

ARIP Public Company Limited  
Report and financial statements  
31 December 2014



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working world

EY Office Limited  
33rd Floor, Lake Rajada Office Complex  
193/136-137 Rajadapisek Road  
Klongtoey, Bangkok 10110  
G.P.O.Box 1047, Bangkok 10501, Thailand  
Tel: +66 2264 9090  
Fax: +66 2264 0789-90  
ey.com

บริษัท อัยการ จำกัด  
ชั้น 33 อาคารเลกเรจาดา  
193/136-137 ถนนรัชดาภิเษก  
คลองเตย กรุงเทพฯ 10110  
ป.ณ. 1047 กรุงเทพฯ 10501  
โทรศัพท์: +66 2264 9090  
โทรสาร: +66 2264 0789-90  
ey.com

## 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 as at 31 December 2014, 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.

### 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 judgement, 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.



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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 2014, 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, reading 'C. Suppaserttanon'.


Chayapol Suppaserttanon  
Certified Public Accountant (Thailand) No. 3972

EY Office Limited  
Bangkok: 23 February 2015


ARIP Public Company Limited  
Statement of financial position  
As at 31 December 2014

			(Unit: Baht)
	Note	2014	2013
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	39,720,824	57,846,083
Current investments	8	58,432,873	-
Trade and other receivables	6,9	47,726,090	132,417,851
Inventories	10	535,040	25,265,792
Other current assets		8,808,484	12,167,634
<b>Total current assets</b>		<b>155,223,311</b>	<b>227,697,360</b>
<b>Non-current assets</b>			
Restricted bank deposit	11	1,000,000	11,346,293
Property, plant and equipment	12	77,522,274	55,371,304
Intangible assets	13	3,076,792	5,242,847
Withholding tax deducted at source	14	4,527,665	4,527,665
Deposits		46,015	73,836
Deferred tax assets	21	4,712,418	1,569,211
Other non-current assets		-	213,417
<b>Total non-current assets</b>		<b>90,885,164</b>	<b>78,344,573</b>
<b>Total assets</b>		<b>246,108,475</b>	<b>306,041,933</b>

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

  
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

  
บริษัท เออาร์ไอพี จำกัด (มหาชน)  
ARIP Public Company Limited

  
(นายสมชาย เต๋อไพฑูริย์)  
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ARIP Public Company Limited  
Statement of financial position (continued)  
As at 31 December 2014

			(Unit: Baht)
	Note	2014	2013
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	6, 15	27,320,399	56,923,521
Income tax payable		-	102,450
Other current liabilities		6,158,726	12,117,925
<b>Total current liabilities</b>		<b>33,479,125</b>	<b>69,143,896</b>
<b>Non-current liabilities</b>			
Reserve for long-term employee benefits	16	6,607,743	5,194,266
Other non-current liabilities		-	284,484
<b>Total non-current liabilities</b>		<b>6,607,743</b>	<b>5,478,750</b>
<b>Total liabilities</b>		<b>40,086,868</b>	<b>74,622,646</b>
<b>Shareholders' equity</b>			
Share capital	17		
Registered			
466,000,000 ordinary shares of Baht 0.25 each		116,500,000	116,500,000
Issued and fully paid up			
466,000,000 ordinary shares of Baht 0.25 each		116,500,000	116,500,000
Share premium		83,464,677	83,464,677
Retained earnings (deficit)			
Appropriated - statutory reserve	19	11,650,000	11,650,000
Unappropriated (deficit)		(6,029,868)	19,367,812
Other components of shareholders' equity		436,798	436,798
<b>Total shareholders' equity</b>		<b>206,021,607</b>	<b>231,419,287</b>
<b>Total liabilities and shareholders' equity</b>		<b>246,108,475</b>	<b>306,041,933</b>

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


  
 (นายมนู เดียวไพโรจน์)  
 Directors  
  
 (นายปฐม ชื่นพูนถนอม)

  
 บริษัท เออาร์ไอพี จำกัด (มหาชน)  
 ARIP Public Company Limited

ARIP Public Company Limited  
Statement of comprehensive income  
For the year ended 31 December 2014

			(Unit: Baht)
	Note	2014	2013
<b>Revenues</b>			
Service income		263,755,132	513,081,723
Sales		11,309,950	15,973,028
Interest income		1,116,938	1,177,712
Other income		511,893	283,797
<b>Total revenues</b>		<b>276,693,913</b>	<b>530,516,260</b>
<b>Expenses</b>			
Cost of sales and services		233,629,374	423,628,204
Selling expenses		2,503,161	4,138,015
Administrative expenses		57,354,452	59,477,160
<b>Total expenses</b>		<b>293,486,987</b>	<b>487,243,379</b>
<b>Profit (loss) before finance cost and income tax</b>		<b>(16,793,074)</b>	<b>43,272,881</b>
Finance cost		(97,813)	(451,074)
<b>Profit (loss) before income tax</b>		<b>(16,890,887)</b>	<b>42,821,807</b>
Income tax	21	3,143,207	(9,685,832)
<b>Profit (loss) for the year</b>		<b>(13,747,680)</b>	<b>33,135,975</b>
<b>Other comprehensive income:</b>			
Actuarial gains, net of income tax		-	436,798
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>436,798</b>
<b>Total comprehensive income for the year</b>		<b>(13,747,680)</b>	<b>33,572,773</b>
<b>Earnings per share</b>	23		
Basic earnings (loss) per share			
Profit (loss) for the year		(0.030)	0.071

The accompanying notes are an integral part of the financial statement

  
 (นายปฐม ชื่นนาค)

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บริษัท เออาร์ไอพี จำกัด (มหาชน)  
ARIP Public Company Limited

  
 (นายบุญเลิศ ชื่นนาค)

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ARIP Public Company Limited  
Statement of changes in shareholders' equity  
For the year ended 31 December 2014

(Unit: Baht)

	Issued and fully paid up share-capital	Share premium	Retained earnings (deficit)		Other comprehensive income	Total
			Appropriated - statutory reserve	Unappropriated (deficit)		
Balance as at 1 January 2013	116,293,750	83,464,677	10,451,948	14,904,089	-	225,114,464
Convert warrants to share capital (Note 17)	206,250	-	-	-	-	206,250
Dividends paid (Note 26)	-	-	-	(27,474,200)	-	(27,474,200)
Transferred unappropriated retained earnings to statutory reserve (Note 19)	-	-	1,198,052	(1,198,052)	-	-
Total comprehensive income for the year	-	-	-	33,135,975	436,798	33,572,773
Balance as at 31 December 2013	<u>116,500,000</u>	<u>83,464,677</u>	<u>11,650,000</u>	<u>19,367,812</u>	<u>436,798</u>	<u>231,419,287</u>
Balance as at 1 January 2014	116,500,000	83,464,677	11,650,000	19,367,812	436,798	231,419,287
Dividends paid (Note 26)	-	-	-	(11,650,000)	-	(11,650,000)
Total comprehensive income for the year	-	-	-	(13,747,680)	-	(13,747,680)
Balance as at 31 December 2014	<u>116,500,000</u>	<u>83,464,677</u>	<u>11,650,000</u>	<u>(6,029,868)</u>	<u>436,798</u>	<u>206,021,607</u>

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

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ARIP Public Company Limited

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ARIP Public Company Limited

Cash flows statement


For the year ended 31 December 2014

	(Unit: Baht)	
	2014	2013
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	(16,890,887)	42,821,807
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	8,724,615	10,319,548
Reversal of allowance for doubtful accounts	(869,015)	160,339
Decrease of inventories to net realisable value (reversal)	275,473	(348,318)
Loss (gain) on sale of equipment	(420,127)	31,991
Loss on intangible assets written off	-	116
Long-term employee benefits expense	2,408,973	2,203,838
Interest income	(1,116,938)	(1,177,712)
Profit (loss) from operating activities before changes in operating assets and liabilities	(7,887,906)	54,011,609
Operating assets (increase) decrease		
Trade and other receivables	85,608,409	(88,610,695)
Inventories	156,214	(22,963,586)
Other current assets	3,359,150	(5,275,480)
Other assets	241,238	3,724,112
Operating liabilities increase (decrease)		
Trade and other payables	(29,603,122)	30,922,625
Other liabilities	(6,243,683)	5,484,145
Reserve for long-term employee benefits	(995,496)	436,798
Cash flows from (used in) operating activities	44,634,804	(22,270,472)
Cash paid for income tax	(102,450)	(10,515,250)
<b>Net cash flows from (used in) operating activities</b>	<b>44,532,354</b>	<b>(32,785,722)</b>

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

  
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 ARIP Public Company Limited

  
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ARIP Public Company Limited  
Cash flows statement (continued)  
For the year ended 31 December 2014

	(Unit: Baht)	
	2014	2013
<b>Cash flows from investing activities</b>		
Decrease (increase) in current investments	(58,432,873)	70,000,000
Decrease (increase) in restricted bank deposit	10,346,293	(8,250,000)
Acquisition of equipment	(4,089,340)	(4,806,825)
Acquisition of intangible assets	(358,391)	(1,162,393)
Proceeds from sales of equipment	457,393	275,040
Interest income	1,069,305	1,154,900
<b>Net cash flows from (used in) investing activities</b>	<b>(51,007,613)</b>	<b>57,210,722</b>
<b>Cash flows from financing activities</b>		
Cash received from converted warrants	-	206,250
Dividends paid	(11,650,000)	(27,474,200)
<b>Net cash flows used in financing activities</b>	<b>(11,650,000)</b>	<b>(27,267,950)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(18,125,259)</b>	<b>(2,842,950)</b>
Cash and cash equivalents at beginning of the year	57,846,083	60,689,033
<b>Cash and cash equivalents at end of the year (Note 7)</b>	<b>39,720,824</b>	<b>57,846,083</b>

**Supplemental cash flows information**

Non-cash transactions

Transfer inventories to equipment	24,299,065	-
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The accompanying notes are an integral part of the financial statements.

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ARIP Public Company Limited

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# ARIP Public Company Limited

## Notes to financial statements

For the year ended 31 December 2014

### 1. General information

ARIP Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the management of events and marketing activities, the production and distribution of IT-related publications, and the placement of advertisements. The registered office of the Company is at 99/16-20 Ratchadapisek Road, Din Daeng, Bangkok.

### 2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting 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 financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

#### (a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates

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ARIP  
บริษัท อริป จำกัด (มหาชน)  
ARIP Public Company Limited

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TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases – Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets – Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(นายบุญ ชื่นชื่นชม)

**ARIP**

(นายบุญ ชื่นชื่นชม)

## **(b) Financial reporting standards that will become effective in the future**

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of financial reporting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognised actuarial gains and losses immediately in other comprehensive income.

### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.


Based on the preliminary analysis, the management of the Company believes that this standard will not have any significant impact on the Company's financial statements.

## **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.

  
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ARIP Public Company Limited

  
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#### *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.

#### *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 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 improvements	-	5, 10 years
Computer equipment	-	3, 5 years
Office equipment and furniture	-	5 years
Motor vehicles	-	5 years
Tools and equipment	-	3 years

(นางสาว อัมพร)

นางสาว

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บริษัท อริป จำกัด (มหาชน)  
Ari-Prak Company Limited

(นางสาว อัมพร)  
นางสาว

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.

#### **4.6 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.

The useful life of computer software is 3 and 5 years.


#### **4.7 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.

#### **4.8 Long-term leases**

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

  
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ARIP Public Company Limited

  
(นายสมชาย วัฒนวิเศษ)  
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#### 4.9 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency. 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.

#### 4.10 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.

#### 4.11 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.

  
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ARIP Company Limited

  
(นายพิเชฐ ไชยพิเชฐ)  
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#### 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 other comprehensive income.

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

#### **4.12 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.

#### **4.13 Income tax**


Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**


Current 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.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rate enacted at the end of the reporting period.

  
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The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **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**

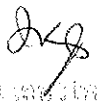
In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **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.

  
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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.

#### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.


#### **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.


### **6. Related party transactions**

The relationships between the Company and related parties are summarised below.

Name	Relationship
Advanced Research Group Co.,Ltd.	Common shareholders/Common directors
Business Online Public Company Limited	Common shareholders/Common directors
SVOA Public Company Limited	Common shareholders/Common directors
Core and Peak Co.,Ltd	Common shareholders/Common directors
D2 Systems Co.,Ltd	Common shareholders/Common directors
Anet Co.,Ltd	Common shareholders/Common directors
A.R. Accounting Consultant Co.,Ltd	Common shareholders/Common directors
ARIT Co.,Ltd	Common shareholders/Common directors
D & B (Thailand) Co.,Ltd.	Common shareholders/Common directors
Abiks Development Co., Ltd.	Common shareholders/Common directors

  
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Name	Relationship
Lease It Public Company Limited	Common shareholders / Common directors
Dataone Asia (Thailand) Co., Ltd.	Common shareholders / Common directors
National Credit Bureau Co., Ltd.	Common directors
SPVI Public Company Limited	Common directors
IT City Public Company Limited	Common directors
Thai Beverage Public Company Limited	Common directors
Bangkok Union Insurance Public Company Limited	Common directors
Siam Steel International Public Company Limited	Common directors
Kepple Communication Pte. Ltd.	Parent company of a major shareholder

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.

(Unit: Million Baht)

	2014	2013	Pricing policy
<b><u>Transactions with related parties</u></b>			
<b>Revenue</b>			
Sales of goods	2	2	Cost plus margin
Advertising income	8	6	Market price
Revenue from management of event	8	8	Market price
Other service income	2	2	Cost plus margin
<b>Expenses</b>			
Purchases of goods	1	3	Market price
Advertising and marketing expenses	11	17	Cost plus margin
Internet fee	1	1	Market price
Management fee	3	3	Agreed upon basis
Service fee for accounting software	1	1	Agreed upon basis
Other service fee	3	3	Cost plus margin

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	2014	2013
<b><u>Trade and other receivables - related parties (Note 9)</u></b>		
Related companies (related by common shareholders and directors)	8,048	5,765
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(Unit: Thousand Baht)

	2014	2013
<b><u>Trade and other payables - related parties (Note 15)</u></b>		
Related companies (related by common shareholders and directors)	5,986	7,242

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	2014	2013
Short-term employee benefits	18,020	19,026
Post-employment benefits	665	132
Total	18,685	19,158

**7. Cash and cash equivalents**

(Unit: Thousand Baht)

	2014	2013
Cash	151	115
Bank deposits	39,570	57,731
Total	39,721	57,846

As at 31 December 2014, bank deposits in saving accounts and fixed deposits carried interests between 0.38% and 1.15% per annum (2013: between 0.63% and 2.05% per annum).

**8. Current investment**

As at 31 December 2014, the Company had invested in fixed deposit with a maturity of more than 3 months totalling Baht 58 million. The fixed deposit carried interest at rates of 1.25% - 2.50% per annum.

  
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## 9. Trade and other receivables

(Unit: Thousand Baht)

	2014	2013
<b>Trade receivables - related parties (Note 6)</b>		
Aged on the basis of due dates		
Not yet due	6,052	3,520
Past due		
Up to 3 months	923	1,894
3 - 6 months	462	-
Total trade receivables - related parties	7,437	5,414
<b>Trade receivables - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	13,268	34,702
Past due		
Up to 3 months	9,262	33,934
Total	22,530	68,636
Less: Allowance for doubtful debts	(115)	(984)
Total trade receivables - unrelated parties, net	22,415	67,652
Total trade receivables - net	29,852	73,066
<b>Other receivables</b>		
Accrued income - related party (Note 6)	611	351
Accrued income - unrelated parties	10,646	41,848
Retention receivables	6,335	16,925
Advance payments	282	228
Total other receivables	17,874	59,352
Trade and other receivables - net	47,726	132,418

## 10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	2,292	26,375	(1,943)	(1,667)	349	24,708
Work in process	186	558	-	-	186	558
Total	2,478	26,933	(1,943)	(1,667)	535	25,266

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## 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. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building	Building improvements	Computer equipment	Furniture fixtures and office equipment	Tools and equipment	Motor vehicles	Total
<b>Cost:</b>								
1 January 2013	41,074	10,000	12,983	20,581	8,616	-	11,464	104,718
Additions	-	-	1,267	2,503	1,037	-	-	4,807
Disposals	-	-	-	(1,106)	(468)	-	(1,255)	(2,829)
31 December 2013	41,074	10,000	14,250	21,978	9,185	-	10,209	106,696
Additions	-	-	578	2,207	1,277	-	27	4,089
Disposals	-	-	-	(3,092)	(941)	-	(1,255)	(5,288)
Transfer in (out)	-	-	(18)	-	18	-	-	-
Transferred asset type	-	-	-	-	-	24,299	-	24,299
31 December 2014	41,074	10,000	14,810	21,093	9,539	24,299	8,981	129,796
<b>Accumulated depreciation:</b>								
1 January 2013	-	6,418	12,583	14,296	5,754	-	6,964	46,015
Depreciation for the year	-	500	197	4,170	911	-	2,054	7,832
Depreciation on disposals	-	-	-	(1,059)	(466)	-	(997)	(2,522)
31 December 2013	-	6,918	12,780	17,407	6,199	-	8,021	51,325
Depreciation for the year	-	500	201	2,663	1,005	355	1,476	6,200
Depreciation on disposals	-	-	-	(3,090)	(906)	-	(1,255)	(5,251)
31 December 2014	-	7,418	12,981	16,980	6,298	355	8,242	52,274
<b>Net book value:</b>								
31 December 2013	41,074	3,082	1,470	4,571	2,986	-	2,188	55,371
31 December 2014	41,074	2,582	1,829	4,113	3,241	23,944	739	77,522
<b>Depreciation for the year</b>								
2013 (All included in administrative expenses)								7,832
2014 (Baht 0.6 million included in service cost, and the balance in administrative expenses)								6,200

As at 31 December 2014, certain equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 32 million (2013: Baht 30 million).

On 16 December 2014, the Company entered into an operating lease agreement with a company to lease equipment for a period of one year. The minimum lease income arising from this agreement within one year is approximately Baht 8 million. In 2014, the Company recognised income of Baht 0.4 million from the lease of this equipment and presented as income in the statement of comprehensive income.

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#### 14. Withholding tax deducted at source

The amount represented withholding tax refundable for the year 2011. Its net realisable value is subject to the result of a tax audit conducted by the Revenue officials. However the management believes that the Company will receive the refund in full.

#### 15. Trade and other payables

(Unit: Thousand Baht)


	2014	2013
Trade payables - related parties (Note 6)	5,181	4,569
Trade payables - unrelated parties	9,672	14,200
Accrued expenses - related parties (Note 6)	805	2,673
Accrued expenses - unrelated parties	11,662	35,482
Total trade and other payables	27,320	56,924

#### 16. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2014 and 2013, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	2014	2013
Defined benefit obligation at beginning of year	7,605	6,606
Current service cost	894	1,695
Interest cost	309	335
Benefits paid during the year	(995)	(594)
Actuarial gains	-	(437)
Defined benefit obligation at end of year	7,813	7,605
Unrecognised transitional provisions	(1,205)	(2,411)
Provisions for long-term employee benefits at end of year	6,608	5,194

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

	(Unit: Thousand Baht)	
	2014	2013
Current service cost	895	1,695
Interest cost	309	335
Transitional liability recognised during the year	1,205	1,205
Total expense recognised in profit or loss	2,409	3,235
Line items under which such expenses are included in profit or loss		
Cost of services	1,367	2,599
Administrative expenses	1,042	636


The cumulative amount of actuarial gains recognised in other comprehensive income and taken as part of retained earnings of the Company as at 31 December 2013 amounted to Baht 0.4 million

Principal actuarial assumptions at the valuation date were as follows:


	2014	2013
	(%per annum)	(%per annum)
Discount rate	4.2	4.2
Future salary increase rate (depending on age)	5.0 - 9.0	5.0 - 9.0
Staff turnover rate	0 - 30.0	0 - 30.0

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

	(Unit: Thousand Baht)
	Defined
	benefit obligation
Year 2014	6,608
Year 2013	5,194
Year 2012	2,990
Year 2011	1,354

  
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## 17. Share capital

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 18 to the financial statements.

During the year 2013, the holders of the ordinary share warrants offered to the directors and/or employees exercised 0.8 million warrants at an exercise price of Baht 0.25 each, or a total of Baht 0.2 million to purchase 0.8 million ordinary shares with a par value of Baht 0.25 each, or a total of Baht 0.2 million.

The reconciliation of number of ordinary shares was as follow.


(Unit: Thousand Shares)

	2013
<u>Registered share capital</u>	
Number of ordinary shares at beginning of the year	466,000
Number of ordinary shares at end of the year	466,000
<u>Issued and paid-up share capital</u>	
Number of ordinary shares at beginning of the year	465,175
Increase in number of ordinary shares due to exercised warrants	825
Number of ordinary shares at end of the year	466,000


## 18. Warrants

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

Type of warrant	: Registered 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 of exercise ratio under the condition)
Exercise price	: Baht 0.25 per share (except for the adjustment of 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

  
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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

Conditions and period of exercise : Warrant holders may first 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 was summarised below.

	2013
	(Thousand Units)
Brought forward/Number of unexercised warrants	825
Exercised during the year	(825)
Number of unexercised warrants	-

#### 19. 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 2013, the Company had set aside the statutory reserve of Baht 1.2 million from its net profit.

At present, the statutory reserve has fully been set aside.

#### 20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)	
	2014	2013
Employee expenses	75	74
Cost of sales, advertising media and services	186	375
Depreciation and amortisation	9	10
Consultant and management fee	5	6

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## 21. Income tax

Income tax expense for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)	
	2014	2013
<b>Current income tax:</b>		
Current income tax charge	-	10,089
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(3,143)	(403)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>(3,143)</b>	<b>9,686</b>

Reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2014 and 2013 is as follow:

	(Unit: Thousand Baht)	
	2014	2013
Accounting profit (loss) before tax	(16,891)	42,822
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	(3,378)	8,564
Adjustment in respect of current income tax of previous year	-	503
Increase in temporary differences	(164)	(403)
Effects of:		
Non-deductible expenses	887	1,503
Additional expense deductions allowed	(488)	(481)
Total	399	1,022
Income tax expense reported in the statement of comprehensive income	(3,143)	9,686

  
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The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	2014	2013
<b>Deferred tax assets</b>		
Allowance for doubtful accounts	23	197
Allowance for diminution in value of inventories	389	333
Provision for long-term employee benefits	1,321	1,039
Tax losses	2,979	-
<b>Total</b>	<b>4,712</b>	<b>1,569</b>

## 22. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of Enterprise software, Digital content and Embedded Software, pursuant to the promotion certificate No. 2911(7)/2555 issued on 20 December 2012. Subject to certain imposed conditions, the tax privileges of the Company includes the following:

- Exemption from corporate income tax on income from the promoted activities for a period of 8 years as from the date of first earning operating income (8 October 2013).


In case that there are losses incurred during the corporate income tax exemption period, the Company is allowed to utilise the losses as a deduction against net income of future years after the expiry of the tax exemption period but with a time limit of 5 years after that period.

- Exemption from income tax on dividend paid to the shareholders from the income of the promoted operation during the corporate income tax exemption period.
- Exemption from import duty on machinery as approved by the Board.

During the year 2014, the Company has operated revenues divided from promoted operations of Baht 0.5 million (2013: Baht 12.4 million).

## 23. Earnings per share


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

  
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Calculation of basic earnings (loss) per share is presented below:

	2014	2013
Profit (loss) for the year (Thousand Baht)	(13,748)	33,136
Weighted average number of ordinary shares (Thousand shares)	466,000	465,663
Effect of dilutive potential ordinary shares (Thousand shares)	-	283
Total weighted average number of ordinary shares (Thousand shares)	466,000	465,946
Basic earnings (loss) per share (Baht/share)	(0.030)	0.071

#### 24. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance


For management purposes, the Company is organised into business units based on its products and services and has three reportable segments as follows:

- Printing media
- Management of event
- Digital and other media

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Company financing activities (including finance costs and finance income) and income taxes are managed on a company basis and are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

  
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The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2014 and 2013, respectively.

(Unit: Thousand Baht)

Year ended 31 December 2014							
	Printing media	Management of event	Digital and other media	Other segment	Total segments	Eliminations of inter-segment revenues	Total
Revenue from external customers	41,931	161,576	71,650	420	275,577	-	275,577
Inter-segment revenue	1,051	-	135	-	1,186	(1,186)	-
Interest revenue	-	-	-	1,117	1,117	-	1,117
Depreciation and amortization	319	676	2,327	5,402	8,724	-	8,724
Income tax	-	-	-	-	-	-	(3,143)
Segment profit (loss)	1,136	(12,956)	(5,324)	1,537	(15,607)	(1,186)	(16,793)
Segment total assets	11,431	34,716	33,207	166,754	246,108	-	246,108

(Unit: Thousand Baht)

Year ended 31 December 2013							
	Printing media	Management of event	Digital and other media	Other segment	Total segments	Eliminations of inter-segment revenues	Total
Revenue from external customers	51,684	345,161	132,493	-	529,338	-	529,338
Inter-segment revenue	1,940	-	165	-	2,105	(2,105)	-
Interest revenue	-	-	-	1,178	1,178	-	1,178
Depreciation and amortization	756	500	2,079	6,985	10,320	-	10,320
Income tax	-	-	-	-	-	-	9,686
Segment profit	7,213	29,457	7,530	1,178	45,378	(2,105)	43,273
Segment total assets	10,578	107,432	68,244	119,788	306,042	-	306,042

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

For the year 2014, the Company has revenue from 10 major customers in the amount of Baht 158 million, arising from sales by management of events of Baht 100 million and digital and other media of Baht 57 million and printing media of Baht 1 million (2013: Baht 359 million derived from 10 major customers, arising from sales by the management of events of Baht 262 million and printing media of Baht 97 million).

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## 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 and 5 percent of basic salary. The fund and benefit will be paid to employees upon termination in accordance with the fund rules.

On 11 November 2013, the Board of Directors Meeting of the Company approved to establish a new a provident fund named "SinSathaporn", which is managed by BBL Asset Management Co., Ltd. (transferred from the former fund which was managed by TISCO Asset Management Co., Ltd.). The Company's new provident fund is valid from January 2014. During the year 2014, the Company contributed Baht 1.8 million to this fund (2013: Baht 1.8 million).

## 26. Dividends paid

Dividends declared in the years ended 31 December 2014 and 2013 consist of:


Dividends	Approved by	Dividend (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 28 March 2014	11,650	0.025
Total		11,650	
Final dividends for 2012	Annual General Meeting of the shareholders on 28 March 2013	11,164	0.024
Interim dividends on operating results of the first six-month period of 2013	Board of Director's meeting on 11 November 2013	16,310	0.035
Total		27,474	

## 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 term of agreements is generally 1 year. These agreements are non-cancellable.

As at 31 December 2014, minimum lease payments, payable within 1 year, required under these agreements were Baht 9.4 million (2013: Baht 9.4 million).

  
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ARIP Public Company Limited

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ARIP Public Company Limited

  
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## 27.2 Guarantees

As at 31 December 2014, there were outstanding bank guarantees of approximately 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 to guarantee electricity use, among others:

As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 22.9 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 amounting to Baht 21.9 million to guarantee advance payment received from customer and Baht 1 million to guarantee electricity use, among others.

## 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 restricted bank deposits and 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 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.

  
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ARIP Public Company Limited

  
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(Unit: Million Baht)

As at 31 December 2014

	Fixed interest rate within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial Assets</b>					
Cash and cash equivalents	-	39.6	0.1	39.7	0.4 - 1.2
Current investment	58.4	-	-	58.4	1.3 - 2.5
Trade and other receivables	-	-	47.7	47.7	-
Deposits at bank with restrictions	1.0	-	-	1.0	1.6
	59.4	39.6	47.8	146.8	
<b>Financial liabilities</b>					
Trade and other payables	-	-	27.3	27.3	-
	-	-	27.3	27.3	

(Unit: Million Baht)

As at 31 December 2013

	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial Assets</b>					
Cash and cash equivalents	25.2	32.6	0.1	57.9	0.6 - 2.1
Trade and other receivables	-	-	132.4	132.4	-
Deposits at bank with restrictions	11.3	-	-	11.3	1.8 - 2.1
	36.5	32.6	132.5	201.6	
<b>Financial liabilities</b>					
Trade and other payables	-	-	56.9	56.9	-
	-	-	56.9	56.9	

**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.

The balances of financial assets and financial liabilities denominated in foreign currency are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2014	2013	2014	2013	2014	2013
					(Baht per 1 foreign currency unit)	
US dollar	7,490	8,851	12,632	12,632	32.9187	32.8136

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## 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 2014, the Company's debt-to-equity ratio was 0.2:1 (2013: 0.3:1).

## 30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2015.

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