



# Nation Multimedia Group Public Company Limited

ANNUAL  
REPORT 2013



ANNUAL REPORT 2013





# Vision Statement

The Multimedia Group that reaches  
every household

# Mission Statement

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



# Core Values

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



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# General Information

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

## Business Line

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

1. Thai-language News Business Unit – Production of Krungthep Turakij newspaper and news programming via Krungthep TV satellite channel under the name Krungthep Turakij TV, operated by Krungthep Turakij Media Company Limited (KTM) and owner of the SD Variety digital TV channel “NOW”, operated by Bangkok Business Broadcasting Co., Ltd.
2. General News Business Unit – Production of Thai-language newspaper Kom Chad Luek and Nation Weekender. Operated by Kom Chad Luek Media Company Limited (KMM).
3. English-language News Business Unit – Production of The Nation, Nation Junior, business training seminars and communication skills under the operation of Nation News Network Company Limited (NNN). In addition, Nation Multimedia Group Public Company Limited has jointly invested with Eleven Media Group Co., Ltd. in Myanmar to set up a joint venture company under the name Eleven-Nation Media Co., Ltd. in Yangon, Myanmar with a 49 percent shareholding. The company is active in media and related activities with an aim to expand business in Myanmar through publication of the country’s first independent English-language daily newspaper, scheduled to commence publication in the first quarter of 2014.

4. Edutainment & International Business Unit – Production and distribution of education and entertainment media for children, production of publications under Nation Books, advertising representative and distributor of foreign publications and TV programs for children via satellite TV channel KidZone. Operated by Nation International Edutainment Public Company Limited (NINE). Also education service active in all fields of study, operated by NINE Be Bright Co., Ltd. (a subsidiary of NINE).
5. Broadcasting Business Unit – Owner and producer of Nation Channel, production and broadcasting of programs for other TV channels, production of radio programs and new media business, operated by Nation Broadcasting Corporation Public Company Limited (NBC) and owner of the SD News digital TV channel “Nation TV”, operated by NBC Next Vision Co., Ltd..
6. Printing Business Unit – Printing service business. Operated by WPS (Thailand) Company Limited (WPS).
7. Logistics Business Unit – Operated by NML Company Limited (NML).
8. Education Business Unit – Providing undergraduate, graduate and Executive MBA degrees by Nation University, with two campuses at Bangkok and Lampang. Operated by Nation U Company Limited (NU).

<b>Registered Capital</b>	Baht 2,663,572,194.95 consisting of 5,025,607,915 Shares at Baht 0.53 par value
<b>Paid-up Capital</b>	December 31, 2013 the Company has paid-up capital of Baht 1,751,120,832.10 consisting of 3,304,001,570 Shares at Baht 0.53 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	2013	2012 (Restated)	2011 (Restated)
• Revenue from Sales and Rendering of Services	2,864.30	2,936.87	2,643.19
• Total Income	3,059.87	3,101.88	2,797.57
• Gross Profit Margin	1,068.91	1,096.13	1,005.92
• Profit Before Interest, Taxes, Depreciation and Amortization	670.04	612.58	499.23
• Net Profit	251.72	169.05	104.28
• Total Assets	5,352.72	4,152.30	3,891.97
• Total Shareholders' Equity	3,784.63	1,637.07	1,439.74

2. Financial Ratios	2013	2012 (Restated)	2011 (Restated)
• Total Debts to Equity (Times)	0.41	1.54	1.70
• Gross Profit Margin (%)	37.32%	37.32%	38.06%
• Net Profit on Total Income	8.23%	5.45%	3.73%
• Return on Equity	6.65%	10.33%	7.24%
• Return on Total Assets	5.30%	4.20%	2.74%
• Earnings per Share (Baht)	0.10	0.10	0.06
• Book Value per Share (Baht)	1.15	0.99	0.87

## Dividend Policy

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

## Investments in direct and indirect Subsidiaries of Nation Multimedia Group PCL as of December 31, 2013

	Registered Capital (Million Baht)	Percentage of Investments
<b>PUBLISHING BUSINESS</b>		
Nation International Edutainment PCL.	259.25	83.76
Nation Edutainment Co., Ltd. (Invested by Nation International Edutainment PCL.)	41.25	83.76
Nation Egmont Edutainment Co., Ltd. (Invested by Nation International Edutainment PCL.)	50	41.87
Nation News Network Co., Ltd.	100	99.99
Kom Chad Luek Media Co., Ltd.	25	99.99
Krungthep Turakij Media Co., Ltd.	25	99.99

<b>PRINTING SERVICES BUSINESS</b>		
WPS (Thailand) Co., Ltd.	500	84.50

<b>BROADCASTING BUSINESS</b>		
Nation Broadcasting Corporation PCL.	720.34	71.30
NBC Nextmedia Co., Ltd. (Invested by Nation Broadcasting Corporation PCL.)	20	71.30
NBC Next Screen Co., Ltd. (Invested by Nation Broadcasting Corporation PCL.)	1	71.30
NBC Next Vision Co., Ltd. (Invested by Nation Broadcasting Corporation PCL.)	1	71.30
Nation Kids Co., Ltd. (Invested by Nation International Edutainment PCL.)	1	83.76
Bangkok Business Broadcasting Co., Ltd. (Invested by Krungthep Turakij Media Co., Ltd.)	1	99.99

<b>LOGISTIC SERVICES BUSINESS</b>		
NML Co., Ltd.	50	99.99

<b>EDUCATION BUSINESS</b>		
Nation U Co., Ltd.	170	90
Nation University (Held licenses by Nation U Co., Ltd.)	-	90
Nine Be Bright Co.,Ltd. (Invested by Nation International Edutainment PCL.)	1	50.25

## Investments in Associated Company of Nation Multimedia Group PCL as of December 31, 2013

	Registered Capital (Million Baht)	Percentage of Investments
Yomiuri-Nation Information Service Ltd.	4	45



## Message from the Chairman

# THE SKY HAS NO LIMIT

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The year 2013, which coincided with the 43rd anniversary of Nation Group, was a breakthrough year for us, as we became a full-cycle media business and Thailand's most comprehensive media organization. In addition to our existing newspaper, satellite TV, cable TV, online media and radio businesses, we will be operating two more free TV channels – Nation TV and NOW – through our successful bid for digital TV licenses at the end of 2013. These new channels will create future business potential and can be regarded as a turning point in the company's business structure, with a gradual shift of focus from the core print business to the TV business.

The successful bidding for the two new free TV channels will reap dividends for Nation Group. They will serve to propel us further and higher, making our future all the more bright. Aside from generating new sources of income through TV advertising worth something to the tune of 100 billion baht, the free TV business will support the content presentation of Nation Group's print media such as The Nation, Krungthep Turakij and Kom Chad Luek newspapers, expanding coverage to new target reader groups. We are confident in claiming that digital TV will elevate

our organization to new heights.

From this day forward "The Sky Has No Limit". With our fully integrated media and personnel, we are ready to advance and take on whatever challenges we encounter.

Nation Group has positioned itself as a quality media organization at the forefront of the industry. Over the years, we have placed great emphasis on personnel development to keep pace with the inherent change within the industry. We have created media professionals with combined capabilities in new media, video, TV, publications and radio, as well as introduced many new media innovations, enabling us to cover the news in a fast and timely manner across a variety of media channels.

Importantly, our working philosophy is firmly based on quality, professional ethics and responsibility, leading to accountable coverage and reports, which is an essential element of the media profession.

This year, we are entering a new media landscape in Thailand, with liberalization of the TV industry following 40 years of government monopolization of frequency concessions. After decades of channels 3, 5, 7, 9, 11 and Thai PBS, the industry will now welcome 24 new channels.

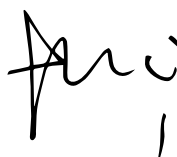
We are confident of success in this new business landscape for Nation Group, since we are doing what we specialize in, with professional media personnel developed over many years and quality content, which has always been widely recognized as one of the primary strengths of Nation Group.

We believe that when Nation TV Channel, formerly known as Nation Channel, enters the digital TV business, it will immediately become the number 1 news channel. Our “Nation TV Town” is currently under development to serve as the centre for digital TV production and the newly-created programs of Nation Group, with more intensive content than ever.

NOW Channel is expected to build upon the already-solid customer bases of Krungthep Turakij newspaper and Krungthep Turakij TV. NOW TV is a variety and lifestyle channel created for the new generation, business persons, CEO's and SMEs, covering business, music, culture, game shows, and sports. It targets the interests of Thailand's expanding urban group.

In terms of business performance, the year 2013 was a prosperous year for us as we achieved the “best performance” since our inception. This achievement can be attributed to our incessant improvements, staying abreast of changing technologies and consumer behavior patterns.

Nation Group has pioneered new phenomena in the Thai media industry several times in the past. We therefore feel very confident that Nation Group will continue to enjoy strong and sustainable progress as an organization that is “ideas based”, always on the search for “new opportunities” and consistently developing in “innovative ways”.



Suthichai Yoon  
Chairman of Nation Multimedia Group





# Board of Director



# Board of Directors



**Mr. Suthichai Sae-Yoon**

## Chairman

**Age** • 68 years

### Education Background

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

### Training Course (s)

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

### Training Course (s) 2013

- N/A

### No. of Shares Held as at December 27, 2013

- Mr.Suthichai Sae-Yoon 304,101,742 shares (9.20%)
- Mrs.Nantawan Sae-Yoon - shares
- Minor child - shares

### Relationship with NMG's Executive

- Mr.Thepchai Sae-Yong  
Relationship : Younger brother

### Experience

- 1971 - 2012 Editor in Chief  
Nation Multimedia Group Plc.
- 2011 - Present Chairman  
Nation Broadcasting Corporation Plc.
- 2012 - Present Chairman  
Nation Multimedia Group Plc.
- 2012 - Present Chairman  
Nation International Edutainment Plc.

### Director of other listed company

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

### Director of other non - listed company

- 2006 - Present Chairman  
NML Co., Ltd.
- 2008 - Present Chairman  
Nation News Network Co., Ltd.
- 2011 - Present Chairman  
Nation U Co., Ltd.
- 2012 - Present Chairman  
NBC Next Media Co., Ltd.
- 2012 - Present Chairman  
Nation Edutainment Co., Ltd.
- 2012 - Present Chairman  
Nation Kids Co., Ltd.
- 2013 - Present Chairman  
Nine Be Bright Co., Ltd.

### Director of a competing company or a related business company

- N/A

### Year of Directorship 42 Years 5 Months

(Appointed as a director since July 1, 1971)

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

- Board of Directors 7/7
- Annual General Meeting of Shareholders 1/1

# Board of Directors



**Mr. Sermsin Samalapa**

Vice Chairman

**Age** • 46 years

**Education Background**

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

**Training Course (s)**

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

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

- Mr. Sermsin Samalapa  
300,000,000 shares (9.08%)

**Relationship with NMG's Executive**

- N/A

**Experience**

1997 - 2011	Lecturer of Real Estate Finance, Faculty of Commerce and Accountancy Chulalongkorn University
1999 - Present	Managing Director Thai Portal Co., Ltd.
2003 - 2005	Chairman Pacific Assets Plc.
2003 - 2011	President and Chief Executive Officer Natural Park Pcl. and its Subsidiaries

2003 - 2011	Director	Kempin Siam Co., Ltd.
2010 - Present	Chairman	South-East Asia University
2010 - Present	Director	Nation Multimedia Group Plc.
2012 - Present	Vice Chairman	Nation Multimedia Group Plc.
2011 - Present	Director	Nation U Co., Ltd.
2011 - Present	Director	Nation Broadcasting Corporation Plc.
2011 - Present	Director	Nation International Edutainment Plc.
Aug 26, 2013	Director	Nine Be Bright Co., Ltd.
- Present		

**Director of other listed company**

2011 - Present	Director	Nation Broadcasting Corporation Plc.
2011 - Present	Director	Nation International Edutainment Plc.

**Director of other non - listed company**

1999 - Present	Managing Director	Thai Portal Co., Ltd.
2010 - Present	Chairman	South-East Asia University
2011 - Present	Director	Nation U Co., Ltd.
Aug 26, 2013	Director	
- Present		Nine Be Bright Co., Ltd.

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 3 Years 1 Months**

(Appointed as a director since November 9, 2010)

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

Board of Directors	5/7
Annual General Meeting of Shareholders	1/1



# Board of Directors



## Ms. Duangkamol Chotana

### Director and President

**Age** • 50 years

**Education Background**

- BA. Communication Arts, Chulalongkorn University

**Training Course**

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 144)
- Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA)
- Executive Development Program (EDP # 4)

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

- Ms. Duangkamol Chotana  
20,908,200 shares (0.63%)

**Relationship with NMG's Executive**

- N/A

**Experience**

1987 - 1990	Reportor Nation Publishing Group Co., Ltd.
1990 - 1999	Assistant Editor Nation Multimedia Group Plc.
1999 - 2000	Executive Editor Nation Multimedia Group Plc.
2000 - 2007	Editor - Krungthep Turakij Nation Multimedia Group Plc.
2008 - 2010	Chief Operating Officer of Thai News Business Unit Nation Multimedia Group Plc.
2010 - Present	President of Thai News Business Unit Krungthep Turakij Media Co., Ltd.

2011 - Present	Director Nation Broadcasting Corporation Plc.
2012 - Present	Director and Chairman WPS (Thailand) Co., Ltd.
2012 - Present	Director and President Nation Multimedia Group Plc.

**Director of other listed company**

2011 - Present	Director Nation Broadcasting Corporation Plc.
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**Director of other non - listed company**

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

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 1 Years 10 Months**

(Appointed as a director since February 27, 2012)

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

Board of Directors	7/7
Annual General Meeting of Shareholders	1/1



# Board of Directors



**Mr. Pakorn Borimaspon**

Independent Director and Chairman of The Audit Committee

**Age** • 67 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, The Stock Exchange of Thailand (TLCA)
- Executive Development Program (EDP # 1)

**Training Course (s) 2013**

- Journey to the developments of Good Corporate Governance under the "ASEAN Corporate Governance Scorecard"

**No. of Shares Held as at December 27, 2013**

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

**Relationship with NMG's Executive**

- N/A

**Experience**

- 1993 - Present Director and Chief Executive Officer Lighting & Equipment Plc.
- 1997 - Present Independent Director and Chairman of The Audit Committee Nation Multimedia Group Plc.
- 1999 - Present Chairman of the Executive Committee L&E Manufacturing Co., Ltd.
- 2004 - Present Chairman and Chairman of The Audit Committee Porn Prom Metal Public Co., Ltd.
- 2010 - Present Chairman of the Executive Committee L&E Solidstate Co., Ltd.

**Director of other listed company**

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

**Director of other non - listed company**

- 1999 - Present Chairman of the Executive Committee L&E Manufacturing Co., Ltd.
- 2010 - Present Chairman of the Executive Committee L&E Solidstate Co., Ltd.

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 16 Years 8 Months**

(Appointed as a director since April 29, 1997)

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

Board of Directors	7/7
Audit Committee	4/4
Annual General Meeting of Shareholders	1/1

# Board of Directors



## Mr. Chaveng Chariyapisuthi

### Independent Director and Member of The Audit Committee

**Age** • 69 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 # 20

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

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

**Relationship with NMG's Executive**

- N/A

**Experience**

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

1995 - Present	Independent Director and Chairman of The Audit Committee
	Nation Multimedia Group Plc.
2009 - Present	Executive Director
	Siam Asia Environment Co., Ltd.

**Director of other listed company**

- N/A

**Director of other non - listed company**

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

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 18 Years 8 Months**

(Appointed as a director since April 19, 1995)

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

Board of Directors	7/7
Audit Committee	4/4
Annual General Meeting of Shareholders	1/1

# Board of Directors



## Ms. Kaemakorn Vachiravarakarn

Independent Director and Member of The Audit Committee

### Age

- 38 years

### Education Background

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

### Training Course (s)

- Thai Institute of Directors Association
- N/A

### Training Course (s) 2013

- N/A

### No. of Shares Held as at December 27, 2013

- Ms. Kaemakorn Vachiravarakarn  
10,000,000 shares (0.30%)

### Relationship with NMG's Executive

- N/A

### Experience

1997 - 1999	Assistant Auditor SGV Na Thalang Co., Ltd. (Now KPMG)
2001 - 2002	Senior Consultant - Business Recovery Service Inthanon Business Advisory Ltd. (Andersen Thailand, Now KPMG)

2002 - 2003

Senior Consultant -  
Business Recovery Service

2004 - 2011

Ferrier Hodgson, Now Baker Tilly  
Corporate secretary and AVP Strategic  
Financial Planning  
Natural Park Public Co., Ltd.

2003 - Present

Director  
I Do Idea Co., Ltd.

Oct 17, 2013 - Present Independent Director and Member  
of The Audit Committee  
Nation Multimedia Group Plc.

### Director of other listed company

- N/A

### Director of other non - listed company

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

### Director of a competing company or a related business company

- N/A

### Year of Directorship 2 Months

(Appointed as a director since October 17, 2013)

### The Meeting Attendance / Meeting held (Frequency) : Appointed as director on October 17, 2013

Board of Directors	1/1
Audit Committee	1/1
Annual General Meeting of Shareholders	0/1

# Board of Directors



## Mr. Nivat Changariyavong

### Director

<b>Age</b>	• 71 years
<b>Education Background</b>	<ul style="list-style-type: none"> <li>• Honorary Doctorate in Business Administration, Chiang Rai Rajabhat University</li> <li>• Assumption Commercial College Bangkok (ACC)</li> </ul>
<b>Training Course (s)</b>	<ul style="list-style-type: none"> <li>• Thai Institute of Directors Association</li> <li>• Director Accreditation Program (DAP # 36)</li> </ul>
<b>Training Course (s) 2013</b>	• N/A
<b>No. of Shares Held as at December 27, 2013</b>	<ul style="list-style-type: none"> <li>• Mr. Nivat Changariyavong 2,000,000 shares (0.06%)</li> <li>• Minor child - shares</li> </ul>
<b>Relationship with NMG's Executive</b>	• N/A
<b>Experience</b>	
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.
1991 - Present	Director Evergreen Container Terminal (Thailand) Co., Ltd.
1997 - Present	Director Nation Multimedia Group Plc.
2001 - Present	Chief Executive Officer Evergreen Shipping Agency (Thailand) Co., Ltd.

2003 - Present	Director Evergreen Logistics (Thailand) Co., Ltd.
2010 - Present	Independent Director Eternal Energy Public Co., Ltd.

#### Director of other listed company

2010 - Present	Independent Director Eternal Energy Public Co., Ltd.
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#### Director of other non - listed company

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.
1991 - Present	Director Evergreen Container Terminal (Thailand) 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 company or a related business company

- N/A

#### Year of Directorship 16 Years 8 Months

(Appointed as a director since April 29, 1997)

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

Board of Directors	7/7
Annual General Meeting of Shareholders	1/1

# Board of Directors



**Mr. Thepchai Sae-Yong**

Director

**Age** • 59 years

**Education Background**

- Secondary school
- Assumption Commercial College (ACC)

**Training Course**

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

**Training Course (s) 2013**

- Directors Certification Program (DCP # 177)

**No. of Shares Held as at December 27, 2013**

- Mr. Thepchai Sae-Yong - shares
- Minor child - shares

**Relationship with NMG's Executive**

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

**Experience**

1975 - 1976	Proofreader Nation Publishing Group Co., Ltd.
1977 - 1979	Reporter - Political Nation Publishing Group Co., Ltd.
1980 - 1988	Reporter - Regional Nation Publishing Group Co., Ltd.
1989 - 1994	Editor - The Nation Nation Publishing Group Co., Ltd.
1994 - 2000	News Director Thai Public Broadcasting Service (ITV)

2000 - 2007	Group Editor Nation Multimedia Group Plc.
2008 - 2012	Managing Director Thai Public Broadcasting Service (TPBS)
2012 - Present	Group Editor-in-Chief Nation Multimedia Group Plc.
2012 - Present	Director Nation News Network Co., Ltd.
Apr 24, 2013	Director
- Present	Nation Broadcasting Corporation Plc.
May 10, 2013	Director
- Present	Nation Multimedia Group Plc.

**Director of other listed company**

Apr 24, 2013	Director
- Present	Nation Broadcasting Corporation Plc.

**Director of other non - listed company**

2012 - Present	Director Nation News Network Co., Ltd.
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**Director of a competing company or a related business company**

- N/A

**Year of Directorship 7 Months**

(Appointed as a director since May 10, 2013)

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

**Appointed as director on May 10, 2013**

Board of Directors	4/4
Annual General Meeting of Shareholders	0/1

# Board of Directors



## Mr. Pana Janviroj

### Director

**Age** • 55 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 (TLCA)
- Risk Management Seminar & Workshop

#### Training Course (s) 2013

- N/A

#### No. of Shares Held as at December 27, 2013

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

#### Relationship with NMG's Executive

- N/A

#### Experience

1988 - 1992	Senior Reporter - The Nation
1993 - 1994	Business Editor
1994 - 1995	Executive Editor
1995 - 1997	Editor - The Nation
1997 - 1999	Group Assistant Publisher
2000 - 2004	Editor - The Nation
2005 - 2008	Chief Operating Officer of English News Business Unit
	Nation Multimedia Group Plc.

2008 - Present	President
	Nation News Network Co., Ltd
2011 - Present	Director
	Nation International Edutainment Plc.
2012 - Present	Director
	Nation Multimedia Group Plc.

#### Director of other listed company

2011 - Present	Director
	Nation International Edutainment Plc.

#### Director of other non - listed company

2008 - Present	President
	Nation News Network Co., Ltd.
2012 - Present	Director
	Yomiuri-Nation Information Service Co., Ltd.
2012 - Present	Director
	Nation Egmont Edutainment Co., Ltd.

#### Director of a competing company or a related business company

- N/A

#### Year of Directorship 14 Years 8 Months

(Appointed as a director since April 19, 1999)

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

Board of Directors	5/7
Annual General Meeting of Shareholders	1/1



# Board of Directors



**Mr. Adisak Limprungpatanakij**

Director

**Age** • 53 years

**Education Background**

- BA. Faculty of Commerce and Accountancy, Thammasart University

**Training Course**

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

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

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

**Relationship with NMG's Executive**

- N/A

**Experience**

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

Association (Thailand)

2009 - Present	President Nation Broadcasting Corporation Plc.
2012 - Present	Director Nation Multimedia Group Plc.

**Director of other listed company**

2009 - Present	Director Nation Broadcasting Corporation Plc.
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**Director of other non - listed company**

2010 - Present	Director Kom Chad Luck Media Co., Ltd.
2012 - Present	Director NBC Next Media Co., Ltd.
2012 - Present	Director NML Co.Ltd.
2012 - Present	Director Nation U Co., Ltd.
2012 - Present	Director NBC Next Vision Co., Ltd.
2012 - Present	Director NBC Next Screen Co., Ltd.

**Director of a competing company or a related business company**

- N/A

**Year of Directorship 11 Years 8 Months**

(Appointed as a director since April 19, 1999)

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

Board of Directors	7/7
Annual General Meeting of Shareholders	1/1



# Executive Board





# Executive Board



**Mr. Suthichai Sae-Yoon**

Chairman

**Age** • 68 years

**Education Background**

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

**Training Course (s)**

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

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

- Mr.Suthichai Sae-Yoon  
304,101,742 shares (9.20%)
- Mrs.Nantawan Sae-Yoon - shares
- Minor child - shares

**Relationship with NMG's Executive**

- Mr.Thepchai Sae-Yong  
Relationship : Younger brother

**Experience**

1971 - 2012 Editor in Chief  
Nation Multimedia Group Plc.

2011 - Present Chairman

Nation Broadcasting Corporation Plc.

2012 - Present Chairman

Nation Multimedia Group Plc.

2012 - Present Chairman

Nation International Edutainment Plc.

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

Annual General Meeting of Shareholders 1/1

# Executive Board



## Mr. Sermsin Samalapa

### Vice Chairman

**Age** • 46 years

#### Education Background

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

#### Training Course (s)

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

#### Training Course (s) 2013

- N/A

#### No. of Shares Held as at December 27, 2013

- Mr. Sermsin Samalapa  
300,000,000 shares (9.08%)

#### Relationship with NMG's Executive

- N/A

#### Experience

1997 - 2011 Lecturer of Real Estate Finance,  
Faculty of Commerce and Accountancy  
Chulalongkorn University

1999 - Present	Managing Director Thai Portal Co., Ltd.
2003 - 2005	Chairman Pacific Assets Plc.
2003 - 2011	President and Chief Executive Officer Natural Park Pcl. and its Subsidiaries
2003 - 2011	Director Kempin Siam Co., Ltd.
2010 - Present	Chairman South-East Asia University
2010 - Present	Director Nation Multimedia Group Plc.
2012 - Present	Vice Chairman Nation Multimedia Group Plc.
2011 - Present	Director Nation U Co., Ltd.
2011 - Present	Director Nation Broadcasting Corporation Plc.
2011 - Present	Director Nation International Edutainment Plc.
Aug 26, 2013	Director
- Present	Nine Be Bright Co., Ltd.

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

Annual General Meeting of Shareholders 1/1

# Executive Board



**Ms. Duangkamol Chotana**

President

**Age** • 50 years

**Education Background**

- BA. Communication Arts ,  
Chulalongkorn University

**Training Course**

- Thai Institute of Directors Association
- Directors Certification Program (DCP # 144)
- Thai Listed Companies Association,  
The Stock Exchange of Thailand (TLCA)
- Executive Development Program (EDP # 4)

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

- Ms. Duangkamol Chotana  
20,908,200 shares (0.63%)

**Relationship with NMG's Executive**

- N/A

**Experience**

1987 - 1990	Reportor Nation Publishing Group Co., Ltd.
1990 - 1999	Assistant Editor Nation Multimedia Group Plc.
1999 - 2000	Executive Editor Nation Multimedia Group Plc.

2000 - 2007	Editor - Krungthep Turakij Nation Multimedia Group Plc.
2008 - 2010	Chief Operating Officer of Thai News Business Unit Nation Multimedia Group Plc.
2010 - Present	President of Thai News Business Unit Krungthep Turakij Media Co., Ltd.
2011 - Present	Director Nation Broadcasting Corporation Plc.
2012 - Present	Director and Chairman WPS (Thailand) Co., Ltd.
2012 - Present	Director and President Nation Multimedia Group Plc.

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

Annual General Meeting of Shareholders	1/1
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# Executive Board



## Mr.Thepchai Sae-Yong

### Group Editor-in-Chief

**Age** • 59 years

**Education Background**

- Secondary school
- Assumption Commercial College (ACC)

**Training Course**

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

**Training Course (s) 2013**

- Directors Certification Program (DCP # 177)

**No. of Shares Held as at December 27, 2013**

- Mr.Thepchai Sae-Yong - shares
- Minor child - shares

**Relationship with NMG's Executive**

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

**Experience**

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

1994 - 2000	News Director Thai Public Broadcasting Service (ITV)
2000 - 2007	Group Editor Nation Multimedia Group Plc.
2008 - 2012	Managing Director Thai Public Broadcasting Service (TPBS)
2012 - Present	Group Editor-in-Chief Nation Multimedia Group Plc.
2012 - Present	Director Nation News Network Co., Ltd.
Apr 24, 2013	Director
- Present	Nation Broadcasting Corporation Plc.
May 10, 2013	Director
- Present	Nation Multimedia Group Plc.

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

Annual General Meeting of Shareholders	0/1
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# Executive Board



**Mr. Pana Janviroj**

**President of International Business Affairs**

**Age** • 55 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 (TLCA)
- Risk Management Seminar & Workshop

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

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

**Relationship with NMG's Executive**

- N/A

**Experience**

1988 - 1992	Senior Reporter - The Nation
1993 - 1994	Business Editor
1994 - 1995	Executive Editor
1995 - 1997	Editor - The Nation
1997 - 1999	Group Assistant Publisher
2000 - 2004	Editor - The Nation

2005 - 2008 Chief Operating Officer of  
English News Business Unit  
Nation Multimedia Group Plc.

2008 - Present President  
Nation News Network Co., Ltd

2011 - Present Director  
Nation International Edutainment Plc.

2012 - Present Director  
Nation Multimedia Group Plc.

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

Annual General Meeting of Shareholders 1/1

# Executive Board



## Mr. Adisak Limprungsatanakij

### President of Broadcasting Business Unit

**Age** • 53 years

**Education Background**

- BA. Faculty of Commerce and Accountancy, Thammasart University

**Training Course**

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

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

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

**Relationship with NMG's Executive**

- N/A

**Experience**

- 1982 - 1985 Reporter - Matuphoom Daily & Matuphoom Business Weekly
- 1985 - 1992 Reporter - The Nation
- 1992 - 1999 Editor - Krungthep Turakij

1998 - 1999 President of The Economic Reporters Association

2000 - 2008 Editor - Nation Channel and Nation Radio

2001 - 2004 Editor - Kom Chad Luek

2009 - 2010 President of Satellite Television Association (Thailand)

2009 - Present President  
Nation Broadcasting Corporation Plc.

2012 - Present Director  
Nation Multimedia Group Plc.

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

Annual General Meeting of Shareholders 1/1



# Management Team



# Management Team



## Mr. Vithoon Pungprasert

Executive Vice President - General The News Business Unit.

<b>Age</b>	• 60 years	1982 - 1989	Assistant Editor
<b>Education Background</b>			Nation Publishing Group Co.,Ltd.
	• Master of Public Administration, National Institute of Development Administration	1989 - 1989	Editor
	• BA. in Political Science, Ramkhamhaeng University	1989 - 1992	Editor Krungthepturakij
<b>Training Course (s)</b>			Nation Multimedia Group Plc.
	Thai Institute of Directors Association	1993 - 1996	Assistant to Group Editor
	• N/A		Nation Multimedia Group Plc.
<b>Training Course (s) 2013</b>		1997 - 2009	Assistant to Editor in Chief
	Faculty of Commerce and Accountancy, Chulalongkorn University		Nation Multimedia Group Plc.
	• Modern Managers Program : MMP	2010 - 2012	Senior Editor Kom Chad Luek Kom Chad Luek Media Co., Ltd
<b>No. of Shares Held as at December 27, 2013</b>		2012 - Present	Executive Vice President Kom Chad Luek Media Co.,Ltd
	• Mr. Vithoon Pungprasert 200,000 shares (0.01%)	2012 - Present	Director Kom Chad Luek Media Co.,Ltd
	• Mrs. Ludtika Pungprasert 50 shares (0.00%)		
	• Minor child - shares		
<b>Relationship with NMG's Executive</b>			
	• N/A		
<b>Experience</b>			
1978 - 1981	Reporter The Nation Nation Publishing Group Co.,Ltd.		

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

Annual General Meeting of Shareholders 1/1



# Management Team



**Ms. Nutvara Seangwarin**

Executive Vice President- Marketing and Public Relations Department

**Age** • 46 years

**Education Background**

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

**Training Course (s)**

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

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

- Ms. Nutvara Seangwarin  
320,100 shares (0.01%)

**Relationship with NMG's Executive**

- N/A

**Experience**

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

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

Annual General Meeting of Shareholders 1/1

# Management Team



## Mr. Thongchai Bunsaringkaranont

### President of Printing Business Unit

**Age** • 54 years

**Education Background**

- Bachelor of Laws, Thammasart University

**Training Course (s)**

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

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

- Mr. Thongchai Bunsaringkaranont  
100,000 shares (0.00%)
- Mrs. Ratana Bunsaringkaranont  
- shares
- Minor child (Natchanon Bunsaringkaranont)  
- shares

**Relationship with NMG's Executive**

- N/A

**Experience**

1998 - 2000	Manager Advertising Administration Nation Multimedia Group Plc.
2001 - 2007	Vice President Advertising Administration Nation Multimedia Group Plc.
2008 - 2010	Assistant Senior Vice President Advertising Administration Nation Multimedia Group Plc.

2010 - Present Director and President of Printing Business Unit  
WPS (Thailand) Co., Ltd.

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

Annual General Meeting of Shareholders 1/1

# Management Team



**Mr. Supoth Piansiri**

Senior Vice President - Accounting

**Age** • 45 years

**Education Background**

- Bachelor Degree of Accounting (Auditing), 2<sup>nd</sup> Class Hons., The University of The Thai Chamber of Commerce
- Certified Public Accountants (Thailand) Registration No.4666

**Training Course (s)**

- Faculty of Commerce and Accountancy, Chulalongkorn University
- Strategy Management Program Thai Institute of Directors Association
- Directors Certification Program (DCP # 150)

**Training Course (s) 2013**

- The 7 Habits of Highly Effective People by PacRim Group

**No. of Shares Held as at December 27, 2013**

- Mr. Supoth Piansiri  
300,000 shares (0.01%)

**Relationship with NMG's Executive**

- N/A

**Experience**

2003 Senior Manager  
SGV-Na Thalang & Co.,Ltd.

2003 - 2006	Associate Director KPMG Phoomchai Audit Ltd.
2007 - 2009	Vice President - Accounting Nation Multimedia Group Plc.
2010 - 2012	Assistant Senior Vice President - Accounting Nation Multimedia Group Plc.
2012 - Present	Senior Vice President - Accounting Nation Multimedia Group Plc.
2010 - Present	Director Kom Chad Luek Media Co.,Ltd
2010 - Present	Director Krungthep Turakij Media Co., Ltd.
2010 - Present	Director Bangkok Business Broadcasting Co., Ltd.
Apr 22, 2013	Director
- Present	WPS (Thailand) Co., Ltd.
Aug 26, 2013	Director
- Present	Nine Be Bright Co., Ltd.

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

Annual General Meeting of Shareholders 1/1

# Management Team



## Ms. Mathaya Osathanond

### Senior Vice President - Finance

**Age** 44 years

**Education Background**

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

**Training Course (s)**

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

**Training Course (s) 2013**

- N/A

**No. of Shares Held as at December 27, 2013**

- Ms. Mathaya Osathanond  
260,000 shares (0.01%)

**Relationship with NMG's Executive**

- N/A

**Experience**

1996 - 1997	Manager Accounting Nation Multimedia Group Plc.
1998 - 2000	Manager Finance Nation Multimedia Group Plc.
2001 - 2002	Senior Manager Finance Nation Multimedia Group Plc.

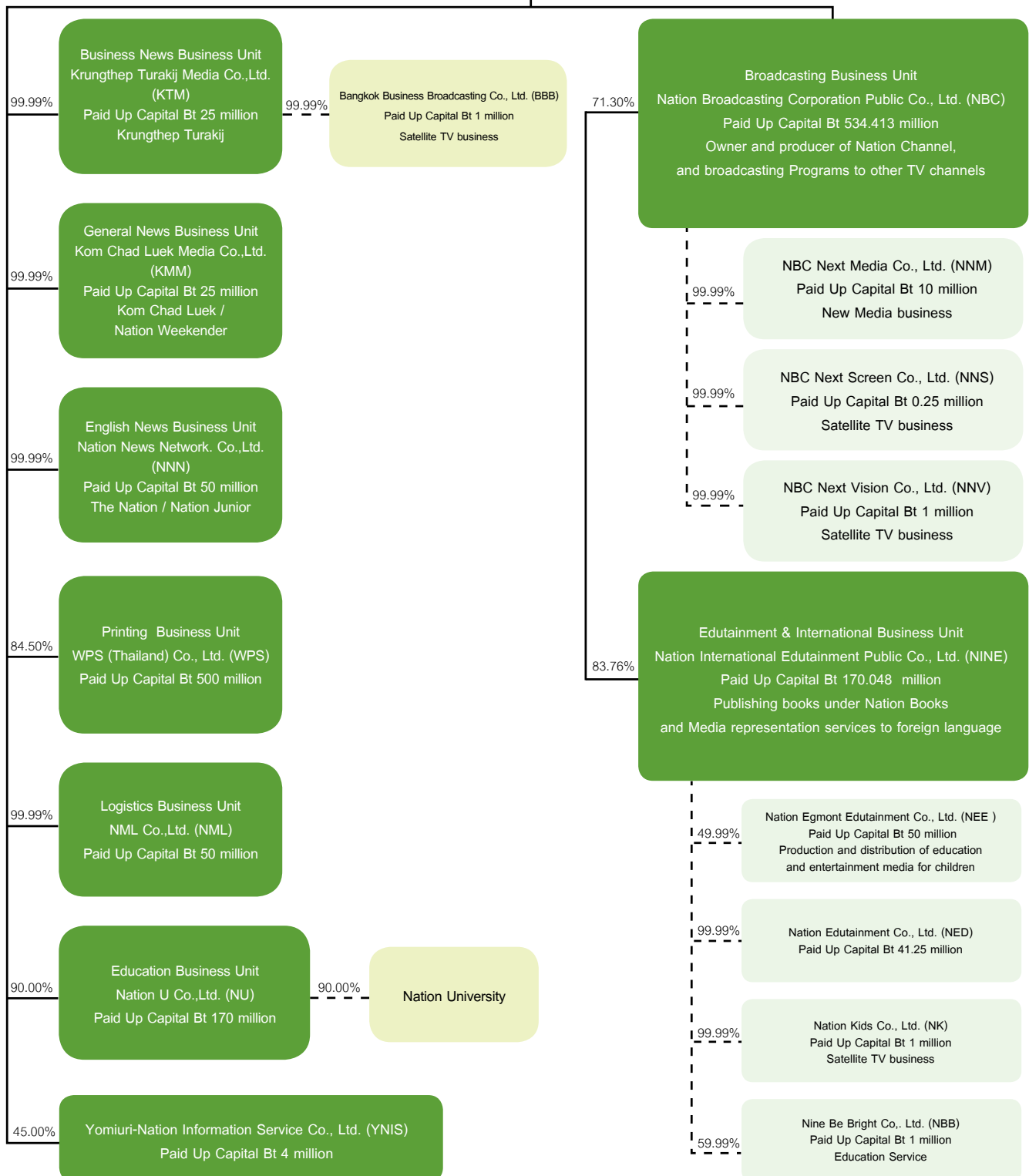
2003 - 2005	Vice President - Finance Nation Multimedia Group Plc.
2006 - 2012	Assistant Senior Vice President - Finance Nation Multimedia Group Plc.
2012 - Present	Senior Vice President - Finance Nation Multimedia Group Plc.
15 Feb, 2013	Corporate Secretary Nation Multimedia Group Plc.
- Present	Director Nation Edutainment Co., Ltd.
2006 - Present	Director Nation News Network Co., Ltd.
2008 - Present	Director Nation Egmont Edutainment Co., Ltd.
2011 - Present	Director Nation Kids Co., Ltd.
2012 - Present	Director Nine Be Bright Co., Ltd.
Aug 26, 2013	Director
- Present	

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

Annual General Meeting of Shareholders	1/1
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# Business Group Structure

## Nation Multimedia Group Public Company Limited



# Product and Service

## Business Units

1

### Thai-language Business News Unit

Krungthep Media Company Limited (KTM)

กรุงเทพธุรกิจ TV



In 2013, Krungthep Media Co., Ltd. underscored its leadership in business news content with its flagship newspaper Krungthep Turakij daily, which has been entrusted by readers throughout its 26 years of continuous production. With its strong foundation in economic news coverage, Krungthep Turakij has expanded into satellite television broadcasting



with the country's first 24-hour business news station "Krungthep Turakij TV" and is now opening a new era of expansion in digital television with the "NOW Channel", a free urban lifestyle television channel that is both informative and entertaining to serve the needs of the new generation, executives and the modern entrepreneur.

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

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



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

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



## i-Newspaper

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



## Events

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



## 2

### General Thai News Business Unit

Kom Chad Luek Media Company Limited (KMM)

คอม ชัด ลึก

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

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

On December 3, 2012, Kom Chad Luek newspaper began broadcasting general news via satellite TV under the name “Kom Chad Luek TV News Station.” The station emphasizes community news produced through the collaboration of Kom Chad Luek newspaper and covers local issues, disasters, daily social harms and complaints from people, as well as entertainment and sports programs.



Nation News Network Co Ltd (NNN) is the publisher of the English-language daily newspaper The Nation and English-learning magazine Nation Junior. The past year's activities have been largely regional in scope including the introduction of daily pages with news from Myanmar, Asean and the Asean Economic Community in The Nation, making the paper unique in its regional thrust.

The Nation enhanced its regional contents with introduction of the weekly supplement China Daily Weekly Asia, which started its Asean edition. The 32-page supplement is published by China Daily Asia Pacific based out of Hong Kong. Meanwhile, the first Russian supplement was launched and inserted with The Nation in December. This supplement is being produced in cooperation with the official Russian publishing house Rossiyskaya Gazeta.

Last year, NNN started the process of publishing an English-language daily newspaper in Myanmar through a joint venture with Eleven Media Group. The Nation and Eleven Media also successfully published the guide "Doing Business in the New Myanmar" to provide essential information to incoming foreign investors. In Bangkok, regular luncheons have been organized for top executives of companies doing business or interested in doing business in Myanmar. Also in Myanmar, NNN has begun organizing training courses and workshops in English language and communications to boost educational opportunities in the country.



On the 43<sup>rd</sup> anniversary of Nation Group, The Nation organized an international conference on the topic "Asia: Driving the World" with the participation of Asean and Asian CEOs. The event attracted



more than 500 people with a gala dinner attended by editors from several Asia News Network publications.

NNN spearheaded and co-organized with members of Asia News Network, an alliance of 22 media organizations from 19 Asian countries, the "Media Landscape"

roadshow to regional advertisers in Singapore in April and subsequently launched the iSnap mobile media service for Nation Group media with Singapore-based Knorex Co. The iSnap service is now available in Thailand, Malaysia, Singapore, the Philippines and Myanmar. Together with Knorex, NNN also launched iBanner, a rich new media format that is being channeled across the region.

NNN further expanded its digital channels with the launch of the 3-in-1 Nation News mobile app with iSnap capability. In cooperation with The Star newspaper of Malaysia and China Daily Asia Pacific, advertising sales operations were launched in Singapore and Hong Kong, respectively, to serve regional advertisers.

Nation Junior, meanwhile, expanded its popular "Spelling Bee" contest for high school students through mobile and digital channels in cooperation with dtac. It also organized Thailand's premier English essay-writing contest the "Junior Dublin Literary Awards" for the 9th year running.

# 4

## Edutainment and International Business Unit

Nation International Edutainment Public Company Limited (NINE)



### Publisher Business

#### 1. Pocket books

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

Website : [www.nationbook.com](http://www.nationbook.com)

#### 2. Publisher for Youth

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

Books and media produced by the Nation Egmont that have been popular including fables, skills-boosting activities, Disney character, Disney and Me magazines, math and science prodigy, jointly held in cooperation with the Institute for the Promotion of Teaching Science and Technology, Ministry of Education, and novice comic series (Plookpanyadram) .

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

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

Comic books and juvenile literature produced by the Nation Edutainment Publishing have been highly popular among readers, including weekly comic magazine "Boom", a comic Doraemon series, Dragon Ball, Bleach, Naruto, Death Note, Apaimanee Saga, the 13th Knife, and so on.

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

The company Have been licensed for publishing and distributing the copyrighted comic book. "Bird Wonderland" owned by the GMM Grammy PCL for consecutive 4 years, "Shell Don" owned by the Shell Hut Entertainment Co.,Ltd, Thailand 's world famous cartoons and the novice series, "Pookpanyadram", Buddhism religious teaching cartoon that is easy-to-understand with gorgeous pictures by professor Om Rushavej, and so on.

### Business services as international distributors of publications and related services

The Group 's main business is a distributor of leading international publications , including online databases and related services through the company's own agency. The publications distributed by the company consist of a total of 182 items; newspapers and magazines in foreign languages. Such business includes membership sales representative and advertising sales agent for the newspapers, the Yomiuri Shimbun, edition published in Thailand, undertaking of printing such as newspapers, the Wall Street Journal Asia and the Yomiuri Shimbin , as well as delivery service many newspapers and magazines. Such service is characterized of One Stop service for the convenience of the owner of the publication in coordinating and solving problems that may arise.

### Digital Business

The company has engaged in producing and distributing various styles of electronic publications consistently with reading tastes and individual lifestyle, including administration, management, religion, psychology, philosophy, language, fiction, literature, fables, cartoons and other more. This is to provide those reading-lovers with a convenience to purchase quickly without wasting time on the trip, it is available at any time 24 hours. In addition, the readers can bring books and magazines to read anywhere as many as needed.

## Satellite TV business

The company operates a business of satellite TV channels for children and families. Broadcasting via C-Band satellite dish system called KIDZONE, a satellite TV station for children and families. New generation audiences; children and parents can watch TV together in the form of Smart Edutainment that provides more than just watch cartoons, but full of fun, entertainment and creativity so that Thai children and youth can play and learn simultaneously, including lifestyle and variety shows for families.

Channel content comprises popular and successful cartoons for kids; the content is non-violent with commentaries after watching suitable to the development of children at each age. Moreover, most of the comics have never been aired on free TV before, for instances, Pleasant Goat and Big Big Wolf, Canimals, Astro Boy, Super Hams Band etc..



The company also has produced “the KidZone Club” full 2-hour live program aired every Monday to Friday at 17:00 to 19:00 AM, presenting the good stories about children, youth and families through communication and the interactive with the home audience, which has been well-responded from sponsors and alliances interested in participating promotional contributing the programmes constantly.

In addition, the channel has also produced lifestyle variety programmes for families such as “Kid Diary” offering a trip on the diary that captured the imagination with a trip in typical children and “Learn & Play” that presents new teaching method of the additional learning source, tutoring school, workshops, fun activities in format of edutainment where the master of ceremonies will access to learn actually on screen.

“Kid’s Curiosity”, a programme gathers fun and knowledge from agencies and organizations and is presented through various creative media. They include, for examples, “Children Citizens”, “Partners in Science Experiments” by the Thai Health Promotion Foundation, “Love Thai Language” by the Royal Institute, animation cartoon “Gentleman’s Quality” by Department of Cultural Promotion, and so on, including Kid’s Classroom”, presenting songs, tales and artwork to stimulate the imagination of children to fun with learning, which is one of the Friend of KidZone project that opens for TV producer candidates or those who are interested to carry out kid programmes and jointly produce programmes for children, having been supported and well recognized by partners, professionals who have worked in the industry to create the rich content under concept 3S, - fun, informative and creative .

In addition, the company has also been entrusted by the government agencies, the Culture, Sports and Tourism Department to be one of the television channels broadcasting the activities and promote joint projects to promote reading among children and youth. Through the production of the “Kid Diary” and activities to promote reading among children and youth, “Bangkok Read & Share”, and “Reading Changes Life” activity to the library for benefit of public learning in Bangkok and schools subject to Bangkok.

## Character Management Business

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

## Other Businesses

### Cram Schools Business

The Nine Be Bright Company Limited has engaged in tutoring business for secondary school and high school to promote the education and empower students’ competencies to compete in the exam fields that have been increasing in the high competition. We have a network of more than seven highly qualified and experienced instructors who hold the doctoral degree and postgraduate degree from abroad. Each of them specializes in various disciplines; including English, mathematics, physics, chemistry and biology, so all instructors are competent to arrange their learning and teaching in the field of their expertise very we.

## Business Network

### TV Business

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

### Products and services of TV media business

#### 1.) TV station the company operates

The company sets up and manages the full-service TV stations; including program providers, organizing, and broadcasting, and extending ad time. The company's revenue comes from airtime sales, being outsources to produce program and short documentaries and selling airtime. In 2013, there are three owned established and operating channels as the details below:

Channel	Concept	Distribution
<b>1. Nation Channel</b> broadcasted since year 2000 	24-hour news and knowledge station aiming to provide accurate, fair, up-to-date content with news analysis and in-depth information from experienced reporter team	<ul style="list-style-type: none"> <li>Local TV cable</li> <li>Satellite TV Thaicom-5 via C-Band 12355 MHz</li> <li>Satellite TV Thaicom-5 via KU-Band 3545 MHz</li> <li>www.nationchannel.com</li> <li>All network mobile phones</li> <li>Application on iPad and iPhone</li> <li>TV monitor on BTS train and station</li> </ul>
<b>2. Kom Chad Luek TV</b> Broadcasted from December 3, 2012 to December 31, 2013	News station aiming to provide criminal, traffic, weather, natural disaster affected to people or communities news, plus entertainment and sports, together with the reporter team of Kom Chad Luek newspapers	<ul style="list-style-type: none"> <li>Local TV cable</li> <li>Satellite TV Thaicom-5 via KU-Band 3545 MHz</li> <li>1. PSI Channel 87</li> <li>2. Big4 Channel 16</li> <li>3. Dynasat Channel 18</li> <li>4. QSAT Channel 40</li> <li>Watching via Set top box</li> <li>1. GMM-Z Channel 106</li> <li>2. SunBox Channel 22</li> <li>www.komchadluektv.net /tv and www.rawangpai.com</li> <li>Application ผ่าน iPad และ iPhone</li> </ul>
<b>3. RAMA Channel</b> Broadcasted from December 1, 2011 to July 31, 2013	24-hour health knowledge station aiming to provide knowledge of health care, disease treatment and medical research from Faculty of Medicine Ramathibodi Hospital	<ul style="list-style-type: none"> <li>Local TV cable</li> <li>True visions channel 47, 80</li> <li>www.ramachannel.tv</li> <li>Mobile phones and smart phones</li> </ul>

This is to prepare for the move into the digital TV business; the company has discontinued the production and administration of the RAMA CHANNEL stations since July 2013, and ended its broadcast on Kom Chad Luek TV Channel since December 2013.

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

The company co-produces news and knowledge programs with free TV channels and receives advertising sale sharing and PR of the company's products and services. In 2012, the company has two TV programs co-produced with free TV on channels 3 and 5 as follows:

Channel	Program	Concept	ON AIR
	Reung Den Yen Nee	Daily news report or talk of town news report	MON-FRI 16.30 -17.45 P.M.
	5 Morning Good News	Report the interesting and amusing news to allow peoples the entire world to know that not only bad news is reported, including interview with news people and interesting people from various careers.	MON-FRI 08.50-09.10 A.M. (End of December 2013, co-produced)

## 3) Relating Businesses

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

Product or Service Provided	Format
VCD and DVD production and distribution	Bring popular TV program recording tape to produce to VDO and DVD and sell to general public. The examples produced in 2013 are books and DVC incorporating 52 types of apartments with Ajarn Chiew Chobchoy, style "Akaligo+Hiso+Lowcost"
Seminars	Bring popular TV program content, event or talk of town issues to organize to seminars for interested people. The examples of seminars held in 2013 are Digital Marketing training that provides knowledge about digital media application, training news reporter, and training the cost-efficient apartment project
Travel activities	Organize travel activities for academic learning and commercial business study to allow the audiences travelling with moderator and production team. The example activities in 2013 are "Follow Father's Step" project, "Visiting the Royal Project", tour study visiting the agriculture TV station for Ministry of Agriculture and Cooperatives personnel, Business Matching to meet between Thai and Myanmar businessmen in Yangon, held for Pfizer (Thailand) Co.,Ltd.
Special Events	Organize entire marketing activities which are social, recreation, and academic activities servicing from creating, operating, producing and broadcasting advertising. The examples in 2013 are "Digital Library", conducting voicing books donated to the Foundation for the Blind in Thailand under the Royal Patronage of H.M the Queen "The Safe Driving with Honda", providing the driving safety training to the owners of the first car across the country. "The Royal The Rice" project inviting the audience and operators to help farmers by purchasing the organic rice granted to the poor through charitable organizations, police, military, border patrol, as well as the rual national park personnel.

## Radio Business

The Nation Broadcasting PCL, together with alliances has operated the production to be broadcasted on radio stations for over 20 years. In 2013, the company co-produced news and content programs broadcasted on two FM radio stations and one AM radio station as the following details

Radio Station	Broadcasting Time & Covered Area	Concept
<b>F.M. 90.5 MHz</b> Defense Engery Department Radio Station under the name “News Dimension 90.5”	Mon-Fri 8.00 - 12.00 A.M. 13.00 - 15.00 P.M. 18.30 - 20.00 P.M.  Sat 05.00 - 09.00 P.M. 19.30 - 20.00 P.M.  Bangkok and its vicinity, Ayudya, Ratchaburi, Petburi, Supanburi, Chachuengsao, Samutsongkram	<ul style="list-style-type: none"> <li>News updates on political, economics, social, marketing, international issues, including in depth analysis and interview with people in news.</li> <li>Short news updates on current issues</li> <li>Short news updates on business issues</li> <li>Popular sport news from around the world</li> <li>Narrate news and gossips on current issues</li> <li>Talk on healt; physical and mental, secret on self-caring; beauty, foods, and current interesting issues</li> <li>Proceed on programs by the Nation Radio, National Channel, and field experts.</li> </ul>
<b>F.M.102.0 MHz</b> Department of Army Transportation Radio Station under the name “Working Station for Working Adults”	Mon-Sun 05.00 - 23.30 P.M.  Bangkok and its vicinity	<ul style="list-style-type: none"> <li>News and knowledge, variety style, that is useful to the daily life.</li> <li>proceed on programs by the Nation Radio, National Channel, and field experts</li> </ul>
<b>A.M. 1107 KHz</b> KU Radio Station	Every day/ on the hour/ nationwide	Short news updates on current issues
Community Radio Station nationwide for over 30 staions	Every day/ on the hour/ nationwide Bangkok and its vicinity and up-countries in all parts	Short news updates on current issues

Besides radio broadcasting, the company has broadcasted radio stations FM 90.5 MHz and FM 102 MHz through new media to increase channels for the target audiences to listen to the company’s radio staion in more convenient way, as well ass retrospective listening. It includes.

- Internet broadcasting via [www.nationradio.co.th](http://www.nationradio.co.th), and via other sites that have signal linked, for instances, [www.sanook.com](http://www.sanook.com)
- Radio on mobile, smart phone, window phone, via social networks such as [www.twitter.com/NTRadio\\_NBC](https://twitter.com/NTRadio_NBC) and [www.facebook.com/radio.nbc](https://www.facebook.com/radio.nbc)
- Satellite radio signal to broadcast to the households installing satellite signal receiver in which FM 90.5 MHz is broadcasted via C-Band (black satellite dish) and FM 102 MHz is broadcasted via KU-Band (yellow satellite dish).



## New Media Business

The company brings its competitive advantage that is readiness in contents to expand to new products and services broadcasting via new media such as website and mobile devices i.e. mobile phone, smart phone, and tablet in order to meet with the consumers' changing lifestyle via diverse media

Details of the company's new media business are as follows:

### 1. Website Business

The company develops websites to present its products and services. All of which contain news, knowledge and information updates. The company also gains income from selling advertisement on websites. In 2013, the company's websites include the following.

Website Name	Format
<a href="http://www.nationchannel.com">www.nationchannel.com</a>	Website presenting Nation Channel's news program
<a href="http://www.oknation.net">www.oknation.net</a>	Blog for the public to share news and information
<a href="http://radio.nationchannel.com/">http://radio.nationchannel.com/</a>	Website presenting co-produced FM 90.5 MHz and FM 102 MHz radio programs
<a href="http://breakingnews.nationchannel.com">http://breakingnews.nationchannel.com</a>	Website presenting Nation Channel's short news and the Nation, feeding the news to other NMG and partners' websites
<a href="http://www.247friend.net">www.247friend.net</a>	Website to review academic knowledge for youth preparing for university admissions

In addition, in 2013, the company is also a distributor of online advertising space to third parties. The gained revenue share of advertising in different proportions according to the agreement made. At present, the websites of trading partners under the supervision of the company are as follows:

- [www.pantip.com](http://www.pantip.com) : The biggest resources website in Thailand
- [www.exteen.com](http://www.exteen.com) : Blog for the public to share news and information

### 2. News on Mobile Phone Business

The company uses news content from the company's television and radio stations as well as that of business partners to provide the services to meet with consumers' needs and modern lifestyles which accept news through new media increasingly. In 2013, the company provides content through mobile devices, for example mobile phone, smart phone, and tablet as follow.

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

In 2013, service of sending news via mobile phone short messages (SMS, MMS) has been stable and is likely to slow down. The company has expanded its services to the entertainment and lifestyle which has been accepted by service users considerably; that is to say; horoscopes service, "Horo Daily" together with Kom Chad Luek column "Horoscopes Daily with fortuneteller Tok Taek A4" sending a message per a day, 3 Baht each message, demonstrating that the result has been in good response. Currently, there are approximately 5,000 members. In addition, MMS Burmese language has been developed under service name "Myanmar Tadin" MMS (sending pictures and voice message) 3 Baht per message, together with the Myanmar giant media, Eleven Media, a partner of Nation Group. In addition, it also joins with the DTAC operator service that provides the pre-paid SIM for the Myanmar workers mostly. Currently, there are 3 million Myanmar workers to work in Thailand. The company foresees that this is a new market with the potential to generate income to replace income generated from general news service. Nowadays, there are more than 1.7 million members after the operation for approximately 3 months, and is planning to expand its other news services; for examples, horoscopes, entertainment in Burmese language.



In 2013, SMS and MMS services of the company and its alliances are as follows.

#### SMS Service

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

#### MMS Service

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

Application service for viewing information through various mobile devices, for examples, mobile phone, smart phone, and tablet - the company gains revenue from application downloading fees. The examples of the company-developed applications that offer the customers in 2013 are as follows.

- Application for watching the news on the Nation Channel, provide the customers with such application service with no charge. This is to increase the channels of television broadcasting that access to customers more extensively. Over the past year 2013, the number of downloads was more than 310,000 times, rose from last year by about 100 % indicating that consumer behavior has changed to use the mobile phones to receive information increasingly. Such a change boosts the increased sale of advertising on television station. In addition, experimentation and development has been carried out for installation of the applications on mobile phones as a new way to earn income.

## 6

### Printing Business Unit

WPS (Thailand) Company Limited (WPS)



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

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

## 7

### Logistics Business Unit

NML Company Limited (NML)



## Transport and Distribution Services

NML Company Limited is a member of the Nation Group providing logistics services for newspapers and other print products of Nation Group as well as other products, such as medicines, electronic products and marketing products using a fleet of motorcycles within the big cities and variety of trucks for the entire country trucks.

Aside from the company's fleet of vehicles, NML operates three distribution centres in excess of 500 sq. m. in three major cities as well as 14 loading stations of around 100 sq. m. each situated in all regions of the country.

## NML's Services

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

NML currently provides express delivery services for B2B customers - from manufacturer/product distributor/product owner to retail outlet/distributor in both traditional and modern trading formats in business districts of all regions in the country or a total of 505 out of 926 districts nationwide. NML also accepts products from various regions of the country for delivery to Bangkok, such as OTOP and CO-OP products.

### 2. Home Delivery

In 2013, NML was able to provide B2C delivery services – from manufacturer/product distributor/product owner directly to the customer in Bangkok and surrounding areas as well as important provincial

districts such as Mae Rim, Hang Dong, Sarapee, San Sai and Sankhampaeng of Chiang Mai; Muang district of Khon Kaen; Banglamung and Sriracha of Chonburi; Hua Hin of Prachuab Khiri Khan; Koh Chang of Trat; Muang district of Phuket; and Muang district and Hat Yai of Songkhla.

In 2014, NML aims to expand its services to more provincial capitals and major districts. In 2013, NML's service coverage extended to more than 2.5 million households nationwide.

NML has provided delivery of Nation Group print products directly to customers and sales agents for more than 20 years. During that time, NML has developed its communications systems in all dimensions to keep abreast of developments and progress within the industry, for example in the receipt of deliveries, delivery volume control, as well as receiving and expediting orders in order to facilitate deliveries and especially the system of expediting orders. This system is capable of handling more than 10,000 order lists daily with more than 890,000 print copies daily.

In 2013, NML utilized its experience and communications systems to provide storage and delivery services for retailers and distributors in both traditional and modern trading formats covering business districts in all regions of the country.

### 3. Leaflet & Direct Mail

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

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

## Import/Export

With experience of more than 30 years, NML has developed capabilities in the import and export of foreign publications.

The company has developed opportunities in the import/export business and increased its ability to offer more diverse services to satisfy the varying needs of its customers.

In 2014, the company has prepared training courses from the Institute of Languages and Airline Business (NICS), which is specialized in the import/export business and customs clearance procedures, to build up knowledge and skills among company staff. This will enable the company to respond more effectively to the needs of customers and offer advice on correct procedures for the import and export of a variety of products.

NML has extensive experience in the delivery of print publications to the neighbouring countries, whether overland or by air. We are confident that in 2014 onwards, we will be further able to develop this business and create new openings, achieving new levels of growth and potential in future.



Lampang

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## Education Business Unit

Nation U Co., Ltd.



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



Nation University is committed to producing quality graduates to serve the increasingly global society, with the arrival of the Asean Economic Community (AEC) in 2015. The university targets three main skill sets: professional skill, communication skill and English skill, with its outcome-based learning approach. Students train and practice with highly-qualified lecturers from both Nation Multimedia Group and other companies who have expertise in business management, media management, advertising and public relations, and communications. The university differentiates itself from others by emphasizing the concepts of “Learning with Professionals” and “CSR-minded graduates.” Classes are

conducted with emphasis on real workplace practice and on-the-job training from the first year of study. This allows students to learn about actual operations and pick up knowledge and skills which can be applied in their actual working lives.

The university has a policy to promote creative activities and encourage students to join in various social activities such as photo contests, photography instruction, English courses, as well as development and conservation of the arts, culture and wisdom of local communities. These activities serve to instill the concepts of a positive spirit and benevolence in the students and are in accordance with the university’s commitment to develop a new style of university education that stresses learning from professionals and professionalism among the students. Nation University graduates must be well-rounded, fully-equipped with professional capabilities, morality and ethics, and CSR minded, ultimately helping create a better quality society and nation in the future.

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

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

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

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

Scholarships for students of the deep South (100% scholarship for the full course of study)

Students receiving scholarships must be permanent residents of the four southern provinces of Yala, Pattani, Narathiwat or Satun and have a GPA of 2.00 or above.

## Cooperative scholarships with affiliated schools

Recipients of scholarships must have completed their education with a school that is affiliated with Nation University (as in the agreement). In 2013, Nation University joined with Siam Commercial Bank (SCB) to open a course in Business Administration and Accountancy with minors in finance and banking. The course is offered in subjects that meet the needs of the market and is taught by highly-qualified lecturers from SCB. Students attending the course have to undergo cooperative education training for a period of 6 months at branches of Siam Commercial Bank nationwide. If students finish this course with a GPA of 2.75 or above they will be considered for employment with SCB immediately. Students from all faculties can take finance and banking course as a minor subject.

Currently, Nation University offers courses at the bachelor's and master's levels at both Nation University Lampang and Nation Bangna Campus.

In the 2013 academic year, 1,182 students are studying at the university in total, including bachelor's and master's students at Nation University and at the Nation Bangna Campus.

Nation University currently offers the following courses:

### Nation University - Lampang Campus

#### Bachelor's Level

- Communication Arts  
(Communication Arts)

#### Faculty of Business Administration

Available in two subjects:

- Business Management (Marketing)
- Accountancy (Accountancy)

#### Faculty of Health Science

- Health Science (Health Science)

#### Faculty of Information Technology

- Science (Computer Science)

#### Faculty of Social Sciences and Humanities (Weekend classes)

- Public Administration  
(Public Administration)

#### Master's Level

#### Faculty of Business Administration

- Business Administration

#### Faculty of Social Science and Humanities

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

### Nation University - Nation Bangna Campus

#### Bachelor's Level

#### Faculty of Business Administration

- Business Administration

#### Faculty of Communication Arts

- Communication Arts

#### Master's Level

#### Faculty of Business Administration

- Business Administration

Currently, Nation University offers Bachelor's and Master's degrees at two campuses located in Lampang city and Bangna Center, Bangkok.

In the 2013 academic year, the number of enrolments in both degrees' study is totally 1,182 including two campuses.

Nation University offers the following programs:



### Nation University - Lampang Campus

#### Bachelor's Degree

#### Faculty of Communication Arts

- Communication Arts  
(Communication Arts)

#### Faculty of Business Administration

- two majors offered:

- Business Management (Marketing)
- Accountancy (Accountancy)

#### Faculty of Health Science

- Health Science (Health Science)

#### Faculty of Information Technology

- Science (Computer Science)

#### Faculty of Social Sciences and Humanities (Weekend program)

- Public Administration  
(Public Administration)

#### Master's Degree

#### Faculty of Business Administration

- Business Administration

#### Faculty of Social Sciences and Humanities

- Education  
(Education Administration)
- Public Administration  
(Local Administration)

### Nation University - Bangna Center

#### Bachelor's Degree

#### Faculty of Business Administration

- Business Administration

#### Faculty of Communication Arts

- Communication Arts

#### Master's Degree

#### Faculty of Business Administration

- Business Administration

# Industry and Competition Overview

## Overall Economy

Overall, the Thai economy in 2013 witnessed an expansion at a rate of around 3%, compared to 6.5% of 2012, because of lower-than-expected and unrecovered export growth. In early 2013, the Thai economy gradually recovered to normal levels after the effects of the government's economic stimulus measures, including tax rebates for first-time car buyers and spending on flood recovery programs. However, sluggish domestic spending, coupled with prudent investment plans of the private sector, slow investment in government projects as well as a tense and unresolved political situation were the main factors behind the country's economic slowdown.

In 2013, the advertising industry experienced a growth rate of just 3% compared to that of 2012. The slowdown in the economy and the political chaos brought down advertising expenditure. In 2014, it is anticipated that the advertising industry will experience only slight growth, as product owners and advertising agencies are likely to be more cautious on spending advertising budgets, as a result of the economic slowdown and falling consumer purchasing power. It is expected that the advertising industry will grow by around 4-6%, close to the GDP growth rate, with the start of digital TV broadcasting, expansion of cineplex and discount stores, as well as increases in advertising rates of some media.

In 2014, the Thai economy is anticipated to expand by around 4-5% (source: Office of the National Economic and Social Development Board) due to positive trends in the global economy and export and manufacturing sectors, and an expanding consumer income base. In addition, the switch to digital TV in 2014 will play a part in the growth of TV program production, with a more competitive industry in terms of content quality and unique and creative programs to attract viewers. It is expected that the TV production market will increase by around 14-16%, compared to that of 2013.

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

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

Krungthep Turakij Media Co., Ltd. has a subsidiary named Bangkok Business Broadcasting Co., Ltd., which won digital TV bidding for a license of the SD Variety category under the NOW channel.



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

**3. English-language news publications, seminars and communications training :** Managed by Nation News Network Co., Ltd., producer and distributor of “The Nation” daily newspaper and “Nation Junior” magazine. Target customers include Thais who follow the political and economic scene, young-generation readers and foreign residents in Thailand.

**4. Broadcasting Business:** Managed by Nation Broadcasting Corporation Public Co., Ltd., producer of “Nation Channel” 24-hour news station, satellite TV, as well as the producer of TV and free TV programs, such as “Reung Den Yen Nee”. Target customers are the general public.

Nation Broadcasting Corporation has three subsidiaries: NBC Next Media Co., Ltd, NBC Next Screen Co., Ltd. and NBC Next Vision Co., Ltd., which won digital TV bidding for a license of the SD News category under the Nation TV channel.

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

- Production of copyright pocket books from both domestic and international sources, for instance, “Think Like Zuck”, “Einstein: His Life and Universe”, human resource management, the auspicious sacred calendar 2014 by Joey Yap and investment guide.
- Advertising sales agent and distributor for foreign publications in Thailand and the ASEAN region including foreign newspapers, such as The Wall Street Journal Asia and The Yomiuri Shimbun, as well as a range of popular international foreign magazines such as Fortune, Time Magazine, Newsweek and Business Week.
- Production, import and distribution of educational and entertainment publications for children using media from both domestic and international sources.
- KidZone, satellite TV channel targeting children between 4-12 years, in the format of kid's edutainment, providing enjoyment, education and creative content.
- Education Service offering courses in various fields (operated by Nine Be Bright).

**6. Education Business:** Managed by Nation U Co., Ltd. (shareholding ratio in December 2013: NMG 90% and South-East Asia University 10%), which is holding the license to operate Nation University (formerly Yonok University). Nation University is located in Prabath Subdistrict, Muang District, Lampang. Currently, the university offers bachelor's degrees in six programs including communication arts, business administration, accountancy, public health, sciences, and public administration, and master's degrees in three programs including business administration, education and public administration.

- The Bangkok campus located at Nation Tower currently offers bachelor's degrees in two programs: communication arts and business administration, and also an Executive MBA program that provides an integrated and modern business management course in tune with contexts in the world of business including case studies and in-depth business techniques from successful CEOs, their visions and the frame of AEC concepts to pave the way for students to become top business leaders in ASEAN.



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

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

## Competition in the Publishing Business

"Krungthep Turakij" remains a leader in the business daily newspaper segment, consistently increasing its sales and currently holding more than 64% of the market share.

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

"The Nation" English-language newspaper has only one competitor: "The Bangkok Post". "The Nation" holds approximately 28% of the market share in advertising.

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

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

## Directions and Trends of Print Media

In 2014, it is anticipated that the pulp and paper industry and the print industry will continue to expand in the same direction as the previous year. Although digital media are very popular, paper is still in high demand as a daily commodity for consumers. These sectors might continue to grow against the economic trend of 2014, with a number of positive factors, despite the increasingly important social role played by electronic media.

The publishing business faced several challenges in 2013, as economic conditions lowered purchasing power, coupled with political problems, thereby bringing down overall revenue. These problems may continue into the first quarter of 2014. The print industry has become increasingly competitive, although the number of new titles launched each month was no different from the previous year. Each publisher tried to use productive strategies to boost its sales such as inking contracts with popular writers, creating stylishly-designed books and designing eye-catching book covers to attract

reader interest on book shelves, offering complimentary gifts to lure target groups, launching public relations campaigns and promotions at bookshops and for readers, expanding sales networks and selecting distributors that suit each product.

The company has employed these strategies for several years. In 2014, with the successful bidding for two digital TV channels, the company will take advantage of this new media to publicize its books and broaden its audience base.

In terms of advertising, the Media Agency Association Thailand (MAAT) estimated that the newspaper business is likely to grow by around 3% or equivalent to 21,400 million baht, due to the tense political situation. Newspapers, therefore, will receive the strong interest of both readers and advertisers. Making the paper business even more interesting is the World Cup 2014 in June, in which numerous marketing campaigns will be launched through the papers.

As for the first broadcasting of 24 digital TV channels in the commercial category in April 2014 under the “Must Carry” regulation, it is expected that audiences will mainly experience the new digital channels via cable and satellite TV, as these platforms can reach around 60-70% of the audience. This will lead to the segregation of the audience base into three platforms of free TV, cable/satellite TV and digital TV, driving up advertising budgets through the three platforms.

# Risk Factors

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

## 1. Business operation risk

### 1.1 Risk from advertising industry situation

The major revenue of NMG comes from the newspaper business; mainly from advertisement sales. In 2013, the company generated advertising revenue of Bt1,952 million, an increase of 4% from last year's Bt1,882 million, accounting for 68% of total revenue. The company's cost structure is mostly comprised of fixed costs; its performance therefore largely relies on the situation within the advertising industry. Advertising costs are largely dependent on economic conditions; if the economy is buoyant, spending on media advertising is likely to increase. In contrast, if economic conditions domestically or internationally witness sluggish growth, the advertising industry might be severely affected. To minimize the impact from the instability of economic conditions, NMG has framed all the strategic plans of its subsidiaries in the same direction, aiming to maintain competitiveness and taking this competitive advantage to reduce risk by taking advantage of multimedia channels to publicize products and services, with the use of improved sales strategies and media synergy to efficiently satisfy market demands, transforming the company into a Total Media Solution for advertisers. The company has also tried to introduce new technologies to conventional media in every platform, mainly based on content suitability and business potential, in order to cover all of its target groups and to achieve a competitive edge over its competitors. The company also placed more emphasis on generating revenue through below-the-line activities created to serve customers both in the public and private sectors, such as organizing seminars for major customers, which helped maintain revenues. At the same time, the company concentrated on strict management of expenses.

The television media has a 58% share of revenue in the advertising industry of Bt1.19 billion, which is four times higher than that of print media. In the past, print media advertising has witnessed a constant slowdown and for this reason the group has shifted its focus to television, beginning with satellite television broadcasting and cable television with four channels - Nation Channel 24-hour news station, Krungthep Turakij TV business and investment station, Kom Chad Luek TV, and KidZone TV, a children's edutainment channel. The group has also expanded into digital TV following the opening of bids for licenses at the end of December 2013. The group won licenses in two categories - Standard Definition Variety (SD Variety) and Standard Definition News (SD News). Digital TV is expected to witness high growth in the future and will attract greater advertising spending than satellite TV. The operation of these new channels will tend to minimize the anticipated impact of new media replacing print media in future. NMG also focuses on other types of digital media rather than relying on revenue from advertising, such as Isnap, E-Commerce, M-Commerce or S-Commerce (Social Media Commerce), E-Education or digital games and Entertainment.

### 1.2 Risk from subsidiaries management

NMG has a clear business operation structure designed to achieve flexibility in management and has employed Target-Based Strategy assessment to be in line with its corporate policies and visions. The company focuses on maintaining competitive edges and competitive advantages in order to expand its business and create value. The company's business is divided into the following business units: Printing and Advertising Business including Krungthep Turakij Media Co., Ltd., with the main medium of Krungthep Turakij newspaper; Kom Chad Luek Media Co., Ltd., with the main medium of Kom Chad Luek newspaper and Nation News Network Co., Ltd., with the main medium of The Nation newspaper; Logistics Business; Printing House Business; Broadcasting Business - positioned as a content provider - and Edutainment and Foreign-Related Business; Education Business and Satellite Television Business. The company has also expanded into the digital TV business, winning a license for two categories comprising Standard Definition Variety (SD Variety), operated by Bangkok Business Broadcasting Co., Ltd. (a subsidiary of Krungthep Turakij Media Co., Ltd.) and Standard Definition News (SD News), operated by NBC Next Vision Co., Ltd. (a subsidiary of Nation Broadcasting Corporation Public Company Limited).

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

To minimize risk in business management, NMG has formulated strategic plans for all of its business units and the group companies to be in the same direction. The strategic plans emphasize maintaining competitiveness and using the group's competitive edges to expand business and create value addition to businesses, as well as adhering to good corporate governance to lay firm foundations for sustainable business. The company has appointed its top executives as members of the Board of its subsidiaries in order to synergize the Group's policies, strategies and business directions, as well as to supervise business expansion of subsidiaries to be in compliance with the Group's policies.

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

Out of the nine subsidiary companies, only one has registered a loss. The other eight subsidiaries are strong with good potential, presenting opportunities for new revenues streams, building up strong management teams and contributing to the overall growth of the company. The company will oversee the management, restructuring and efficiency enhancement of the loss-making subsidiary to ensure that it quickly achieves profitability and anticipates that the subsidiary's performance will be improved in 2014.

### 1.3 Risk from investment in the digital TV

The allocation of digital TV broadcasting licenses by the Office of the National Broadcasting and Telecommunications Commission in 2013 represents a major turning point for the industry in Thailand. It signifies the start of a new licensing system following several decades of analog TV monopolization by the state or through state-administered contracts. The transition to a digital TV licensing system will bring more opportunities for new investors to join in the development of free-to-air TV. Digital TV is a medium that offers much greater consumer accessibility, with the potential for significant growth in future since TV remains the most popular media in the country, accessed by 98 percent of the population and offering major revenue streams from advertising.

The company plans to expand into the digital TV business by bidding for standard definition (SD Variety) licenses through group subsidiaries. This will transform the company into a fully integrated media organization with activities in every media type, enabling it to build upon its existing business lines and with the potential for long-term growth. However, risks are inherent in the investment in digital TV, arising from several factors including competition and high investment costs from the television license, network rental and television production costs. To mitigate the investment risks, the group companies have raised funds totaling Bt2,000 million for the investment and payment of the license fee is by gradual repayment over a period of five years, which will have no impact on the company's available cash flow. Besides, the company has prepared human resources, equipment and content so that it can commence operations without delay. The company believes that within 3-5 years, the television business will be able to generate significant revenues for the group.

## 2. Production risk

### 2.1 Risk from content production

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

In order to produce quality content and facilitate the changing direction of the media industry and keep abreast of fast-changing global trends, NMG has developed its content into the Multi Channel Multi Platform format to serve today's multichannel news consumption. The company uses the "Convergent Newsroom" system and has upgraded its content production process by introducing new technologies to promote faster and more convenient work, while simultaneously cutting production costs. Training and personnel development is organized continuously to ensure that each editorial news staffer is equipped with "Multi-Platform" skills, meaning that they can work cross-media. No matter whether they are editorial staff for newspapers, TV or websites, they have to be able to produce news content of more than one platform, such as text, still photos and clips. Every editorial staffer is trained to be able to work as a substitute for others, to minimize risk from personnel loss, which might affect the quality of news content.

### 2.2 Key personnel retention risk

NMG is publicly accredited for its media professionalism. Since personnel play a vital role in the quality of content production, the company is dedicated to develop a team of capable editorial staff instead of being dependent on individuals, to lower the risk of losing key editorial individuals and the subsequent impact on the company. Currently, the company has a total of 556 staff employed in the editorial departments of Nation News Network Co., Ltd., Krungthep Turakij Media Co., Ltd. and Kom Chad Luek Media Co., Ltd., comprising reporters, rewriters, editors, photographers and production staff. The Display departments of The Nation, Krungthep Turakij and Kom Chad Luek newspapers are under the respective above-mentioned subsidiaries, while the Central Sales Department holding key account customers and the Sales Department holding the accounts of government agencies are still under NMG. The news editorial centres, whose content are shared by the regional offices, photography team and Nation News Agency are also managed by NMG.

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

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

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

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

### 2.3 Technology risk

New innovations from technology development such as digital technology and wireless communications have changed the face of the communication and telecommunication industries and created borderless connections. News and information are presented through more diverse platforms widening choices of news and information accessibility for consumers. New media businesses have emerged, creating dramatic changes in media industry development, which will accordingly affect today's and future media business operations.

To lower the risk from business opportunity losses and boost its competitiveness, the company intends to continue the development of database development systems and news reporting by using new technologies to provide timely news content and satisfy the modern and growing trends of new media, as well as promote efficient management of costs and expenses. The company focuses on converging multimedia and technologies to fully serve consumer demands through all platforms. For example, the iSNAP application, which has overcome newspaper limitations in terms of space and brought the newspaper to life. Additionally, the company has initiated social TV, bridging broadcasting and new media technologies, which has been regarded as a new phenomenon in the media industry and marked a new era where people can stay updated with the latest news, regardless of prime times. NMG has consistently invested in the improvement of content for new media in order to understand consumer behaviour and accumulate experience to achieve advantages in penetrating target group markets in the future.

### 2.4 Risk from the volatility of raw material prices

Newsprint, as one of NMG's major raw materials, represents 21% of the company's cost of goods sold and 67% of total raw material expenses. During the past year, the ratio between imported and domestic newsprint was 81 : 19. Being a commodity product, newsprint prices are determined by the balance of global demand and supply, which is the main factor setting the reference price of newsprint

in the world market. As a result, the company is exposed to any volatility in newsprint prices, which may subsequently have a direct impact on the company's production cost and bottom line profit.

NMG's management, with years of experience in newsprint procurement, has developed a comprehensive understanding of the newsprint price cycle. The company has placed orders for newsprint in advance to ensure sufficient stocks for production. It still stringently employs a paper-usage control policy and effective management of distribution points to lower newspaper returns. In addition, the company purchases forward contract agreements to hedge against foreseeable exchange risks. The price of newsprint is therefore not likely to have a major impact on the company's production costs. However, the company will continue to closely follow the newsprint price situation.

### 3. Management risk

#### 3.1 Policy determination from management

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

### 4. Financial risk

#### 4.1 Debt obligation risk

As of December 31, 2012, NMG and its subsidiaries had a loan liability from financial institutions of Baht 566 million, divided into a short-term loan for capital flow in the overdraft account, trust receipt and short-term promissory note of Baht 294 million, and a long-term loan of Baht 272 million. Debt repayment of Bt120.33 million will be made within one year, while the remaining Bt152 million will be repaid over the period 2015 - 2016.

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

#### 4.2 Exchange rate risk

Changes in the foreign exchange rate rely on demand and supply of the Thai currency against other currencies. Fluctuations in foreign exchange rates have an effect on the company's production costs. The company's major raw material is newsprint paper, 67% of which is imported using US\$ currency. The company is therefore exposed to foreign currency exchange risks through importing newsprint paper.

However, to help counteract this situation, the company has adopted a policy for hedging against foreign currency exchange risks, by placing forward contracts on orders for newsprint paper. As of December 31, 2012, the cost of imported newsprint amounted to 6% of total debts, but it did not affect the financial statements, although the foreign exchange rate was fluctuating.



#### 4.3 Risk from external financial sources

The company has various external financial sources, such as loan credit limits from many banks and financial institutes. As of 31 December 2013, the company and its affiliated companies had a total loan credit limit of Bt1,475 million and used credit of Bt589 million. Thus, the available credit line stands at Bt1,161 million, or 79% of total loan credit and current external financial sources are sufficient to meet the company's operations.

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

- From holders of warrants to purchase the company's ordinary shares who exercised their rights to increase shares at the company's third offering (NMG-W3) when the company provided a rights offering to existing shareholders in mid 2013, with a total of 1,647,740,300 units in the ratio of 1 existing ordinary share per 1 warrant unit at the exercised price of 1 baht per share. Warrant holders can exercise their rights to purchase shares over a period of 5 years, every 6 months, in June and December of each year. They can exercise their rights for the first time on December 15, 2013 and for the final time on June 19, 2018. If all units are sold, the company will have increased its capital by 1,647.74 million baht. As of December 31, 2013, warrant holders exercised their rights to purchase 1,881,570 units, with the remaining unsold units of 1,645,858,730.
- From holders of warrants to purchase the company's ordinary shares which the company allocated for its directors, management and/or employees and/or its subsidiaries at the company's second offering (NMG-WB) in August 2013, with a total of 82,387,015 units. Warrant holders can exercise their rights to purchase ordinary shares at 1 baht per share every 6 months for a period of 5 years. They can exercise their rights for the first time on November 15, 2013 and for the last time on August 14, 2018. If all units are sold, the company will have increased its capital by 82.37 million baht. As of December 31, 2013, warrant holders exercised their rights to purchase 6,639,400 units, with the remaining unsold units of 75,747,615.

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

#### 4.4 Risk from impairment of accounts receivable

The company acknowledges the risk from the prevention of doubtful debts, as remarked in the financial statement, whereby the company has established policies for debt collection and allowances for doubtful accounts. The company considers the amount of doubtful accounts by estimating the current financial status of debtors, combined with its past experience of debt collection. In addition, the company has a policy to set an allowance for doubtful accounts using an income margin. The company set the allowance for doubtful accounts standing at 1% of advertising income. As for the income from agents, it stands at 30% of returned domestic books and 65% of returned foreign books. The company also has a policy for a maximal decrease margin of 12-month debts. As of December 31, 2013, the over 12-month debts (total financial statements) stood at Bt85 million, and 6-12 month debts stood at Bt37 million. As of December 31, 2013, the company has already set the allowance for doubtful debts (total financial statement) of Bt98 million and the allowance for returned goods of Bt21 million. However, the company has a Debt Collection Unit to continuously collect all debts and set allowances.

## 5. Risk factors of investors

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

In June 2013, the company issued the NMG-W3 warrants and right offering for existing shareholders with the intention to boost ordinary share capital with a total of 1,647,740,300 units, lasting 5 years, in the ratio of 1 existing ordinary share per 1 warrant unit. As of December 31, 2013, there were unexercised warrants of 1,645,858,730 units.

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

#### Prior to exercising the right of NMG-W3 warrant (December 31, 2013)

Paid-up ordinary shares	3,304,001,570	shares
Shareholding proportion prior to exercising the right of warrant	100	%

#### After exercising the right of NMG-W3 warrant

Paid-up ordinary shares	4,949,860,300	shares
Shareholding proportion after exercising the right of warrant	66.75	%
Decreased Shareholding proportion	33.25	%

### 5.2 Dilution effect on shareholders from the exercise of right of NMG-WB warrant

In August 2013, the company issued warrants to purchase the company's ordinary shares for its directors, management and/or employees and/or its subsidiaries (NMG-WB) with a total of 82,387,015 units, in the category of non-value shares, lasting 5 years, in the ratio of 1 warrant unit per 1 ordinary share at the exercised price of 1 baht per 1 ordinary share. As of December 31, 2013, there were unexercised warrants of 75,747,615 units.

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

#### Prior to exercising the right of NMG-WB warrant (December 31, 2013)

Paid-up ordinary shares	3,304,001,570	หุ้น
Shareholding proportion prior to exercising the right of warrant	100	%

#### After exercising the right of NMG-WB warrant

Paid-up ordinary shares	3,379,749,185	หุ้น
Shareholding proportion after exercising the right of warrant	97.75	%
Decreased Shareholding proportion	2.25	%

# List of major Shareholders

The top ten shareholders as of December 27, 2013 are ranked as follows:

Name	Shares	% Holding
1. Mr.Suthichai Sae-Yoon	304,101,742	9.204
2. Mr.Sermsin Samalapa	300,000,000	9.080
3. Mr.Chetsada Lertnanthapanya	164,837,200	4.989
4. Dow Jones & Company, Inc., New York	120,000,000	3.632
5. Green Siam Co., Ltd.	81,588,411	2.469
6. Ms.Varunee Tantasuralerk	73,000,000	2.209
7. Ms.Supasri Khunprapakorn	71,805,404	2.173
8. Thai NVDR Co., Ltd.	63,243,277	1.914
9. Ms.Sirima Chanjindavong	47,986,600	1.452
10. Mr.Prasit Pruksapornpong	40,000,000	1.211
Others	2,037,438,936	61.667
<b>Total</b>	<b>3,304,001,570</b>	<b>100.00</b>

## Note:

1) Shareholders who are classified into the same category and cast their votes in the same direction include

- Mr. Suthichai Yoon, the company's major shareholder and Chairman
- Mr. Sermsin Samalapa, the company's major shareholder and Vice Chairman

2) Categories of shareholders

Nationality	Number	Shares	Percent
Thai	11,516	3,147,531,928	92.26
Foreign	32	156,469,642	4.74
<b>Total</b>	<b>11,548</b>	<b>3,304,001,570</b>	<b>100.00</b>

# Corporate Governance Report

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

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

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

## Communication of the corporate governance policy

The board well recognizes the practice of corporate governance to coincide with the company's vision and commitment. As a main factor that drives operations is the employees of the company and subsidiaries, the policy has been communicated to employees by publicizing through the internal website and publishing 'Nation's Way' as a handbook for employees in addition to information in the website to follow the procedure in their operations. Management has closely monitored and ensured that all aspects of the policies have been put into practice. In

addition, in order to develop understanding with all stakeholders, the company has publicized good corporate governance principles through the company's website for interested persons and investors' acknowledgement. If any shareholder would like to receive a copy of the aforementioned policies, please contact the corporate secretary and fill in the document request form which will be delivered with the annual report in order to develop understanding on the company's good corporate governance.

## Monitoring of the practice of corporate governance policy

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

According to the evaluation results for the listed companies' good corporate governance for the year 2013, evaluated by the Thai Institute of Directors (IOD), the company was graded a "very good" level (4 stars), based on its reports publicized through the Stock Exchange of Thailand's media channels and its other publications. According to the evaluation results for the organizing of the Annual General Meeting for the year 2013, evaluated by the Thai Investors Association, the Thai Listed Companies Association and the Securities and Exchange Commission, the Stock Exchange of Thailand, the company was rated an "excellent level and shining example" and was among 96 listed companies out of 475 participating companies receiving complete 100 scores. The company has been rated at an excellent level for three consecutive years.

In 2013, the company's corporate governance principles covered five areas, namely:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Role of stakeholders
4. Information disclosure and transparency

policies

## 5. Board of Directors' responsibilities

### 1. Rights of shareholders

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

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

#### Organizing Shareholders' Meetings

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

In 2013, the company organized one shareholder meetings, the Annual General Meeting of the year 2013 on April 25, 2013. In conducting

a general shareholders' meeting, the company has appointed Thailand Securities Depository Co., Ltd. to serve as the company's registrar, to circulate meeting invitation letters to the shareholders about 21 days prior to the meeting date. The invitation letter, both in Thai and English, is also posted on the company's website one month prior to the meeting date.

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

- The company circulated letters to shareholders, through the Stock Exchange of Thailand's system and the company's website, who hold 1 or more shares during the period of shareholding day to the proposed day no less than 1 year, to propose the board of director candidates with qualifications and the shareholders' consent from November 26, 2012 to January 31, 2013. No candidates were proposed for the board of directors.

- The company asked the shareholders to propose the general meeting agenda through the company's website from November 26, 2012 to January 31, 2013. No additional agenda were proposed.

- The overall proposition of the board of director's candidate for the annual general meeting agenda was reported on the company's website on February 1, 2013.

- The company also asked the shareholders to send questions for the annual general meeting of the year 2013 in advance through the company's website or fax number 0-2338-3938 and 0-2338-3334 ext. 3291 from March 22 to April 12, 2013 so that the board of directors and management team could arrange for explanations at the meeting. No questions were sent in advance.

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

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

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

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

In the annual general meeting of the year 2013, the company proposed Mr. Pakorn Borimasorn, Independent Director and Chairman of the Audit Committee, as the attorney. One hundred and eighty-eight shareholders assigned authority to the Independent Director to represent and cast votes for them.

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

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

- The minutes of the meeting, with details

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

## 2. Equitable treatment of shareholders

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

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

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

- Shareholders with 1 share and above can propose to add agenda items for the general meeting in 2013 as well as nominate a person with appropriate qualifications to sit in the board of directors from November 26, 2012 - January 31, 2013. The company shall make available the information through the Stock Exchange of Thailand's information channel and the company's website with transparent steps and procedures in line with the extra procedure on rights of small shares shareholders. However, in 2013 there is no additional proposed agenda or board of directors nominations.

- Shareholders who are unable to attend the

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

- No transactions shall be mutually made with any joint-venture or related companies, as it may lead to significant conflict of interest.

#### **Policy to prevent insider information**

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

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

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

#### **Information disclosure**

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

1. The directors and executives must report any information on their conflicts of interest as well as those involved annually. The company's

secretary is responsible for collecting and updating the information and having this information ready for disclosure to the board of directors, should they require for cross-transaction consideration between companies and directors and / or executives or involved parties who have conflicts of interest.

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

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

In 2013, information was reported on one occasion without cross-transactions in conflict of interest with the company.

#### **Report on shareholding**

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

In 2013 the company has set a policy that the directors and executives must report their shareholding to the board of directors annually and at least once a year. The directors have reported their shareholdings at the board of director's meeting on February 17, 2014.

During the year 2013, the company reported its board and management's shareholding comparing increased/decreased share number from December 31, 2012 - December 31, 2013 as follows:

(The Annual General Meeting on April 25, 2013 approved an increase of capital shares for existing shareholders in the ratio of 1 existing share per 1 new share. Some directors exercised their right to increase capital shares, so they have increased their number of shares when compared to the end of the last year.)



Name	Number of Shares			Shareholding Proportion (%) as of December	Remarks
	31 December 2013	31 December 2012	Increased / Decreased Shares Number During the Year		
1. Mr. Suthichai Sae-Yoon	304,101,742	165,480,540	138,621,202	9.20	Includes shareholding of spouse
2. Mr. Sermsin Samalapa	300,000,000	165,000,000	135,000,000	9.08	
3. Mr. Pakorn Borimasporn	587,708	269,000	318,708	0.02	
4. Mr. Chaveng Chariyapisuthi	-	-	-	-	
5. Ms. Kaemakorn Vachiravarakarn <sup>(1)</sup>	10,000,000	-	10,000,000	-	
6. Mr. Niwat Changariyavong	2,000,000	-	2,000,000	0.06	
7. Ms. Duangkamol Chotana	20,908,200	10,044,100	10,864,100	0.63	
8. Mr. Adisak Limprungpatanakij	15,900,000	10,000,000	5,900,000	0.48	Includes shareholding of spouse
9. Mr. Pana Janviroj	20,249,000	10,124,500	10,124,500	0.61	Includes shareholding of spouse
10. Mr. Thepchai Sae-Yong	-	-	-	-	

**Note:**

1. Board of Directors' meeting No 6/2013, on October 17, 2013 has approved the appointment of Ms. Kaemakorn Vachiravarakarn to be Independent Director and Audit Committee to replace Mr. Yothin Nerngchamnong, effective on October 18, 2013.

**Cross-transactions between the company and its subsidiaries**

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

In 2013 the company and its subsidiaries have cross-transactions with other related companies under market price conditions. Other cross-transaction items, whereby the appropriateness and transaction value is being considered by the audit committee, can be viewed in the accompanying notes as an integral part of the financial statements.

**3. Role of Stakeholders**

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

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

Hence, the board of directors set organizational ethics covering various areas on November 10, 2006 and lately reviewed them on November 8, 2013. There were some adjustments to bring them more up to date. (Ethical values of Nation Multimedia Group PLC's directors, management and employees can be viewed at the company's website)

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

**1 Ethics on responsibilities to the media profession**

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

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

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

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

3.1 Ethical requirements of the media professionals

3.2 Ethics of Nation Group's media

3.3 Responsibilities to the readers, listeners and audience.

3.4 Commitment to the media profession and organization

3.5 Guidelines for news reporting and desirable behavior with the sources

3.6 Special privileges and conflict of interest

3.7 Guidelines for participating in political and social activities

3.8 Guidelines for the advertisement, marketing and sale departments.

3.9 Guidelines for copyright and freelancing jobs

3.10 Guidelines for reporters in various beats

3.11 Guidelines for mistakes recovery

3.12 Guidelines for reporting the Company's activities

3.13 Guidelines and ethics on Nation Social Media

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

**2 Ethics on responsibilities to shareholders**

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

In 2013, the company's performance improved, registering a net profit of Bt125.62 million and accumulated profit on December 31, 2013 of Bt280.61 million in the separate financial statements. The company predicts the growth of the overall industry in 2014 is likely to slow down due to prolonged political turmoil. However, the company has secured a positive factor through the successful bidding of digital TV licenses of two channels which are a variety channel (SD) and a news channel, making it the most fully-integrated media organization in Thailand, operating newspaper, online media, radio, TV, entertainment and university businesses, which will further drive the company's growth. Operations of previously loss-making subsidiary companies are clearly improving, particularly NML Co., Ltd., a logistics operator, indicating that the overall financial status of the company is better than previously and the trend indicates that it will continue to improve.

### 3 Ethics on relations to customers

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

Emphasizing customer satisfaction, the company consistently organizes a series of activities to relate with each customer segment, particularly the printed media customers which account for a large segment of the company's total customers. Questionnaires were sent to survey the customers' opinions in terms of content and format. Invitations were made for the customers to participate in various activities such as academic seminars, booth fairs, lucky draws, the Kom Chad Luek awards ceremony, mini marathon over the bridge and "Nation Hole in One", which has been organized for seven consecutive years.

### 4 Ethics on responsibilities to employees

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

In terms of employee welfare, the company has paid great attention to labour welfare, implementing appropriate wages and a welfare

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

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

In terms of safety and hygiene in the workplace, the company has continuously organized training and launched campaigns to raise employees' awareness on maintaining a safe workplace for life and property. Throughout the year 2013, there were no reports of accidents or medical leave during operating hours as most operations were performed at the office. The company has recognized the importance of the work place, and has constantly maintained working equipment and tools as well as the establishment so that they are always ready to be in service and safe.

In terms of human resources development, the company has concentrated on upgrading employee capability at all levels by organizing internal training courses and external training courses with other institutes or agencies, enabling them to use the acquired knowledge to improve

working efficiency. The company has organized training courses in conformity with the Skill Development Promotion Act B.E.2545, stipulating that any company with over 100 employees must organize training courses for employees in the ratio of 50% of the total number of its employees, and apply for training courses certification to the Department of Skill Development. The company strictly follows the Act when it comes to holding training courses for its employees.

In 2013, the company held training courses for 81% of its employees, with in-house training representing 94% and external training with other institutes or agencies accounting for 6%.

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

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

#### **Compensation and welfare**

The company has hired an HR consulting firm to study the company's compensation and welfare policy as well as succession planning in

order to raise the employees' capability and to be fair and transparent in managing its people. The company has started to adopt IFRS regarding the employees' welfare after their retirement, as enacted in 2011, and sourced specialists in statistics to calculate appropriate welfare levels for retired employees so as to propose to the company's board of directors for approval and to adjust the 2013 budget.

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

#### **Human Rights**

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

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

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

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

The company has received syndicated loans from several major banks: Bangkok Bank, Kasikornbank, Siam Commercial Bank and Land and Houses Bank. The company has been rated a premium customer of the banks, with a long-term trading relationship abiding by the repayment

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

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

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

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

#### **6 Ethics on social responsibility and environment**

The company has raised employee awareness on conserving the environment and using resources in the most efficient manner through its internal communication process. It has also encouraged employees to take part in a campaign to reduce global warming by changing their behaviors to cut energy consumption, join in 5S activities, and other activities concerning conservation of the environment, natural resources and energy held by the company.

As a news content producer and distributor to various media, the company shares national concerns over the quality of life and the information consumption of Thais. Therefore, the company has a mission to present quality and useful news to society and the public. The company also participates in efforts to improve the living standard of Thai society. As a business operator in Thailand, the company cares about the environment. In 2013, the company was involved in almost all aspects of community service activities (details as stated in Social Contribution Activities in the Annual Report (56-2)).

As a media company, our staff have not only

constantly communicated and listened to the stakeholders' comments and suggestions through various social and business functions, but the management and directors also have opportunities to meet with stakeholders on a regular basis. Furthermore, the company's call center is always available to take complaints and is ready to solve any dissatisfactions should they arise. The company has constantly responded to such complaints and suggestions.

In 2013 the company enabled all stakeholders to submit complaints and suggestions to the Chairman of the Board or Audit Director or Independent Director through the website: [nationgroup.com](http://nationgroup.com) or by mail to Nation Multimedia Group PLC. 1858/118-119, 121-122, 124-130, 27th-32nd Floor, Bangna-Trad Road, Bangna, Bangkok 10260.

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

#### **4. Information disclosure and transparency policies**

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

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

The company recognizes the importance of preserving confidential data and/or internal information, and the company has issued a 'corporate supervision policy', which prohibits



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

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

The company's annual report 2013 provides the following information:

1. Vision, mission and values of the organization
2. List of directors as well as their work and educational backgrounds, their family relationship with the management, their service in other listed companies and their holding of the company's securities
3. Shareholders' structure
4. Risk factors
5. Corporate Governance Report
6. Supervision policy and compliance policy
7. Directors' remuneration and number of the board meeting's attendance
8. Board of Directors' performance in the past year and the training record of the board
9. Audit Committee's performance in the past year
10. Remuneration policy for directors and high-level management
11. The remuneration for service in the board of directors and other assignments for the company and its subsidiaries
12. Annual report of the Audit Committee

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

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

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

16. Financial statements and operating results

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

1. Roles, duties and responsibilities of the directors, executive directors, sub-committee, Chairman and President
2. List of related transactions or conflicts of interests
3. Business ethics
4. Corporate Governance Policy
5. Audit Committee's charter
6. Quarterly and annual financial statements

#### Investor Relations Section

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

- "Digital TV Landscape, new media landscape and Nation Group's investment direction" on Tuesday, November 19, 2013, 14.00 – 16.00 hrs. at Meeting Room, 27A floor, TCIF Tower, Bangna Trad KM 4.5

- SET Opportunity Day organized by the Stock Exchange of Thailand three times on March 4, May 23 and August 26, 2013.

- Publicize the company's financial status through its newspapers and website 4-6 times.

#### Company Secretary Department

The company recognizes the significance of working in compliance with the regulations required by the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant

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

## **5. Responsibilities of the Board of Directors**

### **Roles, Duties and Responsibilities of the Board of Directors**

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

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

### **Roles, Duties and Responsibilities of the Chairman**

The Chairman plays important roles in chairing and supervising meetings, allocating time for each

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

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

In 2013, the Board of Directors consists of 10 members, three of them are independent directors, and another six are executive directors while the other one are non-executive directors. Independent directors account for more than one third in the board to ensure an effective check and balance system in management.

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

### **Appointment of the Board of Directors**

According to the company's requirement, one third of the directors shall vacate their offices when their tenures end every year. The company can re-appoint directors whose tenure ends to their same positions again for another term. The company does not set requirements on the term limit according to the requirement of the Securities and Exchange Commission. The company has set a policy stipulating that its directors must not hold the status of director in more than 5 other listed companies on the Stock Exchange of Thailand concurrently. The company's directors shall not be directors in competing companies or have conflicts of interest with the company's business. In the case that the directors hold positions in other companies, those company names, types of business and positions of the directors shall be disclosed in the director profile. In 2013, none of the company's directors or executives held positions as directors in more than five listed companies.

The high-level management of the company



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

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

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

#### **Sub-committees**

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

The sub-committee's nomination is performed in such a way as to ensure that they are capable, possess leadership qualities, skills and experience, have vision as well as are able to devote their time and effort to perform their duties for the best interests of the company. As the company is in the media business, the directors shall be objective, not taking sides nor getting involved in any politics. Furthermore, they should have a thorough understanding of the media culture and business ethics. 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 using various information sources, especially the Director Pool database which presents a list of directors who possess qualifications according to the requirements of the law.

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

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

#### **Conflicts of Interest**

The Board of Directors acknowledges the importance of the potential for conflicts of interest. Therefore, the company has announced its conflicts of interest policy which prevents the company's directors, management and employees operating any business which can come into competition with the company, as well as getting involved in a transaction that is likely to lead to a conflict of interest with the company. If it is necessary to do so, the Board of Directors will ensure that the transaction will be transparent and fair. The consideration will be thorough as if the transaction

was executed with a third party, whereby the directors, the management or the employees involved shall not be allowed to take part in the approval process. Furthermore, the Stock Exchange of Thailand's regulations shall be strictly observed. Related transactions between the company and its subsidiaries, or associated companies in 2013 were presented before the audit committee and the Board of Directors in February 2014 and the company has disclosed with details and necessities/reasons in the Annual Disclosure Report (56-1 form).

#### The Board of Directors' Meeting

The Board of Directors' meeting is scheduled in advance with a minimum of once a quarter and special meetings are held as required. Agenda are clearly announced prior to the meetings with routine agenda to follow up on the operational results. The company's secretary is responsible for sending invitation letters informing approved agenda by the chairman and the president together with related documents to all directors 7 days in advance. This is to allow time for the directors to review the information prior to the meeting. Should any director

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

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

In 2013, seven Board of Directors' meetings were held, with written minutes for each meeting. Meeting minutes are approved by the Board of Directors and available for inspection by directors and related parties.

#### Attendance for each director in 2013 is as follows:

Order	Name	Position	Number of meetings	Attendance
1	Mr. Suthichai Sae-Yoon	Chairman and Executive Chairman	7	7
2	Mr. Sermsin Samalapa	Vice Chairman and Vice Executive Chairman	7	5
3	Ms. Duangkamol Chotana	President	7	7
4	Mr. Pakorn Borimasporn	Independent Director and Chairman of Audit Committee	7	7
5	Mr. Chaveng Chariyapisuthi	Independent Director and Member of Audit Committee	7	7
6	Ms. Kaemakorn Vachiravarakam <sup>(2)</sup>	Independent Director and Member of Audit Committee	1	1
7	Mr. Thepchai Sae-Yong <sup>(1)</sup>	Director	5	4
8	Mr. Adisak Limprungpattanakij	Director	7	7
9	Mr. Pana Janviroj	Director	7	5
10	Mr. Nivat Changariyavong	Non executive Director	7	7

#### Note:

1. Board of Directors' meeting No 3/2013, on May 10, 2013 has approved the appointment of Mr. Thepchai Sae-Yong to be Director to replace Mr. Nissai Vejajiva, effective on May 10, 2013.
2. Board of Directors' meeting No 6/2013, on October 17, 2013 has approved the appointment of Ms. Kaemakorn Vachiravarakam to be Independent Director and Audit Committee to replace Mr. Yothin Nerngchamnong, effective on October 18, 2013.

### **Evaluation of the Board of Directors' Performance**

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

In 2013, the Board arranged for performance evaluations in two forms: individual evaluation (self-performance) and entire board evaluation. The company used an evaluation form designed by the Stock Exchange of Thailand and the Thai Institute of Directors (IOD). The evaluation results are divided into 4 grades: 4 = Absolutely agree, 3 = Mostly agree, 2 = Agree, 1 = Disagree, 0 = Absolutely disagree

The evaluation results can be summarized as follows:

-Individual evaluation categorized under the topics of director's readiness, strategies formulation and business planning, risk management and internal audit, prevention of conflicts of interests, monitoring of financial reports and operations, and the Board of Directors' meeting. The evaluation shows that members of the Board of Directors have mostly scored 122 points out of 216 points, which is considered a good grade.

-Evaluation of the entire Board of Directors categorized under the topics of structure and qualifications of the Board, the Board of Directors' meeting, the Board's ability to perform their duties, the Board's relations with the management, directors' self-development and the management's improvement. The evaluation shows that the entire Board of Directors has scored 199 points out of 392 points on average, which is considered a good grade.

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

-The evaluation of the Audit Committee is based on their responsibilities and duties as well as the Committee's meeting. The evaluation result shows that the Audit Committee has received 32 points of "Agree" out of 34 points.

### **Directors' remuneration**

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

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

In 2012 and 2013, remunerations for Directors are as follows:

Name/Position	Annual Remuneration 2013				Annual Remuneration 2012			
	Remuneration	Meeting Allowance	Other	Total	Remuneration	Meeting Allowance	Other	Total
<b>Chairman:</b>								
• Mr. Suthichai Sae-Yoon	400,000	-	-	400,000	400,000	-	-	400,000
<b>Chairman of Audit Committee:</b>								
• Mr. Pakorn Borimasporn	400,000	-	-	400,000	400,000	-	-	400,000
<b>Audit Committee:</b>								
• Mr. Chaveng Chariyapisuthi	300,000	-	-	300,000	300,000	-	-	300,000
• Mr. Yothin Nerngchamnon	-	-	-	-	300,000	-	-	300,000
• Ms. Kaemakorn Vachiravarakarn <sup>(3)</sup>	150,000	-	-	150,000	-	-	-	-
<b>Independent Director</b>								
• Mr. Nissai Vejajiva	-	-	-	-	200,000	-	-	200,000
<b>Non Executive Directors:</b>								
- Mr. Nivat Changariyavong	200,000	-	-	200,000	200,000	-	-	200,000
- Mrs. Christine Debais Brendle <sup>(1)</sup>	-	-	-	-	200,000	-	-	200,000
<b>Executive Directors:</b>								
• Mr. Sermsin Samalapa	200,000	-	-	200,000	200,000	-	-	200,000
• Ms. Duankamol Chotana	200,000	-	-	200,000	200,000	-	-	200,000
• Mr. Adisak Limprungpatankij	200,000	-	-	200,000	150,000	-	-	150,000
• Mr. Pana Janviroj	200,000	-	-	200,000	150,000	-	-	150,000
• Mr. Thepchai Sae-Yyong <sup>(2)</sup>	150,000	-	-	150,000	-	-	-	-
<b>Total</b>	<b>2,400,000</b>	<b>-</b>	<b>-</b>	<b>2,400,000</b>	<b>2,700,000</b>	<b>-</b>	<b>-</b>	<b>2,700,000</b>

**Note: In 2013**

1. On April 25, 2013 in the Annual General Meeting of Shareholders 2013 the resignation of Mrs. Christine Debais Brendle was announced following the completion of her term.
2. Board of Directors' meeting No 3/2013, on May 10, 2013 has approved the appointment of Mr. Thepchai Sae-Yong to be Director to replace Mr. Nissai Vejajiva, effective on May 10, 2013.
3. Board of Directors' meeting No 6/2013, on October 17, 2013 has approved the appointment of Ms. Kaemakorn Vachiravarakarn to be Independent Director and Audit Committee to replace Mr. Yothin Nerngchamnon, effective on October 18, 2013.

### Director and Management Development Plan

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

The company promotes the development of all directors to enhance their efficiency in performing their duties. The company has set

a policy to encourage directors to participate in seminars and training courses organized by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand or other institutes. Topics of seminars and training courses involves development for directors in relation to their duties and responsibilities or new management trends to support continuous development in performing their duties, as well as to enable them to apply acquired knowledge appropriately to consistently improve operations for the benefits of the company. In 2013, the company arranged training courses for directors as follows:

Order	Name	Position	Training received in 2013
1	Mr. Pakorn Borimasporn	Independent Director and Chairman of the Audit Committee	Journey to standard elevation of corporate governance under "ASEAN Corporate Governance Scorecard"
2	Mr. Thepchai Sae-Yong	Director	Director Certification Program (DCP), class 177

The sub-committee's nomination is performed in such a way as to ensure that they are capable, possess leadership qualities, skills and experience, have vision as well as are able to devote their time and effort to perform their duties for the best interests of the company. As the company is in the media business, the directors shall be objective, not taking sides nor getting involved in any politics. Furthermore, they should have a thorough understanding of the media culture and business ethics.

### Succession plans

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

human resource development with clear directions to achieve the company's vision, mission and values.

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

#### 1. Chairman / President

When the management position of chairman / president vacates or persons holding such position can't perform their duties, the company may select executive at the nearest level or deputy position to the vacated position to act as a caretaker up until the selection and recruitment process of the vacated position is completed. Successful candidates must have vision, capability, experience and fit well into the organizational culture.

The entire Board of Directors will consider

qualifications of successful candidates and forward his/her name to the chairman who will further nominate the new chairman / president at the Annual General Meeting of Shareholders.

## 2. Vice President

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

1. Analyze the company's business operations in terms of strategies, policies and plans, as well as business expansion plans.

2. Evaluate readiness of the workforce to be in line with the company's business strategies both in the short and long term.

3. Formulate a plan to build workforce readiness by developing staff or recruiting new staff in replacement of those resigning.

4. Create a staff recruitment and training development plan in advance, prior to staff's early retirement and resignation.

5. Determine qualifications covering desirable knowledge, skills, personalities and attitudes for each work position and create individual development plans.

6. Evaluate employee performance and capability to consider their suitability for the position.

7. Use KPIs in test and evaluation to measure employee performance and capability.

## Internal Control

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

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

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

The company has set up an internal audit department in charge of conducting internal control and reporting results to the Audit Committee and the management. Ms. Kanchana Rittirongkachon has been appointed as head of the department.

During 2013, the Audit Committee convened four meetings, each of which took approximately four hours in order to accomplish its duties as specified in the Audit Committee Charter. All three members of the Audit Committee attended all meetings. In addition, there were additional meeting agenda with independent auditors, key internal audit personnel, and top executives of the Company in the relevant matters. From the aforementioned meetings, the Audit Committee was of the opinion that the annual financial statements 2013 of the Company were presented fairly and did not find any items that may impact the Financial Statements. The Audit Committee



was of the opinion that the Company's internal control system was appropriate, adequate and efficient, as being taken care by three experienced internal audit personnel. Cross transactions performed in the ordinary course of business were reasonable and no irregular item was found. It was determined that the Company has appropriately complied with the Act of securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as to related laws. The Audit Committee agreed that the company's current Independent Auditor for the year 2012 was suitable due to his independence and experience.

The Audit Committee reported to the Board of Directors after reviewing the financial statements and report, including the internal auditor's report every quarter. The Board of Directors was of the opinion that the Company's overall internal control system was satisfactory, ensuring the creditability of the company's financial statements and consolidated financial statements for the year ending December 31, 2013. The Company appropriately safeguarded assets to prevent any illicit use by management or employees, operated as specified procedures, and had cautious, adequate, and appropriate internal control systems in all respects—organization and environment, risk management, management control, information and communication and monitoring system to achieve goals and objectives in order to align with the circumstances and be able to resolve problems instantly.

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

The Company's auditor gave the audit's comments and recommendations for the year ended December 31, 2013 directly to the Audit Committee on February 10, 2014. The recommendations did not show any significant

issues in regards to the financial statements, as follows:

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

2. The company should continuously monitor accrued revenue in order to expedite issuance of invoices and collection.

In addition, regarding internal control of the IT system, the company has made developments in some areas but should review the system completely to ensure complete content and suitability at all times, including reviewing policies and procedures to improve the performance of the information technology system, individually reviewing users with extensive privileges (super-users) and reviewing users of the accounting system on a regular basis to ensure users' duties or responsibilities reflect their access privileges.

During 2013, the internal audit department accorded related audit issues some internal control systems in which the Company released guidelines and procedures in operation to control and expedite the operation of related units, as follows:

1. The company should record advertisement sales using iSnap technology in the correct category to ensure an accurate database system and advertisement sales at determined prices to achieve revenue as it should be.

2. Cash from subscription sales of publications should be sent within a specified period and temporary receipts should be issued according to document number to ensure strict control of the cash system and important documents.

3. WPS should implement a system to collect information on overtime work and calculate overtime working hours to maximize the available working system.



# Social and Environmental Activities 2014

## Social activities for Kom Chad Luek's volunteer Taen Khun Paen Din project, 2013

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 2013 were as follows:

### Kom Chad Luek's CSR Projects in 2013

#### 1. Than Khun Pan Din Project

The 2013 "Than Khun Pan Din Awards" can be considered one of the top events in recognizing outstanding people and youth role models who contribute beneficially to society. Than Khun Pan Din aims to promote the value of doing good deeds in Thai society, honouring those who perform beneficial acts and publicize their good deeds with an objective to encourage other members of society to follow their lead. Human resource development is a sustainable and worthwhile investment since humanity is the driving force behind organizations and society. If the majority of the society is good, moral and ethical, Thai society as a whole will enjoy sustainable peace and happiness.



## 2. Kom Chad Luek's Sharing to Society

In 2013, "Kom Chad Luek" continued its policy of organizing activities to give back to society through "Kom Chad Luek's Sharing to Society" project. Now in its second year, the project seeks to assist the public, underprivileged children and people in remote areas. For instance, the project builds school libraries, canteens and playgrounds, community sports ground and provides aid for the victims of disasters such as floods, drought or cold weather.

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

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

1. Presented a Bt100,000 donation for the construction of a multipurpose school hall for Ban Sab Takro, Nong Boonmak District, Nakhon Ratchasima Province in October 2013.

2. Provided financial assistance of Bt200,000 each to two schools that suffered flooding in 2013 – Wat Had Soong School in Kabinburi District, Prachinburi Province and Wat Paknam Jolo School, Bangkhla District, Chachoengsao Province in late November 2013.

3. Donated dolls and other items necessary for the development of preschool children as gifts to mark Children's Day 2014 for children of impoverished parents in the Romklao Community who stay at the Preschool Child Development Centre, Nimitr Sammaki Feun Nakhon Romklao, Phase 5, Zone 11, Tonnun Sub-district, Lad Krabang District, Bangkok. The donation was made on December 26, 2013.

## The Nation CSR Activities in 2013

The Nation, together with its sister media organization Nation Broadcasting Public Company Limited and selected members of Asia News Network, an alliance of 22 media organizations in 19 Asian countries, conducted a fund-raising campaign in aid of victims of typhoon Haiyan which devastated large swathes of the Philippines. The funds raised were donated to the Philippine Red Cross through the Inquirer newspaper, an Asia News Network member. More than US\$160,000 was raised and notified through the Philippines ambassador to Thailand.



# Nation Group received the award 2013

## Krungthep Media Company Limited (KTM)

### Five awards:

1. Award for benefits to Buddhism presented on the 100th anniversary of the Supreme Patriarch, presented to the editorial team of Jud Prakai.
2. National news media awards presentation focusing on children and youth by Plan International by the editorial team of Jud Prakai
3. 2013 Awards for News and Features in support of the rights of children (Honourable Mention) from the ISRA Institute Thai Press Development Foundation and supported by UNICEF Thailand for the articles “Mafia Kha San” by Warunrat Katthamat and “Arn Su-Saeng Sawang” by Chainarong Kitinartintranee of the Jud Prakai editorial team.
4. Outstanding Award for the promotion of energy conservation and renewable energy in the media category at the Thailand Energy Awards, from the Department of Alternative Energy Development and Efficiency (DEDE).
5. Outstanding Award (Honourable Mention) from the National Press Council of Thailand for “Alarming signs of populist policy, financial crisis looms” by Tossaporn Chokchayapol, editor, economic news.

## Kom Chad Luek Media Company Limited (KMM)

### Two awards:

1. Received the honorary award for “Unmasking the gang falsifying Thai visas” in the category of creative crime news, newspaper, from Khondee Foundation (Thailand), in association with CP All Pcl. on December 19, 2013.
2. Received the “Media Rights” award at the Media Awards 2013 from the human rights organization Amnesty International Thailand



#### Nation News Network Company Limited (NNN)

One awards:

1. Received Amnesty International (Thailand)'s Complimentary Media Award 2013 for The Nation's series on "Stop the stigma and mistreatment for HIV patients"

#### Nation International Edutainment Public Company Limited (NINE)

Publisher of Nation Books. Two awards:

1. Milestone Award

On May 7, 2013, the company received the Milestone Award from Disney at the Disney SEA Annual Publishers Meeting in Ho Chi Minh City, Vietnam in recognition of the company's commitment as a partner and its continuous working performance over a long period.

2. Award from the Publishers and Booksellers Association of Thailand

On March 29, 2013, the company received a plaque of honour from the Publishers and Booksellers Association of Thailand in recognition of the company's assistance in advertising, public relations and organizing book fairs across the country to encourage reading in Thailand and create a sustainable knowledge-based society as a basis for national development.

#### WPS (Thailand) Company Limited (WPS)

Two awards:

1. Gold Medal Award for roll-fed printing coated paper 70 gram and over, at the 8th National Printing Contest of the Thai Printing Association.
2. Bronze Medal Award for roll-fed printing coated paper 65 gram or less, and over, at the 8th National Printing Contest of the Thai Printing Association.



# Characteristics of the Business

## Structure of Sales and Service Income

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

(Unit : in Million Baht)

Products / Services	Operated by	2013		2012		2011	
		Amount	%	Amount	%	Amount	%
• Publishing and distribution newspapers and advertising media	• Nation Multimedia Group PCL. • Kom Chad Luek Media Co., Ltd.	1,965	69%	2,099	71%	1,887	72%
• Publishing and distribution English newspapers and advertising media	• Nation News Network Co., Ltd.						
• Publishing and distribution newspapers, advertising media and production of TV programs under “Krungthep Turakij TV”	• Krungthep Turakij Media Co., Ltd.						
• Publishing and distribution educational books and comics	• Nation Edutainment Co., Ltd. • Nation Egmont Edutainment Co., Ltd.						
• Importing, publishing, distributing publications and production of TV programs under “Kid Zone”	• Nation International Edutainment PCL.						
• Printing services	• WPS (Thailand) Co., Ltd.						
• Production of TV Programs and radio programs and providing advertisements through TV media, radio media and new media forms	• Nation Broadcasting Corporation PCL. • NBC Nextmedia Co., Ltd. • NBC Next Screen Co., Ltd. • NBC Next Vision Co., Ltd. • Nation Kids Co., Ltd. • Bangkok Business Broadcasting Co., Ltd.	751	26%	728	25%	666	25%
• Logistic Services	• NML Co., Ltd.	91	3%	74	3%	90	3%
• Education Services	• Nation U Co., Ltd. • Nation University • Nine Be Bright Co.,Ltd.	57	2%	36	1%	-	-
Total		2,864	100%	2,937	100%	2,643	100%



# Audit Committee's Report for 2013

The Audit Committee of Nation Multimedia Group Public Company Limited comprised of three independent directors : Mr. Pakorn Borimasporn is committee chairman, Mr. Chaveng Chariyapisuthi and Ms. Kaemakorn Vachiravarakarn (appointed on October 17, 2013), are committee members.

In the year 2013, The Audit Committee had organized 4 meetings, each meeting takes approximately 4 hours to carry out its duty as specified in the Audit Committee Charter. In every meeting, there are agenda for meeting with the company's Independent Auditor and agenda for meeting with the Internal Auditor. The Audit Committee had also had meeting with high level management for relevant agendas. The Audit Committee is of the opinion that.

1. The company's 2013 financial reports are fairly presented and no transactions are found that might materially affect the financial reports.
2. The company's internal control system and risk management system are appropriate, sufficient and efficient. At present, there are three experienced internal auditors to carry out the internal audit activities.
3. The related-party transactions in 2013 are general and normal business transactions, they are reasonable and no abnormal transactions are found.
4. The company has complied to the laws of securities and stock exchange as well as regulations and other laws relevant to the company's business.
5. Mr. Winid Silamongkol, auditor registration number 3378 was the company's Independent Auditor for the year 2013 and was his first term as the company Independent Auditor. He is knowledgeable and independent as well as has long experience in the auditing activities and therefore is suitable for the job.

As for the appointment of the company's Independent Auditor for the year 2014, the Audit Committee proposes that the following persons from KPMG Poomchai Audit Co.,Ltd. : Mr. Winid Silamongkol, Registration No. 3378 or Mr. Vichien Thamtrakul, No. 3183 or Ms. Vannaporn Jongperadechanon, No. 4098 or Ms. Patamavan Vadhanakul, No. 9832 be appointed as the company's Independent Auditor for the year 2014.



(Mr. Pakorn Borimasporn)  
Chairman of Audit Committee

# Nation Multimedia Group Public Company Limited

## Report on Responsibilities of the Board of Directors towards the Financial Report for the year 2013

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 2013.

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 2013 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management and audited by the Company's auditor, reflect accurate and complete financial status, operational results and cash flow in accordance with generally accepted accounting standards, rules, regulations and laws relating to the Company's businesses.



(Mr.Suthichai Sae-Yoon)  
Chairman



(Ms.Duangkamol Chotana)  
President



# The Results of the Consolidated Financial Statements

The consolidated financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries for the year ended 31 December 2013 represented an operating profit before income tax of Baht 322.88 million. An inclusion of income tax of Baht 71.16 million resulted in operations for the year 2013 had profit of Baht 251.72 million. Compared to the same period of last year, it showed a profit of Baht 169.05 million, increased by 49%. The Company would like to clarify a significance change of Group's operation results was summarized as follows:

1. Revenue from sales and services for the year 2013 decreased by 2% compared to the same period of 2012. The main reason is from circulation revenue decreased by 8%. Whereas advertising revenue increased by 4%

as there were from print ads and broadcast business unit increased by 3% as well as new media advertising increased by 9% and education revenue increased since its has incurred in March 2012.

2. Cost of sales and expenses for the year 2013 decreased by 3% compared to the same period of 2012 due to the group has a policy to maintain of expenses monitor.

## Conclusion :

The Group reported an operating profit before income tax for the year ended 31 December 2013 was at Baht 322.88 million. An inclusion of income tax of Baht 71.16 million resulted in profit of Baht 251.72 million. Compared to the same period of last year, it showed a profit of Baht 169.05 million.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

Financial statements for the year ended  
31 December 2013

and  
Independent Auditor's Report





**KPMG Phoomchai Audit Ltd.**

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## **Independent Auditor's Report**

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

I have audited the accompanying consolidated and separate financial statements of Nation Multimedia Group Public Company Limited and its subsidiaries (the "Group") and of Nation Multimedia Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated and Separate Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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



### *Opinion*

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### *Emphasis of Matter*

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Company's adoption from 1 January 2013 of certain new accounting policies. The corresponding figures presented are based on the consolidated and separate financial statements as at and for the year ended 31 December 2012 after making the adjustments described in note 3.

(Winid Silamongkol)  
Certified Public Accountant  
Registration No. 3378

KPMG Phoomchai Audit Ltd.  
Bangkok  
17 February 2014

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

Assets	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
		(in Baht)					
<b>Current assets</b>							
Cash and cash equivalents	7	1,467,849,138	179,044,265	181,819,846	18,841,677	20,233,894	28,301,433
Current investments	8	138,320,000	-	-	-	-	-
Trade accounts receivable	9	757,771,277	847,712,147	755,770,036	554,966,208	287,873,376	325,242,985
Accrued income		165,420,566	142,757,313	106,917,876	35,363,113	22,678,323	25,899,036
Other receivables from related parties	6	13,607,889	357,706	726,712	290,376,050	444,947,716	376,543,735
Short-term loans to related parties	6	-	-	-	120,000,000	120,000,000	128,000,000
Current portion of long-term loan to related party	6	-	-	-	21,000,000	113,000,000	60,000,000
Inventories	10	274,048,248	247,198,116	248,422,894	79,263,268	68,494,846	101,096,280
Deposit guarantee for licencing auction	1	74,000,000	-	-	-	-	-
Other current assets	11	183,643,914	203,681,375	319,177,563	71,279,535	76,788,958	223,158,220
<b>Total current assets</b>		<b>3,074,661,032</b>	<b>1,620,750,922</b>	<b>1,612,834,927</b>	<b>1,191,089,851</b>	<b>1,154,017,113</b>	<b>1,268,241,689</b>
<b>Non-current assets</b>							
Restricted deposits	12, 20	2,589,301	3,947,774	2,500,000	-	-	-
Investments in subsidiaries and associate	13	27,791,492	26,985,191	26,530,941	2,023,693,734	741,900,003	678,026,004
Long-term investments in related parties	14	-	-	951,500	-	-	951,500
Long-term investments in other companies	15	31,199,517	29,530,178	19,561,050	31,199,517	29,530,178	19,561,050
Long-term loan to related party	6	-	-	-	-	23,000,000	131,000,000
Investment properties		38,000,000	38,000,000	36,000,000	38,000,000	38,000,000	36,000,000
Property, plant and equipment	16	1,740,049,863	1,948,958,729	1,711,609,810	472,355,205	521,973,083	453,817,223
Intangible assets	17	83,929,434	104,280,587	107,434,862	30,433,857	45,562,276	61,946,731
Deferred tax assets	3, 18	98,775,128	111,763,352	139,159,746	55,084,344	76,142,266	99,077,250
Other non-current assets	19	255,721,922	268,083,855	235,388,897	196,826,592	212,541,992	179,021,509
<b>Total non-current assets</b>		<b>2,278,056,657</b>	<b>2,531,549,666</b>	<b>2,279,136,806</b>	<b>2,847,593,249</b>	<b>1,688,649,798</b>	<b>1,659,401,267</b>
<b>Total assets</b>		<b>5,352,717,689</b>	<b>4,152,300,588</b>	<b>3,891,971,733</b>	<b>4,038,683,100</b>	<b>2,842,666,911</b>	<b>2,927,642,956</b>

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

		Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
Liabilities and equity	Note						
(in Baht)							
Current liabilities							
Bank overdrafts and short-term loans							
from financial institutions	20	293,915,945	720,066,553	762,580,475	223,281,757	641,053,759	687,425,038
Trade accounts payable	21	119,760,263	167,030,054	167,571,816	414,604,540	275,477,609	304,340,252
Other payable	5	-	130,000,000	-	-	-	-
Current portion of long-term loans							
from financial institutions	20	120,331,250	306,884,010	338,336,553	100,800,000	275,430,000	221,000,000
Current portion of finance lease liabilities	20	7,825,544	33,955,592	30,034,488	2,612,547	2,857,381	485,690
Accrued expenses		237,107,454	205,156,510	229,913,324	74,387,374	64,214,199	129,817,244
Income tax payable		2,795,427	1,309,989	8,081,951	-	-	-
Other current liabilities	22	346,828,379	389,615,180	324,144,583	72,258,551	82,162,720	174,833,752
Total current liabilities		1,128,564,262	1,954,017,888	1,860,663,190	887,944,769	1,341,195,668	1,517,901,976
Non-current liabilities							
Long-term loans from financial institutions	20	152,217,879	315,586,269	338,336,539	152,217,879	295,836,269	287,125,858
Finance lease liabilities	20	5,799,642	13,625,185	36,813,458	5,799,642	8,412,189	502,251
Employee benefit obligations	23	134,458,894	81,986,979	95,853,907	36,196,879	13,757,672	29,771,419
Other non-current liabilities	20, 24	147,047,965	150,011,980	120,566,326	112,234,930	118,147,982	119,366,359
Total non-current liabilities		439,524,380	561,210,413	591,570,230	306,449,330	436,154,112	436,765,887
Total liabilities		1,568,088,642	2,515,228,301	2,452,233,420	1,194,394,099	1,777,349,780	1,954,667,863
Equity							
Share capital	25						
Authorised share capital		2,663,572,195	873,302,359	2,500,000,000	2,663,572,195	873,302,359	2,500,000,000
Issued and paid-up share capital		1,751,120,832	873,302,359	1,647,740,300	1,751,120,832	873,302,359	1,647,740,300
Additional paid in capital	25, 26						
Premium on ordinary shares		784,501,401	-	4,136	784,501,401	-	4,136
Premium on ordinary shares of subsidiaries		94,372,016	79,739,927	75,590,441	-	-	-
Warrants	26	5,135,848	-	-	4,376,490	-	-
Retained earnings (Deficit)							
Appropriated							
Legal reserve	27	11,700,000	5,200,000	-	11,700,000	5,200,000	-
Unappropriated (Deficit)		650,840,315	438,427,745	(499,864,354)	280,611,068	176,227,399	(676,859,469)
Other component of equity	27	11,979,210	10,587,373	2,090,126	11,979,210	10,587,373	2,090,126
Equity attributable to owners of the Company		3,309,649,622	1,407,257,404	1,225,560,649	2,844,289,001	1,065,317,131	972,975,093
Non-controlling interests		474,979,425	229,814,883	214,177,664	-	-	-
Total equity		3,784,629,047	1,637,072,287	1,439,738,313	2,844,289,001	1,065,317,131	972,975,093
Total liabilities and equity		5,352,717,689	4,152,300,588	3,891,971,733	4,038,683,100	2,842,666,911	2,927,642,956

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

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2013	2012	2013	2012
			(Restated)		(Restated)
		(in Baht)			
<b>Income</b>					
Revenue from sale of goods and rendering of services	6	2,864,297,101	2,936,868,992	854,790,920	915,068,836
Rental and service income		85,550,850	91,343,703	3,383,370	1,582,972
Investment income	6, 29	27,455,893	3,113,496	53,830,663	53,471,153
Gain from bargain purchase	5	-	1,980,103	-	-
Reversal of impairment loss on investment in subsidiaries	13	-	-	-	32,624,000
Other income	30	82,561,904	68,568,740	48,403,463	45,558,722
<b>Total income</b>		<b>3,059,865,748</b>	<b>3,101,875,034</b>	<b>960,408,416</b>	<b>1,048,305,683</b>
<b>Expenses</b>					
Cost of sales of goods and rendering of services	6	1,795,387,440	1,840,736,443	348,789,451	408,781,466
Selling expenses	6, 31	292,663,761	264,051,398	83,648,859	79,153,216
Administrative expenses	6, 32	443,375,404	498,804,274	269,268,377	307,192,690
Management benefit expenses	33	103,778,740	120,100,737	47,247,415	56,995,755
Finance costs	35	76,673,764	114,986,149	61,436,605	91,527,093
<b>Total expenses</b>		<b>2,711,879,109</b>	<b>2,838,679,001</b>	<b>810,390,707</b>	<b>943,650,220</b>
<b>Share of profit of equity-accounted investees</b>					
Associate	13	806,301	454,250	-	-
<b>Profit before income tax expense</b>		<b>348,792,940</b>	<b>263,650,283</b>	<b>150,017,709</b>	<b>104,655,463</b>
Income tax expense	36	(71,157,113)	(63,708,201)	(24,394,778)	(20,810,672)
<b>Profit for the year</b>		<b>277,635,827</b>	<b>199,942,082</b>	<b>125,622,931</b>	<b>83,844,791</b>
<b>Other comprehensive income</b>					
Net change in fair value of available-for-sale investments	15	1,739,797	10,621,559	1,739,797	10,621,559
Defined benefit plan actuarial losses	23	(44,928,055)	-	(18,424,078)	-
Reversal of (income tax) on other comprehensive income	18	8,484,318	(2,124,312)	3,336,856	(2,124,312)
<b>Other comprehensive income for the year, net of income tax</b>		<b>(34,703,940)</b>	<b>8,497,247</b>	<b>(13,347,425)</b>	<b>8,497,247</b>
<b>Total comprehensive income for the year</b>		<b>242,931,887</b>	<b>208,439,329</b>	<b>112,275,506</b>	<b>92,342,038</b>

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



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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	For the year ended		For the year ended	
	31 December		31 December	
<i>Note</i>	2013	2012	2013	2012
		(Restated)		(Restated)
	<i>(in Baht)</i>			
<b>Profit attributable to</b>				
Owners of the Company	251,721,409	169,050,022	125,622,931	83,844,791
Non-controlling interests	25,914,418	30,892,060	-	-
<b>Profit for the year</b>	<b>277,635,827</b>	<b>199,942,082</b>	<b>125,622,931</b>	<b>83,844,791</b>
<b>Total comprehensive income attributable to</b>				
Owners of the Company	211,894,340	177,547,269	112,275,506	92,342,038
Non-controlling interests	31,037,547	30,892,060	-	-
<b>Total comprehensive income for the year</b>	<b>242,931,887</b>	<b>208,439,329</b>	<b>112,275,506</b>	<b>92,342,038</b>
<b>Earnings per share</b>	<i>37</i>			
Basic earnings per share	0.10	0.10	0.05	0.05
Diluted earnings per share	0.09	0.10	0.04	0.05

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

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

Consolidated financial statements										
Note	Issued and paid-up share capital	Share premium	Share premium of subsidiaries	Retained earnings		Other component of equity		Equity attributable to owners of the Company	Non-controlling interests	Total equity
				Legal reserve	Unappropriated (Deficit) <i>(in Baht)</i>	Fair value changes in available-for-sale investments				
Year ended 31 December 2012										
Balance at 1 January 2012 - as reported										
3										
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
25										
Total contributions by and distributions to owners of the Company										
Changes in ownership interests in subsidiaries										
Total changes in ownership interests in subsidiaries										
Total transactions with owners, recorded directly in equity										
Comprehensive income for the year										
36										
27										
Balance at 31 December 2012										

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

## Consolidated financial statements

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

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

		Separate financial statements				
		Retained earnings (Deficit)		Other component of equity		
				Fair value changes in available-for-sale investments	Total equity	

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

		Separate financial statements						
		Retained earnings			Other component of equity			
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve (in Baht)	Unappropriated	Fair value changes in available-for-sale investments	Total equity
	Note							
Year ended 31 December 2013								
Balance at 1 January 2013 - as reported		873,302,359	-	-	5,200,000	97,438,289	13,234,217	989,174,865
Impact of changes in accounting policies	3	-	-	-	-	78,789,110	(2,646,844)	76,142,266
Balance at 1 January 2013 - restated		873,302,359	-	-	5,200,000	176,227,399	10,587,373	1,065,317,131
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Issue of ordinary shares	25	873,302,359	772,462,871	-	-	-	-	1,645,765,230
Share-based payment transactions	26	-	-	12,410,164	-	-	-	12,410,164
Share option exercised	25, 26	4,516,114	12,038,530	(8,033,674)	-	-	-	8,520,970
Total contributions by and distributions to owners of the Company		877,818,473	784,501,401	4,376,490	-	-	-	1,666,696,364
Total transactions with owners, recorded directly in equity		877,818,473	784,501,401	4,376,490	-	-	-	1,666,696,364
Comprehensive income for the year								
Profit or loss		-	-	-	-	125,622,931	-	125,622,931
Other comprehensive income	36	-	-	-	-	(14,739,262)	1,391,837	(13,347,425)
Total comprehensive income for the year		-	-	-	-	110,883,669	1,391,837	112,275,506
Transfer to legal reserve	27	-	-	-	6,500,000	(6,500,000)	-	-
Balance at 31 December 2013		1,751,120,832	784,501,401	4,376,490	11,700,000	280,611,068	111,979,210	2,844,289,001

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2013	2012	2013	2012
		(Restated)		(Restated)
	(in Baht)			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	277,635,827	199,942,082	125,622,931	83,844,791
<b><i>Adjustments for</i></b>				
Depreciation	215,441,762	210,803,248	28,500,742	31,813,721
Amortisation	55,043,868	54,025,060	19,862,124	21,481,293
Investment income	(27,455,893)	(3,113,496)	(53,830,663)	(53,471,153)
Finance costs	76,673,764	114,986,149	61,436,605	91,527,093
Bad and doubtful debts expenses (reversal of)	91,680	4,451,885	(1,920,097)	743,541
Reversal of impairment loss on investments in subsidiaries	-	-	(999,400)	(32,624,000)
Impairment losses on long-term investments in related party and other companies (reversal of)	(1,736,518)	1,938,600	(1,736,518)	1,938,600
Reversal of impairment loss on investment properties	-	(2,000,000)	-	(2,000,000)
Reversal of loss on decline in value of inventories	(8,081,913)	(11,655,609)	(652,231)	(31,425)
Gain from bargain purchase	-	(1,980,103)	-	-
Loss on disposal of investments in subsidiary and related party	1,800,000	-	2,799,400	-
Loss on disposal of investments in other companies	6,975	329,107	6,975	329,107
Gain on disposal/ written of property, plant and equipment	(6,130,467)	(641,797)	(8,733,990)	(2,094,156)
Gain on disposal of other non-current assets	(73,985)	-	(73,985)	-
Employee benefit obligations	10,857,720	7,741,237	2,903,361	2,086,712
Share-based payment transactions	14,234,323	-	12,410,164	-
Share of profit of investment in associate, net of income tax	(806,301)	(454,250)	-	-
Income tax expense	71,157,113	63,708,201	24,394,778	20,810,672
	<b>678,657,955</b>	<b>638,080,314</b>	<b>209,990,196</b>	<b>164,354,796</b>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	89,849,189	(96,526,486)	(265,189,435)	36,019,388
Accrued income	(22,663,253)	(35,839,437)	(12,684,790)	3,220,712
Other receivables from related parties	(13,250,183)	640,203	155,756,769	(52,994,350)
Inventories	(19,442,429)	13,227,795	(10,760,599)	32,632,859
Other current assets	17,263,231	116,072,956	(21,226,509)	130,036,927
Restricted deposits	1,358,473	(1,447,774)	-	-
Other non-current assets	10,521,566	(32,472,183)	39,160,137	(34,152,419)
Trade accounts payable	(47,269,791)	(961,796)	139,126,931	(28,862,643)
Accrued expenses	8,389,793	31,950,944	2,812,842	(74,657,803)
Other current liabilities	(196,517,237)	(100,435,663)	(9,887,470)	(96,387,419)
Employee benefit obligations	(8,409,029)	(26,119,635)	(212,286)	(16,128,804)
Other non-current liabilities	3,221,852	12,075,557	272,815	1,011,574
Cash generated from operating activities	501,710,137	518,244,795	227,158,601	64,092,818
Income tax paid	(48,200,131)	(45,208,081)	-	-
<b>Net cash from operating activities</b>	<b>453,510,006</b>	<b>473,036,714</b>	<b>227,158,601</b>	<b>64,092,818</b>

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Statement of cash flows

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	For the year ended		For the year ended	
	31 December		31 December	
	2013	2012	2013	2012
		(Restated)		(Restated)
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Interest received	26,550,740	2,798,774	16,688,289	22,750,490
Dividends income	905,153	314,722	37,142,375	30,720,663
Current investments	(138,320,000)	-	-	-
Short-term loans to related parties	-	-	-	(14,000,000)
Cash outflow on deposit guarantee for licencing auction	(74,000,000)	-	-	-
Proceeds from short-term loans to related parties	-	-	-	22,000,000
Proceeds from long-term loan to related party	-	-	115,000,000	55,000,000
Proceed from sale of investments in related parties and other companies	-	1,336,224	-	1,336,224
Purchase of equipment	(45,026,049)	(217,629,554)	(16,745,232)	(101,131,948)
Sale of property, plant and equipment	51,162,692	26,232,981	44,958,908	14,815,332
Purchase of intangible assets	(31,286,549)	(48,189,157)	(1,327,540)	(2,437,818)
Sale of other non-current assets	1,060,374	-	1,060,374	-
Net cash outflow on investments in subsidiaries	(130,000,000)	-	(1,281,793,731)	(31,250,000)
Proceed from paid-up share capital of non-controlling interests	400,811,177	-	-	-
Net cash outflow on acquisition of long-term investments in related party	-	(2,000,000)	-	(2,000,000)
<b>Net cash from (used in) investing activities</b>	<b>61,857,538</b>	<b>(237,136,010)</b>	<b>(1,085,016,557)</b>	<b>(4,197,057)</b>
<b><i>Cash flows from financing activities</i></b>				
Interest paid	(43,061,964)	(93,454,112)	(50,021,137)	(76,897,836)
Dividend paid to non-controlling interests of subsidiaries	(17,514,462)	(10,849,615)	-	-
Bank overdrafts and short-term loans from financial institutions	(426,150,608)	(42,513,923)	(417,772,002)	(46,371,279)
Finance lease payments	(36,051,960)	(34,933,037)	(3,411,455)	(1,745,898)
Proceeds from long-term loans from financial institutions	-	300,000,000	-	300,000,000
Repayment of long-term loans from financial institutions	(351,884,010)	(355,343,223)	(320,430,000)	(238,000,000)
Proceeds from issue of ordinary shares	1,647,740,300	-	1,647,740,300	-
Proceeds from exercise of share option	8,520,970	-	8,520,970	-
Transaction costs from issue of shares	(1,975,070)	-	(1,975,070)	-
Cash paid for fees of long-term loan	-	(2,718,337)	-	(2,718,337)
Repayment of long-term loans from other party	(6,185,867)	(2,229,950)	(6,185,867)	(2,229,950)
<b>Net cash from (used in) financing activities</b>	<b>773,437,329</b>	<b>(242,042,197)</b>	<b>856,465,739</b>	<b>(67,963,300)</b>

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



# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Statement of cash flows

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	For the year ended		For the year ended	
	31 December		31 December	
	2013	2012	2013	2012
		(Restated)		(Restated)
	<i>(in Baht)</i>			
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,288,804,873</b>	<b>(6,141,493)</b>	<b>(1,392,217)</b>	<b>(8,067,539)</b>
Cash and cash equivalents at 1 January	179,044,265	181,819,846	20,233,894	28,301,433
Cash and cash equivalents of subsidiary acquired during the year	-	3,365,912	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>1,467,849,138</b>	<b>179,044,265</b>	<b>18,841,677</b>	<b>20,233,894</b>
<b><i>Non-cash transaction</i></b>				
Purchase of equipment	6,539,073	44,896,791	-	-

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

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

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 17 February 2014.

### **1 General information**

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

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

On 26 December 2013, an indirect subsidiary (“Bangkok Business Broadcasting Co., Ltd.”), participated in the auction for commercial digital terrestrial TV licences at national Level for a variety standard definition channel. On 6 January 2014, the office of the National Broadcasting and Telecommunications Commission (“NBTC”) has officially notified the licencing auction result that the indirect subsidiary is officially winner for a variety standard definition channel at a bid price of Baht 2,200 million. The indirect subsidiary already paid 50 percent of minimum fee and 10 percent of the exceeding of the minimum fee plus VAT, totalling Baht 360 million (net of guaranteed deposit amounting to Baht 38 million paid on 29 October 2013) and submitted bank guarantee for the remaining fee to the NBTC on 7 February 2014.

On 27 December 2013, an indirect subsidiary (“NBC Next Vision Co., Ltd.”), participated in the auction for commercial digital terrestrial TV licences at national level for a news channel. On 6 January 2014, the office of the National Broadcasting and Telecommunications Commission (“NBTC”) has officially notified the licencing auction result that the indirect subsidiary is officially winner for a news channel at a bid price of Baht 1,338 million. The indirect subsidiary already paid 50 per cent of minimum fee and 10 per cent of the exceeding of the minimum fee plus VAT, totalling Baht 215 million (net of guaranteed deposit amounting to Baht 22 million paid on 29 October 2013) and submitted bank guarantee for the remaining fee to the NBTC on 7 February 2014.

In October 2013, an indirect subsidiary (“Nation Kids Co.,Ltd.”) paid the auction deposit of commercial digital terrestrial TV licences at national level for a kids and family channel amounting to Baht 14 million, to attend the said auction in December 2013. However, the indirect subsidiary has already refunded the entire amount of auction deposit in January 2014.

The principal businesses of the Company are the publishing and distribution of newspapers, providing advertising and news services.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

Details of the Company's subsidiaries and jointly-controlled entity as at 31 December 2013 and 2012 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2013	2012
<b>Direct subsidiaries</b>				
Nation Broadcasting Corporation Public Company Limited	Production of TV programs and radio programs and providing advertisements through TV media, radio media and new media forms	Thailand	71.30	61.10
Nation International Edutainment Public Company Limited	Importing publishing and distribution of publications	Thailand	83.76	78.46
Nation News Network Co., Ltd.	Publishing and distribution of english newspapers, publishing and advertising media	Thailand	99.99	99.99
NML Co., Ltd.	Delivery of publishing	Thailand	99.99	99.99
Kom Chad Luek Media Co., Ltd.	Publishing and distribution of newspapers, publishing and advertising media	Thailand	99.99	99.99
Krungthep Turakij Media Co., Ltd.	Publishing and distribution of newspapers, publishing and advertising media	Thailand	99.99	99.99
Nation International Co., Ltd.	Publishing	Thailand	-	99.94
Nation U Co., Ltd.	Education services	Thailand	90.00	90.00
WPS (Thailand) Co., Ltd.	Publishing services	Thailand	84.50	84.50
<b>Indirect subsidiaries</b>				
NNN Next Frontier Co., Ltd.	Production of TV programs and advertisements through TV media	Thailand	99.99	99.99
Bangkok Business Broadcasting Co.,Ltd.	Production of TV programs and advertisements through TV media	Thailand	99.99	99.99
Nation University	Education services	Thailand	90.00	90.00
Nation Edutainment Co., Ltd.	Publishing	Thailand	83.75	78.45
Nation Kids Co., Ltd.	Production of TV programs and providing advertisements through TV media	Thailand	83.75	78.45

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2013	2012
Nine Be Bright Co.,Ltd.	Education services	Thailand	50.25	-
NBC Nextmedia Co., Ltd.	New media advertising	Thailand	71.30	61.10
NBC Next Screen Co., Ltd.	Production of TV programs and advertisements through TV media	Thailand	71.30	61.10
NBC Next Vision Co., Ltd.	Production of TV programs and advertisements through TV media	Thailand	71.30	61.10
<b>Indirect jointly-controlled entity</b>				
Nation Egmont Edutainment Co., Ltd.	Publishing	Thailand	41.87	39.22

## 2 Basis of preparation of the financial statements

### (a) Statement of compliance

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

The FAP has issued the following new and revised TFRS and Announcements relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2013.

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Group’s accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 42.

### (b) Basis of measurement

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

- Available-for-sale financial assets are measured at fair value;
- Present value of warrants;
- Present value of the defined benefit obligation

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### **(c) Functional and presentation currency**

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

### **(d) Use of estimates and judgements**

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

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

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

Note 4(t) and 18	Current and deferred taxation
Note 23	Measurement of defined benefit obligations
Note 26	Measurement of warrants

## **3 Changes in accounting policies**

### **(a) Overview**

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Accounting for income tax
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group are included in notes 3(b) to 3(d) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position and performance of the Group.

### **(b) Accounting for income tax**

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. The accounting policy for deferred tax is described in note 4(t).

The Group adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

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

	Consolidated financial statements			Separate financial statements		
<i>Statement of financial position as at</i>	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
	<i>(in thousand Baht)</i>					
Increase in deferred tax assets	<u>98,775</u>	<u>111,763</u>	<u>139,159</u>	<u>55,084</u>	<u>76,142</u>	<u>99,077</u>
Increase in retained earnings	87,815	108,017	130,298	58,079	78,789	99,600
Increase (decrease) in shareholders' equity	5,837	(2,647)	(523)	(2,995)	(2,647)	(523)
Increase in non-controlling interests	<u>5,123</u>	<u>6,393</u>	<u>9,384</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in total equity	98,775	111,763	139,159	55,084	76,142	99,077

	Consolidated		Separate	
<i>Statement of comprehensive income for the</i>	<b>financial statements</b>		<b>financial statements</b>	
<i>Year ended 31 December</i>	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Increase in income tax expense	<u>(21,472)</u>	<u>(25,272)</u>	<u>(24,395)</u>	<u>(20,811)</u>
Decrease in profit for the year	<u>(21,472)</u>	<u>(25,272)</u>	<u>(24,395)</u>	<u>(20,811)</u>
Decrease in earnings per share				
- Basic earnings per share (in Baht)	<u>(0.008)</u>	<u>(0.015)</u>	<u>(0.010)</u>	<u>(0.013)</u>
- Diluted earnings per share (in Baht)	<u>(0.008)</u>	<u>(0.015)</u>	<u>(0.009)</u>	<u>(0.013)</u>

(c) *Accounting for the effects of changes in foreign exchange rates*

From 1 January 2013, the Group has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 (revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21(revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

**(d) Presentation of information on operating segments**

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below.



# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

TFRS 8 introduces the “management approach” to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group’s financial statements.

### 4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in 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 interest in associate and jointly-controlled entities which are equity-accounted and proportionately-consolidated, respectively.

##### *Business Combinations*

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

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

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

##### *Subsidiaries*

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

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

##### *Jointly-controlled entity*

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

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

## **Notes to the financial statements**

### *Loss of control*

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

### *Associate*

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

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

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

### *Transactions eliminated on consolidation*

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

## **(b) Foreign currencies**

### *Foreign currency transactions*

Transactions in foreign currencies are translated to functional currency (Baht) at the dates of the transactions.

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

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

Foreign exchange differences arising on translation are recognised in profit or loss.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### (c) *Hedging*

#### *Hedge of future foreign currency transactions*

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

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

### (d) *Cash and cash equivalents*

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

### (e) *Trade and other accounts receivable*

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

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

### (f) *Inventories*

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

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

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

Costs are determined by the following principles:

Finished goods and work-in-progress -books	- Weighted average / first in first out
Raw materials	- Specific identification / weighted average
Store, supplies and others	- Weighted average
Work in progress	- Cost of productions, which are in process of production and film, are recognised as costs when rights are transferred and delivered or broadcasted
	- Work in process for project comprises cost of preparation, is stated at cost
Printing in process	- Weighted average

## Nation Multimedia Group Public Company Limited and its Subsidiaries

### Notes to the financial statements

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

#### **(g) Investments**

##### *Investments in subsidiaries, jointly-controlled entity and associate*

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

##### *Investments in other equity securities*

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

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

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

##### *Disposal of investments*

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

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

#### **(h) Investment properties**

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

Investment properties are stated at cost less impairment losses.

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### (i) *Property, plant and equipment*

#### *Recognition and measurement*

##### *Owned assets*

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

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

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

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

##### *Leased assets*

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

##### *Subsequent costs*

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

##### *Depreciation*

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

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

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

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

## Nation Multimedia Group Public Company Limited and its Subsidiaries

### Notes to the financial statements

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

#### (j) *Intangible assets*

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

##### *Subsequent expenditure*

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

##### *Amortisation*

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

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

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

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

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

#### (k) *Impairment*

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

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

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

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

## **Notes to the financial statements**

### *Calculation of recoverable amount*

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

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

### *Reversals of impairment*

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

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

### **(l) Interest-bearing liabilities**

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

### **(m) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

### **(n) Employee benefits**

#### *Defined contribution plans*

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

#### *Defined benefit plans*

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

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



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

### **Notes to the financial statements**

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

#### *Short-term employee benefits*

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

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

#### *Shares-based payments*

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

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

#### **(o) Provisions**

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

#### **(p) Share capital**

##### *Ordinary shares*

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

#### **(q) Revenue**

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

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

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

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

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

## **Notes to the financial statements**

### *Commissions*

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

### *Rental income*

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

### *Tuition fees*

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

### *Investments*

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

### *Dividend income*

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

### *Interest income*

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

## **(r) Finance costs**

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

## **(s) Lease payments**

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

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

### *Determining whether an arrangement contains a lease*

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

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

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

## **Notes to the financial statements**

### **(t) *Income tax***

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

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

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

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

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

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

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

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

### **(u) *Earnings per share***

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### (v) Segment reporting

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

## 5 Acquisition of indirect subsidiary and business transfer

On 28 February 2012, a subsidiary ("Nation U Co., Ltd.") acquired a transfer of right to take over an educational provider's licence from a local company totalling of Baht 155 million, representing payment in cash at agreement date of Baht 25 million. The Company paid the remaining amounting to Baht 130 million to the local company at 28 February 2013.

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

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

	Carrying amounts as at 28 February 2012	Fair value adjustments (in thousand Baht)	Recognised values as at 28 February 2012
Cash and deposits at financial institutions	3,366	-	3,366
Trade accounts receivable	407	-	407
Inventories	347	-	347
Other receivables from related parties	271	-	271
Other current assets	2,064	-	2,064
Property, plant and equipment	83,451	141,207	224,658
Intangible asset	23	-	23
Other non-current assets	855	-	855
Trade accounts payable	(420)	-	(420)
Other current liabilities	(54,991)	-	(54,991)
Other non-current liabilities	(19,600)	-	(19,600)
<b>Net identifiable assets and liabilities</b>	<b>15,773</b>	<b>141,207</b>	<b>156,980</b>
Acquisition cost			155,000
<b>Gain from bargain purchase</b>			<b>1,980</b>

## 6 Related parties

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

Relationships with subsidiaries, associate, jointly-controlled entity and other related parties were as follows:

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

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Nation Broadcasting Corporation Public Company Limited	Thailand	Subsidiary, 71.30% shareholding, some common directors
Nation International Edutainment Public Company Limited	Thailand	Subsidiary, 83.76% shareholding, some common directors
Nation News Network Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
NML Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Kom Chad Luek Media Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Krungthep Turakij Media Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
Nation International Co., Ltd.	Thailand	Subsidiary, 99.94% shareholding, some common directors (liquidated and dissolution on 4 February 2013)
Nation U Co., Ltd.	Thailand	Subsidiary, 90.00% shareholding, some common directors
WPS (Thailand) Co., Ltd.	Thailand	Subsidiary, 84.50% shareholding, some common directors
NNN Next Frontier Co., Ltd.	Thailand	99.99% shareholding by Nation News Networks Co., Ltd., some common directors
Bangkok Business Broadcasting Co., Ltd.	Thailand	99.99% shareholding by Krungthep Turakij Media Co., Ltd., some common directors
Nation University	Thailand	University, a license holding by Nation U Co., Ltd.
Nation Edutainment Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors
Nation Kids Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors
Nine Be Bright Co.,Ltd.	Thailand	59.99% shareholding by Nation International Edutainment Public Company Limited, some common directors

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
NBC Nextmedia Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited some common directors.
NBC Next Screen Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited some common directors.
NBC Next Vision Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited some common directors.
Nation 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, 45.00% shareholding, some common directors
Thai Portal Co., Ltd.	Thailand	Related party, 19.00% shareholding by Kom Chad Luek Media Co., Ltd.
Nation Properties Co., Ltd.	Thailand	Related party, 19.80% shareholding

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

### Transactions

### Pricing policies

Sale of goods and rendering of services	General market price
Interest income on loans	Approximates loan rate of the financial institutions
Other Income	Negotiable rate
Printing expense, cost of rendering of services and other expenses	Actual cost allocation rate and negotiable rate
Interest expense on borrowings	Approximates loan rate of the financial institutions

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

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sales of goods and rendering of services	-	-	689,475	704,815
Investment income	-	-	51,556	52,876
Other income	-	-	22,004	24,261
Printing, cost of rendering of services and other expenses	-	-	36,323	51,091

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Indirect jointly-controlled entity</b>				
Sales of goods and rendering of services	72,753	83,616	-	-
Interest income	3,354	2,077	-	-
Other income	99	70	-	-
Printing, cost of rendering of services and other expenses	7,166	6,404	-	-
<b>Associate</b>				
Sales of goods and rendering of services	3,962	3,410	120	110
<b>Other related parties</b>				
Sales of goods and rendering of services	-	378	-	378
Other expenses	-	2,259	-	-

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

<i>Trade accounts receivable from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Nation Broadcasting Corporation Public Company Limited	-	-	2,370	-
Nation International Edutainment Public Company Limited	-	-	15,041	7,257
Nation Edutainment Co., Ltd.	-	-	11,500	4,019
NML Co., Ltd.	-	-	18,624	-
Nation News Network Co., Ltd.	-	-	47,957	7,900
Kom Chad Luek Media Co., Ltd.	-	-	186,143	67,061
Krungthep Turakij Media Co., Ltd.	-	-	65,094	11,780
WPS (Thailand) Co., Ltd.	-	-	48,247	14,097
Nation University	-	-	110	-
NBC Next Screen Co., Ltd.	-	-	2,616	-
NBC Next Vision Co., Ltd.	-	-	3,272	-
<b>Indirect jointly-controlled entity</b>				
Nation Egmont Edutainment Co., Ltd.	84,155	78,811	1,874	-
<b>Associate</b>				
Yomiuri-Nation Information Service Limited	224	268	11	-
<b>Other related parties</b>				
Others	67	67	-	-
	<b>84,446</b>	<b>79,146</b>	<b>402,859</b>	<b>112,114</b>
Less allowance for doubtful accounts	(67)	(67)	-	-
<b>Net</b>	<b>84,379</b>	<b>79,079</b>	<b>402,859</b>	<b>112,114</b>
Bad and doubtful debts expense for the year	-	-	-	-



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

<i>Other receivables from related parties</i>	Consolidated		Separate			
	financial statements		financial statements			
	2013	2012	2013	2012		
	(in thousand Baht)					
<b>Subsidiaries</b>						
Nation Broadcasting Corporation Public Company Limited	-	-	715	11,611		
Nation International Edutainment Public Company Limited	-	-	5,911	6,953		
Nation Edutainment Co., Ltd.	-	-	751	4,556		
WPS (Thailand) Co., Ltd.	-	-	76,482	80,522		
NML Co., Ltd.	-	-	33,443	64,381		
Nation News Network Co., Ltd.	-	-	10,359	11,049		
Krungthep Turakij Media Co., Ltd.	-	-	2,333	133,795		
Kom Chad Luek Media Co., Ltd.	-	-	12,123	43,229		
Nation University	-	-	109,907	88,190		
NBC Next Screen Co., Ltd.	-	-	15	-		
NBC Next Vision Co., Ltd.	-	-	111	-		
Bangkok Business Broadcasting Co., Ltd.	-	-	38,000	-		
<b>Indirect jointly-controlled entity</b>						
Nation Egmont Edutainment Co., Ltd.	13,390	-	197	378		
<b>Associate</b>						
Yomiuri-Nation Information Service Limited	184	321	1	252		
<b>Other related parties</b>						
Thai Portal Co., Ltd.	17,345	17,345	-	-		
Others	2,740	2,743	2,734	2,738		
	<b>33,659</b>	<b>20,409</b>	<b>293,082</b>	<b>447,654</b>		
Less allowance for doubtful accounts	(20,051)	(20,051)	(2,706)	(2,706)		
<b>Net</b>	<b>13,608</b>	<b>358</b>	<b>290,376</b>	<b>444,948</b>		
Bad and doubtful debts expense for the year	-	-	-	-		
<b>Short-term loan to related party</b>						
	Interest rate		Consolidated		Separate	
	2013	2012	Financial statements		financial statements	
	(% per annum)		2013	2012	2013	2012
			(in thousand Baht)			
<b>Subsidiary</b>						
WPS (Thailand) Co., Ltd.	5.49	6.24 - 6.66	-	-	120,000	120,000
			-	-	<b>120,000</b>	<b>120,000</b>
Less allowance for doubtful accounts			-	-	-	-
<b>Short-term loan to related party, net</b>			<b>-</b>	<b>-</b>	<b>120,000</b>	<b>120,000</b>
Bad and doubtful debts expense for the year			-	-	-	-

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

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

<i>Short-term loans to related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
At 1 January	-	-	120,000	128,000
Increase	-	-	-	14,000
Decrease	-	-	-	(22,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>120,000</b>

<i>Long-term loan to related party</i>	<b>Interest rate</b>		<b>Consolidated</b>		<b>Separate</b>	
	2013	2012	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
			2013	2012	2013	2012
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b>Subsidiary</b>						
<b>Current portion</b>						
WPS (Thailand) Co., Ltd.	8.66	8.66 - 8.85	-	-	21,000	113,000
<b>After one year</b>						
WPS (Thailand) Co., Ltd.	-	8.66 - 8.85	-	-	-	23,000
<b>Total long-term loan to related party</b>			<b>-</b>	<b>-</b>	<b>21,000</b>	<b>136,000</b>

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

<i>Long-term loan to related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
At 1 January	-	-	136,000	191,000
Increase	-	-	-	-
Decrease	-	-	(115,000)	(55,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>21,000</b>	<b>136,000</b>

<i>Trade accounts payable to related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Nation Broadcasting Corporation Public Company Limited	-	-	842	2,262
Nation International Edutainment Public Company Limited	-	-	1,194	2,512
WPS (Thailand) Co., Ltd.	-	-	223	234
NML Co., Ltd.	-	-	324	145
Nation News Network Co., Ltd.	-	-	86,237	55,015
Kom Chad Luek Media Co., Ltd.	-	-	201,633	94,985
Krunthep Turakij Media Co., Ltd.	-	-	105,019	90,963
<b>Indirect jointly-controlled entity</b>				
Nation Egmont Edutainment Co., Ltd.	92	-	-	347
<b>Total</b>	<b>92</b>	<b>-</b>	<b>395,472</b>	<b>246,463</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

<i>Other payables to related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Nation Broadcasting Corporation Public Company Limited	-	-	787	1,117
Nation International Edutainment Public Company Limited	-	-	501	737
WPS (Thailand) Co., Ltd.	-	-	997	997
NML Co., Ltd.	-	-	6	5
Nation News Network Co., Ltd.	-	-	1,202	2,822
Kom Chad Luek Media Co., Ltd.	-	-	4,215	1,462
Krungthep Turakij Media Co., Ltd.	-	-	4,726	5,479
Nation University	-	-	3,000	11
<b>Indirect jointly-controlled entity</b>				
Nation Egmont Edutainment Co., Ltd.	1,600	-	229	348
<b>Associate</b>				
Yomiuri-Nation Information Service Limited	-	3	-	-
<b>Other related parties</b>				
Others	82	82	-	-
<b>Total</b>	<b>1,682</b>	<b>85</b>	<b>15,663</b>	<b>12,978</b>

### *Significant agreements with related party*

#### *Short-term loan agreement*

As at 31 December 2013, the Company entered into a short-term loan agreement with a subsidiary (“WPS (Thailand) Co., Ltd.”), amounted to Baht 120 million. The loan was promissory note and repayable at call.

#### *Long-term loan agreement*

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

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

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

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Cash on hand	4,632	1,764	499	223
Cash at banks - current accounts	3,351	3,225	1,901	136
Cash at banks - savings accounts	132,545	118,208	16,442	19,875
Highly liquid short-term investments	1,327,321	55,847	-	-
<b>Total</b>	<b>1,467,849</b>	<b>179,044</b>	<b>18,842</b>	<b>20,234</b>

Cash and cash equivalents of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

### 8 Current investments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Short-term deposits at financial institutions	20,320	-	-	-
Promissory notes	118,000	-	-	-
<b>Total</b>	<b>138,320</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

### 9 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Related parties	6	84,446	79,146	402,859	112,114
Other parties		792,113	917,082	227,499	261,328
<b>Total</b>		<b>876,559</b>	<b>996,228</b>	<b>630,358</b>	<b>373,442</b>
Less allowance for doubtful accounts		(97,895)	(128,338)	(64,281)	(74,950)
allowance for goods returned		(20,893)	(20,178)	(11,111)	(10,619)
<b>Net</b>		<b>757,771</b>	<b>847,712</b>	<b>554,966</b>	<b>287,873</b>
Bad and doubtful debts expense for the year (reversal)		<b>92</b>	<b>4,991</b>	<b>(1,920)</b>	<b>1,283</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Within credit terms	84,379	79,079	120,258	20,692
Overdue:				
Less than 6 months	-	-	118,657	75,403
6-12 months	-	-	125,735	6,275
Over 12 months	67	67	38,209	9,744
	<u>84,446</u>	<u>79,146</u>	<u>402,859</u>	<u>112,114</u>
Less allowance for doubtful accounts	(67)	(67)	-	-
allowance for goods return	-	-	-	-
	<u>84,379</u>	<u>79,079</u>	<u>402,859</u>	<u>112,114</u>
<b>Other parties</b>				
Within credit terms	411,922	452,549	105,373	119,183
Overdue:				
Less than 6 months	257,491	295,740	59,657	62,988
6-12 months	37,343	31,860	10,322	8,830
Over 12 months	85,357	136,933	52,147	70,327
	<u>792,113</u>	<u>917,082</u>	<u>227,499</u>	<u>261,328</u>
Less allowance for doubtful accounts	(97,828)	(128,271)	(64,281)	(74,950)
allowance for goods returned	(20,893)	(20,178)	(11,111)	(10,619)
	<u>673,392</u>	<u>768,633</u>	<u>152,107</u>	<u>175,759</u>
<b>Net</b>	<u>757,771</u>	<u>847,712</u>	<u>554,966</u>	<u>287,873</u>

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

Trade accounts receivable of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

## 10 Inventories

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Finished goods	205,856	185,652	3,717	3,845
Raw materials	97,317	71,982	78,544	49,927
Stores, supplies and others	16,828	18,481	111	156
Work in progress	6,113	12,915	-	-
Raw materials in transit	-	17,683	-	17,683
	<u>326,114</u>	<u>306,713</u>	<u>82,372</u>	<u>71,611</u>
Less allowance for decline in value	(52,066)	(59,515)	(3,109)	(3,116)
<b>Net</b>	<u>274,048</u>	<u>247,198</u>	<u>79,263</u>	<u>68,495</u>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Other receivables	52,177	66,782	47,772	55,475
Advances to employees	6,653	7,039	1,698	798
Prepaid expenses	44,007	73,725	28,196	33,165
Input value added tax pending	66,873	36,155	17,604	13,655
Withholding tax deducted at source	39,744	65,027	22,176	24,597
Others	20,358	5,856	-	-
	<b>229,812</b>	<b>254,584</b>	<b>117,446</b>	<b>127,690</b>
Less allowance for doubtful accounts	(46,168)	(50,903)	(46,166)	(50,901)
Net	<b>183,644</b>	<b>203,681</b>	<b>71,280</b>	<b>76,789</b>

### 12 Restricted deposits

As at 31 December 2013, the savings accounts of subsidiaries of Baht 2.59 million (2012: Baht 3.95 million) has been pledged as collateral for letter of credits issued by a local financial institution.

### 13 Investments in subsidiaries and associate

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
At 1 January	26,985	26,531	741,900	678,026
Share of net profit of investment in- associate	806	454	-	-
Acquisitions	-	-	1,281,794	31,250
Reversal of impairment loss on investments in subsidiaries	-	-	1,000	32,624
Disposals	-	-	(1,000)	-
At 31 December	<b>27,791</b>	<b>26,985</b>	<b>2,023,694</b>	<b>741,900</b>

## Nation Multimedia Group Public Company Limited and its Subsidiaries

### Notes to the financial statements

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

<i>Associate</i>	<b>Consolidated financial statements</b>							
	Ownership interest (%)		Paid-up capital		Cost		Equity	
	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in thousand Baht)</i>							
Yomiuri-Nation Information Service Limited	45.00	45.00	4,000	4,000	1,800	1,800	27,791	26,985
							-	-



# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

Name of subsidiary and associate	Ownership interest (%)	Separate financial statements										
		Paid-up capital		Cost		Impairment		At cost - net		Dividend income		
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
(in thousand Baht)												
<b>Subsidiaries</b>												
Nation Broadcasting Corporation	71.30	61.10	534,413	176,870	984,802	113,942	-	-	984,802	113,942	26,233	12,902
Public Company Limited												
Nation International Edutainment												
Public Company Limited	83.76	78.46	170,048	85,000	372,994	70,060	-	-	372,994	70,060	10,004	10,004
Kom Chad Luek Media Co., Ltd.	99.99	99.99	25,000	25,000	99,990	99,990	96,392	96,392	3,598	3,598	-	-
NML Co., Ltd.	99.99	99.99	50,000	50,000	50,000	50,000	40,000	40,000	10,000	10,000	-	-
Nation News Network Co., Ltd.	99.99	99.99	50,000	50,000	50,000	50,000	-	-	50,000	50,000	-	-
Krungthep Turakij Media Co., Ltd.	99.99	99.99	25,000	25,000	25,000	25,000	-	-	25,000	25,000	-	7,500
Nation International Co., Ltd.	-	99.94	-	1,000	-	1,000	-	1,000	-	-	-	-
Nation U Co., Ltd.	90.00	90.00	170,000	50,000	153,000	45,000	-	-	153,000	45,000	-	-
WPS (Thailand) Co., Ltd.	84.50	84.50	500,000	500,000	422,500	422,500	-	-	422,500	422,500	-	-
<b>Associate</b>												
Yomiuri-Nation Information Service Limited	45.00	45.00	4,000	4,000	1,800	1,800	-	-	1,800	1,800	-	-
<b>Total</b>					<b>2,160,086</b>	<b>879,292</b>	<b>136,392</b>	<b>137,392</b>	<b>2,023,694</b>	<b>741,900</b>	<b>36,237</b>	<b>30,406</b>

## Nation Multimedia Group Public Company Limited and its Subsidiaries

### Notes to the financial statements

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

Name of indirect jointly-controlled entity	Ownership (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit
<b>2013</b>										
Nation Egmont Edutainment Co., Ltd.	41.87	<u>110,943</u>	<u>10,335</u>	<u>121,278</u>	<u>83,460</u>	<u>981</u>	<u>84,441</u>	<u>69,170</u>	<u>68,654</u>	<u>516</u>
<b>2012</b>										
Nation Egmont Edutainment Co., Ltd.	39.22	<u>89,051</u>	<u>3,107</u>	<u>92,158</u>	<u>65,032</u>	<u>959</u>	<u>65,991</u>	<u>78,259</u>	<u>71,117</u>	<u>7,142</u>

## Nation Multimedia Group Public Company Limited and its Subsidiaries

### Notes to the financial statements

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

Name of associate	Reporting date	Owner- ship (%)	Total assets	Total liabilities <i>(in thousand Baht)</i>	Total revenues	Net profit
<b>2013</b>						
Yomiuri-Nation Information Service Limited	31 December	45.00	<b>28,721</b>	<b>930</b>	<b>9,399</b>	<b>806</b>
<b>2012</b>						
Yomiuri-Nation Information Service Limited	31 December	45.00	<b>28,577</b>	<b>1,592</b>	<b>8,478</b>	<b>454</b>

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

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

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

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

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

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

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

### **Notes to the financial statements**

On 15 May 2012, the directors, management and/or employees of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) exercised the warrants of 1,036,900 units to purchase ordinary shares totalling of Baht 3.50 million. As a result, the subsidiary had share premium amounted to Baht 2.40 million. The subsidiary registered the paid-up share capital from such exercise with the Ministry of Commerce on 24 May 2012.

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

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

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

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

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

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

At the annual general meeting of shareholders of a subsidiary (“Nation International Edutainment Public Company Limited”) held on 23 April 2013, the shareholders approved the following matters:

- a) Approved the appropriation of dividend from the 2012 operating result and retained earnings of Baht 0.15 per share, amounted to Baht 12.75 million. The dividend was paid to the shareholders in May 2013.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

- b) Approved the issuance and offering of warrants to a subsidiary existing shareholders who subscribe for additional ordinary shares in a ratio of 1 warrant for 1 existing ordinary share, without the offering price. Details of warrants are as follows:

Date of original grant	12 July 2013
No. of warrants granted (Units)	85,000,000
Terms of warrants	5 years from the issuance date of warrant
Exercisable	The date 15 <sup>th</sup> of December and June in each year
Exercise price per 1 ordinary share (Baht)	4
Exercise ratio (warrants to ordinary shares)	1:1

- c) Approved the issuance and offering of warrants under the Employee Stock Option Program to the directors, management and/or employees of the subsidiary and/or indirect subsidiaries. Details of warrants are disclosed in note to financial statements 26.2.
- d) Approved an increase in the registered share capital from Baht 85 million (85,000,000 ordinary shares at a par value of Baht 1 per share) to Baht 259.25 million (259,250,000 ordinary shares at a par value of Baht 1 per share) by issuing not exceeding 174,250,000 ordinary shares at a par value of Baht 1 per share to reserve for the increase in share capital and exercise of warrants as referred above. The subsidiary registered the increase in share capital with the Ministry of Commerce on 2 May 2013.

At the annual general meeting of shareholders of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 24 April 2013, the shareholders approved the following matters:

- a) Approved the appropriation of dividend from the 2012 operating results of Baht 0.18 per share, amounted to Baht 31.43 million. The dividend of Baht 0.12 per share, amounted to Baht 20.82 million was paid to the shareholders as the interim dividend during the year 2012, and the additional dividend of Baht 0.06 per share, amounted to Baht 10.61 million was paid to the shareholders in May 2013.
- b) Approved the issuance and offering of warrants to the subsidiary existing shareholders who subscribe for additional ordinary shares in a ratio of 1 warrant for 2 existing ordinary shares, without the offering price. Details of warrants are as follows:

Date of original grant	12 July 2013
No. of warrants granted (Units)	176,870,000
Terms of warrants	5 years from the issuance date of warrant
Exercisable	The date 15 <sup>th</sup> of December and June in each year
Exercise price per 1 ordinary share (Baht)	3
Exercise ratio (warrants to ordinary shares)	1:1

- c) Approved the issuance and offering of warrants under the Employee Stock Option Program to the directors, management and/or employees of the subsidiary and/or indirect subsidiaries. Details of warrants are disclosed in note to financial statements 26.3.
- d) Approved an increase in the registered share capital from Baht 178.50 million (178,500,000 ordinary shares at a par value of Baht 1 per share) to Baht 720.34 million (720,343,962 ordinary shares at a par value of Baht 1 per share) by issuing not exceeding 541,843,962 ordinary shares at a par value of Baht 1 per share to reserve for the increase in share capital and exercise of warrants as referred above and the adjustment of rights of the warrants to the subsidiary’s directors, management and/or employees. The subsidiary registered an increase in share capital with the Ministry of Commerce on 9 May 2013.

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

### **Notes to the financial statements**

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 9 May 2013, the Board of Directors of the subsidiary approved the appropriation of interim dividend of Baht 0.08 per share, amounted to Baht 14.36 million. The dividend was paid to shareholders during the year 2013.

On 15 May 2013, the directors, management and/or employees of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") exercised the warrants of 948,500 units (the last exercise date) to purchase ordinary shares totalling of Baht 3.14 million. As a result, the subsidiary had share premium amounted to Baht 0.55 million. The subsidiary registered the paid-up share capital from the exercise with the Ministry of Commerce on 21 May 2013.

A subsidiary ("Nation Broadcasting Corporation Public Company Limited") has offered additional ordinary shares to existing shareholders which exercise ratio is 2 new shares for 1 existing ordinary share at the exercise price of Baht 3 per share totalling 353,740,000 shares (353,740,000 ordinary shares at a par value of Baht 1 per share) amounted to Baht 1,061.22 million. As a result, the subsidiary's issued and paid-up share capital has increased from Baht 179.47 million (179,467,366 ordinary shares at a par value of Baht 1 per share) to Baht 533.21 million (533,207,366 ordinary shares at a par value of Baht 1 per share) and the share premium amounted to Baht 706.44 million, net of the cost of the issue of ordinary shares amounted to Baht 1.04 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 11 July 2013. As such, the Company has its right to acquire the increase in share capital of the subsidiary, at the ratio of 2 new shares for 1 existing ordinary share, totalling 233,761,522 shares at Baht 3 per share, amounted to Baht 701.28 million resulting to an increase in the proportionate of investment of the Company from 59.91% to 64.00%. During the 4th quarter of year 2013, the Company has additional invested in ordinary shares of the subsidiary in amounting to 39,734,900 shares, totalling Baht 169.58 million, resulting to an increase in the proportionate of investment of the Company from 64.00% to 71.30%.

A subsidiary ("Nation International Edutainment Public Company Limited") has offered additional ordinary shares to existing shareholders which exercise ratio is 1 new share for 1 existing ordinary share at the exercise price of Baht 4 per share totalling 85,000,000 shares (85,000,000 ordinary shares at a par value of Baht 1 per share) amounted to Baht 340 million. As a result, the subsidiary's issued and paid-up share capital has increased from Baht 85 million (85,000,000 ordinary shares at a par value of Baht 1 per share) to Baht 170 million (170,000,000 ordinary shares at a par value of Baht 1 per share) with the share premium amounted Baht 254.19 million, net of the cost of the issue of ordinary shares amounted to Baht 0.81 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 11 July 2013. As such, the Company has its right to acquire the increase in share capital of the subsidiary, at the ratio of 1 new share for 1 existing ordinary share, totalling 75,733,411 shares at Baht 4 per share, amounted to Baht 302.93 million resulting to an increase in the proportionate of investment of the Company from 78.46% to 83.76%.

At the Board of Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 7 August 2013, the Board of Directors of the subsidiary approved to establish Nine Be Bright Co., Ltd, which has a registered share capital of Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value). The indirect subsidiary registered with the Ministry of Commerce on 26 August 2013.

At the Board of Directors' meeting of an indirect subsidiary ("Bangkok Business Broadcasting Co., Ltd.") held on 2 September 2013, the Board of Directors of the indirect subsidiary approved an additional call-up share capital of 75% of the indirect subsidiary from Baht 0.25 million (divided into 100,000 ordinary shares at Baht 2.50 per share) to Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value). The indirect subsidiary registered the increase in called-up share capital with the Ministry of Commerce on 24 September 2013.



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

### **Notes to the financial statements**

At the Board of Directors' meeting of an indirect subsidiary ("Nation Kids Co.,Ltd.") held on 2 September 2013, the Board of Directors of the indirect subsidiary approved an additional called-up share capital of 75% of the indirect subsidiary from Baht 0.25 million (divided into 100,000 ordinary shares at Baht 2.50 par value) to Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value). The indirect subsidiary registered the increase in called-up share capital with the Ministry of Commerce on 24 September 2013.

At the Board of Directors' meeting of an indirect subsidiary ("NBC Next Vision Co.,Ltd.") held on 2 September 2013, the Board of Directors of the indirect subsidiary approved an additional called-up 75% of the registered share capital from Baht 0.25 million (divided into 100,000 ordinary shares at Baht 2.50 per share) to Baht 1 million (divided into 100,000 ordinary shares at Baht 10 par value). The indirect subsidiary registered the increase in paid-up share capital with the Ministry of Commerce on 24 September 2013.

At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 7 November 2013, the Board of Directors of the subsidiary approved the appropriation of interim dividend of Baht 0.03 per share, amounted to Baht 16.03 million. The dividend was paid to shareholders during the year 2013.

At the Board of Directors' meeting of a subsidiary ("Nation U Co., Ltd.") held on 22 November 2013, the Board of Directors of the subsidiary approved an increase in the registered share capital from Baht 50 million (5,000,000 ordinary shares at a par value of Baht 10 per share) to Baht 170 million (17,000,000 ordinary shares at a par value of Baht 10 per share) to reserve for the advance payment and working capital in the subsidiary. The Company had additional invested in ordinary shares of the subsidiary, amounted to Baht 108 million. The subsidiary registered with the Ministry of Commerce on 23 December 2013.



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

## **14 Long-term investments in related parties**

### **Consolidated financial statements**

Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment (in thousand Baht)		At cost - net		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Other non-marketable equity securities												
Nation Properties Co., Ltd.	Real estate	19.80	19.80	300,000	56,000	56,000	56,000	56,000	-	-	-	-
Thai Portal Co., Ltd.	Internet services	19.00	19.00	100,000	6,092	6,092	6,092	6,092	-	-	-	-
Others					-	1,800	-	1,800	-	-	-	-
<b>Total</b>					<b>62,092</b>	<b>63,892</b>	<b>62,092</b>	<b>63,892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### **Separate financial statements**

Type of business	Ownership interest (%)		Paid-up capital		Cost		Impairment (in thousand Baht)		At cost - net		Dividend income		
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
Other non-marketable equity securities													
	Real estate	19.80	19.80	300,000	300,000	56,000	56,000	56,000	56,000	-	-	-	-
	Co., Ltd.												
Others													
<b>Total</b>					<b>56,000</b>	<b>57,800</b>	<b>56,000</b>	<b>57,800</b>	<b>56,000</b>	<b>57,800</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**15 Long-term investments in other companies**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b><i>At fair value</i></b>				
Equity securities available-for-sale	<u>23,633</u>	<u>21,972</u>	<u>23,633</u>	<u>21,972</u>
<b><i>At cost</i></b>				
Other non-marketable equity securities	7,629	7,558	7,629	7,558
Less allowance for impairment	<u>(63)</u>	<u>-</u>	<u>(63)</u>	<u>-</u>
	<u>7,566</u>	<u>7,558</u>	<u>7,566</u>	<u>7,558</u>
<b>Total</b>	<b><u>31,199</u></b>	<b><u>29,530</u></b>	<b><u>31,199</u></b>	<b><u>29,530</u></b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Available-for-sale securities</b>				
At 1 January	21,972	12,053	21,972	12,053
Transfer out	(77)	-	(77)	-
Purchases during the year	-	-	-	-
Disposals	(2)	(703)	(2)	(703)
Valuation adjustment	<u>1,740</u>	<u>10,622</u>	<u>1,740</u>	<u>10,622</u>
<b>At 31 December</b>	<b><u>23,633</u></b>	<b><u>21,972</u></b>	<b><u>23,633</u></b>	<b><u>21,972</u></b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

## 16 Property, plant and equipment

Consolidated financial statements								
	Land and improvements	Building and building improvements	Leased assets improvements	Machinery and equipment <i>(in thousand Baht)</i>	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost</b>								
At 1 January 2012	476,260	430,696	54,439	881,954	463,566	77,342	25,513	2,409,770
Additions	-	731	49,263	227	142,172	7,315	49,905	249,613
Acquisition through business combination	136,376	68,985	-	-	16,404	1,929	964	224,658
Transfers	129	9,365	20,062	-	6,441	-	(36,525)	(528)
Disposals / written-off	-	(2,010)	(1,081)	(24,497)	(26,126)	(34,111)	(440)	(88,265)
<b>At 31 December 2012 and 1 January 2013</b>	<b>612,765</b>	<b>507,767</b>	<b>122,683</b>	<b>857,684</b>	<b>602,457</b>	<b>52,475</b>	<b>39,417</b>	<b>2,795,248</b>
Additions	1,181	-	4,113	73	16,269	21,082	11,240	53,958
Transfers	11,590	49,047	(16,321)	-	2,498	-	(46,814)	-
Disposals / written-off	(36,185)	-	(383)	(3,395)	(8,996)	(18,970)	(1,906)	(69,835)
<b>At 31 December 2013</b>	<b>589,351</b>	<b>556,814</b>	<b>110,092</b>	<b>854,362</b>	<b>612,228</b>	<b>54,587</b>	<b>1,937</b>	<b>2,779,371</b>
<b>Depreciation</b>								
At 1 January 2012	5,196	149,235	25,832	168,936	296,741	52,220	-	698,160
Depreciation charge for the year	2,233	29,798	10,773	89,290	69,913	8,796	-	210,803
Transfers	-	-	(6,650)	6,650	-	-	-	-
Disposals / written-off	-	(973)	(624)	(14,885)	(21,279)	(24,913)	-	(62,674)
<b>At 31 December 2012 and 1 January 2013</b>	<b>7,429</b>	<b>178,060</b>	<b>29,331</b>	<b>249,991</b>	<b>345,375</b>	<b>36,103</b>	<b>-</b>	<b>846,289</b>
Depreciation charge for the year	747	40,119	2,753	87,956	76,941	6,925	-	215,441
Disposals / written-off	-	-	(165)	(661)	(5,724)	(15,859)	-	(22,409)
<b>At 31 December 2013</b>	<b>8,176</b>	<b>218,179</b>	<b>31,919</b>	<b>337,286</b>	<b>416,592</b>	<b>27,169</b>	<b>-</b>	<b>1,039,321</b>

## Nation Multimedia Group Public Company Limited and its Subsidiaries

### Notes to the financial statements

Net book value									
At 1 January 2012									
Owned assets	471,064	281,461	28,607	603,216	166,825	24,607	25,513	1,601,293	
Assets under finance leases	-	-	-	109,802	-	515	-	110,317	
	<b>471,064</b>	<b>281,461</b>	<b>28,607</b>	<b>713,018</b>	<b>166,825</b>	<b>25,122</b>	<b>25,513</b>	<b>1,711,610</b>	
At 31 December 2012 and 1 January 2013									
Owned assets	605,336	329,707	93,352	512,209	244,230	16,372	39,417	1,840,623	
Assets under finance leases	-	-	-	95,484	12,852	-	-	108,336	
	<b>605,336</b>	<b>329,707</b>	<b>93,352</b>	<b>607,693</b>	<b>257,082</b>	<b>16,372</b>	<b>39,417</b>	<b>1,948,959</b>	
At 31 December 2013									
Owned assets	581,175	338,635	78,173	436,435	188,496	27,418	1,937	1,652,269	
Assets under finance leases	-	-	-	80,641	7,140	-	-	87,781	
	<b>581,175</b>	<b>338,635</b>	<b>78,173</b>	<b>517,076</b>	<b>195,636</b>	<b>27,418</b>	<b>1,937</b>	<b>1,740,050</b>	

## Notes to the financial statements

[illegible]

***Net book value***  
**At 1 January 2012**  
Owned assets  
Assets under finance leases

**At 31 December 2012 and  
1 January 2013**  
Owned assets  
Assets under finance leases

**At 31 December 2013**  
Owned assets  
Assets under finance leases

***Net book value***  
**At 1 January 2012**  
Owned assets  
Assets under finance leases

**At 31 December 2012 and  
1 January 2013**  
Owned assets  
Assets under finance leases

**At 31 December 2013**  
Owned assets  
Assets under finance leases

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2013 amounted to Baht 325.02 million and Baht 123.18 million, respectively (2012: Baht 280.35 million and Baht 108.10 million, respectively).

### Security

At 31 December 2013, the Group's and the Company's properties with a net book value of Baht 1,060.94 million and Baht 347.37 million, respectively (2012: Baht 1,006.36 million and Baht 338.05 million, respectively) were subject to secure loans from financial institutions (see note 20).

## 17 Intangible assets

	Consolidated financial statements			
	Computer program and software licences	Licence fees - books and others <i>(in thousand Baht)</i>	Computer program under installation	Total
<b>Cost</b>				
At 1 January 2012	211,083	98,155	8,822	318,060
Additions	1,644	33,959	12,058	47,661
Acquisition through business combination	23	-	-	23
Transfers	7,064	-	(6,536)	528
Disposals	(1,204)	(2,776)	(340)	(4,320)
<b>At 31 December 2012 and 1 January 2013</b>	<b>218,610</b>	<b>129,338</b>	<b>14,004</b>	<b>361,952</b>
Additions	622	30,158	1,512	32,292
Transfers	13,740	-	(13,740)	-
Adjustments	-	-	(1,006)	(1,006)
<b>At 31 December 2013</b>	<b>232,972</b>	<b>159,496</b>	<b>770</b>	<b>393,238</b>
<b>Amortisation</b>				
At 1 January 2012	152,648	57,977	-	210,625
Amortisation charge for the year	20,842	28,345	-	49,187
Disposals	(2,141)	-	-	(2,141)
<b>At 31 December 2012 and 1 January 2013</b>	<b>171,349</b>	<b>86,322</b>	<b>-</b>	<b>257,671</b>
Amortisation charge for the year	20,106	31,532	-	51,638
<b>At 31 December 2013</b>	<b>191,455</b>	<b>117,854</b>	<b>-</b>	<b>309,309</b>
<b>Net book value</b>				
At 1 January 2012	58,435	40,178	8,822	107,435
At 31 December 2012 and 1 January 2013	47,261	43,016	14,004	104,281
At 31 December 2013	41,517	41,642	770	83,929



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

	Separate financial statements		
	Computer program and software licences	Computer program under installation <i>(in thousand Baht)</i>	Total
<b>Cost</b>			
At 1 January 2012	203,475	7,867	211,342
Additions	131	2,307	2,438
Transfers	6,743	(6,743)	
<b>At 31 December 2012 and 1 January 2013</b>	<b>210,349</b>	<b>3,431</b>	<b>213,780</b>
Additions	-	1,327	1,327
Transfers	3,988	(3,988)	
<b>At 31 December 2013</b>	<b>214,337</b>	<b>770</b>	<b>215,107</b>
<b>Amortisation</b>			
At 1 January 2012	149,395	-	149,395
Amortisation charge for the year	18,823	-	18,823
<b>At 31 December 2012 and 1 January 2013</b>	<b>168,218</b>	<b>-</b>	<b>168,218</b>
Amortisation charge for the year	16,455	-	16,455
<b>At 31 December 2013</b>	<b>184,673</b>	<b>-</b>	<b>184,673</b>
<b>Net book value</b>			
At 1 January 2012	54,080	7,867	61,947
<b>At 31 December 2012 and 1 January 2013</b>	<b>42,131</b>	<b>3,431</b>	<b>45,562</b>
<b>At 31 December 2013</b>	<b>29,664</b>	<b>770</b>	<b>30,434</b>

## 18 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Deferred tax assets	105,608	120,146	59,018	80,187
Deferred tax liabilities	(6,833)	(8,383)	(3,934)	(4,045)
<b>Deferred tax assets</b>	<b>98,775</b>	<b>111,763</b>	<b>55,084</b>	<b>76,142</b>

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

Movements in total deferred tax assets and liabilities during the year were as follows:

	At 1 January 2013	Consolidated financial statements (Charged) / Credited to:		At 31 December 2013
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Investment properties	1,336	-	-	1,336
Trade accounts receivable	25,110	(4,721)	-	20,389
Inventories	11,903	(1,490)	-	10,413
Other current assets	5,985	507	-	6,492
Provisions	15,755	1,500	8,832	26,087
Loss carry forward	60,057	(19,166)	-	40,891
<b>Total</b>	<b>120,146</b>	<b>(23,370)</b>	<b>8,832</b>	<b>105,608</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	4,796	(1,354)	-	3,442
Marketable securities	2,647	-	348	2,995
Upfront fee of long-term loan from financial institutions	833	(437)	-	396
Others	107	(107)	-	-
<b>Total</b>	<b>8,383</b>	<b>(1,898)</b>	<b>348</b>	<b>6,833</b>
<b>Net</b>	<b>111,763</b>	<b>(21,472)</b>	<b>8,484</b>	<b>98,775</b>

	At 1 January 2012	Consolidated financial statements (Charged) / Credited to:		At 31 December 2012
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Investment properties	1,736	(400)	-	1,336
Trade accounts receivable	26,604	(1,494)	-	25,110
Inventories	14,376	(2,473)	-	11,903
Other current assets	7,343	(1,358)	-	5,985
Provisions	19,171	(3,416)	-	15,755
Loss carry forward	77,805	(17,748)	-	60,057
<b>Total</b>	<b>147,035</b>	<b>(26,889)</b>	<b>-</b>	<b>120,146</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	6,165	(1,369)	-	4,796
Marketable securities	523	-	2,124	2,647
Upfront fee of long-term loan from financial institutions	1,061	(228)	-	833
Others	127	(20)	-	107
<b>Total</b>	<b>7,876</b>	<b>(1,617)</b>	<b>2,124</b>	<b>8,383</b>
<b>Net</b>	<b>139,159</b>	<b>(25,272)</b>	<b>(2,124)</b>	<b>111,763</b>

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

	At 1 January 2013	Separate financial statements (Charged) / Credited to:		At 31 December 2013
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b><i>Deferred tax assets</i></b>				
Investment properties	1,336	-	-	1,336
Trade accounts receivable	12,181	(800)	-	11,381
Inventories	623	(1)	-	622
Other current assets	7,296	(804)	-	6,492
Provisions	2,751	803	3,685	7,239
Loss carry forward	56,000	(24,052)	-	31,948
<b>Total</b>	<b>80,187</b>	<b>(24,854)</b>	<b>3,685</b>	<b>59,018</b>
<b><i>Deferred tax liabilities</i></b>				
Property, plant and equipment	565	(22)	-	543
Marketable securities	2,647	-	348	2,995
Upfront fee of long-term loan from financial institutions	833	(437)	-	396
<b>Total</b>	<b>4,045</b>	<b>(459)</b>	<b>348</b>	<b>3,934</b>
<b>Net</b>	<b>76,142</b>	<b>(24,395)</b>	<b>3,337</b>	<b>55,084</b>

	At 1 January 2012	Separate financial statements (Charged) / Credited to:		At 31 December 2012
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b><i>Deferred tax assets</i></b>				
Investment properties	1,736	(400)	-	1,336
Trade accounts receivable	13,445	(1,264)	-	12,181
Inventories	629	(6)	-	623
Other current assets	7,319	(23)	-	7,296
Provisions	5,954	(3,203)	-	2,751
Loss carry forward	71,661	(15,661)	-	56,000
<b>Total</b>	<b>100,744</b>	<b>(20,557)</b>	<b>-</b>	<b>80,187</b>
<b><i>Deferred tax liabilities</i></b>				
Property, plant and equipment	83	482	-	565
Marketable securities	523	-	2,124	2,647
Upfront fee of long-term loan from financial institutions	1,061	(228)	-	833
<b>Total</b>	<b>1,667</b>	<b>254</b>	<b>2,124</b>	<b>4,045</b>
<b>Net</b>	<b>99,077</b>	<b>(20,811)</b>	<b>(2,124)</b>	<b>76,142</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 19 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Merchandises under barter trade	4,076	5,572	922	2,910
Withholding tax deducted at source	218,336	223,203	186,043	197,052
Golf membership	7,321	8,939	7,321	8,939
Refundable deposits	16,642	14,923	2,541	3,641
Others	9,347	15,447	-	-
<b>Total</b>	<b>255,722</b>	<b>268,084</b>	<b>196,827</b>	<b>212,542</b>

The amortisation charge included in the Group's and the Company's statements of comprehensive income for the year ended 31 December 2013 were approximately Baht 0.6 million and Baht 0.6 million, respectively (2012: Baht 0.6 million and Baht 0.6 million, respectively).

### 20 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Current</b>				
Bank overdrafts				
Unsecured	46,133	60,561	32,421	39,056
Short-term loans from financial institutions				
Unsecured	247,783	659,506	190,861	601,998
<b>Bank overdrafts and short-term loans from financial institutions</b>	<b>293,916</b>	<b>720,067</b>	<b>223,282</b>	<b>641,054</b>
Current portion of long-term loans from financial institutions				
Secured	120,331	306,884	100,800	275,430
<b>Current portion of long-term loans</b>	<b>120,331</b>	<b>306,884</b>	<b>100,800</b>	<b>275,430</b>
Current portion of finance lease liabilities	7,825	33,955	2,612	2,857
<b>Total current interest-bearing liabilities</b>	<b>422,072</b>	<b>1,060,906</b>	<b>326,694</b>	<b>919,341</b>

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

		Consolidated		Separate	
	Note	financial statements		financial statements	
		2013	2012	2013	2012
		(in thousand Baht)			
<b>Non-current</b>					
Long-term loans from financial institutions					
Secured		152,218	315,586	152,218	295,836
Long-term loans from other party					
Unsecured	24	110,070	116,256	110,070	116,256
<b>Long-term loans</b>		<b>262,288</b>	<b>431,842</b>	<b>262,288</b>	<b>412,092</b>
Finance lease liabilities		5,800	13,625	5,800	8,412
<b>Total non-current interest-bearing liabilities</b>		<b>268,088</b>	<b>445,467</b>	<b>268,088</b>	<b>420,504</b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Within one year	414,247	1,026,951	324,082	916,484
After one year but within five years	262,288	431,842	262,288	412,092
<b>Total</b>	<b>676,535</b>	<b>1,458,793</b>	<b>586,370</b>	<b>1,328,576</b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Property and equipment	1,060,942	1,006,363	347,371	338,052

As at 31 December 2013, the Group and the Company had unutilised credit facilities totalling Baht 1,160.60 million and Baht 1,058.69 million, respectively (2012: Baht 1,614.04 million and Baht 1,444.93 million, respectively).

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Finance lease liabilities

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

Consolidated financial statements						
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	8,190	365	7,825	36,051	2,096	33,955
After one year but within five years	6,084	284	5,800	14,274	649	13,625
<b>Total</b>	<b>14,274</b>	<b>649</b>	<b>13,625</b>	<b>50,325</b>	<b>2,745</b>	<b>47,580</b>

Separate financial statements						
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	2,976	364	2,612	3,411	554	2,857
After one year but within five years	6,084	284	5,800	9,060	648	8,412
<b>Total</b>	<b>9,060</b>	<b>648</b>	<b>8,412</b>	<b>12,471</b>	<b>1,202</b>	<b>11,269</b>

Interest-bearing liabilities of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

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

As at 31 December 2013, the Group and the Company had overdraft lines and other credit facilities with certain local financial institutions totalling Baht 1,475 million and Baht 1,288 million, respectively (2012: Baht 1,636 million and Baht 1,398 million, respectively).

### Long-term loans from financial institutions

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

## Nation Multimedia Group Public Company Limited and its Subsidiaries

### Notes to the financial statements

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, the loan 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 (average MLR) of lenders. This loan is repayable in 18 quarterly installments of varying amounts commencing from March 2008 to June 2012.

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

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

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

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

As at 31 December 2013, the Company has repaid the entire amount of loans. (2012: Baht 211 million).

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

As at 31 December 2013, the Company repaid the entire amount of loans (2012: Baht 64.67 million).



## Nation Multimedia Group Public Company Limited and its Subsidiaries

### Notes to the financial statements

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

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

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

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

As at 31 December 2013, the Company has loan outstanding of Baht 253 million (*2012: Baht 300 million*).

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

As at 31 December 2012, the subsidiary repaid the entire amount of loans.

An indirect subsidiary ("Nation Egmont Edutainment Co.,Ltd.") has entered into a long-term loan agreement with a local financial institution totalling Baht 10 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement. Such loan agreement was guaranteed by a subsidiary and savings accounts of such indirect subsidiary amounting to Baht 2.50 million.

As at 31 December 2013, an indirect subsidiary repaid the entire amount of loans (*2012: Baht 4.6 million*).

In 2011, a subsidiary ("WPS (Thailand) Co., Ltd.") entered into a long term-loan agreement with a local financial institution in the amount of Baht 70 million. This loan bears interest at the Minimum Loan Rate (MLR) minus specified rate in the agreement and repayable in 36 monthly installments of varying amounts ending July 2014. This loan is secured by pledged the machinery.

As at 31 December 2013, such subsidiary loan outstanding of Baht 20 million (*2012: Baht 47 million*).

#### ***Long-term loan from other party***

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

As at 31 December 2013, the Company has loan outstanding of Baht 110.07 million (2012: Baht 116.26 million).

### 21 Trade accounts payable

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Related parties	6	92	-	395,472	246,463
Other parties		119,668	167,030	19,133	29,015
<b>Total</b>		<b>119,760</b>	<b>167,030</b>	<b>414,605</b>	<b>275,478</b>

### 22 Other current liabilities

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Revenue department payable		10,864	10,355	2,090	4,179
Output value added tax pending		122,766	102,301	28,758	30,242
Other payable - related parties	6	1,682	85	15,663	12,978
Other payable - others		20,788	75,011	772	5,090
Advance received for subscription and others		179,495	194,430	16,970	22,601
Others		11,233	7,433	8,006	7,073
<b>Total</b>		<b>346,828</b>	<b>389,615</b>	<b>72,259</b>	<b>82,163</b>

### 23 Employee benefit obligations

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Statement of financial position obligation for:</b>				
Post-employment benefits	<b>134,459</b>	<b>81,987</b>	<b>36,197</b>	<b>13,758</b>
<b>Year ended 31 December</b>				
<b>Statement of comprehensive income :</b>				
<b>Recognised in profit or loss :</b>				
Post employment benefits	<b>15,953</b>	<b>12,253</b>	<b>4,223</b>	<b>3,334</b>
<b>Recognised in other comprehensive income:</b>				
Actuarial losses recognised in the year	<b>44,928</b>	<b>-</b>	<b>18,424</b>	<b>-</b>

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

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

The statement of financial position obligation was determined as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	134,459	81,987	36,197	13,758
<b>Statement of financial position obligation</b>	<b>134,459</b>	<b>81,987</b>	<b>36,197</b>	<b>13,758</b>

Movement in the present value of the defined benefit obligations

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	81,987	95,854	13,758	29,771
Transfer in (out)	-	-	4	(3,218)
Benefit paid by the plan	(8,409)	(26,120)	(212)	(16,129)
Current services costs and interest	15,953	12,253	4,223	3,334
Actuarial losses in other comprehensive income	44,928	-	18,424	-
<b>Defined benefit obligations at 31 December</b>	<b>134,459</b>	<b>81,987</b>	<b>36,197</b>	<b>13,758</b>

Expense recognised in profit or loss (see notes 33 and 35)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Current service costs	10,858	7,742	2,903	2,087
Interest on obligation	5,095	4,511	1,320	1,247
<b>Total</b>	<b>15,953</b>	<b>12,253</b>	<b>4,223</b>	<b>3,334</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Cost of sales of goods and rendering of services	5,927	3,973	477	328
Selling and administrative expenses	4,931	3,769	2,426	1,759
Finance cost	5,095	4,511	1,320	1,247
<b>Total</b>	<b>15,953</b>	<b>12,253</b>	<b>4,223</b>	<b>3,334</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

Actuarial losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Included in retained earnings				
At 1 January	-	-	-	-
Recognised during the year	44,928	-	18,424	-
<b>At 31 December</b>	<b>44,928</b>	<b>-</b>	<b>18,424</b>	<b>-</b>

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(%)</i>			
Discount rate	3.9 - 4.1	3.9 - 4.7	4.1	4.7
Future salary increases	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0

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

## 24 Other non-current liabilities

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Long-term loan from other party	20	110,070	116,256	110,070	116,256
Others		36,978	33,756	2,165	1,892
<b>Total</b>		<b>147,048</b>	<b>150,012</b>	<b>112,235</b>	<b>118,148</b>

## 25 Share capital

	Par value per share <i>(in Baht)</i>	Number	2013 Baht <i>(thousand shares / thousand Baht)</i>	2012 Number Baht
<b>Authorised</b>				
At 1 January				
- ordinary shares	1	-	-	2,500,000
- ordinary shares	0.53	1,647,740	873,302	-
Reduction of shares	1	-	-	(852,260)
Reduction in par value				
- from Baht 1 to Baht 0.53	0.53	-	-	(774,438)
Increase of new shares	0.53	3,377,868	1,790,270	-
<b>At 31 December</b>				
- ordinary shares	0.53	<b>5,025,608</b>	<b>2,663,572</b>	<b>1,647,740</b>
				<b>873,302</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Par value per share (in Baht)	Number	2013 Baht (thousand shares / thousand Baht)	2012 Number	Baht
<b>Issued and paid-up</b>					
At 1 January					
- ordinary shares	1	-	-	1,647,740	1,647,740
- ordinary shares	0.53	1,647,740	873,302	-	-
Reduction in par value					
- from Baht 1 to Baht 0.53	0.53	-	-	-	(774,438)
Increase of new shares	0.53	1,647,741	873,303	-	-
Exercise of share options	0.53	8,521	4,516	-	-
<b>At 31 December</b>					
- ordinary shares	0.53	<b>3,304,002</b>	<b>1,751,121</b>	<b>1,647,740</b>	<b>873,302</b>

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

- The decrease in registered share capital of the Company from Baht 2,500 million to Baht 1,647.74 million (divided into 1,647,740,300 ordinary shares at Baht 1 par value) by cutting down the registered share capital of 852,259,700 shares at Baht 1 par value. The Company registered the decrease in share capital with the Ministry of Commerce on 10 May 2012.
- Transfer of reserve for premium on ordinary shares of Baht 4,136 to compensate the deficit as of 31 December 2011.
- The reduction of share value of Baht 774.44 million from Baht 1,647.74 million to Baht 873.30 million to compensate the deficit of the Company as of 31 December 2011 by reducing par value from Baht 1 per share to Baht 0.53 per share. The Company registered the reduction in par value with the Ministry of Commerce on 18 July 2012.

At the annual general meeting of shareholders of the Company held on 25 April 2013, the shareholders approved the following matters:

- Approved the issuance and offering of warrants to the Company's existing shareholders who subscribe for additional ordinary shares in a ratio of 1 warrant for 1 existing ordinary share, without the offering price. Details of warrants are as follows:

Date of original grant	20 June 2013
No. of warrants granted (Units)	1,647,740,300
Terms of warrants	5 years from the issuance date of warrant
Exercisable	The date 15 <sup>th</sup> of December and June in each year
Exercise price per 1 ordinary share (Baht)	1
Exercise ratio (warrants to ordinary shares)	1:1

- Approved the issuance and offering of warrants under the Employee Stock Option Program (ESOP) to the directors, management and/or employees of the Company and/or the subsidiaries. Details of warrants are disclosed in note to financial statements 26.1.

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

### **Notes to the financial statements**

- c) Approved an increase in the registered share capital from Baht 873.30 million (1,647,740,300 ordinary shares at a par value of Baht 0.53 per share) to Baht 2,663.57 million (5,025,607,915 ordinary shares at a par value of Baht 0.53 per share) by issuing not exceeding 3,377,867,615 ordinary shares at a par value of Baht 0.53 per share to reserve for the increase in share capital and exercise of warrants as referred above. The Company registered the increase in share capital with the Ministry of Commerce on 9 May 2013.

#### ***Issue of ordinary shares***

During 2013, the Company has offered additional ordinary shares to existing shareholders which exercise ratio is 1 new share for 1 existing ordinary share at the exercise price of Baht 1 per share totalling 1,647,740,300 shares (1,647,740,300 ordinary shares at a par value of Baht 0.53 per share) amounted to Baht 1,647.74 million. As a result, the Company's issued and paid-up share capital has increased from Baht 873.30 million (1,647,740,300 ordinary shares at a par value of Baht 0.53 per share) to Baht 1,746.61 million (3,295,480,600 ordinary shares at a par value of Baht 0.53 per share) with the share premium amounted to Baht 772.46 million, net of the cost of the issue of ordinary share amounted to Baht 1.97 million. The Company registered the increase in share capital with the Ministry of Commerce on 19 June 2013.

On 15 November 2013, the directors, management and/or employees of the Company exercised the warrants of 6,639,400 units to purchase ordinary shares totalling of Baht 6.64 million which the Company had share premium amounted to Baht 3.12 million. The Company registered the paid-up share capital from the exercise with the Ministry of Commerce on 19 November 2013.

On 15 December 2013, the Company's holders exercised the warrants of 1,881,570 units to purchase ordinary shares totalling of Baht 1.88 million which the Company had share premium amounted to Baht 0.88 million. The Company registered the paid-up share capital from the exercise with the Ministry of Commerce on 18 December 2013.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

#### ***Share premium***

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

#### ***Expenses for issuing new ordinary shares***

The incremental cost attributable to the issue of ordinary shares are recognised as a deduction from the premium on those ordinary shares.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 26 Warrants

- 26.1 At the annual general meeting of the shareholder of the Company held on 25 April 2013, the shareholders passed a resolution to approve the issuance 82,387,015 units of warrants under the Employee Stock Option Program (ESOP) to the directors, management and/or employees of the Company and/or the subsidiaries. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	5 years from the issuance date of warrant
Propose to sell to	The Company and/or subsidiaries' directors, management and/or employees
Issue and sell quantities	82,387,015 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 1 per ordinary share
Exercise period and proportion	The date 15 <sup>th</sup> of November and May in each year, to exercise not more than 20% each year

The condition for subscription is comprised of each employee of the Company and/or its subsidiaries as of each offering date.

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	1.61
Exercise price warrant (Baht)	1.00
Historical volatility in 3 years at the allotment date	83.94%
The expected period, that shareholders will completely use their right on warrant	5 years
Historical dividend yield in 3 years	0.00%
Risk free interest rate (3 years Government bond yield) at the allotment date	3.02%

- 26.2 At the annual general meeting of the shareholder of a subsidiary ("Nation International Edutainment Public Company Limited") held on 23 April 2013, the shareholders passed a resolution to approve the issuance 4,250,000 units of warrants under the Employee Stock Option Program (ESOP) to the directors, management and/or employees of the Company and/or the subsidiaries. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	5 years from the issuance date of warrant
Propose to sell to	The Company and/or subsidiaries' directors, management and/or employees
Issue and sell quantities	4,250,000 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 4 per ordinary share
Exercise period and proportion	The date 15 <sup>th</sup> of November and May in each year, to exercise not more than 20% each year

The condition for subscription is comprised of each employee of the Company and/or its subsidiaries as of each offering date.



# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	4.74
Exercise price warrant (Baht)	4.00
Historical volatility in 3 years at the allotment date	81.75%
The expected period, that shareholders will completely use their right on warrant	5 years
Historical dividend yield in 3 years	2.93%
Risk free interest rate (3 years Government bond yield) at the allotment date	3.02%

26.3 At the annual general meeting of the shareholder of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 24 April 2013, the shareholders passed a resolution to approve the issuance 8,798,905 units of warrants under the Employee Stock Option Program (ESOP) to the directors, management and/or employees of the Company and/or the subsidiaries. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	5 years from the issuance date of warrant
Propose to sell to	The Company and/or subsidiaries’ directors, management and/or employees
Issue and sell quantities	8,798,905 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 3 per ordinary share
Exercise period and proportion	The date 15 <sup>th</sup> of November and May in each year, to exercise not more than 20% each year

The condition for subscription is comprised of each employee of the Company and/or its subsidiaries as of each offering date.

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	3.62
Exercise price warrant (Baht)	3.00
Historical volatility in 3 years at the allotment date	49.69%
The expected period, that shareholders will completely use their right on warrant	5 years
Historical dividend yield in 3 years	5.31%
Risk free interest rate (3 years Government bond yield) at the allotment date	3.02%

As the Thai Financial Reporting Standards 2 (TFRS 2): Share-based Payment was effective for the share-based payment awards granted on or after 1 January 2011. Therefore, according to the TFRS 2, ESOP has to be measured by using the fair value of the warrants on the grant date.

The expense recognised in respect of share-based payment transactions for the year ended 31 December 2013 was Baht 14.84 million and Baht 12.41 million for the consolidated and separate financial statements, respectively.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

Movements during the year ended 31 December 2013 in the warrants and fair value of the warrants were as follows:

	<b>Consolidated financial statement</b>		<b>Separate financial statement</b>	
	Number of warrant	Fair value	Number of warrant	Fair value
	<i>(thousand warrants / thousand Baht)</i>			
At 1 January	-	-	-	-
Warrants granted during the year	14,096	14,516	11,341	12,509
Warrants exercised during the year	(7,842)	(9,099)	(6,639)	(8,034)
Warrants cancelled during the year	(2,197)	(282)	(1,085)	(99)
<b>At 31 December</b>	<b>4,057</b>	<b>5,135</b>	<b>3,617</b>	<b>4,376</b>

## 27 Reserves

Reserves comprise:

### *Appropriations of profit and/or retained earnings*

#### **Legal reserve**

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

#### *Other component of equity*

#### **Fair value changes**

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

## 28 Segment information

The Group has five reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services. The chief operating decision maker (CODM) reviews internal management reports. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Publishing and advertising
- *Segment 2* Printing service
- *Segment 3* Edutainment
- *Segment 4* Broadcasting and new media
- *Segment 5* Others

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Information about reportable segments:

#### Business segments

	Printing and advertising		Publishing service		Edutainment		Broadcasting and new media		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
External revenue	1,688,576	1,764,722	74,168	99,536	234,826	750,838	727,766	110,019	148,089	110,019	2,864,297	2,936,869
Inter-segment revenue	1,413,785	1,546,637	385,872	422,856	93,420	92,498	13,643	168,096	158,428	168,096	2,160,347	2,244,652
Other income	88,094	86,868	24,899	26,927	101,858	22,376	3,337	11,984	25,774	11,984	263,001	237,491
<b>Total income</b>	<b>3,190,455</b>	<b>3,398,227</b>	<b>484,939</b>	<b>549,319</b>	<b>414,248</b>	<b>865,712</b>	<b>744,746</b>	<b>290,099</b>	<b>332,291</b>	<b>290,099</b>	<b>5,287,645</b>	<b>5,419,012</b>
Interest income	1,538	399	18	35	6,726	18,121	1,877	98	148	98	26,551	2,798
Interest expense	(65,314)	(95,171)	(8,265)	(18,349)	(1,646)	(1,262)	(975)	(172)	(187)	(172)	(76,674)	(114,986)
Depreciation and amortisation	(52,959)	(60,753)	(115,640)	(120,582)	(28,119)	(56,842)	(38,086)	(14,685)	(16,926)	(14,685)	(270,486)	(264,828)
Profit (loss) before income tax	173,416	125,796	62,203	84,365	26,350	72,216	57,332	(40,506)	13,802	(40,506)	347,987	263,196
Share of profit of equity accounted investees	806	454	-	-	-	-	-	-	-	-	806	454
Segment assets	1,621,544	1,800,022	953,875	1,091,617	567,353	1,862,461	578,690	338,043	347,485	338,043	5,352,718	4,152,300
Capital expenditure	8,030	131,566	1,302	283	1,728	28,204	76,775	38,412	14,694	38,412	53,958	249,613
Segment liabilities	1,071,630	1,795,527	160,277	239,315	26,269	229,244	198,006	210,642	80,668	210,642	1,568,088	2,515,228

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

Reconciliations of reportable segment profit or loss, assets and liabilities and other material items

	2013	2012
	<i>(in thousand Baht)</i>	
<b>Revenues</b>		
Total revenue from reportable segments	5,024,644	5,181,521
Other revenue	263,001	237,491
	<u>5,287,645</u>	<u>5,419,012</u>
Elimination of inter-segment revenue	(2,227,779)	(2,317,137)
<b>Consolidated revenue</b>	<u><b>3,059,866</b></u>	<u><b>3,101,875</b></u>
<b>Profit or loss</b>		
Total profit for reportable segments	347,987	263,196
Share of profit of equity accounted - investees	806	454
<b>Consolidated profit before income tax</b>	<u><b>348,793</b></u>	<u><b>263,650</b></u>

### Geographical segments

The Group is managed and operates principally in Thailand. Management considers that the Group operates in single geographic area.

## 29 Investment income

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
<b>Dividend income</b>					
Subsidiaries	6, 13	-	-	36,237	30,406
Other parties		905	315	905	315
		<u><b>905</b></u>	<u><b>315</b></u>	<u><b>37,142</b></u>	<u><b>30,721</b></u>
<b>Interest income</b>					
Subsidiaries	6	-	-	15,319	22,470
Indirect jointly-controlled entity	6	3,354	2,077	-	-
Other parties		23,197	721	1,370	280
		<u><b>26,551</b></u>	<u><b>2,798</b></u>	<u><b>16,689</b></u>	<u><b>22,750</b></u>
<b>Total</b>		<u><b>27,456</b></u>	<u><b>3,113</b></u>	<u><b>53,831</b></u>	<u><b>53,471</b></u>

## 30 Other income

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Income from sales of scrap	20,659	27,346	13,191	16,264
Net cash inflow on disposal of investment	-	8,093	-	-
Others	61,903	33,130	35,212	29,295
<b>Total</b>	<u><b>82,562</b></u>	<u><b>68,569</b></u>	<u><b>48,403</b></u>	<u><b>45,559</b></u>

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

**31 Selling expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Distribution	11,807	13,415	11,108	14,360
Marketing	138,044	105,962	37,622	15,829
Personnel	121,001	121,036	31,389	42,894
Others	21,812	23,638	3,530	6,070
<b>Total</b>	<b>292,664</b>	<b>264,051</b>	<b>83,649</b>	<b>79,153</b>

**32 Administrative expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Personnel	202,450	216,969	132,907	146,326
Administrative	157,366	194,058	97,590	115,701
Depreciation	49,083	52,017	19,075	21,417
Amortisation of assets	20,120	21,892	19,862	21,481
Bad and doubtful debts expense (reversal)	92	4,452	(1,920)	744
Others	14,264	9,416	1,754	1,524
<b>Total</b>	<b>443,375</b>	<b>498,804</b>	<b>269,268</b>	<b>307,193</b>

**33 Employee benefit expenses**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
<b>Management</b>					
Wages and salaries		91,160	107,756	42,724	53,189
Contribution to defined contribution plans		4,782	5,735	1,325	1,816
Others		7,837	6,610	3,198	1,991
		<b>103,779</b>	<b>120,101</b>	<b>47,247</b>	<b>56,996</b>
<b>Other employees</b>					
Wages and salaries		610,360	606,330	137,528	150,433
Contribution to defined contribution plans		33,584	32,428	9,014	9,227
Others		176,529	215,624	46,470	71,354
		<b>820,473</b>	<b>854,382</b>	<b>193,012</b>	<b>231,014</b>
Post - employment benefits	23	<b>10,858</b>	<b>7,742</b>	<b>2,903</b>	<b>2,087</b>
Share-based payment transactions	26	<b>14,839</b>	<b>-</b>	<b>12,410</b>	<b>-</b>
<b>Total employee benefit expenses</b>		<b>949,949</b>	<b>982,225</b>	<b>255,572</b>	<b>290,097</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Defined contribution plans

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

### 34 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Change in finished goods and work in progress		19,401	(13,590)	10,761	32,633
Raw materials and supplies used		358,307	383,982	202,195	242,191
Transportation expenses		153,467	177,893	6,725	7,616
Administrative	32	157,366	194,058	97,590	115,701
Distribution and marketing	31	149,851	119,377	48,730	30,189
Employee benefit expenses	33	949,949	982,225	255,572	290,097
Depreciation and amortisation		270,485	264,828	48,363	53,295
Others		576,379	614,920	79,018	80,401
<b>Total costs, selling expenses, administrative expenses and management benefit expenses</b>		<b><u>2,635,205</u></b>	<b><u>2,723,693</u></b>	<b><u>748,954</u></b>	<b><u>852,123</u></b>

### 35 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
<b>Interest expense</b>					
Bank loans and overdrafts		61,081	97,280	51,081	80,724
Other parties		10,498	13,195	9,036	9,556
<b>Total interest expense</b>		<b><u>71,579</u></b>	<b><u>110,475</u></b>	<b><u>60,117</u></b>	<b><u>90,280</u></b>
Other finance costs	23	5,095	4,511	1,320	1,247
<b>Total</b>		<b><u>76,674</u></b>	<b><u>114,986</u></b>	<b><u>61,437</u></b>	<b><u>91,527</u></b>

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

**36 Income tax expense**

*Income tax recognised in profit or loss*

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
<b>Current tax expense</b>					
Current year		49,685	37,973	-	-
Adjustment for prior year		-	463	-	-
		<u>49,685</u>	<u>38,436</u>	<u>-</u>	<u>-</u>
<b>Deferred tax expense</b>	18				
Movements in temporary differences		<u>21,472</u>	<u>25,272</u>	<u>24,395</u>	<u>20,811</u>
<b>Total income tax expense</b>		<u><b>71,157</b></u>	<u><b>63,708</b></u>	<u><b>24,395</b></u>	<u><b>20,811</b></u>

*Income tax recognised in other comprehensive income*

<b>Consolidated financial statements</b>						
		2013		2012		
		Tax		Tax		
	Before tax	(expense) benefit	Net of tax	Before tax	(expense) benefit	Net of tax
			<i>(in thousand Baht)</i>			
Available-for-sale financial assets	1,740	(348)	1,392	10,622	(2,124)	8,498
Defined benefit plan actuarial losses	(44,928)	8,832	(36,096)	-	-	-
<b>Total</b>	<u><b>(43,188)</b></u>	<u><b>8,484</b></u>	<u><b>(34,704)</b></u>	<u><b>10,622</b></u>	<u><b>(2,124)</b></u>	<u><b>8,498</b></u>

<b>Separate financial statements</b>						
		2013		2012		
		Tax		Tax		
	Before tax	(expense) benefit	Net of tax	Before tax	(expense) benefit	Net of tax
			<i>(in thousand Baht)</i>			
Available-for-sale financial assets	1,740	(348)	1,392	10,622	(2,124)	8,498
Defined benefit plan actuarial losses	(18,424)	3,685	(14,739)	-	-	-
<b>Total</b>	<u><b>(16,684)</b></u>	<u><b>3,337</b></u>	<u><b>(13,347)</b></u>	<u><b>10,622</b></u>	<u><b>(2,124)</b></u>	<u><b>8,498</b></u>

*Reconciliation of effective tax rate*

<b>Consolidated financial statements</b>				
		2556		2555
	Rate (%)	(thousand Baht)	Rate (%)	(thousand Baht)
Profit before income tax expense		<u>348,793</u>		<u>263,650</u>
Income tax using the Thai corporation tax rate	20	69,759	23	60,640
Effect of tax rate difference		2,284		5,865
Income not subject to tax		(7,338)		(6,113)
Expenses not deductible for tax purposes		6,452		2,853
Under provided in prior year		-		463
<b>Total</b>	<b>20</b>	<u><b>71,157</b></u>	<b>24</b>	<u><b>63,708</b></u>



# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Separate financial statements			
	2556		2555	
	Rate (%)	(thousand Baht)	Rate (%)	(thousand Baht)
Profit before income tax expense		150,018		104,655
Income tax using the Thai corporation tax rate	20	30,004	20	20,931
Income not subject to tax		(7,338)		(6,113)
Expenses not deductible for tax purposes		1,729		5,993
<b>Total</b>	<b>16</b>	<b>24,395</b>	<b>20</b>	<b>20,811</b>

### Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

## 37 Earnings per share

### Basic earnings per share

The calculations of basic earnings per share for the ended 31 December 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht/ thousand shares)			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b>251,721</b>	<b>169,050</b>	<b>125,623</b>	<b>83,845</b>
Number of ordinary shares outstanding at 1 January	1,647,740	1,647,740	1,647,740	1,647,740
Effect of shares issued on 19 June	884,814	-	884,814	-
Effect of shares option exercised 19 November	782	-	782	-
Effect of warrant exercised 18 December	72	-	72	-
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b>2,533,408</b>	<b>1,647,740</b>	<b>2,533,408</b>	<b>1,647,740</b>
<b>Earnings per share (basic) (in Baht)</b>	<b>0.10</b>	<b>0.10</b>	<b>0.05</b>	<b>0.05</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Diluted earnings per share*

The calculations of diluted earnings per share for the periods ended 31 December 2013 and 2012 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht/ thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>251,721</u></b>	<b><u>169,050</u></b>	<b><u>125,623</u></b>	<b><u>83,845</u></b>
Weighted average number of ordinary shares outstanding (basic)	2,533,408	1,647,740	2,533,408	1,647,740
Effect of exercise of shares options	<u>280,347</u>	<u>-</u>	<u>280,347</u>	<u>-</u>
<b>Weighted average number of ordinary shares outstanding (diluted)</b>	<b><u>2,813,755</u></b>	<b><u>1,647,740</u></b>	<b><u>2,813,755</u></b>	<b><u>1,647,740</u></b>
<b>Earnings per share (diluted) (in Baht)</b>	<b><u>0.09</u></b>	<b><u>0.10</u></b>	<b><u>0.04</u></b>	<b><u>0.05</u></b>

## 38 Financial instruments

### *Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

### *Capital management*

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interest and also monitors the level of dividends to ordinary shareholders.

### *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from borrowings (Note 20). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

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

<b>Consolidated financial statements</b>				
	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
<b>2013</b>				
<b>Current</b>				
Bank overdraft	MOR	46,133	-	46,133
Short-term loans from financial institutions	2.28 - 7.34	247,783	-	247,783
Current portion of long-term loans from financial institutions	Average MLR minus 1% and MLR minus 1.5%	120,331	-	120,331
<b>Non-current</b>				
Long-term loans from financial institutions	Average MLR minus 1%	-	152,218	152,218
Long-term loans from other party	MLR	-	110,070	110,070
<b>Total</b>		<b>414,247</b>	<b>262,288</b>	<b>676,535</b>
<b>2012</b>				
<b>Current</b>				
Bank overdraft	MOR	60,561	-	60,561
Short-term loans from financial institutions	2.51 - 7.34	659,506	-	659,506
Current portion of long-term loans from financial institutions	Average MLR, Average MLR minus 1% and MLR plus 0.5%	306,884	-	306,884
<b>Non-current</b>				
Long-term loans from financial institutions	Average MLR, Average MLR minus 1% and MLR plus 0.5%	-	315,586	315,586
Long-term loans from other party	MLR	-	116,256	116,256
<b>Total</b>		<b>1,026,951</b>	<b>431,842</b>	<b>1,458,793</b>

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

	Separate financial statements			
	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
<b>2013</b>				
<b>Current</b>				
Bank overdraft	MOR	32,421	-	32,421
Short-term loans from financial institutions	2.28 - 6.28	190,861	-	190,861
Current portion of long-term loans from financial institutions	Average MLR minus 1%	100,800	-	100,800
<b>Non-current</b>				
Long-term loans from financial institutions	Average MLR minus 1%	-	152,218	152,218
Long-term loans from other party	MLR	-	110,070	110,070
<b>Total</b>		<b>324,082</b>	<b>262,288</b>	<b>586,370</b>

<b>2012</b>				
<b>Current</b>				
Bank overdraft	MOR	39,056	-	39,056
Short-term loans from financial institutions	2.51 - 6.28	601,998	-	601,998
Current portion of long-term loans from financial institutions	Average MLR and Average MLR minus 1%	275,430	-	275,430
<b>Non-current</b>				
Long-term loans from financial institutions	Average MLR and Average MLR minus 1%	-	295,836	295,836
Long-term loans from other party	MLR	-	116,256	116,256
<b>Total</b>		<b>916,484</b>	<b>412,092</b>	<b>1,328,576</b>

**Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company was exposed to foreign currency risk in respect of purchases denominated in the following currency:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
<i>United States Dollars</i>				
Estimated forecast purchases	-	47,366	-	47,366
Currency forward contracts	-	(47,366)	-	(47,366)
<b>Net exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

### *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

### *Determination of fair values*

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity, which are held available sales, is determined by reference to their quoted bid price at the reporting date.

The fair value of financial assets and liabilities is taken to approximate the carrying value.

## 39 Commitments with non-related parties

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b><i>Non-controllable operating lease commitments</i></b>				
Within one year	86,283	96,484	29,027	28,072
After one year but within five years	135,888	220,611	120	26,882
After five years	18,671	46,987	-	-
<b>Total</b>	<b>240,842</b>	<b>364,082</b>	<b>29,147</b>	<b>54,954</b>

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand)</i>			
<b>Other commitments</b>				
Unused letters of credits (USD)	-	1,532	-	1,532
Forward contracts (USD)	-	1,532	-	1,532

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Unused letters of credits	4,622	3,190	4,622	-
Guarantee credit lines of subsidiaries with financial institutions	-	-	85,000	130,000
Bank guarantees	26,548	28,476	10,859	12,975

- The Company and its subsidiaries entered into lease and service agreements for their office premises and facilities with a local company for the period of 2-3 years, expiring in various periods up to 30 November 2014 with an option to be renewable.
- A subsidiary entered into news supply agreement with a foreign company for a period of 5 years, commencing from 1 June 2011 to 31 May 2016 with an option to be renewable.
- Three indirect subsidiaries entered into service agreements covering television broadcasting satellite services with two local company. The details are as follows:

<u>Contract date</u>	<u>Contract period</u>	<u>Periods</u>	<u>Total fee</u>
3 December 2013	1 January 2014 to 30 June 2017	3 years 6 months	USD 0.93 million
3 December 2013	1 January 2014 to 30 June 2017	3 years 6 months	USD 0.02 million
3 December 2013	1 January 2014 to 30 June 2017	3 years 6 months	USD 0.93 million
3 December 2013	1 January 2014 to 30 June 2017	3 years 6 months	USD 0.02 million
3 December 2013	1 January 2014 to 31 October 2019	5 years 10 months	USD 1.25 million
3 December 2013	1 January 2014 to 31 October 2019	5 years 10 months	USD 0.03 million
3 December 2013	1 January 2014 to 31 October 2019	5 years 10 months	USD 1.25 million
3 December 2013	1 January 2014 to 31 October 2019	5 years 10 months	USD 0.03 million
3 December 2013	1 January 2014 to 31 March 2020	6 years 3 months	USD 0.97 million
3 December 2013	1 January 2014 to 31 March 2020	6 years 3 months	USD 0.03 million

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

## **Notes to the financial statements**

- d) The indirect jointly-controlled entity entered into the warehouse rental agreements with two local companies. The indirect jointly-controlled entity agreed to pay rental fees at the rate specified in the agreements. The agreements have durations for 3 years, expiring on 9 September 2014 and 31 December 2016, respectively.
- e) A subsidiary entered into a right for broadcasting agreement with a local company for the period of 2 years, commencing from 15 July 2012 to 15 July 2014.

### **40 Other matters**

- a) At the annual general shareholders' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 24 April 2013, the shareholders of subsidiary approved the issuance and offering of debentures in the amount not exceeding Baht 500 million at par value of Baht 1,000 each by offering domestically and/or internationally to private placement, and/or investors, and/or institutes. The details and conditions related to the issuance and offering of the debentures will be determined by the Company's Board of Directors of a subsidiary.
- b) At the annual general shareholders' meeting of the Company held on 25 April 2013, the shareholders approved the issuance and offering of debentures in the amount not exceeding Baht 1,500 million at par value of Baht 1,000 each by offering domestically and/or internationally to private placement, and/or investors, and/or institutes. The details and conditions related to the issuance and offering of the debentures will be determined by the Company's Board of Directors.
- c) At the board of Directors meeting of the Company held on 8 November 2013, the Board of Directors' meeting approved the establishment of a joint venture in Myanmar with Eleven Media Group Co., Ltd. of Myanmar which has registered share capital of Baht 40 million. It is in the process of establishment the joint venture.

### **41 Events after the reporting period**

- a) At the Board of Directors' meeting of the Company held on 17 February 2014, the Board of Directors approved the appropriation of dividend from the 2013 operating result of Baht 0.02 per share, amounted to Baht 66.08 million. The dividend payment will be approved at the annual general meeting of shareholders.
- b) At the Board of Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited") held on 12 February 2014, the Board of Directors has passed resolutions to approve the appropriation of dividend from the 2013 operating result of Baht 0.10 per share, amounted to Baht 17.05 million. The dividend payment will approved at the annual general meeting of shareholders onwards.
- c) At the Board of Directors' meeting of a subsidiary ("Nation Broadcasting Corporation Public Company Limited") held on 13 February 2014, the Board of Directors approved the appropriation dividend of Baht 0.14 per share, amounted to Baht 46.42 million for the 2013 operating result. The dividend of Baht 0.11 per share, amounted to Baht 30.39 million was paid to shareholders as the interim dividend during the year 2013, and the additional dividend of Baht 0.03 per share, amounted to Baht 16.03 million will be approved at the annual general meeting of shareholders.
- d) Two indirect subsidiary companies entered into the Standard Definition Terrestrial Digital Television Network Services agreements for 2 channels to pay service fees at the rate specified in the agreements with The Royal Thai Army, totalling amount Baht 1,633.12 million. The agreements have durations for 14 years and 5 months, commencing from 16 January 2014 to 31 May 2028.



# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 42 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS are applicable to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investment in Associates	2014
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

# Nation Multimedia Group Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 43 Reclassification of accounts

Certain accounts in the 2012 financial statements have been reclassified to conform to the presentation in the 2013 financial statements.

	2012					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. (in thousand Baht)	Before reclass.	Reclass.	After reclass.
<b>Statement of comprehensive income</b>						
Cost of sale of goods and rendering of services	1,842,823	(2,086)	1,840,737	409,053	(272)	408,781
Administrative expenses	501,229	(2,425)	498,804	308,168	(975)	307,193
Finance cost	110,475	4,511	114,986	90,280	1,247	91,527
		<u>-</u>			<u>-</u>	

The reclassifications have been made by reclassifying interest on obligation of the defined benefit obligations to finance cost instead of cost of sale of goods and rendering of services and administrative expenses because, in the opinion of management, the new classification is more appropriate to the Group's business.

# 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: (66) 2229-2800

## Certified Public Accountant

Mr.Winid Silamongkol  
Registration No. 3378 or

Mr.Vichien Thamtrakul  
Registration No. 3183 or

Mr.Veerachai Ratanajaratkul  
Registration No. 4323 or

Ms.Vannaporn Jongperadechanon  
Registration No. 4098.

KPMG Phoomchai Audit Ltd.  
195 Empire Tower, 50th-51th Floor, Sathorn  
Road, Yannawa, Bangkok 10120  
Tel: (66) 2677-2000

## Audit Fee

The audit fee of the Company and subsidiaries  
for the year 2013 is Bt 3,725,000  
Non-audit fee -None-

## Fianacial Consultants

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# ANNUAL REPORT 2013

Nation Multimedia Group Public Company Limited