

**ITV Public Company Limited  
and its Subsidiary**

Interim financial statements  
for the three-month and nine-month periods ended  
30 September 2013  
and  
Independent auditor's report  
on review of interim financial information

## **Independent auditor's report on review of interim financial information**

### **To the Board of Directors of ITV Public Company Limited**

I have reviewed the accompanying consolidated and separate statements of financial position of ITV Public Company Limited and its subsidiary, and of ITV Public Company Limited, respectively as at 30 September 2013; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013; and the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2013; and consolidated notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

#### *Scope of review*

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

#### *Basis of disclaimer of conclusion*

As mentioned in notes 2 and 9 to the interim financial statements as at 30 September 2013, the Company's current liabilities exceed its current assets and there is a deficit in excess of the share capital of an amount of Baht 4,643 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Company's Television Broadcasting Station under a UHF Radio-Television Broadcasting Agreement ("Operating Agreement") was revoked by the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO") as the Company did not pay the unpaid operating fee totaling Baht 2,210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 which are still under dispute with PMO. 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.

*Disclaimer of conclusion*

Because of the significance of the matters discussed in the preceding paragraph to the consolidated and separate financial statements for the three-month and nine-month ended 30 September 2013 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.

(Supot Singhasaneh)  
Certified Public Accountant  
Registration No. 2826

KPMG Phoomchai Audit Ltd.  
Bangkok  
8 November 2013

**ITV Public Company Limited and its Subsidiary**  
**Statement of financial position**

|                                 | <i>Note</i> | <b>Consolidated</b>                 |                     | <b>Separate</b>                     |                     |
|---------------------------------|-------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
|                                 |             | <b>financial statements</b>         |                     | <b>financial statements</b>         |                     |
|                                 |             | 30 September<br>2013<br>(Unaudited) | 31 December<br>2012 | 30 September<br>2013<br>(Unaudited) | 31 December<br>2012 |
| <i>(in thousand Baht)</i>       |             |                                     |                     |                                     |                     |
| <b>Assets</b>                   |             |                                     |                     |                                     |                     |
| <i>Current assets</i>           |             |                                     |                     |                                     |                     |
| Cash and cash equivalents       |             | 18,380                              | 13,939              | 17,464                              | 12,999              |
| Current investments             | 4           | 1,117,854                           | 1,116,445           | 1,117,854                           | 1,116,445           |
| Account receivable              | 5           | -                                   | -                   | -                                   | -                   |
| Other current assets            |             | 7,255                               | 5,632               | 7,245                               | 5,621               |
| <b>Total current assets</b>     |             | <b>1,143,489</b>                    | <b>1,136,016</b>    | <b>1,142,563</b>                    | <b>1,135,065</b>    |
| <i>Non-current assets</i>       |             |                                     |                     |                                     |                     |
| Investments in subsidiary       | 6           | -                                   | -                   | 988                                 | 1,023               |
| Equipment                       |             | -                                   | 3                   | -                                   | 3                   |
| Other non-current assets        |             | 62                                  | 62                  | 62                                  | 62                  |
| <b>Total non-current assets</b> |             | <b>62</b>                           | <b>65</b>           | <b>1,050</b>                        | <b>1,088</b>        |
| <b>Total assets</b>             |             | <b>1,143,551</b>                    | <b>1,136,081</b>    | <b>1,143,613</b>                    | <b>1,136,153</b>    |

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

# ITV Public Company Limited and its Subsidiary

## Statement of financial position

|  | Note | Consolidated                        |                     | Separate                            |                     |
|--|------|-------------------------------------|---------------------|-------------------------------------|---------------------|
|  |      | financial statements                |                     | financial statements                |                     |
|  |      | 30 September<br>2013<br>(Unaudited) | 31 December<br>2012 | 30 September<br>2013<br>(Unaudited) | 31 December<br>2012 |
| <i>(in thousand Baht)</i>                          |      |                                     |                     |                                     |                     |
| <b>Liabilities and equity</b>                      |      |                                     |                     |                                     |                     |
| <i>Current liabilities</i>                         |      |                                     |                     |                                     |                     |
| Provision for unpaid operating fee and interest    | 9    | 5,780,751                           | 5,456,578           | 5,780,751                           | 5,456,578           |
| Accrued expenses                                   |      | 6,061                               | 588                 | 6,023                               | 560                 |
| Other current liabilities                          |      | 94                                  | 100                 | 94                                  | 100                 |
| <b>Total current liabilities</b>                   |      | <b>5,786,906</b>                    | <b>5,457,266</b>    | <b>5,786,868</b>                    | <b>5,457,238</b>    |
| <i>Capital deficiency</i>                          |      |                                     |                     |                                     |                     |
| Share capital                                      | 7    |                                     |                     |                                     |                     |
| 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                        | 7    | (174,297)                           | (174,297)           | (174,297)                           | (174,297)           |
| Deficit  |      | (10,503,635)                        | (10,185,771)        | (10,503,535)                        | (10,185,671)        |
| Other components of equity                         | 4    | 1,090                               | 5,396               | 1,090                               | 5,396               |
| <b>Total capital deficiency</b>                    |      | <b>(4,643,355)</b>                  | <b>(4,321,185)</b>  | <b>(4,643,255)</b>                  | <b>(4,321,085)</b>  |
| <b>Total liabilities net of capital deficiency</b> |      | <b>1,143,551</b>                    | <b>1,136,081</b>    | <b>1,143,613</b>                    | <b>1,136,153</b>    |

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

# ITV Public Company Limited and its Subsidiary

## Statement of comprehensive income (Unaudited)

|   | <i>Note</i> | <b>Consolidated</b>                      |                  | <b>Separate</b>                          |                  |
|---|-------------|--|------------------|--|------------------|
|   |             | <b>financial statements</b>              |                  | <b>financial statements</b>              |                  |
|   |             | Three-month period ended<br>30 September |                  | Three-month period ended<br>30 September |                  |
|   |             | 2013                                     | 2012             | 2013                                     | 2012             |
| <i>(in thousand Baht)</i>                                     |             |  |                  |  |                  |
| <b>Income</b>   |             |  |                  |  |                  |
| Return on investment  |             | 9,872                                    | 9,161            | 9,872                                    | 9,161            |
| Interest income   |             | 13                                       | 31               | 13                                       | 31               |
| <b>Total Income</b>   |             | <b>9,885</b>                             | <b>9,192</b>     | <b>9,885</b>                             | <b>9,192</b>     |
| <b>Expenses</b>   |             |  |                  |  |                  |
| Loss on provision for interest<br>of unpaid operating fee     | 9           | 109,245                                  | 108,947          | 109,245                                  | 108,947          |
| Administrative expenses                                       |             | 7,323                                    | 13,451           | 7,311                                    | 13,439           |
| Impairment loss on assets                                     |             | -  | -                | 12                                       | 12               |
| Management benefit expenses                                   | 3           | 1,200                                    | 1,200            | 1,200                                    | 1,200            |
| <b>Total expenses</b>   |             | <b>117,768</b>                           | <b>123,598</b>   | <b>117,768</b>                           | <b>123,598</b>   |
| <b>Loss before finance costs</b>                              |             | <b>(107,883)</b>                         | <b>(114,406)</b> | <b>(107,883)</b>                         | <b>(114,406)</b> |
| Finance costs   |             | -  | (1)              | -  | (1)              |
| <b>Loss for the period</b>                                    |             | <b>(107,883)</b>                         | <b>(114,407)</b> | <b>(107,883)</b>                         | <b>(114,407)</b> |
| <b>Other comprehensive income</b>                             |             |  |                  |  |                  |
| Net change in fair value of available-for-sale<br>investments |             | (2,119)                                  | 1,301            | (2,119)                                  | 1,301            |
| <b>Total comprehensive income for the period</b>              |             | <b>(110,002)</b>                         | <b>(113,106)</b> | <b>(110,002)</b>                         | <b>(113,106)</b> |
| <b>Loss per share</b>   |             |  |                  |  |                  |
| Basic loss per share <i>(in Baht)</i>                         | 8           | (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

## Statement of comprehensive income (Unaudited)

|   | Note | Consolidated                            |                  | Separate                                |                  |
|---|------|---|------------------|---|------------------|
|   |      | financial statements                    |                  | financial statements                    |                  |
|   |      | Nine-month period ended<br>30 September |                  | Nine-month period ended<br>30 September |                  |
|   |      | 2013                                    | 2012             | 2013                                    | 2012             |
| <i>(in thousand Baht)</i>                                     |      |   |                  |   |                  |
| <b>Income</b>   |      |   |                  |   |                  |
| Return on investment  |      | 31,019                                  | 26,913           | 31,019                                  | 26,913           |
| Interest income   |      | 47                                      | 85               | 44                                      | 82               |
| Other revenues  |      | 98                                      | -                | 98                                      | -                |
| <b>Total Income</b>   |      | <b>31,164</b>                           | <b>26,998</b>    | <b>31,161</b>                           | <b>26,995</b>    |
| <b>Expenses</b>   |      |   |                  |   |                  |
| Loss on provision for interest<br>of unpaid operating fee     | 9    | 324,173                                 | 324,471          | 324,173                                 | 324,471          |
| Administrative expenses                                       |      | 21,250                                  | 23,728           | 21,213                                  | 23,691           |
| Impairment loss on assets                                     |      | -                                       | -                | 34                                      | 34               |
| Management benefit expenses                                   | 3    | 3,600                                   | 3,600            | 3,600                                   | 3,600            |
| <b>Total expenses</b>   |      | <b>349,023</b>                          | <b>351,799</b>   | <b>349,020</b>                          | <b>351,796</b>   |
| <b>Loss before finance costs</b>                              |      | <b>(317,859)</b>                        | <b>(324,801)</b> | <b>(317,859)</b>                        | <b>(324,801)</b> |
| Finance costs   |      | (5)                                     | (5)              | (5)                                     | (5)              |
| <b>Loss for the period</b>                                    |      | <b>(317,864)</b>                        | <b>(324,806)</b> | <b>(317,864)</b>                        | <b>(324,806)</b> |
| <b>Other comprehensive income</b>                             |      |   |                  |   |                  |
| Net change in fair value of available-for-sale<br>investments |      | (4,306)                                 | 2,533            | (4,306)                                 | 2,533            |
| <b>Total comprehensive income for the period</b>              |      | <b>(322,170)</b>                        | <b>(322,273)</b> | <b>(322,170)</b>                        | <b>(322,273)</b> |
| <b>Loss per share</b>   |      |   |                  |   |                  |
| Basic loss per share <i>(in Baht)</i>                         | 8    | (0.26)                                  | (0.27)           | (0.26)                                  | (0.27)           |

The accompanying notes are an integral part of these financial statements

**ITV Public Company Limited and its Subsidiaries**
**Statement of changes in equity (Unaudited)**

|  | <b>Consolidated financial statements</b> |                                |   |   |                     |                    |
|--|--|--------------------------------|---|---|---------------------|--------------------|
|  | Issued and<br>paid-up<br>share capital   | Deficiency on<br>share capital | Other components of equity                                    |   | Deficit             | Total<br>equity    |
|  |  |                                | Fair value<br>changes in<br>available-for-sale<br>investments | Total<br>other<br>components<br>of equity |                     |                    |
| <i>(in thousand Baht)</i>                            |  |                                |   |   |                     |                    |
| <b>Nine month period ended 30 September 2012</b>     |  |                                |   |   |                     |                    |
| <b>Balance at 1 January 2012</b>                     | <b>6,033,487</b>                         | <b>(174,297)</b>               | <b>(327)</b>  | <b>(327)</b>                              | <b>(9,756,365)</b>  | <b>(3,897,502)</b> |
| <b>Comprehensive income for the period</b>           |  |                                |   |   |                     |                    |
| Loss for the period                                  | -  | -                              | -   | -   | (324,806)           | (324,806)          |
| Other comprehensive income                           | -  | -                              | 2,533   | 2,533                                     | -                   | 2,533              |
| <b>Total comprehensive income<br/>for the period</b> | <b>-</b>                                 | <b>-</b>                       | <b>2,533</b>  | <b>2,533</b>                              | <b>(324,806)</b>    | <b>(322,273)</b>   |
| <b>Balance at 30 September 2012</b>                  | <b>6,033,487</b>                         | <b>(174,297)</b>               | <b>2,206</b>  | <b>2,206</b>                              | <b>(10,081,171)</b> | <b>(4,219,775)</b> |
| <b>Nine month period ended 30 September 2013</b>     |  |                                |   |   |                     |                    |
| <b>Balance at 1 January 2013</b>                     | <b>6,033,487</b>                         | <b>(174,297)</b>               | <b>5,396</b>  | <b>5,396</b>                              | <b>(10,185,771)</b> | <b>(4,321,185)</b> |
| <b>Comprehensive income for the period</b>           |  |                                |   |   |                     |                    |
| Loss for the period                                  | -  | -                              | -   | -   | (317,864)           | (317,864)          |
| Other comprehensive income                           | -  | -                              | (4,306)   | (4,306)                                   | -                   | (4,306)            |
| <b>Total comprehensive income<br/>for the period</b> | <b>-</b>                                 | <b>-</b>                       | <b>(4,306)</b>  | <b>(4,306)</b>                            | <b>(317,864)</b>    | <b>(322,170)</b>   |
| <b>Balance at 30 September 2013</b>                  | <b>6,033,487</b>                         | <b>(174,297)</b>               | <b>1,090</b>  | <b>1,090</b>                              | <b>(10,503,635)</b> | <b>(4,643,355)</b> |
|  | <b>Separate financial statements</b>     |                                |   |   |                     |                    |
|  | Issued and<br>paid-up<br>share capital   | Deficiency on<br>share capital | Other components of equity                                    |   | Deficit             | Total<br>equity    |
|  |  |                                | Fair value<br>changes in<br>available-for-sale<br>investments | Total<br>other<br>components<br>of equity |                     |                    |
| <i>(in thousand Baht)</i>                            |  |                                |   |   |                     |                    |
| <b>Nine month period ended 30 September 2012</b>     |  |                                |   |   |                     |                    |
| <b>Balance at 1 January 2012</b>                     | <b>6,033,487</b>                         | <b>(174,297)</b>               | <b>(327)</b>  | <b>(327)</b>                              | <b>(9,756,266)</b>  | <b>(3,897,403)</b> |
| <b>Comprehensive income for the period</b>           |  |                                |   |   |                     |                    |
| Loss for the period                                  | -  | -                              | -   | -   | (324,806)           | (324,806)          |
| Other comprehensive income                           | -  | -                              | 2,533   | 2,533                                     | -                   | 2,533              |
| <b>Total comprehensive income<br/>for the period</b> | <b>-</b>                                 | <b>-</b>                       | <b>2,533</b>  | <b>2,533</b>                              | <b>(324,806)</b>    | <b>(322,273)</b>   |
| <b>Balance at 30 September 2012</b>                  | <b>6,033,487</b>                         | <b>(174,297)</b>               | <b>2,206</b>  | <b>2,206</b>                              | <b>(10,081,072)</b> | <b>(4,219,676)</b> |
| <b>Nine month period ended 30 September 2013</b>     |  |                                |   |   |                     |                    |
| <b>Balance at 1 January 2013</b>                     | <b>6,033,487</b>                         | <b>(174,297)</b>               | <b>5,396</b>  | <b>5,396</b>                              | <b>(10,185,671)</b> | <b>(4,321,085)</b> |
| <b>Comprehensive income for the period</b>           |  |                                |   |   |                     |                    |
| Loss for the period                                  | -  | -                              | -   | -   | (317,864)           | (317,864)          |
| Other comprehensive income                           | -  | -                              | (4,306)   | (4,306)                                   | -                   | (4,306)            |
| <b>Total comprehensive income<br/>for the period</b> | <b>-</b>                                 | <b>-</b>                       | <b>(4,306)</b>  | <b>(4,306)</b>                            | <b>(317,864)</b>    | <b>(322,170)</b>   |
| <b>Balance at 30 September 2013</b>                  | <b>6,033,487</b>                         | <b>(174,297)</b>               | <b>1,090</b>  | <b>1,090</b>                              | <b>(10,503,535)</b> | <b>(4,643,255)</b> |

The accompanying notes are an integral part of these financial statements



**ITV Public Company Limited and its Subsidiary**  
**Statement of cash flows (Unaudited)**

|  | <b>Consolidated</b>         |                       | <b>Separate</b>             |                       |
|--|-----------------------------|-----------------------|-----------------------------|-----------------------|
|  | <b>financial statements</b> |                       | <b>financial statements</b> |                       |
|  | Nine-month period ended     |                       | Nine-month period ended     |                       |
|  | 30 September                |                       | 30 September                |                       |
|  | 2013                        | 2012                  | 2013                        | 2012                  |
|  | <i>(in thousand Baht)</i>   |                       |                             |                       |
| <b><i>Cash flows from operating activities</i></b> |                             |                       |                             |                       |
| Loss for the period                                | (317,864)                   | (324,806)             | (317,864)                   | (324,806)             |
| <i>Adjustments for</i>                             |                             |                       |                             |                       |
| Depreciation and amortisation                      | 3                           | 4                     | 3                           | 4                     |
| Reversal of allowance for doubtful accounts        | -                           | (6)                   | -                           | (6)                   |
| Interest income                                    | (47)                        | (85)                  | (44)                        | (82)                  |
| Impairment loss on investment                      | -                           | -                     | 34                          | 34                    |
|  | <u>(317,908)</u>            | <u>(324,893)</u>      | <u>(317,871)</u>            | <u>(324,856)</u>      |
| <i>Changes in operating assets and liabilities</i> |                             |                       |                             |                       |
| Trade accounts receivable                          | -                           | 6                     | -                           | 6                     |
| Withholding tax receivable                         | 3                           | 6                     | 3                           | 6                     |
| Other current assets                               | (1,614)                     | (1,580)               | (1,614)                     | (1,580)               |
| Provision for unpaid operating fee and interest    | 324,173                     | 324,471               | 324,173                     | 324,471               |
| Accrued expenses                                   | 5,474                       | (4,194)               | 5,464                       | (4,190)               |
| Other current liabilities                          | (6)                         | 283                   | (6)                         | 283                   |
|  | <u>(6)</u>                  | <u>283</u>            | <u>(6)</u>                  | <u>283</u>            |
| <b>Net cash flows from (used in)</b>               |                             |                       |                             |                       |
| <b>operating activities</b>                        | <b><u>10,122</u></b>        | <b><u>(5,901)</u></b> | <b><u>10,149</u></b>        | <b><u>(5,860)</u></b> |
| <i>Cash flows from investing activities</i>        |                             |                       |                             |                       |
| Interest received                                  | 34                          | 54                    | 31                          | 51                    |
| Sales of debt securities                           | 25,000                      | 45,000                | 25,000                      | 45,000                |
| Increase in debt securities                        | (30,715)                    | (26,330)              | (30,715)                    | (26,330)              |
|  | <u>(30,715)</u>             | <u>(26,330)</u>       | <u>(30,715)</u>             | <u>(26,330)</u>       |
| <b>Net cash flows from (used in)</b>               |                             |                       |                             |                       |
| <b>investing activities</b>                        | <b><u>(5,681)</u></b>       | <b><u>18,724</u></b>  | <b><u>(5,684)</u></b>       | <b><u>18,721</u></b>  |
| <b>Net increase in cash</b>                        |                             |                       |                             |                       |
| <b>and cash equivalents</b>                        | <b>4,441</b>                | <b>12,823</b>         | <b>4,465</b>                | <b>12,861</b>         |
| Cash and cash equivalents at 1 January             | <u>13,939</u>               | <u>6,562</u>          | <u>12,999</u>               | <u>5,561</u>          |
| <b>Cash and cash equivalents at 30 September</b>   | <b><u>18,380</u></b>        | <b><u>19,385</u></b>  | <b><u>17,464</u></b>        | <b><u>18,422</u></b>  |

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 nine-month periods ended 30 September 2013 (Unaudited)**

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**ITV Public Company Limited and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2013 (Unaudited)**

These notes are an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 8 November 2013.

**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, Chatuchak, Bangkok 10900.

The immediate parent company during the financial year was Shin Corporation Public Company Limited, which is incorporated in Thailand and held 52.92% shareholding as at 31 December 2012 (2011: 52.92%)

The company had been operating under a contract with the TV station and radio station (UHF system) received from the office of the Prime Minister (PMO).

On 4 June 2009, the Stock Exchange of Thailand (“SET”) subsequently withdrew the Company’s stock from the 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 to present to the Stock Exchange of Thailand.

On 10 March 2011, 12 March 2012 and 12 March 2013, the Company received the letters from the SET stating that the Company was in the first phase, second phase and third phase, respectively, of the Non-Performing Group (NPG) by the announcement of The Stock Exchange of Thailand (SET) regarding the amendments and procedures for listed company facing possible delisting due to operations or financial conditions. The said procedures and guidelines required the Company to resolve the delisting grounds within three (3) years (going through 3 stages - each of 1 year) beginning on March 10, 2011. The Company could undertake one - time extension, not more than one (1) year for rehabilitation. (The maximum rehabilitation period does not exceed four (4) years.) To qualify for an extension, the Company must meet all of the following criteria :-

1. Shareholder equity must not be less than 20 million Baht or the Company must generate the profits from the core business in one (1) year period.
2. The Company must have a sustainable major core business.
3. The Company must have solid plans to resolve the possible delisting grounds.
4. The Company must meet other requirements i.e. the company directors or management must not be the prohibited persons.

If the Company is unable to meet the requirements to resolve delisting grounds within the given period, the SET will inform to the SET Board to consider approving delisting the Company’s securities.

**ITV Public Company Limited and its Subsidiary**  
**Notes to the interim financial statements**  
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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 9 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 September 2013 and 31 December 2012 are as follows:

| Name of the entity            | Type of business   | Country of incorporation | Ownership interest |                  |
|-------------------------------|--|--------------------------|--------------------|------------------|
|                               |  |                          | 30 September 2013  | 31 December 2012 |
| 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            |

**2 Basis of preparation of the interim financial statements**

**(a) Statement of compliance**

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the interim 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 (“TAS”) No. 34 (revised 2009) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); applicable rules and regulations of the Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2012. They do not include all of the financial information required for full annual financial statements but 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 of the Company and its subsidiary for the year ended 31 December 2012.

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

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The accounting policies and methods of computation applied in the interim financial statements for the nine-month ended 30 September 2013 are consistent with those applied in the financial statements for the year ended 31 December 2012.

**(b) Use of estimates and judgements**

The preparation of interim financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgment made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2012.

**(c) Financial status**

As at 30 September 2013, the Company’s current liabilities exceed its current assets and deficit in excess of its share capital by an amount of Baht 4,643 million (*31 December 2012 and 30 September 2012, ITV’s current liabilities exceed its current assets and deficit in excess of its share capital by an amount of Baht 4,321 and Baht 4,220 million, respectively*). In addition, as discussed in note 9 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.

**3 Related parties**

The Company is controlled by Shin Corporation Public Co., Ltd. (“INTOUCH”), incorporated in Thailand, which owns 52.92% of the Company’s shares as at 30 September 2013 (*31 December 2012: 52.92%*). The remaining 47.08 % of the shares (*31 December 2012: 47.08%*) are widely held.

Transactions related to the Group within the INTOUCH Group, such as subsidiaries, associates, management, and related parties, including transactions related to companies of Aspen 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.

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Significant transactions for the three-month and nine-month ended 30 September 2013 and 2012 with related parties were as follows:

|  | <b>Consolidated<br/>financial statements</b> |       | <b>Separate<br/>financial statements</b> |       |
|--|--|-------|--|-------|
|  | 2013   | 2012  | 2013                                     | 2012  |
| <b>Three-month period ended 30<br/>September</b>                                       |  |       |  |       |
|  | <i>(in thousand Baht)</i>                    |       |  |       |
| <b>Related parties - INTOUCH Group</b>   |  |       |  |       |
| Return on investments through private<br>funds, managed by independent fund<br>manager | -  | 30    | -  | 30    |
| <b>Management benefit expenses</b>   | 1,200  | 1,200 | 1,200                                    | 1,200 |

|  | <b>Consolidated<br/>financial statements</b> |       | <b>Separate<br/>financial statements</b> |       |
|--|--|-------|--|-------|
|  | 2013   | 2012  | 2013                                     | 2012  |
| <b>Nine-month period ended 30 September</b>  |  |       |  |       |
|  | <i>(in thousand Baht)</i>                    |       |  |       |
| <b>Related parties - INTOUCH Group</b>   |  |       |  |       |
| Return on investments through private<br>funds, managed by independent fund<br>manager | -  | 943   | -  | 943   |
| <b>Management benefit expenses</b>   | 3,600  | 3,600 | 3,600                                    | 3,600 |

**4 Current investments**

|   | <b>Consolidated<br/>financial statements</b> |                         | <b>Separate<br/>financial statements</b> |                         |
|---|--|-------------------------|--|-------------------------|
|   | 30 September<br>2013                         | 31 December<br>2012     | 30 September<br>2013                     | 31 December<br>2012     |
|   | <i>(in thousand Baht)</i>                    |                         |  |                         |
| Securities available for sale                       | 1,116,764                                    | 1,111,049               | 1,116,764                                | 1,111,049               |
| Unrealised gain on securities<br>available for sale | 1,090  | 5,396                   | 1,090                                    | 5,396                   |
| <b>Total</b>  | <b><u>1,117,854</u></b>                      | <b><u>1,116,445</u></b> | <b><u>1,117,854</u></b>                  | <b><u>1,116,445</u></b> |

Current investments of the company as at 30 September 2013 and 31 December 2012 were denominated entirely in Thai Baht.

The return on investments was 3.21% per annum (2012: 3.91% per annum)

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**5 Trade accounts receivable**

|  | <b>Consolidated<br/>financial statements</b> |                     | <b>Separate<br/>financial statements</b> |                     |
|--|--|---------------------|--|---------------------|
|  | 30 September<br>2013                         | 31 December<br>2012 | 30 September<br>2013                     | 31 December<br>2012 |
|  | <i>(in thousand Baht)</i>                    |                     |  |                     |
| Other parties                                  | 3,998  | 3,998               | 3,998                                    | 3,998               |
|  | <u>3,998</u>                                 | <u>3,998</u>        | <u>3,998</u>                             | <u>3,998</u>        |
| <i>Less</i> allowance for doubtful<br>accounts | (3,998)                                      | (3,998)             | (3,998)                                  | (3,998)             |
| <b>Net</b>                                     | <u><u>-</u></u>                              | <u><u>-</u></u>     | <u><u>-</u></u>                          | <u><u>-</u></u>     |

Trade accounts receivable of the group company as at 30 September 2013 and 31 December 2012 were denominated entirely in Thai Baht.

Aging analyses for trade accounts receivable were as follows:

|  | <b>Consolidated<br/>financial statements</b> |                     | <b>Separate<br/>financial statements</b> |                     |
|--|--|---------------------|--|---------------------|
|  | 30 September<br>2013                         | 31 December<br>2012 | 30 September<br>2013                     | 31 December<br>2012 |
|  | <i>(in thousand Baht)</i>                    |                     |  |                     |
| <b>Other parties</b>                           |  |                     |  |                     |
| Overdue:                                       |  |                     |  |                     |
| Over 12 months                                 | 3,998  | 3,998               | 3,998                                    | 3,998               |
|  | <u>3,998</u>                                 | <u>3,998</u>        | <u>3,998</u>                             | <u>3,998</u>        |
| <i>Less</i> allowance for doubtful<br>accounts | (3,998)                                      | (3,998)             | (3,998)                                  | (3,998)             |
| <b>Net</b>                                     | <u><u>-</u></u>                              | <u><u>-</u></u>     | <u><u>-</u></u>                          | <u><u>-</u></u>     |

**6 Investments in subsidiary**

|                          | <b>Separate<br/>financial statements</b> |                            |
|--------------------------|--|----------------------------|
|                          | 2013                                     | 2012                       |
|                          | <i>(in thousand Baht)</i>                |                            |
| At 1 January             | 25,000                                   | 25,000                     |
| Allowance for impairment | (24,012)                                 | (23,977)                   |
| <b>At 30 September</b>   | <u><b>988</b></u>                        | <u>          </u>          |
| <b>At 31 December</b>    | <u><u>          </u></u>                 | <u><u><b>1,023</b></u></u> |

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Investment in a subsidiary as at 30 September 2013 and 31 December 2012 and dividend income for the nine-month periods ended 30 September 2013 and 2012 were as follows:

|                   | Separate financial statement |          |                 |               |               |               |                 |                 |               |              | Dividend income for the  |           |
|-------------------|------------------------------|----------|-----------------|---------------|---------------|---------------|-----------------|-----------------|---------------|--------------|--------------------------|-----------|
|                   | Ownership interest           |          | Paid-up capital |               | Cost method   |               | Impairment      |                 | At cost - net |              | nine-month periods ended |           |
|                   | 30                           | 31       | 30              | 31            | 30            | 31            | 30              | 31              | 30            | 31           | 30                       | 30        |
|                   | September                    | December | September       | December      | September     | December      | September       | December        | September     | December     | September                | September |
|                   | 2013                         | 2012     | 2013            | 2012          | 2013          | 2012          | 2013            | 2012            | 2013          | 2012         | 2013                     | 2012      |
|                   | (%)                          |          |                 |               |               |               |                 |                 |               |              |                          |           |
|                   | (in thousand Baht)           |          |                 |               |               |               |                 |                 |               |              |                          |           |
| <b>Subsidiary</b> |                              |          |                 |               |               |               |                 |                 |               |              |                          |           |
| Artware Media     |                              |          |                 |               |               |               |                 |                 |               |              |                          |           |
| Company Limited   | 99.99                        | 99.99    | 25,000          | 25,000        | 25,000        | 25,000        | (24,012)        | (23,977)        | 988           | 1,023        | -                        | -         |
| <b>Total</b>      |                              |          | <b>25,000</b>   | <b>25,000</b> | <b>25,000</b> | <b>25,000</b> | <b>(24,012)</b> | <b>(23,977)</b> | <b>988</b>    | <b>1,023</b> | <b>-</b>                 | <b>-</b>  |



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**7 Share capital and deficiency**

|                                | Number of<br>registered<br>share capital<br><i>(in thousand shares)</i> | Issued and<br>Paid-up | Ordinary<br>shares | Deficiency<br>on capital<br><i>(in thousand Baht)</i> | Total            |
|--------------------------------|---|-----------------------|--------------------|---|------------------|
| At 1 January 2012              | 1,560,000   | 1,206,697             | 6,033,487          | (174,297)   | 5,859,190        |
| Issue of shares                | -   | -                     | -                  | -   | -                |
| <b>As at 31 December 2012</b>  | <b>1,560,000</b>  | <b>1,206,697</b>      | <b>6,033,487</b>   | <b>(174,297)</b>                                      | <b>5,859,190</b> |
| Issue of shares                | -   | -                     | -                  | -   | -                |
| <b>As at 30 September 2013</b> | <b>1,560,000</b>  | <b>1,206,697</b>      | <b>6,033,487</b>   | <b>(174,297)</b>                                      | <b>5,859,190</b> |

As at 30 September 2013, the total authorised number of ordinary shares and paid-up was 1,207 million shares (2012: 1,207 million shares) with a par value of Baht 5 per share (2012: Baht 5 per share).

**8 Loss per share**

The calculations of loss per share for the three-month and nine-month periods ended 30 September 2013 and 2012 were based on the loss for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follows:

|  | <b>Consolidated<br/>financial statements</b> |                      | <b>Separate<br/>financial statements</b> |                      |
|--|--|----------------------|--|----------------------|
|  | 2013   | 2012                 | 2013                                     | 2012                 |
| <b>Three-month periods ended 30 September</b>  | <i>(in thousand Baht / thousand shares)</i>  |                      |  |                      |
| Loss for the period attributable to ordinary shareholders of the Company (statement of comprehensive income) | <u>(107,883)</u>                             | <u>(114,407)</u>     | <u>(107,883)</u>                         | <u>(114,407)</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>     |
| <b>Basic loss per share (in Baht)</b>  | <b><u>(0.09)</u></b>                         | <b><u>(0.09)</u></b> | <b><u>(0.09)</u></b>                     | <b><u>(0.09)</u></b> |
|  | <b>Consolidated<br/>financial statements</b> |                      | <b>Separate<br/>financial statements</b> |                      |
| <b>Nine-month periods ended 30 September</b>   | 2013   | 2012                 | 2013                                     | 2012                 |
|  | <i>(in thousand Baht / thousand shares)</i>  |                      |  |                      |
| Loss for the period attributable to ordinary shareholders of the Company (statement of comprehensive income) | <u>(317,864)</u>                             | <u>(324,806)</u>     | <u>(317,864)</u>                         | <u>(324,806)</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>     |
| <b>Basic loss per share (in Baht)</b>  | <b><u>(0.26)</u></b>                         | <b><u>(0.27)</u></b> | <b><u>(0.26)</u></b>                     | <b><u>(0.27)</u></b> |

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**9 Commitments and contingencies**

**9.1 Commitments from the Operating Agreement before the Operating Agreement revoked (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 case 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 Case Black No. 640/2550. Later, 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 Disputes Black 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 affect the amount of income, expenditure, assets and liabilities, and disclosure information regarding assets and unpredictable liabilities.

**9.2 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 the PMO, the details of such cases are as follows:

1. Dispute Black No. 1/2550, the Company requests the arbitrators to decide whether the Company has obligation to pay penalty, interest, and remuneration to PMO.
2. Dispute Black 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 2012 have been disclosed in the financial statements for the year ended 31 December 2012. The progression on the dispute during three-month period ended 31 March 2013.

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**On 26 March 2013**, The arbitrators institution has received the list of arbitrator mediator from each party to the arbitration institution which is in the process of selecting an arbitrator mediator.

In summary the Company is await for the Arbitration Institute to have a verdict on liability claimed in Dispute Black No 1/2550 and claiming for damage compensation arising from unfair dismissed of Agreement in Dispute Black No. 46/2550. The Court judgment cannot be predicted

**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 Case Black No. 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 Dispute Black No. 1/2550 granted by the arbitration panel and the final legal proceeding.

**2. In regard of the operating fee of the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>st</sup> 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 Black 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 assets in the amount of Baht 656 million plus 7.50% interest per annum of the undelivered assets 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 assets. 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 assets claimed by the PMO is only the business

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estimation comprising income, expense, profit, tax and investment asset, which terms regarding the assets only stated that the Company is required to procure the assets 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 assets and the Company has complied with such requirement, therefore, the Company has neither liable to procure assets nor indemnify to the PMO.

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

However, for accounting prudence purpose, the Company has already recognised provision for unpaid operating fee amounting to Baht 2,891 million (Consist of the provision for unpaid operating fee amounting to Baht 2,210 million and provision for unpaid operating fee occurred from 3 July 2006 to 7 March 2007 amounting to Baht 681 million) and provision for interest on unpaid operating fee from the date that the arbitral award was revoked by the Supreme Administrative Court amounting to Baht 2,890 million in these financial statements, of which the amount of Baht 324 million was provision for interest on unpaid operating fee for the nine-month period ended 30 September 2013.