



รายงานประจำปี ๒๕๕๒  
ANNUAL REPORT 2009



## 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

<b>Name</b>	:	Nation Multimedia Group Public Company Limited
<b>Head Office</b>	:	1854 Bangna-Trad Road, Bangna, Bangkok 10260
<b>Telephone</b>	:	(66) 2338-3333
<b>Fax</b>	:	(66) 2338-3938
<b>SET Listing Date</b>	:	June 9, 1988
<b>Public Company Registration</b>	:	December 14, 1993 (PLC no. 0107536001524)
<b>Business Line</b>	:	<p>The Company and Subsidiary Companies operate seven business units as follows:</p> <ul style="list-style-type: none"> <li>• <b>Thai News Business Unit</b> Production of Krungthep Turakij</li> <li>• <b>General News Business Unit</b> Production of Kom Chad Luek and Nation Weekender</li> <li>• <b>English News Business Unit</b> Production of The Nation, Nation Junior Business training seminars and communication skills</li> <li>• <b>Special Events and Special Publications Business Unit</b></li> <li>• <b>Broadcasting Business Unit</b> Owner and producer of Nation News Channel and broadcasting programs to other TV channels Production of radio programs and new media business</li> <li>• <b>Edutainment &amp; International Business Unit</b> Publishing under Nation Books Production and distribution of education and entertainment media for children Providing foreign language and communication training</li> <li>• <b>Printing Business Unit</b> Printing service business</li> <li>• <b>Logistics Business Unit</b></li> </ul>
<b>Registered Capital</b>	:	Baht 2,500,000,000 consisting of 250,000,000 Shares at Baht 10 par value
<b>Paid-up Capital</b>	:	December 31, 2009 the Company has paid-up capital of Baht 1,647,740,300 consisting of 164,774,030 Shares at Baht 10 par value
<b>Chiang Mai Branch</b>	:	24/1 Soi 5 Kor, Nantaram Road, Haiya, Muang District, Chiang Mai 50100. Tel: (053) 271-831 Fax: (053) 200-151
<b>Khon Kaen Branch</b>	:	67 Moo 8, Lao Na Dee Road, Muang District, Khon Kaen 80000. Tel: (043) 324-170 Fax: (043) 324-243
<b>Hat Yai Branch</b>	:	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	2009	2008 (Restated)	2007
• Sales and Service Income	2,310.69	2,730.02	3,006.93
• Total Revenues	2,522.97	3,017.90	3,206.14
• Gross Profit Margin	660.10	940.93	1,154.25
• Profit Before Interest, Taxes, Depreciation, Amortization and Extraordinary items *(see note)	327.97	382.78	556.30
• Net Profit (Loss)	(53.04)	(54.98)	(797.51)
• Total Assets	3,308.19	3,536.82	4,147.74
• Total Shareholders' Equity	891.96	872.19	922.50
2. Financial Ratios	2009	2008 (Restated)	2007
• Total Debts to Equity (Times)	2.71	3.07	3.50
• Gross Profit Margin (%)	28.57%	34.47%	38.39%
• Net Profit (Loss) on Total Revenues	(2.10%)	(1.82%)	(24.87%)
• Return on Equity	(5.95%)	(6.30%)	(86.45%)
• Return on Total Assets	(1.60%)	(1.55%)	(19.23%)
• Earnings (Loss) per Share (Baht)	(0.32)	(0.33)	(4.84)
• Dividend per Share (Baht)	-	-	-
• Book Value per Share (Baht)	5.41	5.29	5.60

**Note \*** : Extraordinary items are gain on sales of assets, gain on sales of investments, doubtful accounts, loss from obsolete stocks, loss from impairment of investments, loss from impairment of assets, other current assets and other assets written-off and employee early retirement benefits.

## **Dividend Policy**

Dividend payment policy is not exceeding 65% of net profit

# Summary of Financial Data and Investments

Investments in Subsidiaries of Nation Multimedia Group Public Company Limited As of December 31, 2009		
	Registered Capital (Million Baht)	Percentage of Investments
<b>PUBLISHING BUSINESS</b>		
Nation International Edutainment PCL	85.00	99.99
Nation Edutainment Co, Ltd. (Invested by Nation International Edutainment PCL)	41.25	99.99
Nation Egmont Edutainment Co, Ltd. (Invested by Nation International Edutainment PCL)	50.00	49.99
Nation International Co, Ltd.	1.00	99.94
Nation News Network Co, Ltd.	100.00	99.99
<b>BROADCASTING BUSINESS</b>		
Nation Broadcasting Corporation Limited	170.00	62.82
<b>EDUCATION MEDIA</b>		
Nation Education Co, Ltd.	10.00	99.77
<b>NEW MEDIA SERVICES BUSINESS</b>		
Nation Digital Media Co, Ltd.	100.00	99.99
<b>PRINTING SERVICES BUSINESS</b>		
WPS (Thailand) Co, Ltd.	500.00	84.50
<b>LOGISTIC SERVICES BUSINESS</b>		
NML Co, Ltd.	10.00	99.99
Investments in Associated Companies of Nation Multimedia Group Public Company Limited as of December 31, 2009		
	Registered Capital (Million Baht)	Percentage of Investments
Yomiuri-Nation Information Service Limited	4.00	44.99
Kyodo Nation Printing Services Co., Ltd. (Invested by WPS (Thailand) Co, Ltd.)	350.00	48.99

# Message from the Chairman

In the year 2010 the world experienced a setback and economic slowdown resulting from the American financial crisis, aka Hamburger crisis. Thailand was also facing deflation, shrunken internal spending and domestic political turmoil which led to the violence in April. The political conflict caused a serious impact on the country's credibility and confidence in investment leading to a slowdown of the overall economy and many industries in the first half of the year such as tourism, services and export industries. There is no doubt that when these core industries are affected the advertisement industry, which is the main revenue of the company, suffers as well.

Thailand's economy started to show positive signs in the second quarter through the higher consumption and investments of the private sector. Production volumes in many industries and export values have also shown some growth compared to the first quarter. These are certainly a positive signs of recovery. Thailand's overall deflation rate in October 2009 reduced, reflecting the continuous recovering of the country's economy in the end of 2009 through early 2010. This recovery has spread into many economic groups. However, the country's internal politics are still the key factor of a true economic recovery of Thailand.

Regarding the Nation Group, the decreased volumes of business in the business sector and advertising industry affected us directly and strongly. Even though we have already observed many preventive measures to tackle the Hamburger crisis since the year before but the domestic political turmoil dampened the economic situation even further. This scenario made it very difficult for us to replenish the lost income even when the economy started to pick up towards the end of the year resulting in the decrease of 14% in the overall revenue of 2009. However, this did not affect the company's performance much since, as I have mentioned above, we had prepared for the economic slowdown. As for the company's performance of the year 2009, the consolidated financial statement of the Nation Group is still on a loss but it is the loss from our associates.

The company's Board of Directors are aware of our responsibilities in creating financial wealth to our shareholders. Therefore, in the last few years, we have been enhancing our business practices both in terms of improving work flow and a closer supervision to ensure good business management, building our financial strength and NPA management. As you may very well see, the company's performance and financial situation are gradually improving and the Board of Directors are determined to create the highest benefits to our shareholders and all stakeholders.

Finally, the members of the Board of Directors would like to convey our thanks to our shareholders and stakeholders, government agencies, business groups and general public who have been supporting our products and activities. Your trust in the quality of our content through the variety of our media outlets and based on good journalism ethics will encourage us to always continue producing good work for the society.



A handwritten signature in black ink, appearing to read 'Thanachai'.

Thanachai Theerapattanavong  
Chairman



# Board of Directors



**Name** Mr. Thanachai Theerapattanavong  
**Position** Chairman  
**Age** 65 years  
**Education Background**  
 • MA. in Political Science, Ramkamhaeng University  
 • BA in Political Science, Ramkamhaeng University  
 • Assumption Commercial College Bangkok (ACC)

**Training Course (s)**  
 Thai Institute of Directors Association  
 • Directors Certification Program (DCP # 45)

**No. of Shares Held as at Jan 14, 2010**  
 • Mr. Thanachai Theerapattanavong  
 16,272,309 shares (9.88%)

**Relationship with NMG's Executive**  
 • N/A

**Experience**  
 1976 - Present Chairman  
 Nation Multimedia Group Pcl.

**Director of other listed company**  
 2002 - Present Independent Director & Chairman of Audit Committee  
 Modernform Group Pcl.

**Director of a related business company**  
 1991 - Present Executive Director  
 Yomiuri-Nation Information Service Co.,Ltd.  
 1996 - Present Director  
 Nation International Co.,Ltd.  
 1997 - Present Executive Director  
 Nation Edutainment Co.,Ltd.  
 2000 - Present Director  
 Nation Digital Media Co.,Ltd.  
 2005 - Present Chairman  
 WPS (Thailand) Co.,Ltd.  
 2006 - Present Director  
 NML Co.Ltd.  
 2007 - Present Director  
 Kyodo Nation Printing Service Co.,Ltd.  
 2008 - Present Director  
 Nation New Network Co.,Ltd.

**Director of a competing business company**  
 • N/A

**The Meeting Attendance / Meeting held (Frequency)**  
 Board of Directors 6/6  
 Annual General Meeting of Shareholders 1/1  
 Extraordinary General Meeting of Shareholders 1/1



# Board of Directors



**Name** Mr.Thanachai Santichaikul  
**Position** Vice Chairman  
**Age** 56 Years  
**Education Background**  
 • MBA,Thammasat University  
 • BA , Accountancy, Chulalongkorn University

## Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 18)  
Capital Market Academy - The Stock Exchange of Thailand
- Capital Market Academy Leadership Program (CMA # 1)  
King Prajadhipok's Institute
- Graduate Diploma in Politics and Governance in Democratic Systems for Executives Course, Class 11

## No. of Shares Held as at Jan 14, 2010

• Mr.Thanachai Santichaikul	251,769	shares (0.15%)
• Mrs.Chatchada Santichaikul	56,197	shares (0.03%)

## Relationship with NMG's Executive

- N/A

## Experience

1979 - 1993	Financial & Account Director	Nation Publishing Group Co.,Ltd.
1993 - 1994	Managing Director	Nation Publishing Group Co.,Ltd.
1995 - Aug, 1996	Vice Chairman	Nation Publishing Group Co.,Ltd.
Aug, 1996 - 2004	Vice Chairman	Nation Multimedia Group Pcl.
2005 - 2007	Vice Chairman & Group President	Nation Multimedia Group Pcl.
2008 - Present	Vice Chairman & Chief Executive Officer	Nation Multimedia Group Pcl.

## Director of other listed company

- N/A

## Director of a related business company

1991 - Present	Executive Director	Yomiuri-Nation Information Service Co.,Ltd.
1996 - Present	Director	Nation International Co.,Ltd.
1996 - Present	Chairman	Nation International Education Public Co.,Ltd.
1997 - Present	Executive Director	Nation Edutainment Co.,Ltd.
1998 - Present	Executive Director	Nation Egmont Edutainment Co.,Ltd.
2000 - Present	Director	Nation Digital Media Co.,Ltd.
2005 - Present	Executive Director	WPS (Thailand) Co.,Ltd.
2006 - Present	Director	NML Co.Ltd.
2006 - Present	Chairman	Nation Broadcasting Corporation Public Co.,Ltd.
2007 - Present	Executive Director	Kyodo Nation Printing Service Co.,Ltd.
2008 - Present	Director	Nation News Network Co.,Ltd.
2009 - Present	Director	Nation Education Co.,Ltd.

## Director of a competing business company

- N/A

## The Meeting Attendance / Meeting held (Frequency)

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

# Board of Directors



**Name** Mr. Suthichai Yoon  
**Position** Director & Executive Director  
**Age** 64 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 Jan 14, 2010**  
 • Mr.Suthichai Sae-Yoon  
 14,600,054 shares (8.86%)  
 • Mrs.Nantawan Yoon  
 283,000 shares (0.17%)

**Relationship with NMG's Executive**  
 • N/A

**Experience**  
 1971 - Present Editor in Chief  
 Nation Multimedia Group Pcl.

**Director of other listed company**  
 • N/A

**Director of a related business company**  
 1994 - Present Director  
 Nation International Co.,Ltd.  
 2000 - Present Director  
 Nation Digital Media Co.,Ltd.  
 2006 - Present Director  
 NML Co.Ltd.  
 2008 - Present Director  
 Nation News Network Co.,Ltd.

**Director of a competing business company**  
 • N/A

**The Meeting Attendance / Meeting held (Frequency)**  
 Board of Directors 6/6  
 Annual General Meeting of Shareholders 1/1  
 Extraordinary General Meeting of Shareholders 1/1

# Board of Directors



**Name** Mr. Pakorn Borimasorn  
**Position** Independent Director and Chairman of The Audit Committee  
**Age** 63 years  
**Education Background**  
 • M.Eng in Electrical Engineering ,Chulalongkorn University  
 • B.Eng in Electrical Engineering,Chulalongkorn University

## Training Course (s)

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

## No. of Shares Held as at Jan 14, 2010

- Mr. Pakorn Borimasorn  
26,900 shares (0.02%)

## Relationship with NMG's Executive

- N/A

## Experience

- 1993 - Present Chief Executive Officer  
Lighting & Equipment Public Co.,Ltd
- 1999 - Present Chief Executive Officer  
L&E Manufacturing Co.,Ltd.
- 2004 - Present Chairman & Chairman of The Audit Committee  
Porn Prom Metal Public Co.,Ltd.

## Director of other listed company

- 1993 - Present Chief Executive Officer  
Lighting & Equipment Public Co.,Ltd
- 2004 - Present Chairman & Chairman of The Audit Committee  
Porn Prom Metal Public Co.,Ltd.

## Director of a related business company

- 1999 - Present Chief Executive Officer  
L&E Manufacturing Co.,Ltd.

## Director of a competing business company

- N/A

## The Meeting Attendance / Meeting held (Frequency)

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

# Board of Directors



**Name** Mr. Chaveng Chariyapisuthi  
**Position** Independent Director and Member of The Audit Committee  
**Age** 65 years  
**Education Background**  
 • Assumption Commercial College Bangkok (ACC)

## Training Course (s)

- Thai Institute of Directors Association
- 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 (ACP # 20)

## No. of Shares Held as at Jan 14, 2010

- N/A

## Relationship with NMG's Executive

- N/A

## Experience

- |                |  |
|----------------|--|
| 1991 - Present | Executive Director<br>SST Holding Co.,Ltd.               |
| 1991 - Present | Executive Director<br>Siam Syndicate Technology Co.,Ltd. |
| 1991 - Present | Executive Director<br>Siam Steel works Co., Ltd.         |
| 1991 - Present | Executive Director<br>Siam Integrate Co.,Ltd.            |

## Director of other listed company

- N/A

## Director of a related business company

- |                |  |
|----------------|--|
| 1991 - Present | Executive Director<br>SST Holding Co.,Ltd.               |
| 1991 - Present | Executive Director<br>Siam Syndicate Technology Co.,Ltd. |
| 1991 - Present | Executive Director<br>Siam Steelworks Co.,Ltd.           |
| 2009 - Present | Executive Director<br>Siam Asia Environment Co.,Ltd.     |

## Director of a competing business company

- N/A

## The Meeting Attendance / Meeting held (Frequency)

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

# Board of Directors



**Name** Mr. Yothin Nerngchamnong  
**Position** Independent Director and Member of The Audit Committee  
**Age** 60 years  
**Education Background**  
 • MA. in Political Science, Ramkamhaeng University  
 • BA. Political Science, Ramkamhaeng University  
 • Assumption Commercial College Bangkok (ACC)

## Training Course (s)

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 36)
- Capital Market Academy - The Stock Exchange of Thailand
- Capital Market Academy Leadership Program (CMA # 7)

## No. of Shares Held as at Jan 14, 2010

- Mr. Yothin Nerngchamnong  
100,000 shares (0.06%)

## Relationship with NMG's Executive

- N/A

## Experience

1980 - Present	Executive Director Modernform Group Pcl.
1989 - Present	Director Modernform Tower Co.,Ltd.
1997 - Present	Director MFEC Pcl.
2006 - Present	Director Dermal Concept Co.,Ltd.
2006 - Present	Director Dermal Wellness International Co.,Ltd.
2006 - Present	Director Leonard Drake Co.,Ltd.
2008 - Present	Executive Director Thai Plaspac Pcl.

## Director of other listed company

1980 - Present	Executive Director Modernform Group Pcl.
1997 - Present	Director MFEC Pcl.
2008 - Present	Chief Executive Director Thai Plaspac Pcl.

## Director of a related business company

1989 - Present	Director Modernform Tower Co.,Ltd.
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## Director of a competing business company

- N/A

## The Meeting Attendance / Meeting held (Frequency)

Board of Directors	5/6
Audit Committee	4/4
Annual General Meeting of Shareholders	1/1
Extraordinary General Meeting of Shareholders	1/1

# Board of Directors



**Name** Mr. Nissai Vejjajiva

**Position** Independent Director

**Age** 78 years

**Education Background**

- MBA (Political Economy) Stern School of Business, New York University
- BA (Economic), Boston University
- Diploma , National Defence College of Thailand, class 17

**Training Course (s)**

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 73)

**No. of Shares Held as at Jan 14, 2010**

- N/A

**Relationship with NMG's Executive**

- N/A

**Experience**

- 1998 - Present Chairman of the Council of Rajabhat Mahasarakham University

**Director of other listed company**

- N/A

**Director of a related business company**

- N/A

**Director of a competing business company**

- N/A

**The Meeting Attendance / Meeting held (Frequency)**

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

# Board of Directors



**Name** Mr. Nivat Changariyavong  
**Position** Director  
**Age** 67 years  
**Education Background**  
 • Honorary Doctorate in Business Administration, Rajabhat Institute Chiang Rai, Thailand  
 • Assumption Commercial College Bangkok (ACC)

**Training Course (s)**  
 Thai Institute of Directors Association  
 • Director Accreditation Program (DAP # 36)

**No. of Shares Held as at Jan 14, 2010**  
 • Mr. Nivat Changariyavong  
 4,485,878 shares (2.72%)

**Relationship with NMG's Executive**  
 • N/A

**Experience**

1985 - Present	Managing Director Green Siam Co.,Ltd
1989 - Present	Director Evergreen International Hotel Property (Bangkok) Co.,Ltd.
1990 - Present	Director Evergreen International Holding (Thailand) Co.,Ltd.
2001 - Present	Chief Executive Officer Evergreen Shipping Agency (Thailand) Co.,Ltd.
2003 - Present	Director Evergreen Logistics (Thailand) Co.,Ltd.

**Director of other listed company**  
 • N/A

**Director of a related business company**

1985 - Present	Managing Director Green Siam Co.,Ltd
1989 - Present	Director Evergreen International Hotel Property (Bangkok) Co.,Ltd.
2001 - Present	Chief Executive Officer Evergreen Shipping Agency (Thailand) Co.,Ltd.
2003 - Present	Director Evergreen Logistics (Thailand) Co.,Ltd.

**Director of a competing business company**  
 • N/A

**The Meeting Attendance / Meeting held (Frequency)**

Board of Directors	5/6
Annual General Meeting of Shareholders	1/1
Extraordinary General Meeting of Shareholders	1/1



# Board of Directors



**Name** Mr. Narongsak Opilan  
**Position** Director  
**Age** 34 years  
**Education Background**  
 • BA. Architectural Design , Rangsit University,Thailand  
 • Certificate in English for International Business,  
 (University of California ,Berkeley, Sanfrancisco, USA)

**Training Course (s)**  
 Thai Institute of Directors Association  
 • Director Accreditation Program (DAP # 35)  
 • Finance for Non-Finance Director (FND # 19)

**No. of Shares Held as at Jan 14, 2010**  
 • Mr. Narongsak Opilan  
 2,060,000 shares (1.25%)

**Relationship with NMG's Executive**  
 • N/A

**Experience**

2002 - 2005	General Manager Administration and Marketing TS Interseats Co., Ltd.
2004 - Present	Managing Director Thai Summit Eastern Seaboard Auto Part Industry Co.,Ltd.
2005 - Present	Managing Director TS Interseats Co., Ltd.
2007- Present	Director TS Interseats Vietnam Co., Ltd.

**Director of other listed company**  
 • N/A

**Director of a related business company**

2004 - Present	Managing Director Thai Summit Eastern Seaboard Auto Part Industry Co.,Ltd.
2005 - Present	Managing Director TS Interseats Co., Ltd.

**Director of a competing business company**  
 • N/A

**The Meeting Attendance / Meeting held (Frequency)**

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

# Board of Directors



**Name** Mr. Pana Janviroj  
**Position** Director  
**Age** 51 years  
**Education Background**  
 • MA., Tufts University, USA

## Training Course (s)

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

## No. of Shares Held as at Jan 14, 2010

- Mrs. Pusadee Janviroj  
12,450 shares (0.01%)

## Relationship with NMG's Executive

- N/A

## Experience

1988 - 1992	Senior Reporter - The Nation Nation Publishing Group Co., Ltd.
1993 - 1994	Business Editor Nation Publishing Group Pcl.
1994 - 1995	Executive Editor Nation Publishing Group Pcl.
1995 - 1997	Editor - The Nation Nation Publishing Group Pcl.
1997 - 1999	Group Assistant Publisher Nation Multimedia Group Pcl.
2000 - 2004	Editor - The Nation Nation Multimedia Group Pcl.
2005 - Present	Chief Operating Officer of English News Business Unit Nation Multimedia Group Pcl.

## Director of other listed company

- N/A

## Director of a related business company

2000 - Present	Director Nation Digital Media Co., Ltd.
2008 - Present	Director Nation News Network Co., Ltd.

## Director of a competing business company

- N/A

## The Meeting Attendance / Meeting held (Frequency)

Board of Directors	5/6
Annual General Meeting of Shareholders	1/1
Extraordinary General Meeting of Shareholders	1/1

# Board of Directors



**Name** Mrs. Christine Debais Brendle

**Position** Director

**Age** 49 years

**Education Background**

- M.B.A. Business Administration of Columbia University (New York)
- Diploma Ecole Superieure des Sciences Economiques, Et Commerciales in France

**Training Course (s)**

Thai Institute of Directors Association

- Enrolled for Director Accreditation Program (DAP # 83)

**No. of Shares Held as at Jan 14, 2010**

- N/A

**Relationship with NMG's Executive**

- N/A

**Experience**

2006 - Present      Managing Director  
Dow Jones Publishing Co.(ASIA), Inc.

**Director of other listed company**

- N/A

**Director of a related business company**

- N/A

**Director of a competing business company**

- N/A

**The Meeting Attendance / Meeting held (Frequency)**

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

# Management Team



**Name** Mr. Thanachai Theerapattanavong  
**Position** Chairman  
**Age** 65 years  
**Education Background**

- MA. in Political Science, Ramkamhaeng University
- BA in Political Science, Ramkamhaeng University
- Assumption Commercial College Bangkok (ACC)

**Training Course (s)**

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 45)

**No. of Shares Held as at Jan 14, 2010**

- Mr. Thanachai Theerapattanavong  
16,272,309 shares (9.88%)

**Relationship with NMG's Executive**

- N/A

**Experience**

1976 - Present	Chairman
	Nation Multimedia Group Pcl.

**The Meeting Attendance / Meeting held (Frequency)**

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

# Management Team



**Name** Mr.Thanachai Santichaikul

**Position** Chief Executive Officer

**Age** 56 Years

**Education Background**

- MBA ,Thammasat University
- BA , Accountancy, Chulalongkorn University

**Training Course (s)**

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 18)  
Capital Market Academy - The Stock Exchange of Thailand
- Capital Market Academy Leadership Program (CMA # 1)  
King Prajadhipok's Institute
- Graduate Diploma in Politics and Governance in  
Democratic Systems for Executives Course, Class 11

**No. of Shares Held as at Jan 14, 2010**

- Mr.Thanachai Santichaikul  
251,769 shares (0.15%)
- Mrs.Chatchada Santichaikul  
56,197 shares (0.03%)

**Relationship with NMG's Executive**

- N /A

**Experience**

1979 - 1993	Financial & Account Director Nation Publishing Group Co.,Ltd.
1993 - 1994	Managing Director Nation Publishing Group Co.,Ltd.
1995 - Aug, 1996	Vice Chairman Nation Publishing Group Co.,Ltd.
Aug,1996 - 2004	Vice Chairman Nation Multimedia Group Pcl.
2005 - 2007	Vice Chairman & Group President Nation Multimedia Group Pcl.
2008 - Present	Vice Chairman & Chief Executive Officer Nation Multimedia Group Pcl.

**The Meeting Attendance / Meeting held (Frequency)**

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

# Management Team



**Name** Mr. Suthichai Yoon

**Position** Editor in Chief

**Age** 64 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 Jan 14, 2010**

- Mr.Suthichai Sae-Yoon  
14,600,054 shares (8.86%)
- Mrs.Nantawan Yoon  
283,000 shares (0.17%)

**Relationship with NMG's Executive**

- N/A

**Experience**

1971 - Present Editor in Chief  
Nation Multimedia Group Pcl.

**The Meeting Attendance / Meeting held (Frequency)**

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

# Management Team



**Name** Mr. Pana Janviroj  
**Position** Chief Operating Officer of English News Business Unit  
**Age** 51 years  
**Education Background**  
 • MA., Tufts University, USA

## Training Course (s)

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

## No. of Shares Held as at Jan 14, 2010

- Mrs. Pusadee Janviroj  
12,450 shares (0.01%)

## Relationship with NMG's Executive

- N/A

## Experience

1988 - 1992	Senior Reporter - The Nation Nation Publishing Group Co.,Ltd.
1993 - 1994	Business Editor Nation Publishing Group Pcl.
1994 - 1995	Executive Editor Nation Publishing Group Pcl.
1995 - 1997	Editor - The Nation Nation Publishing Group Pcl.
1997 - 1999	Group Assistant Publisher Nation Multimedia Group Pcl.
2000 - 2004	Editor - The Nation Nation Multimedia Group Pcl.
2005 - Present	Chief Operating Officer of English News Business Unit Nation Multimedia Group Pcl.

## The Meeting Attendance / Meeting held (Frequency)

Board of Directors	5/6
Annual General Meeting of Shareholders	1/1
Extraordinary General Meeting of Shareholders	1/1



# Management Team



**Name** Miss Pimpakan Yansrisirichai  
**Position** Chief Operating Officer - Advertising  
**Age** 51 years

**Education Background**

- BA in the Faculty of Humanities, Ramkhamhaeng University
- Certificate in English with Business Studies, London Guildhall University

## Training Course (s)

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

## No. of Shares Held as at Jan 14, 2010

- 89,825 shares (0.05%)

## Relationship with NMG's Executive

- N/A

## Experience

1998 - 2001	General Manager Nation Multimedia Group Pcl.
2001 - 2005	Chief Operating Officer Nation Multimedia Group Pcl.
2005 - 2007	President - General News Business Unit Nation Multimedia Group Pcl.
2008 - Present	Chief Operating Officer - Advertising Nation Multimedia Group Pcl.

## The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders	1/1
Extraordinary General Meeting of Shareholders	1/1

# Management Team



**Name** Miss Duangkamol Chotana  
**Position** Chief Operating Officer of Thai News Business Unit  
**Age** 47 years  
**Education Background**  
 • BA. In Communication Arts, Chulalongkorn University

**Training Course (s)**  
 Thai List Companies Association (TLCA)  
 • Executive Development Program (EDP # 4)

**No. of Shares Held as at Jan 14, 2010**  
 • 4,410 shares

**Relationship with NMG's Executive**  
 • N/A

**Experience**

1987 - 1990	Reporter Nation Publishing Group Co.,Ltd.
1990 - 1999	Assistant Editor Nation Multimedia Group Pcl.
1999 - 2000	Executive Editor Nation Multimedia Group Pcl.
2000 - 2007	Editor - Krungthep Turakij Nation Multimedia Group Pcl.
2008 - Present	Chief Operating Officer of Thai News Business Unit Nation Multimedia Group Pcl.

**The Meeting Attendance / Meeting held (Frequency)**

Annual General Meeting of Shareholders	1/1
Extraordinary General Meeting of Shareholders	1/1

# Management Team



**Name** Miss Orapim Luang-On  
**Position** Chief Marketing Officer  
**Age** 39 years  
**Education Background**  
 • MA. In Marketing, Lincon University, New Zealand

**Training Course (s)**  
 Thai Institute of Directors Association  
 • N/A

**No. of Shares Held as at Jan 14, 2010**  
 • N/A

**Relationship with NMG's Executive**  
 • N/A

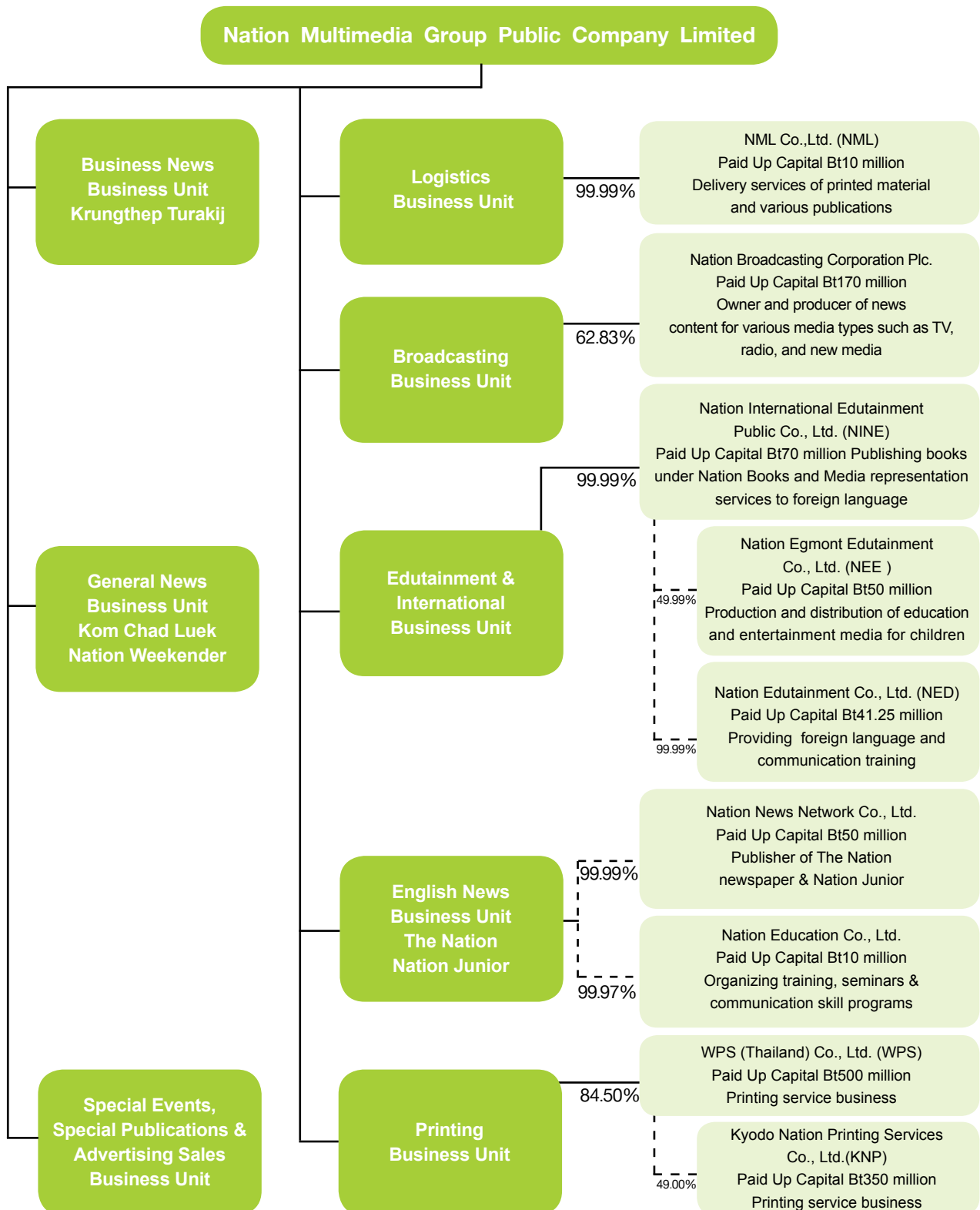
**Experience**

2002 - 2007	Senior Vice President - Marketing Nation Multimedia Group Pcl.
2008 - Present	Chief Marketing Officer Nation Multimedia Group Pcl.

## The Meeting Attendance / Meeting held (Frequency)

Annual General Meeting of Shareholders	1/1
Extraordinary General Meeting of Shareholders	1/1

# Business Group Structure



# Product and Services

## Thai Business News Business Unit

**Krungthep Turakij:** “Leading Brand” of daily business newspapers, Krungthep Turakij has been recognized for over 2 decades with top standard of well-rounded news aspects presentation not only in business, finance, investment, politics, society and lifestyle, but Krungthep Turakij has also raised an awareness of news and business updates and has become “the right hand” of the professionals in all segments, as stated in its mission to build up precise and correct knowledge base for readers to use as a decision making tool amid changes.

[www.bangkokbiznews.com](http://www.bangkokbiznews.com)

## General News Business Unit

**Kom Chad Luek:** The quality Thai language daily, an alternative to readers, updates news information from leading and experienced columnists and teams from various circles. With an objective to present each news, picture and article with “creative difference”, Kom Chad Luek emphasizes on social responsibility presenting knowledgeable content appropriate for all family readers.

[www.komchadluek.net](http://www.komchadluek.net)

**Nation Weekender:** A weekly Thai language news analysis magazine, presenting intensive, in depth and different perspectives on hot issues, is recognized from the readers as reliable, in terms of being objective to the subject, quality and high standard presentation, giving constructive, rich and in depth analysis from a number of famous columnists so that every news and article responds to the target group’s requirement.

[www.nationweekend.com](http://www.nationweekend.com)

## English News Business Unit

**The Nation:** The Group’s flagship publication, the first daily English newspaper, has been appreciated and recognized over the past 37 years of being independent in reporting news with precision and correctness amid changes. It now emphasizes a focus 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 in Asia.

In addition, **The Nation** cooperated with other international presses to establish Asia News Network (ANN), which is an alliance of leading newspapers, consisting of 20 members from 18 countries in the Asian region.

[www.nationmultimedia.com](http://www.nationmultimedia.com)

[www.asianewsnet.net](http://www.asianewsnet.net)

**Nation Junior:** A fortnightly English language magazine, which has become one of the best-selling magazines in the Thai teenage marketing group. **Nation Junior** is popularly used as an English language-learning material in high schools over the past 16 years and operates a successful website with various features relevant to teenagers.

[www.nationjunior.com](http://www.nationjunior.com)

# Product and Services

## Edutainment & International Business Unit

**Books and Media for Adults: Nation International Edutainment Pcl. (NINE)** a group of companies that operates publishing houses, producing and distributing knowledgeable and entertaining printed materials in the format of pocket books and youth's printed materials. In terms of pocket books, the company operates through its publisher "Nation Books", producing and distributing pocket books from famous authors and publishers, both in Thailand and foreign countries. With approved copyrights from authors and publishers, both in Thailand and foreign countries, **Nation Books** is authorized to publish a wide selection of books covering the various needs of different reader groups i.e. management, fiction, language and learning, religion and philosophy and general interests.

**Books and Media for Children: Nation Egmont Edutainment Co., Ltd.**, is an importer, publisher and distributor of educational and entertainment books and media for children and youth. It has copyright authorization rights from many of the world's leading publishers in Europe, America and Australia, including Walt Disney, Warner Bros.

Popular children's books and edutainment media published and produced by **Nation Egmont Edutainment** include Disney's Classic Tales and skill-enhancing activities, The Adventures of Tin Tin, Disney Puen Nong magazine, the Thai editions of various children's literature, such as Warner Bros.'s Scooby-Doo and You series.

[www.nationegmont.com](http://www.nationegmont.com)

**Nation Edutainment Co., Ltd.** is a publisher and distributor of educational and entertainment print media for youth, especially popular comics, for which it holds authorization copyrights granted by publishers in Thailand, Japan and other Asian countries, such as Shueisha Inc., Shogakukan, Kodansha and Futabasha. Nation Edutainment's highly popular cartoons and children's literature covers weekly comic magazines "Boom", Doraemon series, Dragonball, Bleach, Naruto and Death Note; Thai comics "Apai Manee Saga" and "The13th Knife.

[www.ned-comics.com](http://www.ned-comics.com)

**Bizbook** is a publisher which publishes and distributes business pocket books distributed to meet the particular demands for new knowledge derived from the systematic thinking of dynamic writers, well-experienced in all aspects of modern business.

Furthermore, **Nation International Edutainment Pcl.** provides many services for overseas publishers, including advertising and distribution of 16 newspapers and magazines such as The Wall Street Journal Asia, The Yomiuri Shimbun, Fortune, Time and Newsweek through subscribed-member sales, agent new stands and bulk sales. In addition, the company is an advertising sale representative for The Yomiuri Shimbun printed in Thailand and provides printing service for The Wall Street Journal Asia and The Yomiuri Shimbun as well as distribution services for a number of overseas newspapers and magazines.

## Special Events, Special Publications and Advertising Sales Business Unit

### Special Publications

For special occasions, many companies seek a novel way of promoting their activities, in addition to normal PR channels. Occasions such as anniversaries, new product launches, listing on the Stock Exchange of Thailand can all be presented in a variety of attractive and outstanding publication formats, including magazines, tabloids, handbooks, newspaper-covers, inserts and wrappers. Special Publications may be presented in three languages and inserted into Nation Multimedia Group (NMG)'s newspapers and Yomiuri

# Product and Services

Shimbun, the leading Japanese newspaper. Using the latest production technology and techniques, NMG can produce a broad range of unique publications, featuring a variety of formats, sizes and color content. In addition, other special publications include company profiles, catalogs, brochures and documents used in many events, as well as VDO/VCD presentations.

## IMC Special Events

NMG is an experienced leader in organizing all types of marketing events, including recreational and sporting, celebratory, entertainment, business and special events that contribute to society. All events are organized and presented by professional marketing people with expertise and experience in organizing a wide variety of special events. They are well equipped with all the essential tools to analyze, research and refine their creative ideas into successful presentations for various types of events. Most importantly, they generate a positive response that meets the particular needs of all clients, resulting in a high rate of customer satisfaction. NMG is well experienced in cooperating with other organizations that specialize in specific areas, to ensure maximum impact. Importantly, NMG possesses all the necessary media channels to promote PR activities and projects to effectively reach all target group levels. NMG remains fully prepared and ready to organize all types of special events for various companies, organizations and individual clients.

In the previous year, a number of special events were organized such as World Film Festival, Nation Hole-in-One Hall of Fame, Knowledge review before Universities' Entrance Examination, Than Khun Pan Din as well as other international and national seminars.

## Broadcasting Business Unit

Nation Broadcasting Corporation, a subsidiary of Nation Multimedia Group Plc., provides and produces news content in a variety of formats to broadcast through television, radio and new media. Its business can be classified into 3 categories.

### 1. Television Broadcasting Business

The company provides and produces news and knowledge content in a variety of formats to broadcast through free TV channels and subscription television i.e. cable TV, satellite TV. In addition, the company has expanded into relating businesses by utilizing resources such as news content, news pictures and news crew. At present, the company is operating the followings.

#### 1. Nation Channel

The company operates Nation Channel a 24-hour TV news station which includes producing, scheduling, advertising & airtime selling, broadcasting Nation Channel's programs through TTV1, local cable TV 28, satellite TV, website and mobile phone.

#### 2. Programs co-produced with free TV channels

The company co-produces news and knowledge programs with free TV channels and receives advertising sale sharing and advertisement of the company's products and services in return. In February, 2010 there were 7 programs co-produced with free TV channels as follows:

1. Reung den yen nee: Monday - Friday, 17.30 - 18.30 hrs, Channel 3
2. Siam chao nee: Monday - Friday, 06.00 - 07.05 hrs, Channel 5
3. Khao kon kon khao: Monday - Friday, 21.30 - 22.15 hrs, Modern Nine TV
4. Cheep pa jorn lok with Suthichai Yoon: Tuesday 23.00 - 24.00 hrs, Modern Nine TV
5. Chao khao kon kon khao chao: Monday - Friday, 06.00 - 08.00 hrs, Modern Nine TV
6. Jab Krasae Lare Loke: Monday, 23.00 - 23.50 hrs, Channel 11
7. Trong Pao Kao Praden: Thursday, 21.00 - 21.50 hrs, Channel 11

[www.nationchannel.com](http://www.nationchannel.com)



# Product and Services

## 3. Relating Businesses

As the company's television broadcasting business becomes popular among audience i.e. Nation Channel and other programs on free TV, the company uses the existing advantage of having content, resources, equipment and company's goodwill to expand to relating businesses as follows:

1. VCD and DVD production and distribution - i.e. Cheep pa jorn lok with Suthichai Yoon's World Heritage series - Iran...Civilization Base, Khong River, Apartment Mai Barn
2. Seminars - i.e. Apartment Mai Barn, Weaving the Reporters' Dream, Producer Career Seedling Project
3. Tour - Shantou Temple Tour in China, Follow Buddha's Path in Nepal & India and Romance of the Three Kingdoms Tour in china
4. Special Events - Second-Hand Auto fair, Knowledge review before Universities' Entrance Examination, Khon Kao Por Pieng Youth Camp, Thailand Senior Basketball Competition

## 2. Radio Business

The company co-produces radio programs with alliance to broadcast on FM frequency. In 2009 the company co-produced radio programs and broadcast on FM 90.5 MHz known as "News Dimension 90.5" and FM 102 MHz known as "Station for Working People". Furthermore, the company co-produces on-the-hour news program and broadcasted on FM 90.5 MHz, FM 102 MHz and AM 1107 KHz and community radio station.

## 3. New Media Business

The company coordinates with NMG using the privilege of having content to further expand into news products and services and broadcast through new media as follows:

**1. Website business** - operates websites so as to present the company's products and services i.e. [www.nationchannel.com](http://www.nationchannel.com) for presenting Nation Channel's programs, [www.oknation.net](http://www.oknation.net) for the public to share news and information, [www.nationradioonline.com](http://www.nationradioonline.com) for presenting co-produced FM 90.5 MHz, FM 102 MHz radio's programs

In addition, the company also provides services to NMG in terms of enhancing website systems, caretaking the systems and being NMG websites' advertising sales representative as well as other trading partners' representative i.e. [www.bangkokbiznews.com](http://www.bangkokbiznews.com), [www.komchadluek.net](http://www.komchadluek.net), [www.pantip.com](http://www.pantip.com), [www.exteen.com](http://www.exteen.com), [www.beartai.com](http://www.beartai.com).

**2. News on Mobile Phone Business** - the company uses news content from the company's television and radio stations as well as that of NMG's newspapers to produce SMS: Short Message Service and MMS: Multimedia Message Service and provides the services through every mobile phone network. News on mobile phone's services are categorized in accordance with consumer's needs i.e. business news, English news and general news.

## Printing Business Unit

**WPS (Thailand) Co., Ltd.**, a subsidiary of Nation Multimedia Group Pcl., is one of the country's most modern and efficient printing facilities offering a comprehensive range of modern printing services for all types of printing requirements. With over 30 years' experience in producing and distributing products to the market, the company provides a wide variety of high-quality printing services for the local and overseas markets, including many leading newspapers and magazines, such as print materials for Nation Multimedia Group, Asian Wall Street Journal and Yomiuri Shimbun.

**Kyodo Nation Printing Service Co., Ltd. (KNP)** is a joint-venture company between WPS (Thailand) Co., Ltd. and Kyodo Printing Co., Ltd., one of the largest printing service providers in Japan, recognized internationally and well experienced in printing for more than a decade.

# Product and Services

This joint-venture company utilizes modern machinery and technology, combined with long-term expertise and professional experience in this service. It is able to offer a wide variety of printing services, such as graphic design, pre-press, press, post-press and other specialized services, including hard cover and commercial web printing. KNP is trusted by leading companies to perform the work such as Thai Airways' Sawasdee magazine. In recognition of the superior quality of its printing services, the company received Thai Print Awards and Asian Print Award.

## Logistics Business Unit

NML Co., Ltd. operates a 24-hour and 7-day logistics services for Nation Group and more than 50 clients nationwide. The services of the company include:

### Logistics Service

The company provides services in various forms such as point-to-point, express, door-to-door and reverse logistics. At present, NML is responsible for the logistics of the printed media for Nation Group and external clients, including Book Smile, Se-Ed, Amarin Book, Thaiwatanapanish (TWP), Aksorn Charoen Tat ACT, Chula Book, Asia Books, Nanmee Books and the Tourism Authority of Thailand (Or-Sor-Thor).

### Delivery of Printed Materials

The company provides packing and logistics services for printed media to subscribers, book stores and agent newsstands, utilizing the Logistics Tracking System (LTS) to record the delivery points. This enables delivery route to be managed efficiently. At present, NML delivers printed media of the Nation Group and its clients, for example, The Nation, Krungthep Turakij, Kom Chad Luek, Yomiuri Shimbun and The Asian Wall Street Journal. Additionally, the company provided service to external clients such as True Visions Magazine (UBC), Dara Daily newspaper, Who magazine, Entertain magazine, Go Genius magazine and Lem Prot magazine.

### Express Services

The company provides express door-to-door service with confirmed duration. In Bangkok and vicinity area, receiver will receive the goods on the same day, whereas the receiver upcountry will receive the goods on the next day or on the confirmed date. In case of the damage, the service users will be compensated right away.

### Other supporting services

1. Packing
  - Packing and bundling
  - Labeling and Tagging
2. Mail services
  - Handle stock
  - Process sorting by postcode
  - Process packing
  - Delivered to post office
  - Process labeling tagging
  - Delivered by NML messengers
3. Payment collection service
4. Pick up and return on demand
5. Messenger express service - provides office messenger service at the client's office and charges on a monthly basis
6. On demand service
  - 1 day delivery service (in Bangkok area)
  - half day delivery service (in Bangkok and vicinity area)
  - 1 day delivery service (vicinity area)
  - urgent delivery, by point delivery service
7. Brochure and leaflets distribution

# Industry and Competition Overview

## Overall Economy

During the first quarter of the year 2009, the world financial crisis led to stringency and a lack of liquidity in financial institutes, which included a decrease in wealth and confidence among the population. As a result, the economic sector was obviously seriously affected with a marked decrease in purchasing, investment, production, employment and demand for goods and services. Accordingly, measures to shore-up and stimulate the economy in many countries, including Thailand, were set in a similar direction. For instance, the interest rate was reduced, supporting capital and loans were provided directly to financial institutes by the government, and liquidity was boosted by allowing credit to directly increase the amount of money in the system. With all these supporting factors in place, Thailand's overall economy in 2009 shrank by only 2.30%, which was less than the expected recession rate of 3%.

In 2009, the publishing business benefited from a paper price reduction, due to a decrease in demand, resulting in less risk from fluctuating prices. In addition, a more stable oil price helped save transport costs considerably.

In 2010, the Company anticipates the economy will expand slightly, as world trading returns to a more stable state that will benefit and increase exports, allowing domestic demand to expand once again to its regular level. Moreover, government economic stimulus packages will help restore consumer and investor confidence.

However, several important external factors still need to be closely monitored, including the world economic recovery, which remains at risk of slowing down in the second-half of this year. Indicators of the current economic condition include the tendency for a decline in support from economic stimulus measures in many countries; the anticipated rise of the Thai baht; increasing interest rates, oil price and political stability; all of which are significant factors further affecting Thailand's economic recovery.

## Publishing Business

The Company's publishing business consists of 5 key areas, as follows:

**1. Thai-language business publications:** The Company is a producer and distributor of "Krungthep Turakij" business daily and "Bizbook" business pocket books. Targeted customers include business people, young generation executives, academics, government officials, marketing executives, university students and well-educated readers.

**2. Thai-language general news publications:** The Company is a producer and distributor of "Kom Chad Luek" mass-circulation daily, and "The Nation Weekender" a weekly news analysis magazine. Targeted customers are general readers.

**3. Special events and special publications businesses:** The Company is a leading provider of print media, television and radio, websites and all types of event marketing operations. The Company is ready to provide complete advertising services to meet the demand of customers, whenever they wish to advertise their products and services. This also includes advertising of specific activities to target groups in the form of special events and special publications. Special publications can be presented in three languages - Thai, English and Japanese, and inserted into Krungthep Turakij, The Nation and Yomiuri Shimbun newspapers. Total Media Solution is a special package of advertising services using all Company media formats together, specifically customized to serve all marketing needs of each customer, which achieves remarkable cost savings compared to using separate media outlets.

The above-mentioned three areas of business are managed by Nation Multimedia Group Public Company Limited.

# Industry and Competition Overview

**4. English-language news publications, seminars and communications training:** Produced and distributed by Asia News Network Company Limited, “The Nation” daily newspaper and “Nation Junior” magazine targeted at Thais who follow political and economic situations, young generation readers and foreigners living in Thailand.

**5. Edutainment and foreign-related businesses:** These businesses are managed by Nation International Edutainment Public Company Limited, Nation Edutainment Company Limited and Nation Egmont Edutainment Company Limited. Their business operations are as follows:

- Production of copyright pocket books from both domestic and international sources.
- Advertising sales agent for foreign publications and distribution of publications in Thailand and the ASEAN region for foreign newspapers such as The Asian Wall Street Journal and Yomiuri Shimbun, as well as 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.

## Competition

“Krungthep Turakij” remains a leading business daily with more than half the market share in advertising, though it faces increasing fierce competition from “Post Today” and “Manager”.

“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 43 per cent of the market share in advertising.

“Nation Books” is facing increasing 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’ competitors include Amarin Printing, Nanmee Books, Matichon, Kledthai, Dokya, Workpoint, Than Printing and Polyplus Publishing.

The edutainment products/comics for children segment continues to expand, although new edutainment publishers are entering the market, which shows a tendency to expand as the new generation with higher education, is willing to pay more attention to 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.

## Future Trends in the Publishing Business

For 2010, it is anticipated that the overall economy will expand. The government forecasts that the country’s GDP will grow about 3.30 – 3.50 per cent, as a result of other supporting factors, such as increased spending by the private sector, back-to-normal employment and spending from the Thai Khem Khaeng scheme, which is also expected to help boost investment in the private sector.

An important factor for prospective growth is political stability. Although the current government has launched economic stimulus packages to circulate money in the system, operations connected with the packages may be obstructed if parliament is dissolved, or another political movement is enforced. This would affect the economic recovery and investor confidence in the private sector would also be affected. Other connected factors include the world economy, economies in other countries affected by the crisis, including oil price, which might increase.

# Industry and Competition Overview

In addition, in the print media, the Company's core business, the Company has tried to increase targeted readers, as well as expand the advertising market. The strategy applied to achieve this is primarily the Total Media Solution, an integration of various media formats, including printing, radio, television, internet, SMS, MMS and special events, which enable customers to access a comprehensive market media source at remarkable economic cost.

The Company, as a print media provider, will continue to focus on presenting interesting local and international news content, including up-dates on the current situation, as well as political, or economic movements, under the principles of accuracy, timeliness and credibility. It will also emphasize cost control and productivity and optimize content through new media to better serve consumer needs at the appropriate time.

Apart from newspaper media, the Company also sees the prospect of steady growth for edutainment media since young generation readers generally show a keener interest in reading. According to a report of the Office of the National Economic and Social Development Board, the spending on books by Thais has been increasing continuously.

## Broadcasting Business Unit

Nation Multimedia Group is also a leading provider of content, news and information to the public through a variety of media. Besides publishing, NMG provides content through media such as TV, radio, mobile phone and the Internet. Nation Broadcasting Corporation, an NMG subsidiary, is responsible for providing content via broadcasting media, including television and radio.

Nation Broadcasting Corporation manages Nation Channel, a 24-hour news station broadcasting via Channel 1 of TTV with the MMDS system; Channel 28 in the local Cable TV throughout the country; ST-1 satellite; the C-Band system; and THAICOM 5 Satellite TV. The news network reports local and international news events relating to politics, economics, social issues, art and culture, well-being and health. News stories are presented with in-depth explanations, analyses and anticipations of future consequences to keep the public informed and better prepared. Nation Channel emphasizes up-to-date and unbiased news reporting under the maxim, "We are the Real One". In addition, the Company produces, customizes and jointly produces programs with business allies to serve various other TV channels, such as free TV Channel 3, Channel 5, Channel 9 and Channel 11, as well as Cable TV, Internet broadband, and, additionally, airs programs for Thais overseas through NAT TV and global networks. Program contents consist mainly of news, news analyses and documentaries.

Nation Broadcasting Corporation also produces and supplies news content through the radio medium, entitled: "Nation Radio". Programs are co-produced with the Company's business allies and broadcast through FM 90.5 MHz and FM 102 MHz frequencies. Nation Radio emphasizes breaking news and news analyses. Programs are divided into two types:

1. Program reporting local and international news coverage, as well as movements of interesting events related to politics, economics, marketing, society and international affairs, including in-depth news analyses and interviews with figures in important news, by using local news sources of the Nation's News Center and international sources such as AFP, Reuters and AP via the international wire services.
2. On-the-hour news program reporting daily on-the-hour news in the form of breaking news of interest to the general public.

## Broadcasting Business Competition

Following the economic slow-down during early 2009, the economy began to indicate a gradual recovery in the third quarter of 2009, which has continued up until early 2010, due mainly to increasing consumer confidence, both in this country and other foreign countries and, in addition, as new technology plays an increasingly significant role in people's daily lives, several changes have had an immediate

# Industry and Competition Overview

impact on society. The uncertain political situation and changing political movements have stirred the public's appetite for informed and updated news. Every TV station and several radio stations have consequently adjusted their strategies to concentrate more on news reporting. As a consequence, the competition among news programs has intensified, regardless of presentation style, accuracy, or timeliness.

The Company has always recognized the importance of quality, speed, credibility, fairness and objectivity of news reporting. It maintains a policy to upgrade the quality of its TV programs, as well as to highlight the readiness of its personnel to serve and expand the information base of the Company, which has earned a reputation for its reliability as a leader in TV news production. The essential elements of quality news programs are the credibility of qualified human resources, the independence of the editorial department and freedom from political interference, or other interests. As a result, the news stories - presented objectively and through a variety of formats, can be examined, recognized and accepted by the general public. The Company also has a policy to increase its target base by expanding its market into other fields of content, apart from news.

## Future Trends in the Broadcasting Business

Nielsen Media Research (Thailand) Co., Ltd.'s survey on the expenditure on various types of media in 2009 shows that combined TV advertising came to 52,935 million baht, or 59 per cent of total advertising spending in all media sources. The TV advertising sector grew by 3.5 per cent from the previous year. Given that advertising spending on TV in the previous year was higher than any other media, it is expected to grow continuously in 2010 and hold highest value in the advertising market. However, its share per total value might decrease as a result of the rapidly growing alternatives, such as new media, Cable TV and Satellite TV. With cheaper costs, the alternatives can help enable goods and services providers obtain better access to targeted consumers than ever before, as well as providing more opportunities for the general public to access news and information than that provided solely by free TV.

News programs and news talk programs have witnessed a constant increase in audiences, for both free TV and pay TV sources. This has increased the opportunities for news and documentary producers to produce more programs to supply the various station networks. This may, in turn, lead to the creation of new types of TV programs and new stations, while ushering in even stiffer competition.

Nonetheless, since there are a number of producers of news talk programs, each producer has to find a unique format to ensure that audiences will receive complete information through quality analyses to help upgrade Thai TV and TV production to world-class levels, paving the way for the export of Thai documentaries and news documentaries. In future, TV programs should be able to better access specific audience groups, who should have better opportunities for interaction with the programs via new media.

## New Media

As communications technology has developed and increased in various forms of application, new media through the Internet and mobile phone have arisen. The Company, in cooperation with Nation Broadcasting Corporation Plc., has exploited their competitive content to create news products and services via the new media, such as websites and mobile phones in the form of SMS for all networks under the "Nation News on Mobile" service, and through Weblogs under "OK Nation", a new online community, which enables everyone to be a reporter.

For the year 2010, advertising on media sources is tending to focus more on digital media, such as the Internet and mobile telephony. However, if 3G technology is introduced, competition in mobile phone media access will intensify, as goods and services providers will obtain direct access to interested consumers. The Company has therefore placed emphasis on developing technologies and human resources to distribute news and information via this new media. This will enable the Company to respond to the demands of new generation customers, who are more interested in and more familiar with the new media. This particular business segment could potentially generate significant revenue for the Company in the future.



# 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

NMG's major revenue arises from the newspaper business, mainly from advertisement sales. In 2009, the company generated advertising revenue of 1.488 billion baht, a fall of 14% from last year's 1.738 billion baht, accounting for 64% 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, which varied depending on economic conditions domestically and internationally. This was no different from most newspapers in the country whose businesses are largely dependent on advertising revenue. In the first half of 2009, the Thai economy was severely affected by the global economic recession, together with domestic political unrest in April, which lowered consumer confidence and suspended private-sector advertising budgets. To cushion the impact of the sluggish advertising industry as a result of economic recession, NMG implemented several measures/plans/activities by taking advantage of its multimedia channels to publicize its products and services, with the use of improved sales strategies and media synergy to achieve a competitive edge over its competitors. The company also emphasized more 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 its revenue. At the same time, the company concentrated on strict management of expenses.

### 1.2 Risk from subsidiaries management

NMG has a clear business operation structure. As an integrated multimedia company with supporting businesses such as printing, transport and broadcasting - as a content provider - and edutainment and foreign-related activities to strengthen business and increase its competitiveness, the company established a number of subsidiaries in order to achieve optimal business performance and more efficient management. Without efficient and productive management and supervision of subsidiaries, there might be non-compliance within the company's directions and strategies, and conflict of interest between subsidiaries, which would affect the overall performance of the company.

To minimize the risk arising from subsidiaries management, NMG has adhered to good corporate governance to lay firm foundations for sustainable business and create maximum value for the group of 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. Two subsidiaries with good performance and growth potential were listed on the market for alternative investment (mai). 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 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. Aside from print media, content is published on TV and radio, internet and mobile phone. Each newspaper has its own character of content presentation, so quality control of content plays a key role in consumer loyalty. Achieving



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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. To lower the risk from content production and ensure quality content, NMG's editorial team focuses on teamwork and specialization to cover all aspects of news coverage, especially insightful news reports. 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 every editorial staffer can 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 plays 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 419 staff employed in editorial departments of The Nation, Krungthep Turakij and Kom Chad Luek newspapers, comprising reporters, rewriters, editors, photographers and production staff.

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.

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 changing business and technology. Succession plans, in which senior management are encouraged to participate in key decision making and decentralize authority and responsibilities to sub-level management has been created, as part of its goal towards decentralization. The decentralization system aims to promote a more effective operation, decrease work redundancy and prepare 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.

## 2.3 Technology risk

New innovations from technology development such as digital technology and wireless communication have changed the face of the communication and telecommunication industries and created borderless connections. 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 in preparation for the transition from print media to digital media in the future. 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 markets of target groups in the future.

## 2.4 Risk from the volatility of raw material prices

Newsprint, as one of NMG's major raw materials, represents 33% of the company's cost of goods sold and 78% of total raw material expenses. During the past year, the ratio between imported and domestic newsprint was 84%: 16%. Being a commodity product, newsprint prices are determined by the balance of

# Risk Factors

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 2009, the global economic slowdown and increased exports of newsprint from China and India - the world's major newsprint producers - generated supplies that exceeded the market demand. The newsprint price consequently dropped by 40% - 50%. However, the lower newsprint cost will have impact on the company's production cost in 2010 since in 2009, the company used newsprint from the 2008 stock, which was bought at higher prices as a result of the volatile market price at that time.

NMG has employed a paper-usage control policy stringently and effective management of distribution points to lower newspaper returns. In addition, the company purchased forward contract agreements to hedge against foreseeable exchange risks with regard to paper planned for use 6 months in advance. The price of newsprint is therefore not likely to have a major impact on the company's production cost. 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 long experience and expertise in mass communications to operate the business ethically and transparently. Realizing that presenting news ethically and objectively is 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 outlined the news presentation guidelines for editorial teams of each NMG medium under its Corporate Governance policy and closely supervised the operation to be in accordance with determined policy.

## 4 Financial risk

### 4.1 Debt obligation risk

As of December 31, 2009, NMG and its subsidiaries had a loan liability from financial institutions of 1,623 billion Baht, divided into a short-term loan for capital flow in the overdraft account and short-term promissory note of 593 million Baht, and a long-term loan of 1,039 billion Baht.

As of December 31, 2009, according to the joint loan contract, NMG's long-term loan remained at 782.25 million Baht. In February 2010, the creditor approved the extension of repayment to another 1.5 years - formerly due in June 2012 - to December 2013. The company is required to repay the debt in 48-monthly installments of different amounts, commencing January 2010 to December 2013, in line with its current cash flow condition. The company is also required to comply with terms and conditions as specified in the joint loan contract, or approved documents issued by joint creditors.

In February 2010, NMG obtained a 4-year joint loan contract of 240 million Baht. The company is required to repay the debt in 48-monthly installments of different amounts, commencing from the month of receiving the loan to December 2013, to pay rent in accordance with the machine leasing contract, which is due on March 31, 2010. The company is also required to comply with all terms and conditions as specified in the joint loan contract.

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If NMG fails to make debt repayment, or does not comply with the financial proportion requirement, or terms and conditions as specified in such loan contracts, creditors will have the right to request immediate repayment. The company 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, cash flow current and the use of a strict investment policy, making investment only in the group's related businesses.

## 4.2 Exchange rate risk

The Thai currency exchange system is a managed floating system with an exchange rate dependent on demand and supply of 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, 84% 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 adopted a policy for hedging against foreign currency exchange risks, by placing forward contracts on orders for newsprint paper six months in advance. As of December 31, 2009, the cost of imported newsprint paper amounted to 2% of total debts, but it did not affect the financial statement, 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 31 December 2009, the company and its affiliated companies had a total loan credit limit of 2,511 million Baht and used credit of 1,783 million Baht. Thus, the available credit line stands at 728 million Baht, or 29% of total loan credit. In addition, at present, the company has no policy to expand its business and current external financial sources are sufficient to meet the company's operation.

## 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 debts 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 allowance for doubtful accounts stands at 1% of advertising income, while income from agents stands at 25% of returned domestic books and 65% of returned foreign books. The company also has a policy for a maximally decrease margin of 12-month debts. As of December 31, 2009, the over 12-month debts (total financial statement) stood at 58.75 million Baht and 6-12 month debts stood at 3.29 million Baht. The company has already set the allowance of doubtful debts to cover those amounts: the allowance for returned goods (total financial statement) as of December 31, 2009 was 75.67 million Baht and the allowance for returned goods was 23.31 million Baht. However, the company has a Collection Unit to continuously collect all debts setting allowances.

## 4.5 Risk from the impact of International Financial Reporting Standards (IFRS)

As the Federation of Accounting Professions changed the Thai Accounting Standard (TAS) to International Financial Reporting Standards (IFRS) the company was affected under Accounting Standard Issue 16, regarding land, buildings and equipment; and Accounting Standard Issue 19, regarding employee benefits effective in 2011, for all listed companies as follows:

1. Accounting Standard Issue 16, regarding land, buildings and equipment. The method to calculate fixed assets' depreciation will change by separating the component approach. The company's fixed asset valuation,

# Risk Factors

such as machinery has to be calculated using a component approach. Now, the company must calculate the component life of each machine to obtain the actual depreciation amount, compared with the previous total depreciation period of 10 years for each machine.

2. Accounting Standard Issue 19 regarding employee benefits. The provision of compensation in accordance with the labour law for all employees. When the company establishes these provisions, it will affect accumulated profit, which will show a decrease. The company now operates by arranging for a Consultancy Company to calculate the provision of compensation in line with current recognized insurance practices.

## 5 Risk Factors of Investors

### 5.1 Risk from accumulated loss

The company has a risk of accumulated loss. As of December 31, 2009 (the company financial statement) the company had accumulated a total loss of 802.72 million Baht, caused by accounting transactions, such as the 2006 company acknowledged share of loss from an investment of 74.07 million Baht and doubtful debt of 47.71 million Baht; and the 2007 company acknowledged impairment of 560 million Baht assets and the allowance of doubtful debt of 94 million Baht, for example. With the impact from the economic slowdown and political fluctuation, the company is unable to clear all the accumulated loss.

In 2009, Nation Broadcasting Corporation (NBC), an affiliated company, listed on the mai and provided an IPO (Initial Public Offering) of 50 million shares and the company (NMG) also traded 15 million NBC common shares at the same time, making 65 million shares in total. Previous NMG shareholders have a preemptive right to purchase 20 million NBC shares.

However, the NBC IPO resulted in a lower profit margin for the subsidiary operation. As the company acknowledged a lower profit for NBC, it may result in a lower profit in the company's financial statement. The company expects NBC profits will rise after registration with the mai. In addition, as the company traded NBC common shares at the same time as the NBC IPO, the company made a profit of 28.50 million Baht and issued an NBC dividend of 0.15 Baht per share on December 25, 2009. NBC will pay another dividend of 0.18 Baht per share in May, 2010.

A plan to trade shares of Nation International Edutainment Plc. (NINE) will result in a lower profit margin for the subsidiary company. As the company acknowledged the decreasing profit of NINE, it may result in a decreased profit in the company's financial statement. The company expects that after registration of NINE with mai, its profit trend will climb higher from income raised through the public offering. In addition, the company plans to trade NINE common shares at the same time as the NINE IPO, which should result in a profit from these transactions.

### 5.2 Risk from reduction of proportional profit, or voting rights of common shareholders, as a result of listing affiliates on the mai

The Company listed its affiliate, Nation Broadcasting Corporation Plc., on the market for alternative investment (mai). Then it offered 50,000,000 capital increase shares for sale (increasing the 120,000,000 authorized shares to 170,000,000), as well as launching an Initial Public Offering of its holding in NBC of 15,000,000 shares, totaling 65,000,000 shares offered, at a price of 2.90 Baht per share. The Company also offered NMG's shareholders first-choice rights to buy not more than 20,000,000 shares. With the completion of the share offering, NMG's proportional ownership in NBC dropped from 99.99% to 61.76% of NBC's paid-up capital, which is equal to 170,000,000 shares.

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The capital the Company gained from the mentioned IPO of NBC shares, excluding the cost of 42.25 million Baht, was paid for by a loan in November 2009. With the capital of 145 million Baht NBC raised from its share offering, NBC plans to invest in expanding its operations in 2010, for example, by improving its equipment for its TV business to operate under a digital system; launching a new TV channel; enhancing the potential of its website; and expanding into the new business of providing new formats of news content through mobile phones. The capital will also be used as working capital by NBC.

In addition, Nation International Edutainment Plc. (NINE), another affiliate of the Company, secured SEC permission to launch an IPO of 15,000,000 capital increase shares on the mai on November 12, 2009 (increasing its authorized capital from 70,000,000 to 85,000,000 shares) and to offer common shares, (NMG holding not over 14,000,000 NINE shares, making a total of not over 29,000,000 shares. The Company also offered NMG shareholders first-choice rights to buy not more than 9,000,000 shares. With the completion of the share offering, NMG proportional ownership in NINE dropped from 99.99% to 65.88% of NINE's paid-up capital, which equals 85,000,000 shares. The Company will consider a suitable time to make a share offering again in 2010.

NMG's lower share holding proportion in the two affiliates will have the following effect on NMG and its shareholders:

1. Control Dilution – Since NMG's share holding proportion in affiliates is lower, its control authorization in its affiliates is in turn proportionally diluted in line with the share holding proportion. However, after its affiliates announced their IPO, NMG remains the largest shareholder, with a share holding proportion of 62.83% and about 65.88%, in NINE and NBC, respectively, on December 31, 2009. With NMG's share holding proportion over 50% in these two companies, NINE and NBC remain affiliates of NMG, as in the past.

2. Price Dilution – As the spin-off of affiliates does not require NMG to offer capital increase shares by itself, NMG's capital base and number of shares remain the same. NMG predicts there will be no price dilution directly affecting NMG shares. For instance, 30 days before launching NBC's share offering, the NMG share price was 5.39 Baht per share, with the most recent price, as of December 2009, averaging 5.875 Baht per share. With the completion of NBC's share offering, NMG made a profit of 28.50 million Baht.

However, offering NINE's shares might affect the proportion of profit the Company acknowledged from the business profit of its affiliates. Acknowledging a lower profit for NINE, the Company's profit in its financial statement might also be reduced. Nonetheless, it is expected that following NINE's listing on the mai, NINE's profit is likely to increase through fund-raising in the mai. In addition, as NMG plans to offer NINE common shares, while announcing the affiliate's IPO at the same time, the Company expects to generate profit from such arrangements.

To minimize the impact from the aforementioned dilution effect, NMG's Board of Directors passed a resolution to offer some capital increase shares of NINE to NMG shareholders in compliance with their pre-emptive right, which will take place near the time of NINE's IPO announcement. The Board of Directors agreed that the number of NINE's shares to be offered to NMG shareholders will not exceed 9,000,000 shares, representing 60% of NINE's capital increase shares, which will be offered to the public for the first time. To determine the number of first-choice shares allocated, the Board of Directors considered the proportion of dilution effect caused by the spin-off of NINE. As the Board of Directors aims to provide opportunities for new groups of investors to invest more in the Company's common shares, it agreed that the number of first-choice shares should not be excessive, otherwise the impact of the NINE IPO might be reduced.

# List of Major Shareholders

The top ten shareholders as of March 12, 2010 are ranked as follows:

Name	Shares	% Holding
1. Mrs. Somporn Cheungrungruangkij	29,442,900	17.87
2. Mrs. Mayulee Suksrivong	16,972,938	10.30
3. Mr. Thanachai Theerapattanavong	16,272,309	9.88
4. Mr. Suthichai Yoon	14,600,054	8.86
5. Dow Jones & Company, Inc., New York	12,000,000	7.28
6. Mr. Thaveechat Jurangkul	6,994,000	4.25
7. Mr. Vithawat Lertbunnapong	5,000,000	3.03
8. Mr. Nivat Changariyavont	4,485,878	2.72
9. Mrs. Supaporn Chuenvichitr	3,641,911	2.21
10. Green Siam Co., Ltd	3,184,779	1.93
Others	52,179,261	31.67
<b>Total</b>	<b>164,774,030</b>	<b>100.00</b>

## Remark

- The following are shareholders in the same group and will cast their votes in the same direction:
  - Mr. Thanachai Theerapattanavong
  - Mr. Suthichai Yoon
  - Dow Jones & Company, Inc., New York (As a strategic partner for a long period of time. In previous shareholders' meetings, Dow Jones authorize Mr. Thanachai Theerapattanavong to vote on behalf of them.)
- Mrs. Supaporn Chuenvichitr to Mr. Thanachai Theerapattanavong related
- Mr. Nivat Changariyavont related to Green Siam Co., Ltd



# 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.

Approved by the board of directors, announced on November 10, 2006 and annually revised to be in line with the Stock Exchange of Thailand's corporate governance principles for listed companies, the current corporate governance policy has been updated three times so far. In 2009 the company's board of directors revised the policy twice on February 20, 2009 and on February 24, 2010. The policy was then announced to staff at all levels to acknowledge and strictly adhere to.

In 2009 the company adhered to the Stock Exchange of Thailand's corporate governance principles for listed companies in 2006 covering 5 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' responsibility

## **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 access 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, Investor Relations Division was set up to provide information, respond to enquiries and the website: [www.nationgroup.com](http://www.nationgroup.com) publicizes the company's information for investors both in Thai and English, which has been constantly updated. The information provided includes latest information and investor's newsletter. Apart from that, the Company organizes shareholder's meeting twice a year according to the Stock Exchange of Thailand's arranged timetable for shareholders to inquire, ask for explanation and express their opinions with equality.

## **Organizing Shareholder Meeting**

In 2009 the Company circulated letters to shareholders, holding at least 1 Company's stock for a period of not less than 1 year from the date that the stock is held until the informed date, through the Stock Exchange of Thailand's system and [www.nationgroup.com](http://www.nationgroup.com) to propose the board of director's candidate with qualifications and the shareholder's consent from January 7 to February 6, 2009. No candidate's name was proposed for the board of director.



# Corporate Governance Report

The Company asked the shareholders to propose the general meeting agenda through [www.nationgroup.com](http://www.nationgroup.com) from January 7 to February 6, 2009. No additional agenda was proposed.

The Company also asked the shareholders to send questions for the general meeting in advance through [www.nationgroup.com](http://www.nationgroup.com) or fax number 0-2338-3938 from March 27 to April 7, 2009 so that the board of directors and management team could arrange for explanation at the meeting. No question was sent in advance.

The Company conducted a general shareholder meeting 1/2009 on April 28, 2009 and appointed The Thailand Securities Depository Co., Ltd., serving as the Company's registrar, to circulate meeting invitation letter to the shareholders 20 days prior to the meeting date. The invitation letter was also posted on [www.nationgroup.com](http://www.nationgroup.com) from March 27, 2009 which is one month prior to the meeting date. 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.

The Company suggested that the shareholders who were unable to attend the meeting assigned authority to Mr. Pakorn Borimasporn, Independent Director and Chairman of the Audit Committee, who has no benefit in issues being considered, to represent and cast vote for them. In the general shareholder meeting 1/2009 there were 53 shareholders assigning authority to the suggested Independent Director to cast votes for them.

At the shareholder meeting the Company treated the shareholders equally by assigning receptionists to facilitate the shareholders, prepare parking spaces, direction signs and catering.

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

## **Holding Shareholder Meeting**

Prior to the meeting, Chairman of the Board, acting as the meeting's Chairman, informed rules and regulations for the meeting including the vote casting procedure to the assembly. The Chairman allowed the shareholders to inquire and express their opinions openly and assigned Chief Executive Officer 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 minute. The Company did not abruptly distribute additional document with important information or add uninformed agenda at the meeting.

In the general shareholder meeting 1/2009 the Company used Thailand Securities Depository's barcode system to 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.

## **Procedure after Shareholder Meeting**

The minute of the meeting, with detail of votes casting and the shareholders' inquiries of each item in agenda, was submitted to the Stock Exchange of Thailand within 14 days and video recording the meeting as well as the minute were available for the shareholders on the company's website.

# Corporate Governance Report

## **The cross-transaction between the company and its subsidiaries**

The company has set the standard to oversee the cross-transaction 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 cross-transaction arises, it must follow the normal trading practice transacting with the third party. In the case that price cannot be compared with the third party, both involving parties will jointly consider and set the appropriate price. 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 2009 the company and its subsidiaries had cross-transactions with joint ventures and affiliates under the condition that these transactions follow market prices. Other cross-transaction items, whereby the appropriateness and transaction value being considered by audit committee, can be viewed in the accompanying notes as an integral part of financial statements.

## **Policy to prevent the directors and management from abusing their power**

The Company sets Policy to prevent the directors and management from abusing their power as follows:

1 The directors and the management are required to report changes of their shareholding to the Securities and Exchange Commission.

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

3 Directors, management and any staff who have been involved in making the financial statement or other relevant information shall not transact the company's shares within one month prior to the date the financial statement is announced.

The Company has assigned its secretary to collect and update the directors and management's shareholding information and such information shall be available for disclosure to the board of directors in the case that cross-transaction between the Company and / or relating directors or management arises.

Over the past years the Company has provided the directors' shareholding transactions to the Securities and Exchange Commission and those transactions were not carried out one month prior to the date the financial statement announced.

## **Role of Stakeholders**

The rights of stakeholders will be protected in compliance with relevant laws. The board of directors approved to establish 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 Ethics of Nation Group's directors, management and employees on November 10, 2006 and have them updated on February 20, 2009 (Ethics of Nation Group's directors, management and employees can be viewed at [www.nationgroup.com](http://www.nationgroup.com)).

# Corporate Governance Report

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

## 1 Ethics on responsibilities to the media profession

Over the past 38 years, the company has strictly observed the code of conducts of media profession. This is a major reason why the company's media and staff have earned the credibility and trust from the society in spite of some difficult periods when there were political pressures. Our staff performs their duty as the credible media without leaving any principles behind.

"Nation Way" code of conduct was drafted as the professional guidelines for the Group's editorial staff at every level. The content covers the basic ethical standard for the "newsmen" at every level as well as how they behave in the 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 could continue maintain the credibility and trust of the society.

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

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

The company has the measures to prevent the problems from the libel and defamation charges arisen from news reports by providing the training course for the staff in the news department to keep them inform of the news reporting guidelines, undesirable statements and pictures. Due to the effective campaign to educate the staff on these issues, the number of court cases arisen from the news reports has been substantially dropped from the previous year.

## 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 the corporate steady growth and sustainable return. The company shall operate in a transparent manner with credible accounting system. The company's

# Corporate Governance Report

Investor Relations Division was set up to communicate with the investors and shareholders who would like to make inquiries and seek explanation on relating issues.

The board of directors realizes that for the past few years the company has made a loss. Thus, the company has been diligently improving its operations in every aspect so as to optimize investment value to the shareholders.

### 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 the reasonable prices. Besides, the company determines to maintain this positive and sustainable relationship with them.

Emphasizing on the customers' satisfaction, the company consistently organizes a series of activities to relate with each customer segment, particularly the printed media customers which accounts for a large number of the company's 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 draw, Kom Chad Luek awards ceremony and "Nation Hole in One" which has been organized for 4 consecutive years.

### 4 Ethics on responsibilities to employees

The company realizes that human resource is the most valuable asset that drives the organization to a success. Therefore, the company is determined to develop the quality of employees as well as enhance the corporate culture, ensure positive work environment, promote team work to build up the employees' confidence, encourage an election of staff representative to actively involve in managing staff welfares as stipulated by law. Furthermore, the company facilitated setting up "Thai Mass Media Labor Union" according to the Labor Relations Act BE 2518 to protect the interest of the employees and promote good relationship between the employees and the employers as well as among the employees themselves.

In terms of human resources development, the company sent its staff to attend both internal and external training courses. For instance, the company set up internal training courses to educate sales staff on the role of new technology, trend of printed media overseas and new media, sales technique to enhance individual capability and company's product knowledge as well as its business operations using both internal and external trainers. The training courses took 20 hours with 160 employees attending.

According to Federation of Accounting Professionals and the Securities and Exchange Commission's announcement that listed companies have to prepare financial statements in accordance to new accounting standards based on International Financial Reporting Standards enforcing from 2011 onwards, specialists in accounting standards, for example a top executive from PTT Group who is experienced in adopting International Financial Reporting Standards, were invited to train involving departments such as accounting, HR and IT so as to prepare for the change.

The company enabled its staff to express opinions, suggestion, and claims or inform of any irregularity to the management at various channels such as through the elected representatives who have monthly meeting with the management. The employees can also express their views through the website: nationhouse which is the intranet system or send the comments directly to the management via e-mail which is available on the intranet system.

No charge was made last year.

# Corporate Governance Report

## 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. Nation Group strictly abides by law and regulations as well as the business ethics. In regards to the competition, Nation Group 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.

Over the past years, the company received support from three major banks: Bangkok Bank, Kasikornbank and Siam Commercial Bank in terms of financing syndicate loans worth 1.7 billion baht. With long term trading relationship and being abided by the repayment term, these banks regard the company as premium customer. On December 31, 2009 the outstanding of the company's syndicate loans was at 782.25 million baht.

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 subsidiary and to utilize each department's resources to the optimum. In addition, the company joins hands with trade competitors i.e. the company allied itself with other printed media companies to protest against printed media content being exploited by other media channel such as television, radio and internet.

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

## 6 Ethics on social responsibility and environment

Being a multimedia company, the company shares the national concern over the quality of life and the information consumption of Thais. Therefore, the company has a mission to present quality and useful news to the society and public. The company also participated in the efforts to improve the living standard of Thai society. As a business operator in Thailand, the company cares about the environmental impact to the society as a result of rapid material development.

In 2009, the company was involved in the almost all aspects of community service activities (Detail as stated in Social Contribution Activities).

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 ready to solve any dissatisfaction should they arise. The company has constantly responded to such complaints and suggestions.

In 2009 the company enabled all stakeholders to submit complaints and suggestions to Chairman of the Board or Audit Director or Independent Director through website: [nationgroup.com](http://nationgroup.com).

## Information disclosure and transparency policies

The board of directors has the duty to provide for the company's information including financial reports and non financial reports in a manner that is accurate, complete, timely and transparent through the easy-to-access channel to the stakeholders on an equal footing.

# Corporate Governance Report

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 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 once a year.

The company's corporate supervision policy prohibits anyone in the company's management or internal agencies who has an access to the inside information from disclosing such information to the outside parties or non-related persons, except for the case where the disclosure was meant to benefit the company's operation. They shall be barred from transacting the company's securities by using the company's secret and/or the insider information in a manner to cause harmful effect to the company either directly or indirectly.

In the past year, the company has disclosed the company's financial reports and non financial reports fully, 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 disclosing channels of the Stock Exchange of Thailand the company's website. The company fully complied with the Securities and Exchange of Commission and the Stock Exchange of Thailand's requirements on the disclosure of information over the past year.

The company's annual report 2009 provides the following information:

1. Vision, mission and value 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 factor
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 compensation for service in the board of directors and other assignments for the company and its subsidiaries
12. Annual report of Audit Committee
13. The Board's accountability report to the financial reports with the required content, endorsed by Chairman of the Board and Chief Executive Officer
14. Explanation and financial analysis of the management's financial status
15. Accurate and complete financial reports in accordance with the accounting standard
16. Financial statements and operations result

The company has disclosed the following information at [www.nationgroup.com](http://www.nationgroup.com)

1. Roles, duties and responsibilities of the board, executive directors, sub-committee and Chief executive director
2. List of cross-transaction or conflict of interests
3. Business ethics
4. Corporate Governance Policy
5. Audit Committee's charter

# Corporate Governance Report

## **Board of Directors' responsibility**

### **Roles, duties and responsibilities of the board**

The Board of Directors has an important duty in supervising the business operation 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 chief executive officer to ensure the independent judgments of the board to serve the best interests of the company and shareholders. Besides, the monitoring and supervision procedure is in place to ensure the company operates in a manner consistent with the relevant law and business ethics stipulated by the board.

The chairman of the board does not hold the position of the chief executive officer nor being an independent director. However, he holds a position of the chairman of the executive directors. This is because the company is the only full-scale multimedia company in Thailand. The company realizes the importance of being a credible media company. The sensitivity and quality of news reporting have an influence over the public's thoughts. To ensure that the management executes in accordance with the intention of the founders that the company shall not be used for commercial or political benefits, most of international media companies are run by the founders. Chairman of the Board is one of the founders who co-founded the company with Mr. Suthichai Yoon and MR Sunida Kittiyakorn and Khun Thammanoon Mahapharaya. The company's operation is thus in line with the overall media management culture.

### **Counterbalance of non-executive directors**

In 2009, 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 the effective check and balance system.

The four independent directors are fully qualified according to the Company's definition of the independent directors and current requirements of the Securities and Exchange Commission in 2008. Three out of four independent directors are members of audit committee. One of them is the chairman of 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 the directors whose tenure end to their same positions again for another term. The company does not set the requirements on the term limit according to the requirement of the Securities and Exchange Commission. The company's directors shall not hold the status as the directors of no more than 5 other listed companies on the Stock Exchange of Thailand concurrently and shall not be the directors in competing companies or have conflict of interest with the company's business. In the case that the directors hold the position in other companies, those company names, types of business and positions of the directors shall be disclosed in the director profile. In 2009, none of the company's directors held the position as the directors for more than five listed companies.

High-level management of the company will not hold any position in other companies, except for the subsidiaries and the 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.



# Corporate Governance Report

The company has appointed Miss Warangkana Kanyakapradit as the company's secretary since 2006 to perform the duty according to relevant requirements 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 of Commission and 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 goal, and business strategy that the chief of executive officer proposes as well as regularly monitors the operations according to policy and plans.

## **Sub-committee**

The company's board of directors appointed the sub-committee to help them screen the 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. Chairman of the board is not entitled to hold any position in the sub-committee. 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 such way so as to ensure that they are capable, possess leadership quality, skills and experience, have vision as well as are able to devote their times and efforts to perform their duties for the best interests of the company. As the company is in media business, the directors shall be objective, not taking side nor involving 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 detail over its duties and responsibilities is appeared on the Chapter regarding the Structure of the Company's Board of Directors.

## **Conflict of Interests**

The Board of Directors acknowledges the importance of the potential conflict of interest. Therefore, the company has announced the conflict of interest policy which prevents the company's directors, management and employees to operate the business which can be competing with the company. If it's 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 the third party, whereby the directors, the management or the employees involved shall not be allowed to take part in 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 2009 were presented before the audit committee and the board of directors in February 2010 and the company has disclosed with details and necessary reasons in the Annual Disclosure Report (56-1 form).



# Corporate Governance Report

## Internal Control and Audit System

The company's board of director 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 standard, applies appropriate accounting policy and consistently clings to it. Furthermore, the board also takes into consideration justification, the company's utmost benefit, abiding to relating law and regulations, discretion in compiling consolidated financial statements of the company and its subsidiaries, including any financial information presented in 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 2009, 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 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 2009 of the Company was 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 were performed in the ordinary course of business, reasonable and no irregular item was found. It was determined that the Company has appropriately complied to the Act of securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as to relating laws involved. The Audit Committee agreed that the company's current Independent Auditor for the year 2009 was suitable due to his independence and experiences.

The Audit Committee reported to the Board of Director 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 ended December 31, 2009. 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 system 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 the problem instantly.

Furthermore, the Company provided the procedures to review and assess the appropriateness and adequacy of internal control system in all respects continuously in order to ensure that the Company's internal control being updated to the changing circumstances, flawless so as to create no loss nor inefficiency.

# Corporate Governance Report

The Company's auditor gave the audit's comments and recommendations which reported directly to Audit Committee on February 15, 2010. The recommendations did not show any significant issues in regards to the financial statements as follows:

1. Investment in associated company, KNP, presented the loss of 22 million Baht from the operation at the end of 2009 which was an indicator of impairment in investment. The Company had to revalue its investment. Following this recommendation, the Company recognized the effects and delegated the Chairman to assess the situation with Japanese management to improve its operation from the beginning of 2009. The operating results were better this year than that of the previous year and it was expected that result of year 2010 would improve.

2. Loans to its subsidiaries, WPS and NML, amounted 88 million Baht and other receivables with subsidiary, WPS, amounted 30 million Baht which aged over 1 year, subject to additional provision for doubtful accounts. Following this recommendation, the Company transferred loan to WPS from short-term loan to long-term loan and set an installment plan to repay at 9 million Baht each month. Loan to NML is expected to be repaid shortly as its operating result was expected to be better. Regarding other receivable to WPS, it was expected that WPS would be repaid shortly as well.

3. Other receivables that aged over 1 year amount 37.7 million Baht, was partly provisioned for doubtful accounts of 36.3 million Baht. The management stated that the provision is adequate as some receivables will be able to repaid shortly.

During 2009, internal audit department gave the audit issues related some internal control systems in which the Company released guidelines and procedures in operation to control and expedite the operation of such issues with the relevant departments as per the following aspects:

1. Monitoring the collection of long outstanding receivables
2. Monitoring the collection of unearned revenues by expediting the process of contracts issuance in order to be able to invoice rapidly
3. Monitoring of operation of new business to place the appropriate internal control

## Board of Directors Meeting

Board of Directors meetings is scheduled in advance with a minimum of once a quarter and special meetings held as required. Agenda are clearly announced prior to the meetings with routine agenda of following up on the operational results. The company's secretary is responsible for sending invitation letters informing approved agenda by the chairman and the chief executive officer together with relating document 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 wishes to propose additional agenda or requires the management to update the progress on any particular issue, he or she can inform of such intention to the chairman of the board or the company's secretary.

Generally, each 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 result of the company operation only in the month that the meeting 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 concerning issues, the management will be notified to solve or improved.

In 2009, six Board of Directors meetings were held, with written minute of each meeting. Meeting minutes are approved by the Board of Directors and available for inspection by directors and relating parties.

# Corporate Governance Report

## Attendance for each director in 2009 is as follows:

	Name	Position	Number of meeting	Attendance
1	Mr. Thanachai Theerapattanavong	Chairman of the Board and Chairman of Executive Board	6	6
2	Mr. Suthichai Yoon	Executive Director	6	6
3	Mr. Thanachai Santichaikul	Vice Chairman and Chief Executive Officer	6	6
4	Mr. Chaveng Chariyapisuthi	Independent Director and Member of Audit Committee	6	6
5	Mr. Yothin Nerngchamnong	Independent Director and Member of Audit Committee	6	5
6	Mr. Pakorn Borimasporn	Independent Director and Chairman of Audit Committee	6	6
7	Mr. Pana Janviroj	Executive Director	6	5
8	Mr. Nissai Vejajiva	Independent Director	6	6
9	Mr. Nivat Changariyavong	Non executive Director	6	5
10	Mr. Narongsak Opilan	Non executive Director	6	4
11	Ms. Christine Lucie Debais Brendle	Non executive Director	6	0

## The Evaluation of the Directors' performance

The board of directors arranges for self-performance evaluation of the entire board every year. In 2009 the evaluation was executed in December with the new evaluation format provided by the Stock Exchange of Thailand. The result of the performance evaluation is acknowledged in the board of directors' meeting No.1/2009, on 24 February 2010 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 and Management. Set at competitive rates for this economic 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 level of remunerations in line with their newly-assigned duties and responsibilities.

# Corporate Governance Report

The Company's guidelines for the remunerations of the chief executive officer and the 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 result of evaluation to chief executive officer. The executive board shall approve the result 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 level of remuneration to the chief executive officer and the high-level management.

**In 2008 and 2009, remunerations for Directors are as follows:**

Name/Position	Annual Remuneration 2009				Annual Remuneration 2008			
	Remuneration	Meeting Allowance	Other	Total	Remuneration	Meeting Allowance	Other	Total
<b>Independent Director</b>								
• Mr.Nissai Vejajiva	200,000.-	-	-	200,000.-	200,000.-	-	-	200,000.-
• Mr.Yothin Nerngchamnong	-	-	-	-	200,000.-	-	-	200,000.-
<b>Non Executive Director</b>								
• Mr.Nivat Changariyavong	200,000.-	-	-	200,000.-	-	-	-	-
• Mr.Narongsak Opilan	200,000.-	-	-	200,000.-	200,000.-	-	-	200,000.-
• Ms.Christine Debaisis Brendle	200,000.-	-	-	200,000.-	200,000.-	-	-	200,000.-
<b>Chairman of Audit Committee :</b>								
• Mr.Pakorn Borimasporn	400,000.-	-	-	400,000.-	400,000.-	-	-	400,000.-
<b>Audit Committee :</b>								
• Mr.Nivat Changariyavong	-	-	-	-	300,000.-	-	-	300,000.-
• Mr.Chaveng Chariyapisuthi	300,000.-	-	-	300,000.-	300,000.-	-	-	300,000.-
• Mr.Yothin Nerngchamnong	300,000.-	-	-	300,000.-	-	-	-	-
<b>Executive Director:</b>								
• Mr.Thanachai Theerapatvong	None	-	-	None	None	-	-	None
• Mr.Thanachai Santichaikul								
• Mr.Suthichai Yoon								
• Mr.Pana Janviroj								
• Mr.Adisak Limprungpatanakij								
<b>Total</b>	<b>1,800,000.-</b>			<b>1,800,000.-</b>	<b>1,800,000.-</b>			<b>1,800,000.-</b>

Note: Executive Directors are not entitled to director's compensation.

## Director and Management Development Plan

Every new director will attend the 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 and relating document.

# Corporate Governance Report

The board of directors and high level management value training courses and seminars relating to enhancing directors' knowledge and capability in performing their duties (Detail can be viewed in each director's profile).

The company has a policy to provide additional relevant information to the directors, the audit committee, the company's secretary, high-level management and the internal audit agency by organizing the training courses and seminars with Thai Institute of Directors and other agencies i.e. seminar on new accounting standard, newly-revised law on the Securities and Exchange Supervision Act, study on the Thai capital management and the training in other fields relating to IT and audit.

## **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 intent of the founders as well as to pass on the good corporate culture to the next generations. The company therefore instructed the management to place the priority on the effective management and human resource development with clear directions to achieve the company's vision, mission and value.

The first phase of succession plan is classified into two phases. The first one is the succession for the chief executive officer and high-level management. Regarding the lower-tiered management, the company is at present restructuring the enterprise-wide human resource management and development. The company is recruiting the talented staff to strengthen the company's operation and hire the human resource consultant to give advice on how to leverage this goal. Furthermore, the company has conducted the human resource development work plan in a systematical manner as well as the tangible implementation so that the result can be measured. The management will forward the plans for the board of directors' approval at a later stage.

# Social Contribution and Environmental Activities 2009

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 2009 were as follows:

## Activities to promote and develop education for youth and people Family Library Foundation

The Family Library Foundation was established over four years to promote non-formal education and a reading culture among children, youngsters and members of the public in remote areas. In cooperation with the Thai Red Cross Society, the Foundation provides two mobile bus libraries containing stocks of many thousands of quality, up-to-date books, modern audio-visual equipment and a wireless Internet system for the use and benefit of people and youngsters living in the provinces. The mobile bus library was graciously named "Bannathorn" - which means a mobile vehicle transporting many books to share with others - by H.R.H. Princess Maha Chakri Sirindhorn on May 22, 2006. The Foundation



also participated in many other activities throughout 2009 such as the Red Ant Academic Fair in Utaithani province, the Vejapaha Royal Navy Medical Mobile Unit in Ayudhya Province, Weaving the Dreams Sharing the Love Library for Youth in Mahasarakarm Province, Thailand Health & Wellness 2009 at IMPAC Muangthongthani, National Science Day in Chiang Rai provinces.

## The 12th Intensive Tutoring for Entrance Exam Project



The "Intensive Tutoring for Entrance Exam" project, a cooperation between Nation Group and MAMA products, was set up to encourage and help senior high school students nationwide prepare for the university entrance exams of O-Net and A-Net. Suitably qualified teachers in all subjects provided intensive tuition in accordance with the requirements of the 'admissions' system. Tutoring was held between September 28- October 3, 2009 and organized in the four regions of the country at the same time to enhance equal educational opportunities for all students, both in Bangkok and the provinces. In addition, the company provided intensive distance tutoring live broadcast via broadband internet, with technical support from 1-2-call, to the University of the Thai Chamber of Commerce, which was later broadcasted to over 100 schools nationwide and live broadcast via mobile phone. This allowed students unable to attend the venues in person to benefit from tutoring activity at the same time as their counterparts in Bangkok.

## Get Your Brain Ready for Intensive Tutoring with Peptine

"Get Your Brain Ready for Intensive Tutoring with Peptine" project, a cooperation between Nation Group and Peptine, aimed to give guidance to senior high school students in regards to their own potentials so as to plan their studies and future goals. To enhance equal educational opportunities for all students, both in Bangkok and the provinces, the company together with the





# Social Contribution and Environmental Activities 2009

sponsor organized career specific tuition for direct university entrance exams in Bangkok and regions between August-September 2009. Surrounding area was set into zones for counseling, aptitude testing, exhibitions and popular faculty introduction.

In addition, the company provided distance tutoring live broadcast via broadband internet to allow students unable to attend the venues in person to benefit from tutoring activity.

## Reading to Weave the Future



With objectives to cultivate Thai youth's reading habit, enhance their creativity, and develop Thailand to be knowledge based society this project provided schools in many regions with English learning materials along with creativity oriented and world classed standard books. In 2009 this project was financed by SCG-Nation Group's fund for society and delivered English learning materials along with knowledge based and entertaining books for youth to 60 schools in Rayong Province. The event was held at Rayong Olefins Co., Ltd. and surrounded by warmth and joy of both givers and receivers.

## Happy Kid Money Camp

Krungthep Turakij, a leading business newspaper in finance and stocks, realized an importance of youth being educated in financial planning so that they have "happy" and secured future. As financial planning was a vital skill in life, youth should have a well-rounded understanding of it i.e. money collecting, spending and saving. Joined by SCG, the first Happy Kid Money Camp was held on June 20-21, 2009 to enhance youth's financial knowledge. Through various fun activities and games personal financial planning skill of how to collect, spend and save money was passed on with the aim that this skill would be as a base when they grew up.



## Career Enhancement and Agricultural Development Nation HR Forum 2009



Seminars in management and human resources management were organized for 6 consecutive years to share ideas and information to improve human resources management in accordance with companies' business strategies. The seminars also prepared participants to cope with the changing business world under such topics as Stars Management, HR in the Gloomy Economy, The Mysterious Science & Art of HRM, Managing People and Organization with Chinese Metaphysics, HRM in the Next Decade. Organized by "Jobs by Nation Group," in collaboration with the National Institute of Development

Administration (NIDA), the project has been well received by executives and representatives of prestigious Thai and foreign companies. In 2009, three seminar topics were organized, covering 1. HR in the Gloomy Economy 2. The Mysterious Science & Art of HRM 3. HRM in the Next Decade



# Social Contribution and Environmental Activities 2009

## Kom Chad Luek Career Training

Kom Chad Luek Career Training, held on a weekly basis, aimed to enhance people's career skills i.e. cooking, appliances fixing, art and photographing. In addition, this project also promote folk knowledge and wisdom by organizing agri-ecological tour consistently.



## Career Seedling Project



Nation Broadcasting PLC. by Nation Channel, Suan Sunandha Rajabhat University, Thailand Cable TV Association and Sangthong Technology School co-organized Career Seedling Project: TV News Professionals. This project aimed to groom TV Professionals in 5 areas namely 1,100 reporters and MCs, 300 news reporters, 100 producers, 300 cameraman and 200 Satellite installation and technicians. As a part of Career Seedling Project, tuition fee was waived. Instead, the trainees received THB 4,800 per diem as well as registration fee and transportation fee of THB 1,720.

## Your Career 2009

Due to the government's measure against unemployment arising from economic crisis, Nazionejobs responded to the government's policy by holding Your Career 2009 to help relieve the crisis and the theme was "Play at Work".

The objective of Your Career 2009 was to act as a forum to provide job opportunity for both applicants and employers so that companies were able to examine applicant information and recruit employees who matched their exact requirements. Your Career 2009 was organized in a format of a job fair. Applicants were allowed to apply to over 100 companies, using an integrated computer system over 400 machines. Advance Internet registration and completion of a single application form gave applicants the chance to request direct interviews with the participating companies during the event. Areas were designated as job interview zones for participating companies. A number of test activities were held such as language proficiency tests, attitude and capability tests, enabling applicants to evaluate themselves and leverage their test results to apply for a job. On stage of both days there were activities to entertain and provide knowledge as well. Your Career 2009 was held on Oct 9-10, 2009.



## Jood Prakai Awards 2009



This project intends to promote the public's expression and creativity to reflect and present various aspects relating to Thailand through documentaries and play scripts. It also aims to drive literature circle to produce quality work continuously. Jood Prakai Awards 2009's theme was "With Good Thoughts and Understanding Thailand is a Place to Live".

# Social Contribution and Environmental Activities 2009

## Cultural and Entertainment Activities 6th 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 New Year with the 6th annual events held in March 2009.

## Music Club

Music Club encourages employees to express their musical capabilities in a variety of activities for the benefit of society. In 2009, the Club organized three musical performances at public venues in February, May and December. Income from these performances is donated to Mahamek Home for Boys on April 4 and School for the Blind and the Blind with Multi-Handicapped, Lopburi on May 23 respectively.

## 7th World Film Festival

The World Film Festival is organized to support the Thai film industry and develop international cultural exchanges, in addition to positioning Thailand as a hub for the film industry in the ASEAN region. The event is a cooperative effort by The Nation newspaper, Office of Contemporary Art and Culture - Ministry of Culture, The National Telecommunications Commission, Tourism Authority of Thailand, and Major Group. The 7th Festival was held during November 6 - 15, 2009 at Major Cineplex. Many quality films were screened, featuring international films, Asian films, documentaries, short films and classic films. In addition, there is a contest for youth and the public to impersonate their favorite artists, allowing them to express themselves. A variety of seminars as well as workshops were organized by Thai and foreign film experts, directors and academics to promote better understanding of the process of film making. The event has been well-received.



## 4rd Disney and Me Talent Contest



A song and dance contest with the theme “Disney and Me Talent Contest” was organized as an opportunity to encourage talent and creativity and promote English learning through entertainment activities to children between 4 and 10 years old. The Contest was held by monthly magazine, “Disney & Me”, on August 22, 2009 at Cascata, Future Park Rangsit. Now organized for four consecutive years, the “Disney and Me Talent Contest” is well received by schools and the young people that participate in the competition.

# Social Contribution and Environmental Activities 2009

## Social Contribution Activities Than Khun Pan Din Project

This project was organized and promoted through Kom Chad Luek newspaper as the main media channel. The project awards people throughout the country and publicizes their good deeds with an objective to encourage other members of society to follow their lead. As our country still has many people who do good in society, community and the country, all of them should be honored as role models for the general people.

Getting started in 2007, the project has expanded its framework in 2009 by coordinating with ministry of social development and human security and 10 other organizations to award one good person from each province nationwide and was renamed “76 Outstanding Contributors to the Communities and 6 Role Model Youth”. This project is opened to all Thais, including foreigners living in Thailand producing creative works that benefit the community with sustainability. Their biographies and works will help inspire others to hold them as role models and strive for achievement likewise. It is believed that youth is the great drive for social and national development and if they have good role models inspiring them, the nation will truly benefit with sustainability. Than Khun Pan Din award ceremony to honor “76 Outstanding Contributors to the Communities and 6 Role Model Youth” is held on October 13 at Aksara Theatre.



## Kom Chad Luek's Sharing to Society

Kom Chad Luek newspaper perceives education as a key foundation for national development. Thus, it sets up an activity “Kom Chad Luek's Sharing to Society” 8th Anniversary Celebration Stepping to 9th and invite general public to give back to the society with “Sharing to 9 Schools” campaign. Kom Chad Luek readers can bid for celebrity's belongings through Kom Chad Luek newspaper. Money from the auction bidding will be donated to 9 schools lacking funds whose names are as follows:



1. Baan Dai Ngam School - Mae Hong Sorn Education District2, Sob Maeoi District, 96 pupils from kindergarten to primary 6
2. Baan Plug Pla School - Narathiwas Education District2, Takbai District, 180 pupils from kindergarten to primary 6
3. Baan Hin Taek School - Sakolnakorn Education District2, Pannanikom District, 60 pupils from kindergarten to primary 6
4. Baan Ma Muang School -Trad Education District, 10 km. from boarder in Borai District, 165 pupils from kindergarten to primary 6
5. Wat Sukantawas (kamolnavin) School - Samutprakarn Education District, Bangbor District, 206 pupils from kindergarten to primary 6 and 60 children in nursery
6. Baan Le Pa Sukee School - Bangramard District, Tak Province, 153 pupils from kindergarten to primary 6 and 5 teachers
7. Mae Fah Luang Thai Hilltribe Community Learning Center - Baan Sar La Wa in the care of Office of Non-Formal and Informal Education, Sangklaburi District, Kanchanaburi, 387 pupils from primary to high school
8. SampanWittaya School is a charity private school in Jor Ai Rong District, Narathiwas, 445 pupils from secondary school 1-3
9. Wat Krog Grag Municipal School - Muang District, Samutsakorn, 400 pupils from kindergarten to secondary school



# Characteristics of the Business

## Structure of Sales and Service Income

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

(Unit: in Million Baht)

Products / Services	Operated by	2009		2008		2007	
		Amount	%	Amount	%	Amount	%
Production and distribution newspapers	• Nation Multimedia Group PCL	1,786	77%	2,374	87%	2,664	89%
Production educational books and comics	• Nation Edutainment Co., Ltd. • Nation Egmont Edutainment Co., Ltd.						
Production and distribution pocket books	• Nation International Edutainment PCL						
Printing services	• WPS (Thailand) Co., Ltd.						
Production and distribution English newspapers and advertising media	• Nation News Network Co., Ltd.						
Production Programs and Advertising media on Television and Radio	• Nation Broadcasting Corporation PCL	458	20%	307	11%	297	10%
Production Programs and Advertising media on Radio	• Nation Radio Network Co., Ltd.	-	-	-	-	6	0%
Logistic Services	• NML Co., Ltd.	67	3%	49	2%	40	1%
Education Media	• Nation Education Co., Ltd.						
	Total	2,311	100%	2,730	100%	3,007	100%

# Audit Committee's Report for the year 2009

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

In the year 2009, The Audit Committee had four meetings, each meeting takes approximately 4 hours to perform its duty as specified in the Audit Committee Charter. All the three members attended together all the meeting. In addition, there are agenda for meeting with Independent Auditor and agenda for meeting with Internal Audit Manager as well as meeting with high level management for relevant agendas. Consequently, the Audit Committee is of the opinion that

1. The company's 2009 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. There are three experienced staffs to carry out the task.

3. The related-party transactions in 2009 are general and normal business transactions, with valid rationale and no transactions are found abnormal.

4. The company has complied to the laws of securities and stock exchange as well as regulations and other laws relative to the company's business.

5. The Independent Auditor of the company for the year 2009 was Mr. Vichien Thamtrakul Registration No. 3183, is a suitable person as he is independent and has long time experience in the auditing activities.

As for the appointment of the company's Independent Auditor for the year 2010, the Audit Committee proposes the following persons from KPMG Poomchai Audit Co.,Ltd. : Mr. Vichien Thamtrakul Registration No. 3183 or Mr. Charoen Phosamritlert, registration No. 4068 or Ms. Bunsri Chotphaibunphan, registration No. 3756 to be the company's Independent Auditor for the year 2010.



(Mr. Pakorn Borimasporn)  
Chairman of Audit Committee

# Report on Responsibilities of the Board of Directors towards the Financial Report for the year 2009

The Company's Board of Directors recognizes the significance of its duties and responsibilities, as directors of a listed company. The Board of Directors ensures that the Company's financial report contains accurate, transparent and full accounting records that reflect the Company's actual financial status and operational results. The Company's financial statements are adequately disclosed to prevent any fraud or mismanagement of the company's assets. The Company adheres to conform with recognized accounting standards that are fair and circumspect in the financial reporting processes of the Company and its Subsidiaries in the year ended 31 December 2009.

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

The Board of Directors is of the opinion that the financial statements for the year ended 31 December 2009 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.



Thanachai Theerapattavong  
Chairman



Thanachai Santichaikul  
Chief Executive Officer

# The Results of the Consolidated Financial Statements

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended 31 December 2009 represented an operating profit before income tax, share of net losses from associates and so on of Baht 55.56 million. An inclusion of income tax of Baht 32.28 million, share of losses from associates net of Baht 46.16 million, allowance for doubtful debt of trades according to the policy to adjust the rate of allowance for doubtful debt, obsolete stock and withholding tax deducted at source written off totaling Baht 30.16 million resulted in operations for 2009 had net loss of Baht 53.04 million. Compared to the same period of last year, it showed a net loss of Baht 54.98 million. The significance of Company's operation results was summarized as follows:

1. Revenue from sales and services for the year 2009 decreased by 15% compared to the same period of 2008. Due to an economic slowdown and unstable political condition, advertising revenue decreased by 14% as print ads dropped by 24% whereas there were advertising revenue increases in broadcast business unit by 15% and new media by 30%. Moreover, circulation revenue decreased by 20% resulting from 6% decrease in newspaper circulation while circulation revenue from pocket books and comic books dropped by 51%. On the other hand, revenue from printing and logistic services increased by 4 %.

2. Cost of sales and operating expenses for the year 2009 decreased by 13 % compared to the same period of 2008, primarily due to the well managed of logistic and falling of gasoline price resulted in dropping of transportation cost by 5%. In addition, a 7% dropped in paper and production supply cost as a result of declining in paper utilization rate in compliance with the company's production controlling policy. Sales promotion expenses also decreased by 38% as well due to the adjustment in marketing strategies to cope with economic crisis. Moreover, cost of books decreased by 31% related to the decreased of revenue.

## **Conclusion:**

The group reported that an operating profit before income tax, share of net losses from associates and so on for the year ended 31 December 2009 was at Baht 55.56 million. An inclusion of income tax of Baht 32.28 million, share of losses from associates net of Baht 46.16 million, allowance for doubtful debt of trades according to the policy to adjust the rate of allowance for doubtful debt, obsolete stock and withholding tax deducted at source written off totaling Baht 30.16 million resulted in net loss of Baht 53.04 million. Compared to the same period of last year, it showed a net loss of Baht 54.98 million.



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

Annual financial statements  
and  
Audit report of Certified Public Accountant

For the years ended  
31 December 2009 and 2008



**KPMG Phoomchai Audit Ltd.**

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## **Audit Report of Certified Public Accountant**

### **To the Shareholders of Nation Multimedia Group Public Company Limited**

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2009 and 2008, and the related statements of income, changes in equity and cash flows for the years then ended of Nation Multimedia Group Public Company Limited and its subsidiaries, and of Nation Multimedia Group Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2009 and 2008 and the results of operations and cash flows for the years then ended of Nation Multimedia Group Public Company Limited and its subsidiaries, and of Nation Multimedia Group Public Company Limited, respectively, in accordance with generally accepted accounting principles.

As described in note 4 to the financial statements, the Company restated the consolidated financial statements for the year ended 31 December 2008, as a result of excessive accrued expenses of a subsidiary in prior years.

(Vichien Thamtrakul)  
Certified Public Accountant  
Registration No. 3183

KPMG Phoomchai Audit Ltd.  
Bangkok  
24 February 2010

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Balance sheets

As at 31 December 2009 and 2008

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
		(Restated)			
(in Baht)					
<b>Current assets</b>					
Cash and cash equivalents	6	160,710,114	256,573,195	84,838,266	125,963,437
Current investment	7	152,000,000	-	-	-
Trade accounts receivable	8	719,150,081	747,764,537	449,708,519	503,041,039
Accrued income		37,961,600	47,842,492	3,385,546	10,441,030
Other receivables from related parties	5	27,145,507	18,019,126	198,388,654	172,068,952
Accounts receivable under sale and lease back agreement due within one year		253,590,000	-	253,590,000	-
Short-term loans to related parties	5	-	-	107,000,000	88,000,000
Inventories	9	295,973,332	451,314,079	234,115,632	322,906,925
Other current assets	10	266,210,220	88,656,903	220,637,654	44,029,017
<b>Total current assets</b>		<b>1,912,740,854</b>	<b>1,610,170,332</b>	<b>1,551,664,271</b>	<b>1,266,450,400</b>
<b>Non-current assets</b>					
Investments in subsidiaries and associates	11	25,473,790	49,202,604	604,534,570	553,596,879
Long-term investments in related parties	12	951,207	950,870	951,207	950,870
Long-term investments in other companies	13	14,256,356	11,853,181	14,256,356	11,853,181
Property, plant and equipment	14	1,162,965,967	1,259,783,514	468,921,888	496,370,495
Unused land	15	36,000,000	36,000,000	36,000,000	36,000,000
Accounts receivable under sale and lease back agreement		-	253,590,000	-	253,590,000
Intangible assets	16	101,208,933	119,557,363	78,762,281	100,026,180
Other non-current assets	17	54,594,630	195,707,170	21,825,844	168,920,581
<b>Total non-current assets</b>		<b>1,395,450,883</b>	<b>1,926,644,702</b>	<b>1,225,252,146</b>	<b>1,621,308,186</b>
<b>Total assets</b>		<b>3,308,191,737</b>	<b>3,536,815,034</b>	<b>2,776,916,417</b>	<b>2,887,758,586</b>

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Balance sheets

As at 31 December 2009 and 2008

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
		(Restated)			
(in Baht)					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	18	592,707,572	650,189,625	531,780,348	553,083,291
Trade accounts payable	19	183,676,154	130,461,252	176,566,110	126,900,973
Current portion of long-term loans	18	367,048,000	357,008,000	280,000,000	290,000,000
Short-term loans from related parties	5, 18	10,000,000	-	10,000,000	5,000,000
Income tax payable		14,395,250	21,559,476	-	-
Other current liabilities	20	405,326,038	246,028,301	379,925,796	157,362,571
<b>Total current liabilities</b>		<b>1,573,153,014</b>	<b>1,405,246,654</b>	<b>1,378,272,254</b>	<b>1,132,346,835</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	18	671,988,007	932,016,950	490,060,008	678,040,950
Other non-current liabilities	18, 21	171,091,486	327,361,355	145,891,066	324,060,683
<b>Total non-current liabilities</b>		<b>843,079,493</b>	<b>1,259,378,305</b>	<b>635,951,074</b>	<b>1,002,101,633</b>
<b>Total liabilities</b>		<b>2,416,232,507</b>	<b>2,664,624,959</b>	<b>2,014,223,328</b>	<b>2,134,448,468</b>
<b>Equity</b>					
Share capital	22				
Authorised share capital		2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
Issued and paid-up share capital		1,647,740,300	1,647,740,300	1,647,740,300	1,647,740,300
Reserves	23				
Premium on ordinary shares		4,136	4,136	4,136	4,136
Premium on ordinary shares of subsidiary		58,419,867	-	-	-
Unrealised losses					
Fair value changes on investments		(2,334,123)	(2,493,608)	(2,334,123)	(2,493,608)
Deficit		(928,419,137)	(875,378,877)	(882,717,224)	(891,940,710)
<b>Total equity attributable to equity holders of the Company</b>		<b>775,411,043</b>	<b>769,871,951</b>	<b>762,693,089</b>	<b>753,310,118</b>
Minority interests		116,548,187	102,318,124	-	-
<b>Total equity</b>		<b>891,959,230</b>	<b>872,190,075</b>	<b>762,693,089</b>	<b>753,310,118</b>
<b>Total liabilities and equity</b>		<b>3,308,191,737</b>	<b>3,536,815,034</b>	<b>2,776,916,417</b>	<b>2,887,758,586</b>

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Statements of income

For the years ended 31 December 2009 and 2008

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2009	2008	2009	2008
		(in Baht)			
<b>Revenues</b>	5				
Revenue from sale of goods and rendering of services		2,310,685,898	2,730,017,537	1,630,633,316	2,089,384,774
Rental and service income		108,168,427	134,777,190	198,916,734	308,471,500
Interest income		21,599,704	20,763,040	28,234,413	31,512,743
Dividends income	11	125,731	-	50,875,715	65,599,989
Other income	25	82,386,677	132,338,092	146,149,152	137,447,112
<b>Total revenues</b>		<b>2,522,966,437</b>	<b>3,017,895,859</b>	<b>2,054,809,330</b>	<b>2,632,416,118</b>
<b>Expenses</b>	5				
Cost of sale of goods and rendering of services		1,650,593,749	1,789,089,490	1,288,038,529	1,484,371,182
Selling expenses	26	234,652,314	324,292,005	172,144,472	283,319,687
Administrative expenses	27	389,141,043	631,313,057	409,431,646	607,654,887
Management benefit expenses	28	108,814,855	100,911,836	81,148,575	82,804,238
<b>Total expenses</b>		<b>2,383,201,961</b>	<b>2,845,606,388</b>	<b>1,950,763,222</b>	<b>2,458,149,994</b>
<b>Share of net losses from investments in associates (net of income tax expenses)</b>		<b>(46,160,766)</b>	<b>(63,163,905)</b>	<b>-</b>	<b>-</b>
<b>Profit before finance costs and income tax expenses</b>		<b>93,603,710</b>	<b>109,125,566</b>	<b>104,046,108</b>	<b>174,266,124</b>
Finance costs	5, 29	(118,160,752)	(135,370,951)	(94,822,622)	(126,390,931)
<b>Profit (loss) before income tax expense</b>		<b>(24,557,042)</b>	<b>(26,245,385)</b>	<b>9,223,486</b>	<b>47,875,193</b>
Income tax expense	30	(32,281,207)	(39,292,176)	-	-
<b>Profit (loss) for the year</b>		<b>(56,838,249)</b>	<b>(65,537,561)</b>	<b>9,223,486</b>	<b>47,875,193</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(53,040,260)	(54,980,732)	9,223,486	47,875,193
Minority interests		(3,797,989)	(10,556,829)	-	-
<b>Profit (loss) for the year</b>		<b>(56,838,249)</b>	<b>(65,537,561)</b>	<b>9,223,486</b>	<b>47,875,193</b>
<b>Basic earnings (loss) per share</b>	31	<b>(0.32)</b>	<b>(0.33)</b>	<b>0.06</b>	<b>0.29</b>

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Statements of changes in equity

For the years ended 31 December 2009 and 2008

### Consolidated financial statements (Restated)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Premium on ordinary shares of subsidiary	Unrealised losses from fair value changes <i>(in Baht)</i>	Deficit	Total equity attributable to equity holders of the Company	Minority interest	Total equity
<b>Balance at 1 January 2008</b>		1,647,740,300	4,136	-	(1,943,603)	(836,178,621)	809,622,212	112,874,953	922,497,165
Cumulative effects of restatement	4	-	-	-	-	15,780,476	15,780,476	-	15,780,476
<b>Restated balance</b>		1,647,740,300	4,136	-	(1,943,603)	(820,398,145)	825,402,688	112,874,953	938,277,641
Unrealised losses									
Investments in listed securities									
Net change in fair value recognised in equity		-	-	-	(550,005)	-	(550,005)	-	(550,005)
Net expense recognised directly in equity		-	-	-	(550,005)	-	(550,005)	-	(550,005)
Loss for the year		-	-	-	-	(54,980,732)	(54,980,732)	(10,556,829)	(65,537,561)
Total recognised expense		-	-	-	(550,005)	(54,980,732)	(55,530,737)	(10,556,829)	(66,087,566)
<b>Balance at 31 December 2008</b>		1,647,740,300	4,136	-	(2,493,608)	(875,378,877)	769,871,951	102,318,124	872,190,075
<b>Balance at 1 January 2009</b>		1,647,740,300	4,136	-	(2,493,608)	(875,378,877)	769,871,951	102,318,124	872,190,075
Premium on ordinary share of subsidiary		-	-	58,419,867	-	-	58,419,867	-	58,419,867
Unrealised losses									
Investments in listed securities									
Net change in fair value recognised in equity		-	-	-	159,485	-	159,485	-	159,485
Net income recognised directly in equity		-	-	58,419,867	159,485	-	58,579,352	-	58,579,352
Loss for the year		-	-	-	-	(53,040,260)	(53,040,260)	(3,797,989)	(56,838,249)
Total recognised income and expense		-	-	58,419,867	159,485	(53,040,260)	5,539,092	(3,797,989)	1,741,103
Increase in minority interest		-	-	-	-	-	-	18,028,052	18,028,052
<b>Balance at 31 December 2009</b>		1,647,740,300	4,136	58,419,867	(2,334,123)	(928,419,137)	775,411,043	116,548,187	891,959,230

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Statements of changes in equity

For the years ended 31 December 2009 and 2008

	Separate financial statements				Total equity attributable to equity holders of the Company
	Issued and paid-up share capital	Premium on ordinary shares	Unrealised losses from fair value changes (in Baht)	Deficit	
<b>Balance at 1 January 2008</b>	<b>1,647,740,300</b>	<b>4,136</b>	<b>(1,943,603)</b>	<b>(939,815,903)</b>	<b>705,984,930</b>
Unrealised losses	-	-	(550,005)	-	(550,005)
Investments in listed securities	-	-	(550,005)	-	(550,005)
Net change in fair value recognised in equity	-	-	-	47,875,193	47,875,193
Net expense recognised directly in equity	-	-	(550,005)	47,875,193	47,325,188
Profit for the year	-	-	(2,493,608)	(891,940,710)	753,310,118
Total recognised income and expense	-	-	-	-	-
<b>Balance at 31 December 2008</b>	<b>1,647,740,300</b>	<b>4,136</b>	<b>(2,493,608)</b>	<b>(891,940,710)</b>	<b>753,310,118</b>
<b>Balance at 1 January 2009</b>	<b>1,647,740,300</b>	<b>4,136</b>	<b>(2,493,608)</b>	<b>(891,940,710)</b>	<b>753,310,118</b>
Unrealised losses	-	-	159,485	-	159,485
Investments in listed securities	-	-	159,485	-	159,485
Net change in fair value recognised in equity	-	-	-	9,223,486	9,223,486
Net income recognised directly in equity	-	-	-	9,223,486	9,223,486
Profit for the year	-	-	159,485	9,223,486	9,382,971
Total recognised income	-	-	(2,334,123)	(882,717,224)	762,693,089
<b>Balance at 31 December 2009</b>	<b>1,647,740,300</b>	<b>4,136</b>	<b>(2,334,123)</b>	<b>(882,717,224)</b>	<b>762,693,089</b>

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



# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Statements of cash flows

For the years ended 31 December 2009 and 2008

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in Baht)			
<b>Cash flows from operating activities</b>				
Profit (loss) for the year	(56,838,249)	(65,537,561)	9,223,486	47,875,193
<i>Adjustments for</i>				
Depreciation and amortisation	173,214,949	177,705,830	70,878,991	103,220,765
Interest income	(1,867,490)	(1,030,826)	(8,502,199)	(11,780,529)
Recognised interest income from sale and lease back agreement	(19,732,214)	(19,732,214)	(19,732,214)	(19,732,214)
Finance costs	118,160,752	135,370,951	94,822,622	126,390,931
Dividends income	(125,731)	-	(50,875,715)	(65,599,989)
Doubtful debts expense	14,176,581	32,107,519	19,050,093	32,346,435
Loss on obsolete stocks	12,148,141	25,612,365	-	-
Reversal of impairment losses of assets	-	(550,936,455)	-	(550,936,455)
Other current assets and other assets written-off	-	15,062,102	-	-
Withholding tax deducted at source written-off	3,826,490	5,240,746	-	-
Loss (gain) on disposal of property, plant and equipment	(11,499,916)	501,636,821	(1,733,831)	501,542,657
Loss on disposal of other non-current assets	-	2,879,827	-	2,879,827
Profit on disposal of investment in subsidiary	(21,391,695)	-	(28,500,000)	-
Reversal of impairment loss of investments in subsidiary and long-term investments in other company	(3,000,000)	-	(28,769,722)	-
Share of net losses from investments in associate	46,160,766	63,163,905	-	-
Unrealised loss on foreign exchange rate	904,040	-	860,563	-
Income tax expense	32,281,207	39,292,176	-	-
	<b>286,417,631</b>	<b>360,835,186</b>	<b>56,722,074</b>	<b>166,206,621</b>
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	28,915,177	83,738,667	70,624,391	126,106,223
Accrued income	9,424,251	10,681,368	7,055,484	(1,378,604)
Inventories	121,241,100	(261,047,106)	88,791,293	(238,240,117)
Other receivables from related parties	(15,454,561)	71,838,742	(30,634,621)	(2,523,505)
Other current assets	(166,558,508)	3,473,019	(161,394,486)	25,981,087
Other non-current assets	111,948,852	(5,143,974)	118,962,154	(14,690,648)
Trade accounts payable	75,355,535	(58,471,878)	48,804,574	(67,504,820)
Other current liabilities	(58,427,497)	(46,314,086)	33,582,732	(24,817,074)
Other non-current liabilities	40,371,686	41,609,792	20,267,786	40,000,000
Interest paid	(118,160,752)	(150,602,249)	(94,822,622)	(141,566,344)
Income taxes paid	(38,492,675)	(69,439,586)	-	(24,730,000)
<b>Net cash provided by (used in) operating activities</b>	<b>276,580,239</b>	<b>(18,842,105)</b>	<b>157,958,759</b>	<b>(157,157,181)</b>

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Statements of cash flows

For the years ended 31 December 2009 and 2008

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in Baht)			
<b><i>Cash flows from investing activities</i></b>				
Interest received	1,867,490	1,030,826	8,502,199	11,780,529
Dividend received	125,731	-	50,875,715	65,599,989
Current investments	(152,000,000)	435,372	-	-
Short-term loans to related parties	-	-	(26,000,000)	(51,000,000)
Proceeds from short-term loans to related parties	-	-	7,000,000	132,500,000
Purchase of investments in subsidiaries and associates	(40,167,969)	(450,000)	(40,167,969)	(30,450,000)
Proceed from sales of investments in subsidiary and long-term investments in related parties	43,500,000	8,730,424	43,500,000	8,730,424
Purchase of property, plant and equipment	(49,557,358)	(475,954,257)	(16,081,750)	(237,461,063)
Purchase of unused building	-	(110,195,135)	-	(110,195,135)
Purchase of intangible assets	(36,651,030)	(44,509,237)	(7,560,804)	(26,160,440)
Sale of property, plant and equipment	40,190,807	1,147,252,180	8,602,559	1,144,394,565
Sale of other non-current assets	-	2,245,000	-	2,245,000
<b>Net cash provided by (used in) investing activities</b>	<b>(192,692,329)</b>	<b>528,585,173</b>	<b>28,669,950</b>	<b>909,983,869</b>
<b><i>Cash flows from financing activities</i></b>				
Bank overdrafts and short-term loans from financial institutions	(57,482,054)	(228,795,715)	(21,302,943)	(198,631,500)
Proceeds from short-term loans from related parties	10,000,000	-	45,000,000	5,000,000
Repayment of short-term loans from related parties	-	-	(40,000,000)	(34,000,000)
Proceeds from long-term loans from financial institutions	-	1,300,000,000	-	1,000,000,000
Repayment of long-term loans from financial institutions	(254,758,000)	(642,008,000)	(202,750,000)	(635,000,000)
Proceeds from long-term loans from other party	-	150,000,000	-	150,000,000
Repayment of long-term loans from other party	(8,700,937)	(341,050)	(8,700,937)	(341,050)
Repayment of debentures	-	(1,000,000,000)	-	(1,000,000,000)
Dividend paid to minority interest of subsidiary	(9,750,000)	-	-	-
Proceeds from sales of increment of ordinary share of subsidiary	145,000,000	-	-	-
Cash paid for issuing increment of ordinary share of subsidiary	(4,060,000)	-	-	-
<b>Net cash used in financing activities</b>	<b>(179,750,991)</b>	<b>(421,144,765)</b>	<b>(227,753,880)</b>	<b>(712,972,550)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(95,863,081)</b>	<b>88,598,303</b>	<b>(41,125,171)</b>	<b>39,854,138</b>
Cash and cash equivalents at beginning of year	256,573,195	167,974,892	125,963,437	86,109,299
<b>Cash and cash equivalents at end of year</b>	<b>160,710,114</b>	<b>256,573,195</b>	<b>84,838,266</b>	<b>125,963,437</b>

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

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These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 24 February 2010.

**1 General information**

Nation Multimedia Group Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1854, 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 2009 and 2008 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2009	2008
(%)				
<b>Direct subsidiaries</b>				
Nation International Edutainment Public Company Limited.	Publishing	Thailand	99.99	99.99
Nation Broadcasting Corporation Public Company Limited	Advertising media	Thailand	62.82	99.99
WPS (Thailand) Co., Ltd.	Publishing services	Thailand	84.50	84.50
NML Co., Ltd.	Delivery of publishing	Thailand	99.99	99.99
Nation News Network Co., Ltd.	Publishing and distribution of English newspapers and advertising media	Thailand	99.99	99.99
Nation Education Co., Ltd.	Education media	Thailand	99.97	-
Nation Digital Media Co., Ltd.	Information service	Thailand	99.99	99.99
Nation International Co., Ltd.	Publishing	Thailand	99.94	99.94
<b>Indirect subsidiaries</b>				
Nation Radio Network Co., Ltd.	Advertising media	Thailand	-	99.97
Nation Edutainment Co., Ltd.	Publishing	Thailand	99.99	99.99
<b>Indirect jointly-controlled entity</b>				
Nation Egmont Edutainment Co., Ltd.	Publishing	Thailand	49.99	49.99

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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The Board of Directors' meeting of the Company held on 10 February 2009, the meeting passed resolutions on the significant following matters:

1. To approve the listing of the two subsidiaries, 99.99% shareholding namely Nation International Edutainment Public Company Limited ("NINE") and Nation Broadcasting Corporation Limited ("NBC"), on the Market for Alternative Investments ("MAI") are as follows:
  - 1.1 To approve the spin-off plan and the listing of NINE to the Company's shareholders and the Initial Public Offering ("IPO") to the public by offering 15,000,000 newly issued common shares of NINE at Baht 1 par value equivalent to 17.65% of the total paid-up capital after the IPO.
  - 1.2 To approve the spin-off plan and the listing of NBC to the Company's shareholders and the IPO to the public by offering 50,000,000 newly issued common shares of NBC at Baht 1 par value equivalent to 29.41% of its total paid-up capital after the IPO.
2. To approve the selling of the existing common shares of NINE held by the Company not exceeding 14,000,000 shares as part of NINE's IPO.
3. To approve the allocation of the increase in common share of NINE to the Company's shareholders in proportionate to their shareholding percentage in the Company (Pre-emptive right) not exceeding 9,000,000 shares at Baht 1 par value equivalent to 10.59% of its total paid-up capital after the IPO.
4. To approve the change of NBC's capital structure as follows:
  - 4.1 To approve the reduction of the registered capital of NBC from Baht 240,000,000 to Baht 120,000,000 by a reduction of number of common shares to 12,000,000 shares at Baht 10 par value to decrease in the deficit.
  - 4.2 To approve the conversion of NBC from limited company to public company.
  - 4.3 To approve the change in par value of NBC's common share from Baht 10 per share to Baht 1 per share.
  - 4.4 To approve the increase in the registered capital of NBC from Baht 120,000,000 to Baht 170,000,000 by issuing 50,000,000 newly common shares at Baht 1 par value to the Company's shareholders and IPO to the public.
  - 4.5 To approve the listing of NBC on the MAI.
5. To approve the selling of the existing common shares of NBC held by the Company not exceeding 15,000,000 shares as part of NBC's IPO.
6. To approve the allocation of the increase in common share of NBC to the Company's shareholders in proportionate to their shareholding percentage in the Company (Pre-emptive right) not exceeding 20,000,000 shares at Baht 1 par value equivalent to 11.76% of its total paid-up capital after the IPO.
7. To approve to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the overall Spin-off and listing plans of two subsidiaries on MAI.

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

## **Notes to the financial statements**

**For the years ended 31 December 2009 and 2008**

8. To approve to propose to the Extraordinary General Meeting of Shareholders of the Company to consider and approve the allocation of the increase in common shares of two subsidiaries to the Company's shareholders in proportionate to their shareholdings percentage in the Company.
9. To approve to convene the Extraordinary General Meeting of Shareholders on 20 March 2009.

At the extraordinary shareholders' meetings, held on 20 March 2009, the meeting passed resolutions on the significant following matters:

1. Approve the listing of two subsidiaries namely Nation International Edutainment Public Company Limited ("NINE") and Nation Broadcasting Corporation Limited ("NBC"), on the Market for Alternative Investments ("MAI"):
  - 1.1 To approve the listing plan of NINE on the MAI
  - 1.2 To approve the listing plan of NBC on the MAI
2. Approve the allocation of the increase in common shares of two subsidiaries, Nation International Edutainment Public Company Limited ("NINE") and Nation Broadcasting Corporation Limited ("NBC") to the Company's shareholders in proportionate to their shareholding percentage in the Company (Pre-emptive right).
  - 2.1 Approve the allocation of the increase in common shares of NINE not exceeding 9,000,000 shares to the Company's shareholders in proportionate to their shareholding percentage.
  - 2.2 Approve the allocation of the increase in common shares of NBC not exceeding 20,000,000 shares to the Company's shareholders in proportionate to their shareholding percentage.
3. Acknowledge the selling of the existing common shares of NINE held by the Company not exceeding 14,000,000 shares as part of NINE's IPO.
4. Acknowledge the selling of the existing common shares of NBC held by the Company not exceeding 15,000,000 shares as part of NBC's IPO.

In addition, at the ordinary shareholders' meetings of Nation International Edutainment Public Company Limited, a subsidiary of the Company, held on 20 March 2009, the shareholders passed resolutions to approve the allocation of the increase in common share as follows:

1. allocate the increase in common shares, not exceeding 9,000,000 shares to the Parent's shareholders in proportionate to their shareholding percentage.
2. allocate the increase in common shares in 1, not exceeding 20,646 shares to the directors and the management.
3. allocate the increase in common shares of 6,000,000 shares and issue the remaining shares from 1 and 2 to the Initial Public Offering.



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

## **Notes to the financial statements**

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At the extraordinary shareholders' meetings of Nation Broadcasting Corporation Limited, a subsidiary of the Company, held on 21 April 2009, the shareholders passed resolutions on the significant following matters:

1. Convert Nation Broadcasting Corporation Limited into a public company and apply for listing on the Market for Alternative Investment.
2. Change in the par value from Baht 10 per share to Baht 1 per share. As a result, the numbers of shares was changed from 12,000,000 shares at Baht 10 par value to 120,000,000 shares at Baht 1 par value. The subsidiary registered the change in par value with the Ministry of Commerce on 4 May 2009.
3. Increase in its authorized share capital from Baht 120,000,000 (divided into 120,000,000 common shares at Baht 1 par value) to Baht 170,000,000 (divided into 170,000,000 common shares at Baht 1 par value) by issuance of 50,000,000 new common shares at Baht 1 par value totalling Baht 50,000,000. The subsidiary registered the increase in capital with the Ministry of Commerce on 4 May 2009.
4. Change name to "Nation Broadcasting Corporation Public Company Limited". The subsidiary registered the change in the Company's name with the Ministry of Commerce on 4 May 2009.
5. Approve the allocation of the increase in common shares capital as follows:
  - 5.1 allocate the increase in common shares, not exceeding 20,000,000 shares to the Parent's shareholders in proportionate to their shareholding percentage.
  - 5.2 allocate the increase in common shares in 5.1, not exceeding 42,129 shares to the directors and the management.
  - 5.3 allocate the increase in common shares of 30,000,000 shares and issue the remaining shares from 5.1 and 5.2 to the Initial Public Offering.

In November 2009, a subsidiary received approval from the Securities and Exchange of Thailand to offer its new common shares to the public. As at 31 December 2009, the subsidiary's shares has not yet been processed for any initial public offering.

## **2 Basis for preparation of the financial statements**

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards ("TAS") and Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and with generally accepted accounting principles in Thailand.

On 15 May 2009, the FAP announced (Announcement No. 12/2009) the re-numbering of TAS to the same numbers as the International Accounting Standards ("IAS") on which the TAS/TFRS are based.

The Group has adopted the following revised TAS/TFRS and accounting guidance which were issued by the FAP during 2008 and 2009 and effective for annual accounting periods beginning on or after 1 January 2009:

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TAS 36 (revised 2007)      Impairment of Assets

TFRS 5 (revised 2007)      Non-current Assets Held for Sale and Discontinued Operations  
(formerly TAS 54)

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

Accounting Guidance about Business Combination under Common Control

The adoption of these revised TAS/TFRS and accounting guidance does not have any material impact on the consolidate or Company's financial statements.

The FAP has issued during 2009 a number of new and revised TAS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS are disclosed in note 36 to the financial statements.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TAS and 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.

### **3 Significant accounting policies**

#### **(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 interests in associates.

##### *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.

##### *Jointly-controlled entities*

Jointly-controlled entities are those entities 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.

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*Associates*

Associates are those entities 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. The consolidated financial statements include the Group's share of the income, expenses and equity movements of associates, 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 associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

*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 are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to 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 the statement of income.

**(c) 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.

**(d) 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.

**(e) Inventories**

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

Cost is calculated using the average cost and specific identification principle, and 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 realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

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Costs are determined by the following method:

Finished goods and work-in-process - books	- Weighted average cost method/ average cost method
Raw materials	- Specific identification method
Store, supplies and others	- Average cost method
Work in process	- Cost of production under process of production and film will be recognized as cost when rights are transferred and delivered or broadcasted

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

**(f) Investments**

*Investments in subsidiaries, jointly-controlled entity and associates*

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

Share of losses exceeds the carrying amount of investment in associate are recorded as liability under other non-current liabilities.

*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 the statement of income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income.

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 the statement of income.

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.

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**(g) Property, plant and equipment**

*Owned assets*

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

*Depreciation*

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

Land improvements	5	years
Buildings and improvements	5, 20 and 30	years
Leased assets improvements	5 and 10	years
Machinery and equipment	5 and 10	years
Furniture, fixtures and office equipment	5	years
Transportation equipment	5	years

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

**(h) Intangible assets**

Intangible assets that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Computer program and license	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.	

**(i) 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.

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 the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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 recognized directly in equity is recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income.

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*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 a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

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.

**(j) Interest-bearing liabilities**

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

**(k) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(l) Employee benefits**

*Defined contribution plans*

Obligation for contributions to defined contribution pension plans are recognised as an expense in the statement of income as incurred.

*Share based payments*

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



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

## **Notes to the financial statements**

**For the years ended 31 December 2009 and 2008**

### **(m) Provisions**

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, 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, where appropriate, the risks specific to the liability.

### **(n) Revenue**

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

#### *Sale of goods and services rendered*

Revenue is recognised in the statement of income 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.

#### *Rental income*

Rental income is recognized in the statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

#### *Interest and dividend income*

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

### **(o) Expenses**

#### *Operating leases*

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

#### *Finance costs*

Interest expenses and similar costs are charged to the statement of income in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

### **(p) 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.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**4 Restatement of 2008 consolidated financial statements**

During the period 2009, a subsidiary reversed the accrued expenses, which had been accrued excessively in prior years in amount of Baht 15.8 million (after-tax effect) by retrospective restatement to converge the consolidated financial statements of the Group. Therefore, the Company restated the 2008 consolidated financial statements as follows;

	<b>2008 Consolidated financial statements (thousand Baht)</b>
<b>Balance sheet</b>	
Liabilities as at 31 December 2008	
- Increase in income tax payable	6,763
- Decrease in other current liabilities	(22,543)
<b>Statement of changes in equity</b>	
Decrease in deficit as at 1 January 2008	
- Effect of restatement in subsidiary's financial statements	15,780

**5 Related party transactions and balances**

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ Nationality</b>	<b>Nature of relationships</b>
Nation Broadcasting Corporation Public Company Limited	Thailand	Subsidiary, 62.82% shareholding, some common directors
Nation Digital Media Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation International Co., Ltd.	Thailand	Subsidiary, 99.94% shareholding, some common directors
Nation International Edutainment Public Company Limited.	Thailand	Subsidiary, 99.99% shareholding, some common directors
WPS (Thailand) Co., Ltd.	Thailand	Subsidiary, 84.50% shareholding, some common directors
NML Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

<b>Name of entities</b>	<b>Country of incorporation/ Nationality</b>	<b>Nature of relationships</b>
Nation News Network Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation Education Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding, some common directors
Nation Radio Network Co., Ltd.	Thailand	99.98% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors (liquidated and dissolved in 2009)
Nation Edutainment Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited., some common directors
Nation Egmont Edutainment Co., Ltd.	Thailand	Jointly-controlled entity, 49.99% shareholding by Nation International Edutainment Public Company Limited., some common directors
Yomiuri-Nation Information Service Limited	Thailand	Associate, 44.98% shareholding, some common directors
Kyodo Nation Printing Services Co., Ltd.	Thailand	Associate, 48.99% shareholding by WPS (Thailand) Co., Ltd., some common directors
Nation Properties Co., Ltd.	Thailand	Related party, 18% shareholding
Thai Portal Co., Ltd.	Thailand	19% shareholding by Nation Digital Media Co., Ltd.
Media Expertise International (Thailand) Ltd.	Thailand	A director is related to the Company
Media Magnet Co., Ltd.	Thailand	Related party, 8.6% shareholding
Media Pulse Co., Ltd.	Thailand	A director is related to the Company
Nation Tuahtai Co., Ltd.	Thailand	Related party, 19% shareholding (liquidated and in the process of dissolution in 2009)
Nation Printing Complex Co., Ltd.	Thailand	Related party, 19% shareholding (liquidated and in the process of dissolution in 2009)

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

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

<b>Transactions</b>	<b>Pricing policies</b>
Sale of goods, rendering of services and others	General market price
Interest income on loans	Fixed rate which approximates loan rate of the financial institutions.
Cost of services and expenses	Actual cost allocation rate and negotiable rate.
Interest expense on borrowings	Fixed rate which approximates loan rate of the financial institutions.

Significant transactions for the years ended 31 December 2009 and 2008 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sales of goods and rendering of services	-	-	295,779	320,396
Interest income	-	-	7,232	1,151
Other income	-	-	75,923	58,684
Printing, cost of service and expenses	-	-	551,469	542,953
Interest expense	-	-	303	643
<b>Jointly-controlled entity</b>				
Sales of goods and rendering of services	66,251	35,755	2,029	4,713
Printing, cost of service and expenses	2,579	3,746	1,070	967
<b>Associates</b>				
Sales of goods and rendering of services	50,070	129,920	647	2,322
Printing, cost of service and expenses	91,048	152,330	40,528	88,199
<b>Other related parties</b>				
Other income	5,386	-	4,564	-
Other expenses	2,595	-	1,783	-

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

Balances as at 31 December 2009 and 2008 with related parties were as follows:

***Trade accounts receivable - related parties***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<i>(in thousand Baht)</i>			
<b>Jointly-controlled entity</b>				
Nation Egmont Edutainment Co., Ltd.	42,209	-	-	-
<b>Associates</b>				
Kyodo Nation Printing Services Co., Ltd.	55,836	51,864	-	-
Yomiuri-Nation Information Service Limited	265	627	-	-
<b>Other related parties</b>				
Media Expertise International (Thailand) Ltd.	30,475	36,074	12,898	17,664
Media Pulse Co., Ltd.	3,873	4,215	3,873	4,215
Others	6,315	3,838	6,211	3,755
	<b>138,973</b>	<b>96,618</b>	<b>22,982</b>	<b>25,634</b>
Less allowance for doubtful accounts	(40,018)	(45,345)	(22,982)	(25,634)
allowance for goods return	(2,895)	(1,104)	-	-
<b>Net</b>	<b>96,060</b>	<b>50,169</b>	<b>-</b>	<b>-</b>
 Bad and doubtful debts expenses(reversal) for the year	 <b>(5,992)</b>	 <b>(3,125)</b>	 <b>(5,108)</b>	 <b>227</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

***Other receivables - related parties***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Nation Edutainment Co., Ltd.	-	-	5,726	6,317
Nation Broadcasting Corporation Public Company Limited	-	-	13,447	17,589
Nation International Co., Ltd.	-	-	150	-
Nation Radio Network Co., Ltd.	-	-	-	208
Nation International Edutainment Public Company Limited.	-	-	7,876	7,492
WPS (Thailand) Co., Ltd.	-	-	103,749	112,145
NML Co., Ltd.	-	-	50,047	23,103
Nation News Network Co., Ltd.	-	-	15,106	297
Nation Education Co., Ltd.	-	-	564	-
<b>Jointly-controlled entity</b>				
Nation Egmont Edutainment Co., Ltd.	-	-	1,368	957
<b>Associates</b>				
Kyodo Nation Printing Services Co., Ltd.	26,922	14,480	177	477
Yomiuri-Nation Information Service Limited	-	61	-	11
<b>Other related parties</b>				
Media Magnet Co., Ltd.	-	7	-	7
Thai Portal Co., Ltd.	17,345	17,345	-	-
Media Expertise International (Thailand) Ltd.	14,440	13,486	14,273	13,153
Media Pulse Co., Ltd.	1,627	1,505	1,567	1,384
Others	3,009	3,553	2,951	3,533
	<b>63,343</b>	<b>50,437</b>	<b>217,001</b>	<b>186,673</b>
Less allowance for doubtful accounts	(36,197)	(32,418)	(18,613)	(14,604)
<b>Net</b>	<b>27,146</b>	<b>18,019</b>	<b>198,388</b>	<b>172,069</b>
Bad and doubtful debts expenses (reversal) for the year	<b>4,006</b>	<b>(7,246)</b>	<b>4,006</b>	<b>(6,636)</b>

***Short-term loans to related parties***

	<b>Interest rate</b>		<b>Consolidated</b>		<b>Separate</b>	
	2009	2008	<b>financial statements</b>		<b>financial statements</b>	
			2009	2008	2009	2008
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>						
WPS (Thailand) Co., Ltd.	7	7	-	-	62,000	43,000
NML Co., Ltd.	7	7	-	-	45,000	45,000
			<b>-</b>	<b>-</b>	<b>107,000</b>	<b>88,000</b>



# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

	Interest rate		Consolidated		Separate	
	2009	2008	2009	2008	2009	2008
	(% per annum)		(in thousand Baht)			
<b>Other related party</b>						
Nation Tuahthai Co., Ltd.	-	-	-	3,700	-	3,700
			-	3,700	-	3,700
			-	3,700	107,000	91,700
<i>Less allowance for doubtful accounts</i>			-	(3,700)	-	(3,700)
<b>Short-term loans to related parties, net</b>			-	-	<b>107,000</b>	<b>88,000</b>
Bad and doubtful debts expenses for the year			-	-	-	-

Movements during the years ended 31 December 2009 and 2008 of short-term loans to related parties were as follows:

### Short-term loans to related parties

	Consolidated		Separate	
	2009	2008	2009	2008
	(in thousand Baht)			
<b>Subsidiaries</b>				
At 1 January	-	-	88,000	169,500
Increase	-	-	26,000	51,000
Decrease	-	-	(7,000)	(132,500)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>107,000</b>	<b>88,000</b>
<b>Other related parties</b>				
At 1 January	3,700	442,050	3,700	442,050
Increase	-	-	-	-
Decrease	(3,700)	(438,350)	(3,700)	(438,350)
<b>At 31 December</b>	<b>-</b>	<b>3,700</b>	<b>-</b>	<b>3,700</b>
<b>Total short-term loans to related parties</b>				
At 1 January	3,700	442,050	91,700	611,550
Increase	-	-	26,000	51,000
Decrease	(3,700)	(438,350)	(10,700)	(570,850)
<b>At 31 December</b>	<b>-</b>	<b>3,700</b>	<b>107,000</b>	<b>91,700</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Nation International Edutainment Public Company Limited.	-	-	7,477	10,347
Nation International Co., Ltd.	-	-	320	320
WPS (Thailand) Co., Ltd.	-	-	72,974	60,031
Nation Broadcasting Corporation Public Company Limited.	-	-	10,708	17,527
NML Co., Ltd.	-	-	19,283	2,570
<b>Jointly-controlled entity</b>				
Nation Egmont Edutainment Co., Ltd.	-	-	757	156
<b>Associate</b>				
Kyodo Nation Printing Services Co., Ltd.	25,865	28,588	6,889	15,735
<b>Other related parties</b>				
Media Expertise International (Thailand) Ltd.	1,532	-	1,532	-
Others	-	2,750	-	2,750
<b>Total</b>	<u>27,397</u>	<u>31,338</u>	<u>119,940</u>	<u>109,436</u>

### Other payables to related parties

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Nation International Edutainment Public Company Limited	-	-	953	4,168
WPS (Thailand) Co., Ltd.	-	-	1,252	728
Nation Broadcasting Corporation Public Company Limited.	-	-	2,488	2,371
Nation Edutainment Co., Ltd.	-	-	12	628
NML Co., Ltd.	-	-	2,325	2,558
Nation News Network Co., Ltd.	-	-	71,403	-
Nation Education Co., Ltd.	-	-	56	-
<b>Jointly-controlled entity</b>				
Nation Egmont Edutainment Co., Ltd.	-	-	690	1,357
<b>Associates</b>				
Kyodo Nation Printing Services Co., Ltd.	2	-	-	-
Yomiuri-Nation Information Service Limited	82	-	82	-
<b>Other related parties</b>				
Others	107	25	26	25
<b>Total</b>	<u>191</u>	<u>25</u>	<u>79,287</u>	<u>11,835</u>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

***Short-term loans from related parties***

	Interest rate		Consolidated		Separate	
	2009	2008	2009	2008	2009	2008
	(% per annum)					
			(in thousand Baht)			
<b>Subsidiary</b>						
Nation Broadcasting Corporation Public Company Limited	-	7	-	-	-	5,000
<b>Associate</b>						
Yomiuri-Nation Information Service Limited	7	-	10,000	-	10,000	-
<b>Total</b>			<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>5,000</b>

Movements during the years ended 31 December 2009 and 2008 of short-term loans from related parties were as follows:

***Short-term loans from related parties***

	Consolidated		Separate	
	2009	2008	2009	2008
			(in thousand Baht)	
<b>Subsidiary</b>				
At 1 January	-	-	5,000	34,000
Increase	-	-	35,000	5,000
Decrease	-	-	(40,000)	(34,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>
<b>Associate</b>				
At 1 January	-	-	-	-
Increase	10,000	-	10,000	-
Decrease	-	-	-	-
<b>At 31 December</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>
<b>Total short-term loans from related parties</b>				
At 1 January	-	-	5,000	34,000
Increase	10,000	-	45,000	5,000
Decrease	-	-	(40,000)	(34,000)
<b>At 31 December</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>5,000</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### *Significant agreements with related parties*

#### *Lease agreements*

In 2005, the Company entered into lease agreements with a subsidiary to lease out printing machines and related equipment. Under these agreements, the subsidiary has a commitment to pay the monthly rental fees as specified in the agreements. These agreements are for periods of from 12 months to 57 months. Under the agreements, the subsidiary has the option either to return the leased printing machines and related equipment to the Company or to purchase at the prices as specified in the agreements.

Annual lease fees as specified in the agreements are as follows:

<u>Lease fees in year</u>	<u>In thousand Baht</u>
2005	257,139
2006	310,292
2007	291,997
2008	266,642
2009	205,886
2010	272,048

#### *Joint venture agreement*

On 15 November 2006, WPS (Thailand) Co., Ltd. (WPS), a subsidiary of the Company entered into a joint venture agreement with two foreign companies to set up Kyodo Nation Printing Services Co., Ltd., a joint venture for operating commercial printing business. The joint venture's registered capital was Baht 350 million (divided into 3,500,000 shares at Baht 100 par value). WPS invested in 1,714,999 shares and paid in capital by selling commercial printing machine and related equipment at the amount of Baht 337.6 million, which value was appraised by an independent appraisal company to the joint venture. The joint venture was registered with the Ministry of Commerce on 22 January 2007.

## 6 Cash and cash equivalents

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2009	2008	2009	2008
		(in thousand Baht)		
Cash on hand	845	880	273	480
Cash at banks - current accounts	8,428	5,395	3,765	1,300
Cash at banks - savings accounts	127,099	160,707	59,562	68,987
Others	24,338	89,591	21,238	55,196
<b>Total</b>	<b>160,710</b>	<b>256,573</b>	<b>84,838</b>	<b>125,963</b>

Cash and cash equivalents of the Group as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**7 Current investment**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Short-term investments at financial institutions	<u>152,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

**8 Trade accounts receivable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Related parties	5	138,973	96,618	22,982	25,634
Other parties		<u>722,076</u>	<u>884,183</u>	<u>528,235</u>	<u>642,822</u>
		<b>861,049</b>	<b>980,801</b>	<b>551,217</b>	<b>668,456</b>
Less allowance for doubtful accounts		(115,698)	(195,887)	(88,265)	(150,372)
allowance for goods returned		<u>(26,201)</u>	<u>(37,150)</u>	<u>(13,243)</u>	<u>(15,043)</u>
<b>Total</b>		<b><u>719,150</u></b>	<b><u>747,764</u></b>	<b><u>449,709</u></b>	<b><u>503,041</u></b>
Bad and doubtful debts (reversal) expenses for the year		<u>(22,165)</u>	<u>20,207</u>	<u>(17,292)</u>	<u>20,072</u>

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Within credit terms	51,401	12,763	-	1,537
Overdue:				
Less than 6 months	18,086	28,393	1,888	1,346
6-12 months	26,366	15,507	1,825	1,264
Over 12 months	<u>43,120</u>	<u>39,955</u>	<u>19,269</u>	<u>21,487</u>
	138,973	96,618	22,982	25,634
Less allowance for doubtful accounts	(40,018)	(45,345)	(22,982)	(25,634)
allowance for goods return	<u>(2,895)</u>	<u>(1,104)</u>	<u>-</u>	<u>-</u>
<b>Net</b>	<b><u>96,060</u></b>	<b><u>50,169</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in thousand Baht)			
<b>Other parties</b>				
Within credit terms	577,320	623,116	422,755	473,766
Overdue:				
Less than 6 months	82,709	129,343	53,450	69,788
6-12 months	3,296	24,870	1,679	16,276
Over 12 months	58,751	106,854	50,351	82,992
	<u>722,076</u>	<u>884,183</u>	<u>528,235</u>	<u>642,822</u>
Less allowance for doubtful accounts	(75,679)	(150,542)	(65,283)	(124,738)
allowance for goods returned	<u>(23,307)</u>	<u>(36,046)</u>	<u>(13,243)</u>	<u>(15,043)</u>
<b>Net</b>	<b><u>623,090</u></b>	<b><u>697,595</u></b>	<b><u>449,709</u></b>	<b><u>503,041</u></b>
<b>Total</b>	<b><u>719,150</u></b>	<b><u>747,764</u></b>	<b><u>449,709</u></b>	<b><u>503,041</u></b>

The normal credit term granted by the Group is 90 days.

Trade accounts receivable of the Group as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

## 9 Inventories

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in thousand Baht)			
Finished goods - books	170,437	263,003	44,688	47,655
Raw materials	225,812	320,849	220,384	312,130
Stores, supplies and others	2,883	3,368	600	756
Production/ Work in process	1,561	1,361	430	1,361
Raw material in transit	7,568	561	7,569	561
	<u>408,261</u>	<u>589,142</u>	<u>273,671</u>	<u>362,463</u>
Less allowance for obsolete books	<u>(112,288)</u>	<u>(137,828)</u>	<u>(39,556)</u>	<u>(39,556)</u>
<b>Total</b>	<b><u>295,973</u></b>	<b><u>451,314</u></b>	<b><u>234,115</u></b>	<b><u>322,907</u></b>

## 10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in thousand Baht)			
Other receivables	41,135	62,460	39,055	60,127
Advances to employees	16,644	4,555	14,321	3,340
Prepaid expenses	17,652	19,227	6,779	8,438
Input VAT pending	13,158	16,766	8,357	7,375
Withholding tax deducted at source	213,524	18,845	187,963	-
Others	270	2,784	336	270
	<u>302,383</u>	<u>124,637</u>	<u>256,811</u>	<u>79,550</u>
Less allowance for doubtful accounts	<u>(36,173)</u>	<u>(35,981)</u>	<u>(36,173)</u>	<u>(35,521)</u>
<b>Total</b>	<b><u>266,210</u></b>	<b><u>88,656</u></b>	<b><u>220,638</u></b>	<b><u>44,029</u></b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**11 Investments in subsidiaries and associates**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
At 1 January	49,203	112,320	553,597	523,147
Share of net losses of investments in associates	(46,161)	(63,164)	-	-
Acquisitions	-	450	40,168	30,450
Disposal	-	-	(15,000)	-
Reversal of impairment of investment	-	-	25,770	-
Dividend income	-	(500)	-	-
Share of losses exceeds the carrying amount of investments in associates	22,432	-	-	-
Others	-	97	-	-
<b>At 31 December</b>	<b><u>25,474</u></b>	<b><u>49,203</u></b>	<b><u>604,535</u></b>	<b><u>553,597</u></b>



Investments in subsidiaries and associates as at 31 December 2009 and 2008, and dividend income for the years ended 31 December 2009 and 2008 were as follows:

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# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### Separate financial statements

	Ownership interest (%)	Paid-up capital	Cost method	Impairment	At cost - net	Dividend income for the years ended 31 December
	2009	2008	2009	2008	2009	2008
<i>(in thousand Baht)</i>						
<b>Subsidiaries</b>						
Nation Broadcasting Corporation						
Public Company Limited	62.82	99.99	170,000	240,000	110,162	239,994
Nation Digital Media Co., Ltd.	99.99	99.99	100,000	100,000	99,990	99,990
Nation International Co., Ltd.	99.94	99.94	1,000	1,000	1,000	1,000
Nation International Edutainment						
Public Company Limited	99.99	99.99	70,000	70,000	69,999	69,999
WPS (Thailand) Co., Ltd.	84.50	84.50	500,000	500,000	422,500	422,500
NML Co., Ltd.	99.99	99.99	10,000	10,000	10,000	10,000
Nation News Network Co., Ltd.	99.99	99.99	50,000	25,000	50,000	25,000
Nation Education Co., Ltd	99.97	-	10,000	-	10,000	-
					35,000	65,100
					94,224	94,224
					3,598	3,598
					425	425
					110,162	110,162
					3,598	3,598
					575	575
					145,770	145,770
					96,392	96,392
					575	575
					68,049	68,049
					5,000	5,000
					5,000	5,000
					50,000	50,000
					10,000	10,000
					900	900
					170,016	170,016
					315,786	315,786
					900	900
					553,597	553,597
					50,750	50,750
					65,600	65,600
<b>Associate</b>						
Yomiuri-Nation Information	44.98	44.98	2,000	2,000	900	500
Service Limited						
<b>Total</b>			<b>913,000</b>	<b>948,000</b>	<b>604,535</b>	<b>65,600</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

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

	Ownership (%)	Current assets	Non- current assets	Total assets	Current liabilities <i>(in thousand Baht)</i>	Total liabilities	Total revenues	Total expenses	Net profit (loss)
<b>2009</b>									
Nation Egmont Edutainment Co., Ltd.	49.99	80,742	3,894	84,636	53,998	53,998	94,199	98,115	(3,916)
<b>2008</b>									
Nation Egmont Edutainment Co., Ltd.	49.99	89,329	3,467	92,796	30,746	30,746	115,930	110,448	5,482

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

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

	Owner- ship (%)	Total assets	Total liabilities (in thousand Baht)	Total revenues	Profit (loss)
<b>2009</b>					
Yomiuri-Nation Information Service Limited	44.98	59,400	2,766	22,178	3,896
Kyodo Nation Printing Services Co., Ltd.	41.40	740,258	735,501	414,340	(107,948)
<b>Total</b>		<b>799,658</b>	<b>738,267</b>	<b>436,518</b>	<b>(104,052)</b>
<b>2008</b>					
Yomiuri-Nation Information Service Limited	44.98	55,896	3,158	23,023	3,580
Kyodo Nation Printing Services Co., Ltd.	41.40	854,168	744,195	365,836	(141,317)
<b>Total</b>		<b>910,064</b>	<b>747,353</b>	<b>388,859</b>	<b>(137,737)</b>

At the extraordinary shareholders' meetings of Nation Books International Co., Ltd., a subsidiary of the Company, held on 17 October 2008, the shareholders passed resolutions on the significant following matters:

- Convert the Nation Books International Co., Ltd. into a public company and apply for listing on the Market for Alternative Investment.
- Change the par value from Baht 100 per share to Baht 1 per share. As a result, the number of shares was changed from 700,000 shares at Baht 100 par value to 70,000,000 shares at Baht 1 par value. The Company registered the change in par value with the Ministry of Commerce on 5 November 2008.
- Increase the authorized share capital from Baht 70,000,000 (divided into 70,000,000 ordinary shares at Baht 1 par value) to Baht 85,000,000 (divided into 85,000,000 ordinary shares at Baht 1 par value) by issuance of 15,000,000 new ordinary shares at Baht 1 par value totalling Baht 15,000,000 and registered the said authorized share capital increase with the Ministry of Commerce on 5 November 2008.
- Change name to "Nation International Edutainment Public Company Limited" and registered the change in the Company's name with the Ministry of Commerce on 5 November 2008.

On 9 October 2008, the management committee of the Company established to register Nation News Network Co., Ltd. with the authorized share capital Baht 100 million (divided into 10,000,000 shares at Baht 10 par value). The management committee of the Company approved to pay for share subscription in such subsidiary at Baht 2.5 per share, amounting to Baht 25 million.

At the Extraordinary Shareholders' Meetings of a subsidiary, NML Co., Ltd., held on 22 December 2008, it was resolved to increase the share capital by Baht 5 million (divided into 500,000 shares at Baht 10 par value) by offer of new shares to the existing shareholders. The management committee of the Company approved the increase in its investments in the subsidiary, as the existing shareholder, by acquiring the 500,000 new shares in the subsidiary at par value of Baht 10 per share, amounting to Baht 5 million.

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

## **Notes to the financial statements**

### **For the years ended 31 December 2009 and 2008**

On 13 March 2009, the management committee of the Company established to register Nation Education Co., Ltd. with the authorized share capital Baht 10 million (divided into 100,000 shares at Baht 100 par value). The management committee of the Company approved to pay for share subscription in such subsidiary at Baht 25 per share, amounting to Baht 2.5 million.

At the extraordinary shareholders' meetings of a indirect subsidiary of the Company (Nation Radio Network Co., Ltd.) was held on 24 July 2009, the resolution was passed to liquidate the indirect subsidiary. This indirect subsidiary was registered for liquidation with the Ministry of Commerce on 30 July 2009 and completed to liquidate the indirect subsidiary on 30 December 2009.

At the Board of Directors' meetings of a subsidiary, Nation News Network Co., Ltd, held on 15 October 2009, it was resolved to make an additional call-up of 25% of share capital (at Baht 2.5 per share) amounting to Baht 25 million. Total paid-up share capital is up to 50% of total share capital (at Baht 5 per share), amounting to Baht 50 million. Such subsidiary registered the additional call-up of share capital with the Ministry of Commerce on 21 October 2009.

At the Board of Directors' meetings of a subsidiary, Nation Education Co., Ltd, held on 15 October 2009, it was resolved to make an additional call-up of 75% of share capital (at Baht 75 per share) amounting to Baht 7.5 million. Total paid-up share capital is up to 100% of total share capital (at Baht 100 per share), amounting to Baht 10 million. Such subsidiary registered the additional call-up of share capital with the Ministry of Commerce on 21 October 2009.

In September 2009, Nation Broadcasting Corporation Public Company Limited, subsidiary of the Company, received approval from the Securities and Exchange of Thailand to offer its common shares to the public by issuing 50,000,000 common shares. The new shares will be sold to subscribers at a price of Baht 2.9 per share (Baht 1 paid in capital and Baht 1.9 share premium). The subsidiary registered the increase in paid-up capital with the Ministry of Commerce on 9 November 2009. Directly attributable expenses of initial public offering amounting to Baht 4.06 million were deducted from the premium on share capital received from new investors.

In addition, in November 2009, the Company sold 15 million shares of Nation Broadcasting Corporation Public Company Limited, a subsidiary of the Company, together with the public offering of such subsidiary at Baht 2.90 per share amounting to Baht 43.50 million which decreased the Company's proportionate shareholding from 99.99% to 61.76% of the registered and paid-up share capital of such subsidiary. Subsequently, the Company acquired additional shares in such subsidiary of 1.8 million shares (1.06% of registered and paid-up share capital of such subsidiary) amounting to Baht 5.2 million to increase the Company's shareholding to 62.82% of registered share capital.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**12 Long-term investments in related parties**

	Nature of business	Consolidated financial statements			
		Ownership interest 2009	2008	Paid-up capital 2009	2008
		(%)	(%)	(in thousand Baht)	Amount
<i>At cost</i>					
Other equity securities held to maturity					
- Nation Properties Co., Ltd.	Real estate	18.00	18.00	300,000	54,000
- Thai Portal Co., Ltd.	Internet services	19.00	19.00	100,000	6,092
- Media Magnet Co., Ltd.	Consulting and marketing event	8.60	8.6	11,000	950
- Others				2,181	2,181
				63,223	63,223
Less allowance for impairment loss				(62,272)	(62,272)
<b>Total</b>				<b>951</b>	<b>951</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

	Nature of business	Separate financial statements			
		Ownership interest 2008	2007	Paid-up capital 2008	2007
		(%)		(in thousand Baht)	Amount
<i>At cost</i>					
Other equity securities held to maturity					
- Nation Properties Co., Ltd.	Real estate	18.00	18.00	300,000	300,000
- Media Magnet Co., Ltd.	Consulting and marketing event	8.60	8.6	11,000	11,000
- Others				2,181	950
				<u>2,181</u>	<u>2,181</u>
Less allowance for impairment loss				<u>57,131</u>	<u>57,131</u>
<b>Total</b>				<u>(56,180)</u>	<u>(56,180)</u>
				<b>951</b>	<b>951</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### 13 Long-term investments in other companies

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<i>At fair value</i>				
Equity securities available for sale	<u>7,107</u>	<u>3,385</u>	<u>7,107</u>	<u>3,385</u>
<i>At cost</i>				
Other equity securities held to maturity	7,569	11,888	7,569	11,888
Less allowance for impairment loss	<u>(420)</u>	<u>(3,420)</u>	<u>(420)</u>	<u>(3,420)</u>
	<u>7,149</u>	<u>8,468</u>	<u>7,149</u>	<u>8,468</u>
<b>Total</b>	<b><u>14,256</u></b>	<b><u>11,853</u></b>	<b><u>14,256</u></b>	<b><u>11,853</u></b>



## 14 Property, plant and equipment

### Accumulated depreciation

**For the years ended 31 December 2009 and 2008**41

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

	Separate financial statements						
	Land and improvements	Building and improvements	Leased assets improvements	Machinery and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation
<b>Cost</b>							<b>Total</b>
At 1 January 2008	408,896	1,351,235	9,869	60,322	659,293	91,819	2,581,434
Additions	-	-	-	190,196	22,132	7,133	237,461
Transfers	-	-	-	-	-	-	-
Disposals	(41,770)	(1,345,698)	(3,715)	(191,163)	(152,347)	(19,676)	(1,754,369)
At 31 December 2008 and							
1 January 2009	367,126	5,537	6,154	59,355	529,078	79,276	1,064,526
Additions	-	-	-	-	16,082	-	16,082
Transfers	-	-	-	-	-	-	-
Disposals	-	(1,750)	-	-	(14,658)	(18,981)	(35,389)
At 31 December 2009	367,126	3,787	6,154	59,355	530,502	60,295	1,045,219
<b>Accumulated depreciation</b>							
At 1 January 2008	5,004	343,675	4,890	34,566	583,163	58,849	1,030,147
Depreciation charge for the year	1,123	16,820	414	11,284	30,152	11,447	71,240
Transfers	-	-	-	-	-	-	-
Disposals	(6,127)	(357,725)	(1,316)	(6,005)	(144,212)	(17,846)	(533,231)
At 31 December 2008 and							
1 January 2009	-	2,770	3,988	39,845	469,103	52,450	568,156
Depreciation charge for the year	-	275	291	5,875	21,632	8,339	36,412
Transfers	-	-	-	-	-	-	-
Disposals	-	(250)	-	-	(13,216)	(14,805)	(28,271)
At 31 December 2009	-	2,795	4,279	45,720	477,519	45,984	576,297

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

	Land and improvements	Building and improvements	Leased assets improvements	Machinery and equipment	Furniture, fixtures and office equipment	Transportation equipment	Assets under construction and installation	Total
<b>Allowance for impairment losses</b>								
At 1 January 2008	14,777	404,852	103	-	2,780	-	-	422,512
Additions	-	-	-	-	-	-	-	-
Disposals	(14,777)	(404,852)	(103)	-	(2,780)	-	-	(422,512)
<b>At 31 December 2008 and 1 January 2009</b>	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
<b>At 31 December 2009</b>	-	-	-	-	-	-	-	-
<b>Net book value</b>								
At 31 December 2008	367,126	2,767	2,166	19,510	59,975	26,826	18,000	496,370
At 31 December 2009	367,126	992	1,875	13,635	52,983	14,311	18,000	468,922

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**For the years ended 31 December 2009 and 2008**

The gross carrying amounts of fully depreciated plant and equipment that was still in use as at 31 December 2009 amounted to Baht 504.0 million (*2008: Baht 510.6 million*) in the consolidated balance sheets and Baht 456.2 million (*2008: Baht 436.3 million*) in the separate's balance sheets.

In 2005, the Company entered into a sale and lease back agreement with a local financial institution covering a web offset printing machine and related equipment amounting to approximately Baht 1,037 million. The sale price was determined based on the fair value appraised by an independent appraiser (American Appraisal (Thailand) Co., Ltd.). The Company received cash amounting to Baht 800 million at the agreement date and will receive cash amounting to Baht 253.6 million (including value added tax) in March 2010. The Company has a commitment to pay equal monthly rental fees over 59 months amounting to Baht 13.0 million and Baht 213 million in the last month, totalling approximately Baht 979.4 million, starting from April 2005 up to March 2010. The Company will record all rental fees as expenses on a straight line basis amounting to Baht 16.3 million in each month until the end of the agreement. Under the agreement, the Company has an option to return the leased printing machine and equipment or to purchase at the fair market value but at a price not higher than Baht 237 million, which is close to the estimated market price of the machine after 5 years use, as confirmed by the foreign company that sold the machine to the Company.

The Board of Directors of the Company's Meetings held on 10 August 2007 and 9 November 2007 approved in principle to sell the Company's land and office building that included unused building. Subsequently, on 23 January 2008, the Board of Directors of the Company approved to sell the Company's land, head office buildings and Nation Tower building. The Company has to first purchase certain office space in the buildings from the present owners for an amount not exceeding Baht 130 million. During 2008, the Company purchased the office space in the buildings from the present owners in amount of Baht 110.2 million.

The Management Committee's Meeting held on 1 February 2008 acknowledged that the last price offered for such assets is Baht 955 million. This sale price is lower than the net book value of Company's assets, cost of purchase office space back and the estimated related expenses by approximately Baht 550.9 million. The Company, accordingly, recorded an allowance for impairment in value of such assets as at 31 December 2007 of Baht 550.9 million. During 2008, the Company reversed Baht 45.7 million of the allowance for impairment because of the decrease in rates of property transfers and special business tax.

On 25 April 2008, the Company entered into a promise to sale and purchase agreement of the Company's land, head office buildings and Nation Tower building with a local company at the price of Baht 955 million. The book value of the assets sold net of accumulated depreciation and allowance for impairment loss was Baht 953 million. As at 30 April 2008, the Company transferred the rights of the assets to the purchaser and received cash in full amount.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**15 Unused land**

	Consolidated financial statements / Separate financial statements		
	Land	Building (in thousand Baht)	Total
<b>Cost</b>			
At 1 January 2008	36,000	186,079	222,079
Additions	-	110,195	110,195
Reversal of allowance for impairment losses	-	128,423	128,423
Disposals	-	(424,697)	(424,697)
<b>At 31 December 2008 and 1 January 2009</b>	<b>36,000</b>	<b>-</b>	<b>36,000</b>
Additions	-	-	-
Reversal of allowance for impairment losses	-	-	-
Disposals	-	-	-
<b>At 31 December 2009</b>	<b>36,000</b>	<b>-</b>	<b>36,000</b>

**16 Intangible assets**

	Consolidated financial statements			
	Program computer	License fee	Program computer under installation	Total
		(in thousand Baht)		
At 1 January 2008	79,028	15,107	20,388	114,523
Additions	15,381	17,882	11,246	44,509
Transfers	6,919	-	(6,919)	-
Amortisation charge for the year	(25,578)	(13,897)	-	(39,475)
<b>At 31 December 2008 and 1 January 2009</b>	<b>75,750</b>	<b>19,092</b>	<b>24,715</b>	<b>119,557</b>
Additions	1,271	27,819	7,561	36,651
Transfers	183	(2,902)	(274)	(2,993)
Amortisation charge for the year	(29,079)	(22,927)	-	(52,006)
<b>At 31 December 2009</b>	<b>48,125</b>	<b>21,082</b>	<b>32,002</b>	<b>101,209</b>

	Separate financial statements			
	Program computer	License fee	Program computer under installation	Total
		(in thousand Baht)		
At 1 January 2008	79,028	-	20,388	99,416
Additions	15,188	-	10,972	26,160
Transfers	6,919	-	(6,919)	-
Amortisation charge for the year	(25,550)	-	-	(25,550)
<b>At 31 December 2008 and 1 January 2009</b>	<b>75,585</b>	<b>-</b>	<b>24,441</b>	<b>100,026</b>
Additions	-	-	7,561	7,561
Transfers	767	-	(767)	-
Amortisation charge for the year	(28,825)	-	-	(28,825)
<b>At 31 December 2009</b>	<b>47,527</b>	<b>-</b>	<b>31,235</b>	<b>78,762</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**17 Other non-current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Merchandises under barter trade	5,691	-	5,550	-
Withholding tax deducted at source	22,514	169,241	-	152,202
Golf membership, net	12,944	10,567	12,944	10,567
Refundable deposits	6,964	3,253	1,674	3,034
Others	6,482	12,646	1,658	3,117
<b>Total</b>	<b>54,595</b>	<b>195,707</b>	<b>21,826</b>	<b>168,920</b>

The amortization charge included in the statements of income for the year ended 31 December 2009 was approximately Baht 0.6 million (2008: Baht 1.3 million) for the Group and Baht 0.6 million (2008: Baht 1.3 million) for the Company.

**18 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Current</b>				
Bank overdrafts				
- unsecured	12,547	35,804	1,620	33,697
Short-term loans from financial institutions				
- unsecured	580,160	614,386	530,160	519,386
<b>Bank overdrafts and short-term loans from financial institutions</b>	<b>592,707</b>	<b>650,190</b>	<b>531,780</b>	<b>553,083</b>
Current portion of long-term loan from financial institutions				
- unsecured	7,008	7,008	-	-
- secured	360,040	350,000	280,000	290,000
Short-term loans from related parties				
- unsecured	10,000	-	10,000	5,000
	<b>969,755</b>	<b>1,007,198</b>	<b>821,780</b>	<b>848,083</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
<b>Non-current</b>					
Long-term loans from financial institutions					
- unsecured		6,968	13,976	-	-
- secured		665,020	918,041	490,060	678,040
Long-term loans from other party					
- unsecured	21	140,958	149,659	140,958	149,659
		<u>812,946</u>	<u>1,081,676</u>	<u>631,018</u>	<u>827,699</u>
<b>Total</b>		<u>1,782,701</u>	<u>2,088,874</u>	<u>1,452,798</u>	<u>1,675,782</u>

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

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Within one year	969,755	1,007,198	821,780	848,083
After one year but within five years	812,946	1,081,676	631,018	827,699
<b>Total</b>	<u>1,782,701</u>	<u>2,088,874</u>	<u>1,452,798</u>	<u>1,675,782</u>

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

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Land and equipment	586,504	486,968	336,052	300,052

Interest-bearing liabilities of the Group as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

### **Bank overdrafts and short-term loans from financial institutions**

As at 31 December 2009, the Group and the Company had overdraft lines and other credit facilities with certain local financial institutions totalling approximately Baht 2,511 million (2008: Baht 3,061 million) and Baht 1,975 million (2008: Baht 2,533 million) for the Company.

### **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.



**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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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 instalments of varying amounts commencing from March 2008 to June 2012. As at 31 December 2009, the Company has loan outstanding of Baht 782 million (2008: Baht 985 million).

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

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

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 2009, the subsidiary has loan outstanding of Baht 13.98 million (2008: Baht 20.98 million)

On 25 December 2008, a subsidiary entered into a long-term loan agreement with a local financial institution in amount of Baht 300 million for purchasing printing machine 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 2009, the subsidiary has loan outstanding of Baht 255 million (2008: Baht 300 million). This loan was secured by pledging printing machine.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### *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 2009, the Company has loan outstanding of Baht 140.9 million (2008: Baht 149.7 million).

As at 31 December 2009, the Group has unutilised credit facilities totalling Baht 805 million (2008: Baht 1,125 million).

## 19 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Related parties	5	27,397	31,338	119,940	109,436
Other parties		156,279	99,123	56,626	17,465
<b>Total</b>		<b>183,676</b>	<b>130,461</b>	<b>176,566</b>	<b>126,901</b>

## 20 Other current liabilities

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Accrued expenses		108,063	128,225	48,574	64,563
Revenue department payable		6,625	20,079	5,449	18,511
Output VAT pending		61,298	53,939	34,586	38,865
Other payable - related parties	5	191	25	79,287	11,835
Other payable - others		11,899	18,837	3,233	3,372
Accrued machine rental		189,736	-	189,736	-
Deposit and advance received		11,948	9,866	9,433	8,966
Others		15,566	15,057	9,628	11,250
<b>Total</b>		<b>405,326</b>	<b>246,028</b>	<b>379,926</b>	<b>157,362</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**21 Other non-current liabilities**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Deferred interest income from sale and lease back		4,933	24,665	4,933	24,665
Accrued machine rental		-	149,737	-	149,737
Long-term loan from other party	18	140,958	149,659	140,958	149,659
Share of losses exceeds the carrying amount of investment	11	22,432	-	-	-
Others		2,768	3,300	-	-
<b>Total</b>		<b>171,091</b>	<b>327,361</b>	<b>145,891</b>	<b>324,061</b>

**22 Share capital**

		<i>Par value per share (in Baht)</i>	2009	2008
		Number	Baht (thousand shares / thousand Baht)	Number Baht
<b>Authorised</b>				
At 1 January				
- ordinary shares	10	250,000	2,500,000	250,000 2,500,000
<b>At 31 December</b>				
- ordinary shares	10	<b>250,000</b>	<b>2,500,000</b>	<b>250,000 2,500,000</b>
<b>Issued and paid-up</b>				
At 1 January				
- ordinary shares	10	164,774	1,647,740	164,774 1,647,740
Issue of new shares	10	-	-	- -
<b>At 31 December</b>				
- ordinary shares	10	<b>164,774</b>	<b>1,647,740</b>	<b>164,774 1,647,740</b>

**23 Share premium and reserves**

**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 share**

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

**Fair value changes**

Fair value changes recognised in shareholders' equity relate to cumulative net changes in the fair value of available-for-sale investments less impairment losses thereon recognised in the statement of income.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**For the years ended 31 December 2009 and 2008**

*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.

**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**  
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**Business segment results**

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	<i>(in million Baht)</i>													
Revenue from sales of goods and rendering of services	1,865	2,089	399	438	263	413	463	342	229	194	(908)	(746)	2,311	2,730
Rental and service income	199	308	15	18	96	104	-	-	-	-	(202)	(295)	108	135
Interest income	28	32	-	-	-	1	1	-	-	-	(8)	(12)	21	21
Other income	135	137	13	27	8	15	4	14	-	-	(77)	(61)	83	132
Share of profits from investments accounted for using the equity method	81	71	-	-	-	-	-	-	-	-	(79)	(69)	2	2
<b>Total revenue</b>	<b>2,308</b>	<b>2,637</b>	<b>427</b>	<b>483</b>	<b>367</b>	<b>533</b>	<b>468</b>	<b>356</b>	<b>229</b>	<b>194</b>	<b>(1,274)</b>	<b>(1,183)</b>	<b>2,525</b>	<b>3,020</b>
Cost of sales of goods and rendering of services	1,477	1,484	348	425	260	332	322	258	206	193	(963)	(903)	1,650	1,789
Selling expense	194	283	-	-	10	25	28	16	3	-	-	-	235	324
Administrative expenses	452	608	31	66	58	94	39	40	34	25	(224)	(201)	390	632
Management benefit expense	89	83	-	-	11	11	8	7	-	-	-	-	108	101
Share of losses from investments accounted for using the equity method	63	108	48	65	-	-	-	-	-	-	(63)	(108)	48	65
<b>Total expenses</b>	<b>2,275</b>	<b>2,566</b>	<b>427</b>	<b>556</b>	<b>339</b>	<b>462</b>	<b>397</b>	<b>321</b>	<b>243</b>	<b>218</b>	<b>(1,250)</b>	<b>(1,212)</b>	<b>2,431</b>	<b>2,911</b>
<b>Profit (loss) before finance costs</b>	<b>33</b>	<b>71</b>	<b>-</b>	<b>(73)</b>	<b>28</b>	<b>71</b>	<b>71</b>	<b>35</b>	<b>(14)</b>	<b>(24)</b>	<b>(24)</b>	<b>29</b>	<b>94</b>	<b>109</b>
Finance costs	(95)	(126)	(26)	(14)	-	-	(2)	(4)	(3)	(2)	8	11	(118)	(135)
Income tax expense	-	-	(18)	(13)	(14)	(27)	-	-	-	-	-	-	(32)	(40)
<b>Profit (loss) for the year</b>	<b>(62)</b>	<b>(55)</b>	<b>(44)</b>	<b>(100)</b>	<b>14</b>	<b>44</b>	<b>69</b>	<b>31</b>	<b>(17)</b>	<b>(26)</b>	<b>(16)</b>	<b>40</b>	<b>(56)</b>	<b>(66)</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**Business segment financial position**

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(in million Baht)													
Cash and cash equivalents	89	126	1	-	42	84	23	15	6	31	-	-	161	256
Current investments	-	-	-	-	5	-	147	-	-	-	-	-	152	-
Trade accounts receivable	520	503	154	115	132	128	117	109	49	18	(253)	(125)	719	748
Accrued income	13	10	1	-	10	9	23	8	2	21	(12)	-	37	48
Other receivables from related parties	199	172	28	15	16	22	3	3	2	3	(221)	(197)	27	18
Accounts receivable under sale and lease back agreement due within one year	254	-	-	-	-	-	-	-	-	-	-	-	254	-
Short-term loans to related parties	107	88	-	-	-	-	-	5	-	-	(107)	(93)	-	-
Inventories	234	323	6	8	54	107	2	5	-	-	-	8	296	451
Other current assets	226	44	20	26	5	4	8	9	8	6	-	(1)	267	88
<b>Total current assets</b>	<b>1,642</b>	<b>1,266</b>	<b>210</b>	<b>164</b>	<b>264</b>	<b>354</b>	<b>323</b>	<b>154</b>	<b>67</b>	<b>79</b>	<b>(593)</b>	<b>(408)</b>	<b>1,913</b>	<b>1,609</b>
Investments in subsidiaries and associates	652	573	-	25	-	-	-	-	-	-	(626)	(549)	26	49
Long-term investment in related parties	1	1	-	-	-	-	-	-	-	-	-	-	1	1
Long-term investment in other parties	14	12	-	-	-	-	-	-	-	-	-	-	14	12
Property, plant and equipment	470	496	631	684	3	3	29	52	9	3	21	22	1,163	1,260
Unused land	36	36	-	-	-	-	-	-	-	-	-	-	36	36
Accounts receivable under sale and lease back agreement	-	254	-	-	-	-	-	-	-	-	-	-	-	254
Intangible assets	79	100	-	-	19	19	-	-	3	-	-	-	101	119
Other non-current assets	22	169	1	-	-	2	26	18	5	7	-	-	54	196
<b>Total non-current assets</b>	<b>1,274</b>	<b>1,641</b>	<b>632</b>	<b>709</b>	<b>22</b>	<b>24</b>	<b>55</b>	<b>70</b>	<b>17</b>	<b>10</b>	<b>(605)</b>	<b>(527)</b>	<b>1,395</b>	<b>1,927</b>
<b>Total assets</b>	<b>2,916</b>	<b>2,907</b>	<b>842</b>	<b>873</b>	<b>286</b>	<b>378</b>	<b>378</b>	<b>224</b>	<b>84</b>	<b>89</b>	<b>(1,198)</b>	<b>(935)</b>	<b>3,308</b>	<b>3,536</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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**Business segment financial position**

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Eliminations		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(in million Baht)													
Bank overdrafts and short-term loans from financial institutions	532	553	60	50	-	-	1	47	-	-	-	-	593	650
Trade accounts payable	217	127	118	112	111	107	23	9	39	24	(324)	(249)	184	130
Current portion of long-term loans	280	290	87	67	-	-	-	-	-	-	-	-	367	357
Short-term loans from related parties	10	5	62	43	-	-	-	-	45	45	(107)	(93)	10	-
Income tax payable	-	-	-	-	14	21	-	-	-	-	-	-	14	21
Other current liabilities	424	135	49	42	51	79	56	51	24	12	(199)	(73)	405	246
<b>Total current liabilities</b>	<b>1,463</b>	<b>1,110</b>	<b>376</b>	<b>314</b>	<b>176</b>	<b>207</b>	<b>80</b>	<b>107</b>	<b>108</b>	<b>81</b>	<b>(630)</b>	<b>(415)</b>	<b>1,573</b>	<b>1,404</b>
Long-term loans from financial institutions	490	678	182	254	-	-	-	-	-	-	-	-	672	932
Other non-current liabilities	146	324	22	-	-	1	-	-	3	3	-	-	171	328
<b>Total non-current liabilities</b>	<b>636</b>	<b>1,002</b>	<b>204</b>	<b>254</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>843</b>	<b>1,260</b>
<b>Total liabilities</b>	<b>2,099</b>	<b>2,112</b>	<b>580</b>	<b>568</b>	<b>176</b>	<b>208</b>	<b>80</b>	<b>107</b>	<b>111</b>	<b>84</b>	<b>(630)</b>	<b>(415)</b>	<b>2,416</b>	<b>2,664</b>
Capital expenditure	24	392	9	220	47	14	12	6	1	1	(7)	(189)	86	444
Depreciation	37	71	52	33	1	1	24	24	1	1	-	-	115	130
Amortisation	35	27	-	-	23	14	-	1	-	-	-	-	58	42
Gain (loss) on disposal of assets	6	49	-	-	(1)	-	5	-	1	-	-	-	11	49

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### 25 Other income

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
		(in thousand Baht)		
Income from sale of supplies	15,429	21,743	10,448	16,872
Office facilities and service income	-	-	76,129	60,233
Gain on disposal of property, plant and equipment	11,500	49,300	1,734	49,394
Gain on disposal of investment in subsidiary	21,392	-	28,500	-
Reversal of impairment loss of investments in subsidiary	-	-	25,770	-
Others	34,066	61,295	3,568	10,948
<b>Total</b>	<b>82,387</b>	<b>132,338</b>	<b>146,149</b>	<b>137,447</b>

### 26 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
		(in thousand Baht)		
Distribution	37,708	92,170	36,746	92,170
Marketing	127,327	158,165	80,497	130,387
Personnel	69,617	73,957	54,901	60,763
<b>Total</b>	<b>234,652</b>	<b>324,292</b>	<b>172,144</b>	<b>283,320</b>

### 27 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
		(in thousand Baht)		
Personnel	244,407	280,746	186,369	223,110
Administrative	65,567	147,032	168,953	197,740
Depreciation	42,973	67,349	30,537	58,147
Employee early retirement benefits	1,138	62,294	1,138	60,990
Other current assets and other non-current assets written-off	-	15,062	-	-
Doubtful debts expense	14,177	32,108	19,050	32,346
Others	20,879	26,722	3,385	35,322
<b>Total</b>	<b>389,141</b>	<b>631,313</b>	<b>409,432</b>	<b>607,655</b>



**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**28 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Management</b>				
Wages and salaries	103,398	91,694	77,715	75,725
Contribution to defined contribution plans	5,221	4,940	3,344	3,703
Others	196	4,278	90	3,376
<b>Total</b>	<b>108,815</b>	<b>100,912</b>	<b>81,149</b>	<b>82,804</b>
<b>Other employees</b>				
Wages and salaries	544,098	560,397	333,985	413,732
Contribution to defined contribution plans	30,050	44,578	18,631	33,442
Others	149,969	133,553	79,936	77,762
<b>Total</b>	<b>724,117</b>	<b>738,528</b>	<b>432,552</b>	<b>524,936</b>
<b>Total employee benefit expenses</b>	<b>832,932</b>	<b>839,440</b>	<b>513,701</b>	<b>607,740</b>

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rate of 5% of their basic salaries and by the Group from 5% to 7.5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

**29 Finance costs**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Interest expense relating to					
Related parties	5	-	-	303	643
Financial institutions		108,430	130,628	84,788	121,005
Other party		9,731	4,743	9,731	4,743
<b>Total</b>		<b>118,161</b>	<b>135,371</b>	<b>94,822</b>	<b>126,391</b>

**30 Income tax**

The current tax expense in the consolidated and separate 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 Company and other subsidiaries of the Group for tax purposes.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### 31 Earnings (loss) per share

#### *Basic earnings (loss) per share*

The calculations of basic earnings (loss) per share for the years ended 31 December 2009 and 2008 were based on the profit (loss) for the years attributable to equity holders of the Company and the weighted average number of shares outstanding during the years as follows:

#### *Profit (loss) for the year attributable to ordinary shareholders (basic)*

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht/ thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders (basic)	<u>(53,040)</u>	<u>(54,981)</u>	<u>9,223</u>	<u>47,875</u>
Number of ordinary shares outstanding	<u>164,774</u>	<u>164,774</u>	<u>164,774</u>	<u>164,774</u>
Earnings (loss) per share (basic) <i>(in Baht)</i>	<u>(0.32)</u>	<u>(0.33)</u>	<u>0.06</u>	<u>0.29</u>

#### *Weighted average number of ordinary shares (basic)*

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand shares)</i>			
Issued ordinary shares at 1 January	164,774	164,774	164,774	164,774
Effect of shares issued during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares (basic)	<u>164,774</u>	<u>164,774</u>	<u>164,774</u>	<u>164,774</u>

### 32 Financial instruments

#### *Financial risk management policies*

The Group is exposed to normal business risks from changes in interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not 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.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the years ended 31 December 2009 and 2008

### 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 (Note 18).

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or reprice 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
<b>2009</b>				
<b>Current</b>				
Bank overdraft	MOR	12,547	-	12,547
Short-term loans from financial institutions	3.90 – 8.30	580,160	-	580,160
Long-term loans from financial institutions	MLR and MLR plus 0.50%	367,048	-	367,048
Short-term loans from related party	1.85	10,000	-	10,000
<b>Non-current</b>				
Long-term loans from financial institutions	MLR	-	671,988	671,988
Long-term loans from other party	MLR	-	140,958	140,958
<b>Total</b>		<b>969,755</b>	<b>812,946</b>	<b>1,782,701</b>
<b>2008</b>				
<b>Current</b>				
Bank overdraft	MOR	35,804	-	35,804
Short-term loans from financial institutions	4.25 – 7.75	614,386	-	614,386
Long-term loans from financial institutions	MLR and MLR plus 0.50%	357,008	-	357,008
<b>Non-current</b>				
Long-term loans from financial institutions	MLR	-	932,017	932,017
Long-term loans from other party	MLR	-	149,659	149,659
<b>Total</b>		<b>1,007,198</b>	<b>1,081,676</b>	<b>2,088,874</b>

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

		Separate financial statements		
	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
<b>2009</b>				
<b>Current</b>				
Bank overdraft	MOR	1,620	-	1,620
Short-term loans from financial institutions	3.80 – 7.75	530,160	-	530,160
Long-term loans from financial institutions	MLR and MLR plus 0.50%	280,000	-	280,000
Short-term loans from related party	1.85	10,000	-	10,000
<b>Non-current</b>				
Long-term loans from financial institutions	MLR	-	490,060	490,060
Long-term loans from other party	MLR	-	140,958	140,958
<b>Total</b>		<b>821,780</b>	<b>631,018</b>	<b>1,452,798</b>
<b>2008</b>				
<b>Current</b>				
Bank overdraft	MOR	33,697	-	33,697
Short-term loans from financial institutions	3.80 – 7.75	519,386	-	519,386
Long-term loans from financial institutions	MLR and MLR plus 0.50%	290,000	-	290,000
Short-term loans from related party	MOR	5,000	-	5,000
<b>Non-current</b>				
Long-term loans from financial institutions	MLR	-	678,040	678,040
Long-term loans from other party	MLR	-	149,659	149,659
<b>Total</b>		<b>848,083</b>	<b>827,699</b>	<b>1,675,782</b>

**Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilizes 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 Company was exposed to foreign currency risk in respect of purchases denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in thousand shares)			
<i>United States Dollars</i>				
Estimated forecast purchases	37,205	81,955	37,205	81,955
Currency forwards	37,205	81,955	37,205	81,955
Net exposure	-	-	-	-

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
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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 balance sheet. 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.

***Capital management***

The Board's 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 and also monitors the level of dividends to ordinary shareholders.

***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 financial assets and liabilities is taken to approximate the carrying value.

**33 Commitments with non-related parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b><i>Commitments</i></b>				
Within one year	269,264	166,124	238,971	155,884
After one year but within five years	85,706	251,158	-	238,971
After five years	56,802	-	-	-
<b>Total</b>	<b>411,772</b>	<b>417,282</b>	<b>238,971</b>	<b>394,855</b>
<b><i>Other commitments</i></b>				
Unused letters of credits	38,878	29,164	38,878	29,164
Forward contracts	37,205	81,955	37,205	81,955
Guarantee credit lines of subsidiaries				
with financial institutions	-	-	130,000	130,000
<b>Total</b>	<b>76,083</b>	<b>111,119</b>	<b>206,083</b>	<b>241,119</b>

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

## **Notes to the financial statements**

**For the years ended 31 December 2009 and 2008**

- a) The Company had commitments under a rental agreement of Web Off-set printing machine and related equipment with a financial institution on a monthly basis up to March 2010.
- b) The Group has entered into operating lease agreements with a local company for the period of 2 years, commencing from 30 April 2009 to 29 April 2011. The Group has an option to renew for a further period of one year under the same condition.
- c) A subsidiary has news supply agreement with a foreign company for a period of 4 years, commencing 1 June 2006 to 31 May 2011 with an option to renew agreement.
- d) A subsidiary has entered into service agreement covering television broadcasting satellite service with a local company for the period of 10 years commencing from 1 November 2009 to 31 October 2019 with service charge of U.S. Dollars 4.4 million

### **34 Contingent liability**

On 28 September 2009, a subsidiary and a jointly-controlled entity have entered into long-term loan agreements with a local financial institution for the amounts of Baht 40 million. The such loans bear interest at the Minimum Loan Rate (MLR) minus specified rate in the agreements. As at 31 December 2009, the subsidiary and the jointly-controlled entity have not yet drawn down the loan.

The loans were guaranteed by shareholder of the subsidiary and the jointly-controlled.

### **35 Event after the reporting date**

- a) On 17 February 2010, the Company received a letter of consent for relating to the following change in the terms of the Syndicate Loan Agreement from three local financial institutions:
  - The Company will obtain a new long-term loan amounting to Baht 240 million from two local financial institutions to pay the remaining amount due from the cancellation of the sale and lease back agreement and to purchase the printing machine and equipment.
  - Extend the period of loan repayments of Tranche 2 which is due from June 2012 to December 2013 repayable in monthly installments of varying amounts.
  - Sale printing machine and equipment to subsidiary together with long-term loan to subsidiary for purchasing printing machine and equipment.

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

- b) On 18 February 2010, the Company cancelled the sale and lease back agreement with a local financial institution on the basis that the Company will pay the remaining amount and other costs amounting to Baht 242.77 million (including value added tax). In addition, the Company will exercise an option to purchase the printing machine and equipment amounting to Baht 237 million.
- c) On 18 February 2010, the Company has entered into credit agreement with two local financial institutions amounting to Baht 240 million to pay the remaining amount due from the cancellation of the sale and lease back agreement and to purchase the printing machine 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. This loan is secured by pledging printing machine.

**Nation Multimedia Group Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**36 Thai Accounting Standards (TAS) not yet adopted**

The Group has not adopted the following new and revised TAS that have been issued as of the reporting date but are not yet effective. The new and revised TAS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

TAS	Topic	Year effective
TAS 24 (revised 2009)	Related Party Disclosures (formerly TAS 47)	2011

Management is presently considering the potential impact of adopting and initial application of these new and revised TAS on the consolidated and separate financial statements.

**37 Reclassification of accounts**

Certain expense accounts in the statement of income for the year ended 31 December 2008 have been reclassified to conform with the expenses presentation for the year ended 31 December 2009 in the Pronouncement of the Department of Business Development "Determination of items in the financial statements" B.E. 2552 dated 30 January 2009.

**38 Expenses by nature**

Significant expenses are classified by nature as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
		(in thousand Baht)			
Purchase paper and raw materials		281,080	622,179	221,506	551,426
Purchase books		64,726	106,439	110,764	56,562
Printing cost		62,092	92,382	323,982	434,968
Change in finished goods		155,728	(235,435)	88,791	(238,240)
Delivery cost		201,989	199,414	20,002	29,259
Other production costs		308,889	406,145	261,315	332,071
Administrative expenses		86,446	188,816	172,338	233,062
Distribution and marketing expenses	26	165,035	250,335	117,243	222,557
Personnel expenses	28	832,932	839,440	513,701	607,740
Depreciation and amortisation expenses		173,215	177,706	70,879	103,221
Doubtful debt expenses		14,177	32,108	19,050	32,346

## Other Reference Persons

- **Security Registrar (Common Share)**

Thailand Securities Depository Company Limited  
62 The Stock Exchange of Thailand Building, 4th Floor,  
Rachadapisek Road, Klongtoey, Bangkok 10110 Tel: (02) 229-2800

- **Certified Public Accountant**

1. Mr. Vichien Thamtrakul  
Registration No. 3183 or
2. Mr. Charoen Phosamritlert  
Registration No. 4068 or
3. Ms. Boonsri Chotpaiboonpun  
Registration No. 3756

KPMG Phoomchai Audit Company Limited  
195 Empire Tower, 21st Floor, Sathorn Road, Yannawa, Bangkok 10120  
Tel: (66) 2677-2000

- **Audit Fee**

1. The audit fee of the Company and subsidiaries for the year 2009 is Bt 4,480,000
2. Non-audit fee

-None-

- **Financial Consultants**

JayDee Partners Company Limited  
170/29-30 Ocean Tower 1, 11st Floor, Sukhumvit 16, Rachadapisek Road,  
Klong Toei, Bangkok 10110  
Tel. (66) 2661-8803-5

- **Legal Consultants**

1. S.A.T. Associates Legal & Tax Company Limited  
702 Chaophya Tower (Shangri-La Hotel)  
89 Soi Wat Suan Plu, New Road, Bangrak, Bangkok 10500  
Tel. (66) 630-7637-8
2. Pow & Associates Law Office Limited  
2 Silom Center Building, 20th Floor, Silom Road, Bangkok 10500  
Tel. (66) 2632-6697

- **Investor Relations**

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