

**ITV Public Company Limited
and its Subsidiary**

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month and six-month periods ended
30 June 2010

Review Report of Certified Public Accountant

To the Board of Directors of ITV Public Company Limited

I have reviewed the accompanying consolidated and separate balance sheets as at 30 June 2010, and the related statements of income for the three-month and six-month periods ended 30 June 2010 and 2009, and the related statements of changes in equity and cash flows for the six-month periods ended 30 June 2010 and 2009 of ITV Public Company Limited and its subsidiary, and of ITV Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

As mentioned in notes 2 (b) and 10 to the financial statements as at 30 June 2010, the Company's current liabilities exceed its current assets by an amount of Baht 3,251 million and there is a deficit in excess of the share capital of an amount of Baht 3,250 million and the Company's Television Broadcasting Station under a UHF Radio-Television Broadcasting Agreement ("Operating Agreement") was revoked by the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO") as the Company did not pay the unpaid operating fee totaling Baht 2,210 million and the interest on the total unpaid operating fee at 15% per annum including the penalty arising from the alteration of television programming of Baht 97,760 million and adjust television programs fee. Subsequently, the Company ceased its operations and delivered their assets under the operating agreement to PMO. The Company has filed statements of claim regarding the unpaid operating fees totaling Baht 2,210 million plus the interest and adjust television programs fee to the arbitration process. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Because of the significance of the matters discussed in the preceding paragraph to the consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2010 and 2009 of ITV Public Company Limited and its subsidiary and of ITV Public Company Limited respectively, I am unable to express a conclusion on the accompanying interim financial statements.

I have previously audited the consolidated and separate financial statements for the year ended 31 December 2009 of ITV Public Company Limited and its subsidiary, and of ITV Public Company Limited, respectively, in accordance with generally accepted auditing standards and I was unable to express an opinion on the aforementioned financial statements in my report dated 17 February 2010 because of the significance of the matters as described in note 2 (b) to the financial statements. I have not performed any auditing procedures since that date. The consolidated and separate balance sheets as at 31 December 2009, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
9 August 2010

ITV Public Company Limited and its Subsidiary

Balance sheets

As at 30 June 2010 and 31 December 2009

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2010 (Unaudited)	31 December 2009	30 June 2010 (Unaudited)	31 December 2009
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		41,662	19,682	40,547	18,526
Current investments	4	1,083,834	1,108,432	1,083,834	1,108,432
Trade accounts receivable	5	-	-	-	-
Loan to a subsidiary	3	-	-	-	-
Withholding tax receivable		458	454	457	453
Other current assets		3,199	2,632	3,189	2,622
Total current assets		1,129,153	1,131,200	1,128,027	1,130,033
Non-current assets					
Investments in a subsidiary	6	-	-	1,186	1,225
Equipment	7	17	20	17	20
Other assets		152	147	152	147
Total non-current assets		169	167	1,355	1,392
Total assets		1,129,322	1,131,367	1,129,382	1,131,425

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

ITV Public Company Limited and its Subsidiary

Balance sheets

As at 30 June 2010 and 31 December 2009

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2010 (Unaudited)	31 December 2009	30 June 2010 (Unaudited)	31 December 2009
<i>(in thousand Baht)</i>					
Liabilities and Capital deficiency					
<i>Current liabilities</i>					
Provision for unpaid operating fee and interest	10	4,371,253	4,156,325	4,371,253	4,156,325
Accrued expenses		7,467	10,770	7,427	10,729
Other current liabilities		568	568	568	568
Total liabilities		4,379,288	4,167,663	4,379,248	4,167,622
<i>Capital deficiency</i>					
Share capital	8				
Authorised share capital - ordinary shares		7,800,000	7,800,000	7,800,000	7,800,000
Issued and paid-up share capital		6,033,487	6,033,487	6,033,487	6,033,487
Deficiency on share capital	8	(174,297)	(174,297)	(174,297)	(174,297)
Unrealised gain on securities available for sale	4	8,671	7,188	8,671	7,188
Deficit		(9,117,827)	(8,902,674)	(9,117,727)	(8,902,575)
Total capital deficiency		(3,249,966)	(3,036,296)	(3,249,866)	(3,036,197)
Total liabilities and capital deficiency		1,129,322	1,131,367	1,129,382	1,131,425

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

ITV Public Company Limited and its Subsidiary

Statements of income

For the three-month periods ended 30 June 2010 and 2009 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
<i>(in thousand Baht)</i>					
Revenues					
Return on investment		6,594	8,545	6,594	8,545
Interest income		147	475	146	473
Other income		-	24	-	24
Total revenues		6,741	9,044	6,740	9,042
Expenses					
Loss on provision for interest					
of unpaid operating fee		108,058	108,350	108,058	108,350
Administrative expenses		6,181	5,596	6,161	5,540
Impairment loss on assets		-	-	19	54
Directors' remuneration	3	1,200	1,200	1,200	1,200
Total expenses		115,439	115,146	115,438	115,144
Loss before financial costs		(108,698)	(106,102)	(108,698)	(106,102)
Financial costs		(3)	(3)	(3)	(2)
Loss for the period		(108,701)	(106,105)	(108,701)	(106,104)
Loss per share (Baht)					
	9				
Basic		(0.09)	(0.09)	(0.09)	(0.09)

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

ITV Public Company Limited and its Subsidiary

Statements of income

For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
<i>(in thousand Baht)</i>					
Revenues					
Return on investment		13,921	16,116	13,921	16,116
Interest income		227	1,008	226	1,052
Other income		-	24	-	24
Total revenues		14,148	17,148	14,147	17,192
Expenses					
Loss on provision for interest					
of unpaid operating fee	10	214,928	214,928	214,928	214,928
Administrative expenses		11,968	13,827	11,928	13,733
Impairment loss on assets		-	-	39	139
Directors' remuneration	3	2,400	2,400	2,400	2,400
Total expenses		229,296	231,155	229,295	231,200
Loss before financial costs		(215,148)	(214,007)	(215,148)	(214,008)
Financial costs		(5)	(6)	(4)	(5)
Loss for the period		(215,153)	(214,013)	(215,152)	(214,013)
Loss per share (Baht)					
	9				
Basic		(0.18)	(0.18)	(0.18)	(0.18)

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

ITV Public Company Limited and its Subsidiary

Statements of changes in equity

For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

Consolidated financial statements					
	Share capital	Deficiency on share capital	Fair value changes	Deficit	Total equity
<i>Note</i>	<i>(in thousand Baht)</i>				
Balance at 1 January 2009	6,033,487	(174,297)	4,566	(8,471,509)	(2,607,753)
Unrealised gain on securities available for sale	-	-	496	-	496
Net income recognised directly in equity	-	-	496	-	496
Loss for the period	-	-	-	(214,013)	(214,013)
Balance at 30 June 2009	6,033,487	(174,297)	5,062	(8,685,522)	(2,821,270)
Balance at 1 January 2010	6,033,487	(174,297)	7,188	(8,902,674)	(3,036,296)
Unrealised gain on securities available for sale	-	-	1,483	-	1,483
Net income recognised directly in equity	-	-	1,483	-	1,483
Loss for the period	-	-	-	(215,153)	(215,153)
Balance at 30 June 2010	6,033,487	(174,297)	8,671	(9,117,827)	(3,249,966)

Separate financial statements					
	Share capital	Deficiency on share capital	Fair value changes	Deficit	Total equity
<i>Note</i>	<i>(in thousand Baht)</i>				
Balance at 1 January 2009	6,033,487	(174,297)	4,566	(8,471,410)	(2,607,654)
Unrealised gain on securities available for sale	-	-	496	-	496
Net income recognised directly in equity	-	-	496	-	496
Loss for the period	-	-	-	(214,013)	(214,013)
Balance at 30 June 2009	6,033,487	(174,297)	5,062	(8,685,423)	(2,821,171)
Balance at 1 January 2010	6,033,487	(174,297)	7,188	(8,902,575)	(3,036,197)
Unrealised gain on securities available for sale	-	-	1,483	-	1,483
Net income recognised directly in equity	-	-	1,483	-	1,483
Loss for the period	-	-	-	(215,152)	(215,152)
Balance at 30 June 2010	6,033,487	(174,297)	8,671	(9,117,727)	(3,249,866)

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

ITV Public Company Limited and its Subsidiary

Statements of cash flows

For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Loss for the period	(215,153)	(214,013)	(215,152)	(214,013)
<i>Adjustments for</i>				
Depreciation and amortisation	3	3	3	3
Reversal of allowance for doubtful debt	(10)	(403)	(10)	(403)
Interest income	(227)	(1,008)	(226)	(1,052)
Reversal of impairment loss on equipment	(8)	-	-	-
Impairment loss on investment	-	-	39	139
	<u>(215,395)</u>	<u>(215,421)</u>	<u>(215,346)</u>	<u>(215,326)</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	10	483	10	403
Withholding tax receivable	(4)	173	(4)	(208)
Other current assets	(733)	727	(730)	677
Other assets	5	(56)	(5)	(56)
Provision for unpaid operating fee and interest	214,928	214,928	214,928	214,928
Accrued expenses	(3,303)	2,228	(3,302)	2,337
Other current liabilities	-	17	-	17
	<u>-</u>	<u>17</u>	<u>-</u>	<u>17</u>
Net cash flows (used in) provided by				
operating activities	<u>(4,492)</u>	<u>3,079</u>	<u>(4,449)</u>	<u>2,772</u>

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

ITV Public Company Limited and its Subsidiary

Statements of cash flows

For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	391	2,587	389	2,643
Sales (Purchases) of debt securities	40,000	(556,000)	40,000	(556,000)
Increased in debt securities	(13,919)	(16,248)	(13,919)	(16,248)
Cash inflow on liquidation of jointly-controlled entity	-	-	-	3,535
Increase in share capital of subsidiary	-	-	-	(5,000)
Proceed loan to subsidiary	-	-	-	5,000
Net cash flows provided by (used in)				
investing activities	26,472	(569,661)	26,470	(566,070)
Net increase(decrease) in cash and cash equivalents	21,980	(566,582)	22,021	(563,298)
Cash and cash equivalents at beginning of period	19,682	638,645	18,526	634,089
Cash and cash equivalents at end of period	41,662	72,063	40,547	70,791

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

ITV Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2010 (Unaudited)

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ITV Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2010 (Unaudited)

These notes are an integral part of the financial statements.

These interim financial statements were authorised for issue by the board of directors on 9 August 2010

1 General information

ITV Public Company Limited (the “Company”) is a public limited company and is incorporated and domiciled in Thailand. The address of its registered office is 1010 Shinawatra Tower 3, Viphavadi Rangsit Road, Chatuchak, Bangkok 10900.

On 4 June 2009, the Stock Exchange of Thailand (“SET”) subsequently withdrawn the Company’s stock from trading board and moved to Non-Performing Group (“NPG”). However, the Company still maintains its status as a listed company which has to comply with the SET’s regulation. In accordance with the reviewed financial statements for the first quarter ended 31 March 2009, equity of the Company was below zero and the Company incurred net operating loss for two consecutive years. The Company is in the process of preparing development plans to resolve the cause of delisting and a plan to undertake new business and rehabilitation of the Stock Exchange of Thailand.

The parent company during the financial period was Shin Corporation Public Co., Ltd. It was incorporated in Thailand.

The Company used to operate a television broadcasting station under a UHF radio-television broadcasting agreement (“operating agreement”) provided by the Office of the Permanent Secretary of the Office of the Prime Minister (“PMO”). The Company’s Operating Agreement was revoked on 7 March 2007. Therefore, the Company ceased its operations.

The Operating Agreement is a Build Transfer Operate operating agreement according to which the Company has to transfer ownership of certain property and equipment that it procures to the PMO, upon completion of equipment installation.

The Company has explained about the progress of lawsuit and judgment of the Supreme Administrative Court relating to the Agreement for the Operation of Television Station in note 10 to the financial statements. On 7 March 2007, the letter of revocation of the Operating Agreement was sent by the PMO requesting the Company to repay the debt and return all operations assets under the Operating Agreement back to the PMO within the period specified by the PMO in accordance with the Cabinet resolution passed on 6 March 2007. Such termination caused the Company to cease carrying on the business of the UHF television broadcasting station.

Details of the Company’s subsidiary as at 30 June 2010 and 31 December 2009 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			30 June 2010	31 December 2009
Subsidiary				
Artware Media Company Limited	Principal business is the lease of equipment for television programs and movies and arranging related marketing events. (At present, the company ceased its operation)	Thailand	99.99	99.99
			%	

ITV Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2010 (Unaudited)

2 Basis of preparation of financial statements

(a) Basis of preparation

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2009. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2009.

On 26 May 2010, the FAP announced (Announcement No. 17/2010) the issuing a number of new and revised Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) (revised 2009). The Group Company has adopted the revised Framework (revised 2009) for the Preparation and Presentation of Financial Statements. The adoption of the revised Framework does not have any material impact on the consolidated or separate Company’s financial statements. For TAS and TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS and TFRS are disclosed in note 11.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

Accounting policies and methods of computation applied in the interim financial statements for the three-month ended 30 June 2010 are consistent with those applied in the financial statements for the year ended 31 December 2009.

(b) Financial status

As at 30 June 2010, the Company’s current liabilities exceed its current assets by an amount of Baht 3,251 million and deficit in excess of its share capital by an amount of Baht 3,250 million (*31 December 2009 and 30 June 2009, ITV’s current liabilities exceed its current assets by an amount of Baht 3,036 and 3,580 million and deficit in excess of its share capital by an amount of Baht 3,036 and 2,827 million, respectively*). In addition, as discussed in note 10 to the financial statements, in consequence of the ruling of the Supreme Administrative Court on 13 December 2006, the Company is liable for unpaid operating fee totaling Baht 2,210 million and the interest on the total unpaid operating fee at 15% per annum including the penalty arising from the alteration of television programming of Baht 97,760 million. The Company has not yet paid these unpaid operating fee including interest and penalty. The Company’s Operating Agreement was revoked on 7 March 2007 by the PMO therefore, the Company ceased its operation at that date. In addition, the PMO claimed the undelivered value of assets under Operating Agreement amounting to Baht 656 million plus interest on 30 March 2007. In addition, the Company is still in the arbitral proceeding regarding the unpaid operating fee including interest, penalty arising from the alteration of television programming of Baht 97,760 million and value of undelivered assets including its interest. These events indicate a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.

ITV Public Company Limited and its Subsidiary
Notes to the interim financial statements
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3 Related party transactions and balances

The Company is controlled by Shin Corporation Public Co., Ltd. (“Shin”), incorporated in Thailand, which owns 52.92 % of the Company’s shares as at 30 June 2010 (31 December 2009:52.92%). The remaining 47.08 % of the shares (31 December 2009: 47.08%) are widely held.

Transactions related to the Group within the Shin Group, such as subsidiaries, associates, management, and related parties, including transactions related to companies of Cedar and Aspen and the Temasek group are recognised as related party transactions to the Group.

During the period, the Group entered into a number of transactions with its parent company and related companies, the terms of which were negotiated on an arm’s length basis in the ordinary course of business and according to normal trade conditions.

Significant transactions for the three-month and six-month periods ended 30 June 2010 and 2009 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>Three-month periods ended 30 June</i>				
	<i>(in thousand Baht)</i>			
Management benefit expenses	1,200	1,200	1,200	1,200

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>Six-month periods ended 30 June</i>				
	<i>(in thousand Baht)</i>			
Subsidiary				
Interest income	-	-	-	46
Management benefit expenses	2,400	2,400	2,400	2,400

Balances as at 30 June 2010 and 31 December 2009 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in thousand Baht)</i>			
Loans to subsidiary				
Subsidiary	-	-	-	-
Less allowance for doubtful accounts	-	-	-	-
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

ITV Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2010 (Unaudited)

Movements on loans to subsidiary during the six-month periods ended 30 June 2010 and 2009 were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	5,000
Decrease	-	-	-	(5,000)
At 30 June	-	-	-	-

During the six-month period ended 30 June 2010, no has a loan to a subsidiary (*31 December 2009: The subsidiary repaid loan the entire amount within the period. Interest rate was 4.00% per annum*).

4 Other investments

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in thousand Baht)</i>			
Securities available for sale				
Deposit at bank	2,501	413	2,501	413
Government bond	-	-	-	-
State of enterprise bond	513,045	412,609	513,045	412,609
Bond	545,904	636,330	545,904	636,330
Return on investment	13,713	11,892	13,713	11,892
Unrealised gain on securities available for sale	8,671	7,188	8,671	7,188
Total	1,083,834	1,068,432	1,083,834	1,068,432
Promissory note	-	40,000	-	40,000
Total	1,083,834	1,108,432	1,083,834	1,108,432

Current investments of the Company as at 30 June 2010 and 31 December 2009 were denominated entirely in Thai Baht.

The average return on investments for the six-month periods ended 30 June 2010 was 1.44% (2009: 3.47%).

The weighted average effective interest rate of Promissory Note was 1.25% (2009: 1.50%).

ITV Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2010 (Unaudited)

Movements during the six-month periods ended 30 June 2010 and 2009 of marketable equity and debt securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Securities available for sale				
Deposit at bank				
At 1 January	413	700	413	700
Increase during the period	1,345,490	2,023,379	1,345,490	2,023,379
Decrease during the period	(1,343,402)	(2,014,506)	(1,343,402)	(2,014,506)
At 30 June	2,501	9,573	2,501	9,573
Government bond				
At 1 January	-	-	-	-
Purchases during the period	19,446	33,944	19,446	33,944
Sales during the period	(19,446)	(3,950)	(19,446)	(3,950)
Valuation adjustment	-	(6)	-	(6)
At 30 June	-	29,988	-	29,988
State of enterprise bond				
At 1 January	412,609	100,180	412,609	100,180
Purchases during the period	1,284,270	970,487	1,284,270	970,487
Sales during the period	(1,183,833)	(833,747)	(1,183,833)	(833,747)
Valuation adjustment	1,321	(483)	1,321	(483)
At 30 June	514,367	236,437	514,367	236,437
Bond				
At 1 January	636,330	371,732	636,330	371,732
Purchases during the period	74,585	458,316	74,585	458,316
Sales during the period	(165,012)	(79,218)	(165,012)	(79,218)
Valuation adjustment	7,350	5,551	7,350	5,551
At 30 June	553,253	756,381	553,253	756,381
Return on investment	13,713	18,282	13,713	18,282
Total	1,083,834	1,050,661	1,083,834	1,050,661

In 2010 and 2009, the Company has hired a security company to manage portfolio of investments.

ITV Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2010 (Unaudited)

5 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in thousand Baht)</i>			
Other parties	10,457	10,457	10,457	10,457
	<u>10,457</u>	<u>10,457</u>	<u>10,457</u>	<u>10,457</u>
<i>Less</i> allowance for doubtful accounts	(10,457)	(10,457)	(10,457)	(10,457)
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	-	-	-	-
Overdue:				
Less than 3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-
Over 12 months	10,457	10,457	10,457	10,457
	<u>10,457</u>	<u>10,457</u>	<u>10,457</u>	<u>10,457</u>
<i>Less</i> allowance for doubtful accounts	(10,457)	(10,457)	(10,457)	(10,457)
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

6 Investments in a subsidiary

	Separate financial statements	
	2010	2009
	<i>(in thousand Baht)</i>	
At 1 January	25,000	25,000
Allowance for impairment	(23,814)	(23,775)
Decrease in share capital	-	-
Increase in share capital	-	-
At 30 June	<u><u>1,186</u></u>	<u><u>-</u></u>
At 31 December	<u><u>-</u></u>	<u><u>1,225</u></u>

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Investment in a subsidiary as at 30 June 2010 and 31 December 2009 and dividend income for the six-month periods ended 30 June 2010 and 2009 were as follows:

	Separate financial statement											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the six-month periods	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	30 June 2009
	(%)						<i>(in thousand Baht)</i>					
<i>Subsidiary</i>												
Artware Media Company Limited	99.99	99.99	25,000	25,000	25,000	25,000	(23,814)	(23,775)	1,186	1,225	-	-
Total			<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>(23,814)</u>	<u>(23,775)</u>	<u>1,186</u>	<u>1,225</u>	<u>-</u>	<u>-</u>

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Consideration of impairment loss on investments in a subsidiary

Investment in Artware Media Company Limited (“Subsidiary”)

On 18 March 2009, The Board of Directors resolved a capital increase in Artware Media Co., Ltd. The capital increase will involve a Baht 5 million increase in the company's paid-up capital from the original paid-up amount of Baht 20 million to Baht 25 million. The increase in the total shares outstanding of 200,000 shares, at a per share par value of Baht 100, to 250,000 shares of the same par value.

7 Equipment

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Transactions during the six-month period ended 30 June 2010		
Net book value - at 1 January 2010	20	20
Depreciation	(3)	(3)
Net book value - at 30 June 2010	17	17
At 30 June 2010		
Cost	186	186
Less: depreciation impairment losses	(11) (158)	(11) (158)
Net book value	17	17

8 Share capital and deficiency

	Number of registered share capital <i>(in thousand shares)</i>	Issued and Paid-up	Ordinary shares	Deficiency on capital <i>(in thousand Baht)</i>	Total
At 1 January 2009	1,560,000	1,206,697	6,033,487	(174,297)	5,859,190
Issue of shares	-	-	-	-	-
As at 31 December 2009	1,560,000	1,206,697	6,033,487	(174,297)	5,859,190
Issue of shares	-	-	-	-	-
As at 30 June 2010	1,560,000	1,206,697	6,033,487	(174,297)	5,859,190

As at 30 June 2010, the total authorised number of ordinary shares was 1,560 million shares (2009: 1,560 million shares) with a par value of Baht 5 per share (2009: Baht 5 per share).

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9 Basic loss per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2010 and 2009 were based on the loss for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period as follows:

<i>Three-month periods ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to equity holders of the Company (basic)	<u>(108,701)</u>	<u>(106,105)</u>	<u>(108,701)</u>	<u>(106,104)</u>
Number of ordinary shares outstanding	<u>1,206,697</u>	<u>1,206,697</u>	<u>1,206,697</u>	<u>1,206,697</u>
Loss per share (basic) (in Baht)	<u>(0.09)</u>	<u>(0.09)</u>	<u>(0.09)</u>	<u>(0.09)</u>

<i>Six-month periods ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to equity holders of the Company (basic)	<u>(215,153)</u>	<u>(214,013)</u>	<u>(215,152)</u>	<u>(214,013)</u>
Number of ordinary shares outstanding	<u>1,206,697</u>	<u>1,206,697</u>	<u>1,206,697</u>	<u>1,206,697</u>
Loss per share (basic) (in Baht)	<u>(0.18)</u>	<u>(0.18)</u>	<u>(0.18)</u>	<u>(0.18)</u>

As at 30 June 2010 and 2009, there were no other dilutive potential common shares on issue.

10 Commitments and contingencies

10.1 Commitments from the Operating Agreement before to be revoked the Operating Agreement (Effective date 7 March 2007)

On 7 March 2007, the Company received the letter of termination of the Operating Agreement from the PMO. This caused the following disputes that are currently under the process of consideration.

1. A case of the arbitration institution dispute No. 46/2550 in which the Company is the plaintiff regarding the PMO's unduly termination of the Operating Agreement which was wrongfully performed in breach of the Operating Agreement and against the law, including the arbitration institution dispute No. 1/2550 on 4 January 2007 which disputes payment of the program penalty fee and interest approximately totaling Baht 100,000 million. Both disputes are currently under the consideration of the arbitration institution, under the arbitration proceedings.
2. A case in which the Company is the defendant whereby the PMO demanded that the Company make the payment of the program penalty fee, interest, approximately totaling Baht 100,000 million to Supreme Administrative Court in Black Case No. 640/2550. Later,

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on 19 December 2007, the Supreme Administrative Court upheld the Central Administrative Court's verdict for the dismissal of the aforesaid case in order to allow the parties to the Operating Agreement to use the arbitration proceeding for Cases No. 1/2550 and No. 46/2550.

This shall be subject to the judgment of the Court which may vary from the estimated amount provided in the financial statements, which may effect the amount of income, expenditure, assets and liabilities, and disclosure information regarding assets and unpredictable liabilities.

10.2 Contingencies in respect of other legal cases

The Company is a defendant in various legal actions from operate a television broadcasting station that court case from doing news and trading. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant loss. The Company has not recorded any provisions for these legal cases.

10.3 The contingent liabilities which may have arisen from the dispute between the Company and the PMO relating to the Operating Agreement

a) Sequence of significant events of the dispute between the Company and the PMO

Up to the present, there are 2 pending cases filed by the Company against PMO, the details of such cases are as follows:

1. Black case No. 1/2550, the Company requests the arbitrators to decide whether the Company has obligation to pay penalty, interest, and remuneration to PMO.
2. Black case No. 46/2550, the Company requests the arbitrators to decide whether the PMO has illegally terminated the Operating Agreement in breach of the Operating Agreement and against the law and claim for compensation from the PMO.

Both disputes are currently under the consideration of the arbitration institution and the sequence of significant events of the dispute between the Company and the PMO up to 31 December 2009 have been disclosed on the financial statements for the year ended 31 December 2009.

b) The contingent liabilities and recording on the dispute between the Company and the PMO

The contingent liabilities after the Supreme Administrative Court's judgment on revocation of the arbitration award on 13 December 2006 and the dispute between the Company and the PMO were as follows:

1. In regard of the penalty arising from the alteration of television programming

The said liability has not been recorded in the company's financial statements as the Black Case number 640/2550 filed by the PMO demanding that the Company pay the operating fee, interest, the penalty fee and value of undelivered assets was dismissed by the Central Administrative Court which shall await the arbitral award the Black Case number 1/2550 granted by the arbitration panel and the final legal proceeding.

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2. In regard of the operating fee of the 9th, 10th and 11th year amounting to Baht 2,210 million and 15% interest of such amount

Since quarter ended 31 December 2006, the provision for unpaid operating fee amounting to Baht 2,210 million plus 15% interest from the date that the arbitral award was revoked by the Supreme Administrative Court as of 13 December 2006 was recorded in the consolidated financial statements. The reason is that the Company proposed condition to pay such amount to the PMO and brought the issue of the penalty fee and interest into the arbitral proceeding under the Operating Agreement. Thereafter, in the first quarter of 2007, the PMO did not accept the said payment, it shall be deemed that the Company's proposal was not mutually accepted. The Company thus had no liability on the operating fee amounting to Baht 2,210 million plus 15% interest per annum. In addition, the Supreme Administrative Court made the order striking out the case No 640/2550 in which the PMO demanded that the Company pay the operating fee, interest, the penalty fee and value of undelivered assets out of the Case List, so that the disputes shall be brought into the arbitration proceeding and legal process by the Operating Agreement to be finalised.

3. Value of undelivered assets

The undelivered asset in the amount of Baht 656 million plus 7.50% interest per annum of the undelivered asset from the date that the case was filed to the Court until the said amount is fully paid since 1995. The PMO has not requested the Company to pay such amount. Consequently, the Company has no liability to further deliver such asset. In addition, the Central Administrative Court made the order striking out the said case out from the Case List, therefore, the said items have not been recorded by the Company. Since the value of asset claimed by the PMO is only the business estimation comprising income, expense, profit, tax and investment asset, which terms regarding the asset only stated that the Company is required to procure the asset for the undertaking of UHF Television Broadcasting Station to cover the population at the rate of 96.72% of the population in the country without the condition of value of required asset and the Company has complied with such requirement, therefore, the Company has neither liability to procure asset nor indemnify to the PMO.

The Company is awaiting to hear the arbitral award ruling on the said contingent liabilities for Black Case No. 1/2550 and the compensation of damages arisen from illegal termination of agreement Black Case No. 46/2550. It shall be dependant on the judgment which cannot be predicted.

However, the Company has already recorded provision for unpaid operating fee amounting to Baht 2,891 million and interest from the date that the arbitral award was revoked by the Supreme Administrative Court amounting to Baht 1,480 million in these financial statements, of which of the amount of Baht 215 million was provision for interest on unpaid operating fee for the six-month period ended 30 June 2010.

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11 Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) not yet adopted

The Company has not adopted the following new and revised TAS/TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TAS/TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

TAS/TFRS	Topic	Year effective
TAS 1 (revised 2009)	Presentation of Financial Statements	2011
TAS 7 (revised 2009)	Statement of Cash Flows	2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	2011
TAS 10 (revised 2009)	Events after the Reporting Period	2011
TAS 12	Income Taxes	2013
TAS 17 (revised 2009)	Leases	2011
TAS 23 (revised 2009)	Borrowing Costs	2011
TAS 24 (revised 2009)	Related Party Disclosures	2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements	2011
TAS 28 (revised 2009)	Investments in Associates	2011
TAS 33 (revised 2009)	Earnings per Share	2011
TAS 34 (revised 2009)	Interim Financial Reporting	2011
TAS 36 (revised 2009)	Impairment of Assets	2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	2011
TAS 38 (revised 2009)	Intangible Assets	2011

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12 Reclassification of accounts

Certain accounts in the statements of income for the three-month and six-month periods ended 30 June 2009 have been reclassified to conform to the presentation in the 2010 interim financial statements as follows:

	Consolidated			2009		
	financial statements			Separate		
	Before	Reclass.	After	Before	Reclass.	After
	reclass.		reclass.	reclass.		reclass.
	<i>(in thousand Baht)</i>					
<i>Statement of income</i>						
<i>Three-month periods</i>						
<i>ended 30 June</i>						
Return on investment	-	8,545	8,545	-	8,545	8,545
Interest income	9,811	(9,336)	475	9,809	(9,336)	473
Other Income	57	(33)	24	57	(33)	24
Administrative expenses	(6,168)	572	(5,596)	(6,112)	572	(5,540)
		<u>(252)</u>			<u>(252)</u>	
<i>Statement of income</i>						
<i>Six-month periods</i>						
<i>ended 30 June</i>						
Return on investment	-	16,116	16,116	-	16,116	16,116
Interest income	18,110	(17,102)	1,008	18,154	(17,102)	1,052
Other Income	808	(784)	24	808	(784)	24
Administrative expenses	(14,676)	849	(13,827)	(14,582)	849	(13,733)
		<u>(921)</u>			<u>(921)</u>	

The reclassifications have been made to comply with the opinion of directors, the new classification is more appropriate to the Group's business.