



LIVE
inc.

ANNUAL REPORT 2012

LIVE INCORPORATION PUBLIC CO., LTD.

Table of Content

Financial Highlights	1
Message from Chairman	2
Report of the Audit Committee for 2011	3
General Information	5
Vision and Mission	6
Shareholding Structure of Live Incorporation Public Company Limited	7
Organization Chart of Live Incorporation Public Company Limited	8
Directors' Profile	9
Management Structure	12
Major Shareholders List	24
Summary of Major Changes and Developments in 2011	25
Sustainable Business Development with Consideration to Shareholders, Employees, Partners, Environment and Community	27
Business Profile	28
Revenue Structure	32
Competition within the industry	33
Risk Factors	35
Report on the Practice of Good Corporate Governance	39
Connected Parties and Connected Transactions	48
Internal Control	50
Management Discussion and Analysis : MD&A	51
Report of the Board of Directors' Responsibilities for Financial Statements	57
Report of Certified Public Accountant	58
Financial Statements	59
References	110
List of Subsidiary and Affiliate Company of LIVE	111

Financial Highlights

Unit : Million Baht

	2011	2012
FINANCIAL HIGHLIGHTS		
Total Assets	227.722	254.284
Total Liabilities	242.559	123.117
Shareholders' Equity	(6.973)	138.062
Total Revenue	295.863	297.911
Net Profit (Loss)	(179.399)	4.882
FINANCIAL RATIO		
Current Ratio (Times)	0.38	1.40
EBITDA on Total Revenue (%)	-17.02%	21.71%
Net Profit on Total Revenue (%)	-60.64%	1.64%
Return on Total Assets (%)	-59.77	2.02
Debt to Shareholders' Equity (Times)	(34.785)	0.89
Net Profit (loss) per Share (Baht)	(0.115)	0.002
Book Value (Baht)	(0.004)	0.041

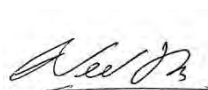
Message from Chairman

In 2012; the Company had made significant changes, in order to overcome the loss of the past years, in which consisted of - Cost Saving, by restructuring to subsidiaries structuring, downsizing, debt negotiation; Increase Income, by changing business model from In-house content production (own channels) to satellite TV services; Asset Utilization, by providing studio & broadcasting services; and Reassigned/ Assigned new Board of Directors, Executive Committees and others Committees to be conform and effectively management.

Moreover; the Company keeps continue on doing the business under the principles of good governance, which cater all sectors such as shareholders, trade partners, allies, society, environments, employees and customers including profitability significant. The Company is a corporate social responsible organization and its good governance policy will help create the image and corporate value for the sustainable business operations in all situations.

One other important initiative; the Company had decided to move the company office, by investing in new facility, to support the future business expansion and opportunity, as well as to increase the image of the company; in which the new facility was planned to be completed in a year time.

Finally; on behalf of the Board of Directors, I would like to thank our shareholders, trade counterparts, and the government agencies including all those involved who have extended hands to help and support the Company's implementations. Our Company is looking forward to receiving your supports as always.



(Mr. Subhakorn Bhalakula)

Chairman

March 2013

Report of the Audit Committee for 2012

The audit committee of Live Incorporation Public Company Limited comprised of 3 members, namely, Mr. Subhakorn Bhalakula as the chairman, Dr. Jatuporn Sangkhawan as the vice chairman and Miss Chananorn Atsawaphubadi as the committee member. They were all independent directors and experts in various fields and did perform their tasks and express their opinions liberally under the audit and reviewing duty over the financial reports to ensure the proper and efficient corporate internal control and audit systems including other tasks as designated by the Board of Directors and as was approved by themselves. Such work was made under the regulations of the Securities Exchange of Thailand. In the year 2011, the audit committee carried out the following duties.

1. **Reviewing the 2012's Quarterly and Yearly Financial Reports.** The audit committee showed their opinions towards the Financial Report making and disclosure process which covered sufficient significant yet reliable data and they believed those reports were produced in accordance with the generally accepted accounting standards. Auditors were invited to attend all meetings to make clarifications and replies before the audit committee's issuance of opinions. The audit committee also followed up the preparation for the changes of the accounting standards that might affect the Financial Reports.
2. **Supervising the Operations.** The audit committee oversaw the corporate work in line with the relevant rules, regulations and laws including the resolutions of the Board of Directors and the Securities Exchange of Thailand. Any transaction in need of the opinions of the audit committee was forwarded to their meetings for consideration.
3. **Overseeing the Internal Audit.** The audit committee took care of the internal audit section's independent operations, provided its audit guidelines, reviewed its interim internal audit results and approved its 2011's audit plans.
4. **Reviewing and Giving Opinions to the Related Transactions.** The audit committee took the related or conflict of interest transactions and the data disclosure into consideration and believed that those items were carried reasonably under the normal business conditions at the utmost corporate advantages. That included the correct, complete and adequate transaction revealing.
5. **Reviewing and Assessing the Sufficiency of the Internal Control System.** The audit committee contemplated the internal audit system as per the guideline of the Securities Exchange Committee and the Securities Exchange of Thailand and viewed that the Company had strict and sufficient internal control and risk management system and did not find any significant problem or flaws.
6. **Following up the Operating Progresses as per the Corporate Business Plans.** The audit committee checked whether the operations advanced in line with the Company and its subsidiaries' business plans so as to prevent the external risks and lodged their advices to the management to cope with the economic situations.
7. **Following up and accelerating the debt negotiation and reduction.** The audit committee followed up and accelerated the management team to proceed with the debt negotiation and reduction as well as the completion of the payment.
8. **Following up the company and its subsidiaries lawsuits.** The audit committee continuously followed up on the progression of the company and its subsidiaries lawsuits.
9. **Following up on the new facility land leasing contract.** The audit committee followed up land leasing contract of the company new facility.

Report of the Audit Committee for 2012

10. **Selecting the Auditors and Designating their Remuneration.** The audit committee selected the auditors and forwarded it to the Board of Directors and the following shareholders' meetings in request for approval.

The audit committee had the similar viewpoint as the Board of Directors, whose opinions are shown in its report on the responsibility for the Financial Report.



(Mr. Subhakorn Bhalakula)

Chairman, Audit Committee

General Information

Name	Live Incorporation Public Company Limited
Security Trading Name	LIVE
Registration Number	0107537002290
Type of Business	Entertainment and advertising businesses operated through the following 4 main business lines: <ol style="list-style-type: none">1. Satellite television channel management service2. Satellite television program production3. Television broadcast system, studio and equipment service4. Advertising, billboard production and rental service.
Dividend policy	Not less than 50% of annual net profit after tax and legal reserve or as appropriate

Specific Data :

Establishment Date	12 November 1987
Public Company Registration date	21 June 1994
Registered Capital	Baht 929,955,774.50 with Baht 332,371,539.40 in paid-up capital
Number of Common Shares and Par Value	9,299,557,745 Shares at par value of Baht 0.10
Restriction on foreign shareholders	49% of registered capital

Number of Employees in Company and Subsidiaries as at 31 December 2012

Employees of Company	31
Employees of subsidiaries	149

LOCATION

Head office	390 Ramkamhaeng Road, Khwaeng Huamark, Khet Bangkok, Bangkok 10240 Tel No.: 0-2736-3850, Fax No.: 0-2736-3851
Company Secretary	Tel No. 0-2736-3850 Ext 4302 Fax No. 0-2736-3851 Email address : secretary@live.co.th
Investor Relation	Tel No. 0-2308-5555 Ext 5525 Fax No. 0-2374-1516 Email address : ir@live.co.th
Website	http://www.live.co.th



วิสัยทัศน์ร่วม SHARED VISION

เสริมสร้างศักยภาพธุรกิจเดิมให้มีความแข็งแกร่งและเติบโตอย่างยั่งยืน ต่อเนื่อง
และสามารถสร้างผลตอบแทนให้กับผู้มีส่วนได้เสียขององค์กร
รวมถึงสามารถขยายธุรกิจใหม่ที่สร้างผลตอบแทนที่คุ้มค่าและความเสี่ยงต่ำ
Strengthen a sustainable and continuous growth of our existing businesses
and be able to create values to our stakeholders while expanding to new businesses
with maximum return and minimum risk

พันธกิจ MISSION

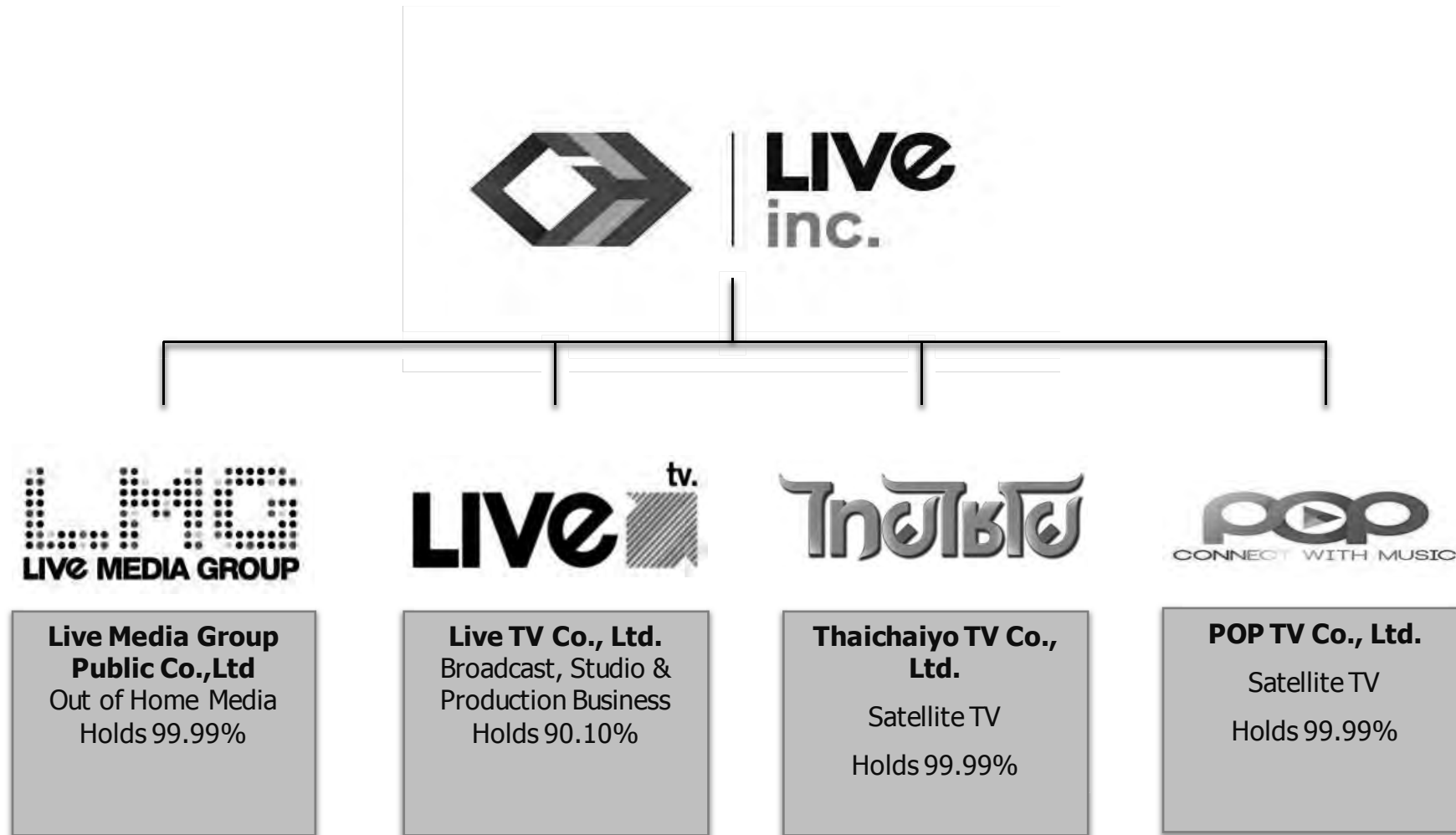
มุ่งเน้นสร้างธุรกิจซึ่งจะช่วยเพิ่มคุณค่าสูงสุดให้กับผู้มีส่วนได้เสียในระยะยาว
Focus on business initiatives that have the best chance of creating long term value
for our stakeholders
เสริมสร้างความสัมพันธ์ที่สร้างสรรคกับกลุ่มลูกค้าและพันธมิตรทางการค้าอย่างต่อเนื่อง
Strengthen direct and personal connection with our customers and business partners
เสริมสร้างให้พนักงานและองค์กรให้มีสมรรถนะที่สามารถแข่งขันได้ รวมทั้งมีจริยธรรม
ในการดำเนินธุรกิจ
Develop our employees and organization to be able to compete in the marketplace with integrity
ส่งเสริมการดำเนินธุรกิจอย่างมีธรรมาภิบาล และรับผิดชอบต่อสังคม สิ่งแวดล้อม
Encourage the way we do business with ethic and social & environmental responsibilities

คุณค่าหลัก CORE VALUES

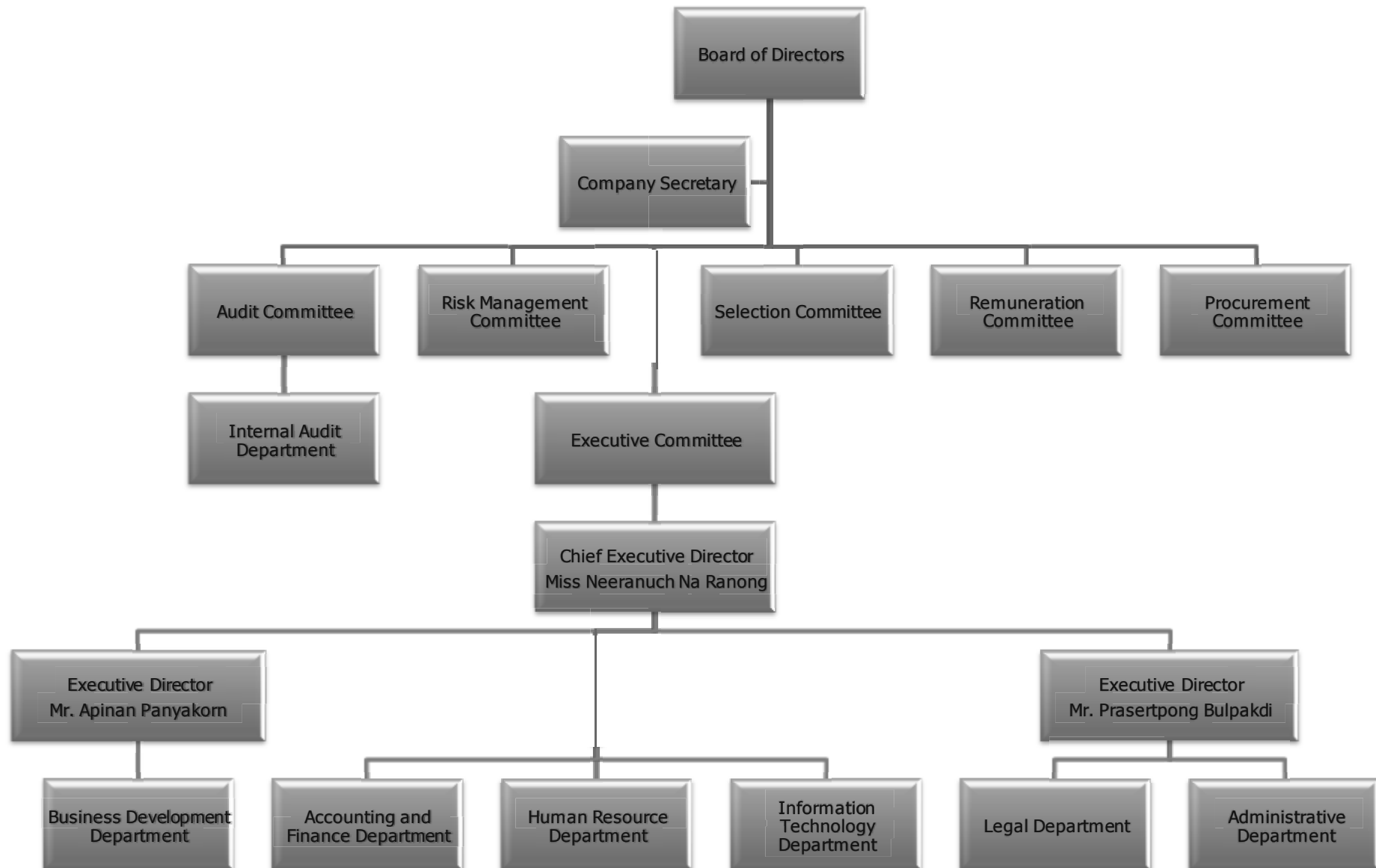
LEADING CHANGE	เป็นผู้นำการเปลี่ยนแปลง
INNOVATION	มีความคิดริเริ่ม สร้างสรรค์
VALUE ADDED	สร้างคุณค่า/ มูลค่าเพิ่ม
ENTREPRENEURSHIP	มีความเป็นเจ้าของ
INTEGRITY	มีจริยธรรม จรรยาบรรณ
NEVER SATISFIED	ไม่หยุดอยู่กับที่ มีการพัฒนาอย่างต่อเนื่อง
COLLABORATION	มีความร่วมมือร่วมใจ

Quality = Quality in Everything We Do - คุณภาพในทุกๆเรื่องทุกๆด้านที่ปฏิบัติและดำเนินการ

Shareholding Structure of Live Incorporation Public Company Limited



Organization Chart of Live Incorporation Public Company Limited



Directors' Profiles

1. **Mr. Subhakorn Bhalakula** Age: 54 Years

Position: Chairman of the Board/Chairman of Audit Committee/Chairman of the Selection Committee and Independent Director

Education: Bachelor of Law, Thammasat University
Master of Law, Ramkhamhaeng University

IOD Training: DAP 19/2004, DCP 69/2006, ACP16/2007

Working Experience: Present: Director, Suan Palm Farm Nok Co. Ltd.
Director, Baan Koh Rim Nam Co. Ltd.
Director, Progressive Vision Co. Ltd.
Director, Future Golf Co. Ltd.
Director, Marcaw Reeding and Research Center Co. Ltd.
Director, Mastiff Kennel Co. Ltd.
Director, Relating Business Co. Ltd.
Director, AC Senior Co. Ltd.
Director, Application Hosting Service Co. Ltd.
Director and Chairman of Audit Committee, Country Group Development PCL.
Director, Krung Thai Law Co., Ltd.
Director, K Sport World Wide Co., Ltd.
Director, Thainex Co., Ltd.

Directorship in other listed companies: 1
2. **Mr. Jatuporn Sungkhawan** Age: 54 Years

Position: Director/Vice Chairman of Audit Committee/Chairman of Risk Management Committee/Chairman of Remuneration Committee and Independent Director

Education: Bachelor of Science in Agriculture Economics, Kasetsart University
Master of Business Administration (Major in Finance), Kasetsart University
Doctoral of Business Administration, Nova Southeastern University, Fort Lauderdale, USA

IOD Training: None

Working Experience: Present: Director, International Advisory Associates Co., Ltd.
Senior Advisory, DBM (Thailand) Co., Ltd.

Directorship in other listed companies: None
3. **Miss Chanantorn Atsawaphubadi** Age: 50 Years

Position: Director/ Audit Committee/ Director/Remuneration Committee Member and Independent Director

Education: Bachelor of Business Administration (Major in Accounting), Ramkhamhaeng University
Bachelor of Management (Major in Banking), Sukhothai Thammathirat Open University

IOD Training: None

Working Experience: Present: Assistant Director, Finance & Accounting, Thai Cardif Life Assurance PCL.
Senior Partner, Ad Four Auditing Co., Ltd.

Directorship in other listed companies: None

Directors' Profiles

4. **Mrs. Neeranuch Na Ranong** Age: 54 years

Position: Director/Chief Executive Director/Chairman of Procurement Committee and Vice Chairman Risk Management Committee/Vice Chairman of Remuneration Committee and Vice Chairman of the Selection Committee

Education: Master of Business Administration, Kasetsart University
Bachelor in Law, Ramkhamhaeng University

IOD Training: ACP 16/2007, DCP 69/2006, DAP 48/2005

Working Experience: Present : Vice Chairman, International Advisory Associates Co., Ltd.
Director, EMC PCL.
Chairman of the Board, Live Media Group PCL.
Director, POP TV Co., Ltd.
Director, Thaichaiyo TV Co., Ltd.
Senior Director, Kiattakin Securities Co., Ltd.

Directorship in other listed companies: 1

5. **Mr. Prasertpong Bulpakdi** Age: 50 Years

Position: Director/Executive Director/Selection Committee and Procurement Committee

Education: Bachelor of Law, Ramkhamhaeng University

IOD Training: DAP 40/2005, DCP 69/2006, FND 22/2005

Working Experience: Present: Director, Ping Pan Property Co. Ltd.
Director, Luang Debnarin Law Office Co. Ltd.
Director, Mintana Co. Ltd.
Director, Live TV Co., Ltd.
Director, Live Media Group PCL.

Directorship in other listed companies: None

6. **Mr. Apinan Panyakorn** Age: 48 Years

Position: Director/Executive Committee/Vice Chairman of Procurement Committee and Selection Committee

Education: Bachelor in Business Administration, Assumption University
Master of Business Administration, University of the Thai Chamber of Commerce

IOD Training: ACP 16/2007, DCP 69/2006, DAP 40/2005, FND 22/2005

Working Experience: Present: Managing Director, Udom Medical Equipment Co., Ltd.
Director, Dental Innovation Co., Ltd.
Director, Orange Dental Lab Co., Ltd.
Director, Live Media Group PCL.
Director, Thaichaiyo TV Co., Ltd.
Director, POP TV Co., Ltd.

Directorship in other listed companies: None

Directors' Profiles

7. **Mr. Weerapan Na Ranong** Age: 51 Years

Position: Director/Risk Management Committee and Remuneration Committee

Education: Master of Business Administration, Ramkhamhaeng University

IOD Training: None

Working Experience: Present: Vice President, Islamic Bank PCL

Directorship in other listed companies: None

8. **Mr. Suttirod Eaktaraphiphat** Age: 48 Years

Position: Director and Procurement Committee

Education: Bachelor of Business Administration (Major in Accounting), Ramkhamhaeng University

IOD Training: None

Working Experience: Present: Director, Live Media Group PCL.

Accounting and Finance Director, Live Incorporation PCL.

Directorship in other listed companies: None

Management Structure

The Company's management structure as at December 31, 2010 consisted of (1) the Board of Directors, (2) Five sub-committees appointed by the Board of Directors i.e. Audit Committee, Remuneration Committee, Selection Committee, Risk Management Committee and Procurement Committee, and (3) Executive Board and Management as described below:

(1) Board of Directors

A company's board of directors should comprise one chairman and directors in number that is appropriate for operational efficiency and shall not be less than 5 people in total. In addition, at least half of the directors should be non-executive directors and at least one-third of the directors should be independent directors. In addition, for good corporate governance, the Board should be chaired by an independent director.

According to the Company's regulations, at every Annual General Meeting of Shareholders, at least one-third of the directors shall have to retire from office. If the number of directors to retire is not a multiple of three, then, the nearest number to one-third shall retire. Those directors who have retired from office may be reappointed.

As at December 31, 2012, LIVE Board of Directors comprised 8 directors as follows:

No.	Director Name	Position
1	Mr. Subhakorn Bhalakula	Chairman of the Board and Audit Committee/Independent director
2	Miss. Neeranuch Na Ranong	Director/Chief of Executive director
3	Mr. Prasertpong Bulpakdi	Director/Executive director
4	Mr. Apinan Panyakorn	Director/Executive director
5	Mr. Suttirod Eaktaraphiphat	Director
6	Mr. Weeraphan Na Ranong	Director
7	Mr. Jatuporn Sungkhawan	Vice Chairman of Audit Committee/Independent director
8	Miss. Chananyathorn Atsawaphubadi	Audit Committee/Independent director

Mr. Tharakorn Junkerd is the Secretary to the Board.

Qualifications of an Independent Director

1. Holding no more than 1% of the total voting shares of the Company, its subsidiaries, associated companies or juristic persons with potential conflict of interest, including shares held by his/her related persons.
2. Not being an executive director, nor an employee, staff or advisor with monthly salary or not being a controlling person of the Company, its subsidiaries, associated companies or juristic persons with potential conflict of interest during the past 2 years.
3. Not having relationship by blood, by marriage or by legal registration with any management, major shareholder or controlling person or person being nominated as management or controlling person of the Company or its subsidiaries.
4. Not having business relationship with the Company, its subsidiaries, associated companies or juristic persons with potential conflict of interest which may impede his/her ability to provide independent opinions. In addition, he/she must never be a major shareholder, non-independent director or management of any parties connected to the Company, its subsidiaries, associated companies or juristic persons with potential conflict of interest during the past 2 years.
5. Not being an auditor for the Company, its subsidiaries, associated companies or juristic persons with potential conflict of interest and not being a major shareholder, non-independent director, management or managing partner of an accounting firm with auditor(s) performing auditing for the Company, its subsidiaries, associated companies or juristic persons with potential conflict of interest during the past 2 years.

Management Structure

6. Not being a professional service provider who has received over Baht 2 million for providing services such as legal advisory or financial advisory services to the Company, its subsidiaries, associated companies or juristic persons with potential conflict of interest. If the professional service provider is a juristic person, he/she must not be a major shareholder, non-independent director, management or managing partner of such service provider except he/she has not performed the mentioned activities for at least 2 years.
7. Not being appointed as a representative of the Company's directors, major shareholders or shareholders who are related to the Company's major shareholders.
8. Not having other characteristics which may impede the ability to provide independent opinions with regard to the Company's operation.

Authorized Director

The authorized signatory shall be Miss Neeranuch Na Ranong co-signing with any one of the following three directors, namely, Mr. Prasertpong Bulpakdi or Mr. Apinan Panyakorn or Mr. Suttirod Eaktaraphiphat in conjunction with the Company's seal.

Authority and Responsibilities of Board of Directors

The Company has reviewed the authority and responsibilities of the Board of Directors for consistency with the Good Corporate Governance Policy with details as follows:

1. Manage operations of the Company, subsidiary and associated companies to the extent permitted by applicable laws as well as the objectives and rules set out by the Company, subsidiary and associated companies. For issues subject to prior consent of shareholders, as required by laws, Board of Directors shall have to seek approval from shareholders prior to implementation.
2. Consider, review and approve the annual business plan and budget.
3. Consider, revise and advise on business policy and direction as proposed by the management.
4. Monitor and supervise to ensure that the management's performance is effective and in accordance with the Company's policies.
5. Ensure that the management presents important materials which must be implemented in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET").
6. Review and approve connected transactions of the Company, its subsidiaries, associated companies or connected companies that require no prior consent of shareholders. Ensure that all connected transactions are appropriately executed and for the overall benefit of the Company, as well as ensure that the information is disclosed in accordance with guidelines and approaches as stipulated by applicable laws.
7. Review and approve acquisition and disposition of assets, business acquisition and business joint venture that do not violate the criteria set by the Stock Exchange of Thailand.
8. Review and approve investment projects over Baht 50 million in value.
9. Set up efficient internal control and internal audit systems.
10. Ensure that written good corporate governance policy is in place and is approved by the Board.
11. Create the code of ethics or statement of business conduct in writing and ensure that it has been adopted.
12. Make decisions regarding significant changes in business policy and procedures involving accounting practice, risk management and fund management.
13. Make decisions regarding major changes in business and financial management control systems.

Management Structure

14. Approve the employment of Chief Executive Officer and the management as proposed by Board of Executive Directors .
Approve proposed budget allocation for salary and bonus adjustment or annual salary adjustment formula for management and employees.
15. Approve the appointment/termination of directors and Company's secretary. The said persons will perform advisory roles in the area of applicable laws and regulations inquired by Board of Directors; to oversee Board of Directors' performance as well as to perform coordinating roles in the realization of Board of Directors' resolutions.
16. Appoint sub-committees and set the scope of their authority and responsibilities.
17. Appoint company's director or management member to hold directorship in subsidiary or associated company.
18. Ensure that all new directors attend the compulsory orientation program which is designed to convey the company's expectation on their roles, duties and responsibilities in capacity as directors; as well as to provide knowledge on good corporate governance guidelines and policy and insight to the Company's business operations and to provide organized visit to sections/business units to prepare them for directorship.
19. Provide all directors with new knowledge, in the area of good corporate governance, industry trends, business, technology and innovation by encouraging every director to attend appropriate seminars and courses organized by Thai Institute of Directors Association and other recognized institutes to enhance their directorship performance.

(2) Sub-Committees Appointed by Board of Directors

The Company has 5 sub-committees which have been appointed by the Board of Directors i.e. Audit Committee, Remuneration Committee, Selection Committee, Risk Management Committee and Procurement Committee. The details are follows:

a) Audit Committee

In order to ensure full compliance with SET-related and business-related laws and regulations as well as to maintain complete, accurate and transparent information disclosure, Board of Directors has appointed Audit Committee to assist in governing the Company in such aspects. The Audit Committee is to be composed of 3 independent directors in minimum and each director has 2 years of tenure.

As of December 31, 2012, Audit Committee was composed of the following 3 members:

No.	Name	Position
1	Mr. Subhakorn Bhalakula	Chairman of Audit Committee
2	Mr. Jatuporn Sungkhawan	Vice Chairman of Audit Committee
3	Miss. Chananyathorn Atsawaphubadi	Audit Committee

Mrs. Natnicha Boonyarat is the secretary to the Audit Committee.

All committee members of Audit Committee are independent directors who have been appointed by the Meeting of the Board of Directors. They are not representatives of the Board to perform decision making in matters involving business operations of the Company, its subsidiaries, affiliated companies, same-class subsidiaries or juristic persons with potential conflict of interest nor are they directors of the Company, its subsidiaries, affiliated companies, or same-class registered subsidiaries. They possess appropriate qualifications and experiences to perform their functions as audit committee. In addition, one of the Audit Committee members, namely, Mr. Jatuporn Sungkhawan has appropriate qualifications and experience to review the reliability of the financial reports.

Management Structure

Authority and Responsibilities of Audit Committee

The Company has reviewed the authority and responsibilities of Audit Committee for consistency with the Good Corporate Governance Policy with details as follows:

1. Review the Company's financial reports to ensure fair presentation, accuracy and adequate disclosure of material information through coordination with independent auditors and executives in charge. Prepare quarterly and annual financial reports. During the performance of auditing tasks by independent auditors, Audit Committee may give suggestions for their review/audit of any necessary or significant items.
2. Review the Company's administration of internal control and internal audit systems to ensure their suitability and effectiveness. Review the independence of Internal Audit Department. Consider to grant approval for appointment, relocation and employment discontinuance of Head of Internal Audit Department or any other departments in charge of internal audit tasks.
3. Review the Company's compliance status and performance against securities and stock exchange laws, rules and regulations of The Stock Exchange of Thailand, or legislative requirements directly related to the activities of the Company.
4. Recruit and appoint appropriate persons to perform the roles of independent auditors, along with proposing their appropriate remuneration on the basis of professional credibility, the Company's available resources, the amount of tasks assigned to the audit firm, and previous professional backgrounds of independent auditors in charge. Attend meeting session with independent auditors without the presence of Board of Directors at least once a year.
5. Review connected transactions or items with potential conflict of interest to ensure their compliance with relevant laws and regulations of The Stock Exchange of Thailand. This revision is intended to ensure the reasonableness of the items and to preserve the best interest of the Company.
6. Perform any other tasks assigned by Board of Directors, as mutually agreed upon by both the Board of Directors and Audit Committee including financial policy review, risk management policy review and review of business ethics performance among management members. In conjunction with the management, Audit Committee also conducts reviews of important reports subject to public disclosure, such as the management discussion and analysis, as required by relevant laws.
7. Prepare reports on Audit Committee task implementations to be published in the Company's annual report. The reports, signed by Chairman of Audit Committee, must contain the following information in minimum:
 - Opinion on the accuracy, completeness and credibility of the Company's financial reports
 - Opinion on the adequacy of the Company's internal control system
 - Opinion on the Company's compliance of securities and stock exchange laws, rules and regulations of The Stock Exchange of Thailand, or legislative requirements directly related to the activities of the Company
 - Opinion on the qualifications, professional background and auditing performance of independent auditors
 - Opinion on the items with potential conflict of interests
 - Number of Audit Committee meeting sessions held and attendance rate of each committee member
 - Overall opinions and remarks based on their duty performance in conformity with Audit Committee Charter
 - Report on any other issues deemed important and reasonably subject to disclosure to shareholders and investors under Audit Committee's scope of responsibilities as authorized by Board of Directors
8. Report task implementation status to Board of Directors on quarterly basis in minimum.

Management Structure

9. Possess authority to perform auditing and investigating roles as deemed necessary so as to examine problematic issues. Be authorized to seek independent professional consulting services from external sources, when necessary, on the Company's costs in order to successfully achieve targeted goals of duty performance.

b) Remuneration Committee

In order to have in place a committee directly in charge of determining fair remuneration and benefits acceptable to employees, management, shareholders and other concerned parties which will create motivation to drive the Company's long-term and stable growth, Board of Directors has appointed Remuneration Committee to perform those roles. Remuneration Committee is composed of 3 directors in minimum and chaired by independent director. As a minimum requirement, half of the committee composition must be independent directors. Each committee member has one-year tenure.

As of December 31, 2012, Remuneration Committee was composed of the following 3 members:

No.	Name	Position
1	Mr. Jatuporn Sungkhawan	Chairman of Remuneration Committee
2	Miss. Chananyathorn Atsawaphubadi	Remuneration Committee
3	Mr. Weeraphan Na Ranong	Remuneration Committee and secretary to Remuneration Committee

Mr. Mr. Weeraphan Na Ranong is the secretary to Remuneration Committee.

Authority and Responsibilities of Remuneration Committee

The Company has reviewed the authority and responsibilities of Remuneration Committee for consistency with the Good Corporate Governance Policy with details as follows:

1. Appropriately determine remuneration, both monetary and non-monetary, for the Board of Directors and Sub-committees based on their roles, responsibilities and performance compared to applicable remuneration offered by companies in similar industry and to propose to the Board for approval and for proposal to the Meeting of Shareholders.
2. Provide clarification and answer regarding director's remuneration in the meeting of shareholders.
3. Determine standard rates of salary, remuneration and fringe benefits applicable to employee of all levels, comparable to those paid in the same industry and appropriately commensurate with costs of living.
4. Determine conditions of annual salary increase in agreement with individual performance appraisal and the Company's operating performance.
5. Possess the authority to access relevant documentation and to seek cooperation from concerned persons in order to make decision.
6. Perform other duties related to setting up remuneration on a case-by-case basis as assigned by Board of Directors.

c) Selection Committee

In order to ensure appropriate selection of the Company's directors, Board of Directors has appointed Selection Committee comprising at least 4 directors half of which have to be independent directors and the Chairman of Selection Committee has to be an independent director. Each director shall have one-year tenure.

Management Structure

As of December 31, 2012, Selection Committee was composed of the following 4 members:

No.	Name	Position
1	Mr. Subhakorn Bhalakula	Chairman of Selection Committee
2	Miss. Neeranuch Na Ranong	Vice Chairman of Selection Committee
3	Mr. Prasertpong Bulpakdi	Selection Committee
4	Mr. Apinan Panyakorn	Selection Committee

Mr. Suttirod Eaktaraphiphat was the Secretary to the Selection Committee.

Authority and Responsibilities of Selection Committee

The Company has reviewed the authority and responsibilities of Selection Committee for consistency with the Good Corporate Governance Policy with details as follows:

1. Review the structure and composition of the Board of Directors and monitor the term of the directors.
2. Determine criteria and policy in selection of directors, sub-committee members to replace directors who have retired by rotation or to fill any vacant positions for approval and appointment by Board of Directors and/or Meeting of Shareholders.
3. Identify, evaluate and recruit individuals qualified for Board membership.
4. Recommend and propose the performance evaluation approach of the directors to the Board of Directors and involve in the evaluation process and monitoring the improvements according to the evaluation outcome.
5. Perform any ad-hoc selection-related activities as assigned by Board of Directors.

d) Risk Management Committee

In order for the Company to operate its business in sustainable and secure manners and to make decisions with care and thoroughness for the maximum performance benefits, the Board of Directors has appointed a Risk Management Committee to provide feedback and recommendations to the Company. This committee shall be composed of at least 3 directors, with at least one director being an independent director and chaired by an independent director. Each committee member has one year tenure.

As of December 31, 2012, Risk Management Committee was composed of the following 3 members:

No.	Name	Position
1	Mr. Jatuporn Sungkhawan	Chairman of Risk Management Committee
2	Miss. Neeranuch Na Ranong	Vice Chairman of Risk Management Committee
3	Mr. Weeraphan Na Ranong	Risk Management Committee

Mr. Suttirod Eaktaraphiphat is the secretary to Risk Management Committee.

Authority and Responsibilities of Risk Management Committee

The Company has determined the authority and responsibilities of the Risk Management Committee in accordance with the Good Corporate Governance Policy with details as follows:

1. Determine the policy framework, strategy and guidelines in devising the risk management plan to be in line with the Company's overall strategy and propose to the Board of Directors for consideration of the overall risk management covering significant areas of risk.

Management Structure

2. Scrutinize the risk management plan to ensure identification of the source of risk, measurement tools, performance indicators, monitoring mechanism, assessment, reporting and controls to maintain the risk within the appropriate and acceptable level.
3. Review the adequacy of the policy, strategic plan, action plan and the overall system concerning risk management including the productivity and efficiency of the operations and the compliance with the specified risk management policy.
4. Set up corporate-wise risk management structure according to the work process and corporate structure.
5. Monitor and oversee to ensure proper implementation of the risk management plan, policy, strategic plan and action plan as well as evaluate the actual performance against the specified plan or goal at least on a quarterly basis.
6. Provide report on things that need improvement and change based on the committee's opinions to the Board of Directors for the benefits of the overall risk management to ensure better integration and compliance to the Stock Exchange of Thailand and international standards.
7. Regularly report on things that need improvement and change to the Audit Committee to ensure compliance with the established policy and strategy.
8. Appoint a working team to increase efficiency in risk management as applicable and necessary.
9. Perform other tasks as assigned by the Board of Directors.

e) Procurement Committee

In order to have in place a committee specifically responsible for determining appropriate and fair procedures, methods and rules in connection with corporate procurement functions, thereby beneficial to the Company's operations and other parties concerned, Board of Directors has appointed Procurement Committee to perform those roles. The Committee shall comprise at least 2 directors, each of which shall have one-year tenure.

As of December 31, 2012, Procurement Committee was composed of the following 4 members:

No.	Name	Position
1	Miss. Neeranuch Na Ranong	Chairman of Procurement Committee
2	Mr. Prasertpong Bulpakdi	Vice Chairman of Procurement Committee
3	Mr. Apinan Panyakorn	Procurement Committee
4	Mr. Suttirod Eaktaraphiphat	Procurement Committee

Mr. Tharakorn Junkerd is the secretary to Procurement Committee.

Authority and Responsibilities of Procurement Committee

The Company has determined the authority and responsibilities of Procurement Committee for consistency with the Good Corporate Governance Policy with details as follows:

1. Determine standard procurement procedures, methods and rules applicable for companies within the group and promote standard, fair and transparent procurement practice comparable to the general practice in the same industry and consistent with business situations.
2. Study and review procurement deals worth between Baht 1 million and Baht 5 million to submit the conclusions for final approval from Board of Executive Directors.
3. Possess the authority to access relevant documentation and to seek cooperation from concerned persons in order to make decision.
4. Gather opinions and suggestions from internal and external sources in order to make decision.

Management Structure

5. Perform other procurement-related duties as assigned by Board of Directors.

(3) Executive Board and the Management

Executive Board

Board of Directors has appointed Executive Board to assist in governing the Company's operations. The Executive Board shall consist of 4 members from the Company's directors and management team. Each executive director is authorized to oversee and manage line of business operations commensurate with his/her field of specialization, personal interest, professional capability and suitability.

As of December 31, 2012, Executive Board was composed of the following 3 members:

No.	Name	Position
1	Miss. Neeranuch Na Ranong	Chief of Executive Board
2	Mr. Prasertpong Bulpakdi	Executive Director
3	Mr. Apinan Panyakorn	Executive Director

Mr. Tharakorn junkerd was the Secretary to the Board.

Authority and Responsibilities of Executive Board

The Company has reviewed and amended the authority and responsibilities of Executive Board for consistency with the Good Corporate Governance Policy which were approved by the Board of Directors Meeting no. 4/2008, on May 15, 2008, with details as follows:

1. Determine business strategy, policy, plan and budget and submit to Board of Directors for review and approval.
2. Possess the authority to take decision-making and commanding roles within the scope, authority and responsibilities designated by Board of Directors in accordance with the Company's rules governing approval authority and execution, as approved in Board of Directors' meeting.
3. Periodically review business performance for prompt issue resolution in order to achieve the Company's business goals.
4. Monitor performance of subsidiaries and affiliated companies to ensure consistency with defined business plans and policies.
5. Consider and propose annual salary adjustment budget, employee bonus budget and employee benefits to Board of Directors.
6. Perform duties and implement tasks in line with policy and directions devised by Board of Directors. Assign, follow up and oversee the management of the Company and its subsidiaries.
7. Perform other duties as assigned from time to time by Board of Directors.

Management Structure

Management

a. Management Team

As of December 31, 2012, the Company had 6 management members as set forth below:

No.	Name	Position	Accountability
1	Miss. Neeranuch Na Ranong	Chief Executive Director	Responsible for Human resources Management, Finance & Accounting and Information Technology functions
2	Mr. Prasertpong Bulpakdi	Executive Director	Responsible for Legal and Administration functions
3	Mr. Apinan Panyakorn	Executive Director	Responsible for Business Development function
4	Mr. Suttirod Eaktaraphiphat	Accounting and Finance Director	Finance & Accounting Management
5	Mr. Thirath Anantrasirichai	Business Development Director	Business Development Management
6	Mr. Anusorn Samprarnpaiboon	Administrative Director	Administrative Management

Company Secretary

The Board of Directors appointed Mr. Tharakorn Chankerd as the Company Secretary on January 27, 2012 per resolutions of the Board of Directors Meeting No. 1/2012. Company Secretary is a support function and is responsible for management to ensure maximum efficiency according to the Securities and Exchange Act and good corporate governance principles. The roles and responsibilities of the Company Secretary include:

1. Perform according to Section 89/15 of the Securities and Exchange Act by:
 - preparing and keeping the following documents:
 - a register of directors;
 - a notice calling director meeting, a minute of meeting of the board of directors and an annual report of the company;
 - a notice calling shareholder meeting and a minute of shareholders' meeting;
 - keeping a report on interest filed by a director or an executive;
 - performing any other acts as specified in the notification of the Capital Market Supervisory Board.
2. Provide recommendations and support to the Board of Directors regarding laws and applicable regulations for efficiency, compliance with laws and regulations and best practices.
3. Oversee to ensure operations are in compliance with good corporate governance and to ensure that the policies and recommendation of the directors are effective.
4. Oversee that the Company, the Board and management are in compliance with the laws and applicable regulations including Public Company Limited Act, Securities and Exchange Act, regulations and notices of the Stock Exchange of Thailand and Securities and Exchange Commission, Anti-Corruption Act B.E. 2542 and applicable resolutions of the cabinet.
5. Oversee that the Board of Directors and management properly and carefully perform their duties taking into account shareholders' rights and fair treatment to shareholders.
6. Communicate with shareholders and treat shareholders in an appropriate manner.
7. Communicate with relevant regulatory authorities.

Management Structure

Selection of Directors, Management and Company Secretary

Director Selection Process

The Board has approved the appointment of Selection Committee comprising 4 directors. The Selection Committee shall be responsible for setting up guidelines and policies for selecting directors for the Company and sub-committees. The Committee shall also be responsible for setting up qualifications as well as performing the search, selection and proposing qualified candidates as replacement for retired directors or vacant positions, to Board of Directors and/or Meeting of Shareholders, for approval, whichever case may be.

In addition, per regulations of the Company, the selection of directors has to be according to the followings:

1. Each shareholder shall have the votes equal to the number of shares he/she holds.
2. Each shareholder may use his/her votes described in item 1. to vote for one person or multiple persons for directorship, but he/she may not split up the votes unequally for the purpose of voting.
3. Candidates receiving highest votes shall be elected sequentially based on the number of votes and up to the number of directors required to be appointed or elected at that time. In the event, multiple persons receive equal vote counts and selecting all of them will exceed the number of directors required, then, the Meeting Chairperson will have the decisive vote.

Management Selection Process

The Company's Articles of Association on the Company's authority defines that appointment of senior management i.e. department director level and above shall be under the authorization of Executive Board.

Remuneration for Directors and Management

Remuneration Committee shall be responsible for reviewing and providing recommendation with regard to remuneration for directors and sub-committee based on the policy that remuneration shall be appropriate and comparable to that in business of similar nature or similar size taken into account each director's roles and responsibilities.

Director's Remuneration

In 2012, the monetary remuneration consisting of monthly salary, meeting allowance and bonus approved for Board of Directors and sub-committees for 2012 according to the 2012 Annual General Meeting of Shareholders on April 30, 2012 was Baht 4,000,000 maximum, details as set forth below:

1. Monthly salary was paid to non-executive directors at Baht 20,000 per month.
2. Meeting allowance paid to board members per session were as follows:
 - a) Chairman of the Board and Chairman of Audit Committee shall receive meeting allowance of Baht 12,000 per meeting.
 - b) Directors and Directors of Audit Committee shall receive meeting allowance of Baht 10,000 per meeting.
 - c) Other sub-committees shall receive remuneration as follows:
 - Chairman of sub-committee shall receive meeting allowance of Baht 8,500 per meeting.
 - Director of sub-committee shall receive meeting allowance of Baht 5,000 per meeting.

However, in order to help ease the burden of the Company's expenditure in 2012, all non-executive directors voluntarily decided to continue to waive their entitled monthly salary as they did in 2010. Therefore in 2011, the Company remunerated the board members only in the form of meeting allowance, as detailed below:

Management Structure

The meetings attendance of Board of Directors and others Committees in 2012 (at 31 December 2012)

Name	Position	Board of Director	Audit Committee	Selection Committee	Remuneration Committee	Risk Management Committee	Procurement Committee
1. Mr. Bandhit Rajavatanadhanin	Chairman of Board of Directors, Independent Director, Chairman of Remuneration Committee, Chairman of Selection Committee	1/17	-	-	-	1/1	-
2. Mrs. Sirisuk Hoontrakool	Independent Director, Remuneration Committee, Selection Committee	6/17	-	-	1/4	1/1	-
3. Mr. Subhakorn Bhalakula	Chairman of Board of Directors, Chairman of Audit Committee, Chairman of Selection Committee and Independent Director	16/17	-	-	-	-	-
4. Miss. Neeranuch N Ranong	Vice Chairman of Risk Management, Remuneration and Selection Committee, Chairman of Procurement Committee	16/17	-	-	4/4	-	3/3
5. Mr. Apinan Panyakorn	Selection Committee, Vice Chairman of Procurement Committee	16/17	-	-	4/4	-	3/3
6. Mr. Prasertpong Bulpakdi	Selection Committee, Procurement Committee	11/17	-	-	-	-	3/3
7. Mr. Prajak Thunyawiraphap	Executive Director	-/17	-	-	-	-	-
8. Mr. Pongstorn kunanusorn	Director and Chief Executive Director	1/17	-	-	-	-	-
9. Ms. Janinthorn Wongse-Thongdee	Executive Director	1/17	-	-	-	-	-
10. Mr. Vuthichai Tumasaroj	Executive Director	1/17	-	-	-	-	-
11. Mr. Suttirod Eaktaraphiphat	Procurement Committee	14/17	-	-	-	-	-
12. Miss. Chananyathorn Atsawaphubadi	Audit Committee, Remuneration Committee	11/17	-	-	-	-	-
13. Mr. Weeraphan Na Ranong	Risk Management Committee, Remuneration Committee	12/17	-	-	-	-	-
14. Mr. Jatuporn Sungkhawan	Chairman of Risk Management Committee, Vice Chairman of Audit Committee, Chairman of Remuneration Committee	7/17	-	-	-	-	-

Management Structure

Meeting allowance and director's remuneration in 2012 (including all committees)

No.	Director	Meeting Allowance for the Board	Director's Remuneration	Bonus	Other Sub-Committees		Total
					Meeting Allowance	Remuneration	
1.	Mr. Bandhit Rajavatanadhanin*	12,000.00	-	-	-	-	12,000.00
2.	Mrs. Sirisuk Hoontrakool**	40,000.00	-	-	-	-	40,000.00
3.	Mr. Subhakorn Bhalakula	156,000.00	160,000.00	-	120,000.00	-	436,000.00
4.	Miss. Neeranuch Na Ranong	140,000.00	80,000.00	-	30,000.00	-	250,000.00
5.	Mr. Apinan Panyakorn	140,000.00	80,000.00	-	30,000.00	-	250,000.00
6.	Mr. Prasertpong Bulpakdi	90,000.00	-	-	-	-	90,000.00
7.	Mr. Prajak Thunyawiraphap*	-	-	-	-	-	-
8.	Mr. Pongstorn kunanusorn***	-	-	-	-	-	-
9.	Ms. Janinthorn Wongse-Thongdee***	-	-	-	-	-	-
10.	Mr. Vuthichai Tumasaroj***	-	-	-	-	-	-
11.	Mr. Suttirod Eaktaraphiphat	120,000.00	-	-	-	-	120,000.00
12.	Miss. Chananyathorn Atsawaphubadi	100,000.00	160,000.00	-	70,000.00	-	330,000.00
13.	Mr. Weeraphan Na Ranong	100,000.00	160,000.00	-	-	-	260,000.00
14.	Mr. Jatuporn Sungkhawan	60,000.00	160,000.00	-	50,000.00	-	270,000.00
Total							2,058,000.00

Remarks: (1) In 2012, the Procurement and Remuneration Committees waived the right to receive their meeting allowances in 2012.

(2) There was no meeting for the Selection and Risk Management Committees during 2012.

(3) * Director 1 and 7 resigned on February 27, 2012.

(4) *** Directors 8-10 resigned on January 27, 2012.

(5) ** Director 2 no longer wished to serve as a director after her term was up. Her directorship ended at the 2012 Annual General Meeting of Shareholders.

Remuneration for Management

Executive director does not receive any monetary remuneration for holding executive director position other than the remuneration he/she receives for his/her management position in the Company or subsidiary company. Total monetary remuneration for the Company's management in the form of salary, fuel allowance in 2012 equaled Baht 3,083,448.

Other Remuneration

-None-

Major Shareholders List

The first 10 major shareholders as at February 13, 2013 (Source: Thailand Securities Depository Company Limited)

1. Mr. Dilok Thanapat	291,098,668 Shares	9.99%
2. Mr. Wirat Lerdtudsanawong	147,298,880 Shares	5.06%
3. Mr. Taweesak Sriprachittichai	144,000,000 Shares	4.94%
4. Mr. Chayut Leeissaranukul	128,591,484 Shares	4.41%
5. Mrs. Manothip Chakwantum	122,919,300 Shares	4.22%
6. Miss. Katekarn Tokarunyasake	89,654,800 Shares	3.08%
7. Miss. Chitsiri Thanapat	84,478,500 Shares	2.90%
8. Mr. Panit Chandhornsupawong	68,027,000 Shares	2.33%
9. Mr. Nattapat Rungsan	57,000,000 Shares	1.96%
10. Mr. Noppong Pongtaweewiwat	52,700,000 Shares	1.81%
Total	1,185,768,632 Shares	40.70%

Summary of Major Changes and Development in 2012

January	<p>Changed in Management Committees, Organization Structure and Management Processes; in order to be in line with new company strategies.</p>
February	<p>Mr. Bandhit Rajavatanadhanin resigned from Chairmen of the Board and company Directors. Later on, the Board of Directors appointed Mr. Subhakorn Bhalakula to Chairman of the Board to replace Mr. Bandhit Rajavatanadhanin</p> <p>Live TV Co. Ltd. discontinued the production of TV channels i.e. Football Plus, Sports Plus, MUTV 4 and Miti 4.</p>
March	<p>Board of Directors agreed to close down 5 subsidiary company i.e. Digital Right Pictures Public Co., Ltd., Popstarz Management Co., Ltd., Live Radio Co., Ltd., In and On Studio Co., Ltd. and Trillion Television Co., Ltd.</p> <p>Miss. Neeranuch Na Ranong and Mr. Apinan Panyakorn resigned from Independent Director and Audit Committees.</p>
April	<p>Established 1 new subsidiary company i.e. Thaichaiyo TV Co., Ltd. with registered capital 1,000,000 Baht with the objective to operate TV channel under the named Thaichaiyo Channel.</p>
May	<p>Established 1 new subsidiary company i.e. Pop TV Co. Ltd. with registered capital 1,000,000 Baht with the objective to operate TV channel under the named POP Channel.</p> <p>Board of Directors agreed to move company facility to new location which located around Ramindra-Ekamai Expresswa</p> <p>Signed new company facility land leasing contract with Infinity Pro Co. Ltd which was considered a connected transaction pursuant to the notification of Capital Market Supervisory Board, Tor Jor 21/2551 Re: Rules on Connected transactions dated 31 August 2008 including its amendments and notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosures of Information and the Other Acts of Listed Companies concerning connected transaction 2003 dated 19 November 2003 and additional amendment to approved the new facility budget to up to 40,000,000 Baht.</p>
June	<p>Received fund from paid-up capital of 804,161,973 shares which equivalent to 80,416,197.30 Baht and registered the paid-up capital from 210,783,698.10 Baht to 291,199,895.40 Baht with the Department of Business Development on 9 July 2012.</p> <p>Live Media Group Public Company Ltd., subsidiary company, added 5 billboards on main roads of potential provinces as for business expansion.</p>
September	<p>Board of Directors agreed to add the connected transaction and approved to increase the new facility budget from up to 40,000,000 Baht to 55,000,000 Baht.</p> <p>Board of Directors appointed Miss. Neeranuch Na Ranong and Mr. Apinan Panyakorn to Chief Executive Director and Executive Director respectively.</p>

Summary of Major Changes and Development in 2012

October	General Meeting of Shareholders resolved to approve the ratification of the connected transaction between LIVE Incorporation Public Company Limited and Infinity Pro Co. Ltd. and the acquisition and disposal of assets of the listed company.
November	Board of Directors agreed to issue ESOP to company Directors and employees at no cost of 900,000,000 warrants.
December	<p>Submitted TV operation license to the office of the National Broadcasting and Telecommunication Commission (NBTC).</p> <p>Board of Directors agreed to withdrawal issuing ESOP to company Directors and employees at no cost of 900,000,000 warrants according to the second financial reporting standards on share-based payment transaction which requires a company to disclose information on effects of share-based payment transaction on the profit or loss of the company for the accounting.</p>

Sustainable Business Development

With Consideration to Shareholders, Employees, Partners, Environment and Community

Determined to run the business under the good governance and social responsibility principle as a media and entertainment firm with various media channels, the Company together with other agencies has carried out many social contributions that included the flood relief donations and activities done by its personnel. The Firm has embedded the understanding and consciousness into its managerial policies and put them into following internal and external practices.

Responsibilities for the Customers

The Company has adhered and respected its promises made with the clients, kept their confidentiality and data and replied to their demands with quality and standard yet esthetic entertainment and content work for their optimal satisfaction.

Responsibilities for the Trade Partners

The Company has built the good relationship with its trade counterparts and business allies mingled the fair business advantages into the mutual respectful practices so as to build the cooperative confidence and long term business alliance.

Responsibilities for the Employees

Dedicated to create the learning firms in the Group, the Company has developed the know-how, adroitness, working ethics and the quality of the manpower with the aim to roll out the professional services of each business group and keep good and quality employees for long term.

Responsibilities for the Society

The Company has been sincere to the society and stringently obeyed the governmental business rules and laws and handed out social contributions for sustainable social development.

Responsibilities for Shareholders

Loving to conduct the good governing and reliable business, the Company has built its financial status firm to create highest values of its stakes for all shareholders.

Responsibilities for the Rivals

Over its transparent, ethical and fair competitive business practices, the Company has not used any corrupted means to seek the rivals' trade secrets like giving out bribes to the competitors' employees, etc. and has not lodged false blames to ruin their business fame.

Business Profile

LIVE operates core business in 4 categories as follows:

1. Satellite television channel management service
2. Satellite television program production
3. Television broadcast system, studio and equipment service
4. Advertising, billboard production and rental service

1. Satellite television channel management service

(LIVE Incorporation PCL.) ("Company")

Frequency channels are currently in great demand in direct proportion to burgeoning satellite television program production business triggered by strong interest among business operators. Being critically related to and growing side by side with the satellite television program production business is frequency channel management service. Nevertheless, the frequency channels available for television broadcasting are considerably limited when compared to the great unmet demand among the business operators. Having identified this market niche and commercial viability, LIVE capitalizes on the remaining available frequency channels, other than those being routinely utilized in television program production activities, in order to capture this promising business opportunity and to generate revenues. This strategic move, an action considered a financial value engineering initiative for us via our frequency channel management, allows us to acquire business position superior to other players as a consequence of the effective attainment of our cost base reduction.

In addition, LIVE deploys the following business strategies:

1. Create profitability from existing business by focusing on comprehensive and in-depth analyses of market, customer, competitor and internal and external corporate strong/weak points with the purpose of providing differentiation for our customers and trading partners.
2. Lay the foundation for our human resource management to enhance the potential of our personnel by means of professional practice, efficient performance appraisal and personnel development program in addition to establishment of concrete compensation system.
3. Invest in new office building and equipment to increase service capability, to project new modern corporate image and to demonstrate our care and attention given to our personnel welfare.
4. Reduce accumulated loss to strengthen corporate financial status and thereby generate returns to shareholders.
5. Invest in new business as a proactive approach to keep abreast of future changes.

2. Satellite television program production

POP TV Co., Ltd. ("POP TV") and Thaichaiyo TV Co., Ltd. ("Thaichaiyo TV")

LIVE TV was formerly one of our subsidiaries and was commercially active in television program production. In 2011, LIVE TV operated its business activities to serve 8 television program channels. Due to a host of contributing factors, LIVE TV did not attain the business goals. Organizational restructuring ensued with an eye to make it more suitable for further growth in business arena. As part of the implemented restructuring effort, most of the television program channels under its management were discontinued with only two of them remaining active, namely POP channel ("POP") and Thaichaiyo channel ("Thaichaiyo"). Both of the program channels were transferred to be under the management of our two new subsidiaries, POP TV Co., Ltd. and Thaichaiyo TV Co., Ltd., respectively.

Following the establishment of the two new subsidiaries, the two television program channels have been managed as detailed below:

Business Profile

POP TV Co., Ltd. oversees and manages “POP” channel. “POP” channel is a television program channel that is broadcast on a free-to-air basis through transmissions of frequency in C Band frequency ranges via satellite. Audiences can view the program by means of various types of set-top box, such as O2, GMMZ, Sun Box, Big4, in addition to cable TV system available countrywide, Internet Protocol Television (IPTV), and through other future transmission devices/channels.

POP produces television programs for 24-hour broadcast. The programs are in the category of entertainment and/or Thai and international music with diverse content in the form of both live and taped broadcast. The major target audiences are those with age range between 15-25 years old. Real-time audience participation in televised live games is available, for example, through phone calls.

Thaichaiyo TV Co., Ltd. oversees and manages “Thaichaiyo” channel (“Thaichaiyo”). “Thaichaiyo” channel is a television program channel that is broadcast on a free-to-air basis through transmissions of frequency in C Band frequency ranges via satellite. As with the “POP” channel, audiences can access the program through various types of set-top box, such as O2, GMMZ, Sun Box, Big4, in addition to cable TV system available countrywide, Internet Protocol Television (IPTV), and through other future transmission devices/channels.

Thaichaiyo produces television programs for 24-hour broadcast. The programs are in the category of entertainment and/or Thai folk and Thai pop music with diverse content and concept centered on public way of life and in the form of both live and taped broadcast. The major target audiences are those residing in regional provinces. Real-time audience participation in televised live games is available, for example, through phone calls.

Both POP and Thaichaiyo, hereinafter referred to as “television program producer”, deploy the following business strategies:

1. Television program creativity, development and quality control

The television program producer is readily equipped with high-caliber team members who carry with them hands-on experience sufficient to create works that meet the required quality level prior to sending out to public audience. In creating any program, the television program producer puts strong emphasis on public audience and designs program content in a manner that integrates academic aspect into entertainment. Therefore, the produced program constantly responds to required form and market demand. Nevertheless, the program must comply with legal and moral requirements while being advantageous to the society at large.

2. Distribution, revenue generation and promotional campaign

The television program producer adopts advertising package approach so as to allow customers to deliver their advertising spots in various programs. Alternatively, advertising service is offered in the form of presentation of customers’ product information during the broadcast of any given program. Such presentation ranges from installation of advertising signage/media on podium, quick camera scan at customers’ product right before entering into program content, to name but a few. In addition, air time rental is another revenue-generating method used by the television program producer. Remaining time left after running each program is offered to target customers for rental in order to generate revenues. This business practice serves as another income augmentation for the television program producer. This is on the ground that there are many business operators who either do not have channels to release their accomplished programs to public audience or are not sufficiently funded to rent the whole frequency channel for such release. Therefore, the air time rental service is another way to augment income for the television program producer given that the current television program channels have audience base in excess of 9 million households.

Aside from the above-mentioned options, the television program producer has under its management another business unit directly linked to its core business functions. This business unit is called Live Digital, which refers to digital content (“Digital Content”). Air time in the available television program channels is exploited to create additional business value in different ways, for example, audience participation through short message (SMS), call-in ring tone invitation and e-auction offer in “LIVE BID” program. A portion of the revenues generated from these activities go to the television program producer.

Business Profile

3. Target customers and audiences

3.1 Our target customers are those who purchase advertising spots, promote their products and include those who rent air time. They are broken into 2 categories:

(a) Agency: This category refers to those firms that provide their customers, essentially product/service owners, with professional advertising consulting service which embraces planning and air time allocation. This customer category will buy advertising air time and enter into product promotion contract with, the television program producer in the form of package arrangement. Such advertising air time rental is made in advance and on a long-term basis, ranging in duration from 1, 3, 6 months or up to 1 year to be subsequently allocated for each of their product and service advertising commitments as given to their customers including large corporation, governmental organization and state enterprise with clearly defined marketing plan and marketing budget allocation as well as constant demand for advertising/PR campaign implementation. The agency, or otherwise referred to as the advertising firms, is responsible for planning advertising campaigns for these customers.

(b) Product manufacturer/owner: This category refers to those privately-owned commercial establishments capable of guiding the direction of advertising/PR campaigns on their own. They deal directly with the television program producer for advertising air time rental. They are mostly smaller-scale companies with relatively limited advertising/PR budget when compared to those making the air time rental through the agency.

(c) Customers who rent air time to broadcast their own television programs: This category mostly refers to general customers capable of producing television programs on their own. However, they either do not own facilities/channels to release their accomplished works to public audience or are not sufficiently funded to rent the whole frequency channel for such release. Therefore, they rely on air time rental from the television program producer in order to broadcast their works via either POP or Thaichaiyo channel.

3.2 Our target audiences are those who view television programs created by the television program producer and visually accessible via free-to-air broadcast system by means of transmissions of frequency in C Band frequency ranges via satellite. Audiences can view the programs by means of various types of set-top box, such as O2, GMMZ, Sun Box, Big4, in addition to cable TV system available countrywide, Internet Protocol Television (IPTV), and through other future transmission devices/channels.

3. Television broadcast system, studio and equipment service

LIVE TV Co., Ltd. ("LIVE TV")

At present, LIVE TV has totally discontinued its television program production activities and switched to provision of television broadcast system, studio and broadcast-related equipment service instead. This can be otherwise referred to as a business to promote other business operators who are interested in producing television program yet insufficiently equipped with necessary potentialities to fulfill the entire program production and broadcast functions on their own.

The service provided by LIVE TV features television program arrangement as per broadcast schedule or customer plan, editing, shooting, broadcast system control and audio system control. In addition, the service includes frequency channel quality control, right from uplink signal transmission to satellite and to after the reception of downlink signal transmission from satellite. Studio and broadcast-related equipment rental service is also available. Substantial revenues of LIVE TV are generated from business operators who place trust and confidence in its good reputation for broadcast system service and constantly turn to LIVE TV to materialize their goals. Being readily equipped with a bread of unique people carrying with them technical expertise, skills and industry insight through their long years of career in this specific field, LIVE TV has aimed to run its own training institution to cater for the general public who are interested in entering into broadcasting business.

Business Profile

4. Advertising service, Billboard Production and Rental

LIVE Media Public Company Limited ("LIVE Media")

LIVE Media operates an out-of-home media and there are currently 3 types of advertising media:

Billboard

LIVE Media owns advertising billboards or so called "outdoor billboard" in various areas from Bangkok main streets to its perimeter i.e. New Petchburi Road, Expressway 1 around the Port Authority of Thailand, Expressway 2 around Chan Road, Rama IX road, Ratchawipa Road, Phra Khanong and Happyland etc.

Building Wrap

Building Wrap is the advertising to be presented on the external walls of major buildings or towers on major roads. The advertisement will be printed via ink-jet printer on transparent stickers which will stick to the building's glass. Currently, we have a contract with Sinobrit Building on Vibhadi-Rangsit Road.

Hi-rise TV

This digital advertising media presents images, information, and news in a moving mode, still mode and moving text mode. This type of media will be implemented inside the building, mainly in the hall way in front of elevators and inside the elevators. Some of the buildings installed with this type of advertising media include Jasmine City Building on Sukhumvit Road, Rajanakarn Building on South Sathorn Road, Sirinrat Building on Rama IV Road and Mueang Thai-Phatra Complex Building on Ratchadapisek Road etc.

Revenues from this type of advertising media can be categorized into 2 types i.e. revenue from providing the media and revenue from production of the media. In addition, LIVE Media also acts as an agent in selling and producing out-of-home advertising media for other business operators where we earn from revenue sharing.

Revenue Structure

Description	Year 2010		Year 2011		Year 2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from event organization business	7.06	1.84%	10.60	3.58%	-	-
Revenue from TV program production business	14.31	3.73%	34.19	11.56%	5.22	1.75%
Revenue from advertising spots	46.25	12.05%	47.49	16.05%	45.81	15.38%
Revenue from advertising media production	10.53	2.74%	10.67	3.61%	10.59	3.55%
Revenue from TV advertising	224.44	58.47%	131.46	44.43%	30.32	10.18%
Revenue from production and license sales - net	69.48	18.10%	13.87	4.69%	-	-
Revenue from digital channel service management	-	-	44.70	15.11%	183.14	61.47%
Revenue from debt renegotiation	-	-	-	-	18.18	6.10%
Other income	11.76	3.06%	2.88	0.97%	4.65	1.56%
Total revenue	383.83	100.00%	295.86	100.00%	297.91	100.00%

Competition within the Industry

The Satellite TV Industry

(1) Rivalry between Established Firms

In year 2012, the competition in the television industry no longer limits itself to the same viewing platform, but it includes fierce competition and corporation across platforms among service providers, whether it is free TV, satellite TV or cable TV, not to mention digital TV which is becoming an alternative platform and will impact the competition in the satellite television business in 2013. Moreover, the increased intensity of the competition is also due to the rapid growth seen in the industry. As a result, the Company must put an emphasis on regular improvement of its content and market plan in order to stay competitive and continue to be the leading satellite TV program producer.

(2) Bargaining Power of Buyers

Consumers of the satellite TV industry were of 2 following groups.

2.1 The advertisement buyers or the product owner firms who placed ads on satellite TV channels. Few commercials on satellite TVs in the previous years faded into the increase in the commercial rates and airing time. Buyers were having more bargaining power because of so many varieties of satellite TV channels, only a few channels could reach their consumer targets and had sufficient audience. Growth of the industry hence attracted product owners and as a result the ad rates rose. The bargaining power of the product owners were limited to one level only. Any channels failing to reach the break-even point were to be shut down only.

2.2 Audiences were of 2 types: those paying to watch and those free to watch. The latter did not have power to negotiate but could select which channel to view. The payer audiences on the other hand were being the customers of True Corporation Public Company Limited only. Their bargaining power was to view or not to view only and no other choices.

(3) Bargaining Power of Suppliers

Manufacturers in this industry could be divided into two groups: the transmitter and the receivers. Below are the details.

3.1 The Transmitters

A) Thaicom Public Company Limited ("Thaicom"), Thaicom did not have any bandwidth channels of Thaicom 5 to rent but those of Thaicom 6 are expected to offer services around August 2013. Thaicom did have high bargaining power due to the existence of only two Thai satellites, namely Thaicom5 satellite and NSS 6. Best and popular was Thaicom5.

B) The signal connectors from the transmitting studios to Thaicom's ground station(s) comprised of CAT Telecom Public Company Limited, TOT Public Company Limited, Symphony Communication PCL., Triple T broadband PCL. Because of a wide range of those operators, their bargaining power was not much high.

3.2. Signal Receivers

The largest signal receiver was PSI Holdings ("PSI"), which held the market share greater than 70 percent. It had the highest bargaining power particularly to the extent that it could generate income from the channel number ordering. The invasion of large players like GMM Grammy PCL., which could snatch its shares, dumped down PSI's negotiating power.

Competition within the Industry

(4) Risk of Entry by Potential Competitors

Penetrating the satellite TV market was not difficult if having capital but the limited bandwidths of TV channels were permitting new operators to use low capitals and hence a large number of them poured into the market. However, income was scarce. Few channels could fetch sufficient income from the sponsors to cover the exploited costs.

(5) Threat of Substitute Products

The satellite television industry was a new media, of which more services were used. Thereplacement products were as follows:

- Digital TV via Antenna. The Office of the National Broadcasting and Telecommunication Commission ("NBTC.") has been planning to administer the tender of the digital TV network(s), but it requires at least another couple of years for it/them to provide services. At that time, the satellite TVs may cover 20 million households across the country. The Digital TVs cannot yet solve the old problems of those in need of antenna. Houses in the rural areas still have to use antenna on a very high pole to get clearer signal.
- TV on the Internet ("IPTV"). The IPTVs were not being popular especially in the remote areas because of the speed of the line transmission. More are expected to use but in some groups only, particularly in the city zones with high speed internet.

The Out-of-Home Media Industry

(1) Rivalry between Established Firms

The total value of the out-of-home media industry was virtually unchanged for two years because it was considered a reminder or stimulant medium. No matter how advertisements were via any media, this kind of media had to stay. Hence, there were few effects of the new entries to it. Few new players came in and competition was about the location of the boards rather than prices.

(2) Bargaining Power of Buyers

Customers of this industry did not have many choices and much bargaining power because good locations required huge amount of payment. Bargaining thus was difficult thanks to the rule of demands and supplies, which say high demand raise the prices.

(3) Bargaining Power of Suppliers

In this industry, most manufacturers did not have much bargaining power. That exempted the owners or the lessees of the land who could negotiate and select the lessees.

(4) Risk of Entry by Potential Competitors

New operators rarely entered the market because almost all great locations had already been occupied.

(5) Threat of Substitute Products

There was direct replacement for this kind of medium but technology may take up more roles. Limitation of space and more conditions urged the use of technology to build added values such as LED boards, which could alter and manifest more.

Risk Factors

LIVE realizes the importance of risk management amidst the changes with consequential impacts upon our business operations. In our business, the risk management is considered a major contributing factor critical to the attainment of our business objectives, while also being viewed as one of the key components in good governance. Driven by the recognized importance, we, in 2012, managed to establish our own risk management committee. The committee plays an important role in considering the risk management issues at the policy level, developing strategy, assessing as well as prioritizing risk exposure throughout our organization by taking into account all current internal and external risk factors. Nevertheless, operational risk is among a host of inevitable circumstances that we confront. Therefore, we place emphasis on prevention of any potential damages that may ensue as a consequence of the operational risk. During the year, workshop sessions were held and attended by cross-functional teams of concerned personnel from various departments and the management members. The purpose of the workshop events are to ensure that any identified operational risks are dealt with in a proactive manner, thereby keeping them manageable and under control. Among a number of efforts taken in the workshop include precautionary measures against potential loss of promising business opportunities. Such measures will in turn facilitate effective implementation of our organizational goals and ultimately lead to good governance and to sustainable value engineering to LIVE.

External Risk Factors

- Risks associated with law enforcement

The government policy on media reform, the enforcement of the Broadcasting and Television Services Act on March 5, 2008 as well as the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E. 2553 (2010) on December 20, 2010 and the appointment of the National Broadcasting and Telecommunications Commission (NBTC) on October 7, 2011 have had a number of direct impacts upon LIVE business operations. Under the above-mentioned latest legislative developments, we are required to have broadcasting operation permit, pay permit fees and deduct 2% of our overall income incurred directly and indirectly from advertisements or frequency management to contribute to statutory matching fund. In addition, in case of future needs for digital frequency concession, we will be subject to compete with other bidders. There are certain uncertainties over the bidding for such digital frequency concession, including bidding value, broadcasting program category and the number of available channels, among others. Furthermore, considering the definitions of those new laws, it has remained unclear whether one of our subsidiaries, commercially active in television broadcasting system service and studio rental, would be required to seek broadcasting operation permit under broadcasting facility category.

Therefore, the aspects noted above have so far remained the risk factors that we will need to monitor their situations and be prepared to take necessary measures in response to future events.

- Risks associated with changes in technology

Technology is considered a major contributing factor with both negative and positive impacts upon our business operations while concurrently creating investment risks for us. Namely, at present, new technology is regularly invented with fast innovations. This is evident in the case of the transformation of analog to digital technology. Another concrete example is the emergence of wireless communication technology, which makes limitless connectivity possible and leads to the availability of various new media. Such this technological advancement is therefore regarded as crucial in terms of potential impacts upon our new investment initiatives. We need to seriously take into account all potential risks in connection with the technological advancement to assess commercial viability and acceptable profitability of our investment initiatives.

Risk mitigation guidelines having been in place include close monitoring of new technology emergence and preparedness to adjust our position in response to any ensuing impacts. Capitalizing on current available technology to generate stable and predictable flow of revenue through the most secure investment option is another action point being taken. In addition,

Risk Factors

technological capability currently in hands can also enhance our opportunities to step into new business frontiers. We have positioned ourselves to gain maximum benefits out of the entire available frequency channels in order to create business value. At the same time, we take an effort to maintain our ability to respond to, and are in readiness for, potential technological changes.

- Risks associated with business operations and marketing conditions

LIVE focuses efforts on, and is commercially active in, provision of satellite television services. Our available frequency channels are managed to generate revenue. Our business operations involve a wide variety of factors, for example, trading partners, corporate assets, television broadcasting equipment and systems and personnel.

Current market atmosphere of the industry is characterized by intensified competition among players with a tendency towards constantly growing intensification. This is particularly evident in the frequency channels, a new media breakthrough being on great demand among both players and target consumers. LIVE has carved a certain market share for this new media breakthrough. In direct proportion to burgeoning market, more players have entered into the fray, thereby leading to a more intensely competitive business landscape. Being under such difficult circumstance, we are subject to high-risk exposure. Nevertheless, a number of appropriate mitigating actions have been in place. With our long presence and established reputation in the industry, we have been fully equipped with knowledge and technical capability to broadcast program content on a continued basis. This is our unique strength unparalleled to other new players. Furthermore, we are stepping up our focus on driving down cost base to remain superior to other players in terms of lower overheads. Sophisticated modern equipment and breadth of high-caliber people available to us are both our cutting edge. Given our positioning and corporate capability, we therefore put emphasis on these strengths to mitigate the risks associated with marketing competition and to ward off marketing pressures that ensue. Another concrete mitigating action taken to deal with the business and marketing risks is to enter into long-term contractual agreements with customers.

- Risks associated with cancellation of, or alterations made to, contractual agreements by trading parties

As LIVE's business involves frequency channel management, television program production, and provision of advertising services via various media (for example television and billboard), it is inevitable for us to face risks associated with contractual agreement discontinuation or contractual agreement renewal with demanded alteration of certain terms essentially in a manner less advantageous to us, or even contractual agreement cancellation before scheduled expiration. All these unfavorable situations undoubtedly have adverse impacts upon our revenue.

Nevertheless, we have adopted certain risk controls and actions to handle these difficulties. Initiatives related to product and/or service quality enhancement as well as strong public recognition of positive corporate image is implemented to gain unwavering trust from our trading partners. In the mean time, we seek to forge business relationship with new trading partners to either further broaden existing customer base or replace those trading partners who opt to discontinue/prematurely cancel the contractual agreements.

- Risks associated with interest rates and FOREX volatility

LIVE's revenue and expense are substantially in Thai currency. Only a small portion of them is generated and incurred in foreign currency, essentially those of frequency channel services. Throughout our presence in the industry, none of financial derivatives have been used for risk management purpose given relatively low monetary value of our transaction. In addition, Thai currency over the past years has not been highly volatile to the extent that requires the use of those financial instruments. However,

Risk Factors

we realize the importance of the use of appropriate financial instruments for the prevention of financial risks. We will opt to capitalize on any of those financial instruments whenever we are in situations detrimental to the welfare of our business operations.

With regard to interest rates, we are not susceptible to any high risks due to the fact that we have no long-term loan commitments with any financial institutions. We do have some short-term loan commitments with certain financial institutions and individuals for a relatively small proportion. When compared to overall working capital requirements of our business operations, high interest rate from short-term loans does not have any significant adverse impact on us.

- Risks associated with social changes

Today's rapid social changes cause risks of gaining real insight into, and access to, actual customer needs. This is particularly true considering the fact that the majority of our products, identified as our core business, for example television program production, call for best understanding of customers for the purpose of fulfilling maximum satisfaction. This fact indicates social risks LIVE is facing in the form of lifestyle changes among Thai citizens in the present era. Feeling the ripples of the problems that are stemmed from the ongoing social changes, we have therefore reacted proactively by hiring professional personnel specialized in identifying and satisfying customer needs to mitigate the risks associated with Thai social changes in the long run.

- Risks associated with economy

Current economy is being plagued by a host of adverse impacts from various contributing factors, ranging from natural disaster to economic volatility, increased cost of living and to domestic and overseas pressures. During 2012, the major contributing factors influential to our economic risks were those related to economic volatility. This circumstance has direct impact on LIVE, especially in the case of obviously lower revenue incurred from our trading partners. Our mitigating action to the economic risks is to focus more on business-to-business approach. The approach will allow greater revenue certainty despite a decrease in the amount of revenue.

External Risk Factors

- Risks associated with business management

As the nature of LIVE's business is subject to constant change in business structure, the way our business is managed needs to be adjusted accordingly. This inevitable change could deviate the true understanding of organizational structure among our personnel. Meanwhile, internal communications are also at risks to become problematic. Our risk mitigation guidelines having been in place are to run our business activities in the form of multiple business units. This practice will allow greater independence and enhanced work flow efficiency within our organization.

- Risks associated with personnel

Highly competitive business environment has encouraged LIVE to stay alert in terms of human resources. We are dependent on specific knowledge and capability of our personnel, a mechanism vital for driving our organization towards corporate goals. We therefore have made improvements in both HR management system and HR development system to become more functionally complete.

In 2012, we introduced a number of changes to our organizational structure, including workforce downsizing. The total head count was decreased to 150 from previously 300. We suffered a number of considerable negative impacts from the

Risk Factors

workforce downsizing effort. Among them were lower operational readiness and undermined confidence in job security among the remaining employees. Under this challenging circumstance, we eventually realized, and are alert to, the growing severity of personnel problems. In order to cope with the problems, we have created strategic plan for organizational goal succession where the goals are cascaded to management lines and departmental levels. Other measures include quality-oriented and KPI-linked performance appraisal, appropriate compensation system as well as skill and capability improvement program for career progression to management level. Another measure vital for our personnel management is to foster the sense of job security and morale among all employees through presentation of monetary reward in order to recognize their devotion and commitment made to our organization.

- Risks associated with expense management

LIVE also attaches great importance to corporate expense management as it is one of the major factors critical to the attainment of our financial goals. Therefore, efficient management is highly necessary and must be in place to effectively handle all incurred expenses. Among those expense items to be critically managed include sales and administrative expense, operational expense among departments, to name but a few.

Report on the Practice of Good Corporate Governance

Corporate Governance Principle and Policy

The Board of Directors understands the importance of good corporate governance because it strongly believes that good corporate governance can help the Company achieve its corporate commitment in becoming a leading efficient organization equipped with good corporate governance and management excellence. In addition, good corporate governance is also a critical success factor to the Company's continuous business growth and stability which will impact the confidence of shareholders, investors and all relevant parties as well as long-term business value of the Company.

Therefore in 2007, the Company performed review of its procedures and directions involving corporate governance so as to raise its standards of good corporate governance and in accordance with requirements stipulated by the Stock Exchange. Thus, the Board of Directors Meeting No. 12/2007 on December 21, 2007 passed a resolution to approve the Company's good corporate governance policy. The Company announced its enforcement of the policy in conjunction with the Business Ethics Guideline approved by the resolution of the Board Meeting No. 1/2008 February 14, 2008, to set up as ethical boundaries and guidelines for business practices among directors, management and employees. Our good corporate governance policy covers key matters as directed by the Stock Exchange of Thailand in 2009 and can be broken down into 5 sections, as follows:

- Section 1 Good Corporate Governance Policy
- Section 2 Shareholder's Rights and Equitable Treatment
- Section 3 Rights of Stakeholders
- Section 4 Information Disclosure and Transparency
- Section 5 Responsibilities of Board of Directors

Section 1 Good Corporate Governance Policy

The Company has always placed emphasis on good corporate governance in parallel with business operations and has developed written good corporate governance policy and business ethics guideline for governing the Company and its subsidiaries' business. The Board has also distributed the policy and guidelines to its directors, executives and employees at all levels to ensure their understanding and compliance. The Company strongly believes that good corporate governance can help the Company achieve its corporate commitment and that the principles of good corporate governance can serve as business operation framework that embraces accountability, transparency and competitiveness while adhering to business ethics. Furthermore, adherence to good corporate governance principles not only helps lower potential business risks but also enhances long-term organizational competitiveness with focus on maximizing the benefits for shareholders.

Section 2 Shareholder's Rights and Equitable Treatment

1. Rights of Shareholders

LIVE recognizes the rights and equality of shareholders, and thus has made it a policy to treat all shareholders on an equal basis as well as to protect and ensure their fundamental rights. Every shareholder has an equal right to trade or transfer shares, the right to receive profit sharing or dividend, and to receive accurate, sufficient and timely information for decision making with regard to the Company's operations as well as the right to attend meetings and vote on important issues such as director remuneration, appointment/dismissal of directorship, appointment of independent auditor and other issues with potential impacts upon the Company, including dividend allocation, decrease/increase in capital, etc. Before each meeting of shareholders, the Company will send invitation letter along with supporting documents as well as other relevant information for decision making, regulations and procedures for meeting attendance and voting process to each shareholder in advance.

The Company will facilitate and encourage all shareholders to exercise their rights in meeting attendance and casting their votes without charging any cost or using complex process. Shareholders may vote to appoint director(s) on an individual basis. In fixing director's remuneration, shareholders can review remuneration policy and criteria for each director, and may

Report on the Practice of Good Corporate Governance

freely ask questions or voice their opinions. The Company will ensure that appropriate directors are present in meetings to answer shareholders' questions/concerns and nothing will be in place to restrict shareholders from attending the meetings.

The Company will publish the meeting invitation letter as well as supporting documents on the Company's website prior to sending out hard-copy documents so as to allow shareholders enough time to review them in order to make appropriate decision and to allow shareholders to propose meeting agenda or post questions in advance via the Company's website.

At the Board of Directors' Meeting No. 10/2011 on November 11, 2011, a resolution was passed to grant shareholders the rights to propose meeting agenda and director candidates to be considered during the 2011 Annual General Meeting of Shareholders in advance. The shareholders were given opportunity to submit their suggestions between November 12, 2011 and January 31, 2012. However, there was no agenda or director candidate proposed during such period.

In 2012, the Company administered two Shareholders Meetings, the Annual one for 2012 on Monday, 30 April of the year at 14.00 hours, and the Extraordinary Meeting of the Shareholders no. 1/2012 on Wednesday, 31 October 2012 at 14.00 hours. They were held at IEC Building, where the Company is located, for the shareholders' convenience.

The Company sent meeting invitation, agenda, relevant documentation, meeting rules and voting procedures to shareholders prior to the date of meeting. The said information was sent to shareholders on April 20, 2010 for the first meeting session and on May 4, 2010 for the rescheduled session. In addition, the meeting invitation was publicized in newspapers for 3 consecutive days and on the Company's website at <http://www.live.co.th> 3 days prior to the date of meeting.

Chairman of Board of Directors acted as Chairman of the Meeting during the 2012 Annual General Meeting of Shareholders and the Extraordinary General Meeting No. 1/2012. All 8/9 and 8/8 board directors, respectively, attended the meeting as well as Chairman of Board of Directors, Chairman of Audit Committee, Chairman of Remuneration Committee, Chairman of Procurement Committee and Chairman of Selection Committee. Prior to the commencement of the meeting, Chairman of the Meeting gave an explanation on voting procedures and following the consideration of each agenda, voting results were announced on immediate basis.

During the meeting, all Chairman, directors and parties involved in the Company's business operations such as Chief Financial Officer, Chief Management Information Officer, Chief Operations Officer etc. were present to explain and answer questions raised by shareholders before they were to cast the votes for each agenda. According to the policy, the Company also allowed shareholders to cast their votes to select director(s) on an individual basis. On significant issues, representative of shareholders would be invited to witness the counting of the votes. In the meeting, the Company did not include any agenda which was not known to shareholders in advance.

After each meeting of shareholders, the Company would prepare minutes of the meeting and send to shareholders as well as publish it via the Stock Exchange's and Company's websites within 14 days from the meeting date so shareholders might verify the information.

2. Conflict of Interest

The Company has made it an important policy not to allow directors, management and employees to seek personal gains from their positions or to engage in business in direct competition with the Company as described in the Business Ethics guideline. The Company has set guidelines as the framework for the employees pertaining to storage and protection of unauthorized usage of confidential internal information or of data which impact business operations or share price for personal gain. The

Report on the Practice of Good Corporate Governance

guidelines also prohibit disclosure of trade secrets to people external to the Company especially competitors even when those employees do not longer hold any position with the Company.

According to the Company's policy, directors, executives and employees should avoid transactions that are connected with the Company which may lead to conflict of interest. If such transaction is unavoidable, the Board shall ensure that the transaction is carried out with transparency and fairness similar to transaction carried out with third parties. However, directors, executives or employees having an interest in the transaction must not be involved in its approval process. If a transaction is considered as a connected transaction according to the Notification of the Stock Exchange of Thailand, the Board shall ensure strict compliance with the rules and procedures regarding information disclosure by listed companies for such transaction.

The Company devises policy to prevent directors, executives and employees of the Company and its subsidiaries from direct or indirect unauthorized disclosure of internal information undisclosed to the public, for personal gains or for the benefits of third parties. In addition, directors, executives and employees of the Company who have received the Company's financial data may not use such data for the period of 1 month before its public disclosure and they will be informed to avoid or suspend trading of the Company's stocks before the financial reports are made public. Directors and executives are also informed of their responsibility to report their holding of the Company's stocks as well as the change in the shareholding proportion to the Securities and Exchange Commission according to Article 59 and Article 275 (Penalty) of Securities and Exchange Act B.E. 2535. The Company will impose the maximum penalty on its directors, executives and employees, should they use internal information for their personal gains, directly or indirectly.

In 2012, no directors, executives or employees of the Company or its subsidiaries violate the policy regarding use of internal data. In addition, appropriate directors and executives have duly reported their shareholding and change of shareholding to the Securities and Exchange Commission.

Section 3 Rights of Stakeholders

LIVE recognizes the support all related stakeholders have contributed in strengthening Company's business competitiveness as well as profitability, both of which are regarded as sustainable mutual wealth. Thus, LIVE values all related stakeholder groups and treats them in compliance with legal or contractual agreements and will not act in violation of their rights.

Furthermore, LIVE has requirements for operating information disclosure via different communication channels to make it known to those stakeholders. Information on company's operations is disclosed on Form 56-1, annual report and corporate website. The Company also provides communication channel to receive feedback, opinions and complaints directly from stakeholders in case of any unfair treatment.

a. Shareholder or Investor

LIVE is determined to run its business for maximum returns to shareholders by means of efficient business management and internal control in order to grow and stay profitable in sustainable manner. In addition, Company also seeks to maintain superior business competitiveness by prudently taking into account current and future potential business risks.

b. Employee

LIVE views employees as valuable corporate asset. Therefore, capable and experienced employees are hired and retained. They are provided with training necessary for their continued improvements in professional skills and expertise. Company promotes good workplace atmosphere and treats each employee equitably and fairly.

c. Customer

Report on the Practice of Good Corporate Governance

LIVE recognizes the critical importance of customers on successful business operations. Because of this, customer satisfaction is an area of great emphasis and is achieved by means of delivery of high-quality product in response to customers' needs and expectation in fair and professional manner. Realizing the importance of customers, Company dedicates its expertise and experiences to ensure good customer care, to maintain customer confidentiality and to gain trust among customers. Customers' confidential data are maintained under strict confidence and disclosed only in case of legal compliance or prior consent by concerned parties.

d. Partner

LIVE works with its partners equitably and fairly according to contractual requirements and conditions. The Company's policy aims to avoid any action that may lead to dishonesty or violation of partners' rights established by applicable laws or mutual agreement.

e. Community, Society and Environment

LIVE is committed to treating society and environment with high standards. LIVE is enthusiastically active in issues with impacts upon society at large and therefore takes part in activities beneficial to community and environment on regular basis. Furthermore, Company provides sponsorship for charity initiatives and activities while also promoting environmental awareness among employees.

Stakeholders may file their complaint, recommendation or question regarding good corporate governance policy and business ethics to the Company's secretary via regular mail to the Company's head office or via telephone at 0 2736 3850 or via email at secretary@live.co.th.

Section 4 Information Disclosure and Transparency

1. Information Disclosure

The Board of Directors ensures that disclosure of financial and non-financial information to the public is in compliance with the rules and regulations set out by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and in complete, adequate, regular and timely manner. This is aimed to ensure equitable treatment of shareholders and stakeholders and to reflect actual operation and financial status of the Company.

The information presented in quarter and annual financial statements is accurate and complete and is in accordance with generally accepted accounting standards, disclosed in timely manner and audited by independent auditors. In addition, Board of Directors also provides report indicating its responsibilities for those financial statements which is exhibited alongside the independent auditor's report in the Company's annual report. All financial statements are presented for final approval during annual general meeting of shareholders.

2. Investor Relation

In addition to the emphasis on disclosure of information according to the requirement stipulated by the Stock Exchange and SEC, Board of Directors also continuously communicates relevant information to shareholders and investors through different communication channels in order to provide knowledge, understanding and good relationship between the Company and investors, shareholders, analysts and institutions via Director of Business Developments and Investor Relations Department. Moreover, information in both Thai and English, is also presented on corporate website at www.live.co.th to facilitate equitable and thorough furnish of information to various groups of stakeholders. Interested person may obtain the corporate information directly from Investor Relations Unit at 0-2308-5555 Ext. 5525 or via e-mail at ir@live.co.th.

Report on the Practice of Good Corporate Governance

Section 5 Responsibilities of Board of Directors

1. Leadership and Vision

Board of Directors is composed of qualified members equipped with relevant expertise in different disciplines and carry with them capability and experiences beneficial to business operations. Board members play roles in judgement of, and approval for, corporate vision, commitment, strategies, goals, strategic plans, directions and policies. The Board also follows up and ensures that the management's work performance is in line with strategic work plans, in compliance with applicable laws, rules and requirements directed by relevant regulatory agency and governmental authority and in agreement with resolutions passed in meeting of shareholders. In addition, the Board is responsible for determination of appropriate internal control and risk management systems by taking into account preservation of the best interests of the Company and stakeholders and following good corporate governance principles in order to add value to business and to maximize investment returns to shareholders.

In 2012, the Company focused on its vision to become a world-class media and entertainment company which operates, develops, produces, manages copyright and distributes diverse entertainment media including movies, TV programs, music as well as concert events for global audiences. The Board has asked the management team to develop and present the goals, strategic plans and directions required to achieve those goals. There were discussion and feedback session before they were jointly approved.

2. Business Ethics

In conducting business for the best interest of shareholders, the Company has placed importance on how to achieve such success or benefits, taking into account the good corporate governance principles and policies. Directors, executives and employees have been instructed to operate based on the business ethics. They have also been informed about the importance of such principles and to strictly obey them for the sustainable growth of the Company.

The Company has developed a written Business Ethics Guidelines which has been approved by the resolution of the Board's meeting no. 1/2008 held on February 14, 2008. Directors, executives and employees have to acknowledge, understand and comply with these guidelines. In addition, the Board of Directors has continuously devised appropriate processes to ensure strict compliance.

3. Composition of Board of Directors

The Company requires that the Selection Committee will select and consider people with skill, experience, and specific qualifications required for the Company's business and present for approval as director(s) by the meeting of shareholders. Board of Directors should comprise directors in number as defined by the meeting of shareholders but should not be less than 5 members and should have diverse experiences. The minimum number of independent directors must be at one-third of the total number of directors on the board. In addition, in order to be able to fulfill their roles, each director must not hold directorship in more than 5 registered companies unless approved by the Board or meeting of shareholders. It is the responsibility of each director to disclose his/her directorship with other companies to the Board. Moreover, if an executive holds directorship at other companies, he/she is responsible to disclose such information to the Board as well. Currently, no directors hold directorship with more than 5 companies.

4. Roles and Responsibilities of Board of Directors

The Company has clearly defined the scope of responsibilities of the Board in the good corporate governance policy approved at the meeting of the Board.

Report on the Practice of Good Corporate Governance

5. Meeting of the Board

Board of Directors performs duties through its meeting. A minimum of 6 board meeting sessions are held annually to ensure efficient governance of business operations.

Chairman of Board of Directors is responsible for managing the performance of directors, defining meeting agenda in conjunction with Chief Executive Officer, ensuring advance distribution of meeting agenda and relevant documentation among directors to allocate appropriate time for data analysis and facilitate subsequent vote cast; and ensuring clear, adequate and appropriate presentation of material data and suggestions in such meeting documentation. During the board meeting, Chairman of Board of Directors is responsible for time management for data presentation, discussion, inquiry and conclusion of each agenda to facilitate directors' judgment and resolution.

During each board meeting, any director with conflict of interests or vested interests in the issue under consideration has to leave the session during considering such issue. Board of Directors will have the meeting minutes systematically documented and filed.

Board of Directors held the total of 17 meeting sessions through the entire 2012. Individual attendance statistics are shown below:

Director	Title	Meeting Attendances
1. Mr. Bandhit Rajavatanadhanin*	Chairman of Board of Directors/Independent Director	1/17
2. Mrs. Sirisook Hoontrakool**	Independent Director	6/17
3. Mr. Subhakorn Bhalakula	Chairman of Board of Directors/Independent Director	16/17
4. Mr. Jatuporn Sungkhawan	Independent Director	7/17
5. Miss. Chananyathorn Atsawaphubadi	Independent Director	11/17
6. Miss. Neeranuch Na Ranong	Director	16/17
7. Mr. Apinan Panyakorn	Director	16/17
8. Mr. Suttirod Eaktaraphiphat	Director	14/17
9. Mr. Prasertpong Bulpakdi	Director	11/17
10. Mr. Weeraphan Na Ranong	Director	12/17
11. Mr. Prajak Thunyawiraphap*	Director	-/17
12. Mr. Pongstorn Kunanusorn***	Director	1/17
13. Ms. Janinthorn Wongse-Thongdee***	Director	1/17
14. Mr. Vuthichai Tumasaroj***	Director	1/17

*Remark * The Directors no. 1 and 11 resigned on 27 February 2012.*

*** The Director no. 2 requested not to continue with the directorship after the term completion which was ended at the 2012 Annual General Meeting of Shareholders.*

**** The Director no. 12-14 resigned on 27 January 2012.*

6. Performance Evaluation of Directors

The Board has appointed the Selection Committee to evaluate the performance of the Board of Directors and sub-committees. This will enable the Board to consider, review past performance as well as issues and obstacles and analyze the result of the directors' performance evaluation and consider recommendations for future improvements.

Report on the Practice of Good Corporate Governance

7. Balance of Power of Non-Executive Directors

The Company requires that Board of Directors comprise one chairman and directors in number and size appropriate to organizational nature and efficient business operations and shall not be less than 5 members in total. In addition, at least half of the Board must be independent directors and/or non-executive directors. As minimum requirement, the number of independent directors must be at one-third of the total number of directors on the board; and at least 3 independent directors must be Audit Committee members. The qualifications must be according to the notification of the Stock Exchange of Thailand and/or notification of the Securities and Exchange Commission on qualifications and scope of work of Audit Committee to ensure fair and accurate review and balance of power. As of December 31, 2012, the Company's Board of Directors was composed of 8 members who are equipped with proven professional backgrounds, as follows:

- 3 Independent directors
- 3 Executive directors
- 2 directors

The 3 independent directors are also members of Audit Committee with complete qualifications according to the notification of the Stock Exchange of Thailand on qualifications and scope of work of Audit Committee in order to perform audit functions and balance of power for fair business management. The 3 Audit Committee members possess experiences and knowledge sufficient to perform their functions. Moreover, one of its Audit Committee, Mr. Jatuporn Sungkhawan, to be specific, is experienced and knowledgeable enough to review the reliability of financial reports.

8. Aggregation or Segregation of Positions

The Company has clearly segregated different functions by clearly defining approval and operational functions of the Company and its subsidiaries based on transaction type. The classification of functions consists of management, human resource management, finance and investment, business and marketing, and operation expenses. In addition, Chairman of Board of Directors and Chief Executive Officer are different persons. Each has its own clearly defined roles and responsibilities to maintain good balance between management functions and the practice of good corporate governance. Furthermore, Chairman of Board of Directors is also an independent director.

9. Sub-committees

The Company has appointed a number of sub-committees to monitor the Company's business and to improve operational performance. The Board of Directors has clearly defined the scope of authority of the 5 sub-committees, namely, Audit Committee, Remuneration Committee, Selection Committee, Risk Management Committee and Procurement Committee.

- 1) Audit Committee is composed of 3 independent directors in minimum with roles and responsibilities as described in the Audit Committee Appointment Order. In 2012, the Audit Committee held 12 meeting sessions with full attendance by all committee members in each session, except for Mr. Jatuporn Sungkhawan who attended 10 sessions.
- 2) Remuneration Committee is composed of 3 Company's directors in minimum and chaired by an independent director and most members are independent directors. The Committee will perform roles and responsibilities as described in the Remuneration Committee Appointment Order. In 2012, the Remuneration Committee met in 4 meeting only.
- 3) Selection Committee is composed of at least 4 directors and chaired by an independent director and most members are independent directors. The Committee will perform roles and responsibilities as described in the Selection Committee Appointment Order. In 2012, the Selection Committee did not hold any meeting.

Report on the Practice of Good Corporate Governance

- 4) Risk Management Committee is composed of at least 3 directors and chaired by an independent director and most members are independent directors. The Committee will perform roles and responsibilities as described in the Selection Committee Appointment Order. In 2012, the Selection Committee did not hold any meeting.
- 5) Procurement Committee is composed of at least 2 directors with roles and responsibilities as described in the Procurement Committee Appointment Order. In 2012, Procurement Committee met in 3 meeting sessions with full attendance by all committee members in each session.

10. Internal Control and Audit

LIVE recognizes that having adequately good and tight internal control system will reduce loss of resources, time and business opportunity while increasing work output and performance. Because of this, the Company has created extensive internal control system where finance, operations, compliance controls as well as consistent auditing/balance mechanism between shareholders and corporate assets are incorporated. Approval authority hierarchy, verifiable and balanced responsibilities between management and employees and written work rules are also among the components of such internal control system. In addition, the company has set up independent Internal Audit Unit, directly report to Audit Committee, to evaluate work performance among all operational and supporting sections against corporate requirements.

Board of Directors regularly has been informed by Audit Committee of review results of financial statements/reports and work performance of Internal Audit Unit on a regular basis and has found no significant non-compliance in the company's financial statements and that actual operations are in line with required procedures. The review also finds adequate and appropriate maintenance of internal control system and that corporate assets are effectively safeguarded from unauthorized use by management members or employees for their personal gains.

11. Board of Directors' Report

Board of Directors is responsible for preparing report on business operating results and major corporate events during the year to shareholders and for ensuring the availability of appropriate and efficient risk management and internal control systems. Board of Directors has appointed Audit Committee to ensure the quality of financial statements and the efficiency of internal control system and other business processes in accordance with generally accepted accounting standards as well as transparent disclosure of data.

12. Knowledge and Skills Enhancements for the Board and Executives

The Company's policy promotes and encourages all directors and executives to attend training at Thai Institute of Directors Association (IOD) and other institutions for relevant courses. This is to enhance the knowledge related to roles and responsibilities of directors and executives for better performance.

The Board and executives recognize the importance of attending seminars on knowledge and skills enhancement for directorship and management such as Directors Accreditation Program (DAP) Group 62 - 64 and Group 68 in 2007, Directors Certification Program (DCP) Group 93 in 2007. Finance for Non-Finance Director (FND) Group 38 in 2007. Understanding the Fundamental of Financial Statement (UFS) Group 12 in 2007 and Audit Committee Program (ACP) Group 16 in 2007 etc. In 2008, the Chairman of the Board attended the Role of Chairman Program (RCP) Group 19 and the secretary attended Company Secretary Program (CSP) Group 49/2013.

13. Director Orientation

Report on the Practice of Good Corporate Governance

The Company requires that all new directors attend compulsory directorship orientation program which is designed to convey the company's expectation of their roles, duties and responsibilities in capacity as directors. During the session, new directors will learn about good corporate governance guidelines and policy as well as knowledge and insight into the company's business operations and to participate in organized visit to sections/business units to ready themselves for directorship.

14. Use of Internal Data

The Board of Directors meeting no. 1/2008 on February 14, 2008, passed the resolution to develop a written Business Ethics Guideline which covers the policy on the use of internal data. It also dictates that directors, executives and employees of the Company and subsidiaries have to keep the Company's confidential information and are prohibited from using internal data for personal gains. So far, no directors, executives or employees have violated this policy. In addition, all directors and executives who are required to report their holding of Company's shares and change in shareholding proportion, have duly reported appropriate information to Securities and Exchange Commission and the Stock Exchange.

Connected Parties and Connected Transactions

1. Related transactions with potential conflict of interest in 2012

Related companies, which have connected transactions with the Company and its subsidiaries, were as follows:

Connected person	Title	Relationship
Mr. Panit Chandhornsupawong	Major shareholder and director of Infinity Pro Company limited	Son of Miss Neeranuch Na Ranong
Miss. Neeranuch Na Ranong	Director and property owner	Mother of Mr. Panit Chandhornsupawong
Mr. Weeraphun Na Ranong	Director	Younger Brother of Miss Neeranuch Na Ranong

(Unit: Million Baht)

<u>Connected Companies</u>	<u>Products & Services</u>	<u>2012</u>	<u>2011</u>
<i>- Buying or service transaction value</i>			
Infinity Pro Co., Ltd.	Land rental	<u>1.55</u>	=
Total		<u>1.55</u>	=

2. Reason and Justification of Transaction for the year 2012

Since the lease of land is considered a connected transaction, there are issues relating to location, size and shape of land, terms of lease, and restriction of land utilization which the Company has to be concerned. The details are as follows:

1. **Location:**

The location is in business area which makes commuting and transportation convenient for partners and employees. Therefore, the location were to be located near the present office and close to the main road for easy access.

2. **Size and Shape of Land:**

Size of land must have the area more than 1.5 rai but less than 3 rai to be large enough for construction of buildings, studios, and control room. The limitation of land area is due to the excess land that has been rendered unusable would push the financial burden on to the Company.

The subject site is regular in shape. The boundary of the land is close to the main road. The entrance to the site is wide enough which facilitates the building construction.

3. **Terms of Lease and Restriction on Land Utilization:**

The leasehold land must have a lease term of 8-10 years period and the lessor agrees to allow construction of fixed assets on the leased land as the Company has plans to construct an office building on the site, such that the Company to be able to utilise buildings in line with its business plan to be worth the construction investment.

4. **Rental Fee:**

Rental fee must be reasonable by the average cost per square meter not exceeding the current office rental fee per square meter.

This particular land lease is considered as connected transaction which falls within the remit of the aforementioned information. While acquiring other lands does not meet the required criteria, therefore in such case, it was necessary to enter into a transaction with connected persons but not with the third parties.

Connected Parties and Connected Transactions

3. Opinion of the Independent Financial Advisor on the Appropriateness of Conditions of the Transaction

3.1 Terms of lease period

The Company entered into a land lease contract for the period of 5 years which is relatively short period of time to build office buildings for long-term use. However, due to the addendum to the agreement that allows for renewal the lease at an incremental of 3 years, the Company is able to renew the contract up to 10 years. With this regard, the building construction period is consider to be a medium-term use and by comparing the average cost of current rental fee, average cost of lease land per square meter and cost of office buildings construction on such land lease is more economical and within the acceptable range.

3.2 Terms of payments

The rental fee specified in the lease contract is by monthly with a yearly payment in advance. In property business, the lessee usually collect rental fee by yearly due to the lease is for a long-term period and convenient in terms of for fee collection.

3.3 Other Terms and Conditions

Other terms and conditions are considered normal for a lease of property and do not put the Company in a isadvantageous situation. In spite the existence of the clause allowing the title holder to sell the land while the lease agreement is active, the lease allows the Company the first right to purchase the land from the title holder at a suitable price, which is considered a benefit rather than a disadvantage.

As the Company entered into a land leasehold agreement for the purpose of builds an office building, which was deemed as a connected transaction and such transaction has been completed, an approval is sought for the ratification of the connected transaction.

In considering the appropriateness of the transaction and necessity of acquiring the location for office building construction, the independent financial advisor has an opinion that the location, size and shape of land, and rental rate is appropriate comparable to transaction with a third party. The Company and its subsidiaries would benefit from business operation by renting out the office space and studios. Currently, the Company has adequate funds to finance such operation. Despite the fact that the lease price is higher than the appraised price by the independent property appraiser, but falls within the range of highest and lowest market price referred to the comparative data of the independent property appraiser and that the present value of the cost of leased land and office building construction is lower than the current office rental fee, the price, term of lease period, term of payment, and other terms are considered acceptable.

Therefore, it is the opinion of the independent financial advisor that the shareholders should approve the ratification of the connected transaction. However, if the shareholders have the resolution not to approve the ratification of such transaction, the Company shall terminate the leasehold agreement and the lessor shall refund all advanced lease fee received to the Company pursuant the terms of the agreement that specified, "in the event of the agreement is concerned as connected transaction, both parties shall pursue the Notification of Stock Exchange of Thailand Re: Disclosure of Information and the Other Acts of Listed Companies concerning connected transaction 2003."

However, the final decision shall be at the discretion of the shareholders. The shareholder should consider all the information in the notice to the shareholders' meeting and its attachments before making the decision.

ACAP Corporate Services Co., Ltd. as the independent financial advisor hereby certifies that the opinions have prudently been provided in accordance with the professional standards and principles, with due respect to the benefits of the shareholders.

4. Steps of Approval in Connected Transaction

Connected transactions under normal trade practices were done under normal and market condition.

Internal Control

In the Audit Committee Meeting No. 12/2012 on November 12, 2012, the Audit Committee together with the management team conducted assessment of the 2012 internal control system based on the internal control adequacy assessment form created by the management team. Assessment of the internal control system of the Company and its subsidiaries was performed in the following 5 areas:

- ❖ Organization and environment
- ❖ Risk management
- ❖ Management operation control
- ❖ Information and data communication systems
- ❖ Monitoring and assessment systems

The Board found that the Company had in place, proper and adequate internal control measures to prevent unauthorized and illegal usage of the Company's and its subsidiaries' assets and there was no significant flaw found within the system.

Regarding management of the internal control system, the auditor has given improvement observations to the management team for internal control of accounting transactions with connected individuals and connected businesses, pricing policy for connected transactions as well as proper documentation so as to comply with the Company's sale policy and to be used as evidence in accounting entry. The auditor has reported the observations to the Audit Committee during the financial statements review meeting and the Audit Committee has requested the management team to implement internal process improvements to ensure that the Company has, in place, protective measures for its assets from potential damages.

The Company gives emphasis on effective internal control system which can adequately protect or reduce potential risks, and has appointed the internal audit department to perform audit review of the operations in various departments according to the annual audit plan approved by the Audit Committee. The objectives are to ensure effective and productive operation performance and to ensure that the Company makes the most of the resources as well as to ensure that the operations and financial reporting are accurate, reliable and timely. In addition, it also looks to ensure that policies and regulations are followed. In order for the internal audit department to be able to independently perform the audit review and provide the needed counterbalance, the Company specifies that the internal audit department directly reports the audit report to the Audit Committee.

Management Discussion and Analysis : MD&A

1. The Overall Operating Results

LIVE operates core business in 4 categories, namely entertainment program production for subscription television and satellite television, advertising, billboard production and rental service, and music performance and artist management. Between 2009 and 2011, LIVE experienced annual operating losses three years in a row. Our satellite television business, in particular, reported an obviously unprofitable operation due to costs and overheads incurred by provision or purchase of television programs and expenses in connection with in-house television program production. This unfavorable business circumstance occurred while advertising sales performance failed to be on track. As a result, business plan revamping initiatives were introduced. Consequently, unprofitable business operations were discontinued. The discontinuance also covered those satellite television program channels identified as low commercial viability. Five subsidiaries with poor operating performance were dissolved during 2012 along with employment termination of their workers. Two new business units, in the form of subsidiary, were established to run the remaining two program channels. The unoccupied frequency channels, as a consequence of the revamping effort, were then utilized to generate revenues through appropriate means, namely television program arrangement as per broadcast schedule or customer plan, editing, shooting, broadcast system control, audio system control and image quality control right from uplink signal transmission to satellite and after the reception of downlink signal transmission from satellite. The purpose of the revamping was to lower cost base and establish profit center for each of the newly created business units. This practice was expected to facilitate more effective planning and make possible clear assessment of operating performance on each business unit, thereby and ultimately making LIVE deliver stronger results. As a consequence of the major restructuring of our business, we managed to post Bt 4.88 million in net profit in 2012, a year-on-year increase by Bt 184.28 million from its 2011 counterpart, or equivalent to 102.72% annual growth rate. The more robust figures were achieved mainly by lowered service costs and sales & administrative expenses.

2. The Operating Results of Each Business Group

2.1 Revenue

- Revenue Structure

LIVE service revenues come from 5 core groups, namely, TV program production, advertising space rental, advertising media production, TV commercials and satellite TV channel management service. The service revenue structure for 2012 and 2011 are summarized below:

	2011		2010		Increase (Decrease)	
	Bt ml	%	Bt ml	%	Bt ml	%
Revenue from TV program production	5.22	1.90	34.19	11.67	(28.97)	(84.73)
Revenue from advertisement space rental	45.81	16.65	47.49	16.21	(1.68)	(3.54)
Revenue from advertisement media production	10.59	3.85	10.67	3.64	(0.08)	(0.75)
Revenue from TV commercials	30.32	44.87	131.46	44.87	(101.14)	(76.94)
Revenue from product sale and use rights – net	-	-	13.87	4.73	(13.87)	(100.00)
Revenue from concert business	-	-	10.60	3.62	(10.60)	(100.00)
Revenue from signal channel rental	183.14	66.58	44.70	15.26	138.44	309.71
Total of the sale income	275.08	100.00	292.98	100.00	(17.90)	(4.81)

Management Discussion and Analysis : MD&A

Revenue from TV Program Production

LIVE had Bt 5.22 million in revenue from TV program production in 2012, a decrease of Bt 28.97 million or 84.73 % from 2011. This is because in 2011, the subsidiary company introduced a pre-paid subscription card under LIVE TV Plus Program which focused on 3 licensed sports channels; the program was discontinued in 2012 resulting in lower revenue stream.

Revenue from Advertisement Space Rental

One of its subsidiaries had the advertisement space rental income in 2012 in the amount of Bt 45.81 million, down by Bt 1.68 million or 3.54 per cent from the year 2011 due to the decrease in the advertisement board construction.

Revenue from Advertisement Media Production

One subsidiary firm cherished the advertisement production income Bt 10.59 million in 2012, an decrease by Bt 0.08 million or 0.75 per cent from the year 2011, in line with the advertisement space rental income.

Revenue from TV Commercials

One subsidiary had the income from program sponsors worth Bt 30.32 million in 2011, down by Bt 101.14 million or 76.94 per cent from the year earlier, due to more competitors resulting in lower market share. In addition, the number of channels owned by LIVE reduced from 8 to 2 resulting in decreased revenue.

Revenue from Product Sale and Rights to Use

One subsidiary had the income from the sale of products and rights to use, a decline by Bt 13.87 million in 2012, because of the Company's sale of shares in that firm in February 2011.

Revenue from satellite TV channel management service

One of the subsidiaries has 183.14 million baht in revenue from frequency channel management service in 2012, a 138.44 million baht or 309.71 % increase from 2011 due to additions of frequency channels in 2012.

2.2 Sale and Administrative Cost and Expenses

- The sale cost recorded Bt 176.72 million in 2012, down by Bt 169.44 million or 48.95 per cent from 2011, due to lower cost incurred in 2012. Some of the reductions included Bt 40.82 million from reduced salary and benefits for the production department as a result of channel reduction, Bt 23.78 million from program production, Bt 14.09 million from concert events, Bt 3.51 million from space rental fee and Bt 86.21 million from sport program channel license fee.

- The sale and administrative expenses in 2012 were Bt 114.35 million, down by Bt 24.18 million or 17.46 per cent from the earlier year, on the ground of the lower expenses, which included the reduction in the salary and added interests by Bt 12.64 million, advertising and promotion expenses by Bt 15.32 million.

2.3 The financial cost in 2012 totaled Bt 2.40 million, down by Bt 3.16 million or 56.84 per cent, as a result of repayment of short-term loan in 2012.

2.4 The income tax for 2012 was Bt 1.29 million, Bt 2.43 million or 65.32 per cent less from the year 2011 because of the decline in the subsidiaries' net profits.

3. Financial Status

3.1 Total Assets

- The Company and its subsidiaries owned the total assets worth Bt 254.28 million, up by Bt 26.56 million or 11.66 per cent from 2011. Following was the assets structure.

Management Discussion and Analysis : MD&A

- Current assets: 49.36 per cent
- Fixed assets for the operations: 36.52 per cent
- Pre-paid service fee: 4.56 per cent
- Withholding tax deducted at source: 5.54 per cent
- Non-current assets: 2.29 per cent
- Quality of Assets

The current assets in 2012 amounted to Bt 125.51 million, a increase by Bt 39.57 million or 46.04 per cent from the year 2011. Below are the significant current assets.

■ Cash and cash equivalents : Bt 85.41 million in 2012, a increase by Bt 74.58 million or 688.64 per cent from the year earlier because LIVE received 125.32 million baht of increased capital which was used as its working capital.

■ Trade and other accounts receivable – net: Bt 38.23 million in 2012, a down by Bt 16.10 million or 29.63 per cent from the year 2011 due to payment received from its TV commercials customers.

■ Licenses fee of programs and movies – net: Bt 16.84 million in 2012, down by Bt 16.84 million or 100.00 per cent from 2011 due to pay-off of the sport program license fee during the year.

Non-current Assets: Bt 128.77 million in 2012, down by Bt 13.01 million or 9.18 per cent from 2011. Following are the important non-current assets.

■ Intangible assets – net: Bt 0.78 million in 2012, down by Bt 7.96 million or 91.08 per cent from 2011, due to pay-off of the sport program license fee in 2012.

■ Restricted deposits at financial institutions: Bt 3.63 million in 2012, down by Bt 12.12 million or 76.95 per cent from 2011, due to loan pay-off and withdrawal of security deposit in 2012 by a subsidiary.

3.2 Liquidity

Cash Flows

■ Cash flow for the operations in 2012, the amount was Bt 32.79 million due to profit from its operating performance and a Bt 20.05 million increase in the security deposit received from frequency channel management service compared to that of 2011.

■ Cash flow for the investments in 2012, the amount was Bt 31.33 million due to payment for new billboard production and other fixed assets for the amount of Bt 37.24 million.

■ Cash flow from financing activities in 2012, the amount was Bt 73.12 million due to increased capital of Bt 125.32 million.

- Liquidity Ratio

The company's financial liquidity in 2012 is better than that in 2011. This is due to the increased capital it received and the extension of the payment period for its account payables and accrued expenses as well as the increased security deposit from its frequency channel management service.

Investment Expense

In 2012, LIVE and its subsidiaries invested 32.74 million baht more in new billboards than that in 2011.

Source of Financing

Debts and the Inappropriateness of the Capital Structure

The ratio of liabilities to capital increased from 34.80 times in 2011 to 0.89 times in 2012. This is because in 2012, a subsidiary paid off its short-term loans from financial institutions and creditors and negotiated on the settlement of the loan resulting in a 119.44 million baht decrease in its debt i.e. from 242.56 million baht down to 123.12 million baht, to be specific.

Management Discussion and Analysis : MD&A

4. Future Operating and Financial Factors and Influences

Contributing factors with significant impacts upon our overall business operations

- Signal transmission capability of Thaicom 6 satellite increases the availability of frequency channels for satellite television to the extent that it can sufficiently meet market demand. Therefore, frequency channel rental fees are to be cheaper and affect our revenues accordingly.
- The appointment of the National Broadcasting and Telecommunications Commission (NBTC) leads to introduction of new industry rules and regulations that will have impacts upon competition environment in the market and drive our cost base up.
- New technology and digital television emergence have direct impacts upon our competitiveness and cost base.
- ASEAN Economic Community (AEC) is an alternative to our business expansion on regional scale with advantage of governmental support.
- Domestic and international economic conditions are of critical importance to advertising/PR budgeting among our customers.

Additional Clarification of Key Accounting Policies

1) Revenue Recognition

LIVE's policy on revenue recognition can be described as follows:

- Revenue from sales of goods comprises the invoiced value for the sale of goods and services net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.
- Revenues from production of television programmes represent the service income from advertising, promotion and production of television programmes and are stated on the basis of the invoiced value, after deducting discounts and allowances. Service income from advertising and promotion is recognised when services have been broadcasted. Service income from production of television programme is recognised when the production is completed.
- Subscription fees received in advance is recorded as deferred revenue and recognised as income when services are rendered according to the terms in which the service.
- Revenues from marketing activities are recognised when the activities are commenced.
- Revenues from barter transactions on goods or service are recognised when the goods and service are exchange the value of the barter is measured at fair value.
- Revenues from space rental, advertising space rental, service income and management fees are recognized in accordance with the rental and service agreements.
- Interest income is recognised on a time proportion basis taking account of the principal outstanding and the effective rate over the period to maturity when it is determined that such income will accrue to the Group.
- Dividend income - when the Group's right to receive payment is established.

2) Investment

Investments other than investments in subsidiaries and associate are classified into the following two categories: trading and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on

Management Discussion and Analysis : MD&A

a regular basis. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets; for the purpose of these financial statements short term is defined as three months. Investments in non-marketable equity securities are classified as general investments.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments. Trading investment is subsequently carried at fair value. Realized and unrealized gains and losses arising from changes in the fair value of trading investments are included in the income statement in the period in which they arise.

Trading investments are traded in active markets and valued at market value at the close of business on the balance sheet date by reference to the Stock Exchange of Thailand quoted bid price. In the statement of income, the unrealized gains and losses of trading investments.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weight average carrying amount of the total holding of the investment.

3) Trade accounts receivable

Trade accounts receivable are carried at original invoice amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

4) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first in - first out (FIFO) in Activemedia (Thailand) Company Limited and weighted average method in Live TV Company Limited. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

5) Investments in subsidiaries and associate

Subsidiaries

Subsidiaries, which are those entities in which the Company has power to govern the financial and operating policies, are consolidated.

Subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the

Management Discussion and Analysis : MD&A

date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary.

In the separate financial statements, investments in subsidiaries are reported by using the cost method of accounting.

Associate

Investment in associate company is undertakings in which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which it does not control. Unrealized gains on transactions between the Company and its associate undertakings are eliminated to the extent of the Company's interest in the associate undertakings; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Company's investment in associate undertakings includes goodwill on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associate undertaking reaches zero, unless the Company has incurred obligations or guaranteed obligations in respect of the associate undertaking.

Investments in associate are reported by using the cost method of accounting in the separate financial statement and reported by using the equity method in the consolidated financial statements.

6) Intangible assets

Licenses

Film, program and Asia series rights are stated at acquisition cost less accumulated amortisation. Licenses are recorded as assets and liabilities for rights acquired and obligations incurred under license agreements when the license period begins, the cost of each program is known or reasonably determinable, the program material is accepted and it is available for the first showing.

Sports content licenses and general entertainment licenses are amortised using the straight-line method over the period of the license or the number of transmission specified in the agreements.

Amortisations of film and program rights are included in "Cost of services". The costs of in-house programs are recorded as expenses when incurred.

Computer software

Costs associated with developing or maintaining computer software programmers are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year.

Expenditure which enhances or extends the performance computer software programmers beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortized using the straight-line method over their useful lives, not exceeding a period of ten years.

Report of the Board of Directors' Responsibilities for Financial Statements

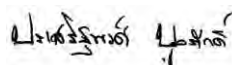
The Board of Directors of the Company understands its roles and responsibilities it has as the directors of a listed company in the Stock Exchange of Thailand in ensuring that in 2012 financial statements which have been generated will contain accurate and complete significant accounting information and transparent enough to maintain the Company's assets and prevent potential fraudulent or irregular operations. In addition, the Board will ensure that the generally accepted accounting standards have been followed. The Company has consistently adopted and employed appropriate accounting policies as well as considered the justifications and the prudence in preparing its subsidiaries financial statements and all pertinent information which are presented in its 2012 annual report.

Therefore, in order for all stakeholders to have confidence in the Company's financial reports, the Board has appointed as Audit Committee which consists of independent directors with complete qualifications as stipulated by the Stock Exchange of Thailand to review and ensure that the Company's financial statements and operations are properly accurate and connected transactions or conflict of interest have been revealed in order to maintain transparency, accuracy and completeness. In addition, the Audit Committee will review that there is sufficient risk management, as well as appropriate and efficient internal control, internal audit and management, and to ensure the adequate and sufficient compliance of the relevant laws, rules, and policies including regulations of the Stock Exchange of Thailand.

The Board of Directors feels that the individual and consolidated financial statements of 2012 ended 31 December 2012 which have been jointly reviewed with the management and the auditor have presented the financial status, operation performance and cash flow accurately, completely, creditably and appropriately in consistent with the generally adopted accounting standards. In addition, the accounting policy has been appropriately implemented and consistently adopted and all pertinent information has been transparently and sufficiently disclosed according to the related rules and regulations.



(Miss. Neeranuch Na Ranong)



(Mr. Prasertpong Bulpakdi)

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To The Shareholders of Live Incorporation Public Company Limited

I have audited the accompanying consolidated and separate financial statements of the Live Incorporation Public Company Limited and its subsidiary, and of the Live Incorporation Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes

Management's Responsibility for the 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 referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of the Live Incorporation Public Company Limited and its subsidiaries and the Live Incorporation Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.



(Ms.Kannika Wipaturat)

C.P.A. (Thailand)

Registration No. 7305

Karin Audit Company Limited

Bangkok, Thailand

February 26, 2013

FINANCIAL STATEMENT

STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2012 AND 2011

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2012	2011	2012	2011
ASSETS					
Current assets					
Cash and cash equivalents	8	85,414,249	10,827,632	65,284,626	4,608,888
Trade and other accounts receivable					
- related parties - net	7.1, 9	1,515,800	2,842,000	8,440,835	6,655
Trade and other accounts receivable					
- others parties - net	9	38,236,829	54,334,151	9,528,026	2,314,161
Short - term loans and accrued interest income					
to related parties - net	7.1	-	-	-	-
Inventories - net	10	-	-	-	-
Deferred film production cost - net	11	-	-	-	-
Film and program rights - net	17	-	16,837,846	-	-
Other current assets		347,548	1,100,327	739	632,831
Total current assets		125,514,426	85,941,956	83,254,226	7,562,535
Non - current assets					
Restricted deposits at financial institutions	12	3,626,992	15,751,432	-	-
Investments in subsidiaries					
and associated company - net	13	-	-	40,999,700	40,000,000
Investments in other companies - net	14	-	-	-	-
Leasehold improvement and equipment - net	15	92,863,216	95,044,014	2,091,351	9
Assets not used in operations - net	16	-	-	-	-
Intangible assets - net	17	774,337	8,743,138	89,493	8,546
Goodwill - net	18	-	-	-	-
Prepaid satellite service charge		11,602,781	9,934,897	11,602,781	-
Withholding tax deducted at source		14,081,664	6,996,199	4,052,636	759,549
Other non-current assets	19	5,820,524	5,310,472	2,116,590	37,000
Total non - current assets		128,769,514	141,780,152	60,952,551	40,805,104
Total assets		254,283,940	227,722,108	144,206,777	48,367,639

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

FINANCIAL STATEMENT

STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2012 AND 2011

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Account payable factoring	20	-	8,868,662	-	-
Trade accounts payable - related party	7.1	-	1,711,709	710,913	282,555
Trade accounts payable - others parties		85,181,248	152,968,375	19,228,296	5,005,863
Short - term loans and accrued interest expenses					
from related parties	7.1	-	5,109,849	751,333	24,582,654
Short - term loans from other persons	21	512,293	42,512,293	512,293	512,293
Current portion of					
- Long - term loan from financial institution	22	-	9,601,494	-	-
- Liabilities under financial lease agreements	23	910,948	218,058	-	-
- Liabilities under hire purchase agreements	24	364,925	563,857	-	-
Provision for liabilities of subsidiary	29	-	-	-	32,521,129
Other current liabilities		2,859,119	4,204,906	751,282	172,379
Total current liabilities		89,828,533	225,759,203	21,954,117	63,076,873
Non - current liabilities					
Long - term loan from financial institution - net	22	-	5,111,169	-	-
Liabilities under financial lease agreements - net	23	1,979,245	151,201	-	-
Liabilities under hire purchase agreements - net	24	478,055	750,441	-	-
Deposit from rental for digital channel service		29,233,333	9,183,333	24,500,000	-
Employee benefit obligations	25	1,598,018	1,603,718	1,027,010	152,867
Total non - current liabilities		33,288,651	16,799,862	25,527,010	152,867
Total liabilities		123,117,184	242,559,065	47,481,127	63,229,740
Shareholders' equity					
Common shares - Baht 0.10 per value					
Authorized common shares					
9,299,557,745 common shares		929,955,775	929,955,775	929,955,775	929,955,775
Issued and paid-up common shares					
2,911,998,954 common shares					
as at December 31, 2012 and 1,620,000,707					
common shares as at December 31, 2011	26	291,199,896	162,000,071	291,199,896	162,000,071
Premium on common shares		8,000,000	8,000,000	8,000,000	8,000,000
Advance received from share subscriptions	26	299,912	4,178,839	299,912	4,178,839
Revaluation deficit on investments		(7,316,679)	(22,149,980)	-	-
Deficit		(154,120,673)	(159,002,472)	(202,774,158)	(189,041,011)
Shareholders' equity of parent company - net		138,062,456	(6,973,542)	96,725,650	(14,862,101)
Non - controlling interests		(6,895,700)	(7,863,415)	-	-
Shareholders' equity (Capital deficiency)		131,166,756	(14,836,957)	96,725,650	(14,862,101)

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

FINANCIAL STATEMENT

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2012	2011	2012	2011
Revenues					
	Sales of anti-virus software	-	13,872,691	-	-
	Revenues from television media	35,533,822	165,652,649	285,000	-
	Revenues from digital channel service management	183,142,566	44,695,529	133,260,659	4,416,057
	Revenues from marketing event	-	10,598,140	-	10,171,829
	Rental income on advertising space	56,402,657	58,159,553	-	-
	Management service income	-	-	1,800,000	90,000
	Dividend income	-	-	-	2,600,000
	Revenue from debt renegotiation	18,179,094	-	-	-
	Income from written-off liabilities account	-	1,522,503	-	820,536
	Other income	4,652,454	1,361,652	2,575,511	4,218,151
	Total revenues	297,910,593	295,862,717	137,921,170	22,316,573
Expenses					
	Cost of sales and services	176,725,072	346,164,702	68,204,683	18,281,886
	Selling expenses	8,356,605	39,656,872	1,700	2,023,129
	Administrative expenses	67,907,725	86,362,410	17,850,938	11,236,131
	Managements' remuneration	30 6,251,240	6,509,830	1,258,495	2,523,515
	Other expenses	29 31,830,353	5,997,316	63,236,238	167,832,133
	Total expenses	291,070,995	484,691,130	150,552,054	201,896,794
Profit (loss) before finance costs and income tax		6,839,598	(188,828,413)	(12,630,884)	(179,580,221)
	Finance costs	(2,396,344)	(5,560,865)	(1,102,263)	(1,810,319)
Profit (loss) before income tax		4,443,254	(194,389,278)	(13,733,147)	(181,390,540)
	Income tax	(1,289,979)	(3,716,254)	-	-
Profit (loss) for the periods		3,153,275	(198,105,532)	(13,733,147)	(181,390,540)
Other comprehensive income for the periods		-	-	-	-
Total comprehensive income for the periods		3,153,275	(198,105,532)	(13,733,147)	(181,390,540)
Total comprehensive income attributable to:					
	Equity holders of the parent company	4,881,799	(179,399,250)	(13,733,147)	(181,390,540)
	Non - controlling interests	(1,728,524)	(18,706,282)		
		3,153,275	(198,105,532)		
Earnings (loss) per share					
	Basic earnings (loss) - Equity holders of the parent company	0.002	(0.115)	(0.006)	(0.116)
	Weighted average number of common shares (Thousand shares)	27 2,465,682,937	1,557,973,310	2,465,682,937	1,557,973,310
Earnings (loss) per share					
	Diluted earnings (loss) - Equity holders of the parent company	0.001	(0.115)	(0.004)	(0.116)
	Weighted average number of common shares (Thousand shares)	27 3,360,518,889	1,557,973,310	3,360,518,889	1,557,973,310

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

FINANCIAL STATEMENT

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Note	Baht					
		Attributable to shareholders of the parent					Net
		Issued and paid-up common shares	Premium on common shares	Advance received from share subscription	Revaluation deficit on investments	Retained earnings (deficit)	
Balance as at January 1, 2011		154,000,071	-	-	(22,149,980)	20,396,778	179,421,406
Advance received from share subscription	26	-	-	20,178,839	-	-	20,178,839
Decrease in common shares	26	8,000,000	8,000,000	(16,000,000)	-	-	-
Dividends paid - subsidiary	13.2	-	-	-	-	-	(3,900,000)
Disposal of subsidiary		-	-	-	-	-	(10,258,964)
Repayment from liquidation of subsidiary		-	-	-	-	-	(2,172,706)
Total comprehensive income		-	-	-	-	(179,399,250)	(198,105,532)
Balance as at December 31, 2011		162,000,071	8,000,000	4,178,839	(22,149,980)	(159,002,472)	(14,836,957)
Advance received from share subscription	26	-	-	(3,878,927)	-	-	(3,878,927)
Increase in share capital	26	129,199,825	-	-	-	-	129,199,825
Share of loss on subsidiaries' dissolution		-	-	-	14,833,301	-	2,696,239
Total comprehensive income		-	-	-	-	4,881,799	(1,728,524)
Balance as at December 31, 2012		291,199,896	8,000,000	299,912	(7,316,679)	(154,120,673)	131,166,756

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

FINANCIAL STATEMENT

SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

		Baht				
		Issued and paid-up common shares	Premium on common shares	Advance received from share subscription	Retained earnings (deficit)	Net
	Note					
Balance as at January 1, 2011		154,000,071	-	-	(7,650,471)	146,349,600
Advance received from share subscription	26	-	-	20,178,839	-	20,178,839
Decrease in common shares	26	8,000,000	8,000,000	(16,000,000)	-	-
Total comprehensive income		-	-	-	(181,390,540)	(181,390,540)
Balance as at December 31, 2011		162,000,071	8,000,000	4,178,839	(189,041,011)	(14,862,101)
Advance received from share subscription	26	-	-	(3,878,927)	-	(3,878,927)
Increase in share capital	26	129,199,825	-	-	-	129,199,825
Total comprehensive income		-	-	-	(13,733,147)	(13,733,147)
Balance as at December 31, 2012		291,199,896	8,000,000	299,912	(202,774,158)	96,725,650

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

FINANCIAL STATEMENT

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Cash flows from operating activities					
Loss before income tax		4,443,254	(194,389,278)	(13,733,147)	(181,390,540)
Adjustments to:					
Loss on disposal of temporary investment		-	3	-	3
Unrealized gain on exchange rate		(76,694)	-	-	-
Bad debts and doubtful accounts (reversal of)		5,821,486	(1,997,880)	94,757,668	21,682,026
Loss on returned goods estimation		-	710,724	-	-
Share of loss on subsidiaries' dissolution		17,529,540	-	-	-
Loss on impairment of investments in subsidiaries		-	-	999,700	113,572,795
Loss on provision for liabilities of subsidiaries (reversal of)		-	-	(32,521,130)	32,521,130
Loss on write-off inventory		-	593,094	-	-
Gain on disposal of investment in subsidiary		-	(660,691)	-	-
Loss (gain) on liquidation of subsidiary		(213,142)	-	-	56,180
Write-off goodwill		-	3,659,239	-	-
Dividend income		-	-	-	(2,600,000)
Depreciation		24,972,073	27,680,364	72,322	162,579
Loss (gain) on disposal of assets		(297,873)	25,864	-	-
Loss on write-off film and program rights		11,292,193	741,598	-	-
Loss on impairment of assets		6,369,532	-	-	-
Amortization		13,322,575	92,081,489	9,838	115,366
Write-off withholding tax deducted at source		163,500	151,094	-	-
Income on written-off liabilities account		-	(1,522,503)	-	(820,536)
Revenue from debt renegotiation		(18,179,094)	-	-	-
Employee benefit expenses		(5,700)	409,125	874,143	34,441
Interest expenses		2,358,935	5,225,655	1,102,264	1,810,318
Profit (loss) from operating activities before changes in operating assets and liabilities		67,500,585	(67,292,103)	51,561,658	(14,856,238)
Decrease (increase) in operating assets					
Trade accounts receivable - related parties		1,095,878	2,645,281	(41,923,122)	(6,655)
Trade accounts receivable - other parties		10,275,836	25,053,305	(9,213,866)	(4,190,097)
Inventories		-	(1,015,065)	-	-
Film and program rights		(34,353,823)	(47,310,681)	-	-
Other accounts receivable		230,322	-	-	-
Other current assets		589,774	(953,303)	632,092	(1,575,788)
Prepaid service charge		(1,667,884)	-	(11,602,781)	-
Other non-current assets		-	-	(2,079,590)	-
Increase (decrease) in operating liabilities					
Trade accounts payable - related parties		(1,711,709)	1,658,209	428,358	282,555
Trade accounts payable - others parties		(10,191,855)	61,668,407	14,554,937	3,025,494
Other current liabilities		(519,542)	(258,967)	578,903	91,680
Deposit from rental for digital channel service		20,050,000	9,183,333	24,500,000	-
Cash receipt (paid) from operating activities		51,297,582	(16,621,584)	27,436,589	(17,229,049)
Cash paid for interest expenses		(9,237,337)	(5,086,527)	(535,353)	(1,918,617)
Cash paid for income tax and withholding tax deducted at source		(9,815,688)	(8,539,117)	(3,729,011)	(323,625)
Proceeds from tax refund		553,443	7,207,862	435,924	998,717
Net cash provided by (used in) operating activities		32,798,000	(23,039,366)	23,608,149	(18,472,574)

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

FINANCIAL STATEMENT

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Notes	Baht			
		Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Cash flows from investing activities					
Cash paid for purchase of short-term investments		-	5	-	5
Increase in short - term loans and accrued interest income to related companies		-	-	(59,609,912)	(17,609,912)
Decrease in short-term loans to other companies		-	750,000	-	-
Increase in restricted deposits at financial institutions		(385,560)	(2,173,432)	-	-
Cash paid for addition investment in subsidiary		-	-	(1,999,400)	(600,000)
Proceeds from disposal of investment in subsidiary		-	-	-	7,400,000
Proceeds from disposal of investment in subsidiary net of subsidiary cash balance		-	2,754,973	-	-
Proceeds from liquidation of subsidiary		-	-	-	1,143,820
Proceeds from dividend income		-	-	-	2,600,000
Cash paid for purchase of equipment		(37,243,495)	(11,648,801)	(2,154,982)	(215,712)
Proceeds from disposal of equipment		6,896,300	67,383	-	2,721,547
Cash paid for purchase of intangible assets		(90,785)	(293,856)	(90,785)	-
Decrease (Increase) in deposits and guarantee		(510,051)	1,822,748	-	-
Net cash used in investing activities		(31,333,591)	(8,720,980)	(63,855,079)	(4,560,252)
Cash flows from financing activities					
Decrease in account payable factoring		(8,868,662)	(19,126,678)	-	-
Increase (decrease) in short - term loans from related parties		1,522,269	3,500,000	(24,398,230)	5,625,079
Increase (decrease) in short - term loans from other person		(42,000,000)	30,000,000	-	-
Cash paid for long - term loan from financial institution		(2,202,663)	(8,886,970)	-	-
Cash paid for liabilities under financial lease and hire purchase agreements		(649,634)	(1,190,718)	-	-
Proceeds from advance received from share subscription		-	4,178,838	-	4,178,838
Proceeds from increase in share capital		125,320,898	16,000,000	125,320,898	16,000,000
Proceeds from share subscription of non-controlling interests		-	1,400,000	-	-
Cash paid to non - controlling interests from liquidation of subsidiary		-	(1,660,413)	-	-
Dividends paid for non - controlling interests		-	(3,900,000)	-	-
Net cash provided by financing activities		73,122,208	20,314,059	100,922,668	25,803,917
Net increase in cash and cash equivalents		74,586,617	(11,446,287)	60,675,738	2,771,091
Cash and cash equivalents, beginning of years	8	10,827,632	22,273,919	4,608,888	1,837,797
Cash and cash equivalents, end of years	8	85,414,249	10,827,632	65,284,626	4,608,888

SUPPLEMENTARY INFORMATION OF CASH FLOWS STATEMENTS

Supplementary information of cash flows statement for the years ended December 31, 2012 is as follows:

- 1 Film and program rights payable decreased amounting to Baht 34.71 million in the consolidated financial statements.
- 2 Deposits with financial institutions as collateral decreased by offset with long - term loans from financial institutions amounting to Baht 12.51 million in the consolidated financial statements.
- 3 Payable for acquisition of equipment decreased amounting to Baht 4.18 million and increase to Baht 0.009 million in the consolidated and separate financial statements, respectively.
- 4 Advances received from share subscription decreased amounting to Baht 3.88 million in the Consolidated and separate financial statements.
- 5 The Company has offset accrued expense with advance payment by Baht 0.34 million in separate financial statements.
- 6 Vehicle increase amounting to Baht 2.7 million under financial lease agreements.

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

FINANCIAL STATEMENT

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Supplementary information of cash flows statement for the years ended December 31, 2011 is as follows:

- 1 Film and program rights payable increased amounting to Baht 22.33 million in the consolidated financial statements.
- 2 Payable for acquisition of equipments decreased amounting to Baht 2.17 million and Baht 0.22 million in the consolidated and separate financial statements, respectively.
- 3 Retention payable from construction of billboard decreased amounting to Baht 2.00 million in the consolidated financial statements.
- 4 Equipment increased under hire purchase agreements amounting to Baht 1.21 million in the consolidated financial statements.
- 5 Leasehold improvement and equipment decreased by offset with short-term loan from related company amounting to Baht 3.44 million in the separate financial statements.
- 6 Payable for acquisition of intangible assets decreased amounting to Baht 0.14 million in the consolidated financial statements.
- 7 Unpaid call decreased amounting to Baht 1.40 million in the consolidated financial statements.
- 8 The Company offsets short-term loan from related company with deposits amounting to Baht 1.08 million with investment in subsidiary amounting to Baht 1.50 million and classified as short-term loan from other person amounting to Baht 0.51 million in the separate financial statements.
- 9 Short-term loan from other person increase from the outstanding of non-controlling interests amounting to Baht 0.51 million in the consolidated finance statement as a result from the liquidation of subsidiary

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

FINANCIAL STATEMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. GENERAL INFORMATION

General information

Live Incorporation Public Company Limited was incorporated as a public limited company under the Public Limited Companies Act on June 21, 1994. The Company domiciles and operates with the principal activity to Medias service provider. Its registered address is at 390, Ramkhamhaeng Road, Huamark, Bangkok, Bangkok.

2. BASIS OF PREPARATION

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act, B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the consolidated and separate financial statements has been prepared from the financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

2.2 Basis of consolidated financial statements

- A) The consolidated financial statements include the financial statements of Live Incorporation Public Company Limited and subsidiaries.
- B) "The Company" represents "Live Incorporation Public Company Limited" while "The Group" represents "Live Incorporation Public Company Limited and subsidiaries" as follows :

Companies	Country of registration	Percentage of holding		Business type
		December 31, 2012	December 31, 2011	
<u>Subsidiaries</u>				
Digital Right Pictures Public Company	Thailand	-	99.99	Selling video tapes and

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Companies	Country of registration	Percentage of holding		Business type
		December 31, 2012	December 31, 2011	
Limited ⁽¹⁾				video compact discs
In and On Studio Company Limited ⁽¹⁾	Thailand	-	99.99	Events organizer
Live Radio Company Limited ⁽¹⁾	Thailand	-	97.50	Implement on radio
Live TV Company Limited	Thailand	90.10	90.10	Television program producer via cable T.V. provider
Live Media Group Public Company Limited	Thailand	99.99	99.99	Rental services for advertising space
Popstarz Management Company Limited ⁽¹⁾	Thailand	-	99.99	Providing artist, production and distribution of audio products
Trillion Television Company Limited ⁽¹⁾	Thailand	30.00	30.00	Television program
Thaichaiyo TV Company Limited	Thailand	99.99	-	Television program producer via cable T.V. provider
POP TV Company Limited	Thailand	99.99	-	Television program producer via cable T.V. provider

(1) Dissolution of subsidiaries

- C) Subsidiaries are fully consolidated as from the date of acquisition (being the date on which the Company obtains control and continue to be consolidated) until the date when such control ceases.
- D) The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent significant accounting policies.
- E) Outstanding balances and transactions between the Company and its subsidiaries have been eliminated in the consolidated financial statements.
- F) Non - controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statement of financial position.

FINANCIAL STATEMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

3. ADOPTION OF NEW ACCOUNTING STANDARDS

New accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation

The following new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation are mandatory, but the Company has not early adopted them.

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The effects of Changes in Foreign Exchanges Rate
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

Effective for the periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

The Company's management has determined that the new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation will not significantly impact the financial information being presented, except for TAS 12 Income Taxes and TFRS 8 Operating Segments.

TAS 12, this deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Company will apply this standard from January 1, 2013 retrospectively. The management is currently assessing the impact of applying this standard.

TFRS 8, the standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Company will apply this standard from January 1, 2013. The Company's management has determined that this standard will impact on entity-wide disclosures only. For segment

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

information. Moreover, the Company's management allocates resources and assesses the Company's performance as a whole. Therefore, the Company's management has determined that the current disclosure of segment information is sufficient and consistent with this standard's requirements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

4.2 Investments

Investments other than investments in subsidiaries and associate are classified into the following two categories: trading and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets; for the purpose of these financial statements short term is defined as three months. Investments in non-marketable equity securities are classified as general investments.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments. Trading investment is subsequently carried at fair value. Realized and unrealized gains and losses arising from changes in the fair value of trading investments are included in the statement of comprehensive income in the period in which they arise.

Trading investments are traded in active markets and valued at market value at the close of business on the statements of financial position date by reference to the Stock Exchange of Thailand quoted bid price. In the statement of comprehensive income, the unrealized gains and losses of trading investments.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weight average carrying amount of the total holding of the investment.

4.3 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

4.4 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by weighted average method in Live TV Company Limited. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition

FINANCIAL STATEMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

of the inventory. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

4.5 The Group Accounting - Investments in subsidiaries and associate

(1) Subsidiaries

Subsidiaries, which are those entities in which the Company has power to govern the financial and operating policies, are consolidated.

Subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary.

In the separate financial statements, investments in subsidiaries are reported by using the cost method of accounting.

(2) Associate

Investment in associate company is undertakings in which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which it does not control. Unrealized gains on transactions between the Company and its associate undertakings are eliminated to the extent of the Company's interest in the associate undertakings; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Company's investment in associate undertakings includes goodwill on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associate undertaking reaches zero, unless the Company has incurred obligations or guaranteed obligations in respect of the associate undertaking.

Investments in associate are reported by using the cost method of accounting in the separate financial statement and reported by using the equity method in the consolidated financial statements.

4.6 Leasehold improvement and equipment

Leasehold improvement and equipment are initially recorded at cost. All assets are stated at historical cost less accumulated depreciation.

Depreciation of leasehold improvement and equipment is calculated on the straight-line method over their estimated useful lives are as follows :

	No. of Years
Leasehold improvement	According to period of rental agreement
Billboard	3 - 5
Equipment	5 - 10
Public utilities system	5
Fixtures and office equipment	3 - 5
Vehicles	5

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

When assets are sold or retired, the group will eliminate their costs and accumulated depreciation from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

4.7 Intangible assets

- Licenses

Film, program and Asia series rights are stated at acquisition cost less accumulated amortisation. Licenses are recorded as assets and liabilities for rights acquired and obligations incurred under license agreements when the license period begins, the cost of each program is known or reasonably determinable, the program material is accepted and it is available for the first showing.

Sports content licenses and general entertainment licenses are amortised using the straight-line method over the period of the license or the number of transmission specified in the agreements .

Amortisations of film and program rights are included in "Cost of services". The costs of in-house programs are recorded as expenses when incurred.

- Computer software

Costs associated with developing or maintaining computer software programmers are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year.

Expenditure which enhances or extends the performance computer software programmers beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortized using the straight-line method over their useful lives, not exceeding a period of ten years.

4.8 Goodwill

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

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

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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

4.9 Impairment of assets

Leasehold improvement and equipment, assets not used in operations, intangible assets and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

4.10 Leases

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under finance leases is depreciated over the useful life of the asset. The assets acquired under finance lease are depreciated over the shorter of the useful life of the asset the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired any payment required to be made to the lessor by way the penalty is recognised as an expense in the period in which the termination takes place.

4.11 Employee benefits

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the statement of comprehensive income in the year to which they relate.

The Group provides for post-employment benefits, payable to employees under the Thai Labour Law. The amounts payable in the future depend on the salary and years of service of the respective employees. The liability arising as a result of such

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

regulation is recorded as the present value of estimated future cash outflows using interest rates which have terms to maturities approximating the terms of the related liabilities.

4.12 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

4.13 Revenue recognition

The revenues are recognised as follow:

- Revenue from sales of goods comprises the invoiced value for the sale of goods and services net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.
- Revenues from production of television programmes represent the service income from advertising, promotion and production of television programmes and are stated on the basis of the invoiced value, after deducting discounts and allowances. Service income from advertising and promotion is recognised when services have been broadcasted. Service income from production of television programme is recognised when the production is completed.
- Subscription fees received in advance is recorded as deferred revenue and recognised as income when services are rendered according to the terms in which the service.
- Revenues from marketing activities are recognised when the activities are commenced.
- Revenues from barter transactions on goods or service are recognised when the goods and service are exchange the value of the barter is measured at fair value.
- Revenues from space rental, advertising space rental, service income and management fees are recognized in accordance with the rental and service agreements.
- Rental income - on an accrual basis
- Interest income is recognised on a time proportion basis taking account of the principal outstanding and the effective rate over the period to maturity when it is determined that such income will accrue to the Group.
- Dividend income - when the Group's right to receive payment is established.

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

4.14 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statements of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

4.15 Income tax

The Group records income tax based on the actual amount currently payable according to the tax legislation.

4.16 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of common shares during the year.

4.17 Diluted earnings (loss) per share

Diluted earnings (loss) per share is calculated by dividing net profit (loss) for the years after adjusting the effects of all transactions relating to dilutive potential common shares by the weighted average number of common shares to be issued for conversion of all dilutive potential common shares into common shares.

4.18 Financial instruments

Financial assets carried on the statements of financial position include cash and cash equivalents, accounts receivable, accrued income, loans to and certain parts of other current assets. Financial liabilities carried on the statements of financial position include accounts payable, income tax payable, liabilities under finance lease and hire purchased agreement, loans from and certain parts of other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group is not party to any derivative financial instruments.

4.19 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

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

Impairment of equity investments

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

Leasehold improvement and equipment / depreciation

In determining depreciation of leasehold improvement and equipment, the management is required to make estimates of the useful lives and salvage values of the Group’s leasehold improvement and equipment and to review estimate useful lives and salvage values when there are any changes.

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

Goodwill and intangible assets

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

6. CAPITAL RISK MANAGEMENT

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sells assets to reduce debt.

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

7. RELATED PARTY TRANSACTIONS

Relationship and pricing policy

		Relationships
Related Companies		
Digital Right Pictures Public Company Limited		Subsidiary until May 10, 2012
In and On Studio Company Limited		Subsidiary until May 4, 2012
Live Radio Company Limited		Subsidiary until May 4, 2012
Live TV Company Limited		Subsidiary
BNT Music and Publishing Company Limited		Subsidiary until September 19, 2011
Live Media Group Public Company Limited		Subsidiary
Activemedia (Thailand) Company Limited		Subsidiary until March 9, 2011
Trillion Television Company Limited		Subsidiary
Popstarz Management Company Limited		Subsidiary of Live TV Co., Ltd. until May 4, 2012
Box Office Entertainment Company Limited		Associate
Twin Cherries Company Limited		Shareholding of subsidiary / Directorship in the subsidiary
Future Marketing Communication Group	Company Limited	Shareholding of subsidiary / Directorship in the subsidiary
Thaichaiyo TV Company Limited		Subsidiary
POP TV Company Limited		Subsidiary
Media Intelligence Company Limited		Directorship in the subsidiary
Spa - Hakuodo Company Limited		Directorship in the subsidiary
Delphys Hakuodo (Thailand) Company Limited		Directorship in the subsidiary
Spicy H Company Limited		Directorship in the subsidiary
B-watcher Company Limited		Directorship in the subsidiary until March 9, 2011
We Bangkok Company Limited		Shareholder of subsidiary / Directorship in the subsidiary
Infinity Pro Co., Ltd.		Major shareholder and director son of director

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Relationships
Related person	
Mr. Kiattisak Wangprasertkul	Directorship in the subsidiary until November 9, 2011
Mr. Pakapon Sansirikul	Shareholder of subsidiary

The pricing policies between the Group with related person and parties are as follows:

	Price policies	
	2012	2011
Sales of anti - virus software	-	Approximate to those charged to third parties
Revenues from television media	Approximate to those charged to third parties	Approximate to those charged to third parties
Revenues from marketing event	-	At cost
Revenues from digital channel service management	Mutually agreed price	At cost
Rental income on advertising space	Approximate to those charged to third parties	Approximate to those charged to third parties
Management service income	Baht 300,000 per month	Baht 10,000 per month
Interest income	1.00% - 9.25%, MOR per annum	8.25% - 8.90% per annum
Other income	Mutually agreed price	Mutually agreed price
Cost of services	Mutually agreed price	Baht 50,000 per month
Promotion expenses	-	5.00% - 15.00% of income
Administrative expenses	Baht 20,000 per month, Approximate to those charged to third parties	Baht 20,000 per month, Approximate to those charged to third parties
Interest expenses	1.00% - 9.25%, MOR per annum	3.00% - 8.50%, MOR-4% per annum
Disposal of equipment	-	At net book value
Guarantee	Free of charge	Free of charge
Land rental	Baht 2.25 - 3.60 million per annum	-

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

7.1 Outstanding balance between the Group with related parties

Outstanding balance between the Group with related parties as at December 31, 2012 and 2011 are as follows:

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Trade account receivable and other account receivable related parties				
Trade accounts receivable				
Digital Right Pictures PCL.	263,587,402	-	263,587,402	263,587,402
Live TV Co., Ltd.	-	-	20,852,730	-
Twin Cherries Co., Ltd.	347,500	1,942,000	-	-
Thaichaiyo TV Co., Ltd.	-	-	5,879,834	-
POP TV Co., Ltd.	-	-	5,600,000	-
Future Marketing Communication Group Co., Ltd.	347,500	-	-	-
Media Intelligence Co., Ltd.	-	450,000	-	-
Delphys Hakuhoodo (Thailand) Co., Ltd.	-	450,000	-	-
We Bangkok Co., Ltd.	115,800	-	-	-
Total	264,398,202	2,842,000	295,919,966	263,587,402
<u>Less</u> Allowance for doubtful accounts	(263,587,402)	-	(290,040,132)	(263,587,402)
Net	810,800	2,842,000	5,879,834	-
Accrued income				
Digital Right Pictures PCL.	10,153,894	-	10,153,894	10,153,894
Live TV Co., Ltd.	-	-	3,297,262	3,297,262
Live Media Group PCL.	-	-	1,823,368	6,655
Total	10,153,894	-	15,274,524	13,457,811
<u>Less</u> Allowance for doubtful accounts	(10,153,894)	-	(13,451,156)	(13,451,156)
Net	-	-	1,823,368	6,655
Prepaid expenses				
Box Office Entertainment Co., Ltd.	11,359,200	11,359,200	-	-
<u>Less</u> Allowance for doubtful accounts	(11,359,200)	(11,359,200)	-	-

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Net	-	-	-	-
Prepaid land rental				
Infinity Pro Co., Ltd.	705,000	-	705,000	-
Advance payment				
Live TV Co., Ltd.	-	-	7,639,282	944,256
Popstarz Management Co., Ltd.	10,520	-	10,520	-
Thaichaiyo TV Co., Ltd.	-	-	6,200	-
POP TV Co., Ltd.	-	-	15,913	-
Total	10,520	-	7,671,915	944,256
<u>Less</u> Allowance for doubtful accounts	(10,520)	-	(7,639,282)	(944,256)
Net	-	-	32,633	-
Trade accounts receivable - related parties - net	1,515,800	2,842,000	8,440,835	6,655
Short - term loans to and accrued interest income				
Short - term loans to				
Digital Right Pictures PCL. *	141,272,934	-	141,272,934	141,246,714
In and On Studio Co., Ltd. *	12,763,982	-	12,763,982	12,791,535
Live Radio Co., Ltd. *	101,217,567	-	101,217,567	101,272,128
Live TV Co., Ltd.	-	-	74,261,637	18,167,802
POP TV Co., Ltd.	-	-	2,100,000	-
Total	255,254,483	-	331,616,120	273,478,179
<u>Less</u> Allowance for doubtful accounts	(255,254,483)	-	(331,616,120)	(273,478,179)
Net	-	-	-	-
Accrued interest income				
Digital Right Pictures PCL.	24,786,979	-	24,786,979	24,786,979
Live Radio Co., Ltd.	6,516,587	-	6,516,587	6,516,587
Live TV Co., Ltd.	-	-	1,485,447	137,329

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
POP TV Co., Ltd.	-	-	2,680	-
Total	31,303,566	-	32,791,693	31,440,895
<u>Less</u> Allowance for doubtful accounts	(31,303,566)	-	(32,791,693)	(31,440,895)
Net	-	-	-	-
Short - term loans to and accrued interest income	-	-	-	-
<i>*Interest charge is ceased.</i>				
Trade account payable and other account payable related parties				
Trade accounts payable				
Twin Cherries Co., Ltd.	-	200,000	-	-
Trillion Television Co., Ltd.	-	-	347,500	-
Total	-	200,000	347,500	-
Accrued expenses				
Live TV Co., Ltd.	-	-	20,000	-
Live Media Group PCL.	-	-	343,413	282,555
Media Intelligence Co., Ltd.	-	1,052,459	-	-
Spa - Hakuholdo Co., Ltd.	-	159,250	-	-
Total	-	1,211,709	363,413	282,555
Unearned revenues				
Media Intelligence Co., Ltd.	-	100,000	-	-
Spa - Hakuholdo Co., Ltd.	-	200,000	-	-
Total	-	300,000	-	-
Trade accounts payable - related party	-	1,711,709	710,913	282,555
Short - term loans from and accrued interest expenses				
Short - term loans from				
Live Media Group PCL.	-	-	-	24,398,230

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Mr.Pakapon Sansirikul	-	5,000,000	-	-
Total	-	5,000,000	-	24,398,230
Accrued interest expenses				
Live Media Group PCL.	-	-	751,333	184,424
Mr.Pakapon Sansirikul	-	109,849	-	-
Total	-	109,849	751,333	184,424
Short - term loans from and accrued interest expenses	-	5,109,849	751,333	24,582,654
Advance received				
Mr. Kiattisak Wangprasertkul	-	800,000	-	-

The movement of short - term loans to and loans from related parties in the separate financial statements for the year ended December 31, 2012 are as follow:

	Baht		
	Balance as at January 1,	Movement	
	2012	Addition	Deduction
Short - term loans to			
Digital Right Pictures PCL.	141,246,714	26,220	-
In and On Studio Co., Ltd.	12,791,535	22,470	(50,023)
Live Radio Co., Ltd.	101,272,128	22,270	(76,831)
Live TV Co., Ltd.	18,167,802	78,433,835	(22,340,000)
POP TV Co., Ltd	-	2,100,000	-
Total	273,478,179	80,604,795	(22,466,854)
Short-term loans from			
Live Media Group PCL.	24,398,230	-	(24,398,230)

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

The movement of short - term loans from related person in the consolidated financial statements for the year ended December 31, 2012 is as follow:

	Baht			
	Balance as at January 1, 2012	Movement		Balance as at December 31, 2012
		Addition	Deduction	
<u>Short - term loans from</u>				
Mr.Pakapon Sansirikul	5,000,000	-	(5,000,000)	-

7.2 Revenues and expenses transaction between the Group with related parties

Revenues and expenses transaction between the Group with related parties for the years ended December 31, 2012 and 2011 are as follows:

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Sales of anti-virus software				
Bwatcher Co., Ltd.	-	211,784	-	-
Revenues from television media				
Twin Cherries Co., Ltd.	-	5,562,000	-	-
Media Intelligence Co., Ltd.	-	1,620,000	-	-
Spa - Hakuhoodo Co., Ltd.	-	1,350,000	-	-
Delphys Hakuhoodo (Thailand) Co., Ltd.	-	1,600,000	-	-
Spicy H Co., Ltd.	-	872,720	-	-
We Bangkok Co., Ltd.	-	200,000	-	-
Total	-	11,204,720	-	-
Revenues from marketing event				
Live TV Co., Ltd.	-	-	-	2,569,800
Revenues from digital channel service management				
Live TV Co., Ltd.	-	-	29,909,964	4,416,057
Thaichaiyo Co., Ltd.	-	-	5,879,834	-
POP TV Co., Ltd.	-	-	5,600,000	-

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Total	-	-	41,389,798	4,416,057
Rental income on advertising space				
Spa - Hakuodo Co., Ltd.	-	1,200,000	-	-
Management service income				
Live Media Group PCL.	-	-	1,800,000	-
BNT Music and Publishing Co., Ltd.	-	-	-	90,000
Total	-	-	1,800,000	90,000
Dividend income				
Activemedia (Thailand) Co., Ltd.	-	-	-	2,600,000
Interest income				
Live TV Co., Ltd.	-	-	1,348,118	484,640
POP TV Co., Ltd	-	-	2,680	-
	-	-	1,350,798	484,640
Other income				
Live TV Co., Ltd.	-	-	-	2,653,846
Live Media Group PCL.	-	-	20,451	685,224
Total	-	-	20,451	3,339,070
Cost of services				
Twin Cherries Co., Ltd.	-	150,000	-	-
Selling expenses				
Media Intelligence Co., Ltd.	-	963,434	-	-
Spa - Hakuodo Co., Ltd.	-	72,500	-	-
Total	-	1,035,934	-	-
Administrative expenses				
Live Media Group PCL.	-	-	343,413	282,555

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Live TV Co., Ltd.	-	-	240,000	240,000
Total	-	-	583,413	522,555
Land rental				
Infinity Pro Co., Ltd.	1,545,000	-	1,545,000	-
Doubtful accounts				
Live TV Co., Ltd.	-	-	85,060,670	-
POP TV Co., Ltd.	-	-	7,702,680	-
Total	-	-	92,763,350	-
Interest expenses				
Live TV Co., Ltd.	-	-	-	122,443
BNT Music and Publishing Co., Ltd.	-	-	-	45,282
Live Media Group PCL.	-	-	1,102,263	1,642,594
Mr.Pakapon Sansirikul	-	328,373	-	-
Total	-	328,373	1,102,263	1,810,319
Disposal of equipments				
Live TV Co., Ltd.	-	-	-	6,158,528

8. CASH AND CASH EQUIVALENTS

	Baht			
	Consolidated	financial	Separate	
	statements		financial statements	
	2012	2011	2012	2011
Cash	51,215	258,085	11,907	80,151
Deposits held at call with banks	85,363,034	10,569,547	65,272,719	4,528,737
Total	85,414,249	10,827,632	65,284,626	4,608,888

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

9. TRADE ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE - NET

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
<u>Related parties</u>				
Trade accounts receivable				
Not yet due	-	1,242,000	2,223,055	-
Overdue				
Less than 3 months	-	1,100,000	5,443,292	-
3 - 6 months	-	500,000	24,666,218	-
6 - 12 months	-	-	-	-
More than 12 months	264,398,202	-	263,587,402	263,587,402
Total	264,398,202	2,842,000	295,919,967	263,587,402
<u>Less</u> Allowance for doubtful accounts	(263,587,402)	-	(290,040,133)	(263,587,402)
Net	810,800	2,842,000	5,879,834	-
Other accounts receivable				
Accrued Income	10,153,894	-	15,274,524	-
Other account receivable	-	-	-	13,457,812
Prepaid expenses	705,000	-	705,000	-
Advance payment	10,520	-	7,671,915	-
Net	10,869,414	-	23,651,439	13,457,812
<u>Less</u> Allowance for doubtful accounts	(10,164,414)	-	(21,090,438)	(13,451,157)
Net	705,000	-	2,561,001	6,655
Total trade and other accounts receivable - related parties - net	1,515,800	2,842,000	8,440,835	6,655

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
<u>Other parties</u>				
Trade accounts receivable				
Not yet due	7,235,408	16,711,211	1,450,250	-
Overdue				
Less than 3 months	5,911,690	14,131,885	3,052,000	-
3 - 6 months	300,000	6,139,180	-	-
6 - 12 months	2,343,330	6,931,865	-	2,000,000
More than 12 months	85,177,895	204,562,323	51,727,563	49,727,563
Total Trade accounts receivable	100,968,323	248,476,464	56,229,813	51,727,563
Post - dated cheque	-	-	-	-
Total Trade accounts receivable and Post – dated cheque	100,968,323	248,476,464	56,229,813	51,727,563
<u>Less</u> Allowance for doubtful accounts	(74,801,275)	(204,639,572)	(51,727,563)	(49,727,563)
Net	26,167,048	43,836,892	4,502,250	2,000,000
Other accounts receivable				
Accrued income	10,835,423	8,336,898	5,830,061	1,696,260
Other account receivable	16,951,375	16,848,773	16,842,305	16,743,666
Prepaid expenses	6,193,116	3,333,854	627,229	148,054
Advance payment	612,845	731,817	166,106	166,106
Total	34,592,759	29,251,342	23,465,701	18,754,086
<u>Less</u> Allowance for doubtful accounts	(22,522,978)	(18,754,083)	(18,439,925)	(18,439,925)
Net	12,069,781	10,497,259	5,025,776	314,161
Total trade and other accounts receivable - other parties - net	38,236,829	54,334,151	9,528,026	2,314,161

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

As at December 31, 2011 a subsidiaries has transferred the ownership of debt collection in some trade accounts receivables to the accounts payable factoring amounting of Baht 11.09 million. (Note 20)

A subsidiary had advance payments for radio station rental of three radio waves amounting to Baht 43.12 million to a company (lessor) for producing radio programs based on agreements since 2005. The subsidiary has lawsuit with such lessor as follows:

9.1 On March 29, 2006, the subsidiary had entered the memorandum to terminate agreements for two radio waves owing that such lessor could not transfer the radio waves to subsidiary within the specific period in memorandum. Then, the subsidiary requested the lessor to return all advance payments for radio station rental and the lessor had paid by 12 post-date cheques. At the due date on post date cheques, the bank had refused the payment and the subsidiary had provided fully allowance doubtful debts for such post-date cheques and had proceed in the litigation to lessor.

9.2 On August 1, 2006, the subsidiary had terminated radio station rental agreement for one radio wave and requested the lessor to return all advance payments for radio station rental owing that the broadcast signal of such radio station had been suspended from Armed forces. Such lessor had refused to return advance payment to the subsidiary. Then, the subsidiary had provided fully allowance doubtful debts for such advance payment and had proceed in the litigation to lessor.

The subsidiary has proceeded in the litigation to lessor since 2007. The Court of First Instance had a ruling to order the counter party as lessor to pay Baht 35.97 million to the subsidiary, the subsidiary had filed a petition to the Legal Execution Department for further process by the official receiver and the Court had ordered to temporary disposal for lawsuit for some cheques in the mentioned above 9.1 and lawsuit in the mentioned above 9.2.

10. INVENTORIES - NET

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Inventories	-	503,529	-	-
<u>Less</u> Allowance for obsolescence	-	(503,529)	-	-
Net	-	-	-	-

11. DEFERRED FILM PRODUCTION COST - NET

	Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Deferred film production cost	10,567,157	10,567,157	10,567,157	10,567,157
<u>Less</u> Allowance for obsolescence	(10,567,157)	(10,567,157)	(10,567,157)	(10,567,157)
Net	-	-	-	-

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

12. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2012 and 2011, the subsidiaries held restricted deposits pledged as collateral for long - term loan from financial institution (Note 22) and letter of guarantee from rental (Note 33.2.2) with financial institutions amounting of Baht 3.63 million and Baht 15.75 million, respectively.

On January 27, 2012 the subsidiaries transferred restricted deposits at financial institutions amounting of Baht 12.5 million for repayment of long - term loan from financial institution. (Note 22)

13. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANY - NET

	Separate financial statements							
	Paid-up capital		Proportion of		At cost		Dividend income	
	(Million Baht)		shareholding (%)		(Baht)		(Baht)	
	2012	2011	2012	2011	2012	2011	2012	2011
<u>Subsidiaries</u>								
					494,130,00	494,130,00	-	-
Digital Right Pictures PCL.	576.00	576.00	99.99	99.99	0	0		
In and On Studio Co., Ltd.	20.00	20.00	99.99	99.99	19,998,000	19,998,000	-	-
Live Radio Co., Ltd.	100.00	100.00	97.50	97.50	97,500,000	97,500,000	-	-
Live TV Co., Ltd.					138,750,00	138,750,00	-	-
	154.00	154.00	90.10	90.10	0	0		
Live Media Group PCL.					145,283,20	145,283,20	-	-
	45.00	45.00	99.99	99.99	4	4		
Trillion Television Co., Ltd.	2.00	2.00	30.00	30.00	600,000	600,000	-	-
Thaichaiyo TV Co., Ltd.	1.00	-	99.99	-	999,700	-	-	-
POP TV Co., Ltd.	1.00	-	99.99	-	999,700	-	-	-
<u>Associated company</u>							-	-
Box Office Entertainment Co., Ltd.	100.00	100.00	40.00	40.00	19,500,489	19,500,489	-	-
					917,761,09	915,761,69	-	-
Total					3	3		
<u>Less</u> Allowance for impairment loss								
on value					(876,761,39	(875,761,69		
of investments					3)	3)	-	-
Net					40,999,700	40,000,000	-	-

13.1 Dissolution of subsidiaries

Digital Right Pictures Public Company Limited.

FINANCIAL STATEMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

At the extra - ordinary shareholders' meeting of Digital Right Pictures Public Company Limited on April 27, 2012, the shareholders approved the resolution to liquidation of the company. Such subsidiary registered the dissolution with Department of Business Development on May 10, 2012. However, Subsidiary is in the settlement process.

In and On Studio Company Limited.

At the extra - ordinary shareholders' meeting of In and On Studio Company Limited on April 27, 2012, the shareholders approved the resolution to liquidation of the company. Such subsidiary registered the dissolution with Department of Business Development on May 4, 2012. However, Subsidiary is in the settlement process.

Live Radio Company Limited.

At the extra - ordinary shareholders' meeting of Live Radio Company Limited on April 27, 2012, the shareholders approved the resolution to liquidation of the company. Such subsidiary registered the dissolution with Department of Business Development on May 4, 2012. However, Subsidiary is in the settlement process.

Popstarz Management Company Limited.

At the extra - ordinary shareholders' meeting of Popstarz Management Company Limited on April 27, 2012, the shareholders approved the resolution to liquidation of the company. Such subsidiary registered the dissolution with Department of Business Development on May 4, 2012. However, Subsidiary is in the settlement process.

Trillion Television Company Limited.

At the extra - ordinary shareholders' meeting of Trillion Television Company Limited on April 27, 2012, the shareholders approved the resolution to liquidation of the company. Such subsidiary registered the dissolution with Department of Business Development on May 29, 2012. However, Subsidiary is in the settlement process.

13.2 Dividends payment of subsidiaries

At the extra-ordinary shareholders' meeting of Activemedia (Thailand) Co., Ltd. on February 4, 2011, the shareholders approved the resolution to pay the dividend for 25,000 shares at Baht 260.00 per share. The Company has got dividend amounting Baht 2.60 million and the non-controlling interest has got dividend amounting Baht 3.90 million.

13.3 Disposal of investment

On March 9, 2011, the Company disposed all of its investment in Activemedia (Thailand) Co., Ltd.

The net book value of assets and liabilities at disposal date as follows:

	Baht
Cash and cash equivalents	4,645,026.73
Trade accounts receivable - related party - net	734,039.41
Trade accounts receivable - others parties - net	14,663,808.64
Inventories - net	6,304,376.42
Prepaid expenses	155,725.94
Other current assets	393,154.75
Leasehold improvement and equipment - net	8,218,945.47

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Intangible assets - net	403,884.90
Deposits and guarantee	1,039,652.50
Trade accounts payable	(8,111,998.22)
Current portion of liabilities under financial lease agreements	(246,591.33)
Income tax payable	(2,811,855.00)
Accrued expenses	(897,894.52)
Liabilities under financial lease agreements - net	(22,687.58)
Other current liabilities	(7,469,314.83)
Book value of net assets	16,998,273.28

14. INVESTMENTS IN OTHER COMPANIES - NET

Consolidated financial statements

	Paid-up capital (Million Baht)		Proportion of shareholding (%)		At cost (Baht)	
	2012	2011	2012	2011	2012	2011
UMG Entertainment Co., Ltd.						
(Cinema hall)	100.00	100.00	15.00	15.00	15,000,000	15,000,000
V-Two Network Co., Ltd.						
(Sales of music and video tape cassette)	3.13	3.13	19.00	19.00	28,500,000	28,500,000
Total					43,500,000	43,500,000
<u>Less</u> Allowance for impairment loss on value of investments					(43,500,000)	(43,500,000)
Net					-	-

Separate financial statements

	Paid-up capital (Million Baht)		Proportion of shareholding (%)		At cost (Thousand Baht)	
	2012	2011	2012	2011	2012	2011
UMG Entertainment Co., Ltd.						
(Cinema hall)	100.00	100.00	15.00	15.00	15,000,000	15,000,000
<u>Less</u> Allowance for impairment loss on value of investment					(15,000,000)	(15,000,000)
Net					-	-

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

15. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

Consolidated financial statements

	Baht							
	Leasehold improvement	Billboard	Equipment	Public utilities system	Fixtures and office equipment	Vehicles	Billboard installment	Total
For the year ended December 31, 2011								
Beginning net book value	24,026,695	20,712,453	62,483,874	5,294	12,198,851	2,926,633	-	122,353,800
<u>Add</u> Acquisitions	200,768	-	5,631,088	-	1,775,863	1,075,051	-	8,682,770
<u>Less</u> Disposals	-	(84,401)	-	-	(8,846)	-	-	(93,247)
Assets of subsidiary at deconsolidated date	(2,825,168)	-	-	-	(4,951,589)	(442,188)	-	(8,218,945)
Depreciation	(3,647,039)	(8,028,448)	(11,978,746)	(5,285)	(3,157,926)	(862,920)	-	(27,680,364)
Ending net book value	17,755,256	12,599,604	56,136,216	9	5,856,353	2,696,576	-	95,044,014
As at December 31, 2011								
Cost	32,840,752	59,829,614	106,013,084	599,372	13,745,779	5,788,491	-	218,817,092
<u>Less</u> Accumulated depreciation	(15,085,496)	(47,230,010)	(49,876,868)	(599,363)	(7,889,426)	(3,091,915)	-	(123,773,078)
Net book value	17,755,256	12,599,604	56,136,216	9	5,856,353	2,696,576	-	95,044,014

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht							
	Leasehold improvement	Billboard	Equipment	Public utilities system	Fixtures and office equipment	Vehicles	Billboard installment	Total
For the year ended December 31, 2012								
Beginning net book value	17,755,256	12,599,604	56,136,216	9	5,856,353	2,696,576	-	95,044,014
<u>Add</u> Acquisitions	24,000	11,153,555	1,907,629	-	289,235	3,449,000	18,935,814	35,759,233
<u>Less</u> Disposals	(6,393,524)	(1)	(8,401)	-	(73,889)	(341,161)	-	(6,816,976)
Assets of subsidiary at deconsolidated date	-	-	-	-	-	-	(6,150,983)	(6,150,983)
Depreciation	(2,697,861)	(8,009,663)	(11,312,306)	-	(2,407,745)	(544,497)	-	(24,972,072)
Ending net book value	<u>8,687,871</u>	<u>15,743,495</u>	<u>46,723,138</u>	<u>9</u>	<u>3,663,954</u>	<u>5,259,918</u>	<u>12,784,831</u>	<u>92,863,216</u>
As at December 31, 2012								
Cost	22,487,941	68,726,462	107,898,338	599,371	13,860,535	7,517,739	12,784,831	233,875,217
<u>Less</u> Accumulated depreciation	(13,800,070)	(52,982,967)	(61,175,200)	(599,362)	(10,196,581)	(2,257,821)	-	(141,012,001)
Net book value	<u>8,687,871</u>	<u>15,743,495</u>	<u>46,723,138</u>	<u>9</u>	<u>3,663,954</u>	<u>5,259,918</u>	<u>12,784,831</u>	<u>92,863,216</u>

FINANCIAL STATEMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Separate financial statements

		Baht				
		Leasehold improvement	Public utilities system	Fixtures and office equipment	Equipment	Total
For the year ended	December					
31, 2011						
Beginning net book value		4,542,431	5,294	1,773,390	-	6,321,115
<u>Less</u> Disposals		(4,471,221)	-	(1,687,307)	-	(6,158,528)
Depreciation		(71,210)	(5,285)	(86,083)	-	(162,578)
Ending net book value		-	9	-	-	9
As at December 31, 2011						
Cost		-	599,371	-	-	599,371
<u>Less</u> Accumulated depreciation		-	(599,362)	-	-	(599,362)
Net book value		-	9	-	-	9
For the year ended	December					
31, 2012						
Beginning net book value		-	9	-	-	9
<u>Add</u> Acquisitions		-	-	280,035	1,883,629	2,163,664
<u>Less</u> Depreciation		-	-	(14,973)	(57,349)	(72,322)
Ending net book value		-	9	265,062	1,826,280	2,091,351
As at December 31, 2012						
Cost		-	599,371	280,035	1,883,629	2,763,035
<u>Less</u> Accumulated depreciation		-	(599,362)	(14,973)	(57,349)	(671,684)
Net book value		-	9	265,062	1,826,280	2,091,351

As at December 31, 2012 the Group and the Company has fully depreciated of leasehold improvement and equipment which are still in use, the cost of such assets has amounted to Baht 48.04 million and Baht 0.60 million, respectively (2011: Baht 39.67 million and Baht 0.60 million, respectively).

As at December 31, 2012, leased assets included above, where the Group is a lessee under hire purchase agreements and finance lease agreements, comprise equipment and vehicle under installation with net book value of Baht 4.64 million in the consolidated financial statements (2011 : Baht 2.37 million in the consolidated financial statements).

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

16. ASSETS NOT USED IN OPERATIONS - NET

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Equipment for broadcast	1,492,916	1,492,916	-	-
Fixtures and office equipment	224,779	224,779	-	-
<u>Less</u> Accumulated depreciation	(1,164,957)	(1,164,957)	-	-
Allowance for impairment	(552,738)	(552,738)	-	-
Net	-	-	-	-

17. INTANGIBLE ASSETS - NET

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Current (film and program rights)	-	16,837,846	-	-
Non - current	774,337	8,743,138	89,493	8,546
Total	774,337	25,580,984	89,493	8,546

Consolidated financial statements

	Baht			
	Copyrights	Computer software	Developed software	Total
For the year ended December 31, 2011				
Beginning net book value	75,258,177	1,668,550	-	76,926,727
<u>Add</u> Acquisitions	47,310,682	-	434,000	47,744,682
<u>Less</u> Adjustment	(5,863,453)	-	-	(5,863,453)
Amortization	(91,726,362)	(355,126)	-	(92,081,488)
Loss on write-off film and program rights	(741,598)	-	-	(741,598)
Assets of subsidiary at deconsolidated date	-	(403,885)	-	(403,885)
Net book value	24,237,446	909,539	434,000	25,580,985

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht			
	Copyrights	Computer software	Developed software	Total
As at December 31, 2011				
Cost	183,161,507	2,173,901	434,000	185,769,408
<u>Less</u> Accumulated amortization	(148,559,292)	(1,264,362)	-	(149,823,654)
Allowance for impairment	(10,364,769)	-	-	(10,364,769)
Net book value	24,237,446	909,539	434,000	25,580,985
For the year ended December 31, 2012				
Beginning net book value	24,237,446	909,539	434,000	25,580,985
<u>Add</u> Acquisitions	-	90,785	-	90,785
<u>Less</u> Adjustment	(282,665)	-	-	(282,665)
Amortization	(23,954,781)	(9,838)	-	(23,964,619)
Loss on write-off computer software	-	(650,149)	-	(650,149)
Ending net book value	-	340,337	434,000	774,337
As at December 31, 2012				
Cost	162,804,204	1,686,562	434,000	164,924,766
<u>Less</u> Accumulated amortization	(155,218,504)	(1,346,225)	-	(156,564,729)
Allowance for impairment	(7,585,700)	-	-	(7,585,700)
Net book value	-	340,337	434,000	774,337

Separate financial statements

	Baht		
	Copyrights	Computer software	Total
For the year ended December 31, 2011			
Beginning net book value	-	123,912	123,912
<u>Less</u> Amortization	-	(115,366)	(115,366)
Ending net book value	-	8,546	8,546
As at December 31, 2011			
Cost	22,110,551	576,832	22,687,383
<u>Less</u> Accumulated amortization	(14,324,237)	(568,286)	(14,892,523)
Allowance for impairment	(7,786,314)	-	(7,786,314)

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht		
	Copyrights	Computer software	Total
Net book value	-	8,546	8,546
For the year ended December 31, 2012			
Beginning net book value	-	8,546	8,546
<u>Add</u> Acquisitions	-	90,785	90,785
<u>Less</u> Amortization	-	(9,838)	(9,838)
Ending net book value	-	89,493	89,493
As at December 31, 2012			
Cost	7,585,700	89,493	7,675,193
<u>Less</u> Accumulated amortization	-	-	-
Allowance for impairment	(7,585,700)	-	(7,585,700)
Net book value	-	89,493	89,493

18. GOODWILL - NET

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Goodwill	7,108,183	7,108,183	-	-
<u>Less</u> Allowance for impairment	(7,108,183)	(7,108,183)	-	-
Net	-	-	-	-

19. DEPOSITS AND GUARANTEE – NET

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Deposits and guarantee	10,401,906	13,534,852	6,697,973	4,565,380
<u>Less</u> Allowance for doubtful accounts	(4,581,382)	(8,224,380)	(4,581,383)	(4,528,380)
Net	5,820,524	5,310,472	2,116,590	37,000

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

20. ACCOUNT PAYABLE FACTORING

As at December 31, 2012 a subsidiaries have no balance of account payable factoring amounting to Baht 8.87 million. The subsidiaries have the credit facility amounting to Baht 50.00 million, at the interest rates of MOR+1% per annum. As at December 31, 2011 the subsidiaries have transferred the ownership of debt collection in some trade accounts receivables amounting of Baht 11.09 million (Note 9) to the accounts payable factoring and guaranteed by the Company.

21. SHORT - TERM LOANS FROM OTHER PERSONS

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Short - term loans from other persons	512,293	42,512,293	512,293	512,293
Interest rate of per annum (%)	1.00 – 9.00	3.00 – 9.00	-	-

22. LONG - TERM LOAN FROM FINANCIAL INSTITUTION - NET

	Baht					
	Interest rate (%) of		Consolidated		Separate	
	per annum		financial statements		financial statements	
	2012	2011	2012	2011	2012	2011
Long - term loan	9.25	8.25 - 9.25	-	14,712,663	-	-
<u>Less</u> Current portion			-	(9,601,494)	-	-
Net			-	5,111,169	-	-

The movement of loan from financial institution for the year ended December 31, 2012 is as follows:

	Baht
	Consolidated financial statements
Beginning balance	14,712,663
<u>Less</u> Repayment	(14,712,663)
Ending balance	-

A subsidiary has the credit facility with finance institution amounting to Baht 25.00 million. The loan is bearing floating interest rates specified by as financial institution and has repayment condition (the 1st - 4th period paid only interest, the 5th - 36th period paid loans with interest amounting of Baht 0.88 million each by monthly). The first payment is paid in July 31, 2010. Such loan is guaranteed by deposit at financial institution (Note 12), the Company, subsidiary's director.

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Under the loan agreement, such subsidiary must comply with the condition of loan covenants such as no share capital reduction, no dividend payment and maintaining the debt to equity ratio.

On January 27, 2012, the subsidiary paid the whole outstanding principal by transferring restricted deposits at a financial institution amounting to Baht 12.5 million (Note 12), and paid by cheque for the rest.

23. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS – NET

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Liabilities under financial lease agreements	3,278,074	381,180	-	-
<u>Less</u> : Deferred interest	(387,881)	(11,921)	-	-
	2,890,193	369,259	-	-
<u>Less</u> : Current portion	(910,948)	(218,058)	-	-
Net	1,979,245	151,201	-	-

24. LIABILITIES UNDER HIRE PURCHASE AGREEMENTS – NET

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Liabilities under hire purchase agreements	912,908	1,380,485	-	-
<u>Less</u> : Deferred interest	(69,928)	(66,187)	-	-
	842,980	1,314,298	-	-
<u>Less</u> : Current portion	(364,925)	(563,857)	-	-
Net	478,055	750,441	-	-

25. EMPLOYEE BENEFIT OBLIGATIONS

The Group adopted TAS 19 Employee Benefits with effect from January 1, 2011

The Group operates a post employment benefit and pension based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits and other long term benefit to employees based on pensionable remuneration and length of service.

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Movement in the present value of the defined benefit obligations for the years ended December 31, 2012 and 2011:

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Defined benefit obligations at January 1, 2012				
	1,603,718	1,194,593	152,867	118,426
Current service costs and interest	(5,700)	409,125	874,143	34,441
Defined benefit obligations at December 31, 2012	1,598,018	1,603,718	1,027,010	152,867

Expense recognised in profit or loss for the years ended December 31, 2012 and 2011:

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Current service costs	(53,228)	341,388	842,786	27,984
Interest on obligation	47,528	67,737	31,357	6,457
Total	(5,700)	409,125	874,143	34,441

The above expense recognised in the statements of comprehensive income is recognised in the following line items for the years ended December 31, 2012 and 2011:

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Cost of sales	(356,953)	162,945	-	-
Selling expenses	(7,091)	12,547	-	-
Administrative expenses	40,073	91,658	645,648	8,781
Managements' remuneration	318,271	141,975	228,495	25,660
Total	(5,700)	409,125	874,143	34,441

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Principal actuarial assumptions at the reporting date for the years ended December 31, 2012 and 2011:

	Consolidated statements	financial	Separate statements	financial
	2012	2011	2012	2011
Discount rate	4.41%	4.41%	4.41%	4.41%
Salary increase rate	3.94%	3.54% - 3.94%	3.94%	3.54%
Mortality rate	80%	TMO 1997	80%	TMO1997
	(Thai Mortality Ordinary Table B.E.2551)	(Thai Mortality Ordinary Table B.E.2540)	(Thai Mortality Ordinary Table B.E.2551)	(Thai Mortality Ordinary Table B.E.2540)

26. SHARE CAPITAL

- According to resolution in the Board of Directors' meeting No. 1/2009, held on January 7, 2009 has determined offering date (on January 22, 2009) for sale warrants, issued at first time by Live Incorporation: called LIVE-W1 in the number of 2,300,000,000 units to their existing shareholders. The existing shareholders shall purchase the common shares of Live Incorporation PCL. at selling price of Baht 0 per share: in a ratio of 2 former common shares equivalent to 1 warrant. 1 warrant can be used to buy 1 new common share with exercise price of Baht 0.20. The book closing date is on January 23, 2009. As a result, 2,299,780,337 units of warrants are allocated to existing shareholders and remaining 219,663 units of warrants are already cancelled.
- On February 16, 2009, 2,299,780,337 share warrants of the Company were approved to be traded in the Stock Exchange of Thailand and can be exercised in each quarter. The first and last exercise dates will be on March 31, 2009 and January 21, 2014, respectively.

	Unit
Share warrants	2,299,780,337
Warrants exercised	
As at March 31, 2009	(2,020)
As at September 30, 2009	(505)
As at September 30, 2011	(80,000,000)
As at December 31, 2012	(1,500,000)
Warrants had not been exercised	2,218,277,812

As at December 31, 2012, The Company recorded cash receipt from warrants exercise of Baht 299,912.10 The Company registered the increase in paid-up share capital from such exercise with the Department of Business Development on January 4, 2013 for 1,728,600 common shares. The increase share capital was approved to be traded in Stock Exchange of Thailand on January 21, 2013.

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

As at September 30, 2011, The Company recorded cash receipt from warrants exercise of Baht 16,000,000.00. The Company registered the increase in paid-up share capital from such exercise with the Department of Business Development on October 11, 2011 for 80,000,000 common shares. The increase share capital was approved to be traded in Stock Exchange of Thailand on October 20, 2011.

According to the resolution in the extraordinary shareholders' meeting on December 2, 2011 has approved a resolution to allot additional common shares from Baht 383,977,851.90 (3,839,778,519 common shares with a par value of Baht 0.10 per share) to Baht 929,955,774.50 (9,299,557,745 common shares with a par value of Baht 0.10 per share) by allot additional 3,240,001,414 common shares with a par value of Baht 0.10 per share to their existing shareholders in a ratio of 1 former common shares equivalent to 2 common shares newly common shares at price of Baht 0.10 per share and allot additional 2,219,777,812 common shares with a par value of Baht 0.10 per share to reserve for the adjustment of rights under warrants (LIVE-W1) and the Company has adjusted the exercise of warrants (LIVE-W1) to warrant a unit can be used to buy common shares at 1.1524 new common shares and warrant can be used to buy 1 new common share at the exercise price of Baht 0.1735 the Company registered with the Department of Business Development on December 9, 2011.

As at December 31, 2011 the Company in record received from existing shareholder's amount to Baht 4,178,838.80.

The Board of Directors Meeting on March 16, 2012 has resolved to amend the conditions of newly issued common stock as the resolution from the Extraordinary Shareholders' Meeting no. On December 2, 2011 for the remaining 2,752,165,140 shares after the first right exercise. The Board of Directors has resolved as follows:

1. The resolution to allocate newly issued of 2,752,165,140 common shares at par value of 0.10 Baht to the shareholders by right offering at the ratio of 1 existing share for 1.3056 new shares (any fractions/remainder shall be disregarded). The offering price will be 0.10 Baht per share. In case that there are newly issued common stocks remained from the allocation to shareholders, the Company will allocate them to shareholders who present their intention to exercise their excess right until the shares are totally allocated or not be able to allocate due to remainder or until there is no any shareholders wish to buy such shares.
2. In case that there are shares remaining from allocation according to right offering or excess right as mentioned in clause 1, it would be offered for private placement or public offering and/or as deemed appropriate by the Board of Directors, the Board of Directors will consider and determine terms on allocating such newly issued common shares.

According to the 2012 Annual General Meeting of Shareholders held on April 30, 2012, resolved to change the condition of the allocation of 2,752,165,140 shares remaining from the first to allot 2,752,165,140 shares to shareholders in proportion with their shareholdings (Right Offering) at the ratio of 1 existing share to 1.3056 new shares (any fractions/remainder shall be disregarded). The offering price will be Baht 0.10 per share.

On January 20, 2012, the Company registered the increased paid-up share capital with the Ministry of Commerce from Share 1,620,000,707 to Share 2,107,836,981 owing that the Company received the payment of paid-up share capital of Baht 48,783,627.40 in accordance with the resolution of the extraordinary shareholders' meeting held on December 2, 2011.

On July 9, 2012, the Company registered the increased paid-up share capital with the Ministry of Commerce from Share 2,911,998,954 to Share 2,107,836,981 owing that the Company received the payment of paid-up share capital of Baht 80,416,197.30 in accordance with the resolution of the extraordinary shareholders' meeting held on April 30, 2012.

FINANCIAL STATEMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

At the Board of Directors' meeting, held on November 12, 2012, according to resolution as follows:

1. Authorized share capital authorized

- To approve the Company decrease the authorized share capital from Baht 929,955,774.50 to Baht 735,155,457.80. The authorized share capital is Baht 735,155,457.80 (7,351,554,578 shares, par value 0.10 Baht).
- To approve the Company increase the authorized share capital from Baht 735,155,457.80 to be Baht 825,155,457.80 for the allotment of the Company's newly issued shares of 900,000,000 shares with a par value of Baht 0.10 per each total amount of Baht 90,000,000 to support exercisable of the warrants, which will be offered to existing the Employee Stock Ownership Plan (ESOP) to the directors and employees of Company and its subsidiaries. The Company will be approved in the next meeting. (The Extraordinary General Meeting of Shareholders on 2/2555 of December 28, 2555).

2. Employee stock ownership plan warrant

The Company had issued the warrants under the Employee Stock Ownership Plan (ESOP) to the directors and employees of Company and its subsidiaries. The conditions are as follows:

- The term of scheme is 2 years starting from the first offering date. The exercise ratio is 1(one) unit of warrant per 1(one) ordinary share at the exercise price of 10% discount of market price, calculating by referring from the stock price of Company in the stock exchange of Thailand in an average rate of 14 days before Board of Directors meeting which commencing on November 12, 2012.
- Warrants not exercised within the term of the Warrants (two years from the date of issuance of the Warrant), the Company will cancel all such warrants.
- The name holder warrants cannot be transferrable.

The Board of Directors' Meeting No. 17/2012 on December 19, 2012 resolved to cancel the ESOP plan to issue and offer 900,000,000 warrant units at no cost to its directors and employees.

27. EARNINGS (LOSS) PER SHARE

Diluted earnings (loss) per share is calculated by dividing the net profit (loss) attributable to equity holders of the parent by the weighted average number of ordinary shares assuming conversion of warrants to ordinary shares.

Weighted average number of ordinary shares (diluted)

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Weighted average number of ordinary shares (basic)	2,465,682,937	1,557,973,310	2,465,682,937	1,557,973,310
Effect of conversion of warrants	894,835,952	-	894,835,952	-

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht			
Weighted average number of ordinary shares (diluted)	3,360,518,889	1,557,973,310	3,360,518,889	1,557,973,310

28. SEGMENT INFORMATION

The Group operating business which are almost carried on in Thailand and operating core business, is as follows:

- A) Sale of Anti - virus software
- B) Revenues from television media
- C) Rental income on advertising space
- D) Revenues from marketing event
- E) Revenues from digital channel management

The details of segment information in the Group for the year ended December 31, 2012 are as follows:

	Million Baht							
	A)	B)	C)	D)	E)	Total	Eliminated	Total
For the year ended								
December 31, 2012								
Revenues	-	36.17	56.75	-	227.53	320.45	(45.37)	275.08
Cost of sales and services	-	(54.94)	(36.95)	-	(130.87)	(222.76)	46.03	(176.73)
Gross profit (loss)	-	(18.77)	19.80	-	96.66	97.69	0.66	98.35
Assets segment								
as at December 31, 2012								
Leasehold improvement and equipment - net by segment	-	9.66	32.29	-	51.02	92.97	(0.11)	92.86
Film and program rights - net by segment	-	0.68	-	-	0.09	0.77	-	0.77
Other assets								160.65
Total								254.28

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

The details of segment information in the Group for the year ended December 31, 2011 are as follows:

	Million Baht							
	A)	B)	C)	D)	E)	Total	Eliminated	Total
For the year ended December 31, 2011								
Revenues	13.87	167.53	59.99	13.17	57.51	312.07	(19.09)	292.98
Cost of sales and services	(4.72)	(273.64)	(36.58)	(19.31)	(30.12)	(364.37)	18.21	(346.16)
Gross profit (loss)	9.15	(106.11)	23.41	(6.14)	27.39	(52.30)	(0.88)	(53.18)
Assets segment as at December 31, 2011								
Leasehold improvement and equipment - net by segment	-	82.45	13.14	-	-	95.59	(0.56)	95.04
Film and program rights - net by segment	-	1.08	-	-	23.15	24.23	-	24.23
Other assets								108.45
Total								227.72

29. OTHER EXPENSES

Other expenses for the years ended December 31, 2012 and 2011 are as follows:

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Bad debt and doubtful accounts (reversal of)	5,821,486	(1,997,880)	94,757,668	21,682,026
Loss on impairment of assets	6,369,532	-	-	-
Loss from write-off inventory	-	593,094	-	-
Loss on impairment of investment in subsidiaries	-	-	999,700	113,572,795
Loss on provision for liabilities of subsidiaries (reversal of) *	-	-	(32,521,130)	32,521,130
Write-off goodwill	-	3,659,239	-	-
Loss on of write – off film and program right	11,292,193	741,598	-	-
Loss on foreign exchange rate	1,429,292	2,850,167	-	-
Compensation expense for employee termination	6,578,665	-	-	-
Others	339,185	151,098	-	56,182
Total	31,830,353	5,997,316	63,236,238	167,832,133

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

* In year 2012 the Company has reversed of provision for liabilities of subsidiary, as the Group loan to repay external debt. The Company has recorded its allowance in full amount already.

30. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, 2012 and 2011 are as follows:

	Baht			
	Consolidated	financial	Separate	financial
	statements		statements	
	2012	2011	2012	2011
Staff costs	24,452,875	122,361,246	10,352,388	5,104,363
Depreciation and amortization	56,119,873	119,761,853	82,160	277,945
Cost of services*	84,763,039	114,341,142	68,204,683	13,865,829
Rental expenses	4,847,169	17,350,501	1,658,453	402,948
Managements' remuneration	6,251,240	6,509,830	1,258,495	2,523,515
Other expenses (Note 29)	31,830,353	5,997,316	63,236,238	167,832,133

*Cost of services consist of Cost of sales for computer license, Digital channel service charge, channel rental expense, television media license, Billboard advertising rental expense and cost of marketing event.

31. REGISTERED PROVIDENT FUND PLAN

The Group established a contributory registered provident fund in accordance with the Provident Fund Act.B.E. 2530. Under the plan, the Group and employees contribute to the fund at certain percentage of the employee's basic salary. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No.2 (B.E. 2532) issued under the Provident Fund Act B.E.2530.

32. FINANCIAL INSTRUMENTS

32.1 Liquidity risk

Liquidity risk, or funding risk, is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

32.2 Foreign currency risk

The Group is exposed to the foreign currency risk because of their foreign currency transactions. The Group does not enter into any foreign currency derivative contract to hedge the currency risk.

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

As at December 31, 2012, the subsidiary has financial assets and liabilities in foreign currency which are not hedged as follow:

	Currency	Subsidiary
Other accounts receivable	US. Dollar	3,000
Deposits	US. Dollar	4,800
Film and program rights payable	US. Dollar	233,500

32.3 Interest rate risk

The Group were exposed to interest risks because it held deposits to and loan from financial institutions, loans from and loans to related parties and factoring payable. However, The Group believed that the future fluctuation on market interest rate would not provided significant effect to their operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

32.4 Credit risk

Credit risk is the risk that the counterparts are unable or unwilling to meet a commitment that they entered into with the Group. This risk is controlled by the application of credit approvals, limits and monitoring procedures. The maximum credit risk exposure is the carrying amount of accounts receivable after deduction of allowance for doubtful accounts, and allowance for goods returned as presented in the notes to interim financial statements. As disclosed in the Group's notes to interim financial statements, the information was indicated that the Group is facing credit risk regarding the ability of monitoring debtors.

32.5 Fair value of financial instruments

Fair value is defined as the amount that could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. Fair values are obtained from quoted market prices, discounted cash flow models or net asset values as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial assets and liabilities.

Cash and cash equivalents, accounts receivable and payable, accrued income, loans to and loans from, factoring payable, accrued expenses, liabilities under hire purchase agreements and financial lease agreements the carrying values approximate their fair values due to relatively short-term maturity of these financial instruments.

Investments in non - marketable securities - a reasonable estimate of fair value, which has been calculated based on the underlying net asset base for such investments, approximated their carrying value stated in the consolidated statements of financial position and the separate statements of financial position.

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

33. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2012, the Group has commitments according to agreements and contingent liabilities as follows:

33.1 Commitments according to agreements

33.1.1 The Group has commitment to paid rental and service agreements as follows:

Year	Million Baht	
	Company	Subsidiaries
2013	21.90	20.27
2014	12.36	9.23
2015	5.22	1.79
2016	3.65	-

33.1.2 The Company has commitment from rental for satellite signal agreement as specified in the agreement until August 2016.

33.1.3 The Company has commitment from building design agreement amounting to Baht 0.51 million.

33.1.4 The Subsidiaries has a revenue sharing agreement of co-production in television program and rental income on advertising space based on the percentage of revenues earned as specified in the agreements.

33.1.5 The Subsidiary has commitment from consultant agreement amounting to Baht 5.37 million.

33.1.6 As of July 1, 2012, the Company has agreed to make a 5-year land rental contract with the related company in order to build new office building in the future. The rental fee shall be paid in an annual basis as follow,

Years	Subsidiaries
1	1.50
2	3.00
3	3.30
4	3.60
5	1.80

After the contract period term is ended, Lessor agreed to prolong the rental period term to 3 years in each time. In every 3-year prolong period, lessor can increase the rental fee by 10% of the current rental fee. To be eligible to do that, tenant shall notify lessor in advance by letter no more than 3 months.

FINANCIAL STATEMENT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

At the extra – ordinary shareholders' meeting of Live Incorporation Public Company Limited No.1/2012 on October 31, 2012, the shareholders approved the land rental contract.

33.2 Contingent liabilities

33.2.1 The Company has contingent liability from guarantee for subsidiaries' credit line amounting of Baht 50.00 million.

33.2.2 The Subsidiaries has contingent liability from letter of guarantee issued by bank for guarantee rental agreements amounting of Baht 3.63million, which are guaranteed by deposits at financial institutions (Note 12).

34. LAWSUIT

34.1 On April 12, 2012, A subsidiary has been sued by customer for defaulting on the digital channel service on satellite television agreement amounting of Baht 29.51 million plus interest of 7.5% per annum since the date of lawsuit until that payment has been made.

On February 11, 2013, the Civil Court has decision that such care is in the authority of the Central Intellectual Property and International trade Court. The Civil Court has disposed of the case.

However, on February 11, 2013, both parties agree to make a compromise out of court. by paying in the amounting of Baht 4.28 million in 6 installments start in February 2013 onward, the Company has recorded liabilities under other payables are stated already.

34.2 On December 3, 2012, A subsidiary has been sued to the bankruptcy Court by creditor in the default of the payment for the rights to broadcasting amounting of Baht 17.53 million plus interest rate of 18% per annum since the default date until the payment is made, The meeting by the Court was held on March 19, 2013. The Company's management believes that the results will not have a significant impact on the financial statements.

35. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2011, have been reclassified to conform to the current period, which no effect on net income or shareholders' equity previously reported. The Company's management believes that the results will not have a significant impact on the financial statements.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of directors on February 26, 2013.

REFERENCES

Share Registrar (Ordinary Share)

Thailand Securities Depository Co., Ltd.

62 The Stock Exchange of Thailand Building, Ratchadapisek Road,

Khwaeng Klongtoey, Khet Klongtoey, Bangkok 10110

Telephone: 0-2229-2800, Fax: 0-2359-1259

Call center 0-2229-2888

<http://www.tsd.co.th>

Auditor

Ms. Kannika Wipanurat, Certificated Public Accountant with Registration no. 7305

Grand Audit Co., Ltd.

6 Fl., Room B1, Boonmitr Building, 138 Silom Road, Bangrak, Bangkok 10500

Telephone: 0-2634-2484-6, Fax: 0-2634-2668

Legal Advisor

Damrongtham Law Office

63 Sukhumvit Soi 8, Klongtoey, Bangkok 10110

Telephone: 0-2653-1133, Fax: 0-2653-1135

Others

(To report on lost share certificates, change in shareholders' information and shareholders services)

Counter Service located on the first floor of the Stock Exchange of Thailand Building,

Telephone: 0-2229-2888 (Call center)

Or Securities Issuer Services Unit, Registration Services Department

Thailand Securities Depository Co., Ltd.

2/7 Moo 4 (North Park Development Project), Vibhawadee Rangsit Road,

Khwaeng Tung Song Hong, Khet Laksi, Bangkok 10210

Telephone: 0-2596-9302-12, Fax: 0-2832-4994-6

List of Subsidiary and Affiliate Company of LIVE

Live Radio Co., Ltd.

390 Ramkamhaeng Rd., Khwaeng Hua Mark, Khet Bangkapi Bangkok 10240

Tel No. 0-2736-3850
Fax No. 0-2736-3851
Type of Business Radio Broadcasting_(There was no business operation in 2008)

No. of ordinary shares 1,000,000 Shares
Par value 100 Baht
Portions of Shares held 97.5%

Digital Right Pictures Public Co., Ltd.

390 Ramkamhaeng Rd., Khwaeng Hua Mark, Khet Bangkapi Bangkok 10240

Tel No. 0-2736-3850
Fax No. 0-2736-3851
Type of Business Production and distribution of movies products (There was no business operation in 2007)

No. of ordinary shares 57,600,000 Shares
Par value 10 Baht
Portions of Shares held 99.9%

Live TV Co., Ltd.

390 Ramkamhaeng Rd., Khwaeng Hua Mark, Khet Bangkapi Bangkok 10240

Tel No. 0-2736-3850
Fax No. 0-2736-3851
Type of Business Production of TV programs for Pay TV

No. of ordinary shares 1,540,000 Shares
Par value 100 Baht
Portions of Shares held 90.1%

Trillion Television Co., Ltd.

390 Ramkamhaeng Rd., Khwaeng Hua Mark, Khet Bangkapi Bangkok 10240

Tel No. 0-2736-3850
Fax No. 0-2736-3851
Type of Business Production of TV program, promotion and distribution of advertising media

No. of ordinary shares 200,000 Shares
Par value 10 Baht
Portions of Shares held 30%

Live Media Group Public Co., Ltd.

390 Ramkamhaeng Rd., Khwaeng Hua Mark, Khet Bangkapi Bangkok 10240

Tel No. 0-2736-3850
Fax No. 0-2736-3851
Type of Business Provision of advertising service creation and leasing of advertising billboards

No. of ordinary shares 450,000 Shares
Par value 100 Baht
Portions of Shares held 99.9%

Box Office Entertainment Co., Ltd.

55/39 Ratchadapisek Rd., Khwaeng Dindaeng, Khet Dindaeng, Bangkok 10400

Tel No. 0-2639-0485-6
Fax No. 0-2639-0489
Type of Business Import copyrights of foreign movies and production of Thai movies

No. of ordinary shares 1,000,000 Shares
Par value 100 Baht
Portions of Shares held 40%

In and On Studio Co., Ltd.

390 Ramkamhaeng Rd., Khwaeng Hua Mark, Khet Bangkapi Bangkok 10240

Tel No. 0-2736-3850
Fax No. 0-2736-3851
Type of Business Concert organizer (There was no business operation in 2007)

No. of ordinary shares 2,000,000 Shares
Par value 10 Baht
Portions of Shares held 99.9%

UMG Entertainment Co., Ltd.

388 SPP Building 9th Floor, Paholyothin Rd., Khwaeng Samsen-nai, Khet Phya Thai, Bangkok 10400

Tel No. 0-2617-2799
Fax No. 0-2279-8314
Type of Business Movie theatres

No. of ordinary shares 10,000,000 Shares
Par value 10 Baht
Portions of Shares held 15%

List of Subsidiary and Affiliate Company of LIVE

Thaichaiyo TV Co., Ltd.

390 Ramkamhaeng Rd., Khwaeng Hua Mark, Khet Bangkapi Bangkok
10240

Tel No. 0-2736-3850

Fax No. 0-2736-3851

Type of Business Satellite TV

No. of ordinary shares 10,000 Shares

Par value 100 Baht

Portions of Shares held 99.9%

POP TV Co., Ltd.

390 Ramkamhaeng Rd., Khwaeng Hua Mark, Khet Bangkapi Bangkok
10240

Tel No. 0-2736-3850

Fax No. 0-2736-3851

Type of Business Satellite TV

No. of ordinary shares 10,000 Shares

Par value 100 Baht

Portions of Shares held 99.9%



LIVE INCORPORATION PUBLIC CO., LTD.

390 Ramkhamhaeng Rd., Huamark,
Bangkapi, Bangkok 10240

Tel. 0-2736-3850 Fax. 0-736-3851

www.live.co.th