50,000 | 50,000 | 40,000 | 40,000 | 10,000 | 10,000 | - | - | | | | |
| Kom Chad Luek Media Co., Ltd. | Publishing and distribution of newspaper, publishing, digital publishing and advertising media | 99.99 | 99.99 | 25,000 | 25,000 | 99,990 | 99,990 | 96,392 | 96,392 | 3,598 | 3,598 | - | - | | | | |
| Krungthep Turakij Media Co., Ltd. | Publishing and distribution of newspaper, publishing, digital publishing and advertising media | 99.99 | 99.99 | 25,000 | 25,000 | 25,000 | 25,000 | - | - | 25,000 | 25,000 | - | - | | | | |
| Bangkok Business Broadcasting Co., Ltd. | Production of TV programmes and advertisements through TV | 99.80 | - | 500,000 | - | 499,000 | - | - | - | 499,000 | - | - | - | | | | |
| Nation U Co., Ltd. | Establish a private university and academic training | 90.00 | 90.00 | 170,000 | 170,000 | 153,000 | 153,000 | - | - | 153,000 | 153,000 | - | - | | | | |
| WVPS (Thailand) Co., Ltd. | Production of newspaper, and books and publishing services. | 84.50 | 84.50 | 500,000 | 500,000 | 422,500 | 422,500 | - | - | 422,500 | 422,500 | 21,125 | - | | | | |
| Total | | | | 2,640,807 | 2,158,286 | 136,392 | 136,392 | 2,504,415 | 2,021,894 | 69,659 | 36,237 | | | | | | |

All subsidiaries were incorporated in Thailand.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

At the annual general meeting of the shareholders of a subsidiary (“Nation International Edutainment Public Company Limited”) held on 23 April 2013, the shareholders approved the following matters:

- a) Approved the appropriation of dividends from the 2012 operating results and retained earnings of Baht 0.15 per share, amounting to Baht 12.75 million. The dividends were paid to the shareholders in May 2013.
- b) Approved the issuance and offering of warrants to the subsidiary’s existing shareholders who subscribe for additional ordinary shares in a ratio of 1 warrant for 1 existing ordinary share, without the offering price. Details of warrants are as follows:

| | |
|--|---|
| Date of original grant | 12 July 2013 |
| No. of warrants granted (Units) | 85,000,000 |
| Terms of warrants | 5 years from the issuance date of warrant |
| Exercisable date | The date 15 th of December and June in each year |
| Exercise price per 1 ordinary share (Baht) | 4 |
| Exercise ratio (warrants to ordinary shares) | 1:1 |

- c) Approved the issuance and offering of warrants under the Employee Stock Option Programme to the directors, management and/or employees of the subsidiary and/or its indirect subsidiaries. Details of warrants are disclosed in note to financial statements 30.2.
- d) Approved an increase in the registered share capital from Baht 85 million (85,000,000 ordinary shares at a par value of Baht 1 per share) to Baht 259.25 million (259,250,000 ordinary shares at a par value of Baht 1 per share) by issuing not exceeding 174,250,000 ordinary shares at a par value of Baht 1 per share to reserve for the increase in share capital and exercise of warrants as referred above. The subsidiary registered the increase in share capital with the Ministry of Commerce on 2 May 2013.

At the annual general meeting of shareholders of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 24 April 2013, the shareholders of a subsidiary approved the following matters:

- a) Approved the appropriation of the dividends from the 2012 operating results of Baht 0.18 per share, amounting to Baht 31.43 million. The dividends of Baht 0.12 per share, amounting to Baht 20.82 million were paid to the shareholders as the interim dividends during the year 2012, and the remaining dividends of Baht 0.06 per share, amounting to Baht 10.61 million were paid to the shareholders in May 2013.
- b) Approved the issuance and offering of warrants to the subsidiary’s existing shareholders who subscribe for additional ordinary shares in a ratio of 1 warrant for 2 existing ordinary shares, without the offering price. Details of warrants are as follows:

| | |
|--|---|
| Date of original grant | 12 July 2013 |
| No. of warrants granted (Units) | 176,870,000 |
| Terms of warrants | 5 years from the issuance date of warrant |
| Exercisable date | The date 15 th of December and June in each year |
| Exercise price per 1 ordinary share (Baht) | 3 |
| Exercise ratio (warrants to ordinary shares) | 1:1 |

- c) Approved the issuance and offering of warrants under the Employee Stock Option Programme to the directors, management and/or employees of the subsidiaries and/or its indirect subsidiaries. Details of warrants are disclosed in note to financial statements 30.3.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

- d) Approved an increase in the registered share capital from Baht 178.50 million (178,500,000 ordinary shares at a par value of Baht 1 per share) to Baht 720.34 million (720,343,962 ordinary shares at a par value of Baht 1 per share) by issuing not exceeding 541,843,962 ordinary shares at a par value of Baht 1 per share to reserve for the increase in share capital and exercise of warrants as referred above and the adjustment of rights of the warrants to the subsidiary's directors, management and/or employees. The subsidiary registered the increase in share capital with the Ministry of Commerce on 9 May 2013.

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 9 May 2013, the Board of Directors of the subsidiary approved the appropriation of interim dividends from the 2013 operating profit and retained earnings to the shareholders of Baht 0.08 per share, amounting to Baht 14.36 million. The interim dividends were paid to the shareholders during the year 2013.

On 15 May 2013, the directors, management and/or employees of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") exercised the warrants of 948,500 units (the last exercise date) to purchase ordinary shares totalling of Baht 3.14 million. As a result, the subsidiary had share premium amounting to Baht 0.55 million. The subsidiary registered the paid-up share capital from the exercise with the Ministry of Commerce on 21 May 2013.

A subsidiary ("Nation Broadcasting Corporation Public Company Limited") has offered additional ordinary shares to existing shareholders which exercise ratio is 2 new shares for 1 existing ordinary share at the exercise price of Baht 3 per share totalling 353,740,000 shares (353,740,000 ordinary shares at a par value of Baht 1 per share) amounting to Baht 1,061.22 million. As a result, the subsidiary's issued and paid-up share capital has increased from Baht 179.47 million (179,467,366 ordinary shares at a par value of Baht 1 per share) to Baht 533.21 million (533,207,366 ordinary shares at a par value of Baht 1 per share) and the share premium amounting to Baht 706.44 million, net of the cost of the issue of ordinary shares amounting to Baht 1.04 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 11 July 2013. As such, the Company has its right to acquire the increase in share capital of the subsidiary, at the ratio of 2 new shares for 1 existing ordinary share, totalling 233,761,522 shares at Baht 3 per share, amounting to Baht 701.28 million resulting to an increase in the proportionate of investment of the Company from 59.91% to 64.00%. During the 4th quarter of year 2013, the Company has additional invested in ordinary shares of the subsidiary in amounting to 39,734,900 shares, totalling Baht 169.58 million, resulting to an increase in the proportionate of investment of the Company from 64.00% to 71.30%.

A subsidiary ("Nation International Edutainment Public Company Limited") has offered additional ordinary shares to existing shareholders which exercise ratio is 1 new share for 1 existing ordinary share at the exercise price of Baht 4 per share totalling 85,000,000 shares (85,000,000 ordinary shares at a par value of Baht 1 per share) amounting to Baht 340 million. As a result, the subsidiary's issued and paid-up share capital has increased from Baht 85 million (85,000,000 ordinary shares at a par value of Baht 1 per share) to Baht 170 million (170,000,000 ordinary shares at a par value of Baht 1 per share) with the share premium amounting Baht 254.19 million, net of the cost of the issue of ordinary shares amounting to Baht 0.81 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 11 July 2013. As such, the Company has its right to acquire the increase in share capital of the subsidiary, at the ratio of 1 new share for 1 existing ordinary share, totalling 75,733,411 shares at Baht 4 per share, amounting to Baht 302.93 million resulting to an increase in the proportionate of investment of the Company from 78.46% to 83.76%.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

At the Board of Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 7 August 2013, the Board of Directors of the subsidiary approved to establish Nine Be Bright Co., Ltd which has a registered share capital of Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value) and fully called-up the register share capital. The indirect subsidiary registered with the Ministry of Commerce on 26 August 2013.

At the Board of Directors' meeting of a subsidiary ("Bangkok Business Broadcasting Co., Ltd.") held on 2 September 2013, the Board of Directors of the subsidiary approved an additional called-up share capital of 75% of the registered share capital from Baht 0.25 million (divided into 100,000 ordinary shares at Baht 2.50 per share) to Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value). The indirect subsidiary registered the increase in paid-up share capital with the Ministry of Commerce on 24 September 2013.

At the Board of Directors' meeting of an indirect subsidiary ("Nation Kids Co., Ltd.") held on 2 September 2013, the Board of Directors of the indirect subsidiary approved an additional called-up share capital of 75% of the registered share capital from Baht 0.25 million (divided into 100,000 ordinary shares at Baht 2.50 par value) to Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value). The indirect subsidiary registered the increase in paid-up share capital with the Ministry of Commerce on 24 September 2013.

At the Board of Directors' meeting of an indirect subsidiary ("NBC Next Vision Co., Ltd.") held on 2 September 2013, the Board of Directors of the indirect subsidiary approved an additional called-up share capital 75% of the registered share capital from Baht 0.25 million (divided into 100,000 ordinary shares at Baht 2.50 per share) to Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value). The indirect subsidiary registered the increase in paid-up share capital with the Ministry of Commerce on 24 September 2013.

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 7 November 2013, the Board of Directors of the subsidiary approved the appropriation of interim dividend of Baht 0.03 per share, amounting to Baht 16.03 million. The interim dividends were paid to shareholders during the year 2013.

At the Board of Directors' meeting of a subsidiary ("Nation U Co., Ltd.") held on 22 November 2013, the Board of Directors of the subsidiary approved an increase in the registered share capital from Baht 50 million (divided into 5,000,000 ordinary shares at a par value of Baht 10 per share) to Baht 170 million (divided into 17,000,000 ordinary shares at a par value of Baht 10 per share) to reserve for the advance payment and working capital in the subsidiary. The Company had additional invested in ordinary shares of the subsidiary, amounting to Baht 108 million. The subsidiary registered with the Ministry of Commerce on 23 December 2013.

At the annual general meeting of the shareholders of a subsidiary ("Nation International Edutainment Public Company Limited") held on 2 April 2014, the shareholders of the subsidiary approved the appropriation of dividends from the 2013 operating results of Baht 0.10 per share, amounting to Baht 17.01 million. The dividends were paid to the shareholders in April 2014.

At the annual general meeting of the shareholders of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 3 April 2014, the shareholders of the subsidiary approved the appropriation of dividends from the 2013 operating results of Baht 0.14 per share, amounting to Baht 46.42 million. The dividends of Baht 0.11 per share, amounting to Baht 30.39 million were paid to the shareholders as the interim dividends during the year 2013, and the remaining dividends of Baht 0.03 per share, amounting to Baht 16.03 million were paid to the shareholders in April 2014.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

At the annual general meeting of the shareholders of a subsidiary (“WPS (Thailand) Co., Ltd.”) held on 21 April 2014, the shareholders of the subsidiary approved the appropriation of dividends from the 2013 operating results of Baht 0.50 per share, amounting to Baht 25 million. The dividends were paid to shareholders in April 2014.

At the Board of Directors’ meeting of a subsidiary (“Bangkok Business Broadcasting Co., Ltd.”) held on 6 June 2014, the Board of Directors of the subsidiary approved an increase in the registered share capital from Baht 1 million (100,000 ordinary shares at a par value of Baht 10 per share) to Baht 500 million (50,000,000 ordinary shares at a par value of Baht 10 per share). The Company invested in ordinary shares of the subsidiary amounting to Baht 499 million, resulting in the proportionate interest of investment of the subsidiary at 99.80%. The subsidiary registered the increase in share capital with the Ministry of Commerce on 13 June 2014.

At the Board of Directors’ meeting of an indirect subsidiary (“NBC Next Vision Co., Ltd.”) held on 6 June 2014, the Board of Directors of the indirect subsidiary approved an increase in the registered share capital from Baht 1 million (100,000 ordinary shares at a par value of Baht 10 per share) to Baht 300 million (30,000,000 ordinary shares at a par value of Baht 10 per share). The Company invested in ordinary shares of the subsidiary amounting to Baht 299 million, resulting in the proportionate interest of investment of the subsidiary at 99.99%. The indirect subsidiary registered the increase in share capital with the Ministry of Commerce on 13 June 2014.

At the Board of Directors’ meeting of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 6 November 2014, the Board of Directors of the subsidiary approved the appropriation of interim dividends from the 2014 operating results of Baht 0.06 per share, amounting to Baht 32.07 million. The interim dividends were paid to the shareholders during the year 2014.

During the 4th quarter of 2014, the Company sold the investments in a subsidiary (“Nation International Edutainment Public Company Limited”) with the carrying amount of Baht 16.48 million with a gain on sales of investments amounting to Baht 9.87 million, resulting to a decrease in the proportionate of investment of the Company from 83.76% to 80.06%.

On 31 December 2014, a subsidiary (“Nation International Edutainment Public Company Limited”) made an additional investment in 49 percent of the issued and paid up capital of Nation Global Edutainment Company Limited (Formerly: Nation Egmont Edutainment Company Limited) for a consideration of Baht 35.05 million, resulting to an increase in the proportionate of the subsidiary’s interest in Nation Global Edutainment Company Limited (Formerly: Nation Egmont Edutainment Company Limited) from 49.992 percent to 98.992. Therefore, the ownership status of the Company changed from an indirect jointly-controlled entity to be an indirect subsidiary. Details of the acquisition are given in note 4.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

15 Investments in jointly-controlled entity

The following summarised financial information on interests in an indirect jointly-controlled entity which have been proportionately consolidated in the consolidate financial statements represents the Group's share:

| Indirect jointly-controlled entity | Ownership interest (%) | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities | Total revenue | Total expense | Net profit (loss) |
|---|------------------------------|-------------------|-----------------------|-----------------|------------------------|----------------------------|----------------------|------------------|------------------|----------------------|
| <i>(in thousand Baht)</i> | | | | | | | | | | |
| 2014 | | | | | | | | | | |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | - | - | - | - | - | - | - | 43,740 | 58,499 | (14,759) |
| 2013 | | | | | | | | | | |
| Nation Global Edutainment Co., Ltd. (Formerly: Nation Egmont Edutainment Co., Ltd.) | 41.87 | 110,943 | 10,335 | 121,278 | 83,460 | 981 | 84,441 | 69,170 | 68,654 | 516 |

Reclassification to subsidiary

On 31 December 2014, a subsidiary ("Nation International Edutainment Public Company Limited") made an additional investment in 49 percent of the issued and paid up capital of Nation Global Edutainment Company Limited (Formerly: Nation Egmont Edutainment Company Limited) increasing interest in Nation Global Edutainment Company Limited (Formerly: Nation Egmont Edutainment Company Limited) to 98.992%. Therefore, the ownership status of the company changed from an indirect jointly-controlled entity to be an indirect subsidiary. Details of the acquisition are given in note 4.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

6 Long-term investments in related parties

Consolidated financial statements

| Type of business | Ownership interest (%) | | Paid-up capital | | Cost | | Impairment (in thousand Baht) | | At cost - net | | Dividend income | |
|--|------------------------|-------|-----------------|---------|-------|--------|----------------------------------|--------|---------------|------|-----------------|------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | | | | | | | | | | | | |
| Other non-marketable equity securities | | | | | | | | | | | | |
| Nation Properties Co., Ltd. | - | 19.80 | - | 300,000 | - | 56,000 | - | 56,000 | - | - | - | - |
| Thai Portal Co., Ltd. | 19.00 | 19.00 | 100,000 | 100,000 | 6,092 | 6,092 | 6,092 | 6,092 | - | - | - | - |
| Total | | | 6,092 | 62,092 | 6,092 | 62,092 | 6,092 | 62,092 | - | - | - | - |

Separate financial statements

| Type of business | Ownership interest (%) | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income | |
|--|------------------------|------|-----------------|------|---------|------|------------|------|---------------|------|-----------------|------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | (in thousand Baht) | | | | | | | | | | | |
| Other non-marketable Equity securities | | | | | | | | | | | | |
| Nation Properties Co., Ltd. | Real estate | - | 19.80 | - | 300,000 | - | 56,000 | - | 56,000 | - | - | - |
| Total | | | | | | - | 56,000 | - | 56,000 | - | - | - |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

17 Long-term investments in other companies

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------------|--|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| <i>At fair value</i> | | | | |
| Equity securities available-for-sale | <u>39,714</u> | <u>23,633</u> | <u>39,714</u> | <u>23,633</u> |
| <i>At cost</i> | | | | |
| Other non-marketable equity securities | 7,629 | 7,629 | 7,629 | 7,629 |
| Less allowance for impairment | <u>(63)</u> | <u>(63)</u> | <u>(63)</u> | <u>(63)</u> |
| | <u>7,566</u> | <u>7,566</u> | <u>7,566</u> | <u>7,566</u> |
| Total | <u>47,280</u> | <u>31,199</u> | <u>47,280</u> | <u>31,199</u> |

Movements during the years ended 31 December of equity securities available-for-sale were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|----------------------|--|----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Available-for-sale securities | | | | |
| At 1 January | 23,633 | 21,972 | 23,633 | 21,972 |
| Transfer out | - | (77) | - | (77) |
| Disposals during the year | - | (2) | - | (2) |
| Valuation adjustment | <u>16,081</u> | <u>1,740</u> | <u>16,081</u> | <u>1,740</u> |
| At 31 December | <u>39,714</u> | <u>23,633</u> | <u>39,714</u> | <u>23,633</u> |

Notes to the financial statements

Consolidated financial statements

Disposals

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

| Consolidated financial statements | | | | | | | | | |
|--|-----------------------|------------------------------------|----------------------------|-------------------------|---------------------|------------------------|---------------|--|------------------|
| | Land and improvements | Building and building improvements | Leased assets improvements | Machinery and equipment | Operating equipment | Furniture and fixtures | Vehicles | Assets under construction and installation | Total |
| | | | | (in thousand Baht) | | | | | |
| Net book value | | | | | | | | | |
| At 1 January 2013 | | | | | | | | | |
| Owned assets | 605,336 | 329,707 | 93,352 | 512,209 | 200,262 | 43,968 | 16,372 | 39,417 | 1,840,623 |
| Assets under finance leases | - | - | - | 95,484 | 12,852 | - | - | - | 108,336 |
| | 605,336 | 329,707 | 93,352 | 607,693 | 213,114 | 43,968 | 16,372 | 39,417 | 1,948,959 |
| At 31 December 2013 and 1 January 2014 | | | | | | | | | |
| Owned assets | 581,175 | 338,635 | 78,173 | 436,435 | 151,375 | 37,121 | 27,418 | 1,937 | 1,652,269 |
| Assets under finance leases | - | - | - | 80,641 | 7,140 | - | - | - | 87,781 |
| | 581,175 | 338,635 | 78,173 | 517,076 | 158,515 | 37,121 | 27,418 | 1,937 | 1,740,050 |
| At 31 December 2014 | | | | | | | | | |
| Owned assets | 580,358 | 306,764 | 69,089 | 425,524 | 164,516 | 27,713 | 37,370 | 81,788 | 1,693,122 |
| Assets under finance leases | - | - | - | - | 4,262 | - | - | - | 4,262 |
| | 580,358 | 306,764 | 69,089 | 425,524 | 168,778 | 27,713 | 37,370 | 81,788 | 1,697,384 |

Notes to the financial statements

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Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

Separate financial statements

| | Land and improvements | Building and building improvements | Leased assets improvements | Machinery and equipment | Operating equipment | Furniture and fixtures | Vehicles | Assets under construction and installation | Total |
|---|-----------------------|------------------------------------|----------------------------|-------------------------|---------------------|------------------------|---------------|--|----------------|
| | | | | | | | | | |
| <i>Net book value</i> | | | | | | | | | |
| At 1 January 2013 | | | | | | | | | |
| Owned assets | 367,126 | 488 | 46,564 | 9 | 33,816 | 11,529 | 10,572 | 37,774 | 507,878 |
| Assets under finance leases | - | - | - | 1,243 | 12,852 | - | - | - | 14,095 |
| | 367,126 | 488 | 46,564 | 1,252 | 46,668 | 11,529 | 10,572 | 37,774 | 521,973 |
| At 31 December 2013 and 1 January 2014 | | | | | | | | | |
| Owned assets | 342,532 | 24,848 | 41,815 | 1,089 | 25,095 | 9,067 | 20,769 | - | 465,215 |
| Assets under finance leases | - | - | - | - | 7,140 | - | - | - | 7,140 |
| | 342,532 | 24,848 | 41,815 | 1,089 | 32,235 | 9,067 | 20,769 | - | 472,355 |
| At 31 December 2014 | | | | | | | | | |
| Owned assets | 342,419 | 23,495 | 36,737 | 925 | 30,696 | 7,145 | 22,133 | 5,374 | 468,924 |
| Assets under finance leases | - | - | - | - | 4,262 | - | - | - | 4,262 |
| | 342,419 | 23,495 | 36,737 | 925 | 34,958 | 7,145 | 22,133 | 5,374 | 473,186 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2014 amounting to Baht 334.43 million and Baht 132.11 million, respectively (2013: Baht 325.02 million and Baht 123.18 million, respectively).

Security

At 31 December 2014, the Group's and the Company's properties with a net book value of Baht 862.64 million and Baht 347.37 million, respectively (2013: Baht 1,060.94 million and Baht 347.37 million, respectively) were subject to secure loans from financial institutions (see note 23).

19 Intangible assets

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|---------------|----------------------------------|---------------|
| | Note | 2014 | 2013 | 2014 | 2013 |
| | | (in thousand Baht) | | | |
| Current portion included in "other non-current assets" | 11 | 43,601 | - | - | - |
| Non-current portion | | 68,878 | 83,929 | 24,769 | 30,434 |
| Total | | 112,479 | 83,929 | 24,769 | 30,434 |

| | Consolidated financial statements | | | | | |
|---|--|---------------------------------------|---|------------|--|----------------|
| | Computer programme and software licences | Licence fees - books and others | Programme licences (in thousand Baht) | Trademarks | Computer programme under installation | Total |
| Cost | | | | | | |
| At 1 January 2013 | 218,610 | 129,338 | - | - | 14,004 | 361,952 |
| Additions | 622 | 30,158 | - | - | 1,512 | 32,292 |
| Transfers | 13,740 | - | - | - | (13,740) | - |
| Adjustments | - | - | - | - | (1,006) | (1,006) |
| At 31 December 2013 and 1 January 2014 | 232,972 | 159,496 | - | - | 770 | 393,238 |
| Additions | 1,238 | 11,367 | 83,853 | 700 | 2,314 | 99,472 |
| Transfers | - | - | - | - | - | - |
| Acquisition through business combination | 175 | 1,294 | - | - | - | 1,469 |
| At 31 December 2014 | 234,385 | 172,157 | 83,853 | 700 | 3,084 | 494,179 |
| Amortisation | | | | | | |
| At 1 January 2013 | 171,349 | 86,322 | - | - | - | 257,671 |
| Amortisation charge for the year | 20,106 | 31,532 | - | - | - | 51,638 |
| At 31 December 2013 and 1 January 2014 | 191,455 | 117,854 | - | - | - | 309,309 |
| Amortisation charge for the year | 18,268 | 22,517 | 31,606 | - | - | 72,391 |
| At 31 December 2014 | 209,723 | 140,371 | 31,606 | - | - | 381,700 |
| Net book value | | | | | | |
| At 1 January 2013 | 47,261 | 43,016 | - | - | 14,004 | 104,281 |
| At 31 December 2013 and 1 January 2014 | 41,517 | 41,642 | - | - | 770 | 83,929 |
| At 31 December 2014 | 24,662 | 31,786 | 52,247 | 700 | 3,084 | 112,479 |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

| | Separate financial statements | | |
|---|---|---|----------------|
| | Computer programme and software licences | Computer programme under installation <i>(in thousand Baht)</i> | Total |
| Cost | | | |
| At 1 January 2013 | 210,349 | 3,431 | 213,780 |
| Additions | - | 1,327 | 1,327 |
| Transfers | 3,988 | (3,988) | - |
| At 31 December 2013 and 1 January 2014 | 214,337 | 770 | 215,107 |
| Additions | 7,257 | 2,314 | 9,571 |
| At 31 December 2014 | 221,594 | 3,084 | 224,678 |
| Amortisation | | | |
| At 1 January 2013 | 168,218 | - | 168,218 |
| Amortisation charge for the year | 16,455 | - | 16,455 |
| At 31 December 2013 and 1 January 2014 | 184,673 | - | 184,673 |
| Amortisation charge for the year | 15,236 | - | 15,236 |
| At 31 December 2014 | 199,909 | - | 199,909 |
| Net book value | | | |
| At 1 January 2013 | 42,131 | 3,431 | 45,562 |
| At 31 December 2013 and 1 January 2014 | 29,664 | 770 | 30,434 |
| At 31 December 2014 | 21,685 | 3,084 | 24,769 |

20 Digital television licences

| | Consolidated financial statements <i>(in thousand Baht)</i> |
|---|---|
| Cost | |
| At 1 January 2013 | - |
| At 31 December 2013 and 1 January 2014 | - |
| Additions | 3,538,000 |
| At 31 December 2014 | 3,538,000 |
| Amortisation | |
| At 1 January 2013 | - |
| At 31 December 2013 and 1 January 2014 | - |
| Amortisation for the year | 161,812 |
| At 31 December 2014 | 161,812 |
| Net book value | |
| At 31 December 2013 and 1 January 2014 | - |
| At 31 December 2014 | 3,376,188 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

A subsidiary (“Bangkok Business Broadcasting Co., Ltd.”), is the winner of the auction for commercial digital terrestrial TV licence at national level for a variety standard definition channel category at a bid price of Baht 2,200 million. The subsidiary paid the first instalment, which was 50% of minimum bid price and 10% of the exceeding of the minimum bid price, totalling Baht 334 million, excluded value added tax and net of guaranteed deposit amounting to Baht 38 million on 29 October 2013. The subsidiary placed the letter of guarantee issued by financial institution for the remaining licence fee amounting to Baht 1,828 million to Nation Broadcasting and Telecommunications Commission (“NBTC”) on 7 February 2014. Such remaining licence fee will be paid annually in the amount as specified in the agreement expiring on 25 April 2019.

An indirect subsidiary (“NBC Next Vision Co., Ltd.”), is the winner of the auction for commercial digital terrestrial TV licence at national level for a news channel category at a bid price of Baht 1,338 million. The indirect subsidiary paid the first instalment, which was 50% of minimum bid price and 10% of the exceeding of the minimum bid price, totalling Baht 199.80 million, excluded value added tax and net of guaranteed deposit amounting to Baht 22 million on 29 October 2013. The indirect subsidiary placed the letter of guarantee issued by financial institution for the remaining licence fee amounting to Baht 1,116.20 million to Nation Broadcasting and Telecommunications Commission (“NBTC”) on 7 February 2014. Such remaining licence fee will be paid annually in the amount as specified in the agreement expiring on 25 April 2019.

On 25 April 2014, the subsidiary and the indirect subsidiary received the commercial digital terrestrial TV licences at national level for a period of 15 years, commencing from 25 April 2014 to 24 April 2029.

Digital television licence payable to NBTC as at 31 December 2014 and 2013 were payable as follow:

| | Consolidated financial statements | |
|--------------------------------------|--|----------|
| | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | |
| Within one year | 473,800 | - |
| After one year but within five years | 2,470,400 | - |
| Total | 2,944,200 | - |

In October 2013, an indirect subsidiary (“Nation Kids Co., Ltd.”) paid the auction deposit of commercial digital terrestrial TV licences at national level for a kids and family channel amounting to Baht 14 million, to attend the auction in December 2013. However, the indirect subsidiary already refunded the entire amount of auction deposit in January 2014.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

| | At 1 January 2013 | Consolidated financial statements (Charged) / Credited to: | | At 31 December 2013 |
|--|-------------------------|---|----------------------------------|---------------------------|
| | | Profit or loss (in thousand Baht) | Other comprehensive income | |
| <i>Deferred tax assets</i> | | | | |
| Investment properties | 1,336 | - | - | 1,336 |
| Trade accounts receivable | 25,110 | (4,721) | - | 20,389 |
| Inventories | 11,903 | (1,490) | - | 10,413 |
| Other current assets | 5,985 | 507 | - | 6,492 |
| Provisions | 15,755 | 1,500 | 8,832 | 26,087 |
| Loss carry forward | 60,057 | (19,166) | - | 40,891 |
| Total | 120,146 | (23,370) | 8,832 | 105,608 |
| <i>Deferred tax liabilities</i> | | | | |
| Property, plant and equipment | 4,796 | (1,354) | - | 3,442 |
| Marketable securities | 2,647 | - | 348 | 2,995 |
| Upfront fee of long-term loan from financial institutions | 833 | (437) | - | 396 |
| Others | 107 | (107) | - | - |
| Total | 8,383 | (1,898) | 348 | 6,833 |
| Net | 111,763 | (21,472) | 8,484 | 98,775 |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

| | At 1 January 2014 | Separate financial statements (Charged) / Credited to: | | At 31 December 2014 |
|--|-------------------------|---|----------------------------------|---------------------------|
| | | Profit or loss (in thousand Baht) | Other comprehensive income | |
| <i>Deferred tax assets</i> | | | | |
| Investment properties | 1,336 | - | - | 1,336 |
| Trade accounts receivable | 11,381 | (6,173) | - | 5,208 |
| Inventories | 622 | (48) | - | 574 |
| Other current assets | 6,492 | - | - | 6,492 |
| Provisions | 7,239 | 2,468 | - | 9,707 |
| Share-based payments | - | 2,345 | - | 2,345 |
| Loss carry forward | 31,948 | (28,540) | - | 3,408 |
| Total | 59,018 | (29,948) | - | 29,070 |
| <i>Deferred tax liabilities</i> | | | | |
| Property, plant and equipment | 543 | (284) | - | 259 |
| Marketable securities | 2,995 | - | 3,216 | 6,211 |
| Upfront fee of long-term loan from financial institutions | 396 | (107) | - | 289 |
| Total | 3,934 | (391) | 3,216 | 6,759 |
| Net | 55,084 | (29,557) | (3,216) | 22,311 |

| | At 1 January 2013 | Separate financial statements (Charged) / Credited to: | | At 31 December 2013 |
|--|-------------------------|---|----------------------------------|---------------------------|
| | | Profit or loss (in thousand Baht) | Other comprehensive income | |
| <i>Deferred tax assets</i> | | | | |
| Investment properties | 1,336 | - | - | 1,336 |
| Trade accounts receivable | 12,181 | (800) | - | 11,381 |
| Inventories | 623 | (1) | - | 622 |
| Other current assets | 7,296 | (804) | - | 6,492 |
| Provisions | 2,751 | 803 | 3,685 | 7,239 |
| Loss carry forward | 56,000 | (24,052) | - | 31,948 |
| Total | 80,187 | (24,854) | 3,685 | 59,018 |
| <i>Deferred tax liabilities</i> | | | | |
| Property, plant and equipment | 565 | (22) | - | 543 |
| Marketable securities | 2,647 | - | 348 | 2,995 |
| Upfront fee of long-term loan from financial institutions | 833 | (437) | - | 396 |
| Total | 4,045 | (459) | 348 | 3,934 |
| Net | 76,142 | (24,395) | 3,337 | 55,084 |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

22 Other non-current assets

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|--|----------------|--|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Merchandises under barter trade | 3,876 | 4,076 | 2,120 | 922 |
| Withholding tax deducted at source | 135,833 | 218,336 | 112,350 | 186,043 |
| Golf membership | 6,851 | 7,321 | 6,851 | 7,321 |
| Refundable deposits | 11,480 | 16,642 | 3,081 | 2,541 |
| Others | 4,553 | 9,347 | - | - |
| Total | 162,593 | 255,722 | 124,402 | 196,827 |

The amortisation charge included in the Group's and the Company's statements of comprehensive income for the year ended 31 December 2014 were approximately Baht 0.5 million and Baht 0.5 million, respectively (2013: Baht 0.6 million and Baht 0.6 million, respectively).

23 Interest-bearing liabilities

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------------|
| <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Current | | | | |
| Bank overdrafts | | | | |
| Unsecured | 14,507 | 46,133 | 1,435 | 32,421 |
| Short-term loans from financial institutions | | | | |
| Unsecured | 614,174 | 247,783 | 563,224 | 190,861 |
| Bank overdrafts and short-term loans from financial institutions | 628,681 | 293,916 | 564,659 | 223,282 |
| Current portion of long-term loans from financial institutions | | | | |
| Secured | 100,800 | 120,331 | 100,800 | 100,800 |
| Current portion of long-term loans | 100,800 | 120,331 | 100,800 | 100,800 |
| Current portion of finance lease liabilities | 2,968 | 7,826 | 2,968 | 2,613 |
| Total current interest-bearing liabilities | 732,449 | 422,073 | 668,427 | 326,695 |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

| | <i>Note</i> | Consolidated financial statements | | Separate financial statements | |
|--|-------------|--|----------------|--|----------------|
| | | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Non-current | | | | | |
| Long-term loans from financial institutions | | | | | |
| Secured | | 15,356 | 152,218 | 15,356 | 152,218 |
| Long-term loans from other party | | | | | |
| Unsecured | 28 | - | 110,070 | - | 110,070 |
| Long-term loans | | 15,356 | 262,288 | 15,356 | 262,288 |
| Finance lease liabilities | | 2,832 | 5,800 | 2,832 | 5,800 |
| Total non-current interest- bearing liabilities | | 18,188 | 268,088 | 18,188 | 268,088 |

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|----------------|--|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Within one year | 729,481 | 414,247 | 665,459 | 324,082 |
| After one year but within five years | 15,356 | 262,288 | 15,356 | 262,288 |
| Total | 744,837 | 676,535 | 680,815 | 586,370 |

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

| | Consolidated financial statements | | Separate financial statements | |
|------------------------|--|-----------|--|---------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Property and equipment | 862,637 | 1,060,942 | 347,371 | 347,371 |

As at 31 December 2014, the Group and the Company had unutilised credit facilities totalling Baht 1,256.93 million and Baht 1,141.63 million, respectively (2013: Baht 1,160.60 million and Baht 1,058.69 million, respectively).

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

| Consolidated financial statements | | | | | | |
|---|--|------------|---|--|------------|---|
| | 2014 | | | 2013 | | |
| | Future minimum lease payments | Interest | Present value of minimum lease payments (in thousand Baht) | Future minimum lease payments | Interest | Present value of minimum lease payments |
| Within one year | 3,161 | 193 | 2,968 | 8,190 | 364 | 7,826 |
| After one year but within five years | 2,923 | 91 | 2,832 | 6,084 | 284 | 5,800 |
| Total | 6,084 | 284 | 5,800 | 14,274 | 648 | 13,626 |

| Separate financial statements | | | | | | |
|---|--|------------|---|--|------------|---|
| | 2014 | | | 2013 | | |
| | Future minimum lease payments | Interest | Present value of minimum lease payments (in thousand Baht) | Future minimum lease payments | Interest | Present value of minimum lease payments |
| Within one year | 3,161 | 193 | 2,968 | 2,977 | 364 | 2,613 |
| After one year but within five years | 2,923 | 91 | 2,832 | 6,084 | 284 | 5,800 |
| Total | 6,084 | 284 | 5,800 | 9,061 | 648 | 8,413 |

Interest-bearing liabilities of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

Bank overdrafts and short-term loans from financial institutions

As at 31 December 2014, the Group and the Company had overdraft lines and other credit facilities with certain local financial institutions totalling Baht 5,118 million and Baht 1,768 million, respectively (2013: Baht 1,475 million and Baht 1,288 million, respectively).

Long-term loans from financial institutions

On 22 November 2012, the Company entered into a Syndicate Loan Agreement with two local financial institutions for stand by credit of Baht 300 million to plan for expanding the media business investment in satellite TV, licences of Nation University including improvement of office space and information technology.

These loans have various interest rates and term of repayments separated by tranches as follows:

- Tranche 1 in the amount of Baht 145 million bears interest at the average Minimum Loan Rate minus 1% (MLR - 1%). This loan shall be repaid within 3 years commencing from January 2014 to December 2016.
- Tranche 2 in the amount of Baht 155 million bears interest at the average Minimum Loan Rate minus 1% (MLR - 1%). This loan shall be repaid within 3 years commencing from January 2014 to December 2016.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

The loan was secured by properties, printing machines and part of equipment of the Company and a subsidiary.

As at 31 December 2014, the Company has loan outstanding of Baht 118 million (2013: Baht 253 million).

In 2011, a subsidiary (“WPS (Thailand) Co., Ltd.”) entered into a long term-loan agreement with a local financial institution in the amount of Baht 70 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement and repayable in 36 monthly installments of varying amounts ending July 2014. This loan is secured by pledged the machinery.

As at 31 December 2014, the Company repaid the entire amount of loan. (2013: Baht 20 million).

Long-term loan from other party

During 2008, the Company has entered into memorandum with a local party to provide advertising and related services whereby the latter party provides loan to the Company amount of Baht 150 million. The Company shall repay the loan to the party by deducting from the advertising fee net of discount. The Company committed to pay the service fee at the rate stipulated in the agreement and loan bears interest at the Minimum Loan Rate (MLR) of a local bank. The memorandum has an initial term of 3 years which shall automatically be extended for successive terms of 3 years.

As at 31 December 2014, the Company repaid the entire amount of loan. (2013: Baht 110.07 million).

24 Trade accounts payable

| | | Consolidated financial statements | | Separate financial statements | |
|-----------------|------|--------------------------------------|----------------|----------------------------------|----------------|
| | Note | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 5 | - | 92 | 783,673 | 395,472 |
| Other parties | | 108,345 | 115,265 | 12,503 | 14,730 |
| Total | | 108,345 | 115,357 | 796,176 | 410,202 |

25 Other payables

| | | Consolidated financial statements | | Separate financial statements | |
|------------------------|----------|--------------------------------------|----------------|----------------------------------|---------------|
| | Note | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 5 | 11 | 1,682 | 29,687 | 15,663 |
| <i>Others</i> | | | | | |
| Other payables | | 19,452 | 13,891 | 6,560 | 772 |
| Advance received | | 172,410 | 179,495 | 33,153 | 16,970 |
| Assets acquisition | | 14,846 | 11,300 | 675 | 4,403 |
| | | 206,708 | 204,686 | 40,388 | 22,145 |
| Total | | 206,719 | 206,368 | 70,075 | 37,808 |

The Group’s and the Company’s other payable as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

26 Other current liabilities

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------|--|----------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Revenue department payable | 17,292 | 10,864 | 12,234 | 2,090 |
| Output value added tax pending | 167,876 | 122,766 | 45,119 | 28,758 |
| Others | 22,506 | 11,233 | 7,343 | 8,006 |
| Total | 207,674 | 144,863 | 64,696 | 38,854 |

27 Employee benefit obligations

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Statement of financial position obligation for: | | | | |
| Post-employment benefits | 149,358 | 134,459 | 48,534 | 36,197 |

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Year ended 31 December | | | | |
| Statement of comprehensive income : | | | | |
| Recognised in profit or loss : | | | | |
| Post employment benefits | 17,177 | 15,953 | 5,372 | 4,223 |

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Recognised in other comprehensive income: | | | | |
| Actuarial (gain) losses recognised in the year | (132) | 44,928 | - | 18,424 |

The Group and Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Defined benefit obligations at 1 January | 134,459 | 81,987 | 36,197 | 13,758 |
| Transfer in | - | - | 6,965 | 4 |
| Benefit paid by the plan | (3,001) | (8,409) | - | (212) |
| Current services costs and interest | 17,177 | 15,953 | 5,372 | 4,223 |
| Actuarial (gains) losses in other comprehensive income | (132) | 44,928 | - | 18,424 |
| Acquired in business combination | 855 | - | - | - |
| Defined benefit obligations at 31 December | 149,358 | 134,459 | 48,534 | 36,197 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Expense recognised in profit or loss (see notes 37)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------|--|---------------|--|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Current service costs | 11,541 | 10,858 | 3,594 | 2,903 |
| Interest on obligation | 5,636 | 5,095 | 1,778 | 1,320 |
| Total | 17,177 | 15,953 | 5,372 | 4,223 |

The expenses is recognised in the following line items in the statements of comprehensive income:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Cost of sales of goods and rendering of services | 6,183 | 5,927 | 640 | 477 |
| Selling and administrative expenses | 5,358 | 4,931 | 2,954 | 2,426 |
| Finance cost | 5,636 | 5,095 | 1,778 | 1,320 |
| Total | 17,177 | 15,953 | 5,372 | 4,223 |

Actuarial gains and losses recognised in other comprehensive income:

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|--|---------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Included in retained earnings | | | | |
| At 1 January | 44,928 | - | 18,424 | - |
| Recognised during the year | (132) | 44,928 | - | 18,424 |
| At 31 December | 44,796 | 44,928 | 18,424 | 18,424 |

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------|--|-----------|--|-----------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(%)</i> | | | |
| Discount rate | 3.9 - 4.1 | 3.9 - 4.1 | 4.1 | 4.1 |
| Future salary increases | 4.0 - 7.0 | 4.0 - 7.0 | 4.0 - 7.0 | 4.0 - 7.0 |

Assumptions regarding future mortality are based on published statistics and mortality tables.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

28 Other non-current liabilities

| | | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|-------------|--|----------------|--|----------------|
| | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Long-term loan from other party | 23 | - | 110,070 | - | 110,070 |
| Others | | 153,539 | 36,978 | 121,645 | 2,165 |
| Total | | 153,539 | 147,048 | 121,645 | 112,235 |

29 Share capital

| | Par value per share <i>(in Baht)</i> | 2014 Number | 2014 Baht <i>(thousand shares / thousand Baht)</i> | 2013 Number | 2013 Baht |
|----------------------------------|--|------------------|--|------------------|------------------|
| <i>Authorised</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 0.53 | 5,025,608 | 2,663,572 | 1,647,740 | 873,302 |
| Increase of new shares | 0.53 | - | - | 3,377,868 | 1,790,270 |
| At 31 December | | | | | |
| - ordinary shares | 0.53 | 5,025,608 | 2,663,572 | 5,025,608 | 2,663,572 |
| <i>Issued and paid-up</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 0.53 | 3,304,002 | 1,751,121 | 1,647,740 | 873,302 |
| Increase of new shares | 0.53 | - | - | 1,647,741 | 873,303 |
| Exercise of share options | 0.53 | 12,344 | 6,542 | 8,521 | 4,516 |
| At 31 December | | | | | |
| - ordinary shares | 0.53 | 3,316,346 | 1,757,663 | 3,304,002 | 1,751,121 |

At the annual general meeting of shareholders of the Company held on 25 April 2013, the shareholders approved the following matters:

- a) Approved the issuance and offering of warrants to the Company's existing shareholders who subscribe for additional ordinary shares in a ratio of 1 warrant for 1 existing ordinary share, without the offering price. Details of warrants are as follows:

| | |
|--|---|
| Date of original grant | 20 June 2013 |
| No. of warrants granted (Units) | 1,647,740,300 |
| Terms of warrants | 5 years from the issuance date of warrant |
| Exercisable date | The date 15 th of December and June in each year |
| Exercise price per 1 ordinary share (Baht) | 1 |
| Exercise ratio (warrants to ordinary shares) | 1:1 |

- b) Approved the issuance and offering of warrants under the Employee Stock Option Programme (ESOP) to the directors, management and/or employees of the Company and/or the subsidiaries. Details of warrants are disclosed in note to financial statements 30.1.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

- c) Approved an increase in the registered share capital from Baht 873.30 million (1,647,740,300 ordinary shares at a par value of Baht 0.53 per share) to Baht 2,663.57 million (5,025,607,915 ordinary shares at a par value of Baht 0.53 per share) by issuing not exceeding 3,377,867,615 ordinary shares at a par value of Baht 0.53 per share to reserve for the increase in share capital and exercise of warrants as referred above. The Company registered the increase in share capital with the Ministry of Commerce on 9 May 2013.

Issue of ordinary shares

During 2013, the Company has offered additional ordinary shares to existing shareholders which exercise ratio is 1 new share for 1 existing ordinary share at the exercise price of Baht 1 per share totalling 1,647,740,300 shares (1,647,740,300 ordinary shares at a par value of Baht 0.53 per share) amounting to Baht 1,647.74 million. As a result, the Company's issued and paid-up share capital has increased from Baht 873.30 million (1,647,740,300 ordinary shares at a par value of Baht 0.53 per share) to Baht 1,746.61 million (3,295,480,600 ordinary shares at a par value of Baht 0.53 per share) with the share premium amounting to Baht 772.46 million, net of the cost of the issue of ordinary share amounting to Baht 1.97 million. The Company registered the increase in share capital with the Ministry of Commerce on 19 June 2013.

On 15 November 2013, the directors, management and/or employees of the Company exercised the warrants of 6,639,400 units to purchase ordinary shares totalling of Baht 6.64 million which the Company had share premium amounting to Baht 3.12 million. The Company registered the paid-up share capital from the exercise with the Ministry of Commerce on 19 November 2013.

On 13 December 2013, the Company's holders exercised the warrants of 1,881,570 units to purchase ordinary shares totalling of Baht 1.88 million which the Company had share premium amounting to Baht 0.88 million. The Company registered the paid-up share capital from the exercise with the Ministry of Commerce on 18 December 2013.

On 15 May 2014, the directors, management and/or employees of the Company and/or the subsidiaries exercised the warrants of 199,000 units to purchase ordinary shares totalling of Baht 0.20 million. As a result, the Company had share premium amounted to Baht 0.09 million. The Company registered the paid-up share capital from the exercise with the Ministry of Commerce on 21 May 2014.

On 13 June 2014, the Company's holders exercised the warrants of 38,287 units to purchase ordinary shares totalling of Baht 0.04 million. As a result, the Company had share premium amounted to Baht 0.02 million. The Company registered the paid-up share capital from the exercise with the Ministry of Commerce on 19 June 2014.

On 14 November 2014, the directors, management and/or employees of the Company and/or the subsidiaries exercised the warrants of 9,955,400 units to purchase ordinary shares totalling of Baht 9.96 million. As the result, the Company had share premium amounted to Baht 4.68 million. The Company registered the paid-up share capital from exercise with the Ministry of Commerce on 18 November 2014.

On 15 December 2014, the Company's holders exercised the warrants of 2,150,981 units to purchase ordinary shares totalling of Baht 2.15 million. As a result, the Company had share premium amounted to Baht 1.01 million. The Company registered the paid-up share capital from the exercise with the Ministry of Commerce on 18 December 2014.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Cost for issuing new ordinary shares

The incremental cost attributable to the issue of ordinary shares are recognised as a deduction from the premium on those ordinary shares.

30 Warrants

30.1 At the annual general meeting of the shareholders of the Company held on 25 April 2013, the shareholders passed a resolution to approve the issuance 82,387,015 units of warrants under the Employee Stock Option Programme (ESOP) to the directors, management and/or employees of the Company and/or its subsidiaries. The details are as follows:

| Description | Details |
|--------------------------------|---|
| Type of warrants | No value |
| Terms of warrants | 5 years from the issuance date of warrant |
| Propose to sell to | The Company and/or subsidiaries’ directors, management and/or employees |
| Issue and sell quantities | 82,387,015 units |
| Exercise ratio | 1 warrant to 1 ordinary share |
| Exercise price | Baht 1 per ordinary share |
| Exercise period and proportion | The date 15 th of November and May in each year, to exercise not more than 20% each year |

The condition for subscription is comprised of each employee of the Company and/or its subsidiaries as of each offering date.

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

| | |
|---|---------|
| Grant date share price (Baht) | 1.61 |
| Exercise price warrant (Baht) | 1.00 |
| Historical volatility in 3 years at the allotment date | 83.94% |
| The expected period, that shareholders will completely use their right on warrant | 5 years |
| Historical dividend yield in 3 years | 0.00% |
| Risk free interest rate (3 years Government bond yield) at the allotment date | 3.02% |

30.2 At the annual general meeting of the shareholders of a subsidiary (“Nation International Edutainment Public Company Limited”) held on 23 April 2013, the shareholders of the subsidiary passed a resolution to approve the issuance 4,250,000 units of warrants under the Employee Stock Option Programme (ESOP) to the directors, management and/or employees of the Company and/or its subsidiaries. The details are as follows:

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

| Description | Details |
|--------------------------------|---|
| Type of warrants | No value |
| Terms of warrants | 5 years from the issuance date of warrant |
| Propose to sell to | The Company and/or subsidiaries' directors, management and/or employees |
| Issue and sell quantities | 4,250,000 units |
| Exercise ratio | 1 warrant to 1 ordinary share |
| Exercise price | Baht 4 per ordinary share |
| Exercise period and proportion | The date 15 th of November and May in each year, to exercise not more than 20% each year |

The condition for subscription is comprised of each employee of the Company and/or its subsidiaries as of each offering date.

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

| | |
|---|---------|
| Grant date share price (Baht) | 4.74 |
| Exercise price warrant (Baht) | 4.00 |
| Historical volatility in 3 years at the allotment date | 81.75% |
| The expected period, that shareholders will completely use their right on warrant | 5 years |
| Historical dividend yield in 3 years | 2.93% |
| Risk free interest rate (3 years Government bond yield) at the allotment date | 3.02% |

30.3 At the annual general meeting of the shareholders of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 24 April 2013, the shareholders of the subsidiary passed a resolution to approve the issuance 8,798,905 units of warrants under the Employee Stock Option Programme (ESOP) to the directors, management and/or employees of the Company and/or its subsidiaries. The details are as follows:

| Description | Details |
|--------------------------------|---|
| Type of warrants | No value |
| Terms of warrants | 5 years from the issuance date of warrant |
| Propose to sell to | The Company and/or subsidiaries' directors, management and/or employees |
| Issue and sell quantities | 8,798,905 units |
| Exercise ratio | 1 warrant to 1 ordinary share |
| Exercise price | Baht 3 per ordinary share |
| Exercise period and proportion | The date 15 th of November and May in each year, to exercise not more than 20% each year |

The condition for subscription is comprised of each employee of the Company and/or its subsidiaries as of each offering date.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

| | |
|---|---------|
| Grant date share price (Baht) | 3.62 |
| Exercise price warrant (Baht) | 3.00 |
| Historical volatility in 3 years at the allotment date | 49.69% |
| The expected period, that shareholders will completely use their right on warrant | 5 years |
| Historical dividend yield in 3 years | 5.31% |
| Risk free interest rate (3 years Government bond yield) at the allotment date | 3.02% |

As the Thai Financial Reporting Standards 2 (TFRS 2): Share-based Payment was effective for the share-based payment awards granted on or after 1 January 2011. Therefore, according to the TFRS 2, ESOP has to be measured by using the fair value of the warrants on the grant date.

The expense for share-based payment transactions for the year ended 31 December 2014 was Baht 22.37 million and Baht 19.64 million for the consolidated and separate financial statements, respectively (2013: Baht 14.84 million and Baht 12.41 million, respectively).

Movements during the year ended 31 December 2014 and 2013 of the warrants and fair value of the warrants were as follows:

| | Consolidated financial statements | | | |
|------------------------------------|-------------------------------------|---------------|--------------------|--------------|
| | 2014 | | 2013 | |
| | Number of warrants | Fair Value | Number of warrants | Fair Value |
| | (in thousand units / thousand Baht) | | | |
| At 1 January | 4,057 | 5,135 | - | - |
| Issued warrants during the year | 22,967 | 23,645 | 14,096 | 14,516 |
| Exercised warrants during the year | (10,449) | (12,546) | (7,842) | (9,099) |
| Forfeited warrants during the year | (5,211) | (1,946) | (2,197) | (282) |
| At 31 December | 11,364 | 14,288 | 4,057 | 5,135 |

| | Separate financial statements | | | |
|------------------------------------|-------------------------------------|---------------|--------------------|--------------|
| | 2014 | | 2013 | |
| | Number of warrants | Fair Value | Number of warrants | Fair Value |
| | (in thousand units / thousand Baht) | | | |
| At 1 January | 3,617 | 4,376 | - | - |
| Issued warrants during the year | 20,072 | 20,915 | 11,341 | 12,509 |
| Exercised warrants during the year | (10,154) | (12,286) | (6,639) | (8,034) |
| Forfeited warrants during the year | (3,844) | (1,279) | (1,085) | (99) |
| At 31 December | 9,691 | 11,726 | 3,617 | 4,376 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

31 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Fair value changes

The fair value changes in equity comprise the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

32 Segment information

The Group has five reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products and services. The chief operating decision maker (CODM) reviews internal management reports. The following summary describes the operations in each of the Group’s reportable segments.

- *Segment 1* Publishing and advertising
- *Segment 2* Printing service
- *Segment 3* Edutainment
- *Segment 4* Broadcasting and new media
- *Segment 5* Others

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Information about reportable segments:

Business segments

| | Publishing and advertising | | Printing service | | Edutainment | | Broadcasting and new media | | Others | | Total |
|---|-------------------------------|------------------|------------------|----------------|----------------|----------------|-------------------------------|----------------|------------------|------------------|-------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2013 |
| External revenue | 1,385,377 | 1,807,111 | 65,769 | 74,168 | 192,458 | 321,382 | 598,503 | 148,089 | 2,827,711 | 2,949,253 | |
| Inter-segment revenue | 135,668 | 129,326 | 302,195 | 391,916 | 6,280 | 5,853 | 3,793 | 161,414 | 597,554 | 692,302 | |
| Other income | 40,229 | 41,330 | 6,886 | 18,855 | 28,734 | 11,607 | 16,072 | 22,749 | 123,091 | 110,613 | |
| Total income | 1,561,274 | 1,977,767 | 374,850 | 484,939 | 227,472 | 338,842 | 618,368 | 332,252 | 3,548,356 | 3,752,168 | |
| Interest income | 348 | 1,538 | 7 | 18 | 12,924 | 6,726 | 18,121 | 148 | 40,385 | 26,551 | |
| Interest expense | (45,663) | (62,176) | (4,681) | (8,386) | (337) | (918) | (902) | (397) | (52,298) | (72,779) | |
| Depreciation and amortisation | (58,367) | (52,959) | (111,879) | (115,640) | (23,484) | (28,119) | (56,842) | (16,926) | (459,006) | (270,486) | |
| Profit (loss) before income tax | 117,419 | 173,416 | 32,982 | 62,203 | (2,851) | 26,350 | 72,216 | 13,802 | 100,412 | 347,987 | |
| Share of profit of equity accounted investees | 427 | 806 | - | - | - | - | - | - | 427 | 806 | |
| Segment assets | 1,464,212 | 1,619,846 | 840,850 | 953,875 | 613,268 | 567,353 | 1,862,461 | 347,485 | 8,575,884 | 5,351,020 | |
| Capital expenditure | 49,231 | 9,357 | 238 | 1,302 | 12,106 | 31,886 | 28,424 | 15,281 | 3,824,255 | 86,250 | |
| Segment liabilities | 1,387,459 | 1,069,933 | 121,225 | 160,277 | 50,264 | 26,269 | 229,244 | 80,668 | 4,759,719 | 1,566,391 | |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Reconciliations of reportable segments profit or loss, assets and liabilities and other material items

| | 2014 | 2013 |
|---|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Profit or loss | | |
| Total profit for reportable segments | 100,412 | 347,987 |
| Share of profit of equity accounted - investees | 427 | 806 |
| Consolidated profit before income tax | 100,839 | 348,793 |

Geographical segments

The Group is managed and operated principally in Thailand. Management considers that the Group operates in a single geographic area.

33 Investment income

| | | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|-------------|--|---------------|--|---------------|
| | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Dividend income | | | | | |
| Subsidiaries | 5,14 | - | - | 69,659 | 36,237 |
| Associate | 5,13 | - | - | 6,462 | - |
| Other parties | | 1,116 | 905 | 1,116 | 905 |
| | | 1,116 | 905 | 77,237 | 37,142 |
| Interest income | | | | | |
| Subsidiaries | 5 | - | - | 5,031 | 15,319 |
| Indirect jointly-controlled entity | 5 | 4,433 | 3,354 | - | - |
| Other parties | | 35,952 | 23,197 | 136 | 1,370 |
| | | 40,385 | 26,551 | 5,167 | 16,689 |
| Total | | 41,501 | 27,456 | 82,404 | 53,831 |

34 Other income

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Income from sales of scraps | 16,108 | 20,659 | 10,224 | 13,191 |
| Gain on disposal/written off equipment | 1,777 | 6,204 | 1,210 | 8,808 |
| Net proceeds from disposal of investment | 7,965 | - | 9,934 | - |
| Others | 48,160 | 56,294 | 39,006 | 29,787 |
| Total | 74,010 | 83,157 | 60,374 | 51,786 |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

35 Selling expenses

| | Consolidated financial statements | | Separate financial statements | |
|--------------|--|----------------|--|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Distribution | 8,305 | 11,807 | 8,256 | 11,108 |
| Marketing | 118,899 | 138,044 | 44,727 | 37,622 |
| Personnel | 112,223 | 121,001 | 81,362 | 31,389 |
| Others | 20,386 | 21,812 | 8,766 | 3,530 |
| Total | 259,813 | 292,664 | 143,111 | 83,649 |

36 Administrative expenses

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| Personnel | 183,718 | 202,450 | 133,552 | 132,907 |
| Administrative | 184,535 | 157,366 | 107,706 | 97,590 |
| Depreciation | 48,742 | 49,083 | 20,334 | 19,075 |
| Amortisation of assets | 27,544 | 20,120 | 16,304 | 19,862 |
| Bad and doubtful debts expense (reversal) | (9,551) | 92 | (13,055) | (1,920) |
| Others | 3,182 | 14,264 | 2,080 | 1,754 |
| Total | 438,170 | 443,375 | 266,921 | 269,268 |

37 Employee benefit expenses

| | | Consolidated financial statements | | Separate financial statements | |
|--|-------------|--|----------------|--|----------------|
| | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Wages and salaries | | 744,794 | 701,520 | 221,062 | 180,252 |
| Contribution to defined contribution plans | | 39,286 | 38,366 | 12,889 | 10,339 |
| Others | | 217,403 | 184,366 | 81,078 | 49,668 |
| | | 1,001,483 | 924,252 | 315,029 | 240,259 |
| Post - employment benefits | 27 | 11,541 | 10,858 | 3,594 | 2,903 |
| Share-based payment transactions | 30 | 22,374 | 14,839 | 19,636 | 12,410 |
| Total employee benefit expenses | | 1,035,398 | 949,949 | 338,259 | 255,572 |

Defined contribution plans

The defined contribution plans comprise a provident fund established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 5% of their basic salaries and by the Group at the rates ranging from 5% to 7.5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

38 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------------|--|------------------|--|----------------|
| | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Change in finished goods and work in progress | | 136,437 | 19,401 | 3,057 | 10,761 |
| Raw materials and supplies used | | 280,593 | 358,307 | 164,699 | 202,195 |
| Transportation expenses | | 161,270 | 153,467 | 6,458 | 6,725 |
| Administrative expenses | 36 | 184,535 | 157,366 | 107,706 | 97,590 |
| Distribution and marketing | 35 | 127,204 | 149,851 | 52,983 | 48,730 |
| Employee benefit expenses | 37 | 1,035,398 | 949,949 | 338,259 | 255,572 |
| Depreciation and amortisation | | 457,096 | 270,485 | 47,531 | 48,363 |
| Others | | 396,690 | 576,379 | 30,013 | 40,380 |
| Total costs, selling expenses, administrative expenses and management benefit expenses | | 2,779,223 | 2,635,205 | 750,706 | 710,316 |

39 Finance costs

| | | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|-------------|--|---------------|--|---------------|
| | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Interest expense | | | | | |
| Bank loans and overdrafts | | 57,344 | 61,081 | 35,662 | 51,081 |
| Other parties | | 8,187 | 10,498 | 8,187 | 9,036 |
| Total interest expense | | 65,531 | 71,579 | 43,849 | 60,117 |
| Other finance costs | 27 | 5,636 | 5,095 | 1,778 | 1,320 |
| Total | | 71,167 | 76,674 | 45,627 | 61,437 |

40 Income tax expenses

Income tax recognised in profit or loss

| | | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|-------------|--|---------------|--|---------------|
| | <i>Note</i> | 2014 | 2013 | 2014 | 2013 |
| | | <i>(in thousand Baht)</i> | | | |
| Current tax expense | | | | | |
| Current year | | 39,664 | 49,685 | - | - |
| Deferred tax expense | 21 | | | | |
| Movements in temporary differences | | (8,916) | 21,472 | 29,557 | 24,395 |
| Total income tax expense | | 30,748 | 71,157 | 29,557 | 24,395 |

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

Income tax recognised in other comprehensive income

| Consolidated financial statements | | | | | | |
|--|---------------|-------------------------------------|--|-----------------|-------------------------------------|-----------------|
| | Before tax | 2014 Tax (expense) benefit | Net of tax <i>(in thousand Baht)</i> | Before tax | 2013 Tax (expense) benefit | Net of tax |
| Available-for-sale financial assets | 16,081 | (3,216) | 12,865 | 1,740 | (348) | 1,392 |
| Defined benefit plan | | | | | | |
| Actuarial gain (losses) | 132 | - | 132 | (44,928) | 8,832 | (36,096) |
| Total | 16,213 | (3,216) | 12,997 | (43,188) | 8,484 | (34,704) |

| Separate financial statements | | | | | | |
|--------------------------------------|---------------|-------------------------------------|--|-----------------|-------------------------------------|-----------------|
| | Before tax | 2014 Tax (expense) benefit | Net of tax <i>(in thousand Baht)</i> | Before tax | 2013 Tax (expense) benefit | Net of tax |
| Available-for-sale financial assets | 16,081 | (3,216) | 12,865 | 1,740 | (348) | 1,392 |
| Defined benefit plan | | | | | | |
| actuarial losses | - | - | - | (18,424) | 3,685 | (14,739) |
| Total | 16,081 | (3,216) | 12,865 | (16,684) | 3,337 | (13,347) |

Reconciliation of effective tax rate

| Consolidated financial statements | | | | |
|--|-----------|-----------------------------------|-----------|-----------------------------------|
| | Rate (%) | 2014 <i>(in thousand Baht)</i> | Rate (%) | 2013 <i>(in thousand Baht)</i> |
| Profit before income tax expense | | 100,839 | | 348,793 |
| Income tax using the Thai corporation tax rate | 20 | 20,168 | 20 | 69,759 |
| Effect of tax rate difference | | - | | 2,284 |
| Income not subject to tax | | (15,447) | | (7,338) |
| Expenses not deductible for tax purposes | | 26,027 | | 6,452 |
| Total | 30 | 30,748 | 20 | 71,157 |

| Separate financial statements | | | | |
|--|-----------|-----------------------------------|-----------|-----------------------------------|
| | Rate (%) | 2014 <i>(in thousand Baht)</i> | Rate (%) | 2013 <i>(in thousand Baht)</i> |
| Profit before income tax expense | | 184,995 | | 150,018 |
| Income tax using the Thai corporation tax rate | 20 | 36,999 | 20 | 30,004 |
| Income not subject to tax | | (15,447) | | (7,338) |
| Expenses not deductible for tax purposes | | 8,005 | | 1,729 |
| Total | 16 | 29,557 | 16 | 24,395 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

41 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the ended 31 December 2014 and 2013 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------------|--|------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht/ thousand shares)</i> | | | |
| Profit attributable to ordinary shareholders of the Company (basic) | 64,458 | 251,721 | 155,437 | 125,623 |
| Number of ordinary shares outstanding at 1 January | 3,304,002 | 1,647,740 | 3,304,002 | 1,647,740 |
| Effect of shares issued on 19 June | - | 884,814 | - | 884,814 |
| Effect of shares option exercised on 19 November | - | 782 | - | 782 |
| Effect of warrants option exercised on 18 December | - | 72 | - | 72 |
| Effect of shares option exercised on 21 May | 123 | - | 123 | - |
| Effect of warrants exercised on 19 June | 20 | - | 20 | - |
| Effect of shares option exercised on 18 November | 1,200 | - | 1,200 | - |
| Effect of warrants exercised 18 December | 82 | - | 82 | - |
| Weighted average number of ordinary shares outstanding (basic) | 3,305,427 | 2,533,408 | 3,305,427 | 2,533,408 |
| Earnings per share (basic) (in Baht) | 0.02 | 0.10 | 0.05 | 0.05 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2014 and 2013 were based on the profit for the years ended attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years ended after adjusting for the effects of all dilutive potential ordinary shares as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|-------------------------|--|-------------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht/ thousand shares)</i> | | | |
| Profit attributable to ordinary shareholders of the Company (basic) | <u>64,458</u> | <u>251,721</u> | <u>155,437</u> | <u>125,623</u> |
| Weighted average number of ordinary shares outstanding (basic) | 3,305,427 | 2,533,408 | 3,305,427 | 2,533,408 |
| Effect of exercise of shares options | <u>474,497</u> | <u>280,347</u> | <u>474,497</u> | <u>280,347</u> |
| Weighted average number of ordinary shares outstanding (diluted) | <u>3,779,924</u> | <u>2,813,755</u> | <u>3,779,924</u> | <u>2,813,755</u> |
| Earnings per share (diluted) (in Baht) | <u>0.02</u> | <u>0.09</u> | <u>0.04</u> | <u>0.04</u> |

42 Dividends

At the annual general meeting of the shareholders of the Company held on 4 April 2014, the shareholders approved the appropriation of dividends from the 2013 operating results of Baht 0.02 per share, amounting to Baht 66.05 million. The dividends were paid to the shareholders in April 2014.

43 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interest and also monitors the level of dividends to ordinary shareholders.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from borrowings (Note 23). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

| Consolidated financial statements | | | | |
|--|---|----------------|---|----------------|
| | Effective interest rates (% per annum) | Within 1 year | After 1 year but within 5 years (in thousand Baht) | Total |
| 2014 | | | | |
| Current | | | | |
| Bank overdraft | MOR | 14,507 | - | 14,507 |
| Short-term loans from financial institutions | 3.15 – 6.58 | 614,174 | - | 614,174 |
| Current portion of long-term loans from financial institutions | Average MLR minus 1% | 100,800 | - | 100,800 |
| Non-current | | | | |
| Long-term loans from financial institutions | Average MLR minus 1% | - | 15,356 | 15,356 |
| Total | | 729,481 | 15,356 | 744,837 |
| 2013 | | | | |
| Current | | | | |
| Bank overdraft | MOR | 46,133 | - | 46,133 |
| Short-term loans from financial institutions | 2.28 - 7.34 | 247,783 | - | 247,783 |
| Current portion of long-term loans from financial institutions | Average MLR minus 1% and MLR minus 1.5% | 120,331 | - | 120,331 |
| Non-current | | | | |
| Long-term loans from financial institutions | Average MLR minus 1% | - | 152,218 | 152,218 |
| Long-term loans from other party | MLR | - | 110,070 | 110,070 |
| Total | | 414,247 | 262,288 | 676,535 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

| | | Separate financial statements | | |
|--|---|-------------------------------|---|----------------|
| | Effective interest rates (% per annum) | Within 1 year | After 1 year but within 5 years (in thousand Baht) | Total |
| 2014 | | | | |
| Current | | | | |
| Bank overdraft | MOR | 1,435 | - | 1,435 |
| Short-term loans from financial institutions | 3.15 – 5.30 | 563,224 | - | 563,224 |
| Current portion of long-term loans from financial institutions | Average MLR minus 1% | 100,800 | - | 100,800 |
| Non-current | | | | |
| Long-term loans from financial institutions | Average MLR minus 1% | - | 15,356 | 15,356 |
| Total | | 665,459 | 15,356 | 680,815 |
| 2013 | | | | |
| Current | | | | |
| Bank overdraft | MOR | 32,421 | - | 32,421 |
| Short-term loans from financial institutions | 2.28 - 6.28 | 190,861 | - | 190,861 |
| Current portion of long-term loans from financial institutions | Average MLR minus 1% | 100,800 | - | 100,800 |
| Non-current | | | | |
| Long-term loans from financial institutions | Average MLR minus 1% | - | 152,218 | 152,218 |
| Long-term loans from other party | MLR | - | 110,070 | 110,070 |
| Total | | 324,082 | 262,288 | 586,370 |

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity, which are held available sales, is determined by reference to their quoted bid price at the reporting date.

The fair value of financial assets and liabilities is taken to approximate the carrying value.

44 Commitments with non-related parties

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Capital commitments</i> | | | | |
| Lease assets improvements | 16,045 | - | 15,393 | - |
| <i>Non-cancellable operating lease commitments</i> | | | | |
| Within one year | 206,911 | 86,283 | 45,346 | 29,027 |
| After one year but within five years | 680,601 | 135,888 | 96,925 | 120 |
| After five years | 1,000,110 | 18,671 | - | - |
| Total | 1,887,622 | 240,842 | 142,271 | 29,147 |
| <i>Other commitments</i> | | | | |
| Unused letters of credits | 2,331 | 4,622 | - | 4,622 |
| Guarantee credit lines of subsidiaries with financial institutions | 85,000 | 85,000 | 85,000 | 85,000 |
| Bank guarantees | 3,223,739 | 26,548 | 54,993 | 10,859 |
| Total | 3,311,070 | 116,170 | 139,993 | 100,481 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

- a) The Company and its subsidiaries entered into lease and service agreements for their office premises and facilities with a local company for the period of 3 years, expiring in various periods up to 30 November 2017 with an option for renewal.
- b) An indirect subsidiary entered into a news supply agreement with a foreign company for a period of 5 years, commencing from 1 June 2011 to 31 May 2016 with an option for renewal.
- c) During the year 2014, a subsidiary and an indirect subsidiary entered into service agreements covering television broadcasting satellite services with two domestic companies with the termination of the preceding agreements and entered into new agreements with the same companies. The details are as follows:

| <u>Contract period</u> | <u>Periods</u> | <u>Total fee</u> |
|----------------------------------|-------------------|------------------|
| 25 April 2014 to 30 June 2017 | 3 years 2 months | USD 0.63 million |
| 25 April 2014 to 30 June 2017 | 3 years 2 months | USD 0.02 million |
| 25 April 2014 to 31 October 2019 | 5 years 6 months | USD 1.12 million |
| 25 April 2014 to 31 October 2019 | 5 years 6 months | USD 0.03 million |
| 25 April 2014 to 31 October 2019 | 5 years 6 months | USD 1.12 million |
| 25 April 2014 to 31 October 2019 | 5 years 6 months | USD 0.03 million |
| 25 April 2014 to 31 March 2020 | 5 years 11 months | USD 0.92 million |
| 25 April 2014 to 31 March 2020 | 5 years 11 months | USD 0.03 million |

- d) An indirect subsidiary entered into the warehouse rental agreements with two domestic companies. The indirect subsidiary agreed to pay rental fees at the rate specified in the agreements. The agreements had periods for 1 year and 3 years, expiring on 9 September 2015 and 31 December 2016, respectively.
- e) A subsidiary and an indirect subsidiary entered into Standard Definition Terrestrial Digital Television Network Services agreements with Thai Royal Army for 14 years and 5 months, commencing from 16 January 2014 to 31 May 2028. The subsidiary and indirect subsidiary committed to pay the licence fees for such channels totalling to Baht 1,569.47 million.
- f) A subsidiary entered into a lease agreement for office premises with a domestic company for the period of 3 years, commencing from 1 May 2014 to 30 April 2017 with an option to be renewal.
- g) A subsidiary entered into lease and service agreements for office and studio premises with a domestic company for a period of 3 years, commencing from 1 December 2014 to 30 November 2017 with an option to be renewal for a total period of 15 years.
- h) The Company entered into the building rental agreement for studio premises with a domestic company for a period of 3 years and 11 months, commencing from 1 February 2015 to 31 December 2018.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

45 Other matters

- a) At the annual general shareholders' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 24 April 2013, the shareholders of the subsidiary approved the issuance and offering of debentures in the amount not exceeding Baht 500 million at par value of Baht 1,000 each by offering domestically and/or internationally to private placement, and/or investors, and/or institutes. The details and conditions related to the issuance and offering of the debentures will be determined by the Company's Board of Directors of a subsidiary.
- b) At the annual general shareholders' meeting of the Company held on 25 April 2013, the shareholders approved the issuance and offering of debentures in the amount not exceeding Baht 1,500 million at par value of Baht 1,000 each by offering domestically and/or internationally to private placement, and/or investors, and/or institutes. The details and conditions related to the issuance and offering of the debentures will be determined by the Company's Board of Directors.
- c) At the Board of Directors' meeting of the Company held on 8 November 2013, the Board of Directors approved the establishment of a joint venture in Myanmar with Eleven Media Group Co., Ltd. of Myanmar which has registered share capital of Baht 40 million. It is in the process of establishment the joint venture.

46 Events after the reporting period

- a) At the Board of Directors' meeting of the Company held on 13 February 2015, the Board of Directors approved the appropriation of dividends from the 2014 operating results of Baht 0.028 per share, amounting to Baht 92.86 million. The dividend payment will be approved at the annual general meeting of the shareholders.
- b) At the Board of Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 11 February 2015, the Board of Directors of the subsidiary approved the appropriation of dividends from the 2014 operating results of Baht 0.07 per share, amounting to Baht 11.90 million. The dividend payment will be approved at the annual general meeting of the shareholders.
- c) At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 12 February 2015, the Board of Directors approved the appropriation of dividends from the 2014 operating results of Baht 0.08 per share, amounting to Baht 42.78 million. The dividend of Baht 0.06 per share, amounting to Baht 32.08 million were paid to the shareholders as the interim dividends during the year 2014, and the remaining interim dividends of Baht 0.02 per share, amounting to Baht 10.70 million will be approved at the annual general meeting of the shareholders.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

47 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

| TFRS | Topic | Year effective |
|------------------------|--|----------------|
| TAS 1 (revised 2014) | Presentation of Financial Statements | 2015 |
| TAS 2 (revised 2014) | Inventories | 2015 |
| TAS 7 (revised 2014) | Statement of Cash Flows | 2015 |
| TAS 8 (revised 2014) | Accounting Policies Changes in Accounting Estimates and Errors | |
| TAS 10 (revised 2014) | Events after the Reporting Period | 2015 |
| TAS 12 (revised 2014) | Income Taxes | 2015 |
| TAS 16 (revised 2014) | Property, Plant and Equipment | 2015 |
| TAS 17 (revised 2014) | Leases | 2015 |
| TAS 18 (revised 2014) | Revenue | 2015 |
| TAS 19 (revised 2014) | Employee Benefits | 2015 |
| TAS 21 (revised 2014) | The Effects of Changes in Foreign Exchange Rates | 2015 |
| TAS 23 (revised 2014) | Borrowing Costs | 2015 |
| TAS 24 (revised 2014) | Related Party Disclosures | 2015 |
| TAS 26 (revised 2014) | Accounting and Reporting by Retirement Benefit Plans | 2015 |
| TAS 27 (revised 2014) | Separate Financial Statements | 2015 |
| TAS 28 (revised 2014) | Investments in Associates and Joint Ventures | 2015 |
| TAS 33 (revised 2014) | Earnings per Share | 2015 |
| TAS 34 (revised 2014) | Interim Financial Reporting | 2015 |
| TAS 36 (revised 2014) | Impairment of Assets | 2015 |
| TAS 37 (revised 2014) | Provisions, Contingent Liabilities and Contingent Assets | 2015 |
| TAS 38 (revised 2014) | Intangible Assets | 2015 |
| TAS 40 (revised 2014) | Investment Property | 2015 |
| TFRS 2 (revised 2014) | Share-based Payment | 2015 |
| TFRS 3 (revised 2014) | Business Combinations | 2015 |
| TFRS 8 (revised 2014) | Operating Segments | 2015 |
| TFRS 10 | Consolidated Financial Statements | 2015 |
| TFRS 11 | Joint Arrangements | 2015 |
| TFRS 12 | Disclosure of Interests in Other Entities | 2015 |
| TFRS 13 | Fair Value Measurement | 2015 |
| TSIC 15 (revised 2014) | Operating Leases - Incentives | 2015 |
| TSIC 25 (revised 2014) | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders | 2015 |
| TSIC 27 (revised 2014) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | 2015 |
| TSIC 31 (revised 2014) | Revenue - Barter Transactions Involving Advertising Services | 2015 |
| TSIC 32 (revised 2014) | Intangible Assets - Web Site Costs | 2015 |
| TFRIC 1(revised 2014) | Changes in Existing Decommissioning, Restoration and Similar Liabilities | 2015 |
| TFRIC 4 (revised 2014) | Determining whether an Arrangement contains a Lease | 2015 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

| TFRS | Topic | Year effective |
|-------------------------|--|----------------|
| TFRIC 10 (revised 2014) | Interim Financial Reporting and Impairment | 2015 |
| TFRIC 14 | TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | 2015 |
| TFRIC 15 (revised 2014) | Agreements for the Construction of Real Estate | 2015 |

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

48 Reclassification of accounts

Certain accounts in the 2013 financial statements have been reclassified to conform to the presentation in the 2014 financial statements.

| | 2013 | | | | | |
|--|-----------------------------------|-----------|--------------------------------------|-------------------------------|-------------|----------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | Before reclass. | Reclass. | After reclass. (in thousand Baht) | Before reclass. | Reclass. | After reclass. |
| Statement of financial position as at 31 December | | | | | | |
| Other receivables | - | 68,579 | 68,579 | - | 320,178 | 320,178 |
| Other receivables - related parties | 13,608 | (13,608) | - | 290,376 | (290,376) | - |
| Other current assets | 183,644 | (56,669) | 126,975 | 71,279 | (31,500) | 39,779 |
| Investments in associate and subsidiaries | 27,791 | (27,791) | - | 2,023,694 | (2,023,694) | - |
| Investments in associate | - | 27,791 | 27,791 | - | 1,800 | 1,800 |
| Investments in subsidiaries | - | - | - | - | 2,021,894 | 2,021,894 |
| Trade accounts payable | 119,760 | 4,403 | 115,357 | 414,605 | 4,403 | 410,202 |
| Other payables | - | (206,368) | 206,368 | - | (37,808) | 37,808 |
| Accrued expenses | 237,108 | 1,698 | 235,410 | 74,388 | 1,698 | 72,690 |
| Other non-current liabilities | 346,828 | 201,965 | 144,863 | 72,259 | 33,405 | 38,854 |
| | | <u>-</u> | | | <u>-</u> | |
| Statement of Comprehensive income | | | | | | |
| Revenue from sales of goods and rendering of services | 2,864,297 | (84,956) | 2,949,253 | 854,791 | 38,638 | 816,153 |
| Rental and services income | 85,551 | 85,551 | - | 3,383 | 3,383 | - |
| Other income | 82,562 | (595) | 83,157 | 48,404 | (3,383) | 51,787 |
| Cost of sales of goods and rendering of services | - | - | - | 348,789 | (38,638) | 310,151 |
| | | <u>-</u> | | | <u>-</u> | |

บุคคลอ้างอิงอื่น ๆ

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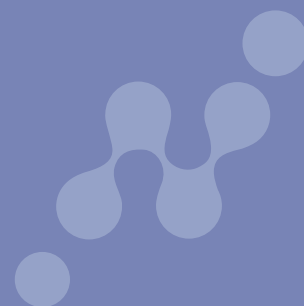
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▶ Audit Fee

The audit fee of the Company and subsidiaries for the year 2013 is Bt 3,685,000
Non-audit fee -None-

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