

Information Memorandum on the Acquisition of Assets
Of
Nation Broadcasting Corporation Public Company Limited (“The Company”)

Pursuant to the Meeting of the Board of Directors no. 1/2014 held on January 21, 2014, was approved to propose to the shareholders’ meeting to consider and ratify the acquisition of the license to use allocated frequencies for national commercial digital television services (“the License”) and the fulfillment of preconditions to be granted the License and any operations related to NBC Next Vision Co., Ltd. The details are as follows.

1. Transaction date

NBC Next Vision Co., Ltd., or “NNV” received the notification issued by the National Broadcasting and Telecommunication Commission (the “NBTC”) on January 14, 2014 certifying that NNV is the winning bidder for the License in News Category and then on February 7, 2014, NNV has paid for the first installment of the license fee to NBTC.

2. The relevant parties

Transactions of NNV, a subsidiary of Nation Broadcasting Public Company Limited (“NBC”) in which NBC holds approximately 99.99 per cent of its total shares, is as follow;

No.	Type of Transaction	Related Parties	Relationship
1	The auction and acquisition of the License	NBTC	They are not the Company’s related persons
2	The Standard Definition Terrestrial Digital Television Network Services Agreement	The Royal Thai Army	They are not the Company’s related persons
3	Initial investments for developing their production sites and studios as well as for procurement of related materials	Several trading partners	They are not the Company’s related persons

3. General characteristics of the transactions

NNV which participated in and subsequently won the auction for the Licenses organized by the NBTC on 27 December 2013. In this regard, details of the result of such auction are set forth in the notification issued by the NBTC dated 10 January 2014 (NNV which was received on 14 January 2014) certifying that NNV is the winning bidder in respect of the License in News Category for 1 channel at the total bid price of approximately Baht 1,338 million

In compliance with the Preconditions, pursuant to the Notification of the National Broadcasting and Telecommunication Commission (the “NBTC”) entitled Criteria, Procedures and Conditions on the Auction for Allocated Frequencies for National Commercial Digital Television Services B.E. 2556, NNV has entered into the Standard Definition Terrestrial Digital Television Network Services Agreement with the Royal Thai Army for a total fee of approximately Baht 816.56 million. The services will be for 1 channel for a period of approximately 15 years (i.e. from 2014 to 2028).

In order to enable them to effectively carry on and provide their respective digital television services, it was estimated that NNV’s initial investments for developing their production sites and studios as well as for procurement of related materials for production of their own television programs will be approximately Baht 200 million.

In light of the foregoing and considering the transaction size pursuant to the Notification of the Capital Market Supervisory Board No.ThorJor. 20/2551 entitled Rules on Entering into Material Transactions Deemed as Acquisition or Disposition of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand (the “SET”)entitled Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition or Disposition of Assets, 2004 (the “**Major Transaction Rules**”), the size of this transaction(which has an approximate value of Baht 2,354.56 million)is of the highest value when calculated from the total consideration paid (based on our consolidated financial statements ended 30September 2013) which equals to 144.67per cent of the total assets of the Company.

Therefore, the proposed transaction falls under “Class 4 Transaction” which is regarded as a backdoor listing transaction pursuant to the Major Transaction Rules.

Nevertheless, the Company is exempted under the Major Transaction Rules from submitting their relisting applications to the SET due to the following reasons:

- (a) the digital television business acquired by the Company is in a similar line of business or a mutually supporting business to its ongoing businesses;
- (b) there is no material change in the composition of its board of directors or line of businesses, or the change of its control;
- (c) the Company has not increased its capital nor issued any securities which will affect its shareholders or result in any change in its shareholding proportion; and
- (d) the Company’s group will continue to hold suitable qualifications to be a listed company on the SET following the proposed acquisition of assets.

Consequently, the Company is required to disclose relevant information to the SET and hold its shareholders’ meeting to consider and ratify the proposed transaction with a vote of not less than three-fourths of the total votes of its shareholders attending and eligible to vote at the meeting (excluding those of interested shareholders) without having to submit any relisting application to the SET.

In addition, The Company must appoint as an independent financial advisor to give fairness opinions regarding the acquisition of assets for consideration by the board of directors and shareholders of the Company in accordance with the relevant regulations of the SET. The Company has approved the appointment of Advisory Plus Company Limited as an independent financial advisor for such asset acquisitions.

In addition, the entering into the above transaction is not considered as connected transactions pursuant to the Notification of the Capital Market Supervisory Board No. Thor Jor. 21/2551 entitled Rules on Connected Transactions and the Notification of the Board of Governors of the SET entitled Disclosure of Information and Act of Listed Company Concerning the Connected Transactions, 2003.

4. Details of Acquired Assets

- 4.1 The license and the right to use allocated frequencies for national commercial digital television services in accordance with the NBTC's policy for news channel, in 15 years term, total worth 1,338 million Baht.
- 4.2 Right to the Standard Definition Terrestrial Digital Television Network Services for news channel, in 15 years term with The Royal Thai Army, related to details, conditions in the agreements. The objective is for broadcasting to different areas in Thailand, the total value of 816.56 million Baht.
- 4.3 Assets from initial investments for developing their production sites and studios as well as for procurement of related materials for production of their own television programs will be approximately Baht 200 million.

5. Total value of the acquired assets

5.1 The Value of the assets

	Particulars	Value (Million Baht)
1	The licenses and the right to use allocated frequencies for national commercial digital television services for news channel in Standard Definition (SD) for 15 years	1,338.00
2	The Standard Definition Terrestrial Digital Television Network Services fee for about 15 years	816.56
3	Initial investments for developing their production sites and studios as well as for procurement of related materials for production of their own television programs	200.00
	Total	2,354.56

5.2 Terms of payment

(a) The licenses and the right to use allocated frequencies for national commercial digital television services for news channel in Standard Definition (SD) for 15 years

No.	Conditions	Minimal Fees	Surplus Fees	Total
1	In 30 days upon receiving a written notification the winning of the auction (within February 2014)	110.00	111.80	221.80
2	In 30 days after completion of one year of licensing,	66.00	111.80	177.80
3	In 30 days after completion of two years of	22.00	223.60	245.60

No.	Conditions	Minimal Fees	Surplus Fees	Total
	licensing,			
4	In 30 days after completion of three years of licensing,	22.00	223.60	245.60
5	In 30 days after completion of four years of licensing,	0	223.60	223.60
6	In 30 days after completion of five years of licensing,	0	223.60	223.60
	Total	220.00	1,118.00	1,338.00

* The first payment should be deducted the deposit of 10% of the minimal fees or Bt 22 million which the company have paid in October 2013.

(b) The The Standard Definition Terrestrial Digital Television Network Services fee for about 15 years.

NNV will pay The Standard Definition Terrestrial Digital Television Network Services fee to The Royal Thai Army by monthly of THB 4.72 million per month, from January 16, 2014 to May 31, 2028, total amount in 15 years are 816.56 million Baht.

(c) The investment in building improvement and equipments

NNV estimated to initial invest for developing their production sites and studios as well as for procurement of related materials for production of their own television programs total of 200 million Baht. The value and conditions of the transactions are on process of negotiation, for the Company's maximize benefit.

6. Criteria for value of the acquired assets

6.1 The value of the license is in line with the NBTC's auction rules and process. The NBTC set the minimum bid price for the auction. NNV joined the auction and won license in news categories, with the bids of Bt 1,338 million .

6.2 The digital TV network fee is specified under the network leasing contract. The fee shouldered by NNV is Bt 816.56 million for a 15-year period.

6.3 The investment in office and equipment is an initial sum. NNV estimate the initial investment at Bt 200 million. However, they are under the negotiation process to secure the best prices and conditions.

7. Expected benefits

7.1 As the Company's success in satellite television, the Company is expanding into digital television and expects to boost the company's business scale and potential, as the digital TV licenses obtained by a subsidiary support the national broadcasting. This will allow the company's stations to reach a more diverse range of audience through all platforms. This is expected to boost the company's returns.

- 7.2 To strengthen the broadcasting-based revenue, this will stabilize the entire group's operations in the future.
- 7.3 To secure modern and fully-functional equipment as well as the appropriate operating office, this will support the production of various programmes in the future.

8. Sources of funds

NBC will support to NNV for the transactions by the following sources of funds:

8.1 Cash from business operation and capital increase since July 2013

8.2 Since the terms of payment for the licensing fees are spread into 5 years after the completion date of licensing. Thus, the estimated sources of funds in the future come from:

- (a) Cash from the capital increase from warrant exercise by the warrant holders (NBC-W1), which can be exercise in June and December of each year start from December 2013 to June 2018, totaling Bt 530 million Baht.
- (b) Cash from the capital increase from ESOP warrant exercise by Directors, Executives and/or Employee of NBC and its subsidiaries (NBC-WB), available every 6 months in November and December each year from November 2013 to May 2018, totaling Bt 26 million.
- (c) Source of funds from debentures issuance (if necessary required), which approved by shareholders in on April 24, 2013, worth of 500 million.

9. Opinion of the Board of Director on the transactions

The Board of Directors considered that the transaction would benefit the company and shareholders, as it would support the company's future business expansion. It opens an opportunity to grow revenue and returns in the future. The Board of Directors resolved that this transaction should be endorsed and the executive board is authorized to proceed with related transactions.

10. Opinions of the Audit Committee and/or Directors different from those of the Board of Directors in Section 9 concerning those transactions

-None.-

11. The responsibility of the Board of Directors regarding the information as appeared in the memorandum distributed to the shareholder

The Board of Directors, with Mr.Suthichai Sae-Yoon and Mr.Adisak Limprungpatanakij as its authorized representatives, had carefully reviewed the information as appeared in the memorandum and hereby certified that the information in the memorandum was correct, complete, without falsehood and did not mislead other persons in any important content or miss any important part that should have been given.

12. Liabilities

12.1. Total amount of debt instruments not having been issued

In the 2013 Annual General Meeting of Shareholders held on 24 April 2013, has approved the issuance and offering debentures in an amount not exceeding THB 500 million at par value of THB 1,000 per unit which offered in Thailand and/or abroad to the public and/or institutional investors. In addition, approved to authorized the Board of Directors to further determine details and conditions of the offering of the debentures.

However, as at December 31, 2013 the Board of Director has not considered to approve to offering any debenture, which it will be reconsidered when necessary only.

12.2. The total amount of the term loan by which the obligations of the asset as collateral has been specified.

- None -

12.3. Total other liabilities - including bank overdrafts by which the obligations of the asset as collateral have been specified.

Type of Debt	Outstanding As at 31/12/2013 (Million Baht)	Collateral
Other payables	14.47	None
Accrued expenses	80.24	None
Other current liabilities	37.19	None
Total	131.90	

12.4. Liabilities that may occur in the future as at 31 December 2013

12.4.1. Obligations under operating leases - the term of the lease are between 5 - 6 years, in the amount of THB 95.41 million.

12.4.2. Obligation as bank guarantees in the amount of THB 8.29 million.


13. Business and Nature of Current Core Business

13.1 Type of Business

Nation Broadcasting Corporation Public Limited (“NBC”) and the subsidiaries are committed providers of content and media advertisement as follow:

13.1.1. TV media

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

Channel	Concept	Distribution
Nation Channel broadcasted since year 2000 	24-hour news and knowledge station aiming to provide accurate, fair, up-to-date content with news analysis and in-depth information from experienced reporter team	<ul style="list-style-type: none"> ▪ Local TV cable ▪ Satellite TV Thaicom-5 via C-Band 12355 MHz ▪ Satellite TV Thaicom-5 via KU-Band 3545 MHz ▪ www.nationchannel.com ▪ All network mobile phones ▪ Application on iPad and iPhone ▪ TV monitor on BTS train and station
TV Programs co-produced with free TV stations		
Reung Den Yen Nee	Daily news report or talk of town news report	on channels 3 MON-FRI 16.30 -17.45 P.M.
5 Morning Good News	Report the interesting and amusing news to allow peoples the entire world to know that not only bad news is reported, including interview with news people and interesting people from various careers.	on channels 3 MON-FRI 08.35-09.10 A.M. (Until December 31,2013)

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

13.1.2. Radio media

NBC, together with alliances has operated the production to be broadcasted on radio stations as the following details

Radio Station	Broadcasting Time & Covered Area	Concept
F.M. 90.5 MHz Defense Engery Department Radio Station under the name "News Dimension 90.5"	Mon-Fri 8.00 - 12.00 A.M. 13.00 - 15.00 P.M. 18.30 - 20.00 P.M.	<ul style="list-style-type: none"> ▪ News updates on political, economics, social, marketing, international issues, including in depth analysis and interview with people in news. ▪ Short news updates on current issues ▪ Short news updates on business issues ▪ Popular sport news from around the world

Radio Station	Broadcasting Time & Covered Area	Concept
	Sat 05.00 - 09.00 P.M. 19.30 - 20.00 P.M. Bangkok and its vicinity, Ayudya, Ratchaburi, Petburi, Supanburi, Chachuengsao, Samutsongkram	<ul style="list-style-type: none"> ▪ Narrate news and gossips on current issues ▪ Talk on health; physical and mental, secret on self-caring; beauty, foods, and current interesting issues ▪ Proceed on programs by the Nation Radio, National Channel, and field experts.
F.M.102.0 MHz Department of Army Transportation Radio Station under the name “Working Station for Working Adults”	Mon-Sun 05.00 - 23.30 P.M. Bangkok and its vicinity	<ul style="list-style-type: none"> ▪ News and knowledge, variety style, that is useful to the daily life. ▪ proceed on programs by the Nation Radio, National Channel, and field experts
A.M. 1107 KHz KU Radio Station	Every day/ on the hour/ nationwide	Short news updates on current issues
Community Radio Station nationwide for over 30 stations	Every day/ on the hour/ nationwide Bangkok and its vicinity and up-countries in all parts	Short news updates on current issues

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

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

13.1.3. New media

A. Website Business

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

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

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

- www.pantip.com : The biggest resources website in Thailand
- www.exteen.com : Blog for the public to share news and information

B. News on Mobile Phone Business

In 2013, the Company provide information to mobile devices as follow:

- News report to mobile devices in the form of Short Message Service (SMS) and Multimedia Message Service (MMS) such as SMS "Nation Tun Kao" "Krungthep Turakij Hot News. The SMS and MMS of the Company and business partners' services in 2013 such as SMS "Nation Tun Kao" "Krungthep Turakij Hot News" "Kom Chad Luek Hot News" NationEduzones" "Nation Oil Alert" "SMS + MMS By Suthichai Yoon"
- Application service for receiving information through mobile devices such as cellphones and tablets to receive programs from Nation Channel as a mean to increase recognition of the broadcasting of TV stations of the Company to a wider audience.

13.2 Summary of Financial Statements and Operating Performance

13.2.1 Summary of Financial Statements

for the year as at December 31, 2011 - 2013 are as follows

Shareholders are able to study the financial statements of the Company from the SET's website: www.set.or.th or the Company's website: www.nbc.co.th

1) Statement of comprehensive income

Unit : Thousand Baht	2554	2555	2556
Income			
Revenue from sale of goods and rendering of services	666,497	737,079	661,785
Other income	1,822	3,337	18,885
Total income	668,319	740,416	680,670
Expenses			
Cost of sale of goods and rendering of services	400,766	539,432	474,677
Selling and administrative expenses	156,317	137,724	140,927
Total Expenses	557,083	677,156	615,604
Earning before interest and taxes	111,236	63,260	65,066
Finance costs	313	975	1,262
Income tax expense	23,843	13,704	12,767
Profit for the year	87,080	48,581	51,037
Profit attributable to owners of the Company	87,080	48,581	51,037

2) Statement of financial position

Unit : Thousand Baht	2554	2555	2556
Assets			
Current assets			
Cash and cash equivalents	86,084	87,396	1,093,582
Current investment	-	-	118,000
Trade account receivable	178,639	198,710	153,062
Accrued income	40,720	55,806	45,862
Other receivables from related parties	255	21,650	25,017
Inventories	11,916	17,950	12,274
Deposit guarantee for licencing auction	-	-	22,000
Other current assets	17,721	38,794	25,806
Total current assets	335,335	420,306	1,495,603
Non-current assets			
Equipment	108,981	146,176	111,323
Intangible assets	3,523	3,621	2,587
Withholding tax deducted at source	22,477	1,512	1,912
Deferred tax assets		4,896	8,282
Other non-current assets	11,380	9,146	9,978
Total non-current assets	146,361	165,351	134,082
Total assets	481,696	585,657	1,629,685
Liabilities and equity			
Current liabilities			
Trade account payable	30,070	37,183	19,141
Income tax payable	2,440	-	289

Unit : Thousand Baht	2554	2555	2556
Other current liabilities	112,324	167,539	141,542
Total current liabilities	144,834	204,722	160,972
Non-current liability	14,793	15,965	21,441
Total liabilities	159,627	220,687	182,413
Equity			
Issued and paid-up share capital	173,438	176,870	534,413
Treasury shares	(4,535)	(5,154)	-
Premium on ordinary shares	98,951	106,947	821,124
Warrant	-	-	217
Legal reserve	13,100	15,700	18,600
Treasury shares reserve	4,535	5,154	-
Retained earnings	36,580	65,453	72,918
Equity attributable to owners of the Company	322,069	364,970	1,447,272
Non-controlling interests	-	-	-
Total equity	322,069	364,970	1,447,272
Total liabilities and equity	481,696	585,657	1,629,685

3) Statement of cash flows

Unit : Thousand Baht	2554	2555	2556
Cash flows from operating activities			
Profit for the year	87,080	48,581	51,037
<i>Adjustments for</i>			
Depreciation and amortisation	25,054	37,369	45,332
Interest income	(1,104)	(1,877)	(18,121)
Finance costs	313	975	1,262
Bad and doubtful debts expenses	3,689	2,468	400
Gain on disposal of equipment	468	(384)	(272)
Loss on written-off of equipment	-	433	3,335
Employee benefit obligations	-	1,294	1,912
Share based-payment transactions	-	-	1,688
Income tax expense	23,843	13,704	12,767
	139,343	102,563	99,340
<i>Change in operating assets and liabilities</i>			
Trade accounts receivable	(13,123)	(22,540)	45,248
Accrued income	8,440	(15,086)	9,944
Other receivables from related parties	2,196	(21,394)	(3,368)
Inventories	(4,970)	(6,034)	5,676
Other current assets	(9,632)	1,403	17,927
Withholding tax deducted at source	(14,085)	(14,611)	1,157
Other non-current assets	(4,807)	2,234	(833)
Trade account payable	698	7,113	(18,043)
Other current liabilities	10,816	24,096	8,995
Income tax paid	(13,444)	(3,602)	(16,214)
Net cash from operating activities	101,432	54,142	149,829
Cash flow from investing activities			
Interest received	1,104	1,877	13,182
Current investments	-	-	(118,000)

Unit : Thousand Baht	2554	2555	2556
Cash outflow on deposit guarantee for licencing auction	-	-	(22,000)
Purchase of equipment	(58,573)	(43,823)	(50,646)
Purchase of intangible assets	(3,965)	(582)	(220)
Net cash used in investing activities	(61,434)	(42,528)	(177,684)
Cash flow from financing activities			
Interest paid	(313)	(283)	(360)
Bank overdraft	(2,195)	-	-
Dividends paid to owners of the Company	(68,941)	(20,830)	(41,002)
Purchase of treasury shares	(4,535)	(618)	-
Proceeds from issue of ordinary shares	-	-	1,061,220
Transaction costs from issue of shares	-	-	(1,039)
Proceeds from exercise of share options	3,926	11,429	6,759
Proceeds from sale of treasury shares	-	-	8,463
Net cash from (used in) financing activities	(72,058)	(10,302)	1,034,041
Net increase (decrease) in cash and cash equivalents	(32,060)	1,312	1,006,186
Cash and cash equivalents as 1 January	118,144	86,084	87,396
Cash and cash equivalents at 31 December	86,084	87,396	1,093,582

4) Summary Financial Ratio

		2554	2555	2556
Liquidity Ratio				
Current Ratio	Times	2.32	2.05	9.29
Quick Ratio	Times	1.83	1.40	8.48
Operating cash flow ratio before changes in working capital	Times	0.71	0.31	0.82
Account receivable turnover	Times	3.72	3.79	3.62
Account receivable period	Days	96.71	95.05	99.38
Inventory turnover	Times	72.02	58.89	48.40
Inventory period	Days	5.00	6.11	7.44
Account payable turnover	Times	13.48	16.04	16.86
Account payable period	Days	26.70	22.44	21.36
Cash Cycle	Days	75.01	78.72	85.46
Profitability Ratio				
Gross profit margin	(%)	39.87	26.81	28.27
Operating profit margin	(%)	16.64	8.45	9.64
Operating cash flow before working capital to profit ratio	(%)	91.44	86.93	234.83
Net profit margin	(%)	13.03	6.56	7.50

		2554	2555	2556
Return on equity	(%)	27.23	14.14	5.63
Return on assets	(%)	18.52	9.10	4.61
Return on fixed assets	(%)	120.98	66.57	74.04
Asset Turnover	Times	1.42	1.39	0.61
Financial Policy Ratio				
Total liabilities to equity ratio	Times	0.50	0.60	0.13
Earning before interests, taxes to interest paid Cash basis	Times	0.76	0.82	1.63
Information of share				
Par per share	Baht	1.00	1.00	1.00
- Basic information				
Basic earnings per share	Baht	0.51	0.28	0.15
Basic book value per share	Baht	1.87	2.10	4.17
- Fully Diluted method				
Diluted earnings per share	Baht	0.50	0.28	0.14
Diluted book value per share	Baht	1.84	2.10	3.94

13.2.2. Explanation and Analysis of Financial Condition and Operating Results of the Company

A. Overview of the Past Operating Results

In 2011, the company had total revenue of THB 668.32 million and rose to THB 740.41 million in 2012, or increased by 10.79 percent. However, in 2013, the company's total revenue dropped to THB 680.70 million, decreased by 8.07 percent, resulting from the the company's TV business had a declined revenue from the sale of advertising on TV channels, cancelled programs from MCOT since the third quarter 2012. However, the New Media business earned revenue from advertising through website.

In 2011-2012, the company had a net profit of THB 87.08 million and THB 48.58 million respectively, decreased by 44.21 percent in 2012 due to the decrease in net income resulting from the company's cost of sales and services amounted of THB 539.43 million, increased by 34.60 percent from the year 2011, mainly caused by the production cost of the new channels launched in late 2011, including the Rama Channel and Kom Chad Luek TV. Besides, the company had and increased cost of special events in Show Biz while company's selling and administrative expenses was THB 137.72 million , decreased by 11.90 percent from the year 2011. Also, the company has a policy of a continous cost control. In addition, the company also had income tax of THB 13.70 million, decreased with the 2012 net profit.

In 2013, the company reported net profit of THB 51.04 million, increased by THB 2.46 million or increased by 5.06 percent from the year 2012 due to the increase in net income resulting from the company's cost of sales and services amounted of THB 474.68 million, decreased by 12.00 percent from 2012 , mainly due to the effective

management and control of the production cost, and in 2013 the cost of the special events in Show Biz declined while company had selling and administrative expenses THB 140.93 million and corporate income taxes expenses of THB 12.77 million.

B. Past Operating Results of Each Business

1) Revenue from sale of goods and services.

In 2011, the company had revenues from sales and services of THB 666.50 million rose to THB 737.08 million in 2012, or increased by 10.59 percent. In 2013, the company had revenues from sales and services of THB 661.78 million, decreased by 10.22 percent from the year 2012 as resulted from an increase / decrease in each business segment as follows.

TV Broadcasting Business - in 2011, the company had income from operations in the television industry and related businesses of THB 523.40 million rose to THB 550.57 million baht in 2012, increased by 5.20 percent. As compared to the year 2013, the company had income from operations in the television industry and related businesses of THB 463.34 million, decreased by 87.23 million from the year 2012, or decreased by 15.84 percent. Main causes of the decrease in revenue from television broadcasting business in 2013 resulted from a decrease in ad sales in co-production with MCOT, the discontinuity of news program “ Khao Kon Kon Khao” and “Chao Khao Kon Kon Khao Chao” since the 3rd quarter of 2012, thereby resulting in the decline in revenue from advertising sales on free TV channels.

Radio Business - in 2011 the company had revenues in the radio business amounted to THB 31.54 million, rose to THB 33.41 million in 2012, or increased by 5.93 percent while the year 2013, the company had revenues in the radio business of THB 33.08 million, slightly decreased from the year 2012, or decreased only 0.99 percent .

New Media Business - in 2011 the company had revenues from sales and services for new media of THB 111.56 million, rose to THB 153.09 million and THB 165.37 million, or increased by 37.23% and 8.02% in 2012, and 2013, respectively, as a result of revenues from the increased sale of advertising on the website, consistently with market position which selling online advertising grew as well.

2) Selling and administrative cost and expenses

The company's cost of sales in the year 2011-2013 amounted to THB 400.77 million, THB 539.43 million, and THB 474.68 million baht, representing a ratio of cost of sales to revenue from the sale of goods and services, 60.13%, 73.19%, and 71.73% for the year 2011-2013, respectively

Major costs in the operation of the company in 2011 included the cost of media production representing 29.67 percent of the total cost, salaries and benefits of production workers representing 26.62 percent of the total cost, transportation costs and making news cost representing 7.14 percent of the total cost, cost of service by departments of NMG representing 1.96 percent of the total cost, depreciation representing 5.94 percent of the total cost, various project costs representing 8.81 percent of the total cost, and the share of revenue from mobile data services (SMS / MMS) via sites and radio representing 13.54 percent of the total cost.

Major costs in the operation of the company in 2012 included the cost of media production representing 29.11 percent of the total cost, salaries and benefits of production workers representing 21.87 percent of the total cost, various project costs representing 14.45 percent of the total cost, the share of

revenue from mobile data services (SMS / MMS) via sites and radio representing 16.01 percent of the total cost, depreciation representing 6.64 percent of the total cost, and transportation costs and making news cost representing 5.34 percent of the total cost.

Major costs in the operation of the company in 2013 included the cost of media production representing 26.5511 percent of the total cost, salaries and benefits of production workers representing 23.33 percent of the total cost, the share of revenue from mobile data services (SMS / MMS) via sites and radio representing 20.79 percent of the total cost, various project cost representing 9.66 percent of the total cost, depreciation representing 9.16 percent of the total cost, and transportation costs and making news cost representing 4.17 percent of the total cost.

In the year 2011-2012, the company's selling and administrative expenses amounted to THB 156.32 million and THB 137.72 million, respectively, decreased by THB 18.60 million or 11.90 percent, while the year 2013, the company's selling and administrative expenses increased to THB 140.93 million, increased by 3.21 million, or increase of 2.33 percent.

In 2011, the company's selling and administrative expenses include the costs of sales and marketing representing 39.51 percent of the total cost, salary and employee benefit costs representing 32.10 percent of the total cost, central service charges by the various departments of NMG representing 6.01 percent of total cost.

In 2012, the company's selling and administrative expenses mainly include the costs of sales and marketing representing 27.08 percent of the total cost, salary and employee benefit costs representing 39.32 percent of the total cost, central service charges by the various departments of NMG representing 6.02 percent of total cost.

In 2013, the company's selling and administrative expenses include the costs of sales and marketing representing 31.09 percent of the total cost, salary and employee benefit costs representing 37.48 percent of the total cost, office cost representing 8.24 percent of the total cost, central service charges by the various departments of NMG representing 5.79 percent of total cost.

3) Net Profit

In 2011, the company's gross profit margin represented 39.87 percent, decreased by 26.81 percent, and 28.27 percent in 2012 and 2013 respectively. In addition, the company had the operating margin by 16.64 percent in 2011 and dropped to 8.45 percent and 9.64 percent in 2012 and 2013 respectively. Main causes of a decline in the gross margins and operating margins from operations in 2012 and a slight increase in 2013 were resulted of the increased costs and selling and administrative expenses. The net profit of the company for the year 2011-2013 represented THB 87.08 million, THB 48.58 million and THB 51.04 million respectively. The company's net income decreased by THB 38.50 million or decreased by 44.21 percent in 2012 and an increase of THB 2.46 million, or increased by 5.06 percent in 2012. Net profit margin for the year 2011-2013 represented 13.03 percent, 6.56 percent and 7.50 percent, respectively.

4) Return on Equity Ratio (ROE)

In 2011, the company's return on equity ratio was 27.23 percent, dropped to 14.14 percent in 2012 due to the decreased net profit of the company. In 2013, the company's return on equity ratio dropped to 5.63 percent due to

shareholder's equity increased resulted of the capital increase to support investment in digital TV business.

C. Financial Position

1) Assets, Assets Components and Asset Quality

In 2011, the company had total assets of THB 481.70 million, consisting of current assets THB 335.34 million and non current assets THB 146.36 million baht, accounting for 69.62% and 30.38% of total assets, respectively.

In 2012, the company had total assets of THB 585.66 million, consisting of current assets THB 420.31 million, non-current assests THB 165.35 million baht, accounting for 71.77% and 28.23% of total assets, respectively. The company's total assets increased by THB 103.96 million due to the increase in current assets of THB 84.97 million , which is mainly caused by the increase in accounts payable of THB 20.07 million, accrued income increased by THB 15.09 million, other receivables from related parties increased by THB 21.39 million, increases in inventories by THB 6.03 million, and increase in other current assets by THB 21.07 million and increase in the non-current assets by THB 18.99 million from the purchase of equipment used in the operation according to the continous investment plans from 2011-2013 for renovation, increase in efficiency, and expansion of the company, as well as the replacement of old deteriorated equipments.

In 2013, the company had total assets of THB 1,629.68, consisting of current assets THB 1,495.60 million, non-current assests THB 134.08 million baht, accounting for 92.00 % and 8.00 % of total assets, respectively. The company's total assets increased by THB 1,044.02 million due to the increase in current assets of THB 1,075.29 million , which is mainly caused by the increase in cash and cash equivalent of THB 1,006.18 million, increase in temporary investment of THB 118.00 million due to the capital increase in the digital TV business. Meanwhile, trade receivables decreased by THB 45.65 million and the non-current assets decreased by THB 31.27 million

2) Trade Accounts Recievable

In 2011, the company's net accounts receivable was THB 178.64 million, average collection period. (Before allowance for doubtful accounts) was 96.71 days. Net accounts receivable increased to THB 198.71 million in 2011, increased by 11.24 percent, mainly caused by the increase in trade accounts receivables and the company's svenues rose steadily.

In 2013, the company's net accounts receivable was THB 153.06 million, decreased by THB 45.65 million or a decrease of 22.97% from the year 2012, primarily resulting from the proceeds from the sale of advertising on Free TV fell and average collection period (Before allowance for doubtful accounts) increased from 95.05 days in 2012 to 99.38 days in 2013, and 47.60 percent of the account receivables are those whose payment has not been due.

3) Liquidity

Cash Flow

In 2011, the company's cash flows from operating activities amounted to THB 101.43 million and dropped to THB 54.14 million in 2012, or decrease of 46.62 percent. In 2013, the company's cash flow from operating activities amounted to THB 149.83 million, or increase of 176.75 percent. The company's

cash flow from investing activities amounted to THB 61.43 million and THB 42.53 million, and THB 177.68 million in the years 2011, 2012, and 2013, respectively. During the year 2011-2013, the company acquired additional equipments of THB 58.57 million, THB 43.82 million and THB 50.65 million, respectively according to the continuous investment plan for improvement, increase in efficiency, and expansion of the company, as well as the replacement of old deteriorated equipments. Moreover, in 2013 the company has invested in temporary investments of THB 118.00 million and the payment of insurance money for auction spectrum licenses of THB 22.00 million while revenue from interest receivable of THB Baht 13.18 million.

In 2011, the company's cash flow from financing activities amounted to THB 72.06 million; paid dividends of THB 68.94 million, re-purchase of the capital shares of THB 4.53 million while getting money from issuance of ordinary shares pursuant to the exercise of warrants -ESOP amount of THB 3.93 billion. In 2012, the company's cash flow from financing activities amounted to THB 10.30 million; paid dividend of THB 20.83 million, re-purchase of the capital shares of THB 0.62 million, getting money from issuance of ordinary shares pursuant to the exercise of warrants -ESOP amount of THB 11.43 million. In 2013, the company's cash flows from financing activities amounted to THB 1034.04 million, mainly due to the issuance of new shares to the existing shareholders of the company and the issuance of ordinary shares upon exercise of ordinary shares pursuant to the exercise of warrants -ESOP amount of THB 1,061.22 million and THB 6.76 million, respectively, including the re-sale of the capital shares of THB 8.46 million. In 2013, the company paid a dividend of THB 41.00 million.

Liquidity Ratio

The company's current ratio was 2.32 times, 2.05 times, and 9.29 times in 2011, 2012, and 2013, respectively. The company's quick ratio was 1.83 times, 1.40 times, and 8.48 times in 2011, 2012, and 2013, respectively. Current ratio and quick ratio increased highly in 2013 as a result of the capital increase to support investment in digital TV business. According to this current ratio, it is obvious that the company has sufficient liquidity to continue operating as normal business of the company; that is to say, the company has sufficient liquidity to repay the current liabilities upon a sudden settlement.

Capital Expenditure

In 2011, the company invested in equipment used in the operation of approximately THB 58.57 million, mainly due to renovation and improvement of the studio, investment in camera equipments and devices to store images, and digital audio, equipments in the master control room used for the Threat Watchful Channel and the Rama Channel.

The company also makes an ongoing investment for the year 2012-2013. The company invested in the equipments used in the operation of approximately THB 43.82 million and THB 50.65 million, respectively, mainly invested in studios and air control room to accommodate for broadcasting on TV channels in the affiliated companies, including the renovation and improvement of existing studios, investment in camera equipments and devices to store images and digital audio, equipments in the master control room to enhance the efficiency and support the expansion of the company.

Sources of Funding

In 2011, the company's debt to equity ratio increased by 0.50 times and increased to 0.60 times in 2012, because the company's liabilities increased by 38.25 percent as a result of the increase in the accounts payable, accrued expenses,

other accounts payable, and other current liabilities. Shareholders' equity increased by 13.32 percent pursuant to the company's profits and the issuance of ordinary shares to support the warrants ESOP.

In 2013, the company's debt to equity ratio was 0.13 times due to the shareholders' equity increased by 296.54 percent according to the company's profits and the issuance of new shares to the existing shareholders of the company and the issuance of shares to ESOP warrants as liabilities decreased by 17.35 percent.

Liabilities

In 2011, the company had total liabilities of THB 159.63 million and rose to THB 220.69 million in 2012; representing current liabilities by THB 204.72 million, increased by THB 59.89 million from the previous year as a result of the increase in accrued expenses, other accounts payable and other current liabilities, a non-current liabilities of THB 15.97 million, increased slightly by 1.18 million from the employee benefit obligations.

In 2013, the company had total liabilities of THB 182.41 million; consisting of current liabilities of THB 160.97 million, increased by THB 43.75 million from the previous year mainly, due to a decrease in accounts payable and other payables while non-current liabilities of THB 21.44 million, increased by THB 5.48 million from employee benefit obligations.

Shareholder's Equity

In 2011, the company had a paid-up capital of THB 173.44 million, retained earnings of THB 36.58 million and shareholders' equity of a total of THB 322.07 million.

In 2012, the company's directors, executives, and employees exercised the right of warrants of 3.43 million shares. Consequently, as at December 31, 2012, the company had a paid-up capital of THB 176.87 million and retained earnings of THB 65.45 million. Thus, the shareholders' equity was THB 364.97 million increased by THB 42.90 million from the year 2011.

In 2013, the company issued ordinary shares of 353.74 million shares while the company's directors, executives, and employees exercised the right of warrants in the amount of 3.80 million shares. Consequently, as at December 31, 2013, the company had a paid-up capital of THB 534.41 million and retained earnings of THB 72.92 million. Thus, shareholders' equity was THB 1,447.27 million, increased by 1,082.30 million from the year 2012.

13.3 Factors affecting the results of operations of the company

13.3.1 Risk of Competition in Free TV Stations

The transition to digital TV in Thailand opens more opportunities for new media ventures to operate the television business. This results in the stiffer competitiveness in TV business, especially the competition in the quality of television content that it tries to make a difference from other TV manufacturers to offer a variety of quality that meets the needs of TV viewers increasingly, and to increase the ads spending in the market. In spite of the fierce competition, the availability of news teams and political circumstances that remains intense for several months, as well as key strategies, "5 Screen Strategy", to manage digital TV channels in the Nation to deliver content to appear on the "5" major screens clinging to the audience's lifestyle throughout the day through whether tablets and smart phones, an important device for consuming the information during the trip, computer monitor during work hours, digital signage or outdoor displays that can be seen prevalently in the community, TV screen for

watching digital TV Nation in the morning and evening. Such the “5 Screen Strategy” is a key weapon pushing the digital TV Nation to appear among the audiences all the time, and steps into the all day primetime management strategies, and respond the questions on audiences’ lifestyle which browsing the content on the Nation TV at their convenient times is feasible. Thus we ensure that the company is a leading news channel since the early days of broadcasting and competitiveness winging the viewers of news channels and TV channels in the equal field of play.

13.3.2 Risk of High Costs and Expenses

A bid of the digital TV is considered a royalty in operating digital TV under the supervision of the NBTC, which individual payment for royalty shall mean 15 year TV operation equally. Investing the high bid and fees paid to the the NBTC is considered a significant cost that affectes the income statement of the company. Therefore, to mitigate the risk of such investment, the company has sought for the funding sources by capital increase to support investment in digital TV amounted to THB 1,000 million. In addition, the payment of the auction shall be made within a period of 5 years, which will not affect the existing cash flow. In addition, the company gets a readiness of work team, strength of content, and promsing trends of audicences. Also, access to digital TV will benefit the long term operating results due to entering the the markets with the highest ad spending.

13.4 Shareholders and Management of Nation Broadcasting Corporation Public Company Limited

13.4.1. The top ten shareholders as of December 31, 2013 are ranked as follows:

No.	Name	Shares	% Total Share
1	Nation Multimedia Group Public Company Limited	381,011,674	71.30
2	Miss Warunee Tantasuralerk	15,000,000	2.81
3	Mr. Passakorn Jessadawarangkul	12,000,000	2.25
4	Mr. Arnon Tongyad	10,941,700	2.05
5	Mr. Chawalit Wisarankul	5,004,002	0.94
6	Mr. Suthichai Sae-Yoon	4,866,714	0.91
7	Mr. Siriwan Werapodjananan	3,300,000	0.62
8	Mr. Wirat Supantharida	3,147,046	0.59
9	Mr. Wittawat Lertbannaphong	2,950,000	0.55
10	Miss Suwida Kingmuangkao	2,950,000	0.55
	Other	93,241,511	17.45
	Total	534,412,647	100.00

13.4.2. Board of Directors

As December, 31, 2013, the Board of Directors are as follows:

No.	Name	Position
1	Mr. Suthichai Sae-Yoon	Chairman of the Board of Directors
2	Mr. Adisak Limprungpatanakij	Director/President
3	Mr. Supong Limtanakool	Independent Director and the Chairman of Audit Committee
4	Mr. Metha Soonthornjit	Independent Director and the Member of Audit Committee
5	Mr. Kittichai Lattisophonkul	Independent Director and the Member

No.	Name	Position
		of Audit Committee
6	Mrs.Suphanee Dechaburananon	Independent Director
7	Mr. Sermsin Samalapa	Director
8	Miss Aeumsree Boonhachairat	Director
9	Mr. Thepchai Sae-Yong	Director
10	Miss Duangkamol Chotana	Director

13.4.3. Management

As of December 31, 2013, the management are as follows :

No.	Name	Position
1	Mr. Adisak Limprungpatanakit	President
2	Miss Aeumsree Boonhachairat	Chief Operating Officer -Sales and Marketing
3	Miss Kwanruan Thawornawee Wong	Executive Vice President-Television Programs
4	Mr.Kanok Ratwongsakul	Senior Vice President-Reporter
5	Mrs.Nongnat Hanwilai	Executive Vice President-Organization Strategy & CSR
6	Miss Chamaiporn Kongpech	Executive Vice President-Radio &Event
7	Mrs.Wararak Leelertphan	Senior - Advertising Sales
8	Miss Chutintra Wattanakul	Executive Vice President-New Media
9	Mr.Supawat Sa-nguan-ngam	Assistant Vice President - Accounting
10	Mrs.Suwannee Wacharapasakorn	Senior Finance Manager

14. Board of Director's opinion on the sufficiency of working capital

The Board of Directors considered that the financial status as disclosed in Item 8 (source of funds) was sufficient in acquiring the said assets at this time and would not affect the sufficiency of the working capital and the business operation of the company.

15. Pending material lawsuits or claims

-None

16. Interests or connected transactions between the listed company and directors, management and shareholders directly or indirectly holding shares amounting to 10 percent to more, including the nature of the transaction or the interests

Details of which are provided in Enclosure about connected transactions between the listed company and directors, management and shareholders directly or indirectly holding shares amounting to 10 percent to more.

17. Summary of material contracts during the past 2 years

Detail	Parties	Value
In 2012 the company and subsidiaries office rental contract covering facilities over a period of 3 years, each terminating in differing periods, with contract renewal conditions.	A thai property fund	20.37 Million Baht
In 2011 a subsidiary of the Company entered into news supply agreement with a foreign company for a period of 5 years.	A foreign company	0.80 million US\$ dollar

Detail	Parties	Value
In 2013 a subsidiary of the Company has signed contracts to receive services to transmit television signals to satellites over a period of 5-6 years.	Two local companies	2.28 million US\$ dollar

18. Proxy form

Details of which are provided in Enclosure No.14 (Proxy form B.)

16. Interest or related-party transactions between company's directors, executives, and shareholders directly and indirectly of 10 percent or higher

Significant related party transactions (according to financial statements) of the company, related companies, and persons who may have conflict in the year 2012 and 2013

(Unit: Million Baht)

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
Nation Multimedia Group PCL (NMG) / operates business relating to news; production and distribution of newspapers and other publications.	A large company holds shares of 71.30 percent in 2013 and 61.10 percent in 2012, and co-directors.	<u>Revenue from sale of goods and services to trade accounts receivable - related parties</u> - The company also produces short documentaries, society and business news, spots on radio and television, conducting the media to present information on companies amounted to THB 2.74 and 6.78 million in 2012 and 2013 respectively. - Company sold VCD and DVD products amounted to THB 0.02 and 0.38 million in 2012 and 2013 respectively. - The company sold TV advertising time on the Nation Channel, and TV programs in co-production with free TV as well as advertising time on radio programs amounted to THB 0.59 and 7.49 million baht in 2012 and 2013 respectively.	14.77 0.84	3.40 2.34	Because company has qualified personnel, equipments, and expertise in such field, cost can be managed properly. Such transaction is a normal business of the company and collecting is based on cost, depending on the type and duration of the preparation and cost plus of not exceeding 5 percent. - A purchase as a gift or needs in festival or events. Besides, such transaction is a normal business of the company and the the company sold at a discount, close to the price the large company offers to major customers. - NMG uses company's media to promote its products or activities. Besides, such transaction is a normal business of the company and the company sold at a discounted price, close to the price the large company offers to major customers.
		<u>Other accounts receivable - related parties</u> - Other accounts receivable – arising from various types of transactions, including cost that the company marks up.	0.79	1.04	
		<u>Costs and expense of the service.</u>	31.99	38.84	
		<u>Other accounts payables - related parties</u>	9.10	11.61	

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		<p>- Company uses services of news and photo news provided by the Nation News, Regional News, and Crimes News amounted to THB 18.68 and 18.68 million in 2012 and 2013 respectively.</p> <p>- The company paid for paper used to print publications for special events in the related business of the company, such as Project Textbooks, Review Knowledge with Mama, amounted to THB 2.10 and 2.29 million in 2012 and 2013 respectively.</p> <p>- The Company paid the service charge for information technology (IT) of THB 9.65 and 2.47 million baht in 2012 and 2013 respectively. They included</p> <ol style="list-style-type: none"> 1. Computer maintenance cost and internet use according to number of machines in use. 2. Computer system maintenance cost 3. Internet bandwidth cost for services on website. 			<p>- A transaction incurred from the use of resources jointly with NMG, which is well equipped with personnel with expertise in sourcing and producing news, thereby resulted that company saves cost of establishing the agency which jobs are overlapped. Besides, such transaction is a normal business of the company. NMG charges the company service charges at mutually agreed fixed rate, which refers to the rate of other international news agencies the company uses the service (by comparing the number of hours used and number of pieces of news received); which is close to the average of the news cost the NMG charges the company in the past year.</p> <p>- Since the NMG orders a lot of paper from both inland and abroad to be used for printing newspapers and publications of the Group, it has expertise in the selection of products and bargains. Besides, such transaction is a normal business of the company. The company pays this part at cost plus pricing of importing goods from abroad and storage.</p> <p>- To allow the resources management in information technology (IT) worthily by reducing a redundancy, and saving. Besides, such transaction is a normal business of the company. The company is charged at cost price pricing of not more than 5 percent (Cost plus), which is a reasonable rate, depending on number of computer units, and the actual operation.</p>

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		- The company uses service of the NMG departments; such as HR, procurement, billing, amounted to THB 8.41 and 8.53 million in 2012 and 2013 respectively.			-A transaction incurred from the use of resources jointly with NMG. It is a cost-saving of setting up the redundant units. Besides, such transaction is a normal business of the company. The company is charged at cost plus pricing of not more than 5 percent (Cost plus)
NBC Next Media Company Limited (NNM) / operates business of New media	A subsidiary holds 99.99 percent of shares and joint committees	<u>Revenue from sale of goods and services</u> <u>Other accounts receivables - related parties</u> - Other accounts receivable arising from various transactions, including expenses such as the repayment the company made instead of NNM.	- -	- 0.14	
NBC Next Screen Company Limited (NNS) / operates business of television program production and advertising service via TV media.	A subsidiary holds 99.99 percent of shares and joint committees	<u>Revenue from sale of goods and services</u> <u>Other accounts receivable - related parties</u> - Other accounts receivable, NNS, arising from various transactions, including expenses such as the repayment the company made instead of NNS.	3.33 16.96	- -	
		<u>Costs and expenses of the service</u> <u>Trade accounts payable - related parties</u> - The Company paid a share of the revenue from advertising sales and time rentals at the Nation Chanel of THB 36.02 million in 2013.	36.02 31.77	- -	- The Company entered into a joint agreement for TV program production of the Nation Channel and the NNS, provided that revenue sharing shall be according to the rate mutually agreed.
		<u>Trade accounts payable - related parties -</u> Other accounts payable arising from various transactions, including the cost of employee benefits transferred to the NNS.	0.55	-	

Companies or individuals operating a business	Business relationship with the Company	Transaction	Value of transaction/ Balance		Value of transaction / Balance
			2013	2012	
NBC Next Vision Company Limited (NNV) / operates business of television program production and advertising service via TV media.	A subsidiary holds 99.99 percent of shares and joint committees	<u>Revenue from sale of goods and services and other revenues</u> <u>Trade accounts receivable - related parties</u> - The company charged the satellite signal system for broadcasting amounted to THB 9.14 million in 2013. - The company sold VCD and DVD products amounted to THB 0.01 million in 2013.	30.70 9.79	- -	- Under the terms of co-production agreements on Kom Chad Luek Channel entered between the company and the NNV, collection shall be based on Cost plus pricing. - Purchasing items as gifts or needs in festival / various events. Besides, such transaction is a normal business of the company and the company sold a discounted price, close to price the company offers top the major customers.
		<u>Other accounts receivable - related parties</u> - Other accounts receivable, NNV, arising from various transactions, including expenses such as the repayment the company made instead of NNV.	94.97	-	
		<u>Costs and expenses of the service</u> <u>Trade accounts payable - related parties</u> - The Company paid a share of the revenue from advertising sales and time rentals at the Nation Chanel of THB 156.74 million in 2013.	156.74 122.79	- -	
<u>Trade accounts payable - related parties - Other accounts payable arising from various transactions, including the cost of employee</u>	7.60	-			

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		benefits transferred to the NNV.			
Nation Internation Edutainment PCL (NINE) / operates business of production and distribution of various publications	A subsidiary holds 99.99 percent of shares and joint committees	<u>Revenue from sale of goods and services</u>	6.23	2.10	-NINE uses the company's media to promote its products or activities. Besides, such transaction is a normal business of the company and the company charges the cost at the agreed rates with normal commercial terms.
		<u>Trade accounts receivable - related parties</u>	0.06	0.33	
		- The company charges service for media in the affiliates amounted to THB 0.04 million in 2012.			- Advantages on personnel with expertise in technicals of new media are applied to maximize the mutual interest. Such transaction is a normal business of the company and the company charges the cost at the agreed rates with normal commercial terms.
		- The Company charges management fees for the services of new media, including system maintenance and development of THB 0.29 million in 2012.			
<u>Other accounts receivable - related parties</u>	7.64	2.98	- As the company has personnel, equipments, and expertise in such field, cost can be managed properly. Besides, such a transaction is a normal business of the company, and charged at cost plus pricing.		
<u>Costs and expenses of service</u>	0.69	1.27	- As the company have personnel with knowledge and expertise in sales and technical of the new media business, the company shares income for membership fees, and service of SMS on mobile to NINE under the normal commercial terms.		
<u>Trade accounts payable - related parties</u>	-	-			
		- The company paid NINE a share of income for membership fees, SMS on mobile of THB 0.01 million in 2012.			

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		<u>Other accounts payable - related parties</u> - The company purchased books amounted to THB 1.25 and 0.69 million in 2012 and 2013 respectively.	0.31	0.25	- Purchasing items as gifts or needs in festival / various events. Besides, such transaction is a normal business of the company and charged at market price, under normal commercial terms.
NML Company Limited (NML) / operates business of publication delivery.	A subsidiary of the Company; the mother company holds 99.99 percent of shares, and joint committees.	<u>Costs and expenses of the service</u> <u>Other account payables - related parties</u> - Company paid shipping cost for books or publications used in the special activities of the related businesses of the company amounted to THB 0.28 and 0.17 million in 2012 and 2013 respectively.	0.17 0.07	0.28 0.05	- As the NML has expertise in such field, and it is a transaction arising out of the use of shared resources to maximize the interest. Besides, such a transaction supports the normal business of the company and the company is charged at a rate close to the price the NML offers to major customers.
Nation News Network Company Limited (NNN) / operates business of selling advertisement and publications.	A subsidiary of the Company; the mother company holds 99.99 percent of shares, and joint committees.	<u>Revenue from sale of goods and services</u> <u>Trade accounts receivable - related parties</u> - The company charged the media in the affiliates amounted to THB 0.08 and 0.05 million in 2012 and 2013 respectively. - The company sold VCD and DVD amounted of THB 0.01 and 0.01 million in 2012 and 2013 respectively. - The Company also produced short documentaries, society and business news spots on radio and television, preparation of	0.15 0.10	0.42 0.32	- NNN uses the media of the company to promote its products or activities. Besides, such transaction is a normal business of the company and charged at the agreed rate under normal commercial terms. - Purchasing items as gifts or needs in festival / various events. Besides, such transaction is a normal business of the company and the company sold at discounted price, close to the price the company offers to major customers. - As company is equipped with personnel, equipments, and expertise in such field, cost can be managed properly. Such transaction is a normal business of the

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		<p>the media in presenting information to various companies amounted to THB 0.30 million in 2012.</p> <p>- Company paid seminar fees of THB 0.03 million in 2012.</p> <p>- The company sold TV advertising time at Nation Channel, TV programs in co-production with free TV stations, and sales of radio advertising times amounted to THB 0.09 million in 2013.</p>			<p>company and charging is based on cost, which depends on type and duration of preparation and cost plus of no more than 5 percent.</p> <p>- NNN sends the personnel to join the training seminars held by the company, the company charged the seminar fees at amount the company offered to general customers.</p> <p>-NNN uses the media of the company to promote its products or activities. Besides, such transaction is a normal business of the company and charged at discounted price, close to the price the company offers to major customers.</p>
		<p><u>Other accounts receivable - related parties</u> - Other accounts receivable, NNN, arising from NNN employee's accident insurance premiums, and other expenses the company paid in lieu amounted to THB 0.44 and 0.06 million baht in 2012 and 2013 respectively.</p>	0.06	0.44	
		<p><u>Costs and expenses of the service</u> <u>Trade accounts payable - related parties</u> - The company paid a share of the revenue for the sale of advertising space on the website of the NNN newspapers, including the Nation amounted to in 2012 and 2013 respectively.</p>	4.11 1.15	4.72 1.97	<p>- The advantages of the NNN news content and expertise of Sales and Technical personnel in the company to maximize the benefit because the company has personnel with knowledge and expertise in sales and technical of new media business. Such a transaction is a normal business of the company which rate of sharing is 60 percent to NNN and 40 percent to</p>

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		<p>- The company paid a share of the revenue for membership fees, SMS on mobile of THB 0.86 and 0.57 million in 2012 and 2013 respectively.</p> <p>- The Company paid media service in the affiliates amounted to THB 1.51 and 1.15 million in 2012 and 2013 respectively.</p> <p>- The Company paid a purchase of advertising space in the NNN media of THB 0.43 and 0.39 million in 2012 and 2013 respectively.</p> <p>- The Company paid a production cost for the Asean TV of THB 1.20 million in 2012.</p>			<p>the company of monthly revenues generated by the site listed above.</p> <p>- The advantages of the NNN news content and expertise of Sales and Technical personnel in the company to maximize the benefit because the company has personnel with knowledge and expertise in sales and technical of new media business. Such a transaction is a normal business of the company, income sharing for membership and SMS service on mobile to NNN, sharing rate is 50:50 of income after operator cost each month for NNN and the company.</p> <p>- The company uses the media of the NNN to promote company's products or activities. Besides, such transaction is a normal business of the company and the NNN charged at agreed rate under th normal commercial terms.</p> <p>- Collection is made under the normal commercial terms.</p> <p>- Because NNN has qualified ersonnel, equipments, and expertise in such field, cost can be managed properly and collectioin is made under normal commercial terms.</p>
WPS (Thailand) Company Limited/ operates a publishing	A subsidiary of the Company; the mother company holds 84.50 percent	<u>Costs and expenses of the service</u> <u>Trade accounts payable - related parties</u> - The company paid the publishing cost for	3.56 2.22	3.40 1.29	- As the WPS has expertise in such field, and it is a

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
business.	of shares, and joint committees.	books and various printed forms of THB 3.40 and 3.56 million in 2012 and 2013 respectively.			transaction arising out of the use of shared resources to maximize the interest. Besides, such a transaction supports the normal business of the company and the WPS collects at number of editons, close to market price.
		<u>Other accounts payables - related parties</u> - Other accounts payable, WPS, arising from various transactions, including expenses that WPS paid instead of the company.			
Kruthep Turakij Media Company Limited (KTM) / operates business of selling advertisement and publications	A subsidiary of the Company; the mother company holds 99.99 percent of shares, and joint committees.	<u>Revenue from sale of goods and services</u> <u>Trade accounts receivable - related parties</u> - The Company also produces short documentaries, society and business news, spots on radio and television, preparation of the media in presenting information amounted to THB 0.88 and 3.00 million baht in 2012 and 2013 respectively. - The company sold VCD and DVD products amounted to THB 0.05 million in 2013. - The company charged media in the affiliates amounted of THB 1.12 billion baht in 2013.	33.73 3.26	6.94 0.89	- As the company has personnel, equipments, and expertise in such field, cost can be managed properly. Besides, such a transaction is the normal business of the company and the collection is based on cost price, depending on type and duration of preparation, and cost plus of not exceeding 5 percent. -Purchasing items as gifts or meeds in festival / various events. Besides, such transaction is a normal business of the company and the company sold at discounted price, close to the price the company offers to major customers. - KTM uses the media of the company to promote its products or activities. Besides, such transaction is a normal business of the company and the company charged service at agreed rate under normal commercial terms.

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		- The company sold advertising times on TV at the Nation Channel, TV programs in co-production with free TV, and sold ads time on radio programs amounted to THB 0.05 million in 2013.			- KTM uses the media of the company to promote its products or activities. Besides, such transaction is a normal business of the company and charged at discounted price, close to the price the company offers to major customers.
		<u>Other accounts receivable - related parties</u> -The company charges management fees for studio, MRC, and satellite system amounted to THB 6.06 and 29.50 million in 2012 and 2013 respectively.	8.33	7.92	- Because company has qualified personnel, equipments, and expertise in such field, cost can be managed properly. Such transaction is a normal business of the company and collecting is based on cost plus.
		<u>Costs and expenses of the service</u> <u>Trade accounts payable - related parties</u> - The Company paid a share of the revenue for the membership fees, SMS on mobile amounted to THB 1.52 and 1.21 billion in 2012 and 2013 respectively.	7.54 1.91	6.92 2.80	- The advantages of the KTM news content and expertise of Sales and Technical personnel of the company to maximize the benefit because the company has personnel with knowledge and expertise in sales and technical of new media business. Such a transaction is a normal business of the company which income sharing for membership fees and service of SMS on mobile is 50:50 of revenues after operator cost monthly.
		- The Company paid a purchase of advertising space in the KTM media of THB 2.63 and 3.44 million in 2012 and 2013 respectively. - The company paid seminar cost of THB 0.01 and 0.03 million in 2012 and 2013			- Collecton is made under normal commercial terms. - The company sends the personnel to join the training seminars held by the KTM; which the KTM charged

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		<p>respectively.</p> <p>- The company paid service charges for the media in the affiliates of THB 2.76 and 2.86 million in 2012 and 2013 respectively.</p>			<p>the seminar fees at amount offered to general customers.</p> <p>-KTM uses the media of the company to promote its products or activities. Besides, such transaction is a normal business of the company and KIM charged the service at agreed rate under normal commercial terms.</p>
		<p><u>Other accounts payable - related parties</u></p> <p>- Other accounts payable arising from various transactions, including expenses that KTM paid instead of the company. etc.</p>	0.09	0.24	
Kom Chad Luek Company Limited (KMM) / operates business of selling advertisement and publications.	A subsidiary of the Company; the mother company holds 99.99 percent of shares, and joint committees.	<p><u>Revenue from sale of goods and services</u></p> <p><u>Trade accounts receivable - related parties</u></p> <p>- The company sold VCD and DVD of THB 0.04 million in 2012.</p> <p>- The Company also produced short documentaries, society and business news spots on radio and television, preparation of the media in presenting information on companies amounted to THB 0.40 and 2.68 million in 2012 and 2013 respectively.</p> <p>The company sold advertising times on TV at the Nation Channel, TV programs in co-</p>	8.34 4.10	0.44 0.43	<p>- Purchasing items as gifts or needs in festival / various events. Besides, such transaction is a normal business of the company and the company sold at discounted price, close to the price the company offers to major customers.</p> <p>- Because company has qualified personnel, equipments, and expertise in such field, cost can be managed properly. Such transaction is a normal business of the company and collecting is based on cost plus, depending on type and duration of preparation and cost plus of not exceeding 5 percent.</p> <p>- KTM uses the media of the company to promote its products or activities. Besides, such transaction is a</p>

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		<p>production with free TV, and sold ads time on radio programs amounted to THB 0.12 million in 2013</p> <p>- The company charged a service of the satellite system for broadcasting amounted to TBH 5.54 million baht in 2013.</p>			<p>normal business of the company and the company charged at discounted price, close to the price the company offers to major customers.</p> <p>- Under the terms of co-production agreements on Kom Chad Luek TV Channel between the company and KMM, which collecting is based on cost plus.</p>
		<p><u>Other accounts receivable – related parties</u></p> <p>- Other accounts receivable, KMM, arising from various transactions, including expenses that company paid instead of the KMM, etc.</p>	-	0.19	
		<p><u>Costs and expenses of the service</u></p> <p><u>Trade accounts payable - related parties</u></p> <p>- The company paid a share of the revenue for the sale of advertising space on the website of the KKK newspapers, including komchadluek.com amounted to THB 1.72 and 1.77 million in 2012 and 2013 respectively.</p> <p>- Company paid a share of revenues from membership fees, SMS on mobile amounted to THB 2.65 and 1.92 million in 2012 and 2013 respectively.</p>	9.46 1.82	9.20 4.29	<p>- The advantages of the KMM news content and expertise of Sales and Technical personnel of the company to maximize the benefit because the company has personnel with knowledge and expertise in sales and technical of new media business. Such a transaction is a normal business of the company which rate of sharing is 60 percent to KMM and 40 percent to the company of monthly revenues generated by the site listed above.</p> <p>- The advantages of the KMM news content and expertise of Sales and Technical personnel of the company to maximize the benefit because the company has personnel with knowledge and expertise in sales and technical of new media business. Such a transaction is a normal business of the company which</p>

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		<p>- The company paid service for media in the affiliates of THB 3.53 and 4.28 million in 2012 and 2013 respectively.</p> <p>- The Company paid a purchase of advertising space in the KMM media of THB 1.30 and 1.48 million in 2012 and 2013 respectively.</p>			<p>income sharing between KMM and the company for membership fees and service of SMS on mobile is 50:50 of revenues after operator cost monthly.</p> <p>-The company uses the media of the KMM to promote its products or activities. Besides, such transaction is a normal business of the company and KMM charged at agreed rate under normal commercial terms.</p> <p>- Collection is made under normal commercial terms.</p>
		<p><u>Other accounts payable - related parties</u> - Other accounts payable arising from various transactions, including expenses that KMM paid instead of the company.</p>	0.06	0.11	
Nation Egmount Edutainment Company Limited (NEE) / operates business of import and distributing the publications for youth.	NEE holds 49.99 percent of shares and joint committees.	<p><u>Revenue from sale of goods and services</u> <u>Other accounts receivables - related parties</u> - Other accounts receivable, NEE, arising from various transaction, including costs that the company paid instead of the NEE.</p>	- 0.01	- 0.03	- Purchasing items as gifts or needs in festival / various events. Besides, such transaction is a normal business of the company and charged at market price under normal commercial terms.
		<p><u>Costs and expenses of the service</u> <u>Trade accounts payable - related parties</u> - The company purchased books amounted to THB 0.01 million in 2012.</p>	- -	0.01 -	- Purchasing items as gifts or needs in festival / various events. Besides, such transaction is a normal business of the company and charged at market price under normal commercial terms.

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
Nation Properties Company Limited (NP) / operates business of real estate service.	Related party transactions, major company holds 18 percent of shares.	<u>Revenue from sale of goods and services</u> <u>Other accounts receivable - related parties</u> Other accounts receivables, NP, arising from accident insurance of NP employees, including other costs such company paid instead.	- 0.01	- 0.01	
Thai Portal Compay Limited (TP)	Related party transactions, Kom Chad Luek company holds 19 percent of shares.	<u>Revenue from sale of goods and services</u> <u>Other accounts receivables- related parties</u> - Trade account receivables arising from the sale of assets; LCD projector the company received from partners and be sold to TP, which occurred in 2010. Besides, the company had an allowance for doubtful account for TP clients in full amount in 2006.	- 0.45	- 0.45	
Nation University (NTU)	Nation University is transferred a license by the Nation U Company Limited (NU), the major company holds 90.00 percent of the NU shares in 2013.	<u>Trade accounts receivable - related parties</u> - The Company charges service for advertising space on the site of THB 0.18 and 0.14 million in 2012 and 2013 respectively. - The company charged service for the new media; including SMS Service of THB 0.19 million in 2012. - The company sold VCD and DVD by THB 0.01 million in 2013.	0.15 0.68	0.37 1.51	- Collection is made under normal commercial terms. - Collection is made under normal commercial terms. -Purchasing items as gifts or meeds in festival / various events. Besides, such transaction is a normal business of the company and the company sold at discounted price, close to the price the company offers to major customers.

Company or individual operating a business	Business relationship with the Company	Transaction	Value of transaction / Balance		Value of transaction / Balance
			2013	2012	
		<u>Other accounts receivable- related parties</u> - Other accounts receivable, NTU, arising from various transactions, including expenses that the company paid instead of the NTU, etc.	8.18	9.00	
		<u>Costs and expenses of the service</u> <u>Other accounts payable - related parties</u> - Other accounts payable arising from various transactions, including tuition for the graduate students the NTU charged the company, etc.	-	0.04	
			-	0.30	