

ARIP Public Company Limited
Report and financial statements
31 December 2011 and 2010

Report of Independent Auditor

To the shareholders of ARIP Public Company Limited

I have audited the accompanying statement of financial position, which the equity method is applied, of ARIP Public Company Limited as at 31 December 2011, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and the separate financial statements of ARIP Public Company Limited for the years ended 31 December 2011 and 2010. These financial statements are the responsibility of the management of the Company as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ARIP Public Company Limited as at 31 December 2011 and 2010, the results of its operations, and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 3 to the financial statements. During the current year, the Company adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of its financial statements.



Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited


Bangkok: 28 February 2012


ARIP Public Company Limited
Statements of financial position


(Unit: Baht)

	Note	Financial statements		
		in which the equity	Separate financial statements	
		method is applied	in which the cost method is applied	
		<u>2011</u>	<u>2011</u>	<u>2010</u>
Assets				
Current assets				
Cash and cash equivalents	8	62,508,050	62,508,050	63,185,425
Current investments	9	65,000,000	65,000,000	50,000,000
Trade and other receivables	7,10	20,014,288	20,014,288	68,964,267
Inventories	11	903,662	903,662	1,196,620
Other current assets		10,313,770	10,313,770	2,949,859
Total current assets		<u>158,739,770</u>	<u>158,739,770</u>	<u>186,296,171</u>
Non-current assets				
Restricted bank deposit	12	1,000,000	1,000,000	1,000,000
Investment in associate	13	5,942,948	6,400,000	-
Property, plant and equipment	14	58,930,713	58,930,713	65,377,916
Intangible assets	15	1,771,710	1,771,710	1,628,848
Withholding tax deducted at source	16	3,608,531	3,608,531	3,581,981
Deposits		51,928	51,928	56,500
Total non-current assets		<u>71,305,830</u>	<u>71,762,882</u>	<u>71,645,245</u>
Total assets		<u>230,045,600</u>	<u>230,502,652</u>	<u>257,941,416</u>

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


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 บริษัท เออาร์ไอพี จำกัด (มหาชน)
 ARIP Public Company Limited


 (นายมนู เตียวไพโรจน์)
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ARIP Public Company Limited
Statements of financial position (continued)

(Unit: Baht)

	Note	Financial statements		
		in which the equity method is applied	Separate financial statements in which the cost method is applied	
		2011	2011	2010
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	7,17	11,206,805	11,206,805	23,094,182
Corporate income tax payable		-	-	6,005,821
Other current liabilities		8,448,335	8,448,335	10,530,250
Total current liabilities		19,655,140	19,655,140	39,630,253
Non-current liabilities				
Reserve for long-term employee benefits	18	1,354,103	1,354,103	-
Total non-current liabilities		1,354,103	1,354,103	-
Total liabilities		21,009,243	21,009,243	39,630,253
Shareholders' equity	19			
Share capital				
Registered				
466,000,000 ordinary shares of Baht 0.25 each		116,500,000	116,500,000	116,500,000
Issued and fully paid up				
457,500,000 ordinary shares of Baht 0.25 each		114,375,000	114,375,000	112,600,000
(2010 : 450,400,000 ordinary shares of Baht 0.25 each)				
Share premium		83,464,677	83,464,677	83,464,677
Retained earnings				
Appropriated - statutory reserve	21	8,909,395	8,909,395	7,817,646
Unappropriated		2,287,285	2,744,337	14,428,840
Total shareholders' equity		209,036,357	209,493,409	218,311,163
Total liabilities and shareholders' equity		230,045,600	230,502,652	257,941,416

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

(นายมนู เลียวไพโรจน์)

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Directors

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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited

ARIP Public Company Limited

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Financial statements		
		in which the equity	Separate financial statements	
		method is applied	in which the cost method is applied	
		<u>2011</u>	<u>2011</u>	<u>2010</u>
Revenues				
Sales		24,167,914	24,167,914	26,647,603
Service income		202,593,513	202,593,513	259,739,653
Interest income		2,875,556	2,875,556	179,245
Other income		242,338	242,338	518,460
Total revenues		<u>229,879,321</u>	<u>229,879,321</u>	<u>287,084,961</u>
Expenses				
Cost of sales and services		143,078,519	143,078,519	173,324,026
Selling expenses		4,264,528	4,264,528	3,919,866
Administrative expenses		53,824,231	53,824,231	56,372,273
Total expenses		<u>201,167,278</u>	<u>201,167,278</u>	<u>233,616,165</u>
Profit before share of loss from investment				
in associate		28,712,043	28,712,043	53,468,796
Share of loss from investment in associate	13	(457,052)	-	-
Profit before finance cost and corporate income tax		<u>28,254,991</u>	<u>28,712,043</u>	<u>53,468,796</u>
Finance cost		(188,229)	(188,229)	(157,771)
Profit before corporate income tax		<u>28,066,762</u>	<u>28,523,814</u>	<u>53,311,025</u>
Corporate income tax		(6,688,833)	(6,688,833)	(12,958,103)
Profit for the year		<u>21,377,929</u>	<u>21,834,981</u>	<u>40,352,922</u>
Total comprehensive income for the year		<u>21,377,929</u>	<u>21,834,981</u>	<u>40,352,922</u>
Earnings per share	24			
Basic earnings per share				
Profit for the year		<u>0.05</u>	<u>0.05</u>	<u>0.14</u>
Diluted earnings per share				
Profit for the year		<u>0.05</u>	<u>0.05</u>	<u>0.14</u>

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

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บริษัท เออาร์ไอพี จำกัด (มหาชน)

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ARIP Public Company Limited

Statements of changes in shareholders' equity

For the years ended 31 December 2011 and 2010


(Unit: Baht)

	Financial statements in which the equity method is applied				
	Issued and fully paid up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
Balance as at 31 December 2010	112,600,000	83,464,677	7,817,646	14,428,840	218,311,163
Converted warrants to share capital (Note 19)	1,775,000	-	-	-	1,775,000
Dividends paid (Note 27)	-	-	-	(32,427,735)	(32,427,735)
Total comprehensive income for the year	-	-	-	21,377,929	21,377,929
Transferred to retained earnings (Note 21)	-	-	1,091,749	(1,091,749)	-
Balance as at 31 December 2011	<u>114,375,000</u>	<u>83,464,677</u>	<u>8,909,395</u>	<u>2,287,285</u>	<u>209,036,357</u>

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


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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited


(นายปฐม อินทโรดม)
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ARIP Public Company Limited


Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Separate financial statements in which the cost method is applied				
	Issued and fully paid up		Retained earnings		Total
	share capital	Share premium	Appropriated	Unappropriated	
Balance as at 31 December 2009	58,000,000	-	5,800,000	33,679,564	97,479,564
Increase share capital (Note 19)	54,600,000	83,464,677	-	-	138,064,677
Dividends paid (Note 27)	-	-	-	(57,586,000)	(57,586,000)
Total comprehensive income for the year	-	-	-	40,352,922	40,352,922
Transfer to retained earnings					
(Note 21)	-	-	2,017,646	(2,017,646)	-
Balance as at 31 December 2010	<u>112,600,000</u>	<u>83,464,677</u>	<u>7,817,646</u>	<u>14,428,840</u>	<u>218,311,163</u>
Balance as at 31 December 2010	112,600,000	83,464,677	7,817,646	14,428,840	218,311,163
Converted warrants to share capital					
(Note 19)	1,775,000	-	-	-	1,775,000
Dividends paid (Note 27)	-	-	-	(32,427,735)	(32,427,735)
Total comprehensive income for the year	-	-	-	21,834,981	21,834,981
Transfer to retained earnings					
(Note 21)	-	-	1,091,749	(1,091,749)	-
Balance as at 31 December 2011	<u>114,375,000</u>	<u>83,464,677</u>	<u>8,909,395</u>	<u>2,744,337</u>	<u>209,493,409</u>

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


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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited


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ARIP Public Company Limited

Statements of cash flows

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Financial statements		
	in which the equity	Separate financial statements	
	method is applied	in which the cost method is applied	
	<u>2011</u>	<u>2011</u>	<u>2010</u>
Cash flows from operating activities			
Profit before tax	28,066,762	28,523,814	53,311,025
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	9,227,873	9,227,873	8,269,287
Allowance for doubtful accounts (Reversal)	158,158	158,158	(500,683)
Decrease of inventory to net realisable value (Reversal)	(4,879,071)	(4,879,071)	(723,365)
Gain on sale of equipment	(242)	(242)	(5,375)
Loss on intangible assets written off	3	3	796
Share of loss from investment in associate	457,052	-	-
Income from trading advertising for equipment	-	-	(103,742)
Income from trading advertising for inventories	(94,112)	(94,112)	(518,662)
Reserve for long-term employee benefits	2,710,709	2,710,709	-
Interest income	(2,875,556)	(2,875,556)	(179,245)
Interest expenses	-	-	157,771
Income from operating activities before changes in operating assets and liabilities	32,771,576	32,771,576	59,707,807
Operating assets (increase) decrease			
Trade and other receivables	48,791,822	48,791,822	(43,297,592)
Inventories	5,266,141	5,266,141	1,370,950
Other current assets	(7,158,431)	(7,158,431)	(1,065,191)
Other assets	(21,978)	(21,978)	16,971
Operating liabilities increase (decrease)			
Trade and other payables	(11,887,377)	(11,887,377)	(1,671,696)
Other current liabilities	(3,438,521)	(3,438,521)	3,691,847
Cash flows from operating activities	64,323,232	64,323,232	18,753,096
Cash paid for interest expenses	-	-	(157,771)
Cash paid for corporate income tax	(12,694,654)	(12,694,654)	(9,273,992)
Net cash flows from operating activities	51,628,578	51,628,578	9,321,333

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

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ARIP Public Company Limited

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กรรมการ

ARIP Public Company Limited


Statements of cash flows (continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Financial statements		
	in which the equity	Separate financial statements	
	method is applied	in which the cost method is applied	
	<u>2011</u>	<u>2011</u>	<u>2010</u>
Cash flows from investing activities			
Decrease in restricted bank deposit	-	-	28,245
Proceed from liquidation of subsidiary	-	-	406,361
Increase in current investments	(15,000,000)	(15,000,000)	(50,000,000)
Acquisition of investment in associate	(6,400,000)	(6,400,000)	-
Acquisition of equipment	(1,834,290)	(1,834,290)	(13,688,814)
Acquisition of intangible assets	(1,096,413)	(1,096,413)	(1,440,409)
Proceeds from sales of equipment	7,409	7,409	35,533
Interest income	2,670,076	2,670,076	179,245
Net cash flows used in investing activities	<u>(21,653,218)</u>	<u>(21,653,218)</u>	<u>(64,479,839)</u>
Cash flows from financing activities			
Repayment of liabilities under finance lease agreement	-	-	(108,313)
Proceeds from increase in share capital	-	-	138,064,677
Cash received from converted warrants	1,775,000	1,775,000	-
Dividends paid	(32,427,735)	(32,427,735)	(57,586,000)
Net cash flows from (used in) financing activities	<u>(30,652,735)</u>	<u>(30,652,735)</u>	<u>80,370,364</u>
Net increase (decrease) in cash and cash equivalents	<u>(677,375)</u>	<u>(677,375)</u>	<u>25,211,858</u>
Cash and cash equivalents at beginning of the year	63,185,425	63,185,425	37,973,567
Cash and cash equivalents at end of the year	<u><u>62,508,050</u></u>	<u><u>62,508,050</u></u>	<u><u>63,185,425</u></u>

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


(นายปรุ้ม อินทโรดม)
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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited


(นายมนู เลียวไพโรจน์)
กรรมการ

ARIP Public Company Limited

Notes to financial statements

For the years ended 31 December 2011 and 2010

1. General information

ARIP Public Company Limited ("the Company") was incorporated as a limited company and transformed to be a public company under Thai laws and is domiciled in Thailand. Its major shareholder is an individual. The Company is principally engaged in the production and distribution of IT-related publications, the placement of advertisements, and the management of event and marketing activities. The registered office of the Company is at 99/16-20 Ratchadapisek Road, Din Daeng, Bangkok.

The Company received a letter from the Market for Alternative Investment (MAI) informing that the Company's ordinary shares were listed securities since 2 December 2010.


2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.


The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

- 2.2 The Company did not present the consolidated financial statements of the Company and its subsidiary company (A.R. Business Press Company Limited) for the year 2010 since the subsidiary filed for deregistration with the Ministry of Commerce on 27 November 2009, and filed for the completeness of liquidation on 2 February 2010. The subsidiary had no business transactions during the year 2010. The consolidated financial statements for the year 2010 were presented for only comparative purposes with previous year's consolidated financial statements.


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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited


(นายมนู เลียวไพโรจน์)
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3. Adoption of new accounting standards during the year

During the current year, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited

(นายมนู เตียวไพโรจน์)

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Financial Reporting Standard Interpretations:

TFRIC 15 Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 31 Revenue - Barter Transactions Involving Advertising
Services

These accounting standards do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company previously accounted for such employee benefits when they are incurred.

The Company has changed this accounting policy in the current year and recognises the liability in the transition period as an expense on a straight-line basis over up to 5 years from the date of adoption.

As at 31 December 2011, the Company recognised Baht 2.71 million of such long-term employee benefit liabilities and Baht 4.82 million remains unrecognised.

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12 Income Taxes

TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of
Government Assistance

TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

Accounting Standard Interpretations:


SIC 10 Government Assistance - No Specific Relation to Operating
Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Dépreciable
Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its
Shareholders


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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited


(นายณัฐ เพียวไพโรจน์)
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The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Magazine subscription income

Magazine subscription income is recognised based on straight-line basis over the subscription period.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Advertising service income is recognised when the service has been rendered. The service is generally considered to be rendered when the advertisement is issued.

Arrangement of exhibitions and seminar is recognised when the event has occurred.

Barter sales are recognised when the service has been rendered. These revenues are valued at fair value of the goods or services received, adjusted by the amount of the cash or equivalent means transferred in the operation. In the case of not being able to reliably assess the value of goods or services received, revenue will be valued according to the fair value of the goods or services delivered, similarly adjusted by the amount of the cash or cash equivalents transferred in the operation.

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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited

(นายมนู เลียวไพโรจน์)

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Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

5.4 Inventories

Finished goods are valued at the lower of average cost and net realisable value.

5.5 Investment in associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

5.6 Property, plant and equipment / depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building	-	20 years
Building improvement	-	5, 10 years
Computer equipment	-	3, 5 years
Office equipment and furniture	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.



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บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited



(นายมนู เลียวไพโรจน์)

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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.7 Intangible assets/amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

Computer software	-	5 years
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5.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.


5.9 Long-term leases

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.


5.10 Foreign currencies

Transactions in foreign currency are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies outstanding are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.


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5.11 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

5.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

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For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment as an expense on a straight-line basis over up to five years from the date of adoption.

5.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.14 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

6. Significant accounting judgments and estimates


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

Leases


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

Allowance for doubtful accounts

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


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Impairment of investment in associate

The Company treats investment in associate as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

Intangible assets

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

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company has contingent liabilities as a result of litigation. The Company’s management has used judgment to assess the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

7. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below were concluded on commercial terms and bases agreed upon between the Company and those related parties.

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(Unit: Million Baht)

	<u>2011</u>	<u>2010</u>	<u>Transfer Pricing Policy</u>
<u>Transactions with related parties</u>			
Revenue			
Sales of goods	3.5	0.2	Cost plus margin
Advertising income	6.2	7.4	Market price
Revenue from management of event	11.0	4.0	Market price
Other service income	2.6	1.7	Cost plus margin
Expenses			
Purchases of goods	1.7	5.4	Market price
Advertising and marketing activities expenses	7.5	13.6	Cost plus margin
Internet fee	1.1	1.2	Market price
Office rental	0.1	0.1	Actual cost
Management fee	3.0	3.0	Agreed upon basis
Service fee for accounting software	1.7	1.7	Agreed upon basis
Other service fee	2.9	4.2	Cost plus margin

As at 31 December 2011 and 2010, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	<u>2011</u>	<u>2010</u>
<u>Trade and other receivables - related parties</u>		
Related companies (related by common shareholders and directors)	<u>2,755</u>	<u>2,745</u>
<u>Trade and other payable - related parties</u>		
Related companies (related by common shareholders and directors)	<u>2,812</u>	<u>3,639</u>

Directors and management's benefits

During the year ended 31 December 2011 and 2010, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	<u>2011</u>	<u>2010</u>
Short-term employee benefits	15,272	15,596
Post-employment benefits	848	-
Total	<u>16,120</u>	<u>15,596</u>

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In addition, the Company has allocated 15.6 million warrants to its directors and/or employees without charge. The details of warrants are presented in Note 20 to the financial statements.

8. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2011	2010
Cash	110	102
Bank deposits	62,398	63,083
Bills of exchange	-	-
Total	62,508	63,185


As at 31 December 2011, bank deposits in saving accounts and fixed deposits carried interests between 0.25 and 2.0 per annum (2010: between 0.5 and 1.4 per annum).

9. Current investment

As at 31 December 2011, the Company had invested in fixed deposit with a maturity of more than 3 months totaling Baht 65 million (2010: Baht 50 million). The fixed deposit carries interest at rates of 3.43% per annum (2010: 1.40% per annum).

10. Trade and other receivable

	(Unit: Thousand Baht)	
	<u>2011</u>	<u>2010</u>
Trade receivables - related parties		
Aged on the basis of due dates		
Not yet due	2,648	1,685
Past due		
Up to 3 months	107	1,060
Total trade receivables - related parties	2,755	2,745


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(Unit: Thousand Baht)

	<u>2011</u>	<u>2010</u>
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Post date cheque	2,518	2,587
Not yet due	6,613	6,706
Past due		
Up to 3 months	5,475	48,793
3 - 6 months	-	3,321
Over 12 months	268	110
Total	14,874	61,517
Less: Allowance for doubtful debts	(268)	(110)
Total trade receivables - unrelated parties, net	14,606	61,407
Total trade receivable - net	17,361	64,152
Other receivables		
Accrued income - related party	1	-
Accrued income - unrelated party	531	1,284
Retention receivable	2,121	3,528
Total other receivables	2,653	4,812
Trade and other receivables - net	20,014	68,964


11. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Finished goods	3,543	8,327	(2,989)	(7,868)	554	459
Work in process	350	738	-	-	350	738
Total	3,893	9,065	(2,989)	(7,868)	904	1,197

12. Restricted bank deposits

These represent savings deposits pledged with the banks to secure the issuance of bank guarantee granted by the bank to the Company.


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13. Investment in associate

13.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
			2011	2010	2011	2010	2011	2010
			(%)	(%)				
Splash Interactive Company Limited	Production of TV, radio, and cable TV program	Thailand	40.0	-	5,943	-	6,400	-


On 1 September 2011, the Company jointly invested in Splash Interactive Company Limited. The Company holds 1.28 million ordinary shares of such company with a par value of Baht 5 per share, accounting for Baht 6.4 million and representing a 40.0% holding in Splash Interactive Company Limited, making such company an associated company. This transaction had been approved by a Board of Directors' Meeting on 11 August 2011.

13.2 Share of loss and dividend received


(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
	Share of loss from investment in associate		Dividend received	
	2011	2010	2011	2010
Splash Interactive Company Limited	(457)	-	-	-

The Company's interest in the equity of Splash Interactive Company Limited was calculated based on the affiliated company's financial statement which was reviewed by its auditor.


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13.3 Summarised financial information of associate

Financial information of associate is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as		Total assets as		Total liabilities as		Total revenues		Loss for the year	
	at 31 December		at 31 December		at 31 December		for the year ended		ended	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Splash Interactive										
Company Limited	16	-	20	-	5	-	37	-	(1)	-

14. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building	Building improvements	Computer equipment	Furniture fixtures and office equipment	Motor vehicles	Total
Cost:							
31 December 2009	41,074	10,000	12,395	10,087	7,208	5,821	86,585
Additions	-	-	490	7,953	583	4,766	13,792
Disposals	-	-	-	(1,449)	(506)	-	(1,955)
31 December 2010	41,074	10,000	12,885	16,591	7,285	10,587	98,422
Additions	-	-	-	1,461	373	-	1,834
Disposals	-	-	-	(1,046)	(245)	-	(1,291)
Transfers in (out)	-	-	-	71	(71)	-	-
31 December 2011	41,074	10,000	12,885	17,077	7,342	10,587	98,965
Accumulated depreciation:							
31 December 2009	-	4,918	9,079	7,793	4,654	802	27,246
Depreciation for the year	-	500	2,462	1,831	1,006	1,924	7,723
Depreciation on disposals	-	-	-	(1,428)	(497)	-	(1,925)
31 December 2010	-	5,418	11,541	8,196	5,163	2,726	33,044
Depreciation for the year	-	500	888	3,808	960	2,118	8,274
Depreciation on disposals	-	-	-	(1,046)	(238)	-	(1,284)
Depreciation on transfer in (out)	-	-	-	71	(71)	-	-
31 December 2011	-	5,918	12,429	11,029	5,814	4,844	40,034
Net book value:							
31 December 2010	41,074	4,582	1,344	8,395	2,122	7,861	65,378
31 December 2011	41,074	4,082	456	6,048	1,528	5,743	58,931
Depreciation for the year (All included in administrative expenses)							
2010							7,723
2011 (นายปฐุม อินทโรตม)							8,274

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As at 31 December 2011, the Company had office equipment under financial lease agreements with net book values amounting to Baht 0.06 million (2010: Baht 0.1 million).

As at 31 December 2011, certain equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 21.3 million (2010: Baht 8.3 million).

15. Intangible assets

The net book value of intangible assets as at 31 December 2011 and 2010 is presented below.

	(Unit: Thousand Baht)		
	Computer software	Software under development	Total
Cost:			
31 December 2009	3,545	65	3,610
Additions	1,440	-	1,440
Write-off	(7)	-	(7)
31 December 2010	4,978	65	5,043
Additions	928	168	1,096
Transfer in (out)	65	(65)	-
Write-off	(143)	-	(143)
31 December 2011	5,828	168	5,996
Accumulated amortisation:			
31 December 2009	2,874	-	2,874
Amortisation for the year	546	-	546
Amortisation on write-off	(6)	-	(6)
31 December 2010	3,414	-	3,414
Amortisation for the year	953	-	953
Amortisation on write-off	(143)	-	(143)
31 December 2011	4,224	-	4,224
Net book value:			
31 December 2010	1,564	65	1,629
31 December 2011	1,604	168	1,772
Amortisation expenses for the year			
2010			546
2011			953

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As at 31 December 2011, certain computer software has been fully amortised but is still in use. The original cost of those assets amounted to approximately Baht 2.6 million (2010: Baht 2.7 million).

16. Withholding tax deducted at source

This represents the withholding tax deducted at source of the year 2005. The Company regards withholding tax deducted at source as an asset since it has the right to claim for refund of it. However, the net realisable value of tax is subjected to the exercise of the claim right by the Company and to the Company's tax audit by the Revenue officials.


17. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2011</u>	<u>2010</u>
Trade payables - related parties	2,791	3,598
Trade payables - unrelated parties	6,743	12,168
Accrued expenses - related parties	21	41
Accrued expenses - unrelated parties	1,652	7,287
Total trade and other payables	<u>11,207</u>	<u>23,094</u>


18. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)
	<u>2011</u>
Defined benefit obligation at beginning of year	6,027
Current service cost	786
Interest cost	247
Additional provisions for employee benefits during the year	472
Benefits paid during the year	<u>(1,357)</u>
Defined benefit obligation at end of year	6,175
Unrecognised past service costs	<u>(4,821)</u>
Provisions for long-term employee benefits at end of year	<u>1,354</u>


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Long-term employee benefit expenses included in profit or loss for the year ended 31 December 2011 amounted to Baht 2.7 million.

Principal actuarial assumptions at the valuation date were as follows:

	<u>2011</u> (% per annum)
Discount rate	4.1
Future salary increase rate (depending on age)	5.0 - 9.0
Staff turnover rate	0 - 25.0

19. Share capital


19.1 On 28 April 2010, the Annual General Meeting of the Company's shareholders passed a resolution to increase its registered capital from Baht 58 million (580,000 ordinary shares of Baht 100 each) to Baht 78 million by issuing new 200,000 ordinary shares of Baht 100 each to its existing shareholders who hold shares in the register of the Company shareholders on 16 June 2010. The Company received the payment of newly issued shares from all shareholders on 18 June 2010 and registered the capital increase with the Ministry of Commerce on 21 June 2010.

19.2 In June 2010, the Company changed its shareholding structure. Advanced Research Group Company Limited, the Company's major shareholder that held 94% of the Company's registered share capital, sold all of its investments in the Company to other shareholder, an individual who is a major shareholder of Advanced Research Group Company Limited, and Apsilon Ventures Pte. Ltd., a related party of Advanced Research Group Company Limited.


As a result, the Company's major shareholder has been changed from Advanced Research Group Company Limited to the individual. This was effective since 16 June 2010 hereof.

19.3 On 16 July 2010, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions:

- a) Change the par value of the Company's ordinary shares from Baht 100 each to Baht 0.25 each. As a result, the Company's share registered and fully paid up share capital will be Baht 78 million (312 million ordinary shares of Baht 0.25 each).


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- b) Issue 15.6 million warrants to directors and/or employees of the Company under the Employee Stock Ownership Program Scheme (ESOP Scheme).
- c) Increase registered share capital, of Baht 38.5 million from Baht 78 million to Baht 116.5 million (466 million ordinary shares) through the issuance of 154 million ordinary shares of Baht 0.25 each.


A total of 138.4 million of the new ordinary shares of Baht 0.25 each will be offered through an Initial Public Offering (IPO) and 15.6 million ordinary shares will be offered to certain directors and/or employees of the Company.

19.4 On 16 November 2010, the Company's Board of Directors approved the initial public offering price of the additional share capital at Baht 0.90 per share. The Company received the additional share subscription from the initial public offering of ordinary shares in November 2010 and registered the increase in paid-up capital to Baht 112.6 million with the Ministry of Commerce on 25 November 2010. Total share proceeds were Baht 124.6 million with a share premium of Baht 90 million and share issue costs of Baht 6.5 million were offset against this share premium.


The Company received a letter from the Market for Alternative Investment (MAI) informing that the Company's ordinary shares were listed securities since 2 December 2010.

Reconciliation of number of ordinary shares

	(Unit: Thousand Shares)	
	<u>2011</u>	<u>2010</u>
<u>Registered share capital</u>		
Number of ordinary shares at the beginning of the year	466,000	580
Increase in number of ordinary shares due to change in par value	-	231,420
Number of ordinary shares after change in par value	466,000	232,000
Increase in registered share capital	-	218,400
Increase in number of ordinary shares due to shares being reserved for exercise of warrants	-	15,600
Number of ordinary shares at the end of the year	<u>466,000</u>	<u>466,000</u>


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	(Unit: Thousand Shares)	
	<u>2011</u>	<u>2010</u>
<u>Issued and paid-up share capital</u>		
Number of ordinary shares at the beginning of the year	450,400	580
Increase in number of ordinary shares due to change in par value	-	231,420
Number of ordinary shares after change in par value	450,400	232,000
Increase in registered share capital	-	218,400
Increase in number of ordinary shares due to exercised warrants	7,100	-
Number of ordinary shares at the end of the year	<u>457,500</u>	<u>450,400</u>

Registered ordinary shares which are not issued and paid-up are the ordinary shares reserved for the exercise of warrants offered to certain directors and/or employees of the Company, as discussed in Note 20 to the financial statements.


During the year, the holders of the ordinary share warrants offered to the directors and/or employees (ESOP) exercised 7.1 million warrants at an exercise price of Baht 0.25 each, or for a total of Baht 1.8 million to purchase 7.1 million ordinary shares with a par value of Baht 0.25 each, or a total of Baht 1.8 million.

The Company registered the increase in its paid up share capital with the Ministry of Commerce, and the Market for Alternative Investment (MAI) approved the additional ordinary shares as listed securities.


20. Warrants

Details of warrants of the Company which will be offered to certain directors and/or employees are as follows:

Type of warrant	: Holder specified and non-transferable
No. of units issued	: 15,600,000 Units
Issue price	: None
Allocation ratio	: 1 warrant to 1 new ordinary share (except for the adjustment exercise ratio under the condition)
Exercise price	: Baht 0.25 per share in a ratio of 1 warrant to 1 new ordinary share (except for the adjustment exercise price under the condition)
Term of issue	: 1 year from the date approved by the shareholder's meeting


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Term of warrants : 3 years from issue date

No. of ordinary shares allocated : 15,600,000 ordinary shares of Baht 0.25 each or 5% of paid up share capital

Issue date : 15 November 2010

Allocation to : Directors and/or employees of the Company

Condition and period of exercise : Warrant holders may exercise no more than 50% of the total warrants allotted, following a period of 12 months after the allotment date.

Warrant holders may exercise the remaining warrants, following a period of 24 months after the allotment date until the final exercise date.

The movements of warrants during the year are summarised below.

	ESOP (Thousand Units)
Brought forward/Number of unexercised	15,600
Exercised during the year	(7,100)
Number of unexercised warrants	8,500

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2011, the Company had set aside the statutory reserve of Baht 1.1 million from its net income (2010: Baht 2.0 million).

22. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)	
	2011	2010
Employee expenses	59.4	61.6
Cost of sales, advertising media and services	111.2	139.5
Depreciation and amortisation	9.2	8.3
Rental expenses	0.3	0.3
Consultant and management fee	8.0	7.4

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23. Barter sales

During the year 2011, the Company had barter service income which was included in advertising income amounting to Baht 1.0 million (2010: Baht 3.2 million).

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which might need to be issued for the conversion of all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Calculation of basic earnings per share and diluted earnings per share is presented below:


	Profit			Weighted average number of ordinary shares			Earnings per share		
	2011 ⁽¹⁾	2011 ⁽²⁾	2010	2011 ⁽¹⁾	2011 ⁽²⁾	2010	2011 ⁽¹⁾	2011 ⁽²⁾	2010
	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	(Baht)
Basic earnings per share									
Profit for the year	21,378	21,835	40,353	451,022	451,022	288,331	0.05	0.05	0.14
Effect of dilutive potential ordinary shares									
ESOP-W	-	-	-	12,303	12,303	1,715			
Diluted earnings per share	-	-	-	12,303	12,303	1,715			
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	21,378	21,835	40,353	463,325	463,325	290,046	0.05	0.05	0.14

⁽¹⁾ Financial statements in which the equity method is applied.

⁽²⁾ Separate financial statements in which the cost method is applied.

25. Segment information

The Company operates the business operations into 3 principal segments: (1) printing media (2) management of event and (3) digital and other media. Below is the financial information for the years ended 31 December 2011 and 2010 of the Company by segment.


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	Printing media			Management of event			Digital and other media			Elimination of inter-segment revenues			Total		
	2011 ⁽¹⁾	2011 ⁽²⁾	2010	2011 ⁽¹⁾	2011 ⁽²⁾	2010	2011 ⁽¹⁾	2011 ⁽²⁾	2010	2011 ⁽¹⁾	2011 ⁽²⁾	2010	2011 ⁽¹⁾	2011 ⁽²⁾	2010
Revenues from external customers	62,801	62,801	74,782	151,897	151,897	203,845	15,181	15,181	8,458	-	-	-	229,879	229,879	287,085
Inter-segment sales	3,404	3,404	4,899	-	-	-	348	348	615	(3,752)	(3,752)	(5,514)	-	-	-
Total revenues	66,205	66,205	79,681	151,897	151,897	203,845	15,529	15,529	9,073	(3,752)	(3,752)	(5,514)	229,879	229,879	287,085
Segment income (loss)															
Unallocated income and expenses:	2,909	2,909	6,772	23,754	23,754	46,800	2,049	2,049	(103)	-	-	-	28,712	28,712	53,469
Share of loss from investment in associate													(457)	-	-
Finance cost													(188)	(188)	(158)
Corporate income tax													(6,689)	(6,689)	(12,958)
Profit for the year													21,378	21,835	40,353

⁽¹⁾ Financial statements in which the equity method is applied⁽²⁾ Separate financial statements in which the cost method is applied.

(Unit: Thousand Baht)

	Printing media			Management of event			Digital and other media			Elimination of inter-segment revenues			Total		
	2011 ⁽¹⁾	2011 ⁽²⁾	2010	2011 ⁽¹⁾	2011 ⁽²⁾	2010	2011 ⁽¹⁾	2011 ⁽²⁾	2010	2011 ⁽¹⁾	2011 ⁽²⁾	2010	2011 ⁽¹⁾	2011 ⁽²⁾	2010
Property, plant and equipment	47,107	47,107	51,818	8,807	8,807	9,016	3,017	3,017	4,544	-	-	-	58,931	58,931	65,378
Unallocated assets													171,115	171,572	192,563
Total assets													230,046	230,503	257,941

⁽¹⁾ Financial statements in which the equity method is applied⁽²⁾ Separate financial statements in which the cost method is applied.

Transfer prices between business segments are set out in Note 7 to the financial statements.

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by TISCO Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2011, the Company contributed Baht 1.15 million (2010: Baht 1.14 million).

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27. Dividends paid

Dividends	Approved by	Total dividends Thousand Baht	Par value of ordinary share Baht	Dividend per share Baht	Payment date
Final dividends for 2010	Annual General Meeting of the shareholders on 4 April 2011	13,512	0.25	0.03	20 April 2011
Interim dividends on operating results of the six-month period of 2011	Board of Directors' meeting on 11 August 2011	18,916	0.25	0.04	7 September 2011
Total dividends paid in 2011		32,428			
Final dividends for 2009	Annual General Meeting of the shareholders on 28 April 2010	33,640	100	58.0	6 May 2010
Interim dividends on operating results of 1 st quarter of 2010	Board of Directors' meeting on 29 June 2010	13,650	100	17.5	1 July 2010
Interim dividends on operating results of 2 nd quarter of 2010 and from retained earnings	Board of Directors' meeting on 24 August 2010	10,296	0.25	0.03	27 August 2010
Total dividends paid in 2010		57,586			

28. Commitments and contingent liabilities


28.1 Operating lease and service commitments

The Company has entered into operating lease agreements in respect of the lease of warehouse space, motor vehicles and service agreements. The terms of agreements are generally 1 year. These agreements are non-cancellable.

As at 31 December 2011, future minimum lease payments required under these agreements were Baht 4.7 million (2010: Baht 5.5 million). They were payable within 1 year.

28.2 Guarantees

As at 31 December 2011, there were outstanding bank guarantees of approximately Baht 0.3 million (2010: Baht 0.3 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use, among others.


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29. Financial instruments

29.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables and restricted bank deposits trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable and other receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and other receivable as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and bank overdrafts with interest bearing. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	(Million Baht)				
	Fixed interest rates	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
<u>Financial Assets</u>					
Cash and cash equivalent	-	62.40	0.11	62.51	0.3 - 2.0
Current investment	-	65.00	-	65.00	3.3 - 3.6
Trade and other receivables	-	-	20.01	20.01	-
Deposits at bank with restrictions	-	1.00	-	1.00	1.3
	-	128.40	20.12	148.52	
<u>Financial liabilities</u>					
Trade and other payables	-	-	11.21	11.21	
	-	-	11.21	11.21	

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Foreign currency risk

The Company considers itself no foreign currency risk because it has few transactions that are denominated in foreign currency. The Company therefore does not enter into forward exchange contracts.

29.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

30. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure in order to support its business and maximise shareholder value. As at 31 December 2011, the Company's debt-to-equity ratio was 0.1:1 (2010: 0.2:1).

31. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 and as the result of the adoption of revised and new accounting standards as described in Note 3, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholders' equity.

	(Unit: Thousand Baht)	
	<u>As reclassified</u>	<u>As previously reported</u>
Statements of financial position		
Cash and cash equivalents	63,185,425	63,119,947
Restricted bank deposits	1,000,000	1,065,478
Trade and other receivables	68,964,267	-
Trade accounts receivable	-	64,152,074
Retention receivables	-	3,528,586
Accrued income	-	1,283,607
Prepaid expenses	-	1,056,434
Other current assets	2,949,859	1,893,425
Trade and other payables	23,094,182	-
Trade accounts payable	-	15,765,661

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		(Unit: Thousand Baht)
	<u>As reclassified</u>	<u>As previously reported</u>
Amounts due to related parties	-	41,472
Accrued expenses	-	7,287,049
Unearned income	-	5,492,894
Other current liabilities	10,530,250	5,037,356


The reclassifications had no effect to previously reported profit or shareholders' equity.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2012.


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