

ARIP Public Company Limited
Report and financial statements
31 December 2012

Independent Auditor's Report

To the Shareholders of ARIP Public Company Limited

I have audited the accompanying financial statements of ARIP Public Company Limited, which comprise the statement of financial position in which the equity method is applied as at 31 December 2012, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of ARIP Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of ARIP Public Company Limited as at 31 December 2012, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

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

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited

Bangkok: 26 February 2013

ARIP Public Company Limited
Statement of financial position
As at 31 December 2012

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	60,689,033	62,508,050	60,689,033	62,508,050
Current investments	8	70,000,000	65,000,000	70,000,000	65,000,000
Trade and other receivables	6,9	43,944,683	20,014,288	43,944,683	20,014,288
Inventories	10	1,953,888	903,662	1,953,888	903,662
Other current assets		6,892,154	10,313,770	6,892,154	10,313,770
Total current assets		183,479,758	158,739,770	183,479,758	158,739,770
Non-current assets					
Restricted bank deposit	11	3,096,293	1,000,000	3,096,293	1,000,000
Investment in associate	12	-	5,942,948	-	6,400,000
Property, plant and equipment	13	58,702,603	58,930,713	58,702,603	58,930,713
Intangible assets	14	6,569,025	1,771,710	6,569,025	1,771,710
Withholding tax deducted at source	15	8,136,196	3,608,531	8,136,196	3,608,531
Deposits		41,667	51,928	41,667	51,928
Other non-current assets		361,167	-	361,167	-
Total non-current assets		76,906,951	71,305,830	76,906,951	71,762,882
Total assets		260,386,709	230,045,600	260,386,709	230,502,652

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

ARIP Public Company Limited


Statement of financial position (continued)

As at 31 December 2012

(Unit: Baht)

		Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 16	26,000,896	11,206,805	26,000,896	11,206,805
Income tax payable		528,696	-	528,696	-
Other current liabilities		6,436,829	8,448,335	6,436,829	8,448,335
Total current liabilities		32,966,421	19,655,140	32,966,421	19,655,140
Non-current liabilities					
Reserve for long-term employee benefits	17	2,990,428	1,354,103	2,990,428	1,354,103
Other non-current liabilities		481,435	-	481,435	-
Total non-current liabilities		3,471,863	1,354,103	3,471,863	1,354,103
Total liabilities		36,438,284	21,009,243	36,438,284	21,009,243
Shareholders' equity					
18					
Share capital					
Registered					
466,000,000 ordinary shares of Baht 0.25 each		116,500,000	116,500,000	116,500,000	116,500,000
Issued and fully paid up					
465,175,000 ordinary shares of Baht 0.25 each (2011 : 457,500,000 ordinary shares of Baht 0.25 each)		116,293,750	114,375,000	116,293,750	114,375,000
Share premium		83,464,677	83,464,677	83,464,677	83,464,677
Retained earnings					
Appropriated - statutory reserve	20	10,451,948	8,909,395	10,451,948	8,909,395
Unappropriated		13,738,050	2,287,285	13,738,050	2,744,337
Total shareholders' equity		223,948,425	209,036,357	223,948,425	209,493,409
Total liabilities and shareholders' equity		260,386,709	230,045,600	260,386,709	230,502,652

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


(นายมนู เดียวไพโรจน์)

Directors



(นายปฐม อินทโรดม)

arip

บริษัท เออาร์ไอพี จำกัด (มหาชน)
ARIP Public Company Limited

ARIP Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2012

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
		2012	2011	2012	2011
Revenues					
Sales		18,030,886	24,167,914	18,030,886	24,167,914
Service income		227,963,398	202,593,513	227,963,398	202,593,513
Interest income		3,330,535	2,875,556	3,330,535	2,875,556
Dividend income	12	-	-	2,188,800	-
Other income		182,508	242,338	417,516	242,338
Total revenues		249,507,327	229,879,321	251,931,135	229,879,321
Expenses					
Cost of sales and services		149,879,021	143,078,519	149,879,021	143,078,519
Selling expenses		3,794,442	4,264,528	3,794,442	4,264,528
Administrative expenses		57,687,078	53,824,231	57,687,078	53,824,231
Total expenses		211,360,541	201,167,278	211,360,541	201,167,278
Profit before share of profit (loss) from investment in associate		38,146,786	28,712,043	40,570,594	28,712,043
Share of profit (loss) from investment in associate	12	2,880,860	(457,052)	-	-
Profit before finance cost and income tax expenses		41,027,646	28,254,991	40,570,594	28,712,043
Finance cost		(164,278)	(188,229)	(164,278)	(188,229)
Profit before income tax expenses		40,863,368	28,066,762	40,406,316	28,523,814
Income tax expenses		(9,555,250)	(6,688,833)	(9,555,250)	(6,688,833)
Profit for the year		31,308,118	21,377,929	30,851,066	21,834,981
Total comprehensive income for the year		31,308,118	21,377,929	30,851,066	21,834,981
Earnings per share	23				
Basic earnings per share					
Profit for the year		0.07	0.05	0.07	0.05
Diluted earnings per share					
Profit for the year		0.07	0.05	0.07	0.05

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

ARIP Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(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 1 January 2011	112,600,000	83,464,677	7,817,646	14,428,840	218,311,163
Converted warrants to share capital					
(Note 18)	1,775,000	-	-	-	1,775,000
Dividends paid (Note 26)	-	-	-	(32,427,735)	(32,427,735)
Total comprehensive income for the year	-	-	-	21,377,929	21,377,929
Transferred to retained earnings					
(Note 20)	-	-	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>
Balance as at 1 January 2012	114,375,000	83,464,677	8,909,395	2,287,285	209,036,357
Converted warrants to share capital					
(Note 18)	1,918,750	-	-	-	1,918,750
Dividends paid (Note 26)	-	-	-	(18,314,800)	(18,314,800)
Total comprehensive income for the year	-	-	-	31,308,118	31,308,118
Transferred to retained earnings					
(Note 20)	-	-	1,542,553	(1,542,553)	-
Balance as at 31 December 2012	<u>116,293,750</u>	<u>83,464,677</u>	<u>10,451,948</u>	<u>13,738,050</u>	<u>223,948,425</u>

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

ARIP Public Company Limited

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2012

(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 1 January 2011	112,600,000	83,464,677	7,817,646	14,428,840	218,311,163
Converted warrants to share capital					
(Note 18)	1,775,000	-	-	-	1,775,000
Dividends paid (Note 26)	-	-	-	(32,427,735)	(32,427,735)
Total comprehensive income for the year	-	-	-	21,834,981	21,834,981
Transfer to retained earnings					
(Note 20)	-	-	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>
Balance as at 1 January 2012	114,375,000	83,464,677	8,909,395	2,744,337	209,493,409
Converted warrants to share capital					
(Note 18)	1,918,750	-	-	-	1,918,750
Dividends paid (Note 26)	-	-	-	(18,314,800)	(18,314,800)
Total comprehensive income for the year	-	-	-	30,851,066	30,851,066
Transfer to retained earnings	-	-	-	-	-
(Note 20)	-	-	1,542,553	(1,542,553)	-
Balance as at 31 December 2012	<u>116,293,750</u>	<u>83,464,677</u>	<u>10,451,948</u>	<u>13,738,050</u>	<u>223,948,425</u>

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

ARIP Public Company Limited

Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from operating activities				
Profit before tax	40,863,368	28,066,762	40,406,316	28,523,814
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	8,775,046	9,227,873	8,775,046	9,227,873
Allowance for doubtful accounts (Reversal)	655,903	158,158	655,903	158,158
Decrease of inventory to net realisable value (Reversal)	(973,606)	(4,879,071)	(973,606)	(4,879,071)
Gain on sale of equipment	(67,313)	(242)	(67,313)	(242)
Loss on intangible assets written off	-	3	-	3
Loss (gain) on sale of investment in associate	55,826	-	(235,008)	-
Share of loss (profit) from investment in associate	(2,936,686)	457,052	-	-
Income from trading advertising for inventories	-	(94,112)	-	(94,112)
Reserve for long-term employee benefits	1,636,325	2,710,709	1,636,325	2,710,709
Interest income	(3,330,535)	(2,875,556)	(3,330,535)	(2,875,556)
Dividend income	-	-	(2,188,800)	-
Profit from operating activities before changes in operating assets and liabilities	44,678,328	32,771,576	44,678,328	32,771,576
Operating assets (increase) decrease				
Trade and other receivables	(24,714,821)	48,791,822	(24,714,821)	48,791,822
Inventories	(76,620)	5,266,141	(76,620)	5,266,141
Other current assets	3,060,449	(7,158,431)	3,060,449	(7,158,431)
Other assets	(4,517,405)	(21,978)	(4,517,405)	(21,978)
Operating liabilities increase (decrease)				
Trade and other payables	14,794,091	(11,887,377)	14,794,091	(11,887,377)
Other current liabilities	(1,530,071)	(3,438,521)	(1,530,071)	(3,438,521)
Cash flows from operating activities	31,693,951	64,323,232	31,693,951	64,323,232
Cash paid for corporate income tax	(9,026,554)	(12,694,654)	(9,026,554)	(12,694,654)
Net cash flows from operating activities	<u>22,667,397</u>	<u>51,628,578</u>	<u>22,667,397</u>	<u>51,628,578</u>

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

ARIP Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from investing activities				
Increase in restricted bank deposit	(2,096,293)	-	(2,096,293)	-
Proceeds from sale of investment in associate	6,635,008	-	6,635,008	-
Dividend received	2,188,800	-	2,188,800	-
Increase in current investments	(5,000,000)	(15,000,000)	(5,000,000)	(15,000,000)
Acquisition of investment in associate	-	(6,400,000)	-	(6,400,000)
Acquisition of equipment	(7,126,695)	(1,834,290)	(7,126,695)	(1,834,290)
Acquisition of intangible assets	(6,253,046)	(1,096,413)	(6,253,046)	(1,096,413)
Proceeds from sales of equipment	102,804	7,409	102,804	7,409
Interest income	3,459,058	2,670,076	3,459,058	2,670,076
Net cash flows used in investing activities	<u>(8,090,364)</u>	<u>(21,653,218)</u>	<u>(8,090,364)</u>	<u>(21,653,218)</u>
Cash flows from financing activities				
Cash received from converted warrants	1,918,750	1,775,000	1,918,750	1,775,000
Dividends paid	(18,314,800)	(32,427,735)	(18,314,800)	(32,427,735)
Net cash flows from (used in) financing activities	<u>(16,396,050)</u>	<u>(30,652,735)</u>	<u>(16,396,050)</u>	<u>(30,652,735)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,819,017)</u>	<u>(677,375)</u>	<u>(1,819,017)</u>	<u>(677,375)</u>
Cash and cash equivalents at beginning of the year	62,508,050	63,185,425	62,508,050	63,185,425
Cash and cash equivalents at end of the year (Note 7)	<u><u>60,689,033</u></u>	<u><u>62,508,050</u></u>	<u><u>60,689,033</u></u>	<u><u>62,508,050</u></u>

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

ARIP Public Company Limited
Notes to financial statements
For the year ended 31 December 2012

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

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.

3. 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

Financial Reporting Standard:

TFRS 8 Operating Segments

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

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

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

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 recognize deferred tax assets and liabilities under the stipulated guidelines. The effect of the adoption to the financial statements of the Company will be to increase profit for the year 2012 by Baht 0.2 million (0.0004 Baht per share) and increase brought-forward retained earnings of the year 2012 by Baht 1.0 million (0.002 Baht per share).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 – 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

		<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets		1 January 2013
Accounting Standard Interpretation:		
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed that these accounting treatment guidance and accounting standard interpretations are not relevant to the business of the Company.

4. Significant accounting policies

4.1 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.

Interest income

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

4.2 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.

4.3 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.

4.4 Inventories

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

4.5 Investment in associate

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

4.6 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.

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.

4.7 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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4.8 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.

4.9 Long-term leases

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

4.10 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.

4.11 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.

4.12 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.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

For the first-time adoption of TAS 19 Employee Benefits in 2011, 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.

4.13 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.

4.14 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.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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.

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.

6. 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.

	<u>2012</u>	<u>2011</u>	(Unit: Million Baht) <u>Transfer Pricing Policy</u>
<u>Transactions with related parties</u>			
Revenue			
Sales of goods	2	4	Cost plus margin
Advertising income	5	6	Market price
Revenue from management of event	8	11	Market price
Other service income	1	3	Cost plus margin
Expenses			
Purchases of goods	5	2	Market price
Advertising and marketing activities expenses	5	8	Cost plus margin
Internet fee	-	1	Market price
Management fee	3	3	Agreed upon basis
Service fee for accounting software	2	2	Agreed upon basis
Other service fee	8	3	Cost plus margin

As at 31 December 2012 and 2011, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	<u>2012</u>	<u>2011</u>
<u>Trade and other receivables - related parties (Note 9)</u>		
Related companies (related by common shareholders and directors)	<u>5,693</u>	<u>2,755</u>
<u>Trade and other payable - related parties (Note 16)</u>		
Related companies (related by common shareholders and directors)	<u>8,918</u>	<u>2,812</u>

Directors and management's benefits

During the years ended 31 December 2012 and 2011, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	<u>2012</u>	<u>2011</u>
Short-term employee benefits	16,900	15,272
Post-employment benefits	879	848
Total	<u>17,779</u>	<u>16,120</u>

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 19 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	<u>2012</u>	<u>2011</u>
Cash	165	110
Bank deposits	60,524	62,398
Total	<u>60,689</u>	<u>62,508</u>

As at 31 December 2012, bank deposits in saving accounts and fixed deposits carried interests between 0.63% and 2.25% per annum (2011: between 0.25% and 2.0% per annum).

8. Current investment

As at 31 December 2012, the Company had invested in fixed deposit with a maturity of more than 3 months totaling Baht 70 million (2011: Baht 65 million). The fixed deposit carries interest at rates of 3.18% per annum (2011: 3.43% per annum).

9. Trade and other receivable

(Unit: Thousand Baht)

	<u>2012</u>	<u>2011</u>
Trade receivables - related parties		
Aged on the basis of due dates		
Not yet due	4,852	2,648
Past due		
Up to 3 months	470	107
Total trade receivables - related parties	<u>5,322</u>	<u>2,755</u>

(Unit: Thousand Baht)

2012 2011

Trade receivables - unrelated parties

Aged on the basis of due dates

Post date cheque	5,080	2,518
Not yet due	4,495	6,613
Past due		
Up to 3 months	8,652	5,475
3 - 6 months	-	-
Over 12 months	824	268

Total	19,051	14,874
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Less: Allowance for doubtful debts	(824)	(268)
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Total trade receivables - unrelated parties, net	18,227	14,606
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Total trade receivable - net	23,549	17,361
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Other receivables

Accrued income - related party	371	1
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Accrued income - unrelated party	17,121	531
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Retention receivable	2,904	2,121
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Total other receivables	20,396	2,653
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Trade and other receivables - net	43,945	20,014
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10. Inventories

(Unit: Thousand Baht)

Reduce cost to net

	Cost		realisable value		Inventories - net	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Finished goods	3,527	3,543	(2,015)	(2,989)	1,512	554
Work in process	442	350	-	-	442	350
Total	3,969	3,893	(2,015)	(2,989)	1,954	904

11. 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.

12. Investment in associate

12.1 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	
			2012	2011	2012	2011	2012	2011
			(%)	(%)				
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.

On 26 December 2012, the Company sold an investment in 1.28 million shares of Splash Interactive Company Limited to the other shareholders for Baht 6.6 million, which terminated its shareholding in that company. Gain (loss) from sale of investment is included in profit or loss. This transaction had been approved by a meeting of the Board of Directors on 11 December 2012.

12.2 Share of profit (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 profit (loss) from investment in associate		Dividend received	
	2012	2011	2012	2011
Splash Interactive Company Limited	2,881	(457)	2,189	-

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.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building	Building improvements	Computer equipment	Furniture fixtures and office equipment	Motor vehicles	Total
Cost:							
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
Additions	-	-	98	4,015	2,137	877	7,127
Disposals	-	-	-	(511)	(863)	-	(1,374)
31 December 2012	41,074	10,000	12,983	20,581	8,616	11,464	104,718
Accumulated depreciation:							
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
Depreciation for the year	-	500	154	3,778	768	2,120	7,320
Depreciation on disposals	-	-	-	(511)	(828)	-	(1,339)
31 December 2012	-	6,418	12,583	14,296	5,754	6,964	46,015
Net book value:							
31 December 2011	41,074	4,082	456	6,048	1,528	5,743	58,931
31 December 2012	41,074	3,582	400	6,285	2,862	4,500	58,703
Depreciation for the year (All included in administrative expenses)							

2011	8,274
2012	7,320

As at 31 December 2011, the Company had office equipment under financial lease agreements with net book values amounting to Baht 0.06 million whereas as at 31 December 2012, there was no balance.

As at 31 December 2012, certain equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 23 million (2011: Baht 21 million).

14. Intangible assets

The net book value of intangible assets as at 31 December 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Computer Software	Software under development	Total
Cost:			
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
Additions	5,419	834	6,253
Transfer in (out)	210	(210)	-
31 December 2012	11,457	792	12,249
Accumulated amortisation:			
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
Amortisation for the year	1,456	-	1,456
31 December 2012	5,680	-	5,680
Net book value:			
31 December 2011	1,604	168	1,772
31 December 2012	5,777	792	6,569
Amortisation expenses for the year			
2011			953
2012			1,456

As at 31 December 2012, certain computer software has been fully amortised but is still in use. The original cost of those assets amounted to approximately Baht 3 million (2011: Baht 3 million).

15. 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.

16. Trade and other payables

(Unit: Thousand Baht)

	<u>2012</u>	<u>2011</u>
Trade payables - related parties	7,441	2,791
Trade payables - unrelated parties	8,378	6,743
Accrued expenses - related parties	1,477	21
Accrued expenses - unrelated parties	8,705	1,652
Total trade and other payables	<u>26,001</u>	<u>11,207</u>

17. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2012 and 2011, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	<u>2012</u>	<u>2011</u>
Defined benefit obligation at beginning of year	5,703	6,027
Current service cost	830	786
Interest cost	289	247
Benefits paid during the year	<u>(216)</u>	<u>(1,357)</u>
Defined benefit obligation at end of year	6,606	5,703
Unrecognised transitional provisions	<u>(3,616)</u>	<u>(4,349)</u>
Provisions for long-term employee benefits at end of year	<u>2,990</u>	<u>1,354</u>

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2012	2011	2012	2011
Current service cost	830	786	830	786
Interest cost	289	247	289	247
Transitional liability recognised during the year	733	1,678	733	1,678
Total expense recognized in profit or loss	1,852	2,711	1,852	2,711
Line items under which such expenses are included in profit or loss				
Cost of sales	664	1,241	664	1,241
Selling and administrative expenses	1,188	1,470	1,188	1,470

Principal actuarial assumptions at the valuation date were as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2012	2011	2012	2011
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.1	4.1	4.1	4.1
Future salary increase rate (depending on age)	5.0 - 9.0	5.0 - 9.0	5.0 - 9.0	5.0 - 9.0
Staff turnover rate	0 - 25.0	0 - 25.0	0 - 25.0	0 - 25.0

Amounts of defined benefit obligation for the current and previous period are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	
	Financial statements in which the equity method is applied	Separate financial statements
Year 2012	2,990	2,990
Year 2011	1,354	1,354

18. Share capital

During the year, the holders of the ordinary share warrants offered to the directors and/or employees (ESOP) exercised 7.68 million warrants at an exercise price of Baht 0.25 each, or for a total of Baht 1.92 million (2011: 7.1 million warrants at an exercise price of Baht 0.25 each, or for a total of Baht 1.8 million) to purchase 7.68 million ordinary shares with a par value of Baht 0.25 each, or a total of Baht 1.92 million (2011: 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.

19. 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
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	8,500
Exercised during the year	(7,675)
Number of unexercised warrants	825

20. 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 2012, the Company had set aside the statutory reserve of Baht 2 million from its net income (2011: Baht 1 million).

21. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)	
	<u>2012</u>	<u>2011</u>
Employee expenses	63	59
Cost of sales, advertising media and services	115	111
Depreciation and amortisation	9	9
Consultant and management fee	7	8

22. Barter sales

During the year 2012, the Company did not have any barter service income (2011: The Company had barter service income which was included in advertising income amounting to Baht 1 million).

23. 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:

	Financial statements in			
	which the equity		Separate	
	method is applied		financial statements	
	For the years ended 31 December			
	2012	2011	2012	2011
Profit for the year (Thousand Baht)	31,308	21,378	30,851	21,835
Weighted average number of ordinary shares (Thousand shares)	458,372	451,022	458,372	451,022
Effect of dilutive potential ordinary shares				
ESOP-W (Thousand shares)	6,266	12,303	6,266	12,303
Total weighted average number of ordinary shares (Thousand shares)	464,638	463,325	464,638	463,325
Basic earnings per share (Baht/share)	0.07	0.05	0.07	0.05
Diluted earnings per share (Baht/share)	0.07	0.05	0.07	0.05

24. 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 2012 and 2011 of the Company by segment.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied									
	Management						Elimination of inter-		Total	
	Printing media		of event		Digital and other media		segment revenues		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenues from external										
customers	65,149	62,801	175,408	151,897	8,950	15,181	-	-	249,507	229,879
Inter-segment sales	2,832	3,404	-	-	535	348	(3,367)	(3,752)	-	-
Total revenues	67,981	66,205	175,408	151,897	9,485	15,529	(3,367)	(3,752)	249,507	229,879
Segment income (loss)	5,844	2,909	34,179	23,754	(1,877)	2,049	-	-	38,146	28,712
Unallocated income and										
expenses:										
Share of profit (loss) from investment in associate									2,881	(457)
Finance cost									(164)	(188)
Income tax expenses									(9,555)	(6,689)
Profit for the year									31,308	21,378

(Unit: Thousand Baht)

Separate financial statements

	Printing media		Management of event		Digital and other media		Elimination of inter- segment revenues		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenues from external customers	65,149	62,801	175,408	151,897	8,950	15,181	-	-	249,507	229,879
Inter-segment sales	2,832	3,404	-	-	535	348	(3,367)	(3,752)	-	-
Total revenues	67,981	66,205	175,408	151,897	9,485	15,529	(3,367)	(3,752)	249,507	229,879
Segment income (loss)	5,844	2,909	34,179	23,754	(1,877)	2,049	-	-	38,146	28,712
Unallocated income and expenses:										
Other income									2,424	-
Finance cost									(164)	(188)
Income tax expenses									(9,555)	(6,689)
Profit for the year									30,851	21,835

Transfer prices between business segments are set out in Note 6 to the financial statements.

25. 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 2012, the Company contributed Baht 1 million (2011: Baht 1 million).

26. Dividends paid

Dividends	Approved by	Total dividends	Par value of ordinary share	Dividend per share	Payment date
		Thousand Baht	Baht	Baht	
Interim dividends on operating results of the six-month period of 2012	Board of Directors' meeting on 8 August 2012	18,315	0.25	0.04	5 September 2012
Total dividends paid in 2012		18,315			
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			

27. Commitments and contingent liabilities

27.1 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 2012, future minimum lease payments required under these agreements were Baht 9 million (2011: Baht 5 million). They were payable within 1 year.

27.2 Guarantees

As at 31 December 2012, there were outstanding bank guarantees of approximately Baht 2.4 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 and to guarantee advance payment received from customer (2011: Baht 0.3 million).

28. Financial instruments

28.1 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 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)

As at 31 December 2012

	Fixed interest rates	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
Financial Assets					
Cash and cash equivalents	-	60.53	0.16	60.69	0.6 - 2.3
Current investments	-	70.00	-	70.00	3.0 - 3.5
Trade and other receivables	-	-	43.94	43.94	-
Deposits at bank with restrictions	-	3.10	-	3.10	2.1
	-	133.63	44.10	177.73	
Financial liabilities					
Trade and other payables	-	-	26.00	26.00	-
	-	-	26.00	26.00	

(Million Baht)

As at 31 December 2011

	Fixed interest rates	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
Financial Assets					
Cash and cash equivalents	-	62.40	0.11	62.51	0.3 - 2.0
Current investments	-	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	
Financial liabilities					
Trade and other payables	-	-	11.21	11.21	-
	-	-	11.21	11.21	

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.

28.2 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.

29. 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 2012, the Company's debt-to-equity ratio was 0.2:1 (2011: 0.1:1).

30. Events after the reporting period

On 26 February 2013, the Board of Directors Meeting approved the allocation of the Company's profit for the year 2012 as follows:

- a) Allocation of 5% of profit for the year 2012, amounting to Baht 1.5 million, to the legal reserve.
- b) Final dividend payment to the Company's shareholders at Baht 0.024 per share, totalling Baht 11 million which will be paid on 18 April 2013.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2013.