



2012

ANNUAL
Report

รายงานประจำปี 2555

YEAR OF THE
N POWER



ANNUAL REPORT 2012

NATION MULTIMEDIA GROUP PUBLIC CO., LTD.
www.nationgroup.com



BOARD OF DIRECTORS

1. Mr. Suthichai Sae-Yoon
2. Mr. Sermsin Samalapa
3. Ms. Duangkamol Chotana
4. Mr. Pakorn Borimasporn
5. Mr. Chaveng Chariyapisuthi

Chairman
Vice Chairman
President
Independent Director and Chairman of The Audit Committee
Independent Director and Member of The Audit Committee

6. Mr. Yothin Nerngchamnong
7. Mr. Nivat Changariyavong
8. Mr. Adisak Limprungpatanakij
9. Mr. Pana Janviroj

Independent Director and Member of The Audit Committee
Director
Director
Director



AUDIT COMMITTEE



1. Mr. Pakorn Borimasporn
Independent Director and
Chairman of The Audit Committee
2. Mr. Chaveng Chariyapisuthi
Independent Director and
Member of The Audit Committee
3. Mr. Yothin Nerngchamnong
Independent Director and
Member of The Audit Committee



EXECUTIVE BOARD

1. Mr. Suthichai Sae-Yoon
2. Mr. Serm sin Samalapa
3. Ms. Duangkamol Chotana
4. Mr. Adisak Limprungpatanakij
5. Mr. Pana Janviroj

Chairman
Vice Chairman
President
Director
Director



VISION STATEMENT

The Multimedia Group that
reaches every household



MISSION STATEMENT

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

CORE VALUES

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



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GENERAL INFORMATION



- **NAME**
Nation Multimedia Group Public Company Limited
- **HEAD OFFICE**
1858/118-119,121-122,124-130, 27th-32nd Floor, Bangna-Trad Road, Bangna, Bangkok 10260
- **TELEPHONE**
(66) 2338-3333
- **FAX**
(66) 2338-3938
- **SET LISTING DATE**
June 9, 1988
- **PUBLIC COMPANY REGISTRATION**
December 14, 1993 (PLC no. 0107536001524)
- **BUSINESS LINE**
THE COMPANY AND SUBSIDIARY COMPANIES OPERATE EIGHT BUSINESS UNITS AS FOLLOWS
 1. Thai-language News Business Unit – Production of Krungthep Turakij and Krungthep TV satellite channel. Operated by Krungthep Turakij Media Company Limited (KTM).
 2. General News Business Unit – Production of Thai-language newspaper Kom Chad Luek and Nation Weekender. Operated by Kom Chad Luek Media Company Limited (KMM).
 3. English-language News Business Unit – Production of The Nation, Nation Junior, business training seminars and communication skills under the operation of Nation News Network Company Limited (NNN).
 4. Broadcasting Business Unit – Owner and producer of Nation Channel, Rama Channel, Komchadluek TV, production and broadcasting of programs for other TV channels, production of radio programs and new media business. Operated by Nation Broadcasting Corporation Public Company Limited (NBC).
 5. Edutainment & International Business Unit – Production and distribution of education and entertainment media for children, production of publications under Nation Books, advertising representative and distributor of foreign publications and TV programs for children via satellite TV channel KidZone. Operated by Nation International Edutainment Public Company Limited (NINE).
 6. Printing Business Unit – Printing service business. Operated by WPS (Thailand) Company Limited (WPS).
 7. Logistics Business Unit – Operated by NML Company Limited (NML).
 8. Education Business Unit – Providing undergraduate, graduate and Executive MBA degrees by Nation University, with two campuses at Bangkok and Lampang. Operated by Nation U Company Limited (NU).
- **REGISTERED CAPITAL**
Baht 873,302,359 consisting of 1,647,740,300 Shares at Baht 0.53 par value
- **PAID-UP CAPITAL**
December 31, 2012 the Company has paid-up capital of Baht 873,302,359 consisting of 1,647,740,300 Shares at Baht 0.53 par value
- **CHIANG MAI BRANCH**
24/1 Soi 5 Kor, Nantaram Road, Haiya, Muang District, Chiang Mai 50100
Tel: (053) 271-831 Fax: (053) 200-151
- **KHON KAEN BRANCH**
67 Moo 8, Lao Na Dee Road, Muang District, Khon Kaen 80000
Tel: (043) 324-170 Fax: (043) 324-243
- **HAT YAI BRANCH**
88/9 Kanchanawanich Road, Baan Pru, Hat Yai, Songkhla 90250
Tel: (074) 210-035-8 Fax: (074) 210-039

SUMMARY OF FINANCIAL DATA AND INVESTMENTS

| (Unit : in Million Baht) | | | |
|--|----------|----------|----------|
| 1. DATA FROM CONSOLIDATED FINANCIAL STATEMENTS | 2012 | 2011 | 2010 |
| • Revenue from Sales and Rendering of Services | 2,936.87 | 2,643.19 | 2,696.71 |
| • Total Income | 3,101.88 | 2,797.57 | 2,934.97 |
| • Gross Profit | 1,094.05 | 1,005.92 | 992.15 |
| • Profit Before Interest, Taxes, Depreciation Amortization and Extraordinary items* (see note) | 607.76 | 528.14 | 655.19 |
| • Net Profit | 191.33 | 104.28 | 313.62 |
| • Total Assets | 4,040.54 | 3,752.81 | 3,706.00 |
| • Total Shareholders' Equity | 1,525.31 | 1,300.58 | 1,250.75 |
| 2. FINANCIAL RATIOS | 2555 | 2554 | 2553 |
| • Total Debts to Equity (Times) | 1.65 | 1.89 | 1.96 |
| • Gross Profit Margin (%) | 37.25% | 38.06% | 36.79% |
| • Net Profit on Total Income | 6.36% | 3.73% | 10.69% |
| • Return on Equity | 12.94% | 8.02% | 25.07% |
| • Return on Total Assets | 4.89% | 2.78% | 8.46% |
| • Earnings per Share (Baht) | 0.12 | 0.06 | 0.19 |
| • Dividend per Share (Baht) | - | - | - |
| • Book Value per Share (Baht) | 0.93 | 0.79 | 0.76 |
| Note : *Extraordinary items are gain (loss) on sales of assets, gain on sales of investments, gain from a bargain purchase, doubtful accounts, loss from obsolete stocks, loss from impairment of investments, other current assets and other assets written-off and employee early retirement benefits. | | | |

DIVIDEND POLICY

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



SUMMARY OF FINANCIAL DATA AND INVESTMENTS

| INVESTMENTS IN DIRECT AND INDIRECT SUBSIDIARIES OF NATION MULTIMEDIA GROUP Plc. AS OF DECEMBER 31, 2012 | | |
|---|---|---|
| | Registered Capital (Million Baht) | Percentage of Investments |
| PUBLISHING BUSINESS Nation International Edutainment Plc. Nation Edutainment Co., Ltd. (Invested by Nation International Edutainment Plc.) Nation Egmont Edutainment Co., Ltd. (Invested by Nation International Edutainment Plc.) Nation International Co., Ltd. Nation News Network Co., Ltd. Kom Chad Luek Media Co., Ltd. Krungthep Turakij Media Co., Ltd. | 85.00 41.25 50.00 1.00 100.00 25.00 25.00 | 78.46 78.45 39.22 99.94 99.99 99.99 99.99 |
| PRINTING SERVICES BUSINESS WPS (Thailand) Co., Ltd. | 500.00 | 84.50 |
| BROADCASTING BUSINESS Nation Broadcasting Corporation Plc. NBC Nextmedia Co., Ltd. (Invested by Nation Broadcasting Corporation Plc.) NBC Next Screen Co., Ltd. (Invested by Nation Broadcasting Corporation Plc.) NBC Next Vision Co., Ltd. (Invested by Nation Broadcasting Corporation Plc.) Nation Kids Co., Ltd. (Invested by Nation International Edutainment Plc.) Bangkok Business Broadcasting Co., Ltd. (Invested by Krungthep Turakij Media Co., Ltd.) NNN Next Frontier Co., Ltd. (Invested by Nation News Network Co., Ltd.) | 178.50 20.00 1.00 1.00 1.00 1.00 1.00 1.00 | 61.10 61.10 61.10 61.10 78.45 99.99 99.99 |
| LOGISTICS SERVICES BUSINESS NML Co., Ltd. | 50.00 | 99.99 |
| EDUCATION BUSINESS Nation U Co., Ltd. Nation University (Licenses held by Nation U Co., Ltd.) | 50.00 - | 90.00 90.00 |
| Investments in Associated Company of Nation Multimedia Group PCL as of December 31, 2012 | | |
| Yomiuri-Nation Information Service Ltd. | 4.00 | 45.00 |

CHAIRMAN'S MESSAGE

From the Year of 'N' Power to 'The Next Big Thing'

2012 was another year full of new challenges and opportunities. The media landscape saw dramatic changes that came with new technologies and consumer behaviour that raised questions about the old models of doing things. The Nation Multimedia Group entered the Year of the Dragon a much more agile, innovative and efficient media organization well-prepared to ride the wave of changes and new challenges.

The Nation Group has continued to be among the most recognized and most trusted media organizations amid continuing political, economic and social frictions that demand an independent and responsible role played by the media. Its overall business performance reinforces confidence in its strategy to harness the new media technology to solidify its position as a leader in the media industry. In the past year, consistent efforts were put into using new technological innovations to create synergy between the new and the traditional media.

We took a revolutionary step in news management with the establishment of a "Convergent Newsroom" in August. The Convergent Newsroom, the first in the Thai media industry, is designed to provide far more effective and resource-efficient news-planning and news-gathering through synergy among editors and journalists of the group's print, television and online media who are now working as one single editorial unit to produce content tailored for the different platforms. It is also supported by a modern integrated editorial system that provides a converged platform for all news content flows and ensures maximum utilization of editorial content and coordination among different editors.

The Convergent Newsroom caps efforts by the Nation Group at multi-tasking among its journalists. Years of training and practice have produced an army of resourceful editors and reporters who not only write stories for the newspapers but also shoot pictures and do video editing. Many have gone a step further to do live reporting from the fields and commentary in TV studios.

On the marketing side, we have steadily moved toward a convergent marketing team which is now well-positioned to respond to the fast-changing media landscape. Our customer-centric marketing personnel are resourceful and well-versed in serving the diverse media platforms and engaging in all types of marketing-related activities. Their unwavering mission is to work in the best interest of our customers. We also continue relentlessly to maintain our tradition of always striving to be ahead of the pack both editorially and technologically. While our presence and influence in the social media is indisputable, just before the end of the year the Nation Group took a great technological leap by introducing "iSnap". It revolutionizes the way people read newspapers. Using the most advanced image recognition technology, it gives an added exciting dimension to print content in the forms of video and images. By extending the breadth and depth of content in all the three daily newspapers of the group, iSnap simply "brings your newspapers to life," as its slogan goes.

Seizing on the coming ASEAN integration, we have moved aggressively beyond the Thai borders. We are the first Thai media group to enter the Myanmar market, working in partnership with a

Yangon-based Myanmar media firm Eleven Media to launch a variety of media platforms that include a news website. We are now operating an English language centre in Yangon and working with Eleven Media to launch an English-language daily soon.

While maintaining editorial standards and offering the best value to our customers is always our top priority, we are ever conscious of our responsibility toward the society. Strict adherence to journalistic ethics and being accountable has always been the guiding principle for all the news outlets of the group. We consider credibility to be the most valuable asset of the group.



The founding of the Nation University is another move by the group to play a role in education. We are translating our years of experience in the field of media into knowledge to be shared among students who also have access to real life experience from our working editors and journalists, as well as management and market executives.

The past year also saw organizational changes designed to streamline and increase the efficiency of different business units within the group. The aim was to bring about more unity and synergy under the philosophy "One Nation, One Family".

The result is an organization that is more efficient and more agile in meeting changes and new challenges in the digital age. It also reaffirms The Nation Group's strong adherence to the principle of transparency, accountability and journalistic code of conduct that has served as its foundation since its beginning 42 years ago.

2012 was truly a year when the Power of "N" manifested itself in all aspects of The Nation Group beyond any doubt. It was a year we met new challenges with novelty. It was a year that all business units of the group leapt ahead of competitors with nimbleness to create a niche.

But most importantly, 2012 was another beginning of our non-stop search for The Next Big Thing. And the good news is that the next "Next Big Thing" that we are looking for in 2013 may be just around the corner.

Suthichai Yoon
Chairman

Convergent Newsroom...

a Major Leap in News Management



In August, 2012, The Nation Group established what is known as a “convergent newsroom”, becoming the first Thai media organization to take such a revolutionary step in news management.

In practice, the convergent newsroom has brought down the “walls” that separated the different news platforms of the Nation Group. For a media company that has a comprehensive range of news outlets like The Nation Group, the convergent newsroom provides for far more effective and resource-

efficient news-planning and news-gathering. In traditional newsrooms of multi-media organizations, editors and journalists have little or no coordination in news management. They pursue different news agendas and give out overlapping assignments, resulting in unnecessary redundancy in news-gathering.

With convergent newsroom, editors and journalists of the group’s print, television and online media are working as one single editorial unit to produce contents tailored

for the different platforms. Imagine editors and senior journalists from different media platforms and with years of experiences sharing their thoughts and insights on the most important news stories that are unfolding and jointly carve out the most interesting and creative news agenda of the day. Of course, since different media platforms serve different audience needs, the contents will be tailored in the way that suits each of the news outlets. Besides the daily news coverage, the convergent newsroom is also where planning for in-

depth and analytical news stories takes place.

The group’s convergent newsroom also boasts a modern integrated editorial system (IES) that provides a converged platform for all news content flows. The system carries text, photos, graphics and videos that can be shared among the different media outlets. It ensures maximum utilization of editorial content and coordination among different editors.

“The convergent newsroom has made our news operation much more efficient. It enables our different media platforms to come up with more diverse and more in-depth news content. It also means that we are using our resources much more efficiently than before,” said Thepchai Yong, The Group Editor-in-Chief.

Multi-tasking has also been introduced into the newsroom to make its journalists more resourceful. Now, not only can our print editors and journalists write stories

but they can also shoot pictures and do video editing, but also do live reporting from the fields and do commentary in the TV studios.

The convergence newsroom represents efforts of The Nation Group to streamline its overall news operation to prepare for future trends in the fast-changing media environment

Board of Directors



Mr. Suthichai Sae-Yoon
Chairman

Board of Directors

Age : 67 years

Education Background :

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

Training Course (s) :

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

No. of Shares Held as at December 28, 2012

- Mr. Suthichai Sae-Yoon
165,480,540 shares (10.04%)

Relationship with NMG Executives

- Mr. Thepchai Sae-Yong,
Relationship: Younger brother

Experience

- 1971 - Present Editor in Chief
Nation Multimedia Group Plc.
- 2011 - Present Chairman
Nation Broadcasting Corporation Plc.
- Mar 6, 2012 Chairman & Editor in Chief
- Present Nation Multimedia Group Plc.
- Apr 17, 2012 Chairman
- Present Nation International Edutainment Plc.

Director of other listed company

- 2011 - Present Chairman
Nation Broadcasting Corporation Plc.
- Apr 17, 2012 Chairman
- Present Nation International Edutainment Plc.

Director of other non - listed company

- 1994 - Present Director
Nation International Co., Ltd.
- 2006 - Present Director
NML Co., Ltd.
- 2008 - Present Chairman
Nation News Network Co., Ltd.
- 2011 - Present Director
Nation U Co., Ltd.
- 2012 - Present Director
NBC Next Media Co., Ltd.
- 2012 - Present Director
Nation Edutainment Co., Ltd.
- 2012 - Present Director
Nation Kids Co., Ltd.

Director of a competing company or a related business company

- N/A

Meeting Attendance / Meeting Held (Frequency)

- Board of Directors 8/8
- Annual General Meeting of Shareholders 1

Board of Directors



Mr. Sermsin Samalapa
Vice Chairman

| | | | |
|--|----------|--|---|
| Age : | 45 years | 2003 - 2011 | Director |
| Education Background : | | | Kempin Siam Co., Ltd. |
| • Master of Science in Real Estate Development, Sloan School of Management and Center for Real Estate, Massachusetts Institute of Technology (MIT), Cambridge, MA, USA | | 2010 - 2011 | Chairman |
| • Bachelor of Architecture from Faculty of Architecture, Chulalongkorn University | | 2010 - 2012 | Director |
| • Effective Strategies for Media Companies, Executive Education from Harvard Business School, Harvard University Cambridge, MA, USA | | Apr 17, 2012 - Present | Vice Chairman |
| | | 2011 - Present | Director |
| Training Course (s) : | | | Nation U Co., Ltd. |
| • Thai Institute of Directors Association | | 2011 - Present | Director |
| • Director Accreditation Program (DAP # 24) | | 2011 - Present | Director |
| No. of Shares Held as at December 28, 2012 | | | Nation International Edutainment Plc. |
| • Mr. Sermsin Samalapa 165,000,000 shares (10.01%) | | | Director of other listed company |
| Relationship with NMG Executives | | 2011 - Present | Director |
| • N/A | | | Nation Broadcasting Corporation Plc. |
| Experience | | 2011 - Present | Director |
| 1997 - 2011 Lecturer of Real Estate Finance, Faculty of Commerce and Accountancy Chulalongkorn University | | | Nation International Edutainment Plc. |
| 1999 - 2002 Managing Director Thai Portal Co., Ltd. | | | Director of other non - listed company |
| 2003 - 2005 Chairman Pacific Assets Plc. | | 2011 - Present | Director |
| 2003 - 2011 President and Chief Executive Officer Natural Park Plc. and its Subsidiaries | | | Nation U Co., Ltd. |
| | | | Director of a competing company or a related business company |
| | | | • N/A |
| | | | Meeting Attendance / Meeting Held (Frequency) |
| | | Board of Directors | 8/8 |
| | | Annual General Meeting of Shareholders | 1 |

Board of Directors



Ms. Duangkamol Chotana
Director/President

| | | | |
|---|----------|--|--|
| Age : | 49 years | 2011 - Present | Director |
| Education Background : | | | Nation Broadcasting Corporation Plc. |
| • BA. in Communication Arts, Chulalongkorn University | | Feb 27, 2012 - Present | Director/President |
| Training Course (s) : | | | Nation Multimedia Group Plc. |
| Thai Institute of Directors Association | | | Director of other listed company |
| • Directors Certification Program (DCP # 144) | | 2011 - Present | Director |
| Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA) | | | Nation Broadcasting Corporation Plc. |
| • Executive Development Program (EDP # 4) | | | Director of other non - listed company |
| No. of Shares Held as at December 28, 2012 | | | Oct 2010 President of Thai News Business Unit |
| • Ms. Duangkamol Chotana 10,044,100 shares (0.61%) | | - Present | Krungthep Turakij Media Co., Ltd. |
| Relationship with NMG Executives | | 2012 - Present | Director/Chairman |
| • N/A | | | WPS (Thailand) Co., Ltd. |
| Experience | | 2012 - Present | Director |
| 1987 - 1990 Reporter Nation Publishing Group Co., Ltd. | | | Nation U Co., Ltd. |
| 1990 - 1999 Assistant Editor Nation Multimedia Group Plc. | | 2012 - Present | Director |
| 1999 - 2000 Executive Editor Nation Multimedia Group Plc. | | | Kom Chad Luek Media Co., Ltd. |
| 2000 - 2007 Editor - Krungthep Turakij Nation Multimedia Group Plc. | | 2012 - Present | Director |
| 2008 - Oct 2010 Chief Operating Officer of Thai News Business Unit Nation Multimedia Group Plc. | | | Nation News Network Co., Ltd. |
| Oct 2010 President of Thai News Business Unit | | 2012 - Present | Director |
| - Present Krungthep Turakij Media Co., Ltd. | | | NML Co., Ltd. |
| | | 2012 - Present | Director |
| | | | Nation Edutainment Co., Ltd. |
| | | 2012 - Present | Director |
| | | | Bangkok Business Broadcasting Co., Ltd. |
| | | | Director of a competing company or a related business company |
| | | | • N/A |
| | | | Meeting Attendance / Meeting Held (Frequency) |
| | | Board of Directors | 8/8 |
| | | Annual General Meeting of Shareholders | 1 |

Board of Directors



Mr. Pakorn Borimasporn
Independent Director and Chairman of The Audit Committee

| | | | |
|---|--|--|--|
| Age : | 66 years | 1999 - Present | Chief Executive Officer L&E Manufacturing Co., Ltd. |
| Education Background : | <ul style="list-style-type: none"> M.Eng in Electrical Engineering, Chulalongkorn University B.Eng in Electrical Engineering, Chulalongkorn University | 2004 - Present | Chairman & Chairman of The Audit Committee Porn Prom Metal Plc. |
| Training Course (s) : | <ul style="list-style-type: none"> Thai Institute of Directors Association <ul style="list-style-type: none"> Directors Certification Program (DCP # 17) - Fellow Member Capital Market Academy - The Stock Exchange of Thailand <ul style="list-style-type: none"> Capital Market Academy Leadership Program (CMA # 3) Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA) <ul style="list-style-type: none"> Executive Development Program (EDP # 1) | 2010 - Present | Chief Executive Officer L&E Solidstate Co., Ltd. |
| No. of Shares Held as at December 28, 2012 | <ul style="list-style-type: none"> Mr. Pakorn Borimasporn 269,000 shares (0.02%) | Director of other listed company | |
| Relationship with NMG Executives | <ul style="list-style-type: none"> N/A | 1993 - Present | Director & Chief Executive Officer Lighting & Equipment Plc. |
| Experience | 1993 - Present | Director of other non - listed company | |
| | Director & Chief Executive Officer Lighting & Equipment Plc. | 1999 - Present | Chief Executive Officer L&E Manufacturing Co., Ltd. |
| | | 2010 - Present | Chief Executive Officer L&E Solidstate Co., Ltd. |
| | | Director of a competing company or a related business company | <ul style="list-style-type: none"> N/A |
| | | Meeting Attendance / Meeting Held (Frequency) | |
| | | Board of Directors | 8/8 |
| | | Audit Committee | 4/4 |
| | | Annual General Meeting of Shareholders | 1 |

Board of Directors



Mr. Chaveng Chariyapisuthi
Independent Director and Member of The Audit Committee

| | | | |
|---|--|--|---|
| Age : | 68 years | Director of other listed company | <ul style="list-style-type: none"> N/A |
| Education Background : | <ul style="list-style-type: none"> Assumption Commercial College Bangkok (ACC) | Director of other non - listed company | |
| Training Course (s) : | <ul style="list-style-type: none"> Thai Institute of Directors Association <ul style="list-style-type: none"> Director Accreditation Program (DAP # 36) Understanding Fundamental Statement (UFS # 2) Finance for Non-Finance Director (FN # 31) Monitoring the System Internal Control and Risk Mgmt. # 1 Audit Committee Program # 20 | 1991 - Present | Executive Director SST Holding Co., Ltd. |
| No. of Shares Held as at December 28, 2012 | <ul style="list-style-type: none"> N/A | 1991 - Present | Executive Director Siam Syndicate Technology Co., Ltd. |
| Relationship with NMG Executives | <ul style="list-style-type: none"> N/A | 1991 - Present | Executive Director Siam Steelwork Co., Ltd. |
| Experience | | 2009 - Present | Executive Director Siam Asia Environment Co., Ltd. |
| 1991 - Present | Executive Director SST Holding Co., Ltd. | Director of a competing company or a related business company | <ul style="list-style-type: none"> N/A |
| 1991 - Present | Executive Director Siam Syndicate Technology Co., Ltd. | Meeting Attendance / Meeting Held (Frequency) | |
| 1991 - Present | Executive Director Siam Steel works Co., Ltd. | Board of Directors | 7/8 |
| 2009 - Present | Executive Director Siam Asia Environment Co., Ltd. | Audit Committee | 4/4 |
| | | Annual General Meeting of Shareholders | 1 |

Board of Directors



Mr. Yothin Nerngchamnon
Independent Director and Member of The Audit Committee

| | | | |
|--|---|---|---|
| Age | : 63 years | 1997 - 2011 | Director MFEC Plc. |
| Education Background | : <ul style="list-style-type: none"> MA. in Political Science, Ramkhamhaeng University BA. Political Science, Ramkhamhaeng University Assumption Commercial College Bangkok (ACC) | 2008 - Present | Chief Executive Director Thai Plaspac Plc. |
| Training Course (s) | : Thai Institute of Directors Association <ul style="list-style-type: none"> Directors Certification Program (DCP # 35) Capital Market Academy - The Stock Exchange of Thailand <ul style="list-style-type: none"> Capital Market Academy Leadership Program (CMA# 7) | Director of other listed company 1980 - Present | Executive Director Modernform Group Plc. |
| No. of Shares Held as at December 28, 2012 | : <ul style="list-style-type: none"> Mr. Yothin Nerngchamnon 1,000,000 shares (0.06%) | 2008 - Present | Chief Executive Director Thai Plaspac Plc. |
| Relationship with NMG Executives | : <ul style="list-style-type: none"> N/A | Director of other non - listed company 1989 - Present | Director Modernform Tower Co., Ltd. |
| Experience | : 1980 - Present Executive Director Modernform Group Plc. 1989 - Present Director Modernform Tower Co., Ltd. | Director of a competing company or a related business company | <ul style="list-style-type: none"> N/A |
| | | Meeting Attendance / Meeting Held (Frequency) | |
| | | Board of Directors | 8/8 |
| | | Audit Committee | 4/4 |
| | | Annual General Meeting of Shareholders | 1 |

Board of Directors



Mr. Nissai Vejajiva
Independent Director

| | | | |
|---|---|---|-----|
| Age | : 81 years | Meeting Attendance / Meeting Held (Frequency) | |
| Education Background | : <ul style="list-style-type: none"> MBA (Political Economy) Stern School of Business, New York University BA (Economic), Boston University Diploma, National Defence College of Thailand, class 17 | Board of Directors | 3/8 |
| Training Course (s) | : Thai Institute of Directors Association <ul style="list-style-type: none"> Directors Certification Program (DCP # 73) | Annual General Meeting of Shareholders | 1 |
| No. of Shares Held as at December 28, 2012 | : <ul style="list-style-type: none"> N/A | * His resignation shall be effective from March 19, 2013 onwards. | |
| Relationship with NMG Executives | : <ul style="list-style-type: none"> N/A | | |
| Experience | : 1998 - 2012 Chairman of the Council of Rajabhat Mahasarakham University | | |
| Director of other listed company | : <ul style="list-style-type: none"> N/A | | |
| Director of other non - listed company | : <ul style="list-style-type: none"> N/A | | |
| Director of a competing company or a related business company | : <ul style="list-style-type: none"> N/A | | |

Board of Directors



Mr. Nivat Changariyavong
Director

| | | | |
|---|--|--|--|
| Age : | 70 years | 2003 - Present | Director |
| Education Background : | | | Evergreen Logistics (Thailand) Co., Ltd. |
| | <ul style="list-style-type: none"> Honorary Doctorate in Business Administration, Chiang Rai Rajabhat University Assumption Commercial College Bangkok (ACC) | Director of other listed company | <ul style="list-style-type: none"> N/A |
| Training Course (s) : | | Director of other non - listed company | |
| | Thai Institute of Directors Association | 1985 - Present | Managing Director |
| | <ul style="list-style-type: none"> Director Accreditation Program (DAP # 36) | | Green Siam Co., Ltd. |
| No. of Shares Held as at December 28, 2012 | | 1989 - Present | Director |
| | <ul style="list-style-type: none"> N/A | | Evergreen International Hotel Property (Bangkok) Co., Ltd. |
| Relationship with NMG Executives | | 2001 - Present | Chief Executive Officer |
| | <ul style="list-style-type: none"> N/A | | Evergreen Shipping Agency (Thailand) Co., Ltd. |
| Experience | | 2003 - Present | Director |
| 1985 - Present | Managing Director | | Evergreen Logistics (Thailand) Co., Ltd. |
| | Green Siam Co., Ltd. | Director of a competing company or a related business company | <ul style="list-style-type: none"> N/A |
| 1989 - Present | Director | Meeting Attendance / Meeting Held (Frequency) | |
| | Evergreen International Hotel Property (Bangkok) Co., Ltd. | Board of Directors | 7/8 |
| 1990 - Present | Director | Annual General Meeting of Shareholders | 1 |
| | Evergreen International Holding (Thailand) Co., Ltd. | | |
| 2001 - Present | Chief Executive Officer | | |
| | Evergreen Shipping Agency (Thailand) Co., Ltd. | | |

Board of Directors



Mrs. Christine Debais Brendle
Director

| | | | |
|--|---|--|------|
| Age : | 53 years | Meeting Attendance / Meeting Held (Frequency) | |
| Education Background : | | Board of Directors | - /8 |
| | <ul style="list-style-type: none"> M.B.A. Business Administration of Columbia University (New York) Diploma Ecole Superieure des Sciences Economiques, Et Commerciales in France | Annual General Meeting of Shareholders | 1 |
| Training Course (s) : | | | |
| | Thai Institute of Directors Association | | |
| | <ul style="list-style-type: none"> N/A | | |
| No. of Shares Held as at December 28, 2012 | | | |
| | <ul style="list-style-type: none"> N/A | | |
| Relationship with NMG Executives | | | |
| | <ul style="list-style-type: none"> N/A | | |
| Experience | | | |
| 2006 - Present | Managing Director | | |
| | Dow Jones Publishing Co.(ASIA), Inc. | | |
| Director of other listed company | | | |
| | <ul style="list-style-type: none"> N/A | | |
| Director of other non - listed company | | | |
| | <ul style="list-style-type: none"> N/A | | |
| Director of a competing company or a related business company | | | |
| | <ul style="list-style-type: none"> N/A | | |

Board of Directors



Mr. Adisak Limprungpatanakij
Director

| | | | |
|---|--|--|--|
| Age | : 52 years | 2009 - 2010 | President of Satellite Television Association (Thailand) |
| Education Background | <ul style="list-style-type: none"> BA. Faculty of Commerce and Accountancy, Thammasat University | 2009 - Present | President Nation Broadcasting Corporation Plc. |
| Training Course (s) | Thai Institute of Directors Association <ul style="list-style-type: none"> Directors Certification Program (DCP #71) | Director of other listed company | |
| No. of Shares Held as at December 28, 2012 | <ul style="list-style-type: none"> Mr. Adisak Limprungpatanakij 10,000,000 shares (0.61%) | 2009 - Present | Director Nation Broadcasting Corporation Plc. |
| Relationship with NMG Executives | <ul style="list-style-type: none"> N/A | Director of other non - listed company | |
| Experience | | 2010 - Present | Director Kom Chad Luck Media Co., Ltd. |
| 1982 - 1985 | Reporter - Matuphoom Daily & Matuphoom Business Weekly | 2012 - Present | Director NBC Next Media Co., Ltd. |
| 1985 - 1992 | Reporter - The Nation Nation Publishing Group Co., Ltd. | 2012 - Present | Director NML Co.Ltd. |
| 1992 - 1999 | Editor - Krungthep Turakij Nation Publishing Group Co., Ltd. | 2012 - Present | Director Nation U Co., Ltd. |
| 1998 - 1999 | President of The Economic Reporters Association | 2012 - Present | Director NBC Next Vision Co., Ltd. |
| 2000 - 2008 | Editor - Nation Channel and Nation Radio Nation Broadcasting Corporation Co., Ltd. | 2012 - Present | Director NBC Next Screen Co., Ltd. |
| 2001 - 2004 | Editor - Kom Chad Luek Nation Digital Media Co., Ltd. | Director of a competing company or a related business company | <ul style="list-style-type: none"> N/A |
| | | Meeting Attendance / Meeting Held (Frequency) | |
| | | Board of Directors | 5/8 |
| | | Annual General Meeting of Shareholders | 1 |

Board of Directors



Mr. Pana Janviroj
Director

| | | | |
|---|---|--|---|
| Age | : 54 years | 2005 - Oct 2008 | Chief Operating Officer of English News Business Unit Nation Multimedia Group Plc. |
| Education Background | <ul style="list-style-type: none"> MA., Tufts University, USA | 2008 - Present | President Nation News Network Co., Ltd |
| Training Course (s) | Thai Institute of Directors Association <ul style="list-style-type: none"> Directors Certification Program (DCP # 71) Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA) <ul style="list-style-type: none"> Risk Management Seminar & Workshop | 2011 - Present | Director Nation International Edutainment Plc. |
| No. of Shares Held as at December 28, 2012 | <ul style="list-style-type: none"> Mr. Pana Janviroj 10,124,500 shares (0.61%) | Apr 2012 - Present | Director, Executive of International Business Affairs Nation Multimedia Group Plc. |
| Relationship with NMG Executives | <ul style="list-style-type: none"> N/A | Director of other listed company | |
| Experience | | 2011 - Present | Director Nation International Edutainment Plc. |
| 1988 - 1992 | Senior Reporter - The Nation Nation Publishing Group Co., Ltd. | Director of other non - listed company | |
| 1993 - 1994 | Business Editor Nation Publishing Group Plc. | 2008 - Present | President Nation News Network Co., Ltd. |
| 1994 - 1995 | Executive Editor Nation Publishing Group Plc. | 2012 - Present | Director Yomiuri-Nation Information Service Co., Ltd. |
| 1995 - 1997 | Editor - The Nation Nation Publishing Group Plc. | 2012 - Present | Director Nation Egmont Edutainment Co., Ltd. |
| 1997 - 1999 | Group Assistant Publisher Nation Multimedia Group Plc. | 2012 - Present | Director NNN Next Frontier Co., Ltd. |
| 2000 - 2004 | Editor - The Nation Nation Multimedia Group Plc. | Director of a competing company or a related business company | <ul style="list-style-type: none"> N/A |
| | | Meeting Attendance / Meeting Held (Frequency) | |
| | | Board of Directors | 4/8 |
| | | Annual General Meeting of Shareholders | 1 |

Executive Board



Mr. Suthichai Sae-Yoon
Chairman

Executive Board

Age : 67 years

Meeting Attendance / Meeting Held (Frequency)

Education Background :

Annual General Meeting of Shareholders 1

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

Training Course (s) :

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

No. of Shares Held as at December 28, 2012

- Mr. Suthichai Sae-Yoon
165,480,540 shares (10.04%)

Relationship with NMG Executives

- Mr. Thepchai Sae-Yong,
Relationship: Younger brother

Experience

1971 - Present Editor in Chief

Nation Multimedia Group Plc.

2011 - Present Chairman

Nation Broadcasting Corporation Plc.

Mar 6, 2012 Chairman & Editor in Chief

- Present Nation Multimedia Group Plc.

Apr 17, 2012 Chairman

- Present Nation International Edutainment Plc.

Executive Board



Mr. Sermsin Samalapa
Vice Chairman

| | | | |
|---|---|---------------------------|---|
| Age | : 45 years | 2003 - 2011 | President and Chief Executive Officer Natural Park Plc. and its Subsidiaries |
| Education Background : | | 2003 - 2011 | Director Kempin Siam Co., Ltd. |
| • Master of Science in Real Estate Development, Sloan School of Management and Center for Real Estate, Massachusetts Institute of Technology (MIT), Cambridge, MA, USA | | 2010 - 2011 | Chairman South-East Asia University |
| • Bachelor of Architecture from Faculty of Architecture, Chulalongkorn University | | 2010 - 2012 | Director Nation Multimedia Group Plc. |
| • Effective Strategies for Media Companies, Executive Education from Harvard Business School, Harvard University Cambridge, MA, USA | | Apr 17, 2012 - Present | Vice Chairman Nation Multimedia Group Plc. |
| | | 2011 - Present | Director Nation U Co., Ltd. |
| Training Course (s) : | | 2011 - Present | Director Nation Broadcasting Corporation Plc. |
| • Thai Institute of Directors Association | | 2011 - Present | Director Nation International Edutainment Plc. |
| • Director Accreditation Program (DAP # 24) | | 2011 - Present | Director of other listed company |
| No. of Shares Held as at December 28, 2012 | | 2011 - Present | Director Nation Broadcasting Corporation Plc. |
| • Mr. Sermsin Samalapa 165,000,000 shares (10.01%) | | 2011 - Present | Director Nation International Edutainment Plc. |
| Relationship with NMG Executives | | | |
| • N/A | | | |
| Experience | | | |
| 1997 - 2011 | Lecturer of Real Estate Finance, Faculty of Commerce and Accountancy Chulalongkorn University | | |
| 1999 - 2002 | Managing Director Thai Portal Co., Ltd. | | |
| 2003 - 2005 | Chairman Pacific Assets Plc. | | |

Meeting Attendance / Meeting Held (Frequency)
Annual General Meeting of Shareholders 1

Executive Board



Ms. Duangkamol Chotana
Director/President

| | | | |
|---|--|---------------------------|---|
| Age | : 49 years | 2008 - Oct 2010 | Chief Operating Officer of Thai News Business Unit Nation Multimedia Group Plc. |
| Education Background : | | Oct 2010 - Present | President of Thai News Business Unit Krungthep Turakij Media Co., Ltd. |
| • BA. In Communication Arts, Chulalongkorn University | | 2011- Present | Director Nation Broadcasting Corporation Plc. |
| Training Course (s) : | | Feb 27, 2012 - Present | Director/President Nation Multimedia Group Plc. |
| Thai Institute of Directors Association | | | |
| • Directors Certification Program (DCP # 144) | | | |
| Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA) | | | |
| • Executive Development Program (EDP # 4) | | | |
| No. of Shares Held as at December 28, 2012 | | | |
| • Ms. Duangkamol Chotana 10,044,100 shares (0.61%) | | | |
| Relationship with NMG Executives | | | |
| • N/A | | | |
| Experience | | | |
| 1987 - 1990 | Reporter Nation Publishing Group Co., Ltd. | | |
| 1990 - 1999 | Assistant Editor Nation Multimedia Group Plc. | | |
| 1999 - 2000 | Executive Editor Nation Multimedia Group Plc. | | |
| 2000 - 2007 | Editor - Krungthep Turakij Nation Multimedia Group Plc. | | |

Meeting Attendance / Meeting Held (Frequency)
Annual General Meeting of Shareholders 1

Executive Board



Mr. Pana Janviroj
Director

| | | | |
|--|--|---|---|
| Age | : 54 years | 2005 - Oct 2008 | Chief Operating Officer of English News Business Unit Nation Multimedia Group Plc. |
| Education Background | : <ul style="list-style-type: none">MA., Tufts University, USA | 2008 - Present | President Nation News Network Co., Ltd. |
| Training Course (s) | : Thai Institute of Directors Association <ul style="list-style-type: none">Directors Certification Program (DCP # 71) Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA) <ul style="list-style-type: none">Risk Management Seminar & Workshop | 2011 - Present | Director Nation International Edutainment Plc. |
| No. of Shares Held as at December 28, 2012 | : <ul style="list-style-type: none">Mr. Pana Janviroj 10,124,500 shares (0.61%) | Apr 2012 - Present | Director, Executive of International Business Affairs |
| Relationship with NMG Executives | : <ul style="list-style-type: none">N/A | Meeting Attendance / Meeting Held (Frequency) Annual General Meeting of Shareholders 1 | |
| Experience | | | |
| 1988 - 1992 | Senior Reporter - The Nation Nation Publishing Group Co., Ltd. | | |
| 1993 - 1994 | Business Editor Nation Publishing Group Plc. | | |
| 1994 - 1995 | Executive Editor Nation Publishing Group Plc. | | |
| 1995 - 1997 | Editor - The Nation Nation Publishing Group Plc. | | |
| 1997 - 1999 | Group Assistant Publisher Nation Multimedia Group Plc. | | |
| 2000 - 2004 | Editor - The Nation Nation Multimedia Group Plc. | | |

Executive Board



Mr. Adisak Limprungpatanakij
Director

| | | | |
|--|--|---|--|
| Age | : 52 years | 2009 - 2010 | President of Satellite Television Association (Thailand) |
| Education Background | : <ul style="list-style-type: none">BA. Faculty of Commerce and Accountancy, Thammasat University | 2009 - Present | President Nation Broadcasting Corporation Plc. |
| Training Course (s) | : Thai Institute of Directors Association <ul style="list-style-type: none">Directors Certification Program (DCP #71) | Meeting Attendance / Meeting Held (Frequency) Annual General Meeting of Shareholders 1 | |
| No. of Shares Held as at December 28, 2012 | : <ul style="list-style-type: none">Mr. Adisak Limprungpatanakij 10,000,000 shares (0.61%) | | |
| Relationship with NMG Executives | : <ul style="list-style-type: none">N/A | | |
| Experience | | | |
| 1982 - 1985 | Reporter - Matuphoom Daily & Matuphoom Business Weekly | | |
| 1985 - 1992 | Reporter - The Nation Nation Publishing Group Co., Ltd. | | |
| 1992 - 1999 | Editor - Krungthep Turakij Nation Publishing Group Co., Ltd. | | |
| 1998 - 1999 | President of The Economic Reporters Association | | |
| 2000 - 2008 | Editor - Nation Channel and Nation Radio Nation Broadcasting Corporation Co., Ltd. | | |
| 2001 - 2004 | Editor - Kom Chad Luek Nation Digital Media Co., Ltd. | | |

Management Team



Mr. Thepchai Sae-Yong
Group Editor-in-Chief

Management Team

Age : 58 years

Education Background :

- Secondary school -
Assumption Commercial College (ACC)

Training Course (s) :

- Thai Institute of Directors Association
- N/A

No. of Shares Held as at December 28, 2012

- N/A

Relationship with NMG Executives

- Mr. Suthichai Sae-Yoon,
Relationship: Elder brother

Experience

| | |
|-------------|---|
| 1975 - 1976 | Proofreader Nation Publishing Group Co., Ltd. |
| 1977 - 1979 | Reporter - Political Nation Publishing Group Co., Ltd. |
| 1980 - 1988 | Reporter - Regional Nation Publishing Group Co., Ltd. |
| 1989 - 1994 | Editor - The Nation Nation Publishing Group Co., Ltd. |

1994 - 2000

News Director

Thai Public Broadcasting Service (ITV)

2000- 2007

Group Editor

Nation Multimedia Group Plc.

2008 - Oct 9, 2012

Managing Director

Thai Public Broadcasting Service (TPBS)

Oct 15, 2012 - Present

Group Editor-in-Chief

Nation Multimedia Group Plc.

2012 - Present

Director

NNN Next Frontier Co., Ltd.

Meeting Attendance / Meeting Held (Frequency)

Annual General Meeting of Shareholders -

Management Team



Mr. Torboon Puangmaha
President – Digital Media

| | | | |
|--|---|---|--|
| Age | : 44 years | 2007 - 2011 | Chief Executive Officer |
| Education Background | : | | TopSpace (Thailand) Co., Ltd. |
| | <ul style="list-style-type: none">• MBA, The Pennsylvania State University, USA.• Bachelor of Business Administration, Chulalongkorn University. | 2012 - Present | President - Digital Media. Nation Multimedia Group Plc. |
| Training Course (s) | : | Meeting Attendance / Meeting Held (Frequency) | |
| | Thai Institute of Directors Association | Annual General Meeting of Shareholders | - |
| | <ul style="list-style-type: none">• N/A | | |
| No. of Shares Held as at December 28, 2012 | | | |
| | <ul style="list-style-type: none">• Mr. Torboon Puangmaha | | |
| | 755,750 shares (0.046%) | | |
| Relationship with NMG Executives | | | |
| | <ul style="list-style-type: none">• N/A | | |
| Experience | | | |
| 2003 - 2011 | Chief Executive Officer | | |
| | Sanook Online Limited. | | |
| 2009 - 2011 | Director | | |
| | Jobstreet (Thailand) Co., Ltd. | | |
| 2008 - 2011 | Chief Executive Officer | | |
| | Sanook Shopping (Thailand) Co., Ltd. | | |

Management Team



Mr. Vithoon Pungprasert
Executive Vice President

| | | | |
|--|--|-----------------------|--|
| Age | : 59 years | Aug 1989 - Oct 1989 | Editor |
| Education Background : | | | Nation Multimedia Group Plc. |
| | <ul style="list-style-type: none">Master of Public Administration, National Institute of Development Administration (NIDA)BA. in Political Science, Ramkhamhaeng University | Oct 1989 - 1992 | Editor Krungthepturakij Nation Multimedia Group Plc. |
| | | 1993 - 1996 | Assistant to Group Editor Nation Multimedia Group Plc. |
| | | 1997 - 2009 | Assistant to Editor in Chief Nation Multimedia Group Plc. |
| Training Course (s) : | | | |
| | Thai Institute of Directors Association | 2010 - Nov. 2010 | Senior Editor Kom Chad Luek Nation Multimedia Group Plc. |
| | <ul style="list-style-type: none">N/A | | |
| No. of Shares Held as at December 28, 2012 | | Nov 2010 - 2012 | Senior Editor Kom Chad Luek Kom Chad Luek Media Co., Ltd |
| | <ul style="list-style-type: none">Mr. Vithoon Pungprasert 50,000 shares (0.0030%) | 2012 - Present | Executive Vice President Kom Chad Luek Media Co., Ltd. |
| Relationship with NMG Executives | | | |
| | <ul style="list-style-type: none">N/A | Nov 7, 2012 - Present | Director Kom Chad Luek Media Co., Ltd. |
| Experience | | | |
| 1978 - 1981 | Reporter The Nation Nation Publishing Group Co., Ltd. | | |
| 1982 - Aug 1989 | Assistant Editor Nation Publishing Group Co., Ltd. | | |
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Management Team



Ms. Nutvara Seangwarin
Executive Vice President

Age : 45 years

Education Background :

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

Training Course (s) :

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

No. of Shares Held as at December 28, 2012

- Ms. Nutvara Seangwarin
100 shares (0.00%)

Relationship with NMG Executives

- N/A

Experience

| | |
|----------------|---|
| 1993 - 1994 | Account Executive Nation Multimedia Group Plc. |
| 1995 - 1996 | Account Supervisor Nation Multimedia Group Plc. |
| 1997 - 1999 | Account Manager Nation Multimedia Group Plc. |
| 2000 - 2001 | Senior Account Manager Nation Multimedia Group Plc. |
| 2002 - 2003 | Vice President Nation Multimedia Group Plc. |
| 2004 - 2006 | Assistant Senior Vice President Nation Multimedia Group Plc. |
| 2007 - 2010 | Senior Vice President Nation Multimedia Group Plc. |
| 2010 - 2012 | Director Kom Chad Luek Media Co., Ltd. |
| 2010 - 2012 | Director WPS (Thailand) Co., Ltd. |
| 2011 - 2012 | Senior Vice President Krungthep Turakij Media Co., Ltd. |
| 2012 - Present | Director Krungthep Turakij Media Co., Ltd. |
| 2013 - Present | Executive Vice President Nation Multimedia Group Plc. |

Meeting Attendance / Meeting Held (Frequency)

| | |
|--|---|
| Annual General Meeting of Shareholders | 1 |
|--|---|

Management Team



Mr. Thongchai Bunsaringkaranont
President of Printing Business Unit

Age : 53 years

Education Background :

- Bachelor of Laws,
Thammasat University

Training Course (s) :

- Thai Institute of Directors Association
 - Directors Certification Program (DCP # 143)

No. of Shares Held as at December 28, 2012

- N/A

Relationship with NMG Executives

- N/A

Experience

| | |
|------------------|---|
| 1998 - 2000 | Manager Advertising Administration Nation Multimedia Group Plc. |
| 2001 - 2007 | Vice President Advertising Administration Nation Multimedia Group Plc. |
| 2008 - Oct. 2010 | Assistant Senior Vice President Advertising Administration Nation Multimedia Group Plc. |
| Oct 2010 | Director/President of Printing Business Unit |
| - Present | WPS (Thailand) Co., Ltd. |

Meeting Attendance / Meeting Held (Frequency)

| | |
|--|---|
| Annual General Meeting of Shareholders | 1 |
|--|---|

Management Team



Mr. Supoth Piansiri
Senior Vice President – Accounting

| | | | |
|---|--|-----------------------|--|
| Age : | 44 years | 2010 - Aug 31, 2012 | Assistant Senior Vice President - Accounting |
| Education Background : | | Sep 1, 2012 - Present | Senior Vice President - Accounting |
| | <ul style="list-style-type: none"> Bachelor Degree of Accounting (Auditing), 2nd Class Hons., The University of The Thai Chamber of Commerce Certified Public Accountants (Thailand) Registration No.4666 | 2010 - 2012 | Director |
| Training Course (s) : | | 2010 - Present | Director |
| | Faculty of Commerce and Accountancy, Chulalongkorn University | 2010 - Present | Director |
| | <ul style="list-style-type: none"> Strategy Management Program Thai Institute of Directors Association Directors Certification Program (DCP # 150) | 2012 - Present | Director |
| No. of Shares Held as at December 28, 2012 | <ul style="list-style-type: none"> N/A | | |
| Relationship with NMG Executives | <ul style="list-style-type: none"> N/A | | |
| Experience | | | |
| 2003 | Senior Manager | | |
| | SGV-Na Thalang & Co., Ltd. | | |
| 2003 - 2006 | Associate Director | | |
| | KPMG Phoomchai Audit Ltd. | | |
| 2007 - 2009 | Vice President - Accounting | | |
| | Nation Multimedia Group Plc. | | |

Meeting Attendance / Meeting Held (Frequency)
Annual General Meeting of Shareholders 1

Management Team

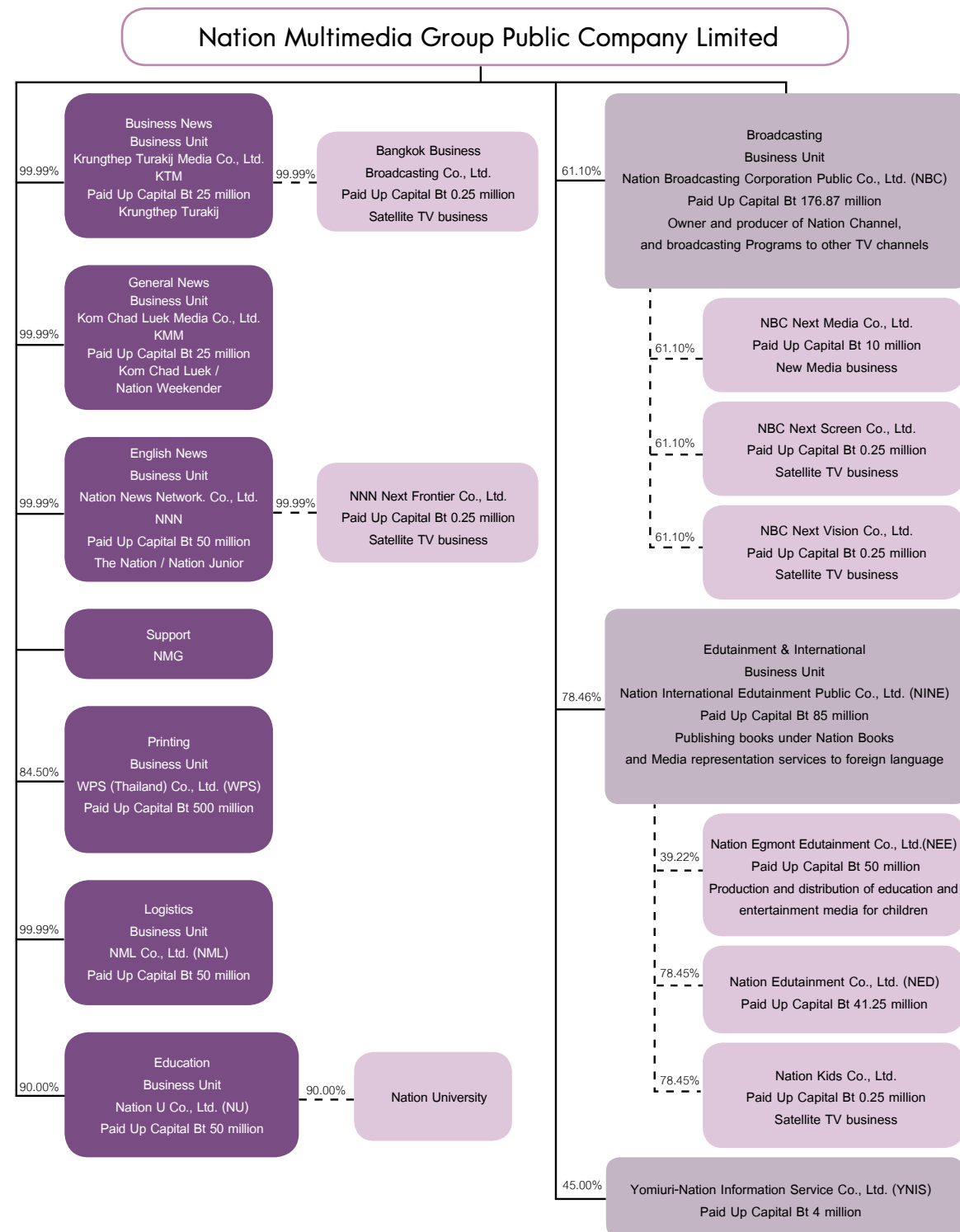


Ms. Mathaya Osathanond
Senior Vice President – Finance

| | | | |
|---|---|-----------------------|---|
| Age : | 44 years | 2006 - Aug 31, 2012 | Assistant Senior Vice President - Finance |
| Education Background : | | Sep 1, 2012 - Present | Senior Vice President - Finance |
| | <ul style="list-style-type: none"> BA. Accounting, Faculty of Commerce and Accountancy, Thammasat University | 2006 - Present | Director |
| Training Course (s) : | | 2008 - Present | Director |
| | Thai Institute of Directors Association | 2011 - Present | Director |
| | <ul style="list-style-type: none"> Directors Certification Program (DCP # 150) | 2011 - Present | Director |
| No. of Shares Held as at December 28, 2012 | <ul style="list-style-type: none"> N/A | 2011 - Present | Director |
| Relationship with NMG Executives | <ul style="list-style-type: none"> N/A | 2012 - Present | Director |
| Experience | | 2012 - Present | Director |
| 1996 - 1997 | Manager - Accounting | | |
| | Nation Multimedia Group Plc. | | |
| 1998 - 2000 | Manager - Finance | | |
| | Nation Multimedia Group Plc. | | |
| 2001 - 2002 | Senior Manager Finance | | |
| | Nation Multimedia Group Plc. | | |
| 2003 - 2005 | Vice President - Finance | | |
| | Nation Multimedia Group Plc. | | |

Meeting Attendance / Meeting Held (Frequency)
Annual General Meeting of Shareholders 1

Business Group Structure



Products and Services

Business Units

1 Thai-language Business News Unit Krungthep Media Company Limited (KTM)



In 2012, Krungthep Media Co., Ltd. made important progress by fully entering the digital media business. After establishing Thailand's first business newspaper "Krungthep Turakij", which has been widely accepted in Thai business circles for over 25 years, the company launched "Krungthep Turakij TV", a satellite TV station operated under the standpoint of "Thailand's first complete business TV" on September 9, 2012. Krungthep Turakij TV channel is broadcast 24 hours to provide viewers in Thai business circles with unlimited access to economic and business news and information via various platforms and channels. Targeting business persons and investors, the station made a historic milestone just as "the first business daily" did when its debut copy was published on October 6, 1987, whereby news presentation covering the economy, business, stocks, finance and investment were expanded. Krungthep Turakij has become "the bible" for all readers needing

a steadfast source of accurate and timely information. The newspaper offers accurate and precise information as an effective tool for decision-makers, and thoroughly reaches all Thai business communities.

Over the years, Krungthep Turakij newspaper has continuously improved its content and presentation formats to fully satisfy investor demands. In addition to providing accurate news and information, the newspaper keeps presenting new sections, aiming to enhance its readers' knowledge to keep pace with the new global trends. The new content sections include BizWeek, HR & Management news, Eureka, New Media, Green Report to promote green economy and ASEAN+ to support Thai business in moving forward in the ASEAN region.

Today, "Krungthep Turakij" is ready to act as an integrated provider of news and information in business as well as all



aspects of business-related knowledge. Additionally, the newspaper acts as a medium to connect the business sector to the social sector, which is in accordance with its commitment towards being a "Good Citizenship Organization", emphasizing sustainable growth and development alongside Thai society.

www.bangkokbiznews.com

A leading business news website attracting 7 million views per month. The website presents fast, accurate and timely business news, with analyses from experts in various fields and a variety of sections including business, finance-investment, property, and automotive. The website offers Stock Watch, which monitors stock price movements and Stock Quotes, letting users check as many as four stock prices in a portfolio at one time.

i-Newspaper

"Krungthep Turakij" digital newspaper or "i-Newspaper" has been created to allow readers to access news and information via tablets such as iPad, computer notebooks and PCs in response to the mobile lifestyles of today's generation. The digital newspaper's content is similar to that of the print version, but comes with additional features such as news archives, more photos, interactive stock index and video. The full version, in PDF format, can be downloaded from www.bangkokbiznews.com, whose content is the same as the print version.

2 General Thai News Business Unit Kom Chad Luek Media Company Limited (KMM)



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

www.komchadluek.net

Producer and distributor of "Nation Weekender," a weekly news magazine

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

www.nationweekend.com

On December 3, 2012, Kom Chad Luek newspaper joined forces with Mango

TV Station and Rawangpai Station to produce a news station to be broadcast through satellite TV under the name "Kom Chad Luek TV News Station." The Station aims to inform communities of impending dangers, with content cooperation between the editorial teams of Kom Chad Luek newspaper and Rawangpai Station to cover local issues, disasters, daily social harms and complaints from people, as well as entertainment and sports programs.

3 English News Business Unit Nation News Network Company Limited (NNN)



Producer and distributor of "The Nation," English language daily newspaper and the group's flagship publication. For more than 47 years, The Nation has forged a strong reputation for its accurate, independent news reporting and highly relevant content. The newspaper focuses on English language business news that provides insightful information on business, finance and political analyses for administrators and those who need to use these factors in their decision making, both in Thailand

and Asia. Its main target groups are Thais eager to follow political and economic movements and expatriates residing in Thailand.

www.nationmultimedia.com

Nation Junior, fortnightly English language magazine, which has become one of the best-selling magazines in the Thai teenage marketing group for over 17 years. Nation Junior also operates a successful website with various features and formats relevant to teenagers. The magazine is also suitable

for working people who want to enhance their English skills to apply to their jobs or daily life.

www.nationjunior.com

The Nation has joined forces with other international media producers to form the Asia News Network (ANN), an alliance of leading newspapers, consisting of 21 members from 18 countries in the Asian region, to exchange news reports and pictures.

www.asianewsnet.net



4 Edutainment and International Business Unit

Nation International Edutainment Public Company Limited (NINE)



1. Publishing House Business

1. Pocketbooks

The company runs its own publishing houses under the name “Nation Books” and “Bizbook”, which produce and distribute pocketbooks. The two publishing houses have been entrusted and granted copyright licenses by well-known authors and other publishers, both in and outside the country, to print and distribute quality works with a wide selection of content to meet the varied needs of different target groups. Publications cover management, novels, language and learning aids, as well as books on religion, psychology, philosophy and general topics.

www.nationbook.com

2. Books and Media for Children

Nation Egmont Edutainment Company

Limited is an importer, publisher and distributor of educational and entertainment books and media for children and youth under the age of 18. It has copyright authorization rights from many of the world’s leading publishers in Europe, America and Australia, including Walt Disney and Warner Bros., and is also a distributor for Nation Edutainment Co., Ltd. (NED).

Popular children’s books and edutainment media published and produced by Nation Egmont include Disney’s Classic Tales and skill-enhancing activities, Disney Puen Nong magazine, the Thai editions

of various children’s literature, Nickelodeon’s Dora the Explorer and SpongeBob, etc.

www.nationegmont.com

Nation Edutainment Company Limited is a publisher and distributor of educational and entertainment print media for youth, with young people under the age of 18 representing the main target group. The company’s products comprise popular comics published under copyright licenses from publishers in Japan, Korea and other Asian countries, such as Shueisha Inc., Shogakukan, Kodansha and Futabasha.

Nation Edutainment’s highly popular cartoons and children’s literature include

the weekly comic magazines “Boom”, SOS, a comic compilation of famous Thai cartoonists, published every two months, Doraemon series, Dragonball, Bleach, Naruto and Death Note; and Thai comics “ApaiManee Saga” and “The 13th Knife”, etc.

The company has also obtained a copyright license from GMM Grammy Plc. for printing and distributing rights of the third season of the comic “Bird: Flying With Byrd” and “Shelldon”, an internationally famous Thai cartoon produced by Shellhut Entertainment Co., Ltd.

www.ned-comics.com

2. Distribution of Overseas Print Publications and Related Services Business

The group of companies provides overseas publishers numerous services including printing, advertising, distribution and delivery. The company is a distributor of 150 editions of leading overseas newspapers and magazines and is also a center for subscription and advertising sales for the Yomiuri Shimbun newspaper printed in Thailand. The printing business provides for the Wall Street Journal Asia and the Yomiuri Shimbun newspaper. The delivery service provides for many

newspapers and magazines. The company provides one-stop-services to facilitate owners of print publications and to solve any issues that may occur.

3. Digital Media Business

The company produces and distributes e-books in various genres to satisfy different reading tastes including administration, management, religion, psychology, philosophy, novels, literature, fairy tales, cartoons, etc. Readers can conveniently and rapidly purchase e-books online 24 hours a day and take their electronic books or magazines anywhere and whenever they like. The company also produces and distributes applications to improve skills and knowledge, as well as games for entertainment purposes.

Services of digital media business are categorized into two major sectors:

1. Digital Content Sector
2. E-commerce Sector

4. Satellite Television Business



The company operates the satellite TV station broadcast through the C-Band satellite system under the name “KidZone”. The KidZone channel targets children aged between 4-12 years as well as their parents in the form of Kids Edutainment programs, with a combination of entertainment, knowledge and creativity, to encourage Thai children to Play + Learn at the same time.

The channel’s content consists of cartoons that are internationally successful. Most of them teach children about moral lessons and contain no violent content, which are suitable for all stages of children’s development. Most have not been aired through free TV channels. The channel also produces live programs including

“KidZone Club”, broadcast from Monday to Friday at 17.00 -19.00, to allow viewers to communicate and be interactive with the program; “Kid Diary,” where young fans are taken to different cultural places and learning centers to learn arts, music, sport and science, and Learn & Play, highlighting new learning methods from tuition centers, workshops and fun activities, where MCs of the program will join each activity themselves, with edutainment content presentation.

The channel’s highlights include “Kid Naroo Doodai Doodee,” a compilation of edutainment programs from government agencies presented through various innovative media such as Ponlamueng Dek, Koohu Todlong Vit, produced by the Thai Health Promotion Foundation (ThaiHealth), Roo Rak Pasa Thai, produced by the Royal Institute and Sombat Phuddee animation cartoon, produced by the Department of Cultural Promotion.

The Friend of KidZone project has been launched to welcome TV producer alliances or those interested in co-producing children’s programs with the company. The company has received strong support from alliances of professional TV producers to create varied quality content, focusing on entertainment, knowledge and creativity.

5. Character Management

The company holds copyright licenses for internationally famous characters with the right to manage for those interested product owners to use in their products distributed in Thailand and retail shops to use in their promotional activities. The company also undertakes marketing activities to promote characters under its management to improve their popularity in Thailand and to support greater consumption of licensed products. Presently, the company holds copyright licenses of CANIMALS and YOO-HOO AND FRIENDS.





5 Broadcasting Business Unit

Nation Broadcasting Corporation Public Company Limited (NBC)



Nation Broadcasting Corporation, a subsidiary of Nation Group, provides and produces a wide variety of news and information content in various formats for broadcast via television, radio and new media. The company operates three main business lines:

1. Television Broadcasting Business

The company produces and supplies news and other content in various formats and channels to satisfy every target group. The company also utilizes its resources to produce TV programs with content, pictures and a quality news team to support other related businesses.

Characteristics and Services of Television Business

1.) TV Stations Operated by the Company

The company founded and manages a number of integrated TV stations

undertaking production, provision, broadcasting and advertising sales. The company makes profit from advertising sales, content production for various programs and short documentaries, and supply or rental of airtime. In 2012, the company operated four stations as follows:

1. Nation Channel (launched in 2000)



The 24-hour news and information station broadcasts accurate, impartial and up-to-date news with analysis and in-depth information by an experienced news editorial team. The TV station broadcasts via various channels including local cable TV, Thaicom-5 satellite TV, C-Band, 12355 MHz, Thaicom-5 satellite TV, KU-Band, 3545 MHz, www.nationchannel.com, mobile

phones, iPad and iPhone applications, and TV screens in the BTS skytrain system.

2. Mango TV (launched on June 12, 2010)



The entertainment news and information station that the company jointly produces with business alliances (Friends of Mango: FOM) specializing in many areas. All programs are produced in a fresh, new and colourful style to satisfy the lifestyles of modern consumers. The station broadcasts via various channels including local cable TV, Thaicom-5 satellite TV, C-Band, 3545 MHz, PSI satellite TV, O2 model, C-Band, channel 12, Infosat satellite TV, Zimple model, channel 8, DTV satellite TV, KU-Band, channel 34, www.mangotv.tv and iPad and iPhone applications.

3. Rawangpai Station (launched on October 1, 2011)



This news station broadcasts news covering crime, traffic, weather and natural disasters that affect local communities. The news team gathers information from both public and private sources, as well as from citizen reports. The station broadcasts via various channels such as local cable TV, Thaicom-5 satellite TV, C-Band, 3958 MHz, www.rawangpai.com and www.ระวังภัย.com, smart phones, iPad and iPhone applications, tablet applications and online social media.

4. RAMA Channel (launched on December 1, 2011)



A station that the company co-produces with Ramathibodi Hospital to present news covering health, medical treatment and research conducted by specialist medical

teams at Ramathibodi Hospital. The program broadcasts via local cable TV, True Vision channel 47 and 80, www.ramachannel.tv and smart phones.

Since December 2012, the company has adjusted its TV channeling. Currently, the company operates three stations comprising Nation Channel, RAMA Channel and Kom Chad Luek TV, which is a joint operation of Mango TV, Rawangpai Station and Kom Chad Luek newspaper.

Kom Chad Luek TV (launched on December 3, 2012)



Kom Chad Luek TV aims to inform the community of dangers, with content cooperation between editorial teams of Kom Chad Luek newspaper and Rawangpai Station, to cover local issues, disasters, daily social harms and complaints from people, as well as entertainment and sports programs. The station broadcasts through various channels including local cable TV, Thaicom-5 satellite TV, C-Band, 3545 MHz; satellite dishes of PSI, channel 87, Big4,

channel 16, Dynasat, channel 18, QSAT, channel 40; Set top box GMM-Z, channel 106, SunBox, channel 22, www.komchadluek.net and www.rawanpai.com, iPad and iPhone applications.

2.) TV Programs Produced Jointly with Free TV Channels

The company jointly produces news and information programs for TV with several free TV channels. Revenue is generated from the sale of advertising and the promotion of products and services as part of the programs. In 2012, the company has a fewer number of jointly-produced programs, due to adjustments in free TVs' programming. However, its two programs are still on air via Channel 3 and Channel 5:

1. "Reung Den Yen Nee" on Channel 3, presenting news reports of daily important incidents and other interesting issues to the public.

Monday - Friday, 17.30 - 18.30 hrs.

2. "Toward 2015" on Channel 5, presenting economic and business information of the private sector in preparation for AEC integration.

Tuesday, 09.10 - 09.35 hrs.

3.) Related Businesses

In 2012, the company fully entered the entertainment business by making its debut musical drama “Reya The Musical” starring Chompoo Araya A. Hargate. The musical drama was adapted from the novel of Taitow Sucharitkul, with music score and English lyrics composed by Somtow Sucharitkul. It achieved satisfactory success, with 20 show times and an audience of 12,000.

As the company's television broadcasting operations, including the Nation Channel news station and programs broadcast via free TV channels, have become well accepted by the viewing public, the company has diversified into related activities to leverage its content, information, personnel, facilities and reputation, in order to create optimal benefit. The company uses its more popular or controversial programs in the production of products such as VCDs or DVDs, or to organize seminars, tours and other special events.

2. Radio Broadcasting Business

The company has forged business alliances to produce content for broadcast via F.M. radio stations. In this business, the company profits from the sale of advertising. The company is a co-producer of programs for several radio stations, such as F.M. 90.5 MHz and F.M. 102.0 MHz. The company also co-produces breaking news content for F.M. 90.5 MHz, radio stations in the Smart Bomb Co., Ltd. network and Kasetsart University Station - A.M. 1107 KHz, Chiang Mai - A.M. 612 KHz, Khon Kaen - A.M. 1314 KHz, Songkla - A.M. 1269 KHz and local radio stations in provinces nationwide.

In addition to broadcasting through radio frequencies, the company also airs its radio programs on 90.5 MHz and F.M. 102.0 MHz via new media to add new channels, enabling its listeners to access the programs conveniently: Internet - Listeners can access the company's radio

programs through www.nationradio.co.th, smart phones, Window Phones and online social media such as www.twitter.com/NTRadio_NBC and www.facebook.com/radio.nbc

Satellite dish - Households equipped with satellite dishes can access the company's radio programs, with F.M. 90.5 MHz broadcasting via C-Band (black dish) and F.M. 102.0 MHz via KU-Band (yellow dish).

3. New Media Business

The company utilizes its strength in content to create products and services for new media, such as websites and mobile electronics devices like smart phones and tablets to better fit the changing lifestyles of the new generation in accessing news and information content through a more diversified media.

1) Website Business

The company has launched websites to present a variety of products and services.

All of the websites offer news and information content. The company generates income from sales of advertising for websites. In 2012, the company operated its own websites such as www.nationchannel.com, www.oknation.net, <http://radio.nationchannel.com>, <http://77.nationchannel.com>, <http://breakingnews.nationchannel.com> and www.247friend.net.

The company is responsible for the development and maintenance of various systems for the websites of Nation Group. It also acts as a sales agent for advertising space on NMG's websites and those of other companies, such as www.nationmultimedia.com, the English-language news website of NMG, www.komchadluek.net, the website of Kom Chad Luek newspaper and Kom Chad Luek Satellite TV, www.pantip.com, Thailand's biggest weblog, www.exteen.com, a popular community weblog, www.beartai.com, a weblog presenting IT information and www.eduzone.com, a weblog on education.

2) Message Services Business

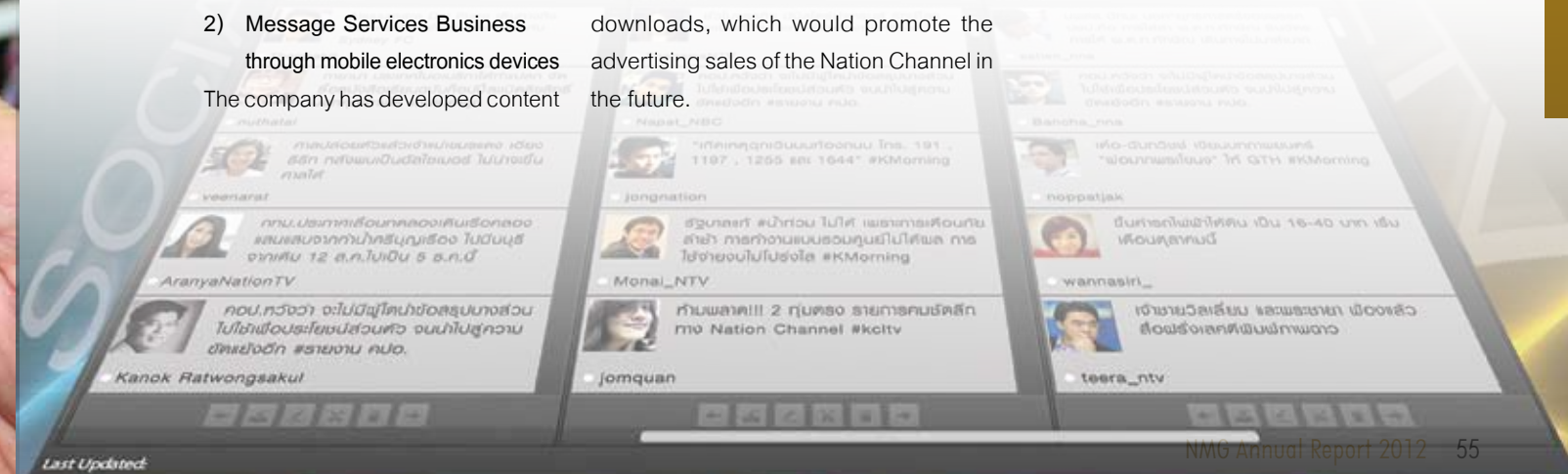
through mobile electronics devices
The company has developed content

from its TV and radio programs, as well as business partners, to serve the modern lifestyle of the new generation, who increasingly prefer to consume news and information through a variety of new media formats. In 2012, the company provided news reports and other content for mobile electronics devices such as smart phones and tablets through the following services:

SMS (Short Message Service) and MMS (Multimedia Messaging Service) through mobile phones

SMS services include Nation Than Khao, Nation English Breaking News, NtThaiVisa, Krungthep Turakij Breaking News, Kom Chad Luek Breaking News, Kom Chad Luek 7 Baht, Kom Chad Luek Chabub Jew, NationEduzones, Nation Oil Alert, Enjoy English with NJ and SMS + MMS By Suthichai Yoon

Application service on mobile electronics devices such as smart phones and tablets for viewing Nation Channel's programs. This service aims to reach higher numbers of viewers. In 2012, it received 150,000 downloads, which would promote the advertising sales of the Nation Channel in the future.



6 Printing Business Unit

WPS (Thailand) Company Limited (WPS)



A subsidiary of Nation Multimedia Group Plc., WPS (Thailand) Company Limited (WPS) primarily offers printing services for Nation Group such as Kom Chad Luek Media Co., Ltd., Bangkok Biz Media Co., Ltd., and Nation News

Network Co., Ltd. Its publications include Kom Chad Luek, Krungthep Turakij and The Nation newspapers, bimonthly and weekly magazines Nation Junior and Nation Weekender, as well as teaching aids for Aksorn Charoen Tat. WPS is also

in charge of printing the local editions of renowned international newspapers such as The Wall Street Journal Asia and Yomiuri Shimbun to serve NINE, which is licensed to manage the printing, distribution and logistics operations of these newspapers.



7 Logistics Business Unit

NML Company Limited (NML)



NML Company Limited (NML), a subsidiary of Nation Multimedia Group Co., Ltd., provides logistics services for newspapers and other print products of Nation Group, particularly Kom Chad Luek, Krungthep Turakij, The Nation, The Wall Street Journal and Yomiuri Shimbun, in Bangkok and its adjacent provinces, as well as provincial areas nationwide. The company also operates logistics services for other clients.

delivery of print materials to subscribers and 300 newsstands and agents, working 24 hours and seven days a week. The company offers fast sorting, wrapping and delivery of print media including newspapers, magazines, cartoons and textbooks nationwide. It uses GIS (Geographic Information System) to locate the addresses of all subscribers and delivery points to ensure the most efficient delivery routing.

Smile, Asia Books, Siam Inter Multimedia, Nanasarn Distribution, Chula Books and Thaiwatanapanish.

3. NML Express

Door-to-door express delivery services within Bangkok and surrounding areas within the specified day.

- Deliveries to Bangkok and neighboring areas are made within the same-day.
- Deliveries to provincial areas are made within the next working day or within a specified day.

4. Additional Services

- Packaging service
- Mail service
- Collection and payment service
- Express document and parcel delivery service in Bangkok and neighboring areas within four hours
- Distribution of leaflets, brochures, direct mail, free product samples of all types and marketing researches, and placement of posters, banners, etc., nationwide

Currently, NML delivers print media to subscribers of the Nation Group including The Nation, Krungthep Turakij and Kom Chad Luek newspapers, The Wall Street Journal Asia and The Yomiuri Shimbun. The company also serves other clients, for example, True Visions Magazine (UBC), Dara Daily newspaper, Go Genius, Lem Prot, WHO, Seventeen, OK!, ZOO, ENTERTAIN, RAY, CAWAI and GO magazines.

As well, NML undertakes transportation of print media to agents' delivery points, bookstores and educational institutes across the country. The company presently serves around 30 leading publishers including Amarin Books, Se-Ed, Book

1. Transport and Distribution Services

NML operates transport and distribution services 24 hours a day, with a fleet of over 100 trucks. With its fast and modern logistics system, clients can rest assured of the company's high-standard and highly efficient logistics services. NML's various formats of logistics services include:

- Provide vehicles to be stationed at client facilities or warehouses
- Point-to-point logistics Distribution
- Reverse Logistics

2. Delivery of Print Materials

NML has a team of staff overseeing



8 Education Business Unit

Nation U Co., Ltd.



A subsidiary of Nation Multimedia Group Plc., Nation U Co., Ltd. operates "Yonok University", which has been renamed "Nation University" since November 2011.

Nation University is committed to producing quality graduates for Thai society, with its outcome-based learning approach. Students will train and practice under the "Learning with Professionals" approach, with highly-qualified lecturers from both Nation Multimedia Group and other companies. The University's courses cover business management, media management, advertising and public relations, and communication efficiency.

The university differentiates itself from others by emphasizing the concepts of "Learning with Professionals" and "CSR-minded graduates." With the winning combination of their professional skills, communication skills and English skills, Nation University's graduates are expected to satisfy both the public and private sector.

The university also has a policy to promote academic work and research in support of its neighboring community development. It encouraged the community to take part in community development activities, while promoting the conservation of arts and culture and local wisdom, which will subsequently help maintain their existing

values in the wake of social and economic changes.

The University accepts students at both Bachelor's Degree and Master's Degree levels, with two campuses - the Northern Lampang Campus and the Bangkok Campus. The Bangkok Campus is located at Nation Tower, Bangna-Trad Road. Starting the first semester in the 2011 academic year, Nation U offers two programs as follows:

1. Bachelor of Communication Arts
2. Bachelor of Business Administration

The University also provides the Master's Degree program of Executive MBA.

Industry and Competition Overview



Overall Economy

Overall, the Thai economy in 2012 saw an expansion at a rate of around 5.5% which indicated a recovery to normal levels after the previous year expanded just 0.1%. Problems in the production sectors caused by the previous year's flooding disaster were resolved, especially industrial production. The recovery was supported by several government stimulus policies such as the first car and first house tax subsidies, and a gradual reduction in corporate income tax which could promote domestic purchasing. At the same time, consumption and investment by government agencies took a prominent role in enhancing the economic recovery.

In 2013, the overall advertising industry will experience positive performance with the expansion of satellite TV, cable TV and digital TV helping increase sources of alternative media, and local customers seeking to strengthen their brands in

preparation for AEC integration in 2015. It is, therefore, expected that in 2013 advertising budgets will increase.

However, negative factors should be closely monitored, particularly the weakened European and American economies and the increase in the national minimum wage to Bt300 per day which is resulting in higher production costs, which businesses may try to offset by reducing advertising budgets.

In 2013, the Thai economy is anticipated to expand by around 4.5-5.5% (source: Kasikorn Research Center). Factors which may pose threats to the Thai economy include the global economic situation, oil prices, the domestic political situation and the volume of government investment, as well as pressure from rising production costs.

Company Business consists of eight lines, as follows:

1. Thai-language business news publications: Managed by Krungthep Turakij Media Co., Ltd., producer and distributor of "Krungthep Turakij" business daily. Target customers include business people, young-generation executives, academics, government officials, marketing executives, university students and well-educated readers.

Krungthep Turakij Media Co., Ltd. has a subsidiary named Bangkok Business Broadcasting Co., Ltd.

2. Thai-language general news publications: Managed by Kom Chad Luek Media Co., Ltd., producer and distributor of "Kom Chad Luek" mass-circulation daily, and "The Nation Weekender" weekly news analysis magazine. Target customers are general news readers.

3. English-language news publications, seminars and communications training: Managed by Nation News Network Co., Ltd., producer and distributor of

"The Nation" daily newspaper and "Nation Junior" magazine. Target customers include Thais who follow the political and economic scene, young-generation readers and foreign residents in Thailand.

NNN Next Frontier Co., Ltd. is a subsidiary of Nation News Network Co., Ltd.

4. Broadcasting Business: Managed by Nation Broadcasting Corporation Public Co., Ltd., producer of "Nation Channel" 24-hour news station, "Mango TV", "Rawangpai Channel", "Rama Channel" satellite TV, as well as the producer of TV and free TV programs, such as "Khao Kon Khao". Target customers are the general public. The company also co-produces programs for ASEAN TV with MCOT which are broadcast via True Vision channel 99.

Nation Broadcasting Corporation has three subsidiaries: NBC Next Media Co., Ltd, NBC Next Vision Co., Ltd. and NBC Next Screen Co., Ltd.

5. Edutainment and foreign-related businesses: Managed by Nation International Edutainment Public Co., Ltd. and its three subsidiaries: Nation Edutainment Co., Ltd., Nation Egmont Edutainment Co., Ltd. and Nation Kids Co., Ltd. Their business operations include:

- Production of copyright pocket books from both domestic and international sources, for instance, "Buffettology", human resource management, the auspicious sacred calendar 2013 by Joey Yap, the doctor who cures cancer.

- Advertising sales agent and distributor for foreign publications in Thailand and the ASEAN region including foreign newspapers, such as The Wall Street Journal Asia and The Yomiuri Shimbun, as well as a range of popular international foreign magazines such as Fortune, Time Magazine, Newsweek and Business Week.

- Production, import and distribution of educational and entertainment publications

for children using media from both domestic and international sources.

6. Education Business: Managed by Nation U Co., Ltd. (Shareholding ratio in December 2012: NMG 90% and South-East Asia University 10%), which is holding the license to operate Nation University (formerly Yonok University). Nation University is located in Prabath Subdistrict, Muang District, Lampang. Currently, the university offers bachelor degrees in seven programs including communication arts, business administration, accountancy, public health, sciences, liberal arts and public administration.

- The Bangkok campus located at Nation Tower currently offers bachelor's degrees in two programs: communication arts and business administration, and also an Executive MBA program that provides an integrated and modern business management course in tune with contexts in the world of business including case studies and in-depth business techniques from successful CEOs, their visions and



the frame of AEC concepts to pave the way for students to become top business leaders in ASEAN.

7. Print Business: Managed by WPS (Thailand) Co., Ltd. as a provider of newspaper printing services to the Nation Group, including Kom Chad Luek, Krungthep Turakij and The Nation newspapers. In addition, the company prints comic books for the Nation Group, as well as pocket books, print ads and various jobs for external customers, such as magazines, journals, catalogues and brochures.

8. Logistics Business: Managed by NML Co., Ltd. as the logistics provider for print products, such as newspapers and all other print products of the Nation Group. The company's main duty is to distribute the Group's newspapers, including Kom Chad Luek, Krungthep Turakij, The Nation, The Wall Street Journal Asia and The Yomiuri Shimbun in Bangkok and surrounding areas, and all provinces nationwide, as well as providing a competitive range of logistics services for external customers.

Competition in the Publishing Business

"Krungthep Turakij" remains a leader in the business daily newspaper segment, consistently increasing its sales and

currently holding more than 70% of the market share.

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

"The Nation" English-language newspaper has only one competitor: "The Bangkok Post". "The Nation" holds approximately 38 per cent of the market share in advertising.

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

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

Directions and Trends of Print Media

In 2012, the print business continued to expand, as a result of the government's measures to spur purchasing power from its investment stimulus projects and continuous global economic growth, especially in Asia. The print industry direction therefore is likely to be more positive.

The Office of Industrial Economics indicated that overall production and import of the pulp and paper industry and the print industry in 2012 increased from the prior year's. Local sales in these industries rose after the industries experienced sluggish growth resulting from the flood crisis in 2011. However, the export sector did not do so well because of a decrease in orders from the slowing economy, coupled with the economic uncertainty in the United States - Thailand's major importer of books and other print media - forcing the country to reduce imports from Thailand. The production cost of printed media surged, with the rising prices of raw materials and labour wages. The new trends of social media lowered the demand for pulp and paper used for producing print media, while demand for corrugated paper used for manufacturing packaging to serve industries such as food, electronics appliances, consumer products, cosmetics and pharmaceutical products was likely to expand in line with the ongoing expansion in these industries.



In 2013, it is anticipated that the overall production of pulp and paper will increase. The export of pulp and paper is also likely to grow, with the arrival of AEC integration in 2015, when Thailand is expected to emerge as the hub for the printing industry. This scenario has prompted a number of entrepreneurs in the pulp and paper industry to expand their businesses to meet the rising demand for pulp and paper from overseas companies investing in Thailand. At the same time, Thai entrepreneurs are trying to penetrate the markets of neighbouring countries such as Cambodia, Laos and Vietnam, whose print industries are smaller than that of Thailand. The import of pulp and print media such as graphic arts and photography are expected to rise as well.

With the growing trend in E-Books, entrepreneurs need to prepare their

business development plans to support the E-Book market with digital books providing interesting and enjoyable content. The important thing is entrepreneurs should help to establish a reading culture among Thai society with strong support from public and private agencies. The publishers as well have to adjust themselves to support the changes in technologies and reading behavior, as well as ready to handle future market trends. The E-Book is a channel to increase income to publishers in addition to book distribution.

For the printing and paper industries in 2013, it is expected that overall paper production will increase. Integration into the AEC will enable Thailand to become a printing hub, and many businesses are planning to expand their overseas investment. Thai entrepreneurs are also striving to expand their markets in neighboring

countries whose printing markets are smaller than Thailand, such as Cambodia, Laos, Myanmar and Vietnam

The book market in 2013 is expected to benefit from the overall expansion of the Thai economy together with the Government's policy promoting the 10 years of 2009-2018 as "A Decade of National Reading" with the aim of increasing the average Thai's reading from five to 10 books per year. It will help to promote growth in the book business by more than 5% or more than 20 billion baht in 2013.

Besides, several other factors should be closely monitored, including national political stability. Although the current government has launched economic stimulus packages to inject money into the system, operations connected with the packages may face obstacles if parliament is dissolved or another political movement comes to the fore. This would affect both the economic recovery and private-sector investor confidence. Other contributing factors include the world's fragile economic recovery, global oil prices which are likely to increase, as well as the increasing minimum wage resulting in higher production costs. These key factors will prompt entrepreneurs to adjust their operations and prepare contingency measures for possible problems to ensure the survival of their businesses.

Risk Factors



There are a number of risk factors that have a significant impact on NMG's operating performance and/or investors. Such risk factors and NMG's corresponding measures to manage them are described as follows:

1 Business operation risk

1.1 Risk from advertising industry situation

The major revenue of NMG comes from the newspaper business; mainly from advertisement sales. In 2012, the company generated advertising revenue of Bt2.089 billion, an increase of 11% from last year's Bt1.878 billion, accounting for 71% of total revenue. The company's cost structure was mostly comprised of fixed costs; its performance therefore largely relied on the situation within the advertising industry and clearly reflected economic conditions domestically. In 2012, after the flooding situation was resolved, the economy was continuously on a recovery path. Investment and spending from the government sector helped spur economic growth, resulting in an increase of 12% in advertising revenue from last year's figure. In contrast, if economic conditions domestically or internationally witness sluggish growth, the advertising industry might be severely affected.

To minimize the impact from the instability of economic conditions, NMG

has framed all the strategic plans of its subsidiaries in the same direction, aiming to maintain competitiveness and taking this competitive advantage to reduce risk by taking advantage of multimedia channels to publicize products and services, with the use of improved sales strategies and media synergy to efficiently satisfy market demands, transforming the company into a Total Media Solution for advertisers. The company has also tried to introduce new technologies to conventional media in every platform, mainly based on content suitability and business potential, in order to cover all of its target groups and to achieve a competitive edge over its competitors. The company also placed more emphasis on generating revenue through below-the-line activities created to serve customers both in the public and private sectors, such as organizing seminars for major customers, which helped maintain revenues. At the same time, the company concentrated on strict management of expenses.

The television media has a 58% share of revenue in the advertising industry of Bt117 billion, which is four times higher than that of print media. Satellite television is growing by leaps and bounds, with around 60% of Thai households with access to cable TV and satellite TV, and local customers' enthusiasm in brand building in preparation for the ASEAN Economic Community in 2015. The company has

consequently expanded its broadcasting business by launching two new satellite TV channels, which are Krungthep Turakij TV, the business and investment news station, and KidZone TV, a children's edutainment channel. The company's operation of these new satellite TV channels aims to minimize the anticipated impact of new media replacing print media in future. NMG also focuses on other types of digital media rather than relying on revenue from advertising, such as Isna, E-Commerce, M-Commerce or S-Commerce (Social Media Commerce), E-Education or digital games and Entertainment.

1.2 Risk from subsidiaries management

NMG has a clear business operation structure designed to achieve flexibility in management and has employed Target-Based Strategy assessment to be in line with its corporate policies and visions, as well as to increase its competitiveness. The company's business is divided into the following business units: Printing and Advertising Business including Krungthep Turakij Media Co., Ltd., with the main medium of Krungthep Turakij newspaper; Kom Chad Luek Media Co., Ltd., with the main medium of Kom Chad Luek newspaper and Nation News Network Co., Ltd., with the main medium of the Nation newspaper; Logistics Business; Printing House Business; Broadcasting Business - positioned as a content provider - and Edutainment and Foreign-Related Business; Education

Business and Satellite Television Business.

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

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

In November 2012, NMG registered two new affiliate companies, which are Bangkok Business Broadcasting Co., Ltd., spinning off from Krungthep Turakij Media Co., Ltd. (KTM), and NNN Next Frontier Co., Ltd., spinning off from Nation News Network Co., Ltd. (NNN), in order to facilitate business expansion of TV program

production, which will be broadcast through digital TV media.

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

2 Production risk

2.1 Risk from content production

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

print media. Therefore, the company does have some risk from content production. If the news content is of low-quality, it might affect the quality of the company's overall print media.

In order to produce quality content and facilitate the changing direction of the media industry and keep abreast of fast-changing global trends, NMG has developed its content into the Multi Channel Multi Platform format to serve today's multichannel news consumption. The company uses the "Convergent Newsroom" system, where news editors of all media converge to share their views on daily news issues, with crystal wall monitors showing news in the social media world as background throughout the day. Each news editor can follow-up on the news issues of his/her interest immediately and keep pace with the latest trends from social media. These news issues will be further developed based on the identity of each medium. The company has upgraded its content production process by introducing new technologies to promote faster and more convenient work, while simultaneously cutting production costs. Training and personnel development is organized continuously to ensure that each editorial news staffer is equipped with "Multi-Platform" skills, meaning that they can work cross-media. No matter whether they are editorial staff for newspapers, TV or websites, they have to be able to produce news content



of more than one platform, such as text, still photos and clips. Every editorial staffer is trained to be able to work as a substitute for others, to minimize risk from personnel loss, which might affect the quality of news content.

2.2 Key personnel retention risk

NMG is publicly accredited for its media professionalism. Since personnel play a vital role in the quality of content production, the company is dedicated to develop a team of capable editorial staff instead of being dependent on individuals, to lower the risk of losing key editorial individuals and the subsequent impact on the company. Currently, the company has a total of 360 staff employed in the editorial departments of Nation News Network Co., Ltd., Krungthep Turakij Media Co., Ltd. and Kom Chad Luek Media Co., Ltd., comprising reporters, rewriters, editors, photographers and production staff. The Display departments of The Nation, Krungthep Turakij and Kom Chad Luek newspapers are under the respective above-mentioned subsidiaries, while the Central Sales Department holding key account customers, the Classified Department and the Sales Department holding the accounts of government agencies are still under NMG. The news editorial centres, whose content are shared by the regional offices, photography team and Nation News Agency are also managed by NMG.

In addition to editorial staff, key management personnel from various departments including Sales, Marketing, Circulation and other supporting units, all play significant roles in the overall success of the company. These departments and personnel are under NMG management. NMG has consistently emphasized human resource development. The company organizes both in-house and external training for staff to enhance their work skills and enable them to keep pace with the changes in business and technology. Personnel development training is designed to be in accordance with business policies. Succession plans, in which senior management are encouraged to participate in key decision making and decentralize authority and responsibilities to sub-level management have been created, as part of the goal towards decentralization. The decentralization system aims to promote more effective operations, decrease work redundancy and prepare the new generation management to respond to external changes, highly competitive markets and diversified target groups in a timely manner. As well, it enables NMG to create new business opportunities towards sustainable growth, while retaining the core values of credibility, integrity, synergy, customer focus and innovation.

With such a system, in which work is passed from top executives and distributed to every management level, if the company

loses a key employee, it will not pose a major impact to the company. At the same time, NMG also concentrates on the synergy of all business units to achieve maximum benefit.

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

2.3 Technology risk

New innovations from technology development such as digital technology and wireless communications have changed the face of the communication and telecommunication industries and created borderless connections. New media businesses have emerged, creating dramatic changes in media industry development, which will accordingly affect today's and future media business operations.

NMG has consistently developed its information technology system to keep abreast of the changing technology, lower the risk from business opportunity losses and boost its competitiveness. The company

intends to continue the development of such database development systems and news reporting by using new technologies to provide timely news content through various media and to help manage costs and expenses. The company focuses on converging multimedia and technologies to fully serve consumer demands through all platforms. For example, the iSNAP application, which has overcome newspaper limitations in terms of space. Additionally, the company has initiated social TV, bridging broadcasting and new media technologies, which has been regarded as a new phenomenon in the media industry and marked a new era where people can stay updated with the latest news, regardless of prime times. NMG has consistently invested in the improvement of content for new media in order to understand consumer behaviour and accumulate experience to achieve advantages in penetrating target group markets in the future.

2.4 Risk from the volatility of raw material prices

Newsprint, as one of NMG's major raw materials, represents 21% of the company's cost of goods sold and 65% of total raw material expenses. During the past year, the ratio between imported and domestic newsprint was 80 : 20. Being a commodity product, newsprint prices are determined by the balance of global demand and supply, which is the main factor setting the reference price of newsprint in the world market. As a result, the company is exposed to any volatility in newsprint prices, which may subsequently have a direct impact on the company's production cost and bottom line profit.

NMG's management, with years of experience in newsprint procurement, has developed a comprehensive understanding of the newsprint price cycle. In early 2012, the newsprint price rose from the previous year, but began to fall in the latter half of the year, with an average price of US\$622/ton, which did not affect the raw material cost of the company. As for the newsprint price trend in 2013, it is expected that the price will fall by around 10%, as a result of the sluggish economy in Europe and



America, lowering newsprint demand, as well as the effect of the technological shift to digital media.

NMG still stringently employs a paper-usage control policy and effective management of distribution points to lower newspaper returns. In addition, the company purchases forward contract agreements to hedge against foreseeable exchange risks. The price of newsprint is therefore not likely to have a major impact on the company's production costs. However, the company will continue to closely follow the newsprint price situation.

3 Management risk

3.1 Policy determination from management

The media business is a significant medium to publicize news and information to the public. Considered as an opinion leader of society in politics and the economy, the media business requires management with lengthy experience and expertise in mass communications to operate the business ethically and transparently. Realizing that presenting news ethically and objectively is at the heart of the media profession, NMG's Board and major shareholders have never interfered in the editorial team's daily news presentation. Instead, they have outlined news presentation guidelines for the editorial teams of each NMG medium under its Corporate Governance

policy and closely supervised operations to ensure they are in accordance with determined policy.

4 Financial risk

4.1 Debt obligation risk

As of December 31, 2012, NMG and its subsidiaries had a loan liability from financial institutions of Baht 1,342 million, divided into a short-term loan for capital flow in the overdraft account, trust receipt and short-term promissory note of Baht 720 million, and a long-term loan of Baht 622 million. Debt repayment of Bt307 million will be made within one year, while the repayment of the remaining Bt315 million will be made between 2014 - 2016.

In November 2012, the company signed a syndicated loan contract for the amount of Bt300 million, with 4-year repayment due in 36 monthly installments of Bt8.4 million each. Debt repayment will be made from January 2014 to December 2016. The loan will be used for expanding investment in the satellite TV business, licensing and registration of Nation University, renovating the company's office and improving the corporate IT system.

If NMG fails to make debt repayments, or does not comply with the financial proportion requirement, or terms and conditions as specified in the loan contracts, creditors will have the right to request immediate repayment. The company has



presented financial projection documents, completed on the basis of prudence, to creditors for consideration. Such documents inform the creditors of the tendency of the company's performance, current cash flow and the use of a strict investment policy.

4.2 Exchange rate risk

The Thai currency exchange system is a managed float system with an exchange rate dependent on demand and supply of the Thai currency against other currencies. Fluctuations in foreign exchange rates have an effect on the company's production costs. The company's major raw material is newsprint paper, 65% of which is imported using US\$ currency. The company is therefore exposed to foreign currency exchange risks through importing newsprint paper.

However, to help counteract this situation, the company has adopted a policy for hedging against foreign currency exchange risks, by placing forward contracts on orders for newsprint paper. As of December 31, 2012, the cost of imported newsprint amounted to 3% of total debts, but it did not affect the financial statements, although the foreign exchange rate was fluctuating.

4.3 Risk from external financial sources

The company has various external financial sources, such as loan credit limits from many banks and financial institutes. As of December 31, 2012, the company and its affiliated companies had a total

loan credit limit of Bt3,037 million and used credit of Bt1,423 million. Thus, the available credit line stands at Bt703 million, or 23% of total loan credit and current external financial sources are sufficient to meet the company's operations.

The company's business operations concentrate on creating sustainable growth, so its performance is likely to grow continuously. Moreover, the company plans to expand business prudently and outlines a capital structure that maintains a proper financial ratio. The company is confident that there will be enough capital to facilitate business expansion, with appropriate financial costs.

4.4 Risk from impairment of accounts receivable

The company acknowledges the risk from the prevention of doubtful debts, as remarked in the financial statement, whereby the company has established policies for debt collection and allowances for doubtful accounts. The company considers the amount of doubtful accounts by estimating the current financial status of debtors, combined with its past experience of debt collection. In addition, the company has a policy to set an allowance for doubtful accounts using an income margin. The company set the allowance for doubtful accounts standing at 1% of advertising income. As for the income from agents, it stands at 30% of returned domestic books and 65% of returned foreign books. The company also has a policy for a maximal decrease margin of 12-month debts. As of December 31, 2012, the over 12-month

debts (total financial statements) stood at Bt136.93 million, and 6-12 month debts stood at Bt31.86 million. As of December 31, 2012, the company has already set the allowance for doubtful debts (total financial statement) of Bt128.27 million and the allowance for returned goods of Bt20.18 million. However, the company has a Debt Collection Unit to continuously collect all debts and set allowances.

5 Risk factors of investors

In 2012, NMG received approval from the Annual General Shareholders' meeting to reduce its registered capital from Bt2,500,000,000 to Bt1,647,740,300 by cutting unsold common shares, and reduce issued and paid-up share capital from Bt1,647,740,300 to Bt873,302,359 by decreasing the par value of the share from Bt1 to Bt 0.53.

Some subsidiaries have still incurred losses. However, many of these subsidiaries have strong potential for growth, enabling them to generate more revenue from diversified channels and build a stronger management team, which subsequently raised the company's overall performance. For subsidiaries experiencing losses, the company will strictly oversee, improve and increase efficiency of the management of these subsidiaries to help them make profit rapidly. It is expected that the 2013 performance of these subsidiaries will be improved.

List of Major Shareholders

The top ten shareholders as of December 28, 2012 are ranked as follows:

| Name | Shares | % Holding |
|--|---------------|-----------|
| 1. Mr. Suthichai Sae-Yoon | 165,480,540 | 10.043 |
| 2. Mr. Sermsin Samalapa | 165,000,000 | 10.014 |
| 3. Dow Jones & Company, Inc., New York | 120,000,000 | 7.283 |
| 4. Mr. Jeeradej Jongwattanasinkul | 70,000,000 | 4.248 |
| 5. Ms. Varunee Tantasuralerk | 50,000,000 | 3.034 |
| 6. Ms. Supasri Khunprapakorn | 49,092,280 | 2.979 |
| 7. Mr. Pichit Chinwitayakul | 40,000,000 | 2.428 |
| 8. Mr. Chayanon Veerayuthkosol | 33,530,900 | 2.035 |
| 9. Mr. Pramorn Ponlathep | 32,000,000 | 1.942 |
| 10. Green Siam Co., Ltd. | 31,847,790 | 1.933 |
| Others | 890,788,790 | 54.061 |
| Total | 1,647,740,300 | 100.00 |

Note:

- Shareholders who are classified into the same category and cast their votes in the same direction include
 - Mr. Suthichai Yoon, the company's major shareholder and Chairman and Editor in Chief
 - Mr. Sermsin Samalapa, the the company's major shareholder and Vice Chairman
 - Dow Jones & Company, Inc., New York, the compay's long company's long - standing strategic partner which has assigned authority to Mr. Suthichai Yoon to vote for it at all the past shareholder's meetings
- Categories of shareholders

| Nationality | Number | Shares | Percent |
|-------------|--------|---------------|---------|
| Thai | 3,121 | 1,516,777,580 | 92.05 |
| Foreign | 28 | 130,962,720 | 7.95 |
| Total | 3,149 | 1,647,740,300 | 100.00 |

Corporate Governance Report

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

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

The current corporate governance policy is the 3rd edition which has received the consent of the board of directors and was first announced on November 10, 2006. It is set that the policy be revised annually to comply with the code of best practices for listed companies introduced in 2006 by the Stock Exchange of Thailand. In 2009, the board reviewed and approved the policy to be partially adjusted on February 20, 2009 and, again, on February 24, 2010, and announced to all employees for acknowledgement and strict adherence.

Communication of the corporate governance policy

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

Monitoring of the practice of corporate governance policy

From the determination to continuously improve the company's good governance since good corporate governance policy was first introduced in 2006, the evaluation result for the organizing of the ordinary shareholders' meeting has been increasingly outstanding in successive years. In 2012, the evaluation result for the organizing of the annual general meeting for the year 2010 was at a good level and the evaluation

result for the company's good corporate governance, as evaluated by the Thai Institute of Directors, was at a good level (four stars)

In 2012, the company's corporate governance principles covered five areas, namely:

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



1. Rights of shareholders and equitable treatment of shareholders

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

The company has a policy to treat every shareholder with equality. Realizing that the shareholders are entitled to the rights to receive sufficient and timely information of the company and the company protects the interests of the shareholders more than what is required by the law, the Investor Relations Division was set up to provide information, respond to enquiries and the website: www.nationgroup.com publicizes the company's information for shareholders and investors both in Thai and English. The information

provided includes the latest information and an investor's newsletter. Apart from that, the Company organizes shareholders' meetings at least four times a year according to the Stock Exchange of Thailand's arranged timetable for shareholders to inquire, request explanations and express their opinions with equality.

Organizing Shareholders' Meetings

In 2012, the company organized one shareholder meetings, the Annual General



Meeting of the year 2012 on April 26, 2012. In conducting a general shareholders' meeting, the company has appointed Thailand Securities Depository Co., Ltd. to serve as the company's registrar, to circulate meeting invitation letters to the shareholders about 13 days prior to the meeting date. The invitation letter, both in Thai and English, is also posted on the company's website one month prior to the meeting date.

- Chairman of the Board and Chairman of the Executive Board, Vice Chairman and Vice Chairman of the Executive Board, President, Chairman of the Audit Committee, Members of the Audit Committee, Independent Directors, Non Executive Directors, Executive Directors and Auditors from KPMG Poomchai Audit Co., Ltd. attended the meeting for the shareholders to ask questions.

- The company circulated letters to shareholders, through the Stock Exchange of Thailand's system and the company's website, who hold 1 or more shares during the period of shareholding day to the proposed day no less than 1 year, to propose the board of director

candidates with qualifications and the shareholders' consent from November 26, 2011 to January 31, 2012. No candidates were proposed for the board of directors.

- The company asked the shareholders to propose the general meeting agenda through the company's website from November 26, 2011 to January 31, 2012. No additional agenda were proposed.

- The overall proposition of the board of director's candidate for the annual general meeting agenda was reported on the company's website on February 1, 2012.

- The company also asked the shareholders to send questions for the annual general meeting of the year 2012 in advance through the company's website or fax number 0-2338-3938 from March 23, 2012 to April 12, 2012 so that the board of directors and management team could arrange for explanations at the meeting. No questions were sent in advance.

- The meeting invitation letter gave information regarding meeting date, time, venue, agenda and important information relating to

issues required for decision at the meeting as well as relevant rules, regulations and steps in casting votes.

- In the annual general meeting, the company proposes payment for directors for approval every year. Information proposed to the shareholders for acknowledgement and approval includes payment for each director with comparison with the preceding year, clearly stated policies and criteria relating to specification of payment for directors.

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

In the annual general meeting of the year 2012, the company proposed Mr. Pakorn Borimasorn, Independent Director and Chairman of the Audit Committee, as the attorney. Sixty four shareholders assigned authority to the Independent Director to

represent and cast votes for them.

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

- The company used the barcode system to register attendees and count votes for each agenda item. On the agenda of appointing the company's director, the company allowed the shareholders to cast votes for the director individually and recorded procedures of votes casting, votes counting and the meeting's consensus thoroughly. Votes were classified into 'in agreement', 'not in agreement' and 'refrain from voting'.

- The minutes of the meeting, with details of votes casting and the shareholders' inquiries

for each item in the agenda, were submitted to the Stock Exchange of Thailand and the SET's Board of Governors within 14 days and video recording of the meeting as well as the minutes were available for shareholders on the company's website.

2. Equitable treatment of shareholders

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

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

- All shareholders have a right to vote as per the number of shares one holds. Each share counts for 1 vote and there is no special voting right.

- Shareholders with 1 share and above can propose to add agenda items for the general meeting in 2012 as well as nominate a person with appropriate qualifications to sit in the board of directors from November 24, 2011 – January 31, 2012. The company shall make available the information through the Stock Exchange of Thailand's information channel and the company's website with transparent steps and procedures in line with the extra procedure on rights of small shares shareholders. However, in 2012 there is no additional proposed agenda or board of directors nominations.

- Shareholders who are unable to attend the meeting may authorize an independent director who has no conflict of interest with the meeting agenda to attend and cast the ballot. Moreover, shareholders can download the proxy form from the Company's website.

- No transactions shall be mutually made

with any joint-venture or related companies, as it may lead to significant conflict of interest.

Policy to prevent insider information

The company maintains a policy to prevent the directors and management from abusing their power, by taking advantage of or damaging other shareholders as follows:

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

- Directors, management and any staff shall not transact the company's shares within one month prior to the date the financial statements are announced.

Information disclosure

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

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

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

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

In 2012, information was reported on one occasion without cross-transactions in conflict of interest with the company.

Report on shareholding

In 2012 the company has set a policy that the directors and executives must report their shareholding to the board of directors annually and at least once a year. The directors have reported their shareholdings at the board of director's meeting on February 15, 2013.

Cross-transactions between the company and its subsidiaries

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

In 2012 the company and its subsidiaries have cross-transactions with other related companies under market price conditions. Other cross-transaction items, whereby the appropriateness and transaction value is being considered by

the audit committee, can be viewed in the accompanying notes as an integral part of the financial statements.

3. Role of Stakeholders

Apart from caretaking and ensuring the shareholders' rights, the board of directors has set a policy to take care of all stakeholders, not only on the impact of the business operations, but also on the community.

The rights of stakeholders will be protected in compliance with relevant laws. The board of directors approved the establishment of a procedure to foster cooperation between stakeholders and the company to enhance wealth, financial strength and sustainable business for the company.

In supervising the company's business, stakeholders are classified in several groups as employees, customers, shareholders, investors, trading partners, creditors, trade competitors, society, government agencies, neighboring communities and independent auditors. The Board of Directors has maintained a policy to protect the rights of each group of stakeholders in accordance with related laws or agreements shareholders have made with the company, and has aimed to boost cooperation between

stakeholders and the company to ensure a more productive performance and sustainable growth by disclosing relevant and sufficient information. Hence, the board of directors set organizational ethics covering various areas on November 10, 2006 and lately reviewed them on February 20, 2009. For the year 2010, the ethics were slightly adjusted on the topics relating to practices of the editorial department, to bring them more up to date. Ethical values of Nation Multimedia Group PLC's directors, management and employees can be viewed at the company's website.

Ethics of Nation Group's directors, management and employees consist of:

1 Ethics on responsibilities to the media profession

Over the past 40 years, the company has strictly observed the code of conduct of the media profession. This is a major reason why the company's media and staff have earned credibility and trust from society in spite of some difficult periods when there were political pressures. Our staff performs their duty as a credible media organization, closely and consistently adhering to principles.

The "Nation Way" code of conduct was drafted as professional guidelines for the Group's editorial staff at every level. The content covers the basic ethical standard for the "news crew" at every level as well as how they behave in public, both on-duty and off-duty.

The Group's news staff at every level shall strictly observe the following principles without any exceptions so that we can continue to maintain the credibility and trust of society.

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

- 3.1 Ethical requirements of the media professionals
- 3.2 Ethics of Nation Group's media
- 3.3 Responsibilities to the readers, listeners and audience.
- 3.4 Commitment to the media profession and organization
- 3.5 Guidelines for news reporting and desirable behavior with the sources
- 3.6 Special privileges and conflict of interest



- 3.7 Guidelines for participating in political and social activities
- 3.8 Guidelines for the advertisement, marketing and sale departments.
- 3.9 Guidelines for copyright and freelancing jobs
- 3.10 Guidelines for reporters in various beats
- 3.11 Guidelines for mistakes recovery
- 3.12 Guidelines for reporting the Company's activities
- 3.13 Guidelines and ethics on Nation Social Media

The Company has measures to prevent problems from libel and defamation charges arising from news reports by providing training courses for staff in the news department to keep them informed of the news reporting guidelines, undesirable statements and pictures. The Company has also reinforced the parties involved to perform accordingly. Throughout the last year, the number of charges leveled against the company considerably decreased from a year earlier.

2 Ethics on responsibilities to shareholders

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

In 2012, the company's performance improved, registering a net profit of Bt104.65 million and accumulated profit on December 31, 2012 of Bt97.44 million in the separate financial statements with continuous improvement anticipated in 2013 through expansion in satellite TV broadcasting, cable TV, digital TV providing a greater choice of media for local customers and building brands in anticipation of Asean Economic Community (AEC) integration in 2015. It is expected a new expanded budget will be allocated for communications and advertising in 2013 and the company aims to bid for digital TV, a business which is directly related to the company's existing business, and no dividend will be paid for the year 2012.

Operations of previously loss-making subsidiary companies are clearly improving indicating that the overall financial status of the company is better than previously and the trend indicates that it will continue to improve.

3 Ethics on relations to customers

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

Emphasizing customer satisfaction, the company consistently organizes a series of activities to relate with each customer segment, particularly the printed media customers which account for a large segment of the company's total customers. Questionnaires were sent to

survey the customers' opinions in terms of content and format. Invitations were made for the customers to participate in various activities such as academic seminars, booth fairs, lucky draws, the Kom Chad Luek awards ceremony, "Nation Hole in One" which has been organized for seven consecutive years, and overseas trips for agency clients.

4 Ethics on responsibilities to employees

The company realizes that human resources are the most valuable asset that drives the organization to success. The company is committed to develop the quality of employees as well as enhance the corporate culture, promote employees' physical and mental health, ensure a positive work environment, promote team work to build up the employees' confidence, encourage the election of staff representatives to get actively involved in managing staff welfare as stipulated by the law. Furthermore, the company facilitated the setting up of a "Thai Mass Media Labor Union" according to the Labor Relations Act B.E. 2518 to protect the interests of the employees and promote good relations between the employees and the employers as well as among the employees themselves. Additional activities involving the employees include, for example, monthly alms giving for the executives and the employees, Dhamma lectures, and activities of employees' clubs, such as volunteer for rural development camps, music club, sports clubs, etc.

In terms of human resources development, the company encourages its staff to attend both internal and external training courses. For instance, the company organizes internal training courses on new programs to improve the work process, both in the printing and broadcasting businesses, trains reporters on the usage of new media communications technology and social media as well as the basic qualifications and ethics of journalists.

The company encourages its staff to express opinions, suggestions, and claims or inform of any irregularity to the management via various channels such as through the representatives, elected as stipulated by law, who have monthly meetings with the management. The employees can also express their views or ask questions via Facebook/Twitter/Yammer within the organization or send their comments directly to the management via e-mail which is available on the intranet system.





Similarly, the management can communicate with employees via the company's Facebook/ Twitter/Yammer accounts.

Compensation and welfare

The company has hired an HR consulting firm to study the company's compensation and welfare policy as well as succession planning in order to raise the employees' capability and to be fair and transparent in managing its people. The company has started to adopt IFRS regarding the employees' welfare after their retirement, as enacted in 2011, and sourced specialists in statistics to calculate appropriate welfare levels for retired employees so as to propose to the company's board of directors for approval and to adjust the 2012 budget.

To provide financial security to employees who may leave the company or retire, the company has set up a provident fund which accumulates a certain percentage of the employee's salary

together with the company's joint fund and the return on investment.

Human Rights

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

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

5 Ethics on relations with trade partners, competitors and trade creditors

The company realizes the importance of equality and honesty in business practice as well

as the mutual benefits with trade partners. The company strictly abides by law and regulations as well as business ethics. In regards to the competition, the company adheres to the rules of fair competition and in regards to loans and repayment and trading partners, the company adheres to good practice and fair treatment respectively.

The company has received support from three major banks: Bangkok Bank, Kasikornbank and Siam Commercial Bank in terms of syndicated loans. With a long-term trading relationship and abiding by the repayment terms, the company has been a premium customer of the banks for over five years.

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

The company does not have any disputes relating to trade partners, competitors, trade creditors and financial institutions.

6 Ethics on social responsibility and environment

As a news content producer and distributor to various media, the company shares national concerns over the quality of life and the information consumption of Thais. Therefore, the company has a mission to present quality and useful news to society and the public. The company also participates in efforts to improve the living standard of Thai society. As a business operator in Thailand, the company cares about the environment. In 2012, the company was involved in almost all aspects of community service activities (details as stated in Social Contribution Activities in the Annual Report (56 -2).

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

to such complaints and suggestions.

In 2012 the company enabled all stakeholders to submit complaints and suggestions to the Chairman of the Board or Audit Director or Independent Director through the website: nationgroup.com or by mail to Nation Multimedia Group PLC. 1858/118-119, 121-122, 124-130, 27th-32nd Floor, Bangna-Trad Road, Bangna, Bangkok 10260.

The company's secretary is responsible for receiving the messages addressed to the board of directors and proceeds to sub-committee or an involved director to summarize the suggestion and propose actions to the board of directors.

4. Information disclosure and transparency policies

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

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

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



indirectly.

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

The company's annual report 2012 provides the following information:

1. Vision, mission and values of the organization
2. List of directors as well as their work and educational backgrounds, their family relationship with the management, their service in other listed companies and their holding of the company's securities
3. Shareholders' structure
4. Risk factors
5. Corporate Governance Report
6. Supervision policy and compliance policy
7. Directors' remuneration and number of the board meeting's attendance

8. Board of Directors' performance in the past year and the training record of the board

9. Audit Committee's performance in the past year

10. Remuneration policy for directors and high-level management

11. The remuneration for service in the board of directors and other assignments for the company and its subsidiaries

12. Annual report of the Audit Committee

13. The Board's accountability report to the financial statements with the required content, endorsed by the Chairman of the Board and President

14. Explanation and analysis of the financial status of the management

15. Accurate and complete financial statements in accordance with accounting standards

16. Financial statements and operating results

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

1. Roles, duties and responsibilities of the directors, executive directors, sub-committee and President
2. List of related transactions or conflicts of interests
3. Business ethics





4. Corporate Governance Policy
5. Audit Committee's charter
6. Quarterly and annual financial statements

Investor Relations Section

The Investor Relations section is responsible for communicating with the shareholders, institutional investors, and analysts in an equal and fair manner. The investor relations section answers queries related to the company's and its operations for investors through the company's website, by telephone or via other channels. The company facilitates the distribution of important information by meeting with investors in the Opportunity Day event held at the Stock Exchange of Thailand at least twice yearly. In 2012, the company met with investors four times.

Company Secretary Department

The company recognizes the significance of working in compliance with the regulations required by the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant laws in an accurate, complete and transparent manner, which passes through sequential consideration and inspection. The company secretary takes charge of assisting the Chairman of the board of directors in monitoring the board of directors, sub-committee and all directors to perform in accordance with relevant laws, regulations, and rules. Moreover, the company secretary is responsible for preparing documents in line with the meeting's agenda,

which are sufficient for consideration and making decisions by the board, recording the minutes of meetings accurately and correctly to demonstrate that the board has considered all the proposed agenda fully, faithfully, and responsibly, as a normal person operating the same business should do in the same situation. Also, the company secretary has the responsibility to keep a register of directors, a notice calling meetings, minutes of meetings of the board of directors and Shareholders, a report on conflicts of interest, and a report on interest filed by a director or an executive in carrying out duties in full compliance with the guidelines.

5. Responsibilities of the Board of Directors Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has an important duty in supervising business operations to ensure the best interests of the company. The Board of Directors is accountable to the shareholders and independent from the management.

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

Counterbalance of non-executive directors

In 2012, the Board of Directors consists of 11 members, four of them are independent directors, and another four are executive directors while the other three are non-executive directors. Independent directors account for more than one third in the board to ensure an effective check and balance system.

The four independent directors are fully qualified according to the Company's definition of the independent directors, approved by the board and the requirements of the Securities and Exchange Commission issued in 2008. Three out of the four independent directors are members of the audit committee. One of them is the chairman of the audit committee and two of them are members of audit committee.

Appointment of the Board of Directors

According to the company's requirement, one third of the directors shall vacate their offices when their tenures end every year. The company can re-appoint directors whose tenure ends to their same positions again for another term. The company does not set requirements on the term limit according to the requirement of the Securities and Exchange Commission. The company's chief executive officer, president and directors shall not hold the status of director in more than 5 other listed companies on the Stock Exchange

of Thailand concurrently. The company's directors shall not be directors in competing companies or have conflicts of interest with the company's business. In the case that the directors hold positions in other companies, those company names, types of business and positions of the directors shall be disclosed in the director profile. In 2012, none of the company's directors or executives held positions as directors in more than five listed companies.

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

The company has appointed Ms. Nonticha Sorsansanee as the company's secretary in 2012 to perform duties according to relevant requirements as stipulated by the Securities and Exchange Act. The secretary summarizes the important issues regarding the implementation guidelines and the revised requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as the newly-enacted laws that the board should be aware of in performing their duties. The secretary shall collect information regarding the directors and related parties, take care of the board's activities and work with the management to ensure the Board of Directors' resolutions have been duly executed.

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

Sub-committees

The company's Board of Directors appointed sub-committees to help them screen information relating to the operations by setting the qualifications and responsibility in the requirements for each sub-committee. The members of the sub-committees are independent directors. The Chairman of the Board is not entitled to hold any position in the sub-committees. Sub-committees are chaired by independent directors.

The process to name sub-committees is transparent and without any interference from the management. The company's Board of Directors didn't set up a nomination committee to nominate the sub-committee members or the remuneration committee. Instead, the entire Board of Directors shall jointly nominate the names and consider the qualifications and appropriateness of the nominated candidates. Then, the Chairman of the Board shall propose the qualified candidates to be approved during the shareholders' meeting. The sub-committee's nomination is performed in such a way as to ensure that they are capable, possess leadership qualities, skills and experience, have vision as well as are able to devote their time and effort to perform their duties for the best interests of the company. As the company is in the media business, the directors shall be objective, not taking sides nor getting involved in any politics. Furthermore, they should have a thorough understanding of the media culture and business ethics.

At present, the company has one sub-committee, namely the Audit Committee. The duties and responsibilities of the Audit Committee are detailed in the Chapter covering the Structure of the Company's Board of Directors.

Conflicts of Interest

The Board of Directors acknowledges the importance of the potential for conflicts of interest. Therefore, the company has announced its conflicts of interest policy which prevents the company's directors, management and employees operating any business which can come into competition with the company, as well as getting involved in a transaction that is likely to lead to a conflict of interest with the company. If it is necessary to do so, the Board of Directors will ensure that the transaction will be transparent and fair. The consideration will be thorough as if the transaction was executed with a third party, whereby the directors, the management or the employees involved shall not be allowed to take part in the approval process. Furthermore, the Stock Exchange of Thailand's regulations shall be strictly observed. Related transactions between the company and its subsidiaries, or associated

companies in 2012 were presented before the audit committee and the Board of Directors in February 2013 and the company has disclosed with details and necessities/reasons in the Annual Disclosure Report (56-1 form).

The Board of Directors' Meeting

The Board of Directors' meeting is scheduled in advance with a minimum of once a quarter and special meetings are held as required. Agenda are clearly announced prior to the meetings with routine agenda to follow up on the operational results. The company's secretary is responsible for sending invitation letters informing approved agenda by the chairman and the president together with related documents to all directors 7 days in advance. This is to allow time for the directors to review the information prior to the meeting. Should any director wish to propose additional agenda or require the management to update the progress on any particular issue, he or she can inform their intention to the chairman of the board or the company's secretary.

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

In 2012, eight Board of Directors' meetings were held, with written minutes for each meeting. Meeting minutes are approved by the Board of Directors and available for inspection by directors and related parties.



Attendance for each director in 2012 is as follows:

| Name | Position | Number of meetings | Attendance |
|-----------------------------------|--|--------------------|------------|
| 1. Mr. Suthichai Yoon | Chairman and Executive Chairman | 8 | 8 |
| 2. Mr. Sermsin Samalapa | Vice Chairman and Vice Executive Chairman | 8 | 8 |
| 3. Ms. Duangkamol Chotana | Director | 8 | 8 |
| 4. Mr. Pakorn Borimasporn | Independent Director and Chairman of Audit Committee | 8 | 8 |
| 5. Mr. Chaveng Chariyapitsuthi | Independent Director and Member of Audit Committee | 8 | 7 |
| 6. Mr. Yothin Nerngchamnong | Independent Director and Member of Audit Committee | 8 | 8 |
| 7. Mr. Nissai Vejajiva | Independent Director | 8 | 3 |
| 8. Mr. Adisak Limprungpattanakij | Director | 8 | 5 |
| 9. Mr. Pana Janviroj | Director | 8 | 4 |
| 10. Mr. Nivat Changariyavong | Non executive Director | 8 | 7 |
| 11. Mrs. Christine Debais Brendle | Non executive Director | 8 | 0 |

Note:

1. In the Annual General Meeting of Shareholders 2012 on April 26, 2012 a resolution was passed to add one director Mr. Adisak Limprungpattanakij.
2. On May 11, 2012 in Board of Directors Meeting No. 4/2555 a resolution was passed to appoint Mr. Pana Janviroj as a company director to replace Mr. Thanachai Santichaikul who resigned.

Evaluation of the Board of Directors' Performance

The Board of Directors arranges for self-performance evaluation of the entire board every year. In 2012 the evaluation was executed in December with the new evaluation form provided by the Stock Exchange of Thailand. The result of the performance evaluation is acknowledged in the Board of Directors' meeting No.1/2013, on February 15, 2013 and will be used as a guideline to improve the Board of Directors' performance.

Directors' remuneration

The Company sets a clear and

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

The Company's guidelines for the remunerations of the chief executive officer and high-level management are in accordance with the terms and policies stipulated by the Board of Directors. The

remunerations reflect the company's and individual's performance. The company's Board of Directors evaluates the performance of the chief executive officer and assigns the chairman of the board to inform the criteria and results of the evaluations to the chief executive officer. The executive board shall approve the results of the performance evaluation of high-level management as proposed by the chief executive officer. The Board of Directors assigned the executive board to consider appropriate levels of remuneration to the chief executive officer and high-level management.

In 2011 and 2012, remunerations for Directors are as follows:

| Name/Position | Annual Remuneration 2012 | | | | Annual Remuneration 2011 | | | |
|---|---|-------------------|-------|---|---------------------------------------|-------------------|-------|---------------------------------------|
| | Remuneration | Meeting Allowance | Other | Total | Remuneration | Meeting Allowance | Other | Total |
| Chairman: • Mr. Suthichai Yoon ⁽¹⁾ • Mr. Thanachai Theerapattavanong | | - | - | 400,000.- - | 200,000.- 400,000.- | - | - | 200,000.- 400,000.- |
| Chairman of Audit Committee: • Mr. Pakorn Borimasporn | 400,000.- | - | - | 400,000.- | 400,000.- | - | - | 400,000.- |
| Audit Committee • Mr. Chaveng Chariyapitsuthi • Mr. Yothin Nerngchamnong | 300,000.- 300,000.- | - | - | 300,000.- 300,000.- | 300,000.- 300,000.- | - | - | 300,000.- 300,000.- |
| Independent Director • Mr. Nissai Vejajiva | 200,000.- | - | - | 200,000.- | 200,000.- | - | - | 200,000.- |
| Non Executive Directors: • Mr. Nivat Changariyavong • Mr. Sermsin Samalapa ⁽²⁾ • Mrs. Christine Debais Brendle | 200,000.- - 200,000.- | - | - | 200,000.- - 200,000.- | 200,000.- 200,000.- 200,000.- | - | - | 200,000.- 200,000.- 200,000.- |
| Executive Director: • Mr. Sermsin Samalapa ⁽²⁾ • Mr. Thanachai Santichaikul ⁽²⁾ • Ms. Duangkamol Chotana • Mr. Adisak Limprungpattanakij ⁽³⁾ • Mr. Pana Janviroj ⁽⁴⁾ | 200,000.- - 200,000.- 150,000.- 150,000.- | - | - | 200,000.- - 200,000.- 150,000.- 150,000.- | - 200,000.- - - 200,000.- | - | - | - 200,000.- - - 200,000.- |
| Total | 2,700,000.- | | | 2,700,000.- | 2,800,000.- | | | 2,800,000.- |

Note: In 2012

1. On March 6, 2012 in Board of Directors Meeting No. 2/2012, a resolution was passed appointing Mr. Suthichai Yoon as Chairman to replace Mr. Thanachai Theerapattavanong who resigned.
2. On April 17, 2012 in Board of Directors Meeting No. 3/2012, a resolution was passed appointing Mr. Sermsin Samalapa as Vice Chairman to replace Mr. Thanachai Santichaikul who resigned.
3. On the annual appointment of the Board of Directors, in accordance with the company regulations, at the Annual General Meeting 2012 on April 26, 2012 resolutions were passed reappointing Mr. Chaveng Chariyapitsuthi, Mr. Yothin Nerngchamnong and Mr. Nissai Vejajiva and appointing one additional director, Mr. Adisak Limprungpattanakij.
4. On May 11, 2012 in Board of Directors Meeting No. 4/2012, a resolution was passed appointing Mr. Pana Janviroj as a Director to replace Mr. Thanachai Santichaikul who resigned.

Director and Management Development Plan

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

The Board of Directors and high-level management value training courses and seminars to enhance directors' knowledge and capability in performing their duties (details can be viewed in each director's profile).

The company has a policy to provide additional relevant knowledge to the directors, the audit committee, the company's secretary, high-level management and internal audit division by attending the training courses and seminars with the Thai Institute of Directors and other agencies i.e. seminars on new accounting standards and newly-revised Securities and Exchange Supervision Act, courses with Thai Capital Market Management and training courses in other fields relating to IT and auditing.

Succession plans

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

The company has pursued its operations according to the succession plan. The company has achieved higher stability and continuous growth, as well as overcome crises occurring throughout the year 2012 with a good profit. It has been evident that Nation Group's policy to split for growth has been successful. Businesses in the Group

have grown, split, developed, expanded and spread out to be 8 subsidiaries in 2012, prompting the promotion of new and professional management teams. This progress is in line with the succession plan that the overall business operations will not be under the influence of just one or two management personnel. The new management teams will take charge of each business line with particular executive directors and the chairman of the Board of Directors to supervise businesses. They can drive their businesses independently and swiftly through the efficient delegation of authorization power. In the meantime, the outstanding status as 'full-scale multimedia' with synergy power between subsidiaries in the Group still remains.

Internal Control

The company's board of directors has recognized its duties and responsibilities, as the Directors of the listed company, to supervise the Company to present its financial statements with complete, correct and transparent accounting information in order to protect the company's assets, prevent from corruption, irregular proceedings and cross transaction that may lead to conflict of interests. The board adheres to accredited accounting standards, applies appropriate accounting policy and consistently adheres to it. Furthermore, the board also takes into consideration justification, the company's

utmost benefit, abiding to related laws and regulations, discretion in compiling consolidated financial statements of the company and its subsidiaries, including any financial information presented in the annual report.

In order to strengthen the stakeholders' confidence towards the Company's financial report, the Board of Directors has appointed the Audit Committee, consisting of independent directors whose qualifications meet the Stock Exchange of Thailand's requirements and relevant rules and regulations. The Audit Committee has the duty to review the accuracy of the Company's financial report, its operation and the transparent, correct and complete disclosures of related parties' transactions or transactions that may lead to any conflict of interest. The Audit Committee ensures that the Company's risk management system, internal control, internal audit and corporate governance are adequate, appropriate and effective, as well as the adequacy, completeness and suitability of monitoring procedures in compliance with laws of securities and exchange, regulations of the Stock Exchange of Thailand and relevant rules and regulations.

During 2012, the Audit Committee convened four meetings, each of which took approximately four hours in order to accomplish its duties as specified in the Audit Committee Charter. All three members of the Audit

Committee attended all meetings. In addition, there were additional meeting agenda with independent auditors, key internal audit personnel, and top executives of the Company in the relevant matters. From the aforementioned meetings, the Audit Committee was of the opinion that the annual financial statements 2012 of the Company were presented fairly and did not find any items that may impact the Financial Statements. The Audit Committee was of the opinion that the Company's internal control system was appropriate, adequate and efficient, as being taken care by three experienced internal audit personnel. Cross transactions performed in the ordinary course of business were reasonable and no irregular item was found. It was determined that the Company has appropriately complied with the Act of securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as to related laws. The Audit Committee agreed that the company's current Independent Auditor for the year 2012 was suitable due to his independence and experience.

The Audit Committee reported to the Board of Directors after reviewing the financial statements and report, including the internal auditor's report every quarter. The Board of Directors was of the opinion that the Company's overall internal control system was satisfactory, ensuring the creditability of the company's

financial statements and consolidated financial statements for the year ending December 31, 2012. The Company appropriately safeguarded assets to prevent any illicit use by management or employees, operated as specified procedures, and had cautious, adequate, and appropriate internal control systems in all respects – organization and environment, risk management, management control, information and communication and monitoring system to achieve goals and objectives in order to align with the circumstances and be able to resolve problems instantly.

Furthermore, the Company provided the procedures to review and assess the appropriateness and adequacy of the internal control system in all respects continuously in order to ensure that the Company's internal control is being updated to the changing circumstances, flawlessly so as to create no loss or inefficiency.

The Company's auditor gave the audit's comments and recommendations for the year ended December 31, 2012 directly to the Audit Committee on February 11, 2013. The recommendations did not show any significant issues in regards to the financial statements, as follows:

1. The company should establish contracts apportioning revenues and production costs among companies within the group.
2. The company should document

calculations of doubtful debt allowances for official approval.

Other issues pertaining to the internal control of the IT system have already been addressed by the company, as follows:

1. The company should adjust the policy and process regarding operations of the IT system to ensure that it covers all eventualities at all times, as appropriate.
2. The company should ensure individual passwords are issued to staff, with access to the system dependent on the responsibilities of staff members.

During 2012, the internal audit department accorded related audit issues some internal control systems in which the Company released guidelines and procedures in operation to control and expedite the operation of related units, as follows:

1. The company should monitor advertisement bookings and issue invoices without fail to ensure the company can collect payment within the stated period.
2. The company should give authorized personnel the authority to issue discounts on advertisement sales via the website to ensure that appropriate consideration has been given.
3. The company should control and record the balance sheet of WPS to ensure that it is complete and updated at all times.





Social Contribution and Environmental Activities 2012

As Thailand's largest quality multimedia company, NMG recognizes the roles and duties of the media in providing information that may have an impact or influence the thoughts of people in order to create a good society, preserve Thai culture and develop young people as a driving force and valuable resource of the country. The company has collaborated with several organizations to hold a number of social contribution activities, as well as participated in socially beneficial activities sponsored by other organizations. Social contribution activities organized in 2012 were as follows :



whether business for society, social enterprise, anti-corruption drive, good corporate governance, sustainable development, green economy, etc.

1. Krungthep Turakij Seminars Strengthening Business and the Economy through Experience and Knowledge

Krungthep Turakij organizes seminars to promote dissemination of knowledge and information on issues of national importance, to seek solutions to problems and to strengthen the Thai economy and society. Nationally important issues are addressed by experts in their respective fields, leaders of government and business, and top social commentators.

Seminars are arranged in seven categories according to content: AEC, Green, Finance, Management, Marketing, Education and Economics.

In 2012, more than 10,000 Thais gained new insights into nationally important issues through 24 seminars organized by Krungthep Turakij.

- 1 Easternization: The Reverse of the World Polarity
- 2 Reinforcing Social Responsibility
- 3 Thai SMEs Go Far in Laos
- 4 Krungthep Turakij Young Biz Challenge
- 5 Tisco Wealth (two seminars)
- 6 Opening the World of IT: Revolutionizing the Business Bible
- 7 Global Change and Thai Kids in the 21st Century
- 8 Increasing the Power of CSR
- 9 SME Roadmap - Nation University
- 10 Floods, earthquakes, droughts: Thailand overcomes catastrophe
- 11 Shopping Fair: Retail Shops Boost the Thai Economy
- 12 AEC Plus: Your Business to the New Frontier
- 13 What would Steve Jobs do with the AEC?
- 14 Preparing Thai Industry for the AEC

- 15 A New Brand of Leadership
- 16 Subsidy and Price-Pegging Policies: Impact on the Thai Economy*
- 17 Energy Forum: New Choices and Solutions for Thai Electricity?
- 18 Thai-Lao-Vietnamese Border Trade
- 19 Opening a New Economic Boarder: Mae Sot - Myawaddy
- 20 Tisco Wealth – Krungthep Turakij Forum “Trends for Better Investment”
- 21 Opening a New Economic Border: Thailand, Laos, Vietnam
- 22 Nation Media Landscape
- 23 Economic Outlook 2013: Decoding the Thai Economy under the Shadow of Global Economic and Political Crises
- 24 Green Energy Forum: Balance and Sustainability

2. Krungthep Turakij Business School Learning with the Professionals

Arming a new generation of Thai entrepreneurs with new knowledge from the world of business through short courses in seven subject groups: Tax Planning, Management, Marketing, Service Businesses, Business English, Family Business and Self development.

In 2012, Krungthep Turakij Business School helped create 2,300 new-generation entrepreneurs with knowledge and sustainable techniques in more than 30 subjects and more than 60 groups. More than 80% of students were satisfied with the courses while more than 85% would recommend the courses to others.

- 1 BH IV “SME Hotels: Preparing for the AEC”
- 2 Crisis Management
- 3 Digital Marketing
- 4 English for Secretary and Admin
- 5 Happy Employees: The Secret of a Happy Workplace
- 6 Perfect English Email Writing
- 7 Social Media for SMEs
- 8 The Power of Perception
- 9 Online Marketing Strategies via Mobile Marketing

- 10 Online Marketing Strategies via Social Media
- 11 Total Tax Planning Strategies for SMEs
- 12 Total Tax Planning Strategies for Juristic Persons
- 13 Online Marketing for Hospitals, Health and Beauty Centers and Spas
- 14 Online Marketing for Private Educational Institutes and Tuition Centers
- 15 Efficient Team Development and Leadership
- 16 Professional Conflict Management and Negotiations
- 17 360-Degree Management of Relations and Conflicts at Workplaces
- 18 Tax Planning for Hotels, Resorts and Serviced Apartments
- 19 Creating an Organizational Culture for the AEC
- 20 Sustainable Succession of Family Businesses
- 21 Communications for Value Creation
- 22 Preparing for a Customs Inspection
- 23 Professional Coaching Skills
- 24 Making Hard Stuff Easy: Submission of Personal Income Tax Forms 90 and 91
- 25 Techniques to Win Utmost Taxation Benefits from Personal Income Tax Forms 90 and 94
- 26 Business Formula for Opening Your Own Boutique Hotel
- 27 Search Engine Marketing
- 28 Strategies and Mechanism for Professional Negotiations
- 29 Smart Ways to Quell Conflicts and Win the Hearts of Workers
- 30 Marketing Strategies for Social Location Mobile
- 31 Creating Strong Brands Online: “Marketing Shortcuts to Success”
- 32 Creating Strong Brands for Boosting Competitiveness
- 33 Personality Improvement for Promoting Organizational Images

3. Judprakai Concert Music for a Quality Society

Judprakai Concerts aim to build up a community of true music enthusiasts, comprising organizers, performers and their followers with no limits as to style - classical, jazz, rock, pop, ‘luk thung’ and Thai music ranging from traditional to improvised Lao-style country music.

From 2004 up to the present, the Judprakai Concert Series has organized more than 50 shows with a combined audience of more than 25,000 people or more than 3,000 people annually on average. Two concerts were organized in 2012 : Series 49 with Kittu Guitar Gun featuring Lam Morrison in Rock Never Dies and Friendship Never Fades; and Series 50 with Ban Yen Rak Kaen Isan Ban Hao “Hmor Lum with Jazz”.

4. CSR: Happy Kid Money Camp

Krungthep Turakij newspaper together with Siam Cement Group (SCG) annually organizes the Happy Kid Money Camp for 60 children of primary years 4-6. The kids join in a variety of activities designed to educate young Thais about the value of money and lay firm financial foundations for the future. Topics covered include smart financial planning and how to live under the “sufficiency economy” concept.

Ms. Venus Asavasitthithavorn, Director, Corporate Communication, SCG, stated that this activity acts as a classroom for youngsters to pick up a foundation of understanding and knowledge in saving money. She added that instilling young Thais with an understanding of the value of money and a sense of moderation will engender good financial discipline that will in turn ensure that they and their families will be able to live ‘sufficiently’ and ‘sustainably’.

Dr. Atchara Yomsin, lecturer in finance at the Faculty of Business Administration, Bangkok University, revealed that the

Happy Kids Money Camp is organized over two days with the first day emphasizing change in children’s behavior through activities designed to impart knowledge indirectly, facilitating learning and harmony. The second day covers more adventurous activities which aim to reinforce an understanding of financial principles, such as savings, recording income and expenses, as well as a basic understanding of taxation.

Ms.Duangkamol Chotana, President of Nation Multimedia Group Public Company Limited said that planting the seeds of financial knowledge is essential at an early stage. Financial self discipline helps form a stable base from which to develop and grow in a sustainable manner. Besides, teaching children to understand moderation and how to use money wisely can enable them to reach their goals successfully and with happiness.

The Happy Kid Money Camp will have been jointly organized by Krungthep Turakij and SCG for five consecutive years in 2013. It is another good project that helps instill young minds with the concept of the sufficiency economy and is able to provide valuable experiences that can stand the children in good stead in their daily lives.



Social Contribution Activities

Kom Chad Luek's CSR Projects in 2012

Than Khun Pan Din Project

The 2012 "Than Khun Pan Din Awards" can be considered one of the top events in recognizing outstanding people and youth role models who contribute beneficially to society. Than Khun Pan Din aims to promote the value of doing good deeds in Thai society, honouring those who perform beneficial acts and publicize their good deeds with an objective to encourage other members of society to follow their lead. Human resource development is a sustainable and worthwhile investment since humanity is the driving force behind organizations and society. If the majority of the society is good, moral and ethical,

Thai society as a whole will enjoy sustainable peace and happiness.

Kom Chad Luek's Sharing to Society

In 2012, "Kom Chad Luek" continued its policy of organizing activities to give back to society through "Kom Chad Luek's Sharing to Society" project. Now in its second year, the project seeks to assist the public, underprivileged children and people in remote areas. For instance, the project builds school libraries, canteens and playgrounds, community sports ground and provides aid for the victims of disasters such as floods, drought or cold weather.

This project was set up in November

2009 with an objective to help people affected by disasters or in direct need of help. The information about disasters or emergency situations such as flooding, drought or cold spells is reported by regional reporters or, in the case of schools or communities requiring assistance, by participants of the "Than Khun Pan Din" project. The project will send a forward team to investigate the area before sending volunteers and various units to help provide relief for the situation.

This year "Kom Chad Luek's Sharing to Society" project has provided relief as follows :

1. Donated blankets, cold-weather

clothing and educational aids on children's day for students of Chomrom Anurak putthasilp Thai Anusorn Border Patrol Police School, Ban Saenkamleu, Tamlod subdistrict, Bangmapa district, Mae Hong Son during January 14-16, 2012.

2. Donated a "Kom Chad Luek" mobile library to Ratbamrung School, Lanska district, Nakhon Si Thammarat on April 15, 2012.

3. Donated funds to establish a "Kom Chad Luek" library at Baankambon School, Charoensilp district, Sakol Nakhon. The library has not yet officially been handed over but is expected in the near future.

4. Supported construction of rest rooms at Ban Nongjan School, Lungkhewa sub-district, Nongboonmak district, Nakhon Ratchasima.

5. Donated cold weather accessories, educational materials and daily necessities to hill tribe students at the Hilltribe Learning Center "Mae Fah Luang", Ban Sanam Gila, Ban Luang sub-district, Jomthong district, Chiang Mai on November 25, 2012.

Career Enhancement

Kom Chad Luek Career Training

The company established Kom Chad Luek Career Training to support and enhance career skills among members of the public in various areas including cooking, television and wireless repair, art and photography, with weekly classes. In addition, this project also promotes folk knowledge and wisdom by organizing interesting agri-ecological tours almost every month.

Cultural and Entertainment Activities

9th Kom Chad Luek Awards

The annual "Kom Chad Luek Awards" are presented to individuals, both stars and behind-the-scenes workers, who extol quality and have accomplished outstanding achievements in the field of entertainment. It is also held to support and raise the morale of individuals in show business and encourage the creation of quality productions, as well as to promote improvements in the standards of the Thai entertainment industry. The Kom Chad Luek Awards ceremony is held near the beginning of each year.

Music Club

Music Club encourages Nation Group employees to express their musical capabilities in a variety of activities for the benefit of society. The Music Club organized singing performances to solicit donations of money and goods for foundations, shelters, schools and institutes to provide financial, physical and moral support completely without charge.



Awards



and the Thai Broadcast Journalists Association (supported by UNICEF)

2.10 Best Award for “Lok Meud Lung Lens, Arai Kor Pen Pai Dai”

2.11 Merit Award for “Sithi Yaowachon Khon (Sakul) Mai Dung”

2.12 Merit Award for “Mai Riew Return”

2.13 Best Award in the 5th “Puey Ungphakorn Article Award” from the Economic Reporters Association

2.14 Best Award in the “Puey Ungphakorn Article Award” from the Economic Reporters Association

3. Kom Chad Luek Media Co.,Ltd.
: 4 awards

3.1 Outstanding Award in the category of Media and General Magazine presented to Nation Weekend in Thailand Energy Awards 2012 by the Department of Alternative Energy Development and Efficiency.

3.2 “Prachabadee Award” and honorary pin to recognize those performing outstanding

deeds beneficial for sufferers, awarded to “Lung Jam Tuen Phai” column by the Ministry of Social Development and Human Security, with HRH Princess Soamsawali presenting the award.

3.3 2nd runner-up in Photography Award for the 2012 flood disaster entitled “Nam Tuam Wat Phra Kaew”, awarded to Prasert Thepsri of Kom Chad Luek newspaper by the Crime Press Association.

3.4 Creative Media Award for photograph entitled “Kid Teung Por”, awarded to Sukol Kerdnaimongkol of Kom Chad Luek newspaper by the Department of Mental Health.

4. Nation News Network Co.,Ltd.
: 1 award

4.1 Merit Award for newspaper photography entitled “Ror Yu”, awarded to Kulpan Siripimumporn of The Nation newspaper by the National Press Council of Thailand.

5. Nation International Edutainment PCL. Nation Books: 2 awards

5.1 Gold Award in the category of

general books for “Bazi Profiling: The Five Structures”, written by Joe Yap and translated by Amnuaychai Patipatphaopong, presented by ASEAN Book Publishers Association: ABPA Book Awards 2011

5.2 Silver Award in the category of general books for “Bazi Profiling: The Ten Day Masters”, written by Joe Yap and translated by Amnuaychai Patipatphaopong, presented by ASEAN Book Publishers Association: ABPA Book Awards 2011

6. WPS (Thailand) Co.,Ltd.
: 3 awards

6.1 Gold Award - Offset 65 gms by The 7th Thai Printing Awards 2012, September 26, 2012

6.2 Silver Award - Offset 70 gms by The 7th Thai Printing Awards 2012, September 26, 2012

6.3 Gold Award - Offset 65 gms by The 10th Asian Print Awards 2012, November 29, 2012, Singapore

1. Nation Multimedia Group PLC.

1.1 Outstanding Investor Relations Awards, awarded by the Stock Exchange of Thailand.

2. Krungthep Turakij Media Co.,Ltd.:
14 awards

2.1 Best News Award 2012 “Pa Kabuankarn Corruption Rattaban Yingluck”, awarded by the Isra Institute Thai Press Development Foundation.

2.2 Merit Award in the category of newspaper photography entitled “Tua Loi” by Phakdi Sukperm of Krungthep Turakij newspaper, awarded by the Isra Institute Thai Press Development Foundation.

2.3 Best Award in the category of “News and Documentary News to Promote Children’s Rights” 2012, awarded by the Isra Institute Thai Press Development Foundation and UNICEF.

2.4 Merit Award in the category of “News and Documentary News to Promote Children’s Rights” of 2012, awarded by the Isra Institute Thai Press Development Foundation and UNICEF.

2.5 Outstanding Award in the Green Globe Award 2012, under the category of Media (Newspaper), awarded by the Green Globe Institute.

2.6 Best Editorial Award 2011 “Yaa Sumlak Pracha Niyom Jon Leum Kwam

Pen Jing”, awarded by the National Press Council of Thailand and the Sub-Committee on Ethics, Rights and Freedom of the Media.

2.7 Outstanding Award as a supporter of energy conservation and alternative energy development at the national level of 2011, in the category of Media-Print Media.

2.8 Outstanding Award for Short Story “Twitphob Tweetpob” from Isra Amantakul Award.

2.9 Best Award in the category of News and Documentary News, awarded by the Isra Institute Thai Press Development Foundation, the Thai Journalist Association



Characteristics of the Business

Structure of Sales and Service Income

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

| Products / Services | Operated by | 2012 | | 2011 | | 2010 | |
|---|--|--------|------|--------|------|--------|------|
| | | Amount | % | Amount | % | Amount | % |
| Publishing and distribution newspapers and advertising media | •Nation Multimedia Group PCL. •Kom Chad Luek Media Co.,Ltd. | 1,949 | 66% | 1,905 | 72% | 2,023 | 75% |
| Publishing and distribution English newspapers and advertising media | •Nation News Network Co.,Ltd. | | | | | | |
| Publishing and distribution newspapers, advertising media and production of TV programs under "Krungthep Turakij TV" | •Krungthep Turakij Media Co.,Ltd. | | | | | | |
| Publishing and distribution educational books and comics | •Nation Edutainment Co., Ltd. •Nation Egmont Edutainment Co., Ltd. | | | | | | |
| Importing, publishing, distributing publications and production of TV programs under "Kid Zone" | •Nation International Edutainment PCL. | | | | | | |
| Printing services | •WPS (Thailand) Co., Ltd. | | | | | | |
| Production of TV Programs and radio programs and providing advertisements through TV media, radio media and new media forms | •Nation Broadcasting Corporation PCL. •NBC Nextmedia Co., Ltd. •NBC Next Screen Co., Ltd. •NBC Next Vision Co., Ltd. •Nation Kids Co., Ltd. •Bangkok Business Broadcasting Co., Ltd. •NNN Next Frontier Co., Ltd | 710 | 24% | 648 | 25% | 597 | 22% |
| Logistic Services | •NML Co., Ltd. | 242 | 8% | 90 | 3% | 77 | 3% |
| Education Services | •Nation U Co., Ltd. •Nation University | 36 | 1% | - | - | - | - |
| Total | | 2,937 | 100% | 2,643 | 100% | 2,697 | 100% |

Audit Committee's Report for the Year 2012

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

In the year 2012, The Audit Committee had organized 4 meetings, each meeting takes approximately 4 hours to carry out its duty as specified in the Audit Committee Charter. In every meeting, there are agenda for meeting with the company's Independent Auditor and agenda for meeting with the Internal Auditor. The Audit Committee had also had meeting with high level management for relevant agendas. The Audit Committee is of the opinion that.

1. The company's 2012 financial reports are fairly presented and no transactions are found that might materially affect the financial reports.
2. The company's internal control system is appropriate, sufficient and efficient. At present, there are three experienced internal auditors to carry out the task.
3. The related-party transactions in 2012 are general and normal business transactions, they are reasonable and no abnormal transactions are found.
4. The company has complied to the laws of securities and stock exchange as well as regulations and other laws relevant to the company's business.
5. Mr. Vichien Thamtrakul, auditor registration number 3183 was the company's Independent Auditor for the year 2012 and was his fifth term as the company Independent Auditor. He is knowledgeable and independent as well as has long experience in the auditing activities and therefore is suitable for the job.

As for the appointment of the company's Independent Auditor for the year 2013, the Audit Committee proposes that the following persons from KPMG Poomchai Audit Co.,Ltd. : Mr. Winid Silamongkol, Registration No. 3378 or Mr. Vichien Thamtrakul, No. 3183 or Mr. Veerachai Ratanajaratkul, No. 4323 or Ms. Vannaporn Jongperadechanon No. 4098 be appointed as the company's Independent Auditor for the year 2013.



(Mr. Pakorn Borimasporn)
Chairman of Audit Committee

Nation Multimedia Group Public Company Limited Report on Responsibilities of the Board of Directors towards the Financial Report for the year 2012

The Company's Board of Directors recognizes the significance of its duties and responsibilities, as directors of a listed company. The Board of Directors ensures that the Company's financial report contains accurate, transparent and full accounting records that reflect the Company's actual financial status and operational results. The Company's financial statements are adequately disclosed to prevent any fraud or mismanagement of the company's assets. The Company adheres to conform with recognized accounting standards that are fair and circumspect in the financial reporting processes of the Company and its Subsidiaries in the year ending December 31, 2012.

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

The Board of Directors is of the opinion that the financial statements for the year ending December 31, 2012 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management and audited by the Company's auditor, reflect accurate and complete financial status, operational results and cash flow in accordance with generally accepted accounting standards, rules, regulations and laws relating to the Company's businesses.



Mr. Suthichai Sae-Yoon
Chairman



Ms. Duangkamol Chotana
President

The Results of the Consolidated Financial Statements

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ending December 31, 2012 represented an operating profit before income tax and gain from a bargain purchase of Baht 227.79 million. An inclusion of income tax of Baht 38.44 million and gain from a bargain purchase of Baht 1.98 million resulted in operations for the year 2012 had profit of Baht 191.33 million. Compared to the same period of last year, it showed a profit of Baht 104.28 million. The significance of Group's operation results was summarized as follows:

1. Revenue from sales and services for the year 2012 increased by 11% compared to the same period of 2011. The main reason is from advertising revenue increased by 11% as print ads rose by 6% and there was advertising revenue increased in broadcast business unit by 14% as well as new media advertising increased by 51%. Moreover, circulation revenue increased by 7% resulting from circulation revenue from pocket books and children books rose by 45% while there was 5% dropped in newspaper circulation.
2. Cost of sales and operating expenses for the year 2012 increased by 10% compared to the same period of 2011. This is related to the increased of revenue from sales and services as well as new businesses expansion. However, total transportation expenses decreased by 11% primarily due to the well managed of logistic strategy.

Conclusion :

The Group reported an operating profit before income tax and gain from a bargain purchase for the year ending December 31, 2012 was at Baht 227.79 million. An inclusion of income tax of Baht 38.44 million and gain from a bargain purchase of Baht 1.98 million resulted in profit of Baht 191.33 million. Compared to the same period of last year, it showed a profit of Baht 104.28 million.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Financial statements for the year ended
31 December 2012

and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.

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Bangkok 10120, Thailand

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Independent Auditor's Report

To the shareholders of Nation Multimedia Group Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries, and of Nation Multimedia Group 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 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 Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In my opinion, the consolidated and separate financial statements 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 Nation Multimedia Group Public Company Limited and its subsidiaries, and of Nation Multimedia Group Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

(Vichien Thamtrakul)
 Certified Public Accountant
 Registration No. 3183

KPMG Phoomchai Audit Ltd.
 Bangkok
 15 February 2013

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

| Assets | Note | Consolidated financial statements | | Separate financial statements | |
|--|--------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | 31 December | | 31 December | |
| | | 2012 | 2011 | 2012 | 2011 |
| (in Baht) | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | 179,044,265 | 181,819,846 | 20,233,894 | 28,301,433 |
| Trade accounts receivable | 7 | 847,712,147 | 755,770,036 | 287,873,376 | 325,242,985 |
| Accrued income | | 142,757,313 | 106,917,876 | 22,678,323 | 25,899,036 |
| Other receivables from related parties | 5 | 357,706 | 726,712 | 444,947,716 | 376,543,735 |
| Short-term loans to related parties | 5 | - | - | 120,000,000 | 128,000,000 |
| Current portion of long-term loan to related party | 5 | - | - | 113,000,000 | 60,000,000 |
| Inventories | 8 | 247,198,116 | 248,422,894 | 68,494,846 | 101,096,280 |
| Other current assets | 9 | 203,681,375 | 319,177,563 | 76,788,958 | 223,158,220 |
| Total current assets | | 1,620,750,922 | 1,612,834,927 | 1,154,017,113 | 1,268,241,689 |
| Non-current assets | | | | | |
| Restricted deposits | 15, 17 | 3,947,774 | 2,500,000 | - | - |
| Investments in subsidiaries and associate | 10 | 26,985,191 | 26,530,941 | 741,900,003 | 678,026,004 |
| Long-term investments in related parties | 11 | - | 951,500 | - | 951,500 |
| Long-term investments in other companies | 12 | 29,530,178 | 19,561,050 | 29,530,178 | 19,561,050 |
| Long-term loan to related party | 5 | - | - | 23,000,000 | 131,000,000 |
| Investment properties | | 38,000,000 | 36,000,000 | 38,000,000 | 36,000,000 |
| Property, plant and equipment | 13 | 1,948,958,729 | 1,711,609,810 | 521,973,083 | 453,817,223 |
| Intangible assets | 14 | 104,280,587 | 107,434,862 | 45,562,276 | 61,946,731 |
| Other non-current assets | 16 | 268,083,855 | 235,388,897 | 212,541,992 | 179,021,509 |
| Total non-current assets | | 2,419,786,314 | 2,139,977,060 | 1,612,507,532 | 1,560,324,017 |
| Total assets | | 4,040,537,236 | 3,752,811,987 | 2,766,524,645 | 2,828,565,706 |

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

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

| Liabilities and equity | Note | Consolidated | | Separate | |
|--|--------|----------------------|---------------|----------------------|---------------|
| | | financial statements | | financial statements | |
| | | 31 December | | 31 December | |
| | | 2012 | 2011 | 2012 | 2011 |
| (in Baht) | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans | | | | | |
| from financial institutions | 17 | 720,066,553 | 762,580,475 | 641,053,759 | 687,425,038 |
| Trade accounts payable | 18 | 167,030,054 | 167,571,816 | 275,477,609 | 304,340,252 |
| Current portion of long-term loans | | | | | |
| from financial institutions | 17 | 306,884,010 | 338,336,553 | 275,430,000 | 221,000,000 |
| Current portion of finance lease liabilities | 17 | 33,955,592 | 30,034,488 | 2,857,381 | 485,690 |
| Other payable | 4 | 130,000,000 | - | - | - |
| Accrued expenses | | 205,156,510 | 229,913,324 | 64,214,199 | 129,817,244 |
| Income tax payable | | 1,309,989 | 8,081,951 | - | - |
| Other current liabilities | 19 | 389,615,180 | 324,144,583 | 82,162,720 | 174,833,752 |
| Total current liabilities | | 1,954,017,888 | 1,860,663,190 | 1,341,195,668 | 1,517,901,976 |
| Non-current liabilities | | | | | |
| Long-term loans from financial institutions | 17 | 315,586,269 | 338,336,539 | 295,836,269 | 287,125,858 |
| Finance lease liabilities | 17 | 13,625,185 | 36,813,458 | 8,412,189 | 502,251 |
| Employee benefit obligations | 20 | 81,986,979 | 95,853,907 | 13,757,672 | 29,771,419 |
| Other non-current liabilities | 17, 21 | 150,011,980 | 120,566,326 | 118,147,982 | 119,366,359 |
| Total non-current liabilities | | 561,210,413 | 591,570,230 | 436,154,112 | 436,765,887 |
| Total liabilities | | 2,515,228,301 | 2,452,233,420 | 1,777,349,780 | 1,954,667,863 |
| Equity | | | | | |
| Share capital | 22 | | | | |
| Authorised share capital | | 873,302,359 | 2,500,000,000 | 873,302,359 | 2,500,000,000 |
| Issued and paid-up share capital | | 873,302,359 | 1,647,740,300 | 873,302,359 | 1,647,740,300 |
| Additional paid in capital | 22 | | | | |
| Premium on ordinary shares | | - | 4,136 | - | 4,136 |
| Premium on ordinary shares of subsidiary | | 79,739,927 | 75,590,441 | - | - |
| Retained earnings (Deficit) | | | | | |
| Appropriated | | | | | |
| Legal reserve | 23 | 5,200,000 | - | 5,200,000 | - |
| Unappropriated (Deficit) | | 330,410,648 | (630,162,035) | 97,438,289 | (776,459,251) |
| Other component of equity | 23 | 13,234,217 | 2,612,658 | 13,234,217 | 2,612,658 |
| Equity attributable to owners of the | | | | | |
| Company | | 1,301,887,151 | 1,095,785,500 | 989,174,865 | 873,897,843 |
| Non-controlling interests | | 223,421,784 | 204,793,067 | - | - |
| Total equity | | 1,525,308,935 | 1,300,578,567 | 989,174,865 | 873,897,843 |
| Total liabilities and equity | | 4,040,537,236 | 3,752,811,987 | 2,766,524,645 | 2,828,565,706 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of comprehensive income

| | | Consolidated | | Separate | |
|---|-------|----------------------|----------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | For the year ended | | For the year ended | |
| | | 31 December | | 31 December | |
| | Note | 2012 | 2011 | 2012 | 2011 |
| | | (in Baht) | | | |
| Income | | | | | |
| Revenue from sale of goods and rendering of services | 5 | 2,936,868,992 | 2,643,186,775 | 915,068,836 | 961,107,299 |
| Rental and service income | | 91,343,703 | 97,728,346 | 1,582,972 | 555,080 |
| Investment income | 25 | 3,113,496 | 3,308,213 | 53,471,153 | 75,498,006 |
| Gain from a bargain purchase | 4 | 1,980,103 | - | - | - |
| Reversal of impairment loss on investment in subsidiaries | 10 | - | - | 32,624,000 | - |
| Other income | 26 | 68,568,740 | 53,344,928 | 45,558,722 | 47,053,760 |
| Total income | | 3,101,875,034 | 2,797,568,262 | 1,048,305,683 | 1,084,214,145 |
| Expenses | | | | | |
| Cost of sale of goods and rendering of services | 5 | 1,842,823,150 | 1,637,271,495 | 409,053,325 | 410,263,656 |
| Selling expenses | 5, 27 | 264,051,398 | 292,698,059 | 79,153,216 | 183,340,866 |
| Administrative expenses | 5, 28 | 501,229,037 | 421,940,522 | 308,167,863 | 288,629,888 |
| Management benefit expenses | 29 | 120,100,737 | 132,612,114 | 56,995,755 | 68,368,902 |
| Finance costs | 31 | 110,474,679 | 119,996,292 | 90,280,061 | 94,424,365 |
| Total expenses | | 2,838,679,001 | 2,604,518,482 | 943,650,220 | 1,045,027,677 |
| Share of profit (loss) of equity-accounted investees | | | | | |
| Associate | 10 | 454,250 | (67,890) | - | - |
| Profit before income tax expense | | 263,650,283 | 192,981,890 | 104,655,463 | 39,186,468 |
| Income tax expense | 32 | (38,436,119) | (46,325,553) | - | - |
| Profit for the year | | 225,214,164 | 146,656,337 | 104,655,463 | 39,186,468 |
| Other comprehensive income | | | | | |
| Net change in fair value of available-for-sale investments | 12 | 10,621,559 | 3,969,904 | 10,621,559 | 3,969,904 |
| Total comprehensive income for the year | | 235,835,723 | 150,626,241 | 115,277,022 | 43,156,372 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 191,330,606 | 104,277,580 | 104,655,463 | 39,186,468 |
| Non-controlling interests | | 33,883,558 | 42,378,757 | - | - |
| Profit for the year | | 225,214,164 | 146,656,337 | 104,655,463 | 39,186,468 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 201,952,165 | 108,247,484 | 115,277,022 | 43,156,372 |
| Non-controlling interests | | 33,883,558 | 42,378,757 | - | - |
| Total comprehensive income for the year | | 235,835,723 | 150,626,241 | 115,277,022 | 43,156,372 |
| Basic earnings per share | 33 | 0.12 | 0.06 | 0.06 | 0.02 |

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

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

Statement of changes in equity

[illegible]

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

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

Statement of changes in equity

| | | Consolidated financial statements | | | | | | |
|----|--|--|---|--|--|---------------------------|---------------|--|
| | | Retained earnings (Deficit) | | Other components of equity | | | | |
| | | Legal reserve | Unappropriated (Deficit) <i>(in Bahr)</i> | Fair value changes in available-for-sale investments | Equity attributable to owners of the Company | Non-controlling interests | Total equity | |
| | Year ended 31 December 2012 | | | | | | | |
| | Balance at 1 January 2012 | - | (630,162,035) | 2,612,658 | 1,095,785,500 | 204,793,067 | 1,300,578,567 | |
| | Transactions with owners, recorded directly in equity | | | | | | | |
| | Contributions by and distributions to owners of the Company | | | | | | | |
| 22 | Reduction in par value of ordinary shares | - | 774,442,077 | - | - | - | - | |
| | Dividends paid to non-controlling interests of subsidiaries | - | - | - | - | (10,849,615) | (10,849,615) | |
| | Total contributions by and distributions to owners of the Company | (4,136) | 774,442,077 | - | - | (10,849,615) | (10,849,615) | |
| | Changes in ownership interests in subsidiaries | | | | | | | |
| | Acquisition of non-controlling interests without a change in control | - | - | - | 4,149,486 | (4,405,226) | (255,740) | |
| | Total change in ownership interests in subsidiaries | - | - | - | 4,149,486 | (4,405,226) | (255,740) | |
| | Total transactions with owners, recorded directly in equity | (4,136) | 774,442,077 | - | 4,149,486 | (15,254,841) | (11,105,355) | |
| | Comprehensive income for the year | | | | | | | |
| | Profit or loss | - | 191,330,606 | - | 191,330,606 | 33,883,558 | 225,214,164 | |
| 12 | Other comprehensive income | - | - | 10,621,559 | 10,621,559 | - | 10,621,559 | |
| | Total comprehensive income for the year | - | 191,330,606 | 10,621,559 | 201,952,165 | 33,883,558 | 235,835,723 | |
| 23 | Transfer to legal reserve | - | (5,200,000) | - | - | - | - | |
| | Balance at 31 December 2012 | 873,302,359 | 330,410,648 | 13,234,217 | 1,301,887,151 | 223,421,784 | 1,525,308,935 | |

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

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

| | <i>Note</i> | Separate financial statements | | | | |
|--|-------------|--|---------------|-----------------------------|---|-----------------|
| | | Issued and paid-up share capital | Share premium | Deficit <i>(in Baht)</i> | Other components of equity Fair value changes in available-for-sale investments | Total equity |
| | | | | | | |
| Year ended 31 December 2011 | | | | | | |
| Balance at 1 January 2011 | | 1,647,740,300 | 4,136 | (815,645,719) | (1,357,246) | 830,741,471 |
| Trasaction with owners, recorded directly in equity | | | | | | |
| Comprehensive income for the year | | | | | | |
| Profit or loss | | - | - | 39,186,468 | - | 39,186,468 |
| Other comprehensive income | 12 | - | - | - | 3,969,904 | 3,969,904 |
| Total comprehensive income for the year | | - | - | 39,186,468 | 3,969,904 | 43,156,372 |
| Balance at 31 December 2011 | | 1,647,740,300 | 4,136 | (776,459,251) | 2,612,658 | 873,897,843 |

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

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

| Separate financial statements | | | | | | | |
|-------------------------------|--|----------------------------|--|--|----|--|--------------|
| | | Retained earning (Deficit) | | Other components of equity | | | |
| | | | | Fair value changes in available-for-sale investments | | | Total equity |
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The accompanying notes are an integral part of these financial statements.

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------------|--|--------------------|
| | For the year ended | | For the year ended | |
| | 31 December | | 31 December | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in Baht)</i> | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit for the year | 225,214,164 | 146,656,337 | 104,655,463 | 39,186,468 |
| <i>Adjustments for</i> | | | | |
| Depreciation | 210,803,248 | 183,098,231 | 31,813,721 | 26,977,791 |
| Amortisation | 54,025,060 | 45,518,453 | 21,481,293 | 22,657,829 |
| Investment income | (3,113,496) | (3,308,213) | (53,471,153) | (75,498,006) |
| Employee benefit obligations | 12,252,707 | 10,797,032 | 3,333,744 | 3,400,063 |
| Finance costs | 110,474,679 | 119,996,292 | 90,280,061 | 94,424,365 |
| Bad and doubtful debts expenses (reversal) | 4,451,885 | 7,106,228 | 743,541 | (1,443,448) |
| Reversal of impairment loss on investment in subsidiaries | - | - | (32,624,000) | - |
| Impairment losses on long-term investments in related party and other companies | 1,938,600 | - | 1,938,600 | - |
| Reversal of impairment loss on investment properties | (2,000,000) | - | (2,000,000) | - |
| Loss on obsolete stocks (reversal) | (11,655,609) | (5,802,107) | (31,425) | 3,147,649 |
| Gain from a bargain purchase | (1,980,103) | - | - | - |
| Loss on disposal of investment in other Companies | 329,107 | - | 329,107 | - |
| (Gain) Loss on disposal of equipment | (641,797) | 3,838,026 | (2,094,156) | 2,798,328 |
| Share of (profit) loss of investment in associate, net of income tax | (454,250) | 67,890 | - | - |
| Income tax expense | 38,436,119 | 46,325,553 | - | - |
| | 638,080,314 | 554,293,722 | 164,354,796 | 115,651,039 |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | (96,526,486) | 8,865,490 | 36,019,388 | 159,013,268 |
| Accrued income | (35,839,437) | 32,826,470 | 3,220,712 | 45,871,454 |
| Other receivables from related parties | 640,203 | (117,389) | (52,994,350) | (99,623,608) |
| Inventories | 13,227,795 | (12,451,815) | 32,632,859 | 13,589,955 |
| Other current assets | 116,072,956 | (133,092,246) | 130,036,927 | (147,784,255) |
| Restricted deposits | (1,447,774) | 1,273,486 | - | - |
| Other non-current assets | (32,472,183) | (49,927,480) | (34,152,419) | (31,978,267) |
| Trade accounts payable | (961,796) | 10,924,284 | (28,862,643) | 22,902,917 |
| Other current liabilities | (23,587,928) | 125,558,058 | (171,045,222) | 57,089,003 |
| Employee benefit obligations | (26,119,635) | - | (16,128,804) | - |
| Other non-current liabilities | 12,075,557 | (394,906) | 1,011,574 | 880,602 |
| Cash generated from operating activities | 563,141,586 | 537,757,674 | 64,092,818 | 135,612,108 |
| Income taxes paid | (45,208,081) | (60,429,501) | - | - |
| Net cash from operating activities | 517,933,505 | 477,328,173 | 64,092,818 | 135,612,108 |

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------------|--|----------------------|
| | For the year ended | | For the year ended | |
| | 31 December | | 31 December | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in Baht)</i> | | | |
| <i>Cash flows from investing activities</i> | | | | |
| Interest received | 2,798,774 | 2,539,737 | 22,750,490 | 28,530,626 |
| Dividends received | 314,722 | 768,476 | 30,720,663 | 46,967,381 |
| Short-term loans to related parties | - | - | (14,000,000) | - |
| Proceeds from short-term loans to related parties | - | - | 22,000,000 | 57,000,000 |
| Proceeds from long-term loans to related parties | - | - | 55,000,000 | 60,000,000 |
| Net cash outflow on investment in subsidiaries | - | - | (31,250,000) | (60,165,831) |
| Net cash outflow on acquisitions of long-term investments in related party | (2,000,000) | - | (2,000,000) | - |
| Proceed from sale of investment in related parties and other companies | 1,336,224 | - | 1,336,224 | - |
| Purchase of equipment | (262,526,345) | (115,809,159) | (101,131,948) | (42,096,742) |
| Sale of equipment | 26,232,981 | 13,758,381 | 14,815,332 | 7,524,847 |
| Purchase of intangible assets | (48,189,157) | (55,706,927) | (2,437,818) | (17,567,744) |
| Net cash from (used in) investing activities | (282,032,801) | (154,449,492) | (4,197,057) | 80,192,537 |
| <i>Cash flows from financing activities</i> | | | | |
| Interest paid | (93,454,112) | (111,033,676) | (76,897,836) | (85,461,749) |
| Dividend paid to non-controlling interests of subsidiaries | (10,849,615) | (26,991,596) | - | - |
| Bank overdrafts and short-term loans from financial institutions | (42,513,923) | 109,768,875 | (46,371,279) | 105,446,297 |
| Finance lease payments | (34,933,037) | (27,412,908) | (1,745,898) | (529,848) |
| Proceeds from long-term loans from financial institutions | 300,000,000 | 32,499,600 | 300,000,000 | - |
| Repayment of long-term loans from financial institutions | (355,343,223) | (349,456,863) | (238,000,000) | (239,300,000) |
| Cash paid for fees of long-term loan | (2,718,337) | - | (2,718,337) | - |
| Repayment of long-term loans from other party | (2,229,950) | (8,863,494) | (2,229,950) | (8,863,494) |
| Net cash used in financing activities | (242,042,197) | (381,490,062) | (67,963,300) | (228,708,794) |
| Net decrease in cash and cash equivalents | (6,141,493) | (58,611,381) | (8,067,539) | (12,904,149) |
| Cash and cash equivalents at 1 January | 181,819,846 | 240,431,227 | 28,301,433 | 41,205,582 |
| Cash and cash equivalents of subsidiary acquired during the year | 3,365,912 | - | - | - |
| Cash and cash equivalents at 31 December | 179,044,265 | 181,819,846 | 20,233,894 | 28,301,433 |

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

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

| Note | Contents |
|------|---|
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Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 15 February 2013.

1 General information

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

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

The principal businesses of the Company are the publishing and distribution of newspapers, providing advertising and news services. Details of the Company’s subsidiaries and jointly-controlled entity as at 31 December 2012 and 2011 were as follows:

| Name of the entity | Type of business | Country of incorporation | Ownership interest (%) | |
|---|---|--------------------------|------------------------|-------|
| | | | 2012 | 2011 |
| <i>Direct subsidiaries</i> | | | | |
| Nation Broadcasting Corporation Public Company Limited | Production of TV programs and radio programs and providing advertisements through TV media, radio media and new media forms | Thailand | 61.10 | 61.99 |
| Nation International Edutainment Public Company Limited | Importing, publishing and distributing publications | Thailand | 78.46 | 78.46 |
| Nation News Network Co., Ltd. | Publishing and distribution of English newspapers and advertising media | Thailand | 99.99 | 99.99 |
| NML Co., Ltd. | Delivery of publishing | Thailand | 99.99 | 99.99 |
| Kom Chad Luek Media Co., Ltd. | Publishing and distribution of newspapers and advertising media | Thailand | 99.99 | 99.99 |
| Krungthep Turakij Media Co., Ltd. | Publishing and distribution of newspapers, advertising media and education media | Thailand | 99.99 | 99.99 |

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

| Name of the entity | Type of business | Country of incorporation | Ownership interest (%) | |
|---|---|--------------------------|------------------------|-------|
| | | | 2012 | 2011 |
| Nation International Co., Ltd. | Publishing | Thailand | 99.94 | 99.94 |
| Nation U Co., Ltd. | Education services | Thailand | 90.00 | 55.00 |
| WPS (Thailand) Co., Ltd. | Publishing services | Thailand | 84.50 | 84.50 |
| Indirect subsidiaries | | | | |
| Bangkok Business Broadcasting Co., Ltd. | Production of TV programs and advertisements through TV media | Thailand | 99.99 | - |
| NNN Next Frontier Co., Ltd. | Production of TV programs and advertisements through TV media | Thailand | 99.99 | - |
| Nation University | Education services | Thailand | 90.00 | - |
| Nation Printing Services Co., Ltd. | Publishing services | Thailand | - | 84.49 |
| Nation Edutainment Co., Ltd. | Publishing | Thailand | 78.45 | 78.45 |
| N Coupon Co., Ltd. | Sale of goods and services on internet | Thailand | - | 78.45 |
| Nation Kids Co., Ltd. | Production of TV programs and advertisements through TV media | Thailand | 78.45 | - |
| NBC Nextmedia Co., Ltd. | Advertising media | Thailand | 61.10 | - |
| NBC Next Screen Co., Ltd. | Production of TV programs and advertisements through TV media | Thailand | 61.10 | - |
| NBC Next Vision Co., Ltd. | Production of TV programs and advertisements through TV media | Thailand | 61.10 | - |
| Indirect jointly-controlled entity | | | | |
| Nation Egmont Edutainment Co., Ltd. | Publishing | Thailand | 39.22 | 39.22 |

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

As at 31 December 2012, the FAP has issued and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 37.

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

(b) Basis of measurement

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

- available-for-sale financial assets are measured at fair value

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

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

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

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

Note 20 Measurement of defined benefit obligations

3 Significant accounting policies

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

(a) Basis of consolidation

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

Business Combinations

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

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

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

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

Subsidiaries

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

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

Jointly-controlled entity

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

Loss of control

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

Associate

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

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

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

Transactions eliminated on consolidation

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

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

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

(c) Hedging

Hedge of future foreign currency transactions

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

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

(d) Cash and cash equivalents

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

(e) Trade and other accounts receivable

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

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

(f) Inventories

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

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

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

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

Costs are determined by the following principles:

| | |
|--|---|
| Finished goods and work-in-process – books | - Weighted average cost principle/ average cost principle/first in first out |
| Raw materials | - Specific identification principle/ average cost principle |
| Store, supplies and others | - Average cost principle |
| Work in process | - Cost of productions, which are in process of production and film, will be recognised as costs when rights are transferred and delivered or broadcasted - Work in process, which is cost of planning and preparation, is stated at cost |
| Printing in process | - Average cost principle |

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

(g) Investments

Investments in subsidiaries, jointly-controlled entity and associate

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

Investments in other equity securities

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

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

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

Disposal of investments

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

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

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

(h) Investment properties

Investment properties are stated at cost less accumulated depreciation and impairment losses.

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

No depreciation is provided on land and assets under construction.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

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

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

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

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

Leased assets

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

Subsequent costs

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

Depreciation

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

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Notes to the financial statements

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

| | | |
|--|-------------------|-------|
| Land improvements | 5 - 30 | years |
| Buildings and improvements | 5, 20 and 30 - 35 | years |
| Leased assets improvements | 5 and 10 | years |
| Machinery and equipment | 2 - 12 | years |
| Furniture, fixtures and office equipment | 2 - 10 | years |
| Book | 5 | years |
| Transportation equipment | 5 | years |

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

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

(j) Intangible assets

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

Subsequent expenditure

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

Amortisation

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

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

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

| | | |
|--|--|-------|
| Computer program and software licenses | 5 | years |
| License fees-books | Based on the higher amount of amortisation between a straight-line basis over three years and calculation based on the numbers of books published and sold under the license agreements. | |

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

(k) Impairment

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

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

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

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

Calculation of recoverable amount

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

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

Reversals of impairment

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

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

(l) Interest-bearing liabilities

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

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

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

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

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

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

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

Short-term employee benefits

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

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

Shares options exercised

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

(o) Provisions

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

(p) Revenue

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

Sale of goods and services rendered

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

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

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

Commissions

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

Rental income

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

Tuition fees

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

Investments

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

Dividend income

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

Interest income

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

(q) Finance costs

Interest expenses and similar costs are charged to profit or loss in the period in which they are incurred.

(r) Lease payments

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

Determining whether an arrangement contains a lease

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

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

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

(s) **Income tax**

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

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

(t) **Earnings per share**

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4 Acquisition of indirect subsidiary and business transfer

On 28 February 2012, a subsidiary ("Nation U Co., Ltd.") acquired a transfer of right to take over an educational provider's license from a local company for total consideration of Baht 155 million, representing payment in cash at agreement date of Baht 25 million and the remaining amount of Baht 130 million will be paid by 28 February 2013.

Therefore, in the year of 2012, the consolidated financial statements is included the statement of financial position as at 31 December 2012 and the statement of comprehensive income for the period from 1 March 2012 to 31 December 2012 of Nation University, as a result of the Group attained significant management control over its financial and operating policies since 1 March 2012.

The acquired business has contributed total revenue of Baht 40.4 million and the net loss of Baht 33.2 million for the period from 1 March 2012 to 31 December 2012 to the consolidated financial statements of the Group. If the acquisition had occurred on 1 January 2012, the total revenue and net loss for year end 31 December 2012 will be included in the consolidated financial statements of the Group of Baht 46.8 million and Baht 49.3 million, respectively.

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

The acquirer's net assets at the acquisition date comprised of the followings:

| | Carrying amounts as at 29 February 2012 | Fair value adjustments (in thousand Baht) | Recognised values as at 29 February 2012 |
|--|--|---|---|
| Cash and deposits at financial institutions | 3,366 | - | 3,366 |
| Trade accounts receivable | 407 | - | 407 |
| Inventories | 347 | - | 347 |
| Other receivables from related parties | 271 | - | 271 |
| Other current assets | 2,064 | - | 2,064 |
| Property, plant and equipment | 83,451 | 141,207 | 224,658 |
| Intangible asset | 23 | - | 23 |
| Other non-current assets | 855 | - | 855 |
| Trade accounts payable | (420) | - | (420) |
| Other current liabilities | (54,991) | - | (54,991) |
| Other non-current liabilities | (19,600) | - | (19,600) |
| Net identifiable assets and liabilities | 15,773 | 141,207 | 156,980 |
| Acquisition cost | | | 155,000 |
| Gain from bargain purchase | | | 1,980 |

On 1 July 2011, a subsidiary ("WPS (Thailand) Co., Ltd."), entered into an agreement to transfer the total assets and liabilities with Nation Printing Services Co., Ltd, a subsidiary of such subsidiary for restructuring the Group's operations. As indicated in the agreement, the transferred date was 1 July 2011.

The acquirer's net assets and liabilities as at 1 July 2011 comprised the followings:

| | (in thousand Baht) |
|--|--------------------|
| Cash and cash equivalents | 7,781 |
| Trade accounts receivable | 66,474 |
| Inventories | 14,277 |
| Other current assets | 434 |
| Building improvements and equipment | 371,928 |
| Other non-current assets | 6,372 |
| Trade accounts payable | (76,334) |
| Short-term loans from related parties | (130,000) |
| Other current liabilities | (35,466) |
| Long-term loans from financial institutions | (51,000) |
| Liabilities under finance lease agreements | (75,918) |
| Other non-current liabilities | (1,924) |
| Net carrying amounts of identifiable assets and liabilities | 96,624 |
| Less Consideration paid | (96,624) |
| Add Cash acquired | 7,781 |
| Net cash inflow | 7,781 |

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

5 Related parties

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

Relationships with subsidiaries, associates and jointly-controlled entities were as follows:

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|---|--|--|
| Nation Broadcasting Corporation Public Company Limited | Thailand | Subsidiary, 61.10% shareholding in 2012 and 61.99% shareholding in 2011, some common directors |
| Nation International Edutainment Public Company Limited | Thailand | Subsidiary, 78.46% shareholding, some common directors |
| Kom Chad Luek Media Co., Ltd. | Thailand | Subsidiary, 99.99% shareholding, some common directors |
| NML Co., Ltd. | Thailand | Subsidiary, 99.99% shareholding, some common directors |
| Nation News Network Co., Ltd. | Thailand | Subsidiary, 99.99% shareholding, some common directors |
| Krungthep Turakij Media Co., Ltd. | Thailand | Subsidiary, 99.99% shareholding, some common directors |
| Nation International Co., Ltd. | Thailand | Subsidiary, 99.94% shareholding, some common directors (liquidated and dissolution on 4 February 2013) |
| Nation U Co., Ltd. | Thailand | Subsidiary, 90% shareholding, some common directors |
| WPS (Thailand) Co., Ltd. | Thailand | Subsidiary, 84.50% shareholding, some common directors |
| NBC Nextmedia Co., Ltd. | Thailand | 99.99% shareholding by Nation Broadcasting Corporation Public Company Limited some common directors. |
| NBC Next Screen Co., Ltd. | Thailand | 99.99% shareholding by Nation Broadcasting Corporation Public Company Limited some common directors. |
| NBC Next Vision Co., Ltd. | Thailand | 99.99% shareholding by Nation Broadcasting Corporation Public Company Limited some common directors. |

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

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|--|--|--|
| Nation Kids Co., Ltd. | Thailand | 99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors |
| Nation Edutainment Co., Ltd. | Thailand | 99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors |
| N Coupon Co., Ltd. | Thailand | 99.98% shareholding by Nation International Edutainment Public Company Limited, some common directors (liquidated and dissolution on 14 December 2012) |
| Nation Egmont Edutainment Co., Ltd. | Thailand | Jointly-controlled entity, 49.99% shareholding by Nation International Edutainment Public Company Limited, some common directors |
| NNN Next frontier Co., Ltd. | Thailand | 99.99% shareholding by Nation News Networks Co., Ltd., some common directors |
| Bangkok Business Broadcasting Co., Ltd. | Thailand | 99.99% shareholding by Krungthep Turakij Media Co., Ltd., some common directors |
| Nation University | Thailand | University, a license holding by Nation U Co., Ltd. |
| Yomiuri-Nation Information Service Limited | Thailand | Associate, 45% shareholding, some common directors |
| Thai Portal Co., Ltd. | Thailand | Related party, 19% shareholding by Kom Chad Luek Media Co., Ltd. |
| Nation Properties Co., Ltd. | Thailand | Related party, 19.80% shareholding |
| Nation Printing Services Co., Ltd. | Thailand | 99.99% shareholding by WPS (Thailand) Co., Ltd., some common directors (liquidated and dissolution on 18 October 2012) |

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

| Transactions | Pricing policies |
|---|---|
| Sale of goods, rendering of services and others | General market price |
| Interest income on loans | Approximates loan rate of the financial institutions. |
| Cost of services and expenses | Actual cost allocation rate and negotiable rate. |
| Interest expense on borrowings | Approximates loan rate of the financial institutions. |

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

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

| <i>Year ended 31 December</i> | Consolidated | | Separate | |
|---|-----------------------------|--------|-----------------------------|---------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Sales of goods and rendering of services | - | - | 704,815 | 776,291 |
| Investment income | - | - | 52,876 | 74,690 |
| Other income | - | - | 24,261 | 17,012 |
| Printing, cost of services and expenses | - | - | 51,091 | 41,312 |
| Indirect jointly-controlled entity | | | | |
| Sales of goods and rendering of services | 83,616 | 63,216 | - | 972 |
| Investment income | 2,077 | 1,360 | - | - |
| Other income | 70 | - | - | - |
| Printing, cost of services and expenses | 6,404 | 3,990 | - | 1,671 |
| Associate | | | | |
| Sales of goods and rendering of services | 3,410 | 3,523 | 110 | 121 |
| Other related parties | | | | |
| Sales of goods and rendering of services | 378 | 6,031 | 378 | 2,222 |
| Other expenses | 2,259 | 3,000 | - | - |

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

| <i>Trade accounts receivable - related parties</i> | Consolidated | | Separate | |
|---|-----------------------------|----------------|-----------------------------|---------------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Nation International Edutainment Public Company Limited | - | - | 7,257 | 420 |
| Nation Edutainment Co., Ltd. | - | - | 4,019 | 4,221 |
| Nation News Network Co., Ltd. | - | - | 7,900 | - |
| Kom Chad Luek Media Co., Ltd. | - | - | 67,061 | 46,740 |
| Krungthep Turakij Media Co., Ltd. | - | - | 11,780 | 5,608 |
| WPS (Thailand) Co., Ltd. | - | - | 14,097 | 5,726 |
| N Coupon Co., Ltd. | - | - | - | 1 |
| Indirect jointly-controlled entity | | | | |
| Nation Egmont Edutainment Co., Ltd. | 78,811 | 56,566 | - | - |
| Associate | | | | |
| Yomiuri-Nation Information Service Limited | 268 | 275 | - | - |
| Other related parties | | | | |
| Media Expertise International (Thailand) Ltd. | - | 34,505 | - | 15,587 |
| Media Pulse Co., Ltd. | - | 3,873 | - | 3,873 |
| Others | 67 | 6,250 | - | 6,211 |
| | 79,146 | 101,469 | 112,114 | 88,387 |
| Less allowance for doubtful accounts | (67) | (40,824) | - | (25,082) |
| Net | 79,079 | 60,645 | 112,114 | 63,305 |
| Bad and doubtful debts expense for the year | - | - | - | - |

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

| <i>Other receivables - related parties</i> | Consolidated | | Separate | |
|---|-----------------------------|---------------|-----------------------------|-----------------------------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Nation Broadcasting Corporation Public Company Limited | - | - | 11,611 | 10,430 |
| Nation International Edutainment Public Company Limited | - | - | 6,953 | 5,492 |
| Nation International Co., Ltd. | - | - | - | 330 |
| Nation Edutainment Co., Ltd. | - | - | 4,556 | 2,827 |
| WPS (Thailand) Co., Ltd. | - | - | 80,522 | 59,527 |
| NML Co., Ltd. | - | - | 64,381 | 67,762 |
| Nation News Network Co., Ltd. | - | - | 11,049 | 9,346 |
| Krungthep Turakij Media Co., Ltd. | - | - | 133,795 | 156,623 |
| Kom Chad Luek Media Co., Ltd. | - | - | 43,229 | 62,154 |
| N Coupon Co., Ltd. | - | - | - | 760 |
| Nation University | - | - | 88,190 | - |
| Indirect jointly-controlled entity | | | | |
| Nation Egmont Edutainment Co., Ltd. | - | - | 378 | 562 |
| Associate | | | | |
| Yomiuri-Nation Information Service Limited | 321 | 11 | 252 | 11 |
| Other related parties | | | | |
| Thai Portal Co., Ltd. | 17,345 | 17,345 | - | - |
| Media Expertise International (Thailand) Ltd. | - | 13,434 | - | 13,278 |
| Media Pulse Co., Ltd. | - | 1,623 | - | 1,567 |
| Others | 2,743 | 3,502 | 2,738 | 3,493 |
| | 20,409 | 35,915 | 447,654 | 394,162 |
| Less allowance for doubtful accounts | (20,051) | (35,188) | (2,706) | (17,618) |
| Net | 358 | 727 | 444,948 | 376,544 |
| Bad and doubtful debts expense for the year | - | - | - | - |
| Short-term loans to related parties | | | | |
| | Interest rate | | Consolidated | Separate |
| | 2012 | 2011 | financial statements | financial statements |
| | <i>(% per annum)</i> | | 2012 | 2011 |
| | | | <i>(in thousand Baht)</i> | |
| Subsidiaries | | | | |
| NML Co., Ltd. | 6.24 - 6.66 | 5.83 - 6.70 | - | - |
| WPS (Thailand) Co., Ltd. | 6.24 - 6.66 | 5.83 - 6.70 | - | - |
| | | | 120,000 | 125,000 |
| | | | 120,000 | 128,000 |
| Less allowance for doubtful accounts | | | - | - |
| Short-term loans to related parties, net | | | 120,000 | 128,000 |
| Bad and doubtful debts expense for the year | - | - | - | - |

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

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

| <i>Short-term loans to related parties</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|----------|--|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| At 1 January | - | - | 128,000 | 185,000 |
| Increase | - | - | 14,000 | - |
| Decrease | - | - | (22,000) | (57,000) |
| At 31 December | - | - | 120,000 | 128,000 |

| <i>Long-term loan to related party</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|-----------|--|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiary | | | | |
| Current portion | | | | |
| WPS (Thailand) Co., Ltd. | 8.66 - 8.85 | 7.79-8.85 | - | - |
| | | | 113,000 | 60,000 |
| After one year | | | | |
| WPS (Thailand) Co., Ltd. | 8.66 - 8.85 | 7.79-8.85 | - | - |
| | | | 23,000 | 131,000 |
| Total long-term loan to related party | - | - | 136,000 | 191,000 |

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

| <i>Long-term loan to related party</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|----------|--|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiary | | | | |
| At 1 January | - | - | 191,000 | 251,000 |
| Increase | - | - | - | - |
| Decrease | - | - | (55,000) | (60,000) |
| At 31 December | - | - | 136,000 | 191,000 |

| <i>Trade accounts payable - related parties</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|------|--|---------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Nation Broadcasting Corporation Public Company Limited | - | - | 2,262 | 1,494 |
| Nation International Edutainment Public Company Limited | - | - | 2,512 | 3,215 |
| Nation International Co., Ltd. | - | - | - | 320 |
| WPS (Thailand) Co., Ltd. | - | - | 234 | 3,586 |
| NML Co., Ltd. | - | - | 145 | - |
| Nation News Network Co., Ltd. | - | - | 55,015 | 42,481 |
| Kom Chad Luek Media Co., Ltd. | - | - | 94,985 | 66,451 |
| Krunthep Turakij media Co., Ltd. | - | - | 90,963 | 154,226 |
| N Coupon Co., Ltd. | - | - | - | 845 |

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

| <i>Trade accounts payable - related parties</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------|--|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Indirect jointly-controlled entity | | | | |
| Nation Egmont Edutainment Co., Ltd. | - | - | 347 | 92 |
| Other related party | | | | |
| Media Expertise International (Thailand) Ltd. | - | 2,356 | - | 2,343 |
| Total | - | 2,356 | 246,463 | 275,053 |

| <i>Other payables - related parties</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|-----------|--|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | | | | |
| Nation Broadcasting Corporation Public Company Limited | - | - | 1,117 | 54 |
| Nation International Edutainment Public Company Limited | - | - | 737 | 575 |
| WPS (Thailand) Co., Ltd. | - | - | 997 | 1,145 |
| NML Co., Ltd. | - | - | 5 | 404 |
| Nation News Network Co., Ltd. | - | - | 2,822 | 237 |
| Kom Chad Luek Media Co., Ltd. | - | - | 1,462 | 29,971 |
| Krunthep Turakij Media Co., Ltd. | - | - | 5,479 | 2,003 |
| N Coupon Co., Ltd. | - | - | - | 2,119 |
| Nation University | - | - | 11 | - |
| Indirect jointly-controlled entity | | | | |
| Nation Egmont Edutainment Co., Ltd. | - | - | 348 | 511 |
| Associate | | | | |
| Yomiuri-Nation Information Service Limited | 3 | 4 | - | 4 |
| Other related parties | | | | |
| Others | 82 | 89 | - | 18 |
| Total | 85 | 93 | 12,978 | 37,041 |

Significant agreements with related parties

Short-term loan agreement

On 22 June 2010, the Company entered into a short-term loan agreement with an indirect subsidiary ("Nation Printing Services Co., Ltd") amounted to Baht 150 million. At the date of the agreement, the Company provided loan to such indirect subsidiary of Baht 141 million. The remaining loan of Baht 9 million was drawdown in July 2010. This loan bears interest at the cost of borrowing of the Company plus 0.5% per annum. Subsequently, in December 2010, the Company entered into the change in loan agreement memorandum by extending the period of loan repayment for 7 months which is due on December 2010 to July 2011.

On 1 July 2011, the Company has entered into the 2nd change in short-term loan agreement memorandum with an indirect subsidiary ("Nation Printing Services Co., Ltd.") whereby the Company permitted such indirect subsidiary to change the contract party in the loan agreement to a subsidiary ("WPS (Thailand) Co., Ltd."), commencing on 1 July 2011 onwards. As at the memorandum date, such subsidiary issued the promissory note amounting to Baht 130 million to the Company. The loan was repayable at call.

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

Long-term loan agreement

On 25 February 2010, the Company entered into a long-term loan agreement with a subsidiary (“WPS (Thailand) Co., Ltd.”) amounted to Baht 288 million and converted a short-term loan amount of Baht 62 million to long-term loan, totalling a new long-term loan of Baht 350 million. This loan bears interest at the average rate of MLR of two local banks plus the cost of borrowing.

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

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

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

6 Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|----------------|--|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Cash on hand | 1,764 | 1,022 | 223 | 271 |
| Cash at banks - current accounts | 3,225 | 2,225 | 136 | 1,889 |
| Cash at banks - savings accounts | 118,208 | 119,469 | 19,875 | 26,141 |
| Highly liquid short-term investments | 55,847 | 59,104 | - | - |
| Total | 179,044 | 181,820 | 20,234 | 28,301 |

Cash and cash equivalents of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

7 Trade accounts receivable

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Related parties | 79,146 | 101,469 | 112,114 | 88,387 |
| Other parties | 917,082 | 810,703 | 261,328 | 329,161 |
| Total | 996,228 | 912,172 | 373,442 | 417,548 |
| Less allowance for doubtful accounts | (128,338) | (129,446) | (74,950) | (75,523) |
| allowance for goods returned | (20,178) | (26,956) | (10,619) | (16,782) |
| Net | 847,712 | 755,770 | 287,873 | 325,243 |
| Bad and doubtful debts expense for the year (reversal) | 4,991 | 7,106 | 1,283 | (1,433) |

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

Aging analyses for trade accounts receivable were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|----------------|--|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Related parties | | | | |
| Within credit terms | 79,079 | 58,177 | 20,692 | 31,615 |
| Overdue: | | | | |
| Less than 6 months | - | 528 | 75,403 | 24,676 |
| 6-12 months | - | 1,670 | 6,275 | 4,908 |
| Over 12 months | 67 | 41,094 | 9,744 | 27,188 |
| | 79,146 | 101,469 | 112,114 | 88,387 |
| Less allowance for doubtful accounts | (67) | (40,824) | - | (25,082) |
| allowance for goods return | - | - | - | - |
| | 79,079 | 60,645 | 112,114 | 63,305 |
| Other parties | | | | |
| Within credit terms | 452,549 | 566,684 | 119,183 | 220,535 |
| Overdue: | | | | |
| Less than 6 months | 295,740 | 133,778 | 62,988 | 58,511 |
| 6-12 months | 31,860 | 29,020 | 8,830 | 10,261 |
| Over 12 months | 136,933 | 81,221 | 70,327 | 39,854 |
| | 917,082 | 810,703 | 261,328 | 329,161 |
| Less allowance for doubtful accounts | (128,271) | (88,622) | (74,950) | (50,441) |
| allowance for goods returned | (20,178) | (26,956) | (10,619) | (16,782) |
| | 768,633 | 695,125 | 175,759 | 261,938 |
| Net | 847,712 | 755,770 | 287,873 | 325,243 |

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

8 Inventories

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|--|----------------|--|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Finished goods - books | 185,652 | 164,794 | 3,845 | 3,307 |
| Raw materials | 71,982 | 85,155 | 49,927 | 59,201 |
| Stores, supplies and others | 18,481 | 21,465 | 156 | 692 |
| Production / work in process | 12,915 | 8,002 | - | 157 |
| Raw material in transit | 17,683 | 40,887 | 17,683 | 40,887 |
| | 306,713 | 320,303 | 71,611 | 104,244 |
| Less allowance for obsolete stocks | (59,515) | (71,880) | (3,116) | (3,148) |
| Net | 247,198 | 248,423 | 68,495 | 101,096 |

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

9 Other current assets

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|----------------|----------------------------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand Baht) | | | |
| Other receivables | 66,782 | 204,264 | 55,475 | 191,235 |
| Advances to employees | 7,039 | 8,614 | 798 | 4,103 |
| Prepaid expenses | 73,725 | 34,570 | 33,165 | 15,528 |
| Input value added tax pending | 36,155 | 40,661 | 13,655 | 12,876 |
| Withholding tax deducted at source | 65,027 | 59,239 | 24,597 | 36,012 |
| Others | 5,856 | 8,543 | - | - |
| | 254,584 | 355,891 | 127,690 | 259,754 |
| Less allowance for doubtful accounts | (50,903) | (36,713) | (50,901) | (36,596) |
| Net | 203,681 | 319,178 | 76,789 | 223,158 |

10 Investments in subsidiaries and associate

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|---------------|----------------------------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | 26,531 | 26,599 | 678,026 | 617,860 |
| Share of profit (loss) of investment in- associate | 454 | (68) | - | - |
| Acquisitions | - | - | 31,250 | 60,166 |
| Reversal of impairment loss on investment in subsidiaries | - | - | 32,624 | - |
| At 31 December | 26,985 | 26,531 | 741,900 | 678,026 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Investments in subsidiaries and associate as at 31 December 2012 and 2011, and dividend income from these investments for the years ended, were as follows:

| Name of associate | Consolidated financial statements | | | | | | | | | | | | | |
|--|-----------------------------------|-------|-----------------|-------|-------|-------|--------|--------|------------|------|-----------------|--------|-----------------|------|
| | Ownership interest | | Paid-up capital | | Cost | | Equity | | Impairment | | At equity - net | | Dividend income | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| <i>Associate</i> | | (%) | | | | | | | | | | | | |
| Yomiuri-Nation Information Service Limited | 45.00 | 45.00 | 4,000 | 4,000 | 1,800 | 1,800 | 26,985 | 26,531 | - | - | 26,985 | 26,531 | - | - |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

| Name of subsidiary and associate | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income | |
|-----------------------------------|-----------------------------|-------|-----------------|---------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|---------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | (<i>in thousand Baht</i>) | | | | | | | | | | | |
| | | | | | | | | | | | | |
| <i>Subsidiaries</i> | | | | | | | | | | | | |
| Nation Broadcasting Corporation | 61.10 | 61.99 | 176,870 | 173,438 | 113,942 | 113,942 | - | - | 113,942 | 113,942 | 12,902 | 42,864 |
| Public Company Limited | | | | | | | | | | | | |
| Nation International Edutainment | | | | | | | | | | | | |
| Public Company Limited | 78.46 | 78.46 | 85,000 | 85,000 | 70,060 | 70,060 | - | - | 70,060 | 70,060 | 10,004 | 3,335 |
| Kom Chad Luek Media Co., Ltd. | 99.99 | 99.99 | 25,000 | 25,000 | 99,990 | 99,990 | 96,392 | 96,392 | 3,598 | 3,598 | - | - |
| NML Co., Ltd. | 99.99 | 99.99 | 50,000 | 50,000 | 50,000 | 50,000 | 40,000 | 10,000 | 10,000 | 40,000 | - | - |
| Nation News Network Co., Ltd. | 99.99 | 99.99 | 50,000 | 50,000 | 50,000 | 50,000 | - | - | 50,000 | 50,000 | - | - |
| Krungthep Turakij Media Co., Ltd. | 99.99 | 99.99 | 25,000 | 25,000 | 25,000 | 25,000 | - | - | 25,000 | 25,000 | 7,500 | - |
| Nation International Co., Ltd. | 99.94 | 99.94 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | - | - | - | - |
| Nation U Co., Ltd. | 90.00 | 55.00 | 50,000 | 25,000 | 45,000 | 13,750 | - | - | 45,000 | 13,750 | - | - |
| WPS (Thailand) Co., Ltd. | 84.50 | 84.50 | 500,000 | 500,000 | 422,500 | 422,500 | - | 62,624 | 422,500 | 359,876 | - | - |
| <i>Associate</i> | | | | | | | | | | | | |
| Yomiuri-Nation Information | | | | | | | | | | | | |
| Service Limited | 45.00 | 45.00 | 4,000 | 4,000 | 1,800 | 1,800 | - | - | 1,800 | 1,800 | - | - |
| Total | | | | | 879,292 | 848,042 | 137,392 | 170,016 | 741,900 | 678,026 | 30,406 | 46,199 |

Nation Multimedia Group Public Company Limited and its Subsidiaries

Notes to the financial statements

The following summarised financial information on interest in indirect jointly-controlled entity which have been proportionately consolidation in the consolidated financial statements represents the Group's share:

| Name of indirect jointly-controlled entity | Ownership (%) | Current assets | | Non-current assets | | Total assets | | Current liabilities | | Total liabilities | | Total revenues | | Total expenses | | Net profit (loss) | |
|--|---------------|----------------|--------|--------------------|-------|--------------|--------|---------------------|--------|-------------------|--------|----------------|--------|----------------|--------|-------------------|---------|
| | | | | | | | | | | | | | | | | | |
| 2012 | | | | | | | | | | | | | | | | | |
| Nation Egmont Edutainment Co., Ltd. | 39.22 | 89,051 | 89,051 | 3,107 | 3,107 | 92,158 | 92,158 | 65,032 | 65,032 | 65,991 | 65,991 | 78,259 | 78,259 | 71,117 | 71,117 | 7,142 | 7,142 |
| 2011 | | | | | | | | | | | | | | | | | |
| Nation Egmont Edutainment Co., Ltd. | 39.22 | 66,184 | 66,184 | 3,334 | 3,334 | 69,518 | 69,518 | 49,904 | 49,904 | 50,492 | 50,492 | 58,076 | 58,076 | 62,294 | 62,294 | (4,218) | (4,218) |

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

The following summarised financial information on associated, company which have been accounted for using the equity method is not adjusted for the percentage of ownership held by the Company:

| Name of associate | Reporting date | Owner-ship (%) | Total assets | Total liabilities | Total revenues | Net profit (loss) |
|--|----------------|----------------|---------------|--------------------|----------------|-------------------|
| | | | | (in thousand Baht) | | |
| 2012 | | | | | | |
| Yomiuri-Nation Information Service Limited | 31 December | 45.00 | <u>28,577</u> | <u>1,592</u> | <u>8,478</u> | <u>454</u> |
| 2011 | | | | | | |
| Yomiuri-Nation Information Service Limited | 31 December | 45.00 | <u>27,352</u> | <u>821</u> | <u>7,358</u> | <u>(68)</u> |

At the extraordinary meeting of shareholders of a subsidiary (“Kom Chad Luek Media Co., Ltd.”) held on 27 January 2011, the shareholders of the subsidiary approved to decrease the share capital of the subsidiary from Baht 100 million (divided into 10 million ordinary shares at Baht 10 par value) to Baht 25 million (divided into 2.5 million ordinary shares at Baht 10 par value) to compensate its deficit. The subsidiary registered the decrease in share capital with the Ministry of Commerce on 7 March 2011.

On 24 February 2011, the management of the Company approved to establish a new subsidiary, Nation U Co., Ltd, which has a registered share capital Baht 50 million (divided into 5 million ordinary shares at Baht 10 par value). Consequently, at the Board of Directors’ meeting of the subsidiary held on 22 September 2011, the Board of Directors approved an additional call-up share capital of 25% of the subsidiary from Baht 12.5 million (divided into 5 million ordinary shares at Baht 2.50 par value) to Baht 25 million (divided into 5 million ordinary shares at Baht 5 par value), totalling Baht 13.75 million. The subsidiary registered the increase in called up capital with Ministry of Commerce on 17 October 2011.

In March 2011, the Company acquired additional shares of a subsidiary (“Nation International Edutainment Public Company Limited”) of 0.7 million shares (0.81% of registered and paid-up share capital of such subsidiary) amounted to Baht 4.06 million to increase the proportionate of investment of the Company to 78.46% of the registered share capital of the subsidiary.

At the annual general meeting of shareholders of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 5 April 2011, the shareholders of the subsidiary approved the appropriation of dividend of Baht 0.44 per share, amounted to Baht 75.03 million from the 2010 operating result. The dividend of Baht 0.34 per share, amounted to Baht 57.80 million was paid to shareholders as the interim dividend during the year 2010, and the dividend of Baht 0.10 per share, amounted to Baht 17.23 million was paid to shareholders during the year 2011.

At the annual general meeting of shareholders of a subsidiary (“Nation International Edutainment Public Company Limited”) held on 7 April 2011, the shareholders of the subsidiary approved the appropriation of dividend of Baht 0.15 per share, amounted to Baht 12.75 million from the 2010 operating result. The dividend of Baht 0.10 per share, amounted to Baht 8.50 million was paid to shareholders as the interim dividend during the year 2010, and the dividend of Baht 0.05 per share, amounted to Baht 4.25 million was paid to shareholders during the year 2011.

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

At the Board of Directors’ meeting of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 12 May 2011, the Board of Directors of the subsidiary approved the appropriation of interim dividend to shareholders of Baht 0.10 per share, amounted to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

On 15 May 2011, the directors, management and/or employees of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) exercised the warrants to purchase ordinary shares 123,000 units totalling of Baht 0.4 million which the subsidiary has share premium amounted to Baht 0.3 million. The subsidiary registered the paid-up share capital from the such exercise with the Ministry of Commerce on 20 May 2011.

On 28 July 2011, the extraordinary shareholders’ meeting of a subsidiary (NML Co., Ltd.) passed the resolutions to approve the increase in authorised share capital of such subsidiary from Baht 10 million (divided into 1 million ordinary shares at Baht 10 par value) to Baht 50 million (divided into 5 million ordinary shares at Baht 10 par value) by issuance of new ordinary shares 4 million shares at Baht 10 par value totalling of Baht 40 million. The subsidiary registered the increase in authorised share capital with the Ministry of Commerce on 29 July 2011.

At the Board of Directors’ meeting of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 9 August, 2011, the Board of Directors of the subsidiary approved the appropriation of interim dividend to shareholders of Baht 0.10 per share, amounted to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

At the Board of Directors’ meeting of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 26 October 2011, the Board of Directors approved the Treasury Stock Program by the objective to manage its excess liquidity management, increase in return on equity and earnings per share ratios with a limit of Baht 50 million by repurchasing at 10 million ordinary shares equivalent to 5.80% of total paid-up shares of the subsidiary with the repurchased price not to exceed 115 percent of the average closing price on the Stock Exchange of Thailand (SET) over the 5 trading days before each share purchase is made. The period of repurchase of shares through the SET is from 10 November 2011 to 9 May 2012 and these repurchase shares will be sold from 10 November 2012 to 9 November 2015 (after 6 months from the date of completing the repurchase of ordinary share, but not more than 3 years).

At the Board of Directors’ meetings of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 9 November, 2011, the Board of Directors of the subsidiary approved the appropriation of interim dividend to shareholders of Baht 0.10 per share, amounted to Baht 17.24 million. The dividend was paid to shareholders during the year 2011.

On 15 November 2011, the directors, management and/or employees of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) exercised the warrants to purchase ordinary shares 1,056,000 units totalling of Baht 3.5 million which the subsidiary has share premium amounted to Baht 2.5 million. The subsidiary registered the paid-up share capital from the such exercise with the Ministry of Commerce on 24 November 2011.

At the Board of Directors’ meeting of a subsidiary (Nation Broadcasting Corporation Public Company Limited) held on 14 February 2012, the Board of Directors of the subsidiary approved to establish a company, NBC Nextmedia Co., Ltd, which has a registered share capital of Baht 20 million (divided into 2 million ordinary shares at Baht 10 par value) and called-up share capital of 50%. The indirect subsidiary registered with the Ministry of Commerce on 6 March 2012.

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

At the Board of Directors' meetings of a subsidiary ("Nation U Co., Ltd.") held on 10 and 20 February 2012, the Board of Directors of the subsidiary approved an additional call-up share capital of 50% of the subsidiary from Baht 25 million (divided into 5 million ordinary shares at Baht 5 par value) to Baht 50 million (divided into 5 million ordinary shares at Baht 10 par value). In addition, the Board of Directors approved to acquire 35% of share capital from the existing shareholders, resulting to an increase in the proportionate of investment of the Company from 55% to 90%, totalling Baht 45 million. The subsidiary was registered with the Ministry of Commerce on 28 February 2012.

At the annual general meeting of shareholders of a subsidiary ("Nation International Edutainment Public Company Limited") held on 24 April 2012, the shareholders of the subsidiary approved the appropriation of dividend of Baht 0.15 per share, amounted to Baht 12.75 million from the 2011 operating result. The dividend was paid to shareholders during the year 2012.

At the annual general meeting of shareholders of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 25 April 2012, the shareholders of the subsidiary approved the appropriation of dividend of Baht 0.30 per share, amounted to Baht 51.72 million from the 2011 operating result. The dividend was paid to shareholders during the year 2011.

At the annual general meeting of shareholders of a subsidiary ("Krungthep Turakij Media Co., Ltd.") held on 30 April 2012, the shareholders of the subsidiary approved the appropriation of dividend of Baht 30 per share, amounted to Baht 7.5 million from the 2011 operating result. The dividend was paid to shareholders during the year 2012.

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 10 May 2012, the Board of Directors of the subsidiary approved the appropriation of interim dividend to shareholders of Baht 0.06 per share, amounted to Baht 10.41 million. The dividend was paid to shareholders during the year 2012.

On 15 May 2012, the directors, management and/or employees of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") exercised the warrants to purchase ordinary shares 1,036,900 units totalling of Baht 3.5 million which the subsidiary has share premium amounted to Baht 2.4 million. The subsidiary registered the paid-up share capital from the exercise with the Ministry of Commerce on 24 May 2012.

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 9 August 2012, the Board of Directors of the subsidiary approved the appropriation of interim dividend to shareholders of Baht 0.06 per share, amounted to Baht 10.42 million. The dividend was paid to shareholders during the year 2012.

On 15 November 2012, the directors, management and/or employees of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") exercised the warrants to purchase ordinary shares 2,395,100 units totalling of Baht 7.98 million which the subsidiary has share premium amounted to Baht 5.58 million. The subsidiary registered the paid-up share capital from the exercise with the Ministry of Commerce on 23 November 2012.

At the Board of Directors' meeting of a subsidiary ("Krungthep Turakij Media Co., Ltd.") held on 26 November 2012, the Board of Directors of the subsidiary approved to establish, Bangkok Business Broadcasting Co., Ltd. which has a registered share capital of Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value) and called-up share capital of 25%. The indirect subsidiary was registered with the Ministry of Commerce on 30 November 2012.

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

At the Board of Directors' meeting of a subsidiary ("Nation News Networks Co., Ltd.") held on 26 November 2012, the Board of Directors of the subsidiary approved to establish NNN Next frontier Co., Ltd. which has a registered share capital of Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value) and called-up share capital of 25%. The indirect subsidiary was registered with the Ministry of Commerce on 30 November 2012.

At the Board of Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 26 November 2012, the Board of Directors of the subsidiary approved to establish Nation Kids Co., Ltd. which has a registered share capital of Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value) and called-up share capital of 25%. The indirect subsidiary was registered with the Ministry of Commerce on 30 November 2012.

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 26 November 2012, the Board of Directors of the subsidiary approved to establish NBC Next Screen Co., Ltd. and NBC Next Vision Co., Ltd. which have a registered share capital of Baht 1 million and Baht 1 Million, respectively (divided into 100,000 ordinary shares at Baht 10 par value) and called-up share capital of 25%. The indirect subsidiaries were registered with the Ministry of Commerce on 30 November 2012.

Nation Multimedia Group Public Company Limited and its Subsidiaries

11 Long-term investments in related parties

| Consolidated financial statements | | | | | | | | | | | | |
|--|------------------------|-------|-----------------|---------|---------------|---------------|----------------------------------|---------------|---------------|------------|-----------------|----------|
| Nature of business | Ownership interest (%) | | Paid-up capital | | Cost | | Impairment (in thousand Baht) | | At cost - net | | Dividend income | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Other non-marketable equity securities | | | | | | | | | | | | |
| - Nation Properties Co., Ltd. | 19.80 | 18.00 | 300,000 | 300,000 | 56,000 | 54,000 | 56,000 | 54,000 | - | - | - | - |
| - Thai Portal Co., Ltd. | 19.00 | 19.00 | 100,000 | 100,000 | 6,092 | 6,092 | 6,092 | 6,092 | - | - | - | - |
| - Media Magnet Co., Ltd. | - | 8.60 | - | 6,500 | - | 950 | - | - | - | 950 | - | - |
| - Others | | | | | 1,800 | 2,181 | 1,800 | 2,180 | - | 1 | - | - |
| Total | | | | | 63,892 | 63,223 | 63,892 | 62,272 | - | 951 | - | - |

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

| Separate financial statements | | | | | | | | | | | | | |
|--|--------------------------------|------------------------|-------|-----------------|---------|---------------|---------------|----------------------------------|---------------|---------------|------------|-----------------|----------|
| | Nature of business | Ownership interest (%) | | Paid-up capital | | Cost | | Impairment (in thousand Baht) | | At cost - net | | Dividend income | |
| | | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Other non-marketable equity securities | | | | | | | | | | | | | |
| - Nation Properties Co., Ltd. | Real estate | 19.80 | 18.00 | 300,000 | 300,000 | 56,000 | 54,000 | 56,000 | 54,000 | - | - | - | - |
| - Media Magnet Co., Ltd. | Consulting and marketing event | - | 8.60 | - | 6,500 | - | 950 | - | - | - | 950 | - | - |
| - Others | | | | | | 1,800 | 2,181 | 1,800 | 2,180 | - | 1 | - | - |
| Total | | | | | | 57,800 | 57,131 | 57,800 | 56,180 | - | 951 | - | - |

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

12 Long-term investments in other companies

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|---------------|----------------------------------|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand Baht) | | | |
| <i>At fair value</i> | | | | |
| Equity securities available-for-sale | 21,972 | 12,053 | 21,972 | 12,053 |
| <i>At cost</i> | | | | |
| Other non-marketable equity securities | 7,558 | 7,569 | 7,558 | 7,569 |
| Less allowance for impairment | - | (61) | - | (61) |
| | 7,558 | 7,508 | 7,558 | 7,508 |
| Total | 29,530 | 19,561 | 29,530 | 19,561 |

Movements during the years ended 31 December of equity securities available-for-sale were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|---------------|----------------------------------|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand Baht) | | | |
| Available-for-sale securities | | | | |
| At 1 January | 12,053 | 8,083 | 12,053 | 8,083 |
| Purchases during the year | - | - | - | - |
| Sales during the year | (703) | - | (703) | - |
| Valuation adjustment | 10,622 | 3,970 | 10,622 | 3,970 |
| At 31 December | 21,972 | 12,053 | 21,972 | 12,053 |

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

13 Property, plant and equipment

| | Consolidated financial statements (in thousand Baht) | | | | | |
|---|---|---------------------------|----------------------------|-------------------------|--|--|
| | Land and improvements | Building and improvements | Leased assets improvements | Machinery and equipment | Furniture, fixtures and office equipment | Assets under construction and installation |
| | | | | | | Total |
| <i>Cost</i> | | | | | | |
| At 1 January 2011 | 476,260 | 429,147 | 59,352 | 975,413 | 439,167 | 2,471,671 |
| Additions | - | 782 | 1,624 | 94 | 78,078 | 115,809 |
| Transfers | - | 767 | (6,537) | (42,078) | 13,007 | (47,096) |
| Disposals | - | - | - | (51,475) | (66,686) | (130,614) |
| At 31 December 2011 and 1 January 2012 | 476,260 | 430,696 | 54,439 | 881,954 | 463,566 | 2,409,770 |
| Additions | - | 731 | 49,263 | 227 | 142,172 | 249,613 |
| Acquisition through business combination | 136,376 | 68,985 | - | - | 16,404 | 224,658 |
| Transfers | 129 | 9,365 | 20,062 | - | 6,441 | (528) |
| Disposals | - | (2,010) | (1,081) | (24,497) | (26,126) | (88,265) |
| At 31 December 2012 | 612,765 | 507,767 | 122,683 | 857,684 | 602,457 | 2,795,248 |
| <i>Depreciation</i> | | | | | | |
| At 1 January 2011 | 4,085 | 123,306 | 14,066 | 165,414 | 305,734 | 666,301 |
| Depreciation charge for the year | 3,472 | 25,929 | 4,008 | 93,584 | 48,291 | 183,098 |
| Transfers | (2,361) | - | 7,758 | (47,663) | 4,411 | (38,221) |
| Disposals | - | - | - | (42,399) | (61,695) | (113,018) |
| At 31 December 2011 and 1 January 2012 | 5,196 | 149,235 | 25,832 | 168,936 | 296,741 | 698,160 |
| Depreciation charge for the year | 2,233 | 29,798 | 10,773 | 89,290 | 69,913 | 210,803 |
| Transfers | - | - | (6,650) | 6,650 | - | - |
| Disposals | - | (973) | (624) | (14,885) | (21,279) | (62,674) |
| At 31 December 2012 | 7,429 | 178,060 | 29,331 | 249,991 | 345,375 | 846,289 |

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

| | Separate financial statements (in thousand Baht) | | | | | | Total |
|---|---|---------------------------|----------------------------|-------------------------|--|--------------------------|----------------|
| | Land and improvements | Building and improvements | Leased assets improvements | Machinery and equipment | Furniture, fixtures and office equipment | Transportation equipment | |
| Net book value | | | | | | | |
| At 1 January 2011 | | | | | | | |
| Owned assets | 367,126 | 803 | 1,584 | 7,760 | 42,988 | 9,193 | 18,000 |
| Assets under finance leases | - | - | - | 1,568 | - | - | - |
| | 367,126 | 803 | 1,584 | 9,328 | 42,988 | 9,193 | 18,000 |
| | | | | | | | 447,454 |
| | | | | | | | 1,568 |
| | | | | | | | 449,022 |
| At 31 December 2011 and 1 January 2012 | | | | | | | |
| Owned assets | 367,126 | 614 | 2,328 | 985 | 40,008 | 19,577 | 21,774 |
| Assets under finance leases | - | - | - | 1,405 | - | - | - |
| | 367,126 | 614 | 2,328 | 2,390 | 40,008 | 19,577 | 21,774 |
| | | | | | | | 452,412 |
| | | | | | | | 1,405 |
| | | | | | | | 453,817 |
| At 31 December 2012 | | | | | | | |
| Owned assets | 367,126 | 488 | 46,564 | 9 | 45,345 | 10,572 | 37,774 |
| Assets under finance leases | - | - | - | 1,243 | 12,852 | - | - |
| | 367,126 | 488 | 46,564 | 1,252 | 58,197 | 10,572 | 37,774 |
| | | | | | | | 507,878 |
| | | | | | | | 14,095 |
| | | | | | | | 521,973 |

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

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2012 amounted to Baht 280.35 million and Baht 108.10 million, respectively (2011: Baht 266.28 million and Baht 121.46 million, respectively).

Security

At 31 December 2012, the Group's and the Company's properties with a net book value of Baht 811.64 million and Baht 610.02 million, respectively (2011: Baht 867.29 million and Baht 634.82 million, respectively) were subject to secure loans from financial institutions (see note 17).

14 Intangible assets

| | Consolidated financial statements | | | |
|---|--|---------------------------------|-------------------------------------|----------------|
| | Computer program and software licenses | License fees - books and others | Computer program under installation | Total |
| Cost | | | | |
| At 1 January 2011 | 118,327 | 73,428 | 9,209 | 200,964 |
| Additions | 14,153 | 31,369 | 10,185 | 55,707 |
| Transfers | 10,751 | - | (10,572) | 179 |
| At 31 December 2011 and 1 January 2012 | 143,231 | 104,797 | 8,822 | 256,850 |
| Additions | 1,644 | 33,959 | 12,058 | 47,661 |
| Acquisition through business combination | 23 | - | - | 23 |
| Transfers | 7,064 | - | (6,536) | 528 |
| Disposals | (1,204) | (2,776) | (340) | (4,320) |
| At 31 December 2012 | 150,758 | 135,980 | 14,004 | 300,742 |
| Amortisation | | | | |
| At 1 January 2011 | 62,680 | 44,391 | - | 107,071 |
| Amortisation charge for the year | 21,190 | 21,154 | - | 42,344 |
| At 31 December 2011 and 1 January 2012 | 83,870 | 65,545 | - | 149,415 |
| Amortisation charge for the year | 20,842 | 28,345 | - | 49,187 |
| Disposals | (2,141) | - | - | (2,141) |
| At 31 December 2011 | 102,571 | 93,890 | - | 196,461 |
| Net book value | | | | |
| At 1 January 2011 | 55,647 | 29,037 | 9,209 | 93,893 |
| At 31 December 2011 and 1 January 2012 | 59,361 | 39,252 | 8,822 | 107,435 |
| At 31 December 2012 | 48,187 | 42,090 | 14,004 | 104,281 |

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

| | Separate financial statements | | | |
|---|--|---|-------------------------------------|----------------|
| | Computer program and software licenses | License fees - books and others (in thousand Baht) | Computer program under installation | Total |
| Cost | | | | |
| At 1 January 2011 | 116,774 | - | 9,209 | 125,983 |
| Additions | 8,338 | - | 9,230 | 17,568 |
| Transfers | 10,572 | - | (10,572) | - |
| At 31 December 2011 and 1 January 2012 | 135,684 | - | 7,867 | 143,551 |
| Additions | 131 | - | 2,307 | 2,438 |
| Transfers | 6,743 | - | (6,743) | - |
| At 31 December 2012 | 142,558 | - | 3,431 | 145,989 |
| Amortisation | | | | |
| At 1 January 2011 | 62,121 | - | - | 62,121 |
| Amortisation charge for the year | 19,483 | - | - | 19,483 |
| At 31 December 2011 and 1 January 2012 | 81,604 | - | - | 81,604 |
| Amortisation charge for the year | 18,823 | - | - | 18,823 |
| At 31 December 2012 | 100,427 | - | - | 100,427 |
| Net book value | | | | |
| At 1 January 2011 | 54,653 | - | 9,209 | 63,862 |
| At 31 December 2011 and 1 January 2012 | 54,080 | - | 7,867 | 61,947 |
| At 31 December 2012 | 42,131 | - | 3,431 | 45,562 |

15 Restricted deposits

As at 31 December 2012, the savings accounts of the subsidiaries and an indirect subsidiary held with a local financial institutions of Baht 3.9 million (2011: Baht 2.5 million) has been pledged as collateral for long-term loan from financial institution of Baht 10 million and others pledged.

16 Other non-current assets

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|-----------------------------------|--------------------|-------------------------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | | | | |
| | | (in thousand Baht) | | |
| Merchandises under barter trade | 5,572 | 11,286 | 2,910 | 6,851 |
| Withholding tax deducted at source | 223,203 | 189,359 | 197,052 | 161,196 |
| Golf membership | 8,939 | 9,571 | 8,939 | 9,571 |
| Refundable deposits | 14,923 | 12,420 | 3,641 | 1,083 |
| Others | 15,447 | 12,753 | - | 321 |
| Total | 268,084 | 235,389 | 212,542 | 179,022 |

The amortisation charge included in the Group's and the Company's statements of comprehensive income for the year ended 31 December 2012 were approximately Baht 0.6 million and Baht 0.6 million, respectively (2011: Baht 0.6 million and Baht 0.6 million, respectively).

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

17 Interest-bearing liabilities

| Note | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|--------------------|-------------------------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | | (in thousand Baht) | | |
| Current | | | | |
| Bank overdrafts | | | | |
| - unsecured | 60,561 | 61,675 | 39,056 | 51,994 |
| Short-term loans from financial institutions | | | | |
| - unsecured | 659,506 | 700,905 | 601,998 | 635,431 |
| Bank overdrafts and short-term loans from financial institutions | 720,067 | 762,580 | 641,054 | 687,425 |
| Current portion of long-term loans from financial institutions | | | | |
| - secured | 306,884 | 338,337 | 275,430 | 221,000 |
| Current portion of long-term loans | 306,884 | 338,337 | 275,430 | 221,000 |
| Current portion of finance lease liabilities | 33,955 | 30,034 | 2,857 | 486 |
| Total current interest-bearing liabilities | 1,060,906 | 1,130,951 | 919,341 | 908,911 |
| Non-current | | | | |
| Long-term loans from financial institutions | | | | |
| - secured | 315,586 | 338,337 | 295,836 | 287,126 |
| Long-term loans from other party | | | | |
| - unsecured | 21 116,256 | 118,486 | 116,256 | 118,486 |
| Long-term loans | 431,842 | 456,823 | 412,092 | 405,612 |
| Finance lease liabilities | 13,625 | 36,813 | 8,412 | 502 |
| Total non-current interest-bearing liabilities | 445,467 | 493,636 | 420,504 | 406,114 |

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

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|------------------|----------------------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand Baht) | | | |
| Within one year | 1,026,951 | 1,100,917 | 916,484 | 908,425 |
| After one year but within five years | 431,842 | 456,823 | 412,092 | 405,612 |
| Total | 1,458,793 | 1,557,740 | 1,328,576 | 1,314,037 |

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------|--------------------------------------|---------|----------------------------------|---------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand Baht) | | | |
| Land and equipment | 811,638 | 867,291 | 610,022 | 634,822 |

As at 31 December 2012, the Group and the Company had unutilised credit facilities totalling Baht 1,614 million and Baht 1,445 million, respectively (2011: Baht 1,533 million and Baht 1,159 million, respectively).

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

| Consolidated financial statements | | | | | |
|--------------------------------------|--|--------------|---|--|--------------|
| | 2012 | | 2011 | | |
| | Future minimum lease payments | Interest | Present value of minimum lease payments (in thousand Baht) | Future minimum lease payments | Interest |
| Within one year | 33,955 | 2,096 | 36,051 | 30,034 | 3,742 |
| After one year but within five years | 13,625 | 649 | 14,274 | 36,813 | 1,554 |
| Total | 47,580 | 2,745 | 50,325 | 66,847 | 5,296 |

| Separate financial statements | | | | | |
|--------------------------------------|--|--------------|---|--|-----------|
| | 2012 | | 2011 | | |
| | Future minimum lease payments | Interest | Present value of minimum lease payments (in thousand Baht) | Future minimum lease payments | Interest |
| Within one year | 2,857 | 554 | 3,411 | 486 | 50 |
| After one year but within five years | 8,412 | 648 | 9,060 | 502 | 11 |
| Total | 11,269 | 1,202 | 12,471 | 988 | 61 |

Interest-bearing liabilities of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

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

Bank overdrafts and short-term loans from financial institutions

As at 31 December 2012, the Group and the Company had overdraft lines and other credit facilities with certain local financial institutions totalling approximately Baht 1,636 million and Baht 1,398 million, respectively (2011: Baht 1,605 million and Baht 1,388 million, respectively).

Long-term loans from financial institutions

On 14 August 2007, the Company entered into a Syndicate Loan Agreement with three local financial institutions for stand by credit of Baht 1,870 million to plan for the repayments of the Company's existing loans and debentures.

These loans have various interest rates and term of repayments separated by tranches as follows:

- a) Tranche 1 in the amount of Baht 865 million bears interest at the average Minimum Loan Rate (average MLR) of lenders for the first year and thereafter at the average MLR plus specified rates in the agreement. This loan shall be repaid within 5 years commencing from the agreement date (14 August 2007). This loan was secured by all of a related party's land including properties. In this regard, within the repayment period, all cash proceeds net of related expenses from sale of the Company's own assets and the related party's land including properties as specified in the Syndicate Loan Agreement are to be used, in whole or in part, to repay the loan.

In December 2007, the related company sold its land including properties and partially repaid Baht 267 million to the Company. The Company has used these proceeds to repay Baht 250 million of the syndicated loan and in May 2008, the Company repaid the remaining debts of Baht 615 million of the syndicate loan.

- b) Tranche 2 in the amount of Baht 1,005 million. During 2008 and 2007, the Company drew-down Baht 1,000 million and Baht 5 million, respectively, to repay debentures amount of Baht 1,000 million in 2008. The loan bears interest at the average Minimum Loan Rate of lenders (average MLR). This loan is repayable in 18 quarterly installments of varying amounts commencing from March 2008 to June 2012.

On 30 September 2009, the Company received a letter of consent for changing in term of the Syndicate Loan Agreement from three local financial institutions to approve a grace period on loan repayments of Tranche 2 from September to December 2009. Thereafter, the loan is repayable in 10 quarterly installments of varying amounts within June 2012.

On 17 February 2010, the Company received a letter of consent relating to the following change in the terms of the Syndicate Loan Agreement from three local financial institutions:

- The Company could obtain a long-term loan amounted to Baht 240 million from two local financial institutions to pay the remaining rental due from the cancellation of the sale and lease back agreement and to purchase the printing machines and equipment.
- Extend the period of loan repayments of Tranche 2 which is due from September 2012 to December 2013 repayable in monthly installments of varying amounts.
- Sale printing machines and equipment to subsidiary together with long-term loan to subsidiary for purchasing printing machines.

As at 31 December 2012, the Company has loan outstanding of Baht 211 million (2011: Baht 393 million).

Under the terms of the above agreements, the Company is required to comply with certain conditions and restrictions specified in the agreements or the letter of consent from the lenders.

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

On 18 February 2010, the Company has entered into a credit agreement with two local financial institutions amounted to Baht 240 million to pay the remaining rental due from the cancellation of the sale and lease back agreement and to purchase the printing machines and equipment. Such loan bears interest at the average MLR (Average Minimum Loan Rate) and is repayable in 48 monthly installments of varying amounts ending December 2013. As at 31 December 2012, the Company has loan outstanding of Baht 64.67 million (2011: Baht 120.23 million). This loan is secured by a pledge over the printing machines and equipment.

On 22 November 2012, the Company entered into a Syndicate Loan Agreement with two local financial institutions for stand by credit of Baht 300 million to plan for expanding the media business investment in satellite TV, licenses of Nation University and including improvement of office space and information technology.

These loans have various interest rates and term of repayments separated by tranches as follows:

- a) Tranche 1 in the amount of Baht 145 million bears interest at the average Minimum Loan Rate minus 1% (MLR - 1%). This loan shall be repaid within 3 years commencing from January 2014 to December 2016.
- b) Tranche 2 in the amount of Baht 155 million bears interest at the average Minimum Loan Rate minus 1% (MLR - 1%). This loan shall be repaid within 3 years commencing from January 2014 to December 2016.

The loan was secured by properties, machines and part of equipment of the Company and a subsidiary.

In 2006, a subsidiary entered into a long-term loan agreement with a local financial institution in amount of Baht 35 million. The loan bears interest at the Minimum Loan Rate (MLR) in first year and thereafter at the MLR plus specified rates in the agreements. This loan is repayable in monthly installments of Baht 584,000 with totaling 60 installments commencing from January 2007 to December 2011. Under the term of the loan agreements, the subsidiary is required to comply with certain condition and restrictions specified in the agreements. As at 31 December 2011, the subsidiary has repaid the entire amount of loans.

In 2008, a subsidiary entered into a long-term loan agreement with a local financial institution in amount of Baht 300 million for purchasing printing machines and others. The loan bears interest at Minimum Loan Rate (MLR) in first year and thereafter at the MLR plus specified rates in the agreements. This loan is repayable in 48 monthly installments of varying amounts commencing from January 2009 to December 2012. As at 31 December 2012, the subsidiary has repaid the entire amount of loans (2011: Baht 94.92 million). This loan was secured by pledging printing machines.

In 2009, a jointly-controlled entity has entered into a long-term loan agreement with a local financial institution totalling Baht 30 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement. Such loan agreement was guaranteed by a subsidiary and major shareholders of the jointly-controlled entity and savings account of such jointly-controlled entity amounted to Baht 7.6 million. However, in 2011, such jointly-controlled entity has repaid the entire amount of loans.

In addition, an indirect subsidiary has entered into a long-term loan agreement with a local financial institution totalling Baht 10 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement. Such loan agreement was guaranteed by a subsidiary and savings account of such indirect subsidiary amounting to Baht 2.5 million. As at 31 December 2012, an indirect subsidiary has loan outstanding of Baht 4.6 million (2011: Baht 9.6 million).

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

In 2010, an indirect subsidiary has entered into a long term-loan agreement with a local financial institution in the amount of Baht 60 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement and repayable in 36 monthly installments of varying amounts ending October 2013. However, in 2011, such indirect subsidiary has repaid the entire amount of loan.

In 2011, a subsidiary has entered into a long term-loan agreement with a local financial institution in the amount of Baht 70 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement and repayable in 36 monthly installments of varying amounts ending July 2014. As at 31 December 2012, such subsidiary has loan outstanding of Baht 47 million. (2011: Baht 64 million). This loan is secured by pledge over the machinery.

In addition, a subsidiary has entered into an interest rate swap contract with a local financial institution to cover risk of interest rate by conversion from floating rate at MLR to fixed rate at 7.05%.

Long-term loan from other party

During 2008, the Company has entered into memorandum with a local party to provide advertising and related services whereby the latter party provides loan to the Company amount of Baht 150 million. The Company shall repay the loan to the party by deducting from the advertising fee net of discount. The Company is committed to pay the service fee at the rate stipulated in the agreement and interest at the Minimum Loan Rate (MLR) of a local bank. The memorandum has an initial term of 3 years which shall automatically be extended for successive terms of 3 years. As at 31 December 2012, the Company has loan outstanding of Baht 116.26 million (2011: Baht 118.5 million).

18 Trade accounts payable

| | | Consolidated financial statements | | Separate financial statements | |
|-----------------|------|--------------------------------------|----------------|----------------------------------|----------------|
| | Note | 2012 | 2011 | 2012 | 2011 |
| | | (in thousand Baht) | | | |
| Related parties | 5 | - | 2,356 | 246,463 | 275,053 |
| Other parties | | 167,030 | 165,216 | 29,015 | 29,287 |
| Total | | 167,030 | 167,572 | 275,478 | 304,340 |

19 Other current liabilities

| | | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|------|--------------------------------------|----------------|----------------------------------|----------------|
| | Note | 2012 | 2011 | 2012 | 2011 |
| | | (in thousand Baht) | | | |
| Revenue department payable | | 10,355 | 10,098 | 4,179 | 6,294 |
| Output value added tax pending | | 102,301 | 86,669 | 30,242 | 34,288 |
| Other payable - related parties | 5 | 85 | 93 | 12,978 | 37,041 |
| Other payable - others | | 75,011 | 22,510 | 5,090 | 5,843 |
| Advance received and others | | 194,430 | 165,468 | 22,601 | 74,832 |
| Others | | 7,433 | 39,307 | 7,073 | 16,536 |
| Total | | 389,615 | 324,145 | 82,163 | 174,834 |

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

20 Employee benefit obligations

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|---------------|----------------------------------|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand Baht) | | | |
| Statement of financial position obligation for: | | | | |
| Post-employment benefits | <u>81,987</u> | <u>95,854</u> | <u>13,758</u> | <u>29,771</u> |
| Year ended 31 December | | | | |
| Statement of comprehensive income : | | | | |
| Recognised in profit or loss : | | | | |
| Post employment benefits | <u>12,253</u> | <u>10,797</u> | <u>3,334</u> | <u>3,400</u> |

The Group and Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand Baht) | | | |
| Defined benefit obligations at 1 January | 95,854 | 85,057 | 29,771 | 26,371 |
| Transfer in (out) | - | - | (3,218) | - |
| Benefit paid by the plan | (26,120) | - | (16,129) | - |
| Current services costs and interest | <u>12,253</u> | <u>10,797</u> | <u>3,334</u> | <u>3,400</u> |
| Defined benefit obligations at 31 December | <u>81,987</u> | <u>95,854</u> | <u>13,758</u> | <u>29,771</u> |
| Expense recognised in profit or loss: | | | | |
| Current service costs | 7,742 | 6,832 | 2,087 | 2,161 |
| Interest on obligation | <u>4,511</u> | <u>3,965</u> | <u>1,247</u> | <u>1,239</u> |
| Total | <u>12,253</u> | <u>10,797</u> | <u>3,334</u> | <u>3,400</u> |

The expense is recognised in the following line items in the statement of comprehensive income:

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|----------------------|----------------------------------|---------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand Baht) | | | |
| Cost of sales of goods and rendering of services | 6,059 | 5,150 | 600 | 603 |
| Administrative expenses | <u>6,194</u> | <u>5,647</u> | <u>2,734</u> | <u>2,797</u> |
| Total | <u>12,253</u> | <u>10,797</u> | <u>3,334</u> | <u>3,400</u> |

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

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------|--------------------------------------|-----------|----------------------------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| | (%) | | | |
| Discount rate | 3.9 - 4.7 | 4.7 | 4.7 | 4.7 |
| Future salary increases | 4.0 - 7.0 | 4.0 - 7.0 | 4.0 - 7.0 | 4.0 - 7.0 |

Assumptions regarding future mortality are based on published statistics and mortality tables.

21 Other non-current liabilities

| | | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|------|--------------------------------------|-----------------------|----------------------------------|-----------------------|
| | Note | 2012 | 2011 | 2012 | 2011 |
| | | (in thousand Baht) | | | |
| Long-term loan from other party | 17 | 116,256 | 118,486 | 116,256 | 118,486 |
| Others | | <u>33,756</u> | <u>2,080</u> | <u>1,892</u> | <u>880</u> |
| Total | | <u>150,012</u> | <u>120,566</u> | <u>118,148</u> | <u>119,366</u> |

22 Share capital

| | Par value per share (in Baht) | 2012 Number | 2012 Baht (thousand shares / thousand Baht) | 2011 Number | 2011 Baht |
|----------------------------|-------------------------------------|------------------|---|----------------|--------------|
| Authorised | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 10 | - | - | 250,000 | 2,500,000 |
| - ordinary shares | 1 | 2,500,000 | 2,500,000 | - | - |
| Reduction in par value | | | | | |
| - from Baht 10 to Baht 1 | 1 | - | - | 2,250,000 | - |
| Reduction of shares | 1 | (852,260) | (852,260) | - | - |
| Reduction in par value | | | | | |
| - from Baht 1 to Baht 0.53 | 0.53 | - | (774,438) | - | - |
| At 31 December | | | | | |
| - ordinary shares | 1 | - | - | 2,500,000 | 2,500,000 |
| - ordinary shares | 0.53 | <u>1,647,740</u> | <u>873,302</u> | <u>-</u> | <u>-</u> |
| Issued and paid-up | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 10 | - | - | 164,774 | 1,647,740 |
| - ordinary shares | 1 | 1,647,740 | 1,647,740 | - | - |
| Reduction in par value | | | | | |
| - from Baht 10 to Baht 1 | 1 | - | - | 1,482,966 | - |
| - from Baht 1 to Baht 0.53 | 0.53 | - | (774,438) | - | - |
| At 31 December | | | | | |
| - ordinary shares | 1 | - | - | 1,647,740 | 1,647,740 |
| - ordinary shares | 0.53 | <u>1,647,740</u> | <u>873,302</u> | <u>-</u> | <u>-</u> |

At the extraordinary shareholders' meeting held on 13 June 2011, the shareholders approved the change in par value of the Company's ordinary shares from Baht 10 per share to Baht 1 per share, resulting to the change in the number of shares from 250 million ordinary shares at Baht 10 par value to 2,500 million ordinary shares at Baht 1 par value. The Company registered the change in par value of ordinary shares with the Ministry of Commerce on 22 June 2011.

At the annual general shareholders' meeting of the Company held on 26 April 2012, the shareholders passed resolutions on the following matters:

- a) The decrease in authorised share capital of the Company from Baht 2,500,000,000 to Baht 1,647,740,300 (divided into 1,647,740,300 ordinary shares at Baht 1 par value) by cutting down the registered share capital of 852,259,700 shares, Baht 1 par value. The Company has registered the decrease in share capital with the Ministry of Commerce on 10 May 2012.
- b) Transfer of reserve for premium on ordinary shares of Baht 4,136 to compensate the deficit as of 31 December 2011.
- c) The decrease in share value of Baht 774,437,941 from Baht 1,647,740,300 to Baht 873,302,359 to compensate the deficit of the Company as of 31 December 2011 by decreasing from Baht 1 par value to Baht 0.53 par value. The Company registered the reduction in par value with the Ministry of Commerce on 18 July 2012.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Expenses for issuing new ordinary shares of subsidiary

The directly attributable expenses of issuing new ordinary shares are accounted for a deduction from the premium on those ordinary shares.

23 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other component of equity

Fair value changes

The fair value changes in equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

24 Segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

| | |
|------------------|----------------------------|
| <i>Segment 1</i> | Publishing and advertising |
| <i>Segment 2</i> | Printing service |
| <i>Segment 3</i> | Edutainment |
| <i>Segment 4</i> | Broadcasting and new media |
| <i>Segment 5</i> | Others |

Geographic segments

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

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

Business segment results

| | Segment 1 | | Segment 2 | | Segment 3 | | Segment 4 | | Segment 5 | | Eliminations | | Total | |
|--|--------------|--------------|------------|------------|------------|------------|------------|------------|-------------|------------|----------------|----------------|--------------|--------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| <i>(in million Baht)</i> | | | | | | | | | | | | | | |
| Revenue and expenses | | | | | | | | | | | | | | |
| Revenue from sale of goods and rendering of services | 2,909 | 3,164 | 522 | 500 | 325 | 244 | 737 | 666 | 278 | 262 | (1,834) | (2,193) | 2,937 | 2,643 |
| Rental and service income | 2 | 1 | 6 | 7 | 91 | 98 | - | - | - | - | (8) | (8) | 91 | 98 |
| Investment income | 23 | 29 | - | - | 5 | 4 | 2 | 1 | - | - | (27) | (31) | 3 | 3 |
| Gain from a bargain purchase | - | - | - | - | - | - | - | - | 2 | - | - | - | 2 | - |
| Other income | 463 | 476 | 21 | 18 | 19 | 10 | 1 | - | 10 | - | (445) | (450) | 69 | 54 |
| Share of profit (loss) of equity | 150 | 111 | - | - | - | - | - | - | - | - | (150) | (120) | - | (9) |
| Total income | 3,547 | 3,781 | 549 | 525 | 440 | 356 | 740 | 667 | 290 | 262 | (2,464) | (2,802) | 3,102 | 2,789 |
| Cost of sale of goods and rendering of services | 2,051 | 2,331 | 372 | 370 | 309 | 252 | 540 | 401 | 269 | 247 | (1,698) | (1,964) | 1,843 | 1,637 |
| Selling expenses | 492 | 583 | 7 | 6 | 36 | 18 | 60 | 85 | - | - | (331) | (399) | 264 | 293 |
| Administrative expenses | 558 | 541 | 42 | 55 | 48 | 47 | 54 | 48 | 61 | 18 | (261) | (287) | 502 | 422 |
| Management benefit expenses | 80 | 95 | 4 | 4 | 12 | 11 | 24 | 23 | - | - | - | - | 120 | 133 |
| Finance costs | 92 | 95 | 41 | 52 | 4 | 3 | - | - | - | 2 | (27) | (32) | 110 | 120 |
| Share of loss (profit) of equity | - | - | - | - | - | - | - | - | - | - | - | (9) | - | (9) |
| Total expenses | 3,273 | 3,645 | 466 | 487 | 409 | 331 | 678 | 557 | 330 | 267 | (2,317) | (2,691) | 2,839 | 2,596 |
| Profit (loss) before income tax expense | 274 | 136 | 83 | 38 | 31 | 25 | 62 | 110 | (40) | (5) | (147) | (111) | 263 | 193 |
| Income tax expense | 19 | 15 | 2 | - | 3 | 7 | 14 | 24 | - | - | - | - | 38 | 46 |
| Profit (loss) for the year | 255 | 121 | 81 | 38 | 28 | 18 | 48 | 86 | (40) | (5) | (147) | (111) | 225 | 147 |

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

Business segment financial position

| | Segment 1 | | Segment 2 | | Segment 3 | | Segment 4 | | Segment 5 | | Eliminations | | Total | |
|--|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|-----------|----------------|----------------|--------------|--------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| <i>(in million Baht)</i> | | | | | | | | | | | | | | |
| Assets and liabilities | | | | | | | | | | | | | | |
| Cash and cash equivalents | 61 | 45 | 2 | 1 | 7 | 30 | 87 | 86 | 22 | 20 | - | - | 179 | 182 |
| Trade accounts receivable | 842 | 733 | 134 | 105 | 184 | 147 | 199 | 187 | 44 | 41 | (555) | (457) | 848 | 756 |
| Accrued income | 74 | 72 | 10 | 12 | 8 | 10 | 56 | 41 | 3 | 4 | (8) | (32) | 143 | 107 |
| Other receivables from related parties | 456 | 410 | 2 | 1 | 34 | 35 | 22 | - | 24 | 10 | (538) | (455) | - | 1 |
| Short-term loans to related parties | 120 | 128 | - | - | 3 | 3 | - | - | - | - | (123) | (131) | - | - |
| Current portion of long-term loan to related party | 113 | 60 | - | - | - | - | - | - | - | - | (113) | (60) | - | - |
| Inventories | 76 | 105 | 31 | 37 | 122 | 94 | 18 | 12 | - | - | - | - | 247 | 248 |
| Other current assets | 107 | 262 | 17 | 15 | 28 | 9 | 39 | 18 | 13 | 14 | - | 1 | 204 | 319 |
| Total current assets | 1,849 | 1,815 | 196 | 171 | 386 | 328 | 421 | 344 | 106 | 89 | (1,337) | (1,134) | 1,621 | 1,613 |
| Restricted deposits | 1 | - | - | - | 3 | 3 | - | - | - | - | - | - | 4 | 3 |
| Investments in subsidiaries and associate | 1,082 | 911 | - | - | - | - | - | - | - | - | (1,055) | (884) | 27 | 27 |
| Long-term investment in related parties | - | 1 | - | - | - | - | - | - | - | - | - | - | - | 1 |
| Long-term investment in other parties | 30 | 20 | - | - | - | - | - | - | - | - | - | - | 30 | 20 |
| Long-term loan to related party | 23 | 131 | - | - | - | - | - | - | - | - | (23) | (131) | - | - |
| Investment properties | 38 | 36 | - | - | - | - | - | - | - | - | - | - | 38 | 36 |
| Property, plant and equipment | 552 | 472 | 971 | 1,100 | 6 | 4 | 146 | 109 | 253 | 5 | 21 | 21 | 1,949 | 1,711 |
| Intangible assets | 56 | 64 | - | - | 43 | 39 | 4 | 3 | 1 | 1 | - | - | 104 | 107 |
| Other non-current assets | 224 | 186 | 13 | 10 | 2 | 1 | 11 | 34 | 18 | 4 | - | - | 268 | 235 |
| Total non-current assets | 2,006 | 1,821 | 984 | 1,110 | 54 | 47 | 161 | 146 | 272 | 10 | (1,057) | (994) | 2,420 | 2,140 |
| Total assets | 3,855 | 3,636 | 1,180 | 1,281 | 440 | 375 | 582 | 490 | 378 | 99 | (2,394) | (2,128) | 4,041 | 3,753 |

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Business segment financial position

| | Segment 1 | | Segment 2 | | Segment 3 | | Segment 4 | | Segment 5 | | Eliminations | | Total | |
|--|--------------------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|----------------|----------------|--------------|--------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | | | | | | | | | | | |
| Bank overdrafts and short-term loans from financial institutions | 641 | 688 | 68 | 72 | 11 | 3 | - | - | - | - | - | - | 720 | 763 |
| Trade accounts payable | 437 | 457 | 79 | 74 | 195 | 131 | 37 | 39 | 13 | 13 | (632) | (546) | 167 | 168 |
| Current portion of long-term loans from financial institutions | 275 | 221 | 27 | 112 | 5 | 5 | - | - | - | - | - | - | 307 | 338 |
| Short-term loans from related parties | - | - | 233 | 185 | 3 | 3 | - | - | 3 | 3 | (236) | (191) | - | - |
| Current portion of finance lease liabilities | 3 | - | 31 | 30 | - | - | - | - | - | - | - | - | 34 | 30 |
| Other payable | - | - | - | - | - | - | - | - | - | - | - | - | 130 | - |
| Accrued expenses | 107 | 164 | 3 | 8 | 20 | 26 | 68 | 51 | 13 | 13 | (9) | (32) | 205 | 230 |
| Income tax payable | - | - | - | - | 1 | 6 | 2 | 2 | - | - | - | - | 1 | 8 |
| Other current liabilities | 506 | 484 | 94 | 65 | 37 | 37 | 100 | 61 | 63 | 63 | (504) | (386) | 390 | 324 |
| Total current liabilities | 1,969 | 2,014 | 535 | 546 | 272 | 211 | 205 | 153 | 92 | 92 | (1,381) | (1,155) | 1,954 | 1,861 |
| Long-term loans from financial institutions | 296 | 287 | 20 | 47 | - | 4 | - | - | - | - | - | - | 316 | 338 |
| Long-term loans from related party | - | - | 23 | 131 | - | - | - | - | - | - | (23) | (131) | - | - |
| Finance lease liabilities | 9 | 1 | 5 | 36 | - | - | - | - | - | - | - | - | 14 | 37 |
| Employee benefit obligations | 47 | 62 | 7 | 6 | 2 | 7 | 16 | 15 | 6 | 6 | - | - | 82 | 96 |
| Other non-current liabilities | 118 | 117 | - | - | - | - | - | - | 3 | 3 | - | - | 149 | 120 |
| Total non-current liabilities | 470 | 467 | 55 | 220 | 2 | 11 | 16 | 15 | 9 | 9 | (23) | (131) | 561 | 591 |
| Total liabilities | 2,439 | 2,481 | 590 | 766 | 274 | 222 | 221 | 168 | 101 | 101 | (1,404) | (1,286) | 2,515 | 2,452 |
| Capital expenditure | 144 | 72 | - | 1 | 39 | 34 | 75 | 63 | 2 | 2 | - | - | 297 | 172 |
| Depreciation | 38 | 30 | 121 | 125 | 2 | 2 | 36 | 24 | 2 | 2 | - | - | 211 | 183 |
| Amortisation | 23 | 30 | - | - | 29 | 16 | 1 | - | - | - | - | - | 54 | 46 |
| (Gain) loss on disposal of equipment | (1) | 3 | - | 1 | 1 | - | - | - | - | - | - | - | (1) | 4 |

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

25 Investment income

| | | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|-------|-----------------------------------|--------------|-------------------------------|---------------|
| | Note | 2012 | 2011 | 2012 | 2011 |
| | | <i>(in thousand Baht)</i> | | | |
| Dividend income | | | | | |
| Subsidiaries | 5, 10 | - | - | 30,406 | 46,199 |
| Others | | 315 | 768 | 315 | 768 |
| | | 315 | 768 | 30,721 | 46,967 |
| Interest income | | | | | |
| Subsidiaries | 5 | - | - | 22,470 | 28,491 |
| Indirect jointly-controlled entity | 5 | 2,077 | 1,360 | - | - |
| Others | | 721 | 1,180 | 280 | 40 |
| | | 2,798 | 2,540 | 22,750 | 28,531 |
| Total | | 3,113 | 3,308 | 53,471 | 75,498 |

26 Other income

| | | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--|-----------------------------------|---------------|-------------------------------|---------------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | <i>(in thousand Baht)</i> | | | |
| Income from sale of supplies | | 27,346 | 27,375 | 16,264 | 17,882 |
| Office facilities and service income | | - | 882 | - | - |
| Net cash on disposal of investment | | 8,093 | - | - | - |
| Others | | 33,130 | 25,088 | 29,295 | 29,172 |
| Total | | 68,569 | 53,345 | 45,559 | 47,054 |

27 Selling expenses

| | | Consolidated financial statements | | Separate financial statements | |
|--------------|--|-----------------------------------|----------------|-------------------------------|----------------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | <i>(in thousand Baht)</i> | | | |
| Distribution | | 13,415 | 14,528 | 14,360 | 15,676 |
| Marketing | | 105,962 | 129,876 | 15,829 | 78,881 |
| Personnel | | 121,036 | 122,860 | 42,894 | 80,660 |
| Others | | 23,638 | 25,434 | 6,070 | 8,124 |
| Total | | 264,051 | 292,698 | 79,153 | 183,341 |

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

28 Administrative expenses

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|--|----------------|--|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Personnel | 219,394 | 186,629 | 147,301 | 125,797 |
| Administrative | 194,058 | 157,024 | 115,701 | 113,675 |
| Depreciation | 52,017 | 42,770 | 21,417 | 22,992 |
| Amortisation of assets | 21,892 | 22,877 | 21,481 | 22,651 |
| Doubtful debts expense (reversal) | 4,452 | 7,106 | 744 | (1,433) |
| Others | 9,416 | 5,535 | 1,524 | 4,948 |
| Total | 501,229 | 421,941 | 308,168 | 288,630 |

29 Employee benefit expenses

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------|--|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Management | | | | |
| Wages and salaries | 107,756 | 119,833 | 53,189 | 64,709 |
| Contribution to defined contribution plans | 5,735 | 6,089 | 1,816 | 2,129 |
| Others | 6,610 | 6,690 | 1,991 | 1,531 |
| | 120,101 | 132,612 | 56,996 | 68,369 |
| Other employees | | | | |
| Wages and salaries | 606,330 | 550,714 | 150,433 | 167,613 |
| Contribution to defined contribution plans | 32,428 | 29,648 | 9,227 | 9,509 |
| Others | 227,877 | 245,046 | 74,688 | 68,632 |
| | 866,635 | 825,408 | 234,348 | 245,754 |
| Total employee benefit expense | 986,736 | 958,020 | 291,344 | 314,123 |

Defined contribution plans

The defined contribution plans comprise a provident fund established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 5% of their basic salaries and by the Group at the rates ranging from 2% to 7.5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

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

30 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|--|------------------|--|----------------|
| | Note | 2012 | 2011 | 2012 | 2011 |
| | | <i>(in thousand Baht)</i> | | | |
| Change in finished goods | | (13,590) | (12,452) | 32,633 | 13,590 |
| Raw materials and supplies used | | 383,982 | 403,483 | 242,191 | 261,999 |
| Delivery | | 177,893 | 199,376 | 7,616 | 5,991 |
| Administrative | 28 | 194,058 | 157,024 | 115,701 | 113,675 |
| Distribution and marketing | 27 | 119,377 | 144,404 | 30,189 | 94,557 |
| Personnel | 29 | 986,736 | 958,020 | 291,344 | 314,123 |
| Depreciation and amortisation | | 264,828 | 228,617 | 53,295 | 49,636 |
| Others | | 614,920 | 406,050 | 80,401 | 97,032 |
| Total costs, selling expenses, administrative expenses and management benefit expenses | | 2,728,204 | 2,484,522 | 853,370 | 950,603 |

31 Finance costs

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|--|----------------|--|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Interest expense: | | | | |
| Financial institutions | 97,280 | 105,020 | 80,724 | 85,090 |
| Other parties | 13,195 | 14,976 | 9,556 | 9,334 |
| Total interest expense | 110,475 | 119,996 | 90,280 | 94,424 |

32 Income tax expense

The current tax expense in the consolidated statements of income are more or less than the amount determined by applying the Thai corporation tax rate to the accounting profit for the year principally because of the different treatment for accounting and taxation purposes of certain items of income and expense, and tax loss carried forward in previous fiscal years, in particular, allowance for doubtful accounts, obsolete stock, impairment loss of investments and property, and because losses suffered by certain subsidiaries cannot be set-off against the profits of the other subsidiaries of the Group for tax purposes.

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Notes to the financial statements

33 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares adjusted for the change in the number ordinary shares as if the share split of 1,647,740,000 shares had occurred at the beginning of the earliest year presented.

| | Consolidated financial statements | | Separate financial statements | |
|---|--|------------------|--|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht/ thousand shares)</i> | | | |
| Profit attributable to ordinary shareholders (basic) | 191,331 | 104,278 | 104,655 | 39,186 |
| Number of ordinary shares outstanding | 1,647,740 | 1,647,740 | 1,647,740 | 1,647,740 |
| Earnings per share (basic) (in Baht) | 0.12 | 0.06 | 0.06 | 0.02 |

34 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interest and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from borrowings (Note 17). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

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

The effective interest rates of interest-bearing liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

| Consolidated financial statements | | | | |
|--|---|------------------|---|------------------|
| | Effective interest rates (% per annum) | Within 1 year | After 1 year but within 5 years (in thousand Baht) | Total |
| 2012 | | | | |
| Current | | | | |
| Bank overdraft | MOR | 60,561 | - | 60,561 |
| Short-term loans from financial institutions | 2.51 - 7.34 | 659,506 | - | 659,506 |
| Current portion of long-term loans from financial institutions | Average MLR, Average MLR minus 1% and MLR plus 0.5% | 306,884 | - | 306,884 |
| Non-current | | | | |
| Long-term loans from financial institutions | Average MLR, Average MLR minus 1% and MLR plus 0.5% | - | 315,586 | 315,586 |
| Long-term loans from other party | MLR | - | 116,256 | 116,256 |
| Total | | 1,026,951 | 431,842 | 1,458,793 |
| 2011 | | | | |
| Current | | | | |
| Bank overdraft | MOR | 61,675 | - | 61,675 |
| Short-term loans from financial institutions | 4.50 - 7.63 | 700,905 | - | 700,905 |
| Current portion of long-term loans from financial institutions | Average MLR, MLR plus 1%, MLR minus 1.5% and MLR minus 0.5% | 338,337 | - | 338,337 |
| Non-current | | | | |
| Long-term loans from financial institutions | Average MLR, MLR plus 1%, MLR minus 1.5% and MLR minus 0.5% | - | 338,337 | 338,337 |
| Long-term loans from other party | MLR | - | 118,486 | 118,486 |
| Total | | 1,100,917 | 456,823 | 1,557,740 |

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

| | Effective interest rates (% per annum) | Separate financial statements | | Total |
|--|---|-------------------------------|---|------------------|
| | | Within 1 year | After 1 year but within 5 years (in thousand Baht) | |
| 2012 | | | | |
| Current | | | | |
| Bank overdraft | MOR | 39,056 | - | 39,056 |
| Short-term loans from financial institutions | 2.51 - 6.28 | 601,998 | - | 601,998 |
| Current portion of long-term loans from financial institutions | Average MLR and Average MLR minus 1% | 275,430 | - | 275,430 |
| Non-current | | | | |
| Long-term loans from financial institutions | Average MLR and Average MLR minus 1% | - | 295,836 | 295,836 |
| Long-term loans from other party | MLR | - | 116,256 | 116,256 |
| Total | | 916,484 | 412,092 | 1,328,576 |
| 2011 | | | | |
| Current | | | | |
| Bank overdraft | MOR | 51,994 | - | 51,994 |
| Short-term loans from financial institutions | 4.50 - 6.80 | 635,431 | - | 635,431 |
| Current portion of long-term loans from financial institutions | Average MLR | 221,000 | - | 221,000 |
| Non-current | | | | |
| Long-term loans from financial institutions | Average MLR | - | 287,126 | 287,126 |
| Long-term loans from other party | MLR | - | 118,486 | 118,486 |
| Total | | 908,425 | 405,612 | 1,314,037 |

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company was exposed to foreign currency risk in respect of purchases denominated in the following currency:

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------|-----------------------------------|----------|-------------------------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand Baht) | | | |
| United States Dollars | | | | |
| Estimated forecast purchases | 47,366 | 36,991 | 47,366 | 36,991 |
| Currency forward contracts | (47,366) | (36,991) | (47,366) | (36,991) |
| Net exposure | - | - | - | - |

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Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity, which are held available sales, is determined by reference to their quoted bid price at the reporting date.

The fair value of financial assets and liabilities is taken to approximate the carrying value.

35 Commitments with non-related parties

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|----------------|-------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand Baht) | | | |
| Non-controllable operating lease commitments | | | | |
| Within one year | 96,484 | 49,630 | 28,072 | 5,346 |
| After one year but within five years | 220,611 | 146,201 | 26,882 | - |
| After five years | 46,987 | 72,789 | - | - |
| Total | 364,082 | 268,620 | 54,954 | 5,346 |
| | | | | |
| | Consolidated financial statements | | Separate financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| | (in thousand) | | | |
| Other commitments | | | | |
| Unused letters of credits (USD) | 1,532 | 1,183 | 1,532 | 1,183 |
| Forward contracts (USD) | 1,532 | 1,183 | 1,532 | 1,183 |

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

| | Consolidated financial statements | | Separate financial statements | |
|---|--|--------|--|---------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in thousand Baht)</i> | | | |
| Guarantee credit lines of subsidiaries with financial institutions | - | - | 130,000 | 130,000 |
| Bank guarantees | 28,476 | 25,248 | 12,975 | 11,319 |

- a) The Company and its subsidiaries have entered into lease and service agreements for their office premises and facilities with a local company for the period of 2-3 years, expiring in various periods up to 30 November 2014 with an option to be renewable.
- b) A subsidiary entered into news supply agreement with a foreign company for a period of 5 years, commencing from 1 June 2011 to 31 May 2016 with an option to be renewable.
- c) Three subsidiaries entered into service agreements covering television broadcasting satellite services with a local company. The details are as follows:

| <u>Contract date</u> | <u>Contract period</u> | <u>Periods</u> | <u>Total fee</u> |
|---|--|----------------|------------------|
| 1 October 2009 (Amendment on 11 May 2010) | 1 November 2009 to 31 October 2019 | 10 years | USD 4.40 million |
| 4 February 2010 (Amendment on 11 May 2010) | 15 February 2010 to 31 March 2020 | 10 years | USD 3.20 million |
| 12 September 2011 | 1 October 2011 to 30 September 2016 | 5 years | USD 1.20 million |
| 22 May 2012 | 16 June 2012 to 30 June 2017 | 5 years | USD 1.36 million |
| 22 May 2012 | 1 July 2012 to 30 June 2017 | 5 years | USD 1.35 million |

- d) The indirect jointly-controlled entity entered into the warehouse rental agreements with two local companies. The indirect jointly-controlled entity agreed to pay rental fees at the rate specified in the agreements. The agreements have durations for 3 years, expiring on 30 November 2013 and 31 December 2013, respectively.
- e) A subsidiary entered into a right for broadcasting agreement with a local company for the period of 2 years, commencing from 15 July 2012 to 15 July 2014.

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

36 Events after the reporting period

At the Board of Directors' meeting of the Company held on 15 February 2013, the Board of Directors' passed the following resolutions:

- Approved the increase in authorised share capital of 1,647,740,300 ordinary shares, at Baht 0.53 par value to offer to the existing shareholders at the ratio of 1 new share for 1 exiting share held with the price of Baht 1.00.
- Approved the increase in authorised share capital of 1,647,740,300 ordinary shares, at Baht 0.53 par value to reserve for the exercise of warrant issued and offer to the existing shareholders as the allotment as described in (a) with the proportion ratio of 1 warrant to 1 existing share held with no value.
- Approved the increase in authorised share capital of 82,387,015 ordinary shares, at Baht 0.53 par value to reserve for the exercise warrants issued under the Employee Stock Option Program (ESOP) to sell to the directors, management and/or employees of the Company and/or the subsidiaries.

Such increase in authorised share capital is subject to final approval in the shareholders' meeting.

At the Board of Directors' meetings of a subsidiary (Nation Broadcasting Corporation Public Company Limited) held on 15 February 2013, the Board of Directors passed the following resolutions:

- Approved the appropriation of interim dividends to shareholders of Baht 0.06 per share, amounting to Baht 10.56 million.
- Approved the increase in authorised share capital of 353,740,000 ordinary shares, at Baht 1 par value to offer to the existing shareholders at the ratio of 1 existing share for 2 new shares held with the price of Baht 3.00.
- Approved the increase in authorised share capital of 176,870,000 ordinary shares, at Baht 1 par value to reserve for the exercise of warrant issued and offer to the existing shareholders as the allotment as described in (b) with the proportion ratio of 1 warrant to 1 existing share held with no value.
- Approved the increase in authorised share capital of 8,798,905 ordinary shares, at Baht 1 par value to reserve for the exercise warrant issued under the Employee Stock Option Program (ESOP) to sell to the directors, management and/or employees of the subsidiary and/or other subsidiaries.
- Approved the increase in authorised share capital of 2,435,057 ordinary shares to reserve for the exercise warrant issued under the 1st Employee Stock Option Program (ESOP), consequently from the exercised price adjustment.

Such interim dividends and increase in authorised share capital of the subsidiary are subject to final approval in the shareholders' meeting.

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

At the Board of Directors' meetings of a subsidiary (Nation International Edutainment Public Company Limited) held on 15 February 2013, the Board of Directors passed the following resolutions:

- a) Approved the appropriation of interim dividends from 2012 operating result and retained earnings to shareholders of Baht 0.15 per share, amounting to Baht 12.75 million.
- b) Approved the increase in authorised share capital of 85,000,000 ordinary shares, at Baht 1 par value to offer to the existing shareholders at the ratio of 1 new share for 1 exiting share held with the price of Baht 4.
- c) Approved the increase in authorised share capital of 85,000,000 ordinary shares, at Baht 1 par value to reserve for the exercise of warrants issued and offer to the existing shareholders as the allotment as described in (b) with the proportion ratio of 1 warrant to 1 existing share held with no value.
- d) Approved the increase in authorised share capital of 4,250,000 ordinary shares, at Baht 1 par value to reserve for the exercise warrants issued under the Employee Stock Option Program (ESOP) to sell to the directors, management and/or employees of the subsidiary and/or other subsidiaries.

Such interim dividends and increase in authorised share capital of the subsidiary are subject to final approval in the shareholders' meeting.

37 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

| TFRS | Topic | Year effective |
|-----------------------|--|-----------------------|
| TAS 12 | Income Taxes | 2013 |
| TAS 21 (revised 2009) | The Effects of Changes in Foreign Exchange Rates | 2013 |
| TFRS 8 | Operating Segments | 2013 |

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

TAS 12 – Income taxes

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. Currently, the Group does not recognise deferred tax in the financial statements.

Nation Multimedia Group Public Company Limited and its Subsidiaries
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The Group will adopt TAS 12 with effect from 1 January 2013. The effects of the change will be recognised retrospectively in the financial statements and the statement of financial position as at 31 December 2012 and 2011 will be adjusted accordingly. Management estimates that the impact on the statements of financial position as at 31 December 2012 and 2011 will be as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|---------------|
| | 2012 | 2011 | 2012 | 2011 |
| | <i>(in million Baht)</i> | | | |
| <i>Statement of financial position</i> | | | | |
| Estimated changes as a result of the adoption retrospectively of TAS 12-Income Taxes: | | | | |
| Increase in deferred tax assets | 155.55 | 183.91 | 94.93 | 123.94 |
| Increase (decrease) in retained earning | 150.23 | 177.58 | 97.58 | 124.46 |
| Decrease in shareholders' equity | (2.65) | (0.52) | (2.65) | (0.52) |
| Increase in non-controlling interests | 7.97 | 6.85 | - | - |
| Increase in total equity | <u>155.55</u> | <u>183.91</u> | <u>94.93</u> | <u>123.94</u> |

The impact on the statements of comprehensive income for 2013 and subsequent periods is not presently determinable.

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Group is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Group's reported assets, liabilities or retained earnings.

TFRS 8 – Operating segments

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group's chief operating decision maker. Since the change in accounting policy only impacts disclosure aspects, there is no impact on the Group's financial statements.



Other Reference Persons

Security Registrar (Common Share)

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Audit Fee

1. The audit fee of the Company and subsidiaries for the year 2012 is Bt 3,085,000
2. Non-audit fee –None-

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