Annual Report 2010

ITV Public Company Limited

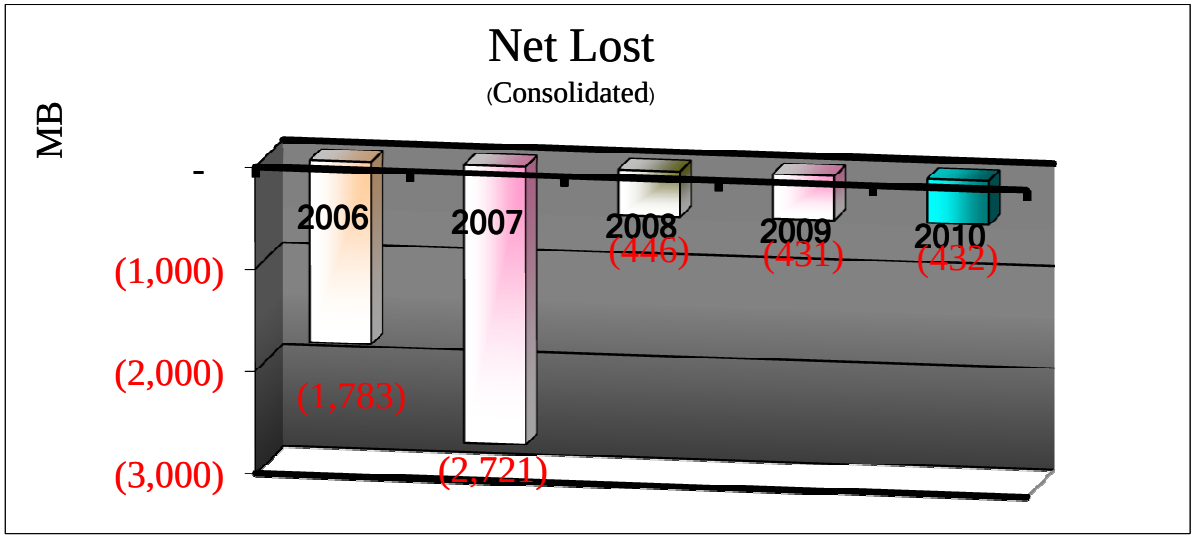
Content

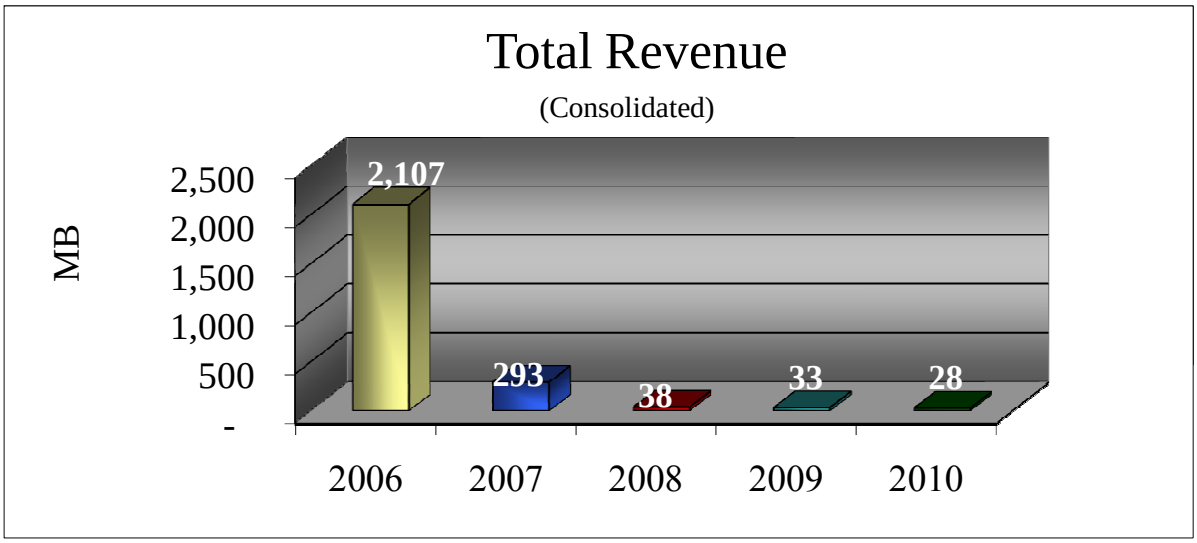
Financial Highlights

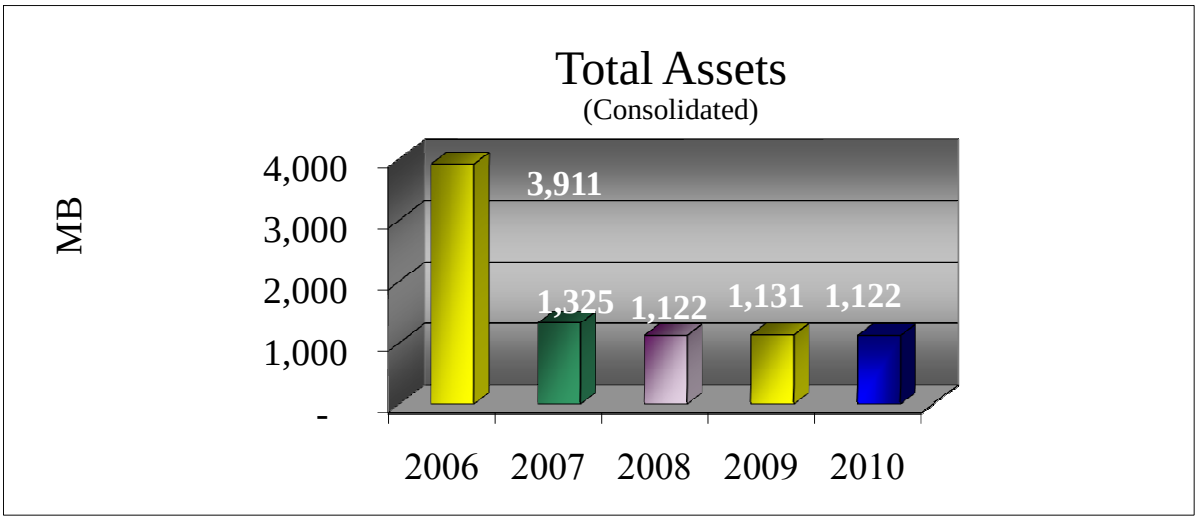
Unit : Million Baht

For the period	2008	2009	2010
Operational Results			
Return on Investment	0	32	27
Total Revenue	38	33	28
Net Loss	(446)	(431)	(432)
Total Assets	1,122	1,131	1,122
Total Liabilities	3,730	4,168	4,598
Shareholders' Equity	(2,608)	(3,036)	(3,476)
Financial Ratio			
Gross Margin (%)	0.00	0.00	0.00
Return on Total Assets (%)	(39.75)	(38.11)	(38.50)
Current Ratio (X)	0.30	0.27	0.24
Loss per Share (Baht)	(0.37)	(0.36)	(0.36)
Book Value per Share (Baht)	(2.16)	(2.51)	(2.88)

As at 31 December


Net Lost
(Consolidated)
MB
-
(1,000)
(2,000)
(3,000)
2006
2007
2008
2009
2010
(1,783)
(2,721)
(446)
(431)
(432)


Total Revenue
(Consolidated)
MB
2,500
2,000
1,500
1,000
500
-
2,107
293
38
33
28
2006
2007
2008
2009
2010


Total Assets
(Consolidated)
MB
4,000
3,000
2,000
1,000
-
3,911
1,325
1,122
1,131
1,122
2006
2007
2008
2009
2010

2. General Information of the Company

General Information of the Company

Company Name	**:**	**ITV Public Company Limited**
Nature of Business	:	The Company used to operate UHF radio and television broadcast station under a joint operating contract and a Built – Transfer - Operation operating agreement signed with the Office of the Permanent Secretary to the Prime Minister's Office ("PMO") on 3 July 1995 for a period of thirty years ending 3 July 2025. The station was named "ITV broadcasting station"
Current Status	:	As at midnight (12.00 p.m.) of 7 March 2007, the Company was compelled to cease its business operation of the ITV broadcasting station due to the cancellation of the operating agreement by the PMO
Head Office	:	1010 Shinawatra Tower 3, 6th Floor, Viphavadi-Rangsit Road, Jatujak Sub-district,Jatujak District, Bangkok 10900
Company Registration No.	:	0107541000042
Company's Homepage	:	www.itv.co.th
Telephone	:	(66) 2791-1795-6
Facsimile	:	(66) 2791-1797
Registered Capital	:	Baht 7,800,000,000
Issued & Paid-up Capital	:	Baht 6,033,487,000
Par Value	:	Baht 5

General Information of Subsidiary

Company Name	**:**	**Art Ware Media Company Limited**
Nature of Business	:	Rental of radio and television program production equipment, production of radio and television programs, sales/purchase of movie licenses, organization of marketing activities and campaigns
Head Office	:	1010 Shinawatra Tower 3, 6th Floor, Viphavadi-Rangsit Road, Jatujak Sub-district,Jatujak District, Bangkok 10900

Corporate Registration No.: 0105545118984

Telephone	:	(66) 2791-1795-6
Facsimile	:	(66) 2791-1797
Registered Capital	:	Baht 25,000,000
Issued & Paid-up Capital	:	Baht 25,000,000
Par Value	:	Baht 100
Share ownership	:	99.99% of the company's paid-up capital

Note: Currently Art Ware Media Company Limited has discontinued operations.

References

Share Registrar : **Thailand Securities Depository Company Limited**
62 the Stock Exchange of Thailand Building, Ratchadaphisek Road
Klongtoey, Bangkok 10110
Telephone (66) 2229-2800
Facsimile (66) 2359-1259

Thailand Securities Depository Company Limited
Capital Market Academy Building, the Stock Exchange of Thailand, 2/7 Moo 4 (North Park Project), Viphavadi Rangsit Road
Thung Song Hong Sub-district, Laksi District, Bangkok 10210
Telephone (66) 2596-9000
Facsimile (66) 2832-4994-6
Homepage: www.tsd.co.th

Auditor : **Mr. Winid Silamongkol**
Certified Public Accountant Registration No.3378
KPMG Phoomchai Audit Company Limited
50-51 Floor , Empire Tower
195 South Sathorn Road, Bangkok 10120
Telephone (66) 2677 2000
Facsimile (66) 2677 2222

3. The Audit Committee's Report

The Company's Board of Directors resolved to appoint three members of the Audit Committee who are professionals with expertise in the fields of organization management, law and financial accounting. Mr. Vichakoraput Rattanavichaien is also chosen as the Chairman of the Committee while Mr. Somboon Wongwanich and Mr. Sumatee Inhnu are the members of the Audit Committee. The Audit Committee reports directly to the Board of Directors of the Company.

The Committee maintains independency in decision-making and none of its members has any executive positions in the Company and its subsidiaries. The Committee members also have qualifications, duties and responsibilities in compliance with the principle of the Audit Committee as prescribed by the regulations of the Stock Exchange of Thailand.

The Audit Committee has performed its duties and responsibilities assigned by the Company's Board of Directors. During the year 2010, the Committee attended 4 meetings with the management and auditor of the Company to consider and review matters of importance under the assigned scope of its responsibilities, which can be summarized as follows:

1. Reviewed, together with the management , the contracted management account and finance service provider and the Company's auditor, quarterly and annual financial statements of the Company prior to their submission to the Board of Directors, in order to ensure that financial statements were fairly prepared and adequately disclosed in accordance with the generally accepted accounting principles
2. Assessed the adequacy and suitability of the monitoring system for check-and-balance in order to ensure the effectiveness of the internal control system
3. Reviewed the Company's compliance with the applicable Securities and Exchange law, rules and regulations of the Stock Exchange of Thailand or other law related to the business of the company
4. Reviewed and commented on related party transactions between the company and subsidiary to assure compliance with rules and regulations of the Stock Exchange of Thailand

The Audit Committee emphasizes on the importance of good corporate governance and is of the opinion that, in general, the Company has adequate internal controls which are suitable to its business operation, its risk management process can adequately assure the acceptable level of its risk exposure, its financial reports are accurate and accountable, and it complies with the Securities and Exchange Law, and the rules and regulations of the Stock Exchange of Thailand or other laws related to the business of the Company.

The Audit Committee had considered a auditor of KPMG Phoomchai Auditor Co.,Ltd to be the Company's auditor for 2011 and reviewed its relevant remuneration. The nomination will be presented to the Board of Directors for proposing to the 2011 Annual General Shareholders' Meeting.

Mr. Vichakoraput Rattanavichaien
Chairman of the Audit Committee
14 February 2011

4. Nature of the Business

4.1 Background, Significant Changes and Developments

ITV Public Company Limited ("ITV"), formerly known as Siam Infotainment Co. Ltd. (SIC), was founded on May 9, 1995 with an initial registered capital of Baht 250 million, which was increased to Baht 1,000 million in the same year. Siam TV and Communication Group ("STCG"), led by the Siam Commercial Bank Public Company Limited. ("SCB"), was approved by the Office of the Permanent Secretary to the Prime Minister's Office ("PMO") to operate the broadcasting station under the Operating Agreement using the UHF (Ultra High Frequency) system for a period of 30 years ("OA"). Its official broadcast commenced on July 1, 1996. SIC changed its name to ITV in 1998. Significant changes and developments of the Company relating to its business operations and management in the previous years are provided as follows:

1995 STCG, led by SCB, was approved by the PMO to operate the new broadcasting station using the UHF system. STCG then founded SIC to enter into the OA on July 3, 1995.

1996 SIC set up the broadcasting station and began the official broadcasting on July 1, 1996.

1997 SIC installed additional signaling stations at Nation Tower on Bangna-Trad Road and Sindhorn Tower, covering service areas in the Bangkok Metropolitan Area.

1998 SIC had in total 36 signaling stations, which could provide broadcasting service coverage for only certain provinces in central, north-eastern, eastern and southern parts of Thailand. SIC became a public company to comply with the OA and changed its name to ITV on October 20, 1998.

1999 ITV installed the signaling station at Baiyok Tower 2 with maximum transmission power of 1,000 kilowatts, which could provide broadcasting services in a radius of 100 kilometers covering the Bangkok Metropolitan Area as well as provinces in the central region.

2000 The Cabinet passed a resolution approving the amendment to the OA regarding the restrictions on share transfer to be in line with the Public Company Act and the regulation imposed by the Stock Exchange of Thailand. The signing of the amendment OA regarding the restrictions on share transfer and the extension of the first payment was occurred on April 25, 2000. Since the establishment date of the Company until such signing date, there were several changes in shareholding structure and directors.

Later in April 2000, ITV restructured its capital structure by way of capital increase for the total amount of Baht 550 million, consisting of 55 million shares at the value of Baht 10 per share. SCB and Shin Corporation Public Company Limited (SHIN) injected Baht 288.71 million and Baht 261.29 million, respectively. Paid-up capital was thus increased to Baht 1,550 million. However, subsequently after the capital decrease, paid-up capital reduced to Baht 387.5 million.

On September 18, 2000, ITV increased its registered capital from Baht 387.5 million to Baht 4,500 million with paid-up capital of Baht 4,250 million. In November 2000, the newly issued shares were sold to SCB and SHIN at Baht 8.7692 per share, giving each company the increased capital portion of Baht 464.15 million and Baht 420.1 million, respectively. Later in December 2000, the newly issued shares once again sold to SCB and SHIN at Baht 8.7692 per share, giving each company the increased capital portion of Baht 1,526.73 million and Baht 976.11 million, respectively. Total paid-up capital was thus increased to Baht 4,250 million.

On September 1, 2000, ITV station had extended its broadcasting time to 24-hour. Moreover, in 2000, ITV set up 4 additional signaling stations. Together with its network of 36 main signaling stations, there were in total 40 signaling stations, which could cover 97% of all viewers in Thailand.

2001 On November 13, 2001, SHIN agreed to purchase ITV's ordinary shares from SCB for the amount of 106,250,000 shares at Baht 10.6573 per share. SHIN also conducted the tender offer to purchase ITV's ordinary shares from other shareholders at the same price. As a result, SHIN became the largest shareholder. Later in the extraordinary general meeting of shareholders No. 1/2001, the resolution was passed to change the par value from Baht 10 per share to Baht 5 per share causing ITV's shares increased to 1,200 million shares, 850 million shares of which was the paid-up.

2002 From February 27 to March 1, 2002, ITV made a public offering to sell 300 million shares at Baht 6 per share. On March 13, 2002, ITV was listed on the Stock Exchange of Thailand with a paid-up capital of Baht 5,750 million.

On November 11, 2002, ITV founded a subsidiary named Art Ware Media Co., Ltd. ("AWM") with a paid up capital of Baht 1 million, consisting of 10,000 shares at par value of Baht 100 per share. AWM was set up with objectives to operate the business relating to the rental of equipments used in the production of radio and TV programs as well as movies, trading of movie copyrights and hosting of various marketing activities. ITV was the majority shareholder of AWM holding 99.93% stakes.

2003 On January 16, 2003, ITV increased the capital of AWM from Baht 1 million to Baht 20 million, consisting 200,000 shares at the value of Baht 100 per share. ITV was still the largest shareholder with 99.99% stakes.

On February 1, 2003, ITV moved its office and studio from SCB Park Plaza Building to the new office located at Shinawatra Building 3 in preparation for business expansion with more working spaces.

On February 26, 2003, ITV's board of directors approved the issuance of 60 million new shares at the par value of Baht 5 per share totaling Baht 300 million in preparation for the exercise of the rights under the warrant allocated to the Company's directors and employees (ESOP Project). As a result, the registered capital increased from 1,200 million shares valued at Baht 6,000 million to 1,260 million shares valued at Baht 6,300 million.

On December 16, 2003, ITV's board of directors approved the increase of its registered capital to Baht 7,800 million, equivalent to 1,560 million shares at the par value of Baht 5 per share. The issuance of 300 million new ordinary shares was

specifically allocated to 2 strategic partners, namely Mr. Tripop Limpapat and Kantana Group Public Company Limited ("Kantana"), for the total of 150 million shares at Baht 10 per share worth Baht 3,000 million.
Nevertheless, the accomplishment of such capital increase plan was depending upon the outcome of the due diligence of ITV. Noting that if Kantana purchased its portion of shares, Kantana together with the Kaljaruek Family had agreed not to produce and/or own and/or provide any program to other TV broadcasting stations, except for those former programs produced for Channel 7 and broadcasting stations in foreign countries.

2004 On January 19, 2004, the extraordinary general meeting of shareholders No. 1/2004 resolved to approve the resolution of ITV's board of directors with regards to the private placement of newly issued shares to such strategic partners.

On January 30, 2004, the tribunal, by the arbitral award, ruled that the PMO shall indemnify ITV for the breach of the forth paragraph of Clause 5 of the OA causing damages to ITV. Material issues were as detailed below:

- The PMO shall compensate for the damages by paying to ITV the amount of Baht 20 million;

- The payment under the first paragraph of Clause 5 of the OA shall be decreased by reducing the minimum operating fee to Baht 230 million per year and the payment rate to 6.5% of the revenues prior to the deduction of any expenses and taxes. The payment shall be based on the higher amount between the payment rate of 6.5% of the revenues prior to the deduction of any expenses and taxes and the minimum operating fee commencing from July 3, 2002 onwards;

- The PMO shall return Baht 570 million out of the Baht 800 million minimum operating fee paid by ITV, which was the condition made during the arbitration hearing on July 3, 2003;

- ITV shall be able to broadcast during the prime time from 7.00 pm to 9.30 pm without restriction on broadcasting only news, documentaries and social-benefit programs. Nonetheless, ITV shall broadcast news and useful programs at least 50% of total airtime, subject to the regulations specified by the government authority applicable to general broadcasting stations.

2005 On October 31, 2005, according to the memorandum of understanding dated November 26, 2004, Mr. Tripop Limpapat and Kantana failed to fulfill their obligations regarding the allocation capital increase shares as approved by the shareholders' meeting on January 19, 2004. However, both strategic partners would continue to produce TV programs for ITV.

On December 22, 2005, ITV's board of directors passed a resolution approving ITV to set up a new joint venture named Media Connex Co., Ltd. ("MC") with a registered capital of Baht 50 million, equivalent to 5,000,000 shares at the par value of Baht 10 per share. The main objective of MC was to provide advertisement and content production services specifically via mobile phones. The co-investors consisted of ITV, CA Mobile Limited (CAM) from Japan and Mitsui and Co., Ltd. (Mitsui) from Japan with the

investment portion of 60%, 25% and 15%, respectively. MC was registered as a company in January 2006. This joint venture was to utilize the existing resources of ITV to expand the business in collaboration with strong strategic partners from Japan, who have the expertise in new technology and marketing technique through the advertisement via mobile phones.

2006 On January 23, 2006, ITV acknowledged the sale of ordinary shares of SHIN, its major shareholder holding 52.93% of ITV's paid up capital. A group of SHIN's major shareholders sold their shares to Cedar Holding Co., Ltd. ("Cedar") and Aspen Holding Co., Ltd. (Aspen"). However, Cedar and Aspen received a waiver from the Securities and Exchange Commission ("SEC") by not having to make a tender offer to purchase all of ITV's securities as specified in Article 8 of the announcement of SEC No. GorJor. 53/2545 re: chain principle. The Tender Offer Sub-Committee of the SEC considered and opined that Cedar and Aspen did not wish to acquire ITV's securites including the fact that ITV was an insignificant asset of SHIN.

On May 9, 2006, the Central Administrative Court rendered its judgment revoking the whole arbitral award dated January 30, 2004.

On June 7, 2006, ITV filed an appeal to the Supreme Administrative Court for judgment regarding the breach of the forth paragraph of Clause 5 of the OA by the PMO causing damages to ITV thus requesting for remedy from the PMO.

On December 13, 2006, the Supreme Administrative Court rendered its judgment revoking the whole arbitral award dated January 30, 2004. The Arbitration's ruling was nullified as the condition under the forth paragraph of Clause 5 of the OA did not submit for the Cabinet's approval thus became invalid. ITV had to perform in accordance with the first paragraph of Clause 5 of the OA regarding the payment to the PMO i.e. the minimum operating fee of Baht 1,000 million a year or 44% of revenues, whichever is higher. ITV also had to follow the content ratio as specified in the first paragraph of Clause 11 of the OA by broadcasting at least 70% of its airtime in forms of news and useful programs and restriction to only these programs during the prime time from 7.00 pm to 9.30 pm. ITV started using the broadcasting programs as per the condition specified in the first paragraph of Clause 11 since December 14, 2006 onwards.

On December 14, 2006, the PMO submitted the letter requesting ITV to perform the followings:

1. ITV shall adjust the broadcasting programs to be in compliance with Clause 11 of the OA;

2. ITV shall pay the difference of the minimum operating fee in accordance with the OA for the 9th year (7th installment) for the amount of Baht 670 million, the 10th year (8th installment) for the amount of Baht 770 million and the 11th year (9th installment) for the amount of Baht 770 million, totaling Baht 2,210 million together with the interest at the rate of 15% per annum. The interest shall be calculated daily based on the number of delay payment days;

3. ITV shall pay the fine at the rate of 10% of the operating fee that the PMO shall receive each year, calculated daily, as ITV failed to use the broadcasting programs in

accordance with the first paragraph of Clause 11 of the OA during the period commencing from April 1, 2004 to December 13, 2006. The PMO claimed the fine for the total amount of Baht 97,760 million (ITV adjusted its broadcast programs to be in line with the Supreme Administrative Court's judgment since December 14, 2006).

The PMO also notified that if ITV failed to make the aforementioned payment within 45 days after receiving such notice (dated December 15, 2006), the PMO shall proceed in accordance with the conditions as specified in the OA and the law.

On December 21, 2006, ITV submitted the letter to the PMO raising the following issues:

1. ITV had completed the adjustment of its broadcasting programs in accordance with Clause 11 of the OA since December 14, 2006 onwards;

2. ITV did not fail to pay the operating fee as alleged. ITV paid the annual operating fee for the amount of Baht 230 million in accordance with the arbitral award. Such award binds both parties in accordance with Clause 15 of the OA. Therefore, ITV has no liability to pay the interest on the operating fee from the period that the tribunal rendered its award to the date that the Supreme Administrative Court rendered its judgment.

3. ITV disagreed with the PMO regarding the payment of Baht 97,760 million fine and that ITV shall pay such fine within 45 days giving the following reasons:

    3.1 ITV did not breach the OA. ITV complied with Clause 15 of the OA, which states that "The arbitral award of the tribunal shall be final and binding on both parties", and the last paragraph of Clause 30 of the regulation of the court of justice and the second paragraph of Section 70 of Act on establishment of Administrative Courts and Administrative Court procedure B.E. 2542 (1999). Therefore, ITV's act was in compliance with the OA and the law;

    3.2 To be consistent with the process of bringing the dispute to the tribunal as mentioned in Clause 3.1, if ITV breaches the OA, the PMO's right to terminate the OA shall arise after the dispute resolution comes to an end;

    3.3 The Administrative Court published "Administrative News" No. 78/2549 dated December 13, 2006, mentioning the judgment of the Supreme Administrative Court on ITV case. One of the statements specified that "In the case of the fine, both parties shall discuss the matter and if both parties cannot come to an agreement, the matter shall be handled in accordance with the specification in the OA";

    3.4 The interest and the fine arising out of the adjustment of the broadcasting programs are still under dispute. As this dispute is not under the consideration of the Administrative Court, if the parties to the OA have a dispute and cannot come to an agreement, such dispute shall be raised to the tribunal in accordance with Section 15 of the OA which states that "If there is any dispute or conflict arising out of the OA entered between the PMO and the contractor (ITV), both

parties agree to appoint the arbitration tribunal to hear the dispute and the arbitral award of the tribunal shall be final and binding on both parties".

ITV and its legal counsel believe that the calculation of the fine arising out of the adjustment of the broadcasting programs employed by the PMO did not complied with the objective of the OA. If ITV is likely to be subject to such fine, the amount of such fine per day shall not exceed Baht 274,000 not Baht 100 million as claimed by the PMO. Therefore, notwithstanding the nature of the matter, if the fine is to be charged starting from the date that ITV complied with the arbitral award to the date that the Supreme Administrative Court rendered its judgment as claimed by the PMO (from April 1, 2004 to December 13, 2006), the calculation of the fine for such period shall not exceed the amount of Baht 268 million not Baht 97,760 million as calculated and claimed by the PMO as a cause of termination.

With regard to the case that the PMO asked for the interest on the difference of the minimum operating fee, ITV and its legal counsel view that, during the period that ITV complied with the arbitral award, ITV had no duty to pay and did not fail to make the payment of such minimum operating fee as ITV had already paid the yearly minimum operating fee for the amount of Baht 230 million in accordance with the arbitral award binding both parties. According to Clause 15 of the OA, during the period that the arbitral award is still in full force, ITV had never failed to make the payment of the operating fee and/or make the late payment of the operating fee to the PMO. Moreover, the PMO had never sought the court's protection to excuse the PMO from performing in accordance with the arbitral award during such period. Accordingly, ITV has no duty to pay the interest on the difference of the minimum operating fee while the PMO has no right to claim for such interest during the period that the arbitral award was still in full force and binding under the law. In addition, the judgment of the Central Administrative Court which revoked the arbitral award was not yet effective as the appeal was filed to the Supreme Administrative Court and the Supreme Administrative Court's judgment was not yet rendered.

On December 20, 2006, MC's shareholders were changed from having 3 shareholders to 2 shareholders i.e. ITV and Mitsui with the shareholding portions of 60% and 40%, respectively.

2007 On January 4, 2007, ITV submitted the dispute regarding the fine arising out of the adjustment of the broadcasting programs and the interest on the difference of the minimum operating fee to the arbitration institution in the black case No. 1/2550. With regard to the difference of the minimum operating fee for the amount of Baht 2,210 million, as ITV views that it is important to compromise so that the performance under the OA is smoothen and to avoid the PMO terminating the OA which will affect ITV's business, ITV decided to propose the settlement offer to make Baht 2,210 million payment under various scenarios with the condition that the PMO must agree to use the arbitration proceeding on the issues of both the fine and the interest. The PMO declined such offer in the meeting on January 31, 2007.

On February 2, 2007, ITV submitted the letter to the Prime Minister seeking justice by proposing the PMO to accept the payment of the difference of the minimum operating fee in the amount of Baht 2,210 million and that the arbitration proceeding should be used regarding the fine and the interest according to Clause 15 of the OA.

On February 13, 2007, the PMO once again submitted the letter officially declining the Company's proposal. As such, ITV has no obligation to the PMO in connection with such proposal according to Section 357 of the Civil and Commercial Code. Later on, the Central Administrative Court ordered the dismissal of the black case No. 640/2550 dated June 22, 2007. The Central Administrative Court analyzed the issue claimed by the PMO that ITV admitted that it owed to the PMO the difference of the minimum operating fee in the amount of Baht 2,210 million together with the interest by stating that it is unacceptable to claim that ITV accepted that it owed such debt to the PMO because such proposal presented many alternatives to settle the dispute which should be subject to the arbitration proceeding in accordance with the OA.

On February 20, 2007, ITV submitted the petition to the Central Administrative Court requesting the Court to issue an interim protection measure or method to temporarily ease the damages of ITV as well as to urgently consider the following 2 matters:

1. ITV requested the Central Administrative Court to prevent the PMO from exercising its right to terminate the OA by claiming that ITV fails to pay the fine for the adjustment of the broadcasting programs and the interest on the difference of the minimum operating fee of approximately Baht 100,000 million until the final award is rendered by the arbitration tribunal;

2. ITV requested the Central Administrative Court to set the period that ITV shall make the payment to the PMO for the difference of the minimum operating fee in the amount of Baht 2,210 million within 30 days after the date that the court issues an order on this issue.

On February 21, 2007, the Central Administrative Court rejected the petition submitted by ITV giving the reason that if the PMO wishes to exercise the right to terminate the OA and ITV views that such right is illegally exercised, ITV should be able to claim damages from such termination. With regard to the PMO's request that ITV pay the fine and the interest as well as ITV's request that the Court sets the period for ITV to make such payment to the PMO for the difference of the minimum operating fee in the amount of Baht 2,210 million within 30 days after the date that the Court orders this issue, the Court views that they are issues to be negotiated between ITV and the PMO. If ITV feels that it should not pay or would like to negotiate for the payment of such debt, ITV could follow the procedures specified in the OA and legal proceedings. Accordingly, there is no reasonable ground for the Court to order an interim protection to protect ITV's benefit. Such order of the Court shall be final and cannot be appealed.

On March 7, 2007, the PMO sent the notice to terminate the OA and informed ITV to pay the debt and deliver to the PMO the assets that ITV uses in operating the business under the OA within the period specified by the PMO in accordance with the Cabinet's resolution on March 6, 2007 (12.00pm of March 7, 2007). Such termination caused ITV to cease its broadcasting business using the UHF system since then.

On March 28, 2007, ITV submitted the letter to the PMO denying that the termination of the OA and the request made by the PMO demanding ITV to pay the

debt for approximately Baht 100,000 million were in compliance with the law and the OA as ITV did not commit any breach of the OA and did not agree on the illegal termination of the OA. The PMO's termination of OA caused damages to ITV's business and thus the PMO shall be liable to ITV. ITV reserved its right to continue with the further legal proceedings

On March 30, 2007, the PMO filed the petition with the Central Administrative Court in the black case No. 640/2550 requesting ITV to pay the difference of the minimum operating fee for the amount of Baht 2,210 million, the 12th installment of the operating fee for the amount of Baht 677 million (starting from the date the arbitral award was issued to March 7, 2007), 15% interest rate on the difference of the minimum operating fee for the amount of Baht 562 million (starting from the date the arbitral award was issued to March 30, 2007), the fine for the adjustment of the broadcasting programs for the amount of Baht 97,760 million and the value of the non-delivered assets for the amount of Baht 656 million together with the interest at the rate of 7.5% per annum on the value of the non-delivered assets commencing from the filing date until all payments are satisfied. The value of the non-delivered assets is a new issue that has never been raised by the PMO. The total amount of the debt claimed in this petition was Baht 101,865 million.

On April 24, 2007, ITV filed the petition with the Central Administrative Court requesting the Court to appoint an arbitrator on behalf of the PMO and to force the PMO to follow the arbitration proceeding in accordance with the OA.

On May 8, 2007, ITV filed the complaint to the Central Administrative Court in the black case No. 910/2550 in the event that the PMO failed to propose Article 5 paragraph 4 to the Cabinet for approval thus caused damages to ITV. The compensation amount requested by ITV was Baht 119,252 million.

On May 9, 2007, ITV submitted the dispute to the arbitration institute in the black case No. 46/2550 seeking arbitral award on the issues relating to the PMO's exercise of the right to terminate the OA being against the law and the condition of the OA and the PMO's illegal request for ITV to pay for the difference of the minimum operating fee, the interest and the fine on the value of the non-delivered assets. Accordingly, ITV requested the PMO to pay a compensation in the amount of Baht 21,814 million as well as allow ITV to resume its operation in the broadcasting station using the UHF system until the expiration of the OA.

On May 30, 2007, The Central Administrative court ordered the dismissal of the black case No. 910/2550 filed by ITV in which the PMO failed to propose Article 5 paragraph 4 to the Cabinet for approval. The reason for such dismissal was due to the expiry by law of the case, more than 10 years old (the OA was effective since July 3, 1995).

On July 10, 2007, the Central Administrative Court appointed Mr. Vich Jeerapat as the PMO's arbitrator to hear the arbitration institute dispute with the black case No. 1/2550 and ordered the PMO to follow the arbitration proceeding with regards to the dispute on the fine, the difference of the minimum operating fee and the interest in the case thereof.

On July 11, 2007, ITV appealed to the Supreme Administrative Court for the Central Administrative Court's order to dismiss black case No. 910/2550 because of its expiry (the black case No.910/2550 was filed by ITV in which the PMO failed to propose Article 5 paragraph 4 to the Cabinet for approval causing ITV's damages).

On June 22, 2007, the Central Administrative Court ordered the dismissal of the black case No. 640/2550 filed by the PMO requesting ITV to pay for the claimed debt, including the difference of the minimum operating fee, 15% interest rate on the difference of the minimum operating fee, the fine for the adjustment of the broadcasting programs and the value of the non-delivered assets, which equaled to Baht 101,865 million in order to allow both counterparties to use the arbitration proceeding as specified in the OA.

On July 24, 2007, the PMO appealed the Central Administrative Court's order to the Supreme Administrative Court and filed the petition requesting for an interim protection in ceasing the arbitration proceeding while waiting for the Supreme Administrative Court's order.

On August 17, 2007, the PMO appealed to the Supreme Administrative Court the Central Administrative Court's order to appoint Mr. Vich Jeerapat as its arbitrator in the arbitration institute dispute with the black case No. 1/2550. The PMO also appealed against the arbitration award to follow the arbitration proceeding with regard to the dispute on the fine, the difference of the minimum operating fee and the interest in the case thereof.

On October 29, 2007, ITV filed the petition requesting the Central Administrative Court to order an interim protection in order to prevent the implementation of the draft of the Public Broadcasting of Sound and Pictures Organization of Thailand Act ("PBA") before the final judgment on ITV's case is rendered. The Cabinet resolved to approve in principle the draft of the PBA on April 24, 2007 and proposed to the National Legislative Assembly ("NLA") on October 31, 2007. ITV provided the reason in its petition that if the draft of the PBA is approved and becomes in effective as the law, it will affect the arbitral award and the Administrative Court's judgment on the dispute or the claim between ITV and the PMO, which will be rendered after October 31, 2007, regarding one of ITV's claims requesting the PMO to compensate for the damages and allow ITV to continue to operate its broadcasting business using the UHF system under the same frequency and network equipment assets until completing the full term of the OA. The same terms under the OA will be nullified as all assets, rights and obligations of ITV will become the government's assets in accordance with Section 56 of the draft of the PBA. Accordingly, ITV requested that the Central Administrative Court hold an urgent hearing and ordered the cessation or find an immediate measure which will cease the operation or the proposing of such draft to the NLA as the Court deemed appropriate until the case is final or until the Central Administrative Court will order otherwise.

On October 30, 2007, the Central Administrative Court rejected ITV's petition requesting an interim protection giving the reason that the consideration of such draft is the duty of the members of the NLA i.e. the power given by the Constitution of Thailand not the administrative power. Therefore, there is no ground for the Administrative Court to order the cessation of the operation of the NLA. In addition,

the dispute is currently under the consideration of the tribunal so that there is no reasonable ground for the Court to order an interim protection as requested by ITV.

On October 31, 2007, the draft of the PBA was approved by the NLA and is now being prepared for the publication in the Royal Gazette to be effective as the law.

On November 14, 2007, the Supreme Administrative Court reaffirmed the Central Administrative Court's order in appointing Mr. Vich Jeerapat as the PMO's arbitrator in the dispute of the arbitration institution with the black case No. 1/2550. Consequently, the dispute relating to the fine, the difference of the minimum operating fee and the interest under the dispute No. 1/2550 shall be proceeded under the arbitration proceeding. The Supreme Administrative Court also reaffirmed the Central Administrative Court's order in dismissing the case No. 910/2550 due to its expiry. The petition on such case was filed by ITV against the PMO on the invalidity of Article 5 paragraph 4, which the PMO failed to propose to the cabinet for approval before signing the OA.

On December 19, 2007, the Supreme Administrative Court reaffirmed the Central Administrative Court's order in dismissing the case No. 640/2550 filed by the PMO requesting ITV to pay the claimed debts for the amount of Baht 101,865 million. Accordingly, the dispute regarding the debt obligations comprising of the fine, the difference of the minimum operating fee, the interest and the value of the non-delivered assets as well as the illegal termination under the dispute No. 1/2550 and 46/2550 shall proceed under the arbitration proceeding.

2008 On January 15, 2008, the Public Broadcasting Act was enacted and published in the Royal Gazette. The enactment of this Act makes any tribunal judgments or any Supreme Administrative Court's orders on ITV's legal requests to resume the UHF television broadcast operation for the remaining operation period which occurred after January 15, 2008 become ineffective because ITV's relevant assets, rights, duties and obligations with respect to the OA will become the government's possessions as prescribed under Clause 56 of such Act. Nevertheless, the Company still has other ongoing legal cases against the PMO for settlement of damages in form of cash or other compensation methods, all of which are pending for the Court's decisions.

On April 2, 2008, ITV's board of directors passed a resolution approving MC to decrease three fourths of the registered capital for the total amount of Baht 37.5 million from Baht 50 million (fully paid-up) to Baht 12.5 million by decreasing the number of shares from 5,000,000 shares to 1,250,000 shares at the same par value of Baht 10 per share.

On October 30, 2008, the PMO submitted the petition No. Kor 9/2551 for an interim protection form the Central Administrative Court requesting the Court to prohibit ITV from owning or taking any legal action on the lands in Amphoe Choompuang, Nakorn Ratchasima Province and Amphoe Phen, Udornthani Province with title deed No. 25168 and 29554 prior to the final judgment of the black case No. 46/2550. Moreover, the Court was requested to submit the notice to temporarily prohibit the land officers in both Nakorn Ratchasima and Udornthani provinces from any registration of rights and legal action on such lands before the final judgment. With reference to the second paragraph of Clause 1.1. of the OA, "lands, buildings,

operating equipments and other assets which ITV has procured or acquired or possessed for its broadcasting business before or after the agreement signing date have to be transferred to the PMO on the day that such assets are completely installed and operated or firstly acquired but no later than the operating date. Accordingly, the PMO shall agree to provide rights and duties to possess and use the aforementioned assets to ITV for its broadcasting business in according to the OA."

On September 3, 2008, ITV's board of directors resolved to cease the operations of MC.

On November 25, 2008, ITV opposed to the petition No. Kor 9/2551 providing that the PMO was the one who terminated the OA before completing the agreement term whereas ITV did not act in breach. Such termination was in fact intended to seize and possess ITV's broadcasting station to seek benefits, as the PMO's intention was wrongful given illegal termination. As deemed that the PMO was the party in breach resulting from illegal termination, both parties shall return to the same position in accordance with Section 391 of the Civil and Commercial Code as if they did not enter into the agreement since the beginning thus the PMO could not claim or rely on conditions, arrangement and details in the OA in which the PMO exercised the right to terminate and thereby enforced ITV to perform according to the OA. In addition, the OA also did not have the exception that prohibits the return to the same position following the termination of the agreement. As such, the PMO could not refer to the terminated agreement and request another party to follow accordingly.

On December 25, 2008, the Central Administrative Court ordered an interim protection that prohibited ITV from any legal action on the lands in Amphoe Choompuang, Nakorn Ratchasima Province.

2009 On June 29, 2009, the Supreme Administrative Court reaffirmed the Central Administrative Court's ordered an interim protection that prohibited ITV from any legal action on the lands in Amphoe Choompuang, Nakorn Ratchasima Province.

On June 4, 2009, the Stock Exchange of Thailand (SET) had withdrawn ITV shares from the trading board and moved to non-performing group (NPG). However as ITV still maintains its status as a listed company, it has to comply with the SET's regulations. In accordance with the reviewed financial statements for the first quarter, ended March 31, 2009, equity of the Company was below zero and the Company incurred net operating losses for two consecutive years.

2010 On June 10, 2010, The Company paid arbitrators' fee of the black case No.46/2550 amount 5,412,839.79 Baht according to the capital which each party claimed by calculation from capital base which the Company claimed for 21,814,198,932 Baht. For black case No.1/2550, there was no capital and therefore, deposition insurance at the minimum rate which was 20,000 Baht per time was made. The Company deposited 5 times with total 100,000 Baht.

Now, the PMO is extending the time for arbitrators' fee. The reason was that Thai Public Broadcasting Service was responsible for paying the said arbitrators' fee and did not object but just extended the time for a while because the government fund was not allocated yet as per Article 60: Thai Public Broadcasting Service Act. Arbitration Institute permitted the disputant to extend the time to arbitrators' fee until

March 2, 2011 (detail as of February 14, 2011). In conclusion, the black case no. 1/2550 and the black case no. 46/2550 are still under Arbitration process

4.2 Overview of the Company's Current Operations

ITV Public Company Limited (the "**Company**" or "**ITV**") used to operate the first UHF-system television broadcast station in Thailand under the station's name "ITV Broadcasting Station" (ITV). ITV was granted the built-transfer-operate operating agreement (the "**OA**") from the Office of the Permanent Secretary to the Prime Minister's Office ("**PMO**") for a period of 30 years ending 31 July 2025. The Company was obligated to pay a operating fee to the PMO at the rate specified in the OA as the percentage of its total revenues or at the minimum of Baht 25,200 million throughout the operating period.

Prior to March 8, 2007, ITV was the operator of TV station who produces and acquires programs, manages the overall airtime slots, sells and rents out advertising airtime as well as broadcasts television signals to viewers through its extensive network of 52 relay broadcasting stations covering approximately 98% of the Thai's population.

ITV utilized a modern digital signal transmission system for its broadcasting, which provided clarity of both picture and sound. ITV was well recognized as the country's leading news station gaining wide acceptance in terms of the reliability of the news including accuracy, speed and comprehensiveness. Moreover, its TV series for children, which were on aired in the evening, had proven success over the last three consecutive years. Its other useful programs such as documentary and entertainment were of high quality as characterized by their distinguished program contents and production styles compared to those of other TV stations. Accordingly, all these factors contributed to the station's achievement as the Country's third popular station based on TV rating with average prime time (6.00-10.30pm) rating of 3.16 in 2006, an increase of 11% from 2.85 in 2005.

Following the Supreme the Supreme Administrative Court's order effective from December 14, 2006 onwards, the PMO submitted the letter demanding ITV to pay the difference of the minimum operating fee for the amount of Baht 2,210 million, the interest on the difference of the minimum operating fee and the fine for the amount of Baht 97,760 million within March 6, 2007 otherwise the PMO would take legal proceedings as specified in the OA and the law. ITV tried to negotiate with the PMO on this matter as the Company viewed differently on such interest and fine of Baht 97,760 million in terms of both the calculation method and the amount of debt given a large discrepancy.

Unfair claimed on ITV from the ambiguity of such an enormous debt burden severely affected the financial conditions of the Company, particularly in its ability to raise debt or other sources of financing to support its operations and repay the PMO for the difference of the minimum operating fee. ITV requested the PMO to consider various scenarios to resolve the dispute as well as offered to make Baht 2,210 million payment for the difference of the minimum operating fee and requested to use the arbitration proceeding on the issues of the interest and the fine as prescribed in the OA. The petition was refused. The Company therefore issued the letter to the Prime Minister appealing for justice. In addition, on February 20, 2007, the Company submitted the petition to the Central Administrative Court requesting the Court to issue an interim protection while at the same time urgently consider to prevent the PMO from exercising its right to terminate the OA until the final award on the interest and the fine is rendered by the arbitration tribunal. Later on February 21, 2007, the Court rejected the

Company's petition requesting for an interim protection. On February 27, 2007, the Cabinet passed a resolution that the PMO could terminate the OA if the Company failed to pay the difference of minimum operating fee, the interest and the fine of approximately Baht 100,000 million within March 6, 2007. Then on March 6, 2007, the Cabinet resolved to cease the operations of ITV station until midnight of March 7, 2007. Meanwhile, the PMO sent the letter dated March 7, 2007 to ITV terminating the OA and notified that ITV should pay debts and transfer all assets, which have been used in the operations according to the OA, to the PMO within specified timeframe. Such termination of the OA caused the Company to stop the operations of ITV station since then.

Since March 8, 2007, the PMO appointed the Government Public Relations Department to not only take over the assets and UHF frequency, which were originally belonged to and used by ITV, but also assume the new role in TV broadcasting operations under the name of "TITV Station" (TITV). Currently, such station was already transformed into "public television station" under the Public Broadcasting Act (PB Act) effective from January 15, 2008 onwards. Upon the enactment of such Act, the tribunal and/or the Central Administrative Court could not make judgment or ruling to the PMO allowing ITV to resume the UHF television broadcast station for the remaining operation period as ITV's assets, rights, duties and obligations with respect to the OA were transferred and become the government's possessions as prescribed under Clause 56 of such Act.

Nevertheless, the Company still has other ongoing legal cases against the PMO for settlement of damages in form of cash or other compensation methods, all of which are pending for the Court's decisions.

1. The black case No. 1/2550 filed on January 4, 2007 in which ITV was the plaintiff who submitted the dispute to the arbitration institute regarding the fine arising out of the adjustment of the broadcasting programs and the interest on the difference of the minimum operating fee.

2. The black case No. 46/2550 filed on May 9, 2007 in which ITV was the plaintiff who submitted the dispute to the arbitration institute regarding the PMO's exercise of the right to terminate the OA, request demanding debt payment being against the law and the OA and request for compensation payment for damages from the PMO's action in the amount of Baht 21,814 million.

The revocation of the operating agreement by the PMO caused ITV to cease its broadcasting operation of ITV station since March 8, 2007. It also caused the SET to announce that ITV shares may be delisted according to the SET's regulation re: delisting of securities B.E. 2542 as well as put up the signs NC (Non-Compliance) and SP (Suspension) on ITV shares until the Company is able to restructure its business operations to eliminate the causes of possible delisting. And since June 4, 2009, SET had withdrawn ITV shares from the main trading board and moved to non-performing group (NPG) until such time that the Company can restructure its operating performance thereby removing the causes of possible delisting.

Since January 19, 2011, the SET announced the amendments and procedures for listed company facing possible delisting due to operations or financial conditions as per amended procedures and guidelines which came into effect on January 26, 2011. The SET will allow the Company 3 years for rehabilitation to resolve the delisting grounds (going through 3 stages - each of 1 year). On March 10, 2011, the SET will announce the names of companies which have NC signs posted and those in the Non-Performing Group (NPG) and will allow the companies to undertake one- time extension in rehabilitation which the extension period is not

more than one (1) year (The maximum rehabilitation period does not exceed four (4) years.). To qualify for an extension, The Company must meet all of these criteria:-

1. Shareholder equity must not less than THB. 20 million or the Company must generate the profits from the Company' s core business in one (1) year period.
2. The Company must have a major core business that is sustained.
3. The Company must have solid plans to resolve the possible delisting grounds.
4. The Company must meet all regulations on requirements of the company directors or management who must not to be the prohibited persons.

As there are still some ongoing legal cases, the Court's consideration may take time before the final outcome of the justice process and the result of which may have a material impact to the Company's financial status and operating performance in the long run. In terms of the financial position as of December 31, 2010, the Company had a negative shareholders' equity of THB. 3,476 million and an accounting expense from a provision for interest which may arise in case that the Company loses the case at the rate of 15 % per annum on the difference of the minimum operating fee of THB. 2,891 million, equivalent to a yearly amount of THB. 434 million or a quarterly amount of THB. 109 million. According to the conditions on the rehabilitation plan for the period of three (3) years prescribed by the SET, the Company is required to search for new businesses that could increase retained earnings by at least THB. 3,776 million or find ways to improve shareholders' equity in the balance sheet to a positive position, at least THB. 300 million. The Company must also generate operating profits, at least for three consecutive quarters for an aggregate amount of Baht 327 million or Baht 434 million in one year period (if fail to generate continual profits). Upon meeting these criteria, the causes of possible delisting from the SET will be eliminated.

If the Company is unable to meet the requirements to resolve its grounds within the given period, the SET will inform to the SET Board to consider approving delisting the Company's securities. This may cause of possible delisting the Company from the SET and The Company's securities will not be able to trade in the SET market any longer.

Given various aforementioned limitations, including limited cash on hand for operations, as at December 31, 2010, the Company's cash and deposits, including investment in fixed income securities which is considered cash equivalent, amounted to Baht 1,118 million in total, the Company needs to delay its plan to invest in new businesses until there is a clarity on the pending legal cases. In case that the Company finalizes the results of the feasibility study and/or the rehabilitation plan, the Company will present to the Shareholders' meeting for approval and report to the SET in due course.

5. Risk Factors

Risks in relation to the events after the Office of the Permanent Secretary of the Office of the Prime Minister (the "PMO") terminated the Operating Agreement (the "OA")

5.1 Risks from the cases between ITV and the PMO

Even though ITV has in good faith complied with the arbitral awards, which are final and immediately binding both parties, with respect to the law and the OA, if ITV loses the case to the PMO, ITV may be liable for payment obligations. Such debt burden may arise from the difference of the minimum operating fee in the amount of Baht 2,891 million for the period of July 3, 2004 to March 7, 2007, the interest thereof at the rate of 15% per annum calculated since the date that the Supreme Administrative Court rendered its judgment on December 14, 2007 to December 31, 2009 in the amount of Baht 1,699 million (Since the fourth quarter of 2006, ITV has set aside a provision on its financial statements for any losses that might incur from the potential defeat in the Court's cases).

Nonetheless, if the Court rules that ITV is required to pay Baht 97,760 million fine to the PMO for the adjustment of its broadcasting programs during the period of January 31, 2004 to December 14, 2007 as well as Baht 656 million difference of the minimum operating fee and interest thereof at the rate of 7.5% per annum calculated since the date that the PMO filed the complaint. Since total obligation claims from the PMO exceeded ITV's existing cash and cash equivalents of Baht 1,118 million as at December 31, 2009, ITV may as a consequence face the financial crisis.

5.2 Risks in relation to the announcement of The Stock Exchange of Thailand (SET) about the amendments and procedures for listed company facing possible delisting due to operations or financial conditions as per amended procedures and guidelines effective on January 26, 2011.

Since March 7, 2007, ITV was forced to cease its broadcasting operation of ITV Station. As a result, ITV had to face a disruption of income from television broadcasting business. It also caused the SET to announce that ITV shares may be subjected to be delisted from March 9, 2007 onwards with reference to the SET's regulation, reference: delisting of securities B.E. 2542 as well as place up the signs NC (Non-Compliance) and SP (Suspension) until ITV is able to restructure its business operations to eliminate the causes of possible delisting.

On January 19, 2011, the SET announced the amendments and procedures for listed company facing possible delisting due to operations or financial conditions as per amended procedures and guidelines which came into effect on January 26, 2011. The SET will allow the Company 3 years for rehabilitation to resolve the delisting grounds (going through 3 stages - each of 1 year). On March 10, 2011, the SET will announce the names of companies which have NC signs posted and those in the Non-Performing Group (NPG) and will allow the companies to undertake one- time extension in rehabilitation which the extension period is not more than one (1) year (The maximum rehabilitation period does not exceed four (4) years.). To qualify for an extension, The Company must meet all of these criteria:-

1. Shareholder equity must not less than THB. 20 million or the Company must generate the profits from the Company's core business in one (1) year period.
2. The Company must have a major core business that is sustained.

3. The Company must have solid plans to resolve the possible delisting grounds.
4. The Company must meet all regulations on requirements of the company directors or management who must not to be the prohibited persons.

As there are still some ongoing legal cases, the Court's consideration may take time before the final outcome of the justice process and the result of which may have a material impact to the Company's financial status and operating performance in the long run. In terms of the financial position as of December 31, 2010, the Company had a negative shareholders' equity of THB. 3,476 million and an accounting expense from a provision for interest which may arise in case that the Company loses the case at the rate of 15 % per annum on the difference of the minimum operating fee of THB. 2,891 million, equivalent to a yearly amount of THB. 434 million or a quarterly amount of THB. 109 million. According to the conditions on the rehabilitation plan for the period of three (3) years prescribed by the SET, the Company is required to search for new businesses that could increase retained earnings by at least THB. 3,776 million or find ways to improve shareholders' equity in the balance sheet to a positive position, at least THB. 300 million. The Company has to generate a profit from operating main business at least Baht 30 million. Once this has been achieved, the Company has to generate an accumulated profit at least Baht 466 million in one year in case of inconsecutive profit for rectifying the cause of delisting the company.

If the Company is unable to meet the requirements to resolve its grounds within the given period, the SET will inform to the SET Board to consider approving delisting the Company's securities. This may cause of possible delisting the Company from the SET and The Company's securities will not be able to trade in the SET market any longer.

5.3 Management risk

5.3.1 Shareholders' meeting may influence ITV's management policy

For some important matters of the Company, the board of directors may want to request for the shareholders' meeting resolution, the procedures of which take time. The shareholders' meeting resolution may also subject to major shareholder, SHIN Corporation Public Company Limited (SHIN) which holds approximately 52.92% of the paid-up capital, but still could not gain the absolute control. The resolution on some important agendas, e.g. the amendment of the Articles of Association or the Memorandum of Association, capital increase, capital decrease or etc., is required by law to obtain three fourths of the votes from shareholders who attend the meeting and have the right to vote. Nonetheless, for transparency, good corporate governance and in accordance with the resolutions of the annual general shareholders' meeting for the year 2007 on April 23, 2007 and for the year 2008 on April 10, 2008, ITV allowed the minority shareholders to nominate and appoint 2 representatives to become the directors of the Company participating as the management to oversee and review the operating performance up to now.

5.3.2 Key human resources management

Because of the uncertainty going forward regarding the pending legal cases, which have enormous claimed amount that ITV's financial status could not be sustained in the event of an adverse outcome, ITV may have difficulties finding strategic investors or human resources that are capable and have experience in this industry to operate the business as specified under the rehabilitation plan. It may thus cost more to ITV than the normal rate of this industry in order to recruit and retain such important human resources.

5.4 Investment in the new businesses as specified in the business rehabilitation plan may be subject to various limitations and may not be able to generate the profits as expected

If ITV wishes to restructure its business by using its existing cash and investment in fixed income securities as at 31 December 2010 in the amount of Baht 1,118 million to reinvest in other businesses, ITV may encounter problems with potential strategic partners, who may lack of confidence over ITV's continuing business operations given the uncertainty of the legal cases' outcome going forward. Accordingly, ITV may have limitations finding potential strategic investors and if ITV operates a business in accordance with the rehabilitation plan and does not receive the profits as expected or incur additional losses, ITV may lack of the financial supporters, both equity and debt, to continue its business operations as they may be insecure about the financial status of the Company given an enormous claimed amount from legal cases awaiting for the Court's decision and possibly long legal proceedings.

Besides, if ITV loses the case and the verdict is that ITV has to pay the operating fee, the fine or the interest in the amount exceeding cash on hand that ITV currently has, ITV could be hit with a severe financial problem, which may in turn affect its future business's survival.

5.5 Various deposits with the banks and investment in fixed income securities of the Company may have an impact from changes in the interest rate and stability of the financial institutions or the issuers of fixed income securities

To enhance the return, on November 20, 2008 and November 23, 2010, the Company had appointed one of two asset management companies to manage the return of deposits and investment in fixed income securities. As at 31 December 2010, the Company's investment portfolio amounted to Baht 1,088 million with objective to improve the return from cash on hand under acceptable investment restrictions and risk level as specified by the Company. Such investment may have an impact from the fluctuation of the interest rate and stability of the financial institutions or the issuers of fixed income securities. Accordingly, the Company has managed the risks by clearing stipulating the investment policy only in fixed income instruments to be within the following guidelines:

5.5.1 Deposits and deposit slips issued by the commercial banks; deposit slips and bill of exchanges issued by the finance companies

5.5.2 Treasury bills, government bonds, Bank of Thailand bonds, FIDF bonds and fixed income securities which are principal and interest protected by the Ministry of Finance
Fixed income securities issued, certified, aval and endorsed by the state owned enterprises or public organizations; deposits with the banks established by virtue of a specific law of establishment; or fixed income securities issued, certified, aval and endorsed by the banks established by virtue of a specific law

5.5.3 Fixed income securities issued, certified, aval and endorsed by the commercial banks, finance companies or securities finance company

5.5.4 Fixed income securities issued, certified, aval and endorsed by the banks established by virtue of a specific law

5.5.5 Fixed income securities issued, certified, aval and endorsed by the limited companies with credit rating AA up

6. Corporate Governance and Management Structure

Corporate Governance

The Company strongly believes that good governance relies on good management supervision, farsighted and responsible directors/management, suitable "checks and balances", functions that support corporate transparency and accountability, equitable rights of shareholders and responsibilities to stakeholders are critical success factors for optimizing corporate value and maximizing long-term shareholder's values.

Since 2002, the Company set out its corporate governance policy and instigated it as a general guideline of practices. In order for such a policy to be effectively applied, it is scheduled to be reviewed annually by the Company's Board of Directors. The current revision, which is the third update, aims to promote the Company's governance standard to comply with the present framework of good governance required by concerned governing authorities. The Company's governance policy consists of four major principles, which are:

Section 1	The Board of Directors
Section 2	Rights and Equitable Treatment of Shareholders and Responsibilities to Stakeholders
Section 3	Full Disclosure and Transparency
Section 4	Controls and Risk Management

Section 1 **The Board of Directors**

1. Leadership and Vision

The Board of Directors is accountable for its governance responsibility in maximizing shareholders' ultimate benefits.

The Board shall perform their duties with prudence in managing the corporate business risk and manage the Company's assets with honesty and accountability. It shall insure equitable treatment and fairness towards shareholders, stakeholders, and other relevant parties. Its decisions and approvals on any business matters are made for the purpose of ultimate company benefits, and decisions are made by persons who do not have any conflicts of interests.

The Board of Directors oversees the management's or contracted management services provider activities. It also assures adequacy of the internal control system and makes sure that business transactions are undertaken with proper authorization. In order to maintain good check and balance between policy making and management or contracted management services functions, there is a clear segregation of the duties between the Board and the Company's management. The Board also consistently oversees that the Company has an appropriate accounting system, adequate protection measures against misuse of corporate assets, and effective reporting and monitoring system on regular and timely basis for company operations.

2. Composition of the Board of Directors, Nomination and Independence

2.1 The Board comprises of qualified experts in the area of law, finance, and accounting. The number of the directors is sufficient to supervise business activities of the Company and its subsidiaries, and is in line with the applicable law

which requires the number of Board members of not be less than 5 but not exceeding12.

2.2 It is the Board's duty and responsibility to act on behalf of all shareholders, and does not represent any particular group of shareholders.

2.3 In order to maintain appropriate check and balance between supervisory and management functions, at least half of the Board members are required to be non-executive directors whereas one third of the Board members are required to be independent directors. There shall be at least 3 independent directors on the Board.

2.4 It is the Board of Directors' policy to have an equitable number of directors appointed to represent the appropriate amount of the controlling shareholders in proportion to its investment.

2.5 The appointments of the Board members duly comply with the prescribed conditions of the Company's Articles of Association and applicable laws and regulations. The elections of the Board members must be openly and transparently carried out while the selection process shall be based on the nominated candidates' professional and educational qualifications. Details of such qualifications must be supplied sufficiently in advance to the Board and the Company's shareholders for their review and consideration.

2.6 Each director has a service term as prescribed in the Company's Articles of Association. The departed directors under their terms can be re-appointed.

3. Director's Qualifications

3.1 Directors are required to be knowledgeable, honest with business integrity, and able to allocate sufficient time to perform their duties as members of the Board of Directors.

3.2 Directors must have required qualifications prescribed by the Public Company Act and other relevant laws, with no prohibited character traits as prescribed therein.

3.3 Directors can hold directorship positions elsewhere but those positions must not be an obstacle in fulfilling their duties with the company.

3.4 Independent directors are obliged to possess required qualifications and retain their independency as prescribed in the Stock Exchange of Thailand's regulations governing qualifications for audit committee members. These directors must watch over shareholder's interests and oversee that conflicts of interest among stakeholders are avoided. In addition, while attending the Board meetings, independent directors must be able to independently express their opinions.

Independent directors are obliged to possess the following qualifications:

3.4.1 Not hold shares exceeding one half (0.5) percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or legal entity who may have a conflict of interest, including shares held by related persons of the independent director.

3.4.2 Not be nor have been an executive director, officer, employee, controlling person or advisor who receives a salary, of the Company, its parent company, subsidiary, same-level subsidiary, affiliate, or legal entity who may have a conflict of interest, unless the foregoing status ended not less than two (2) years prior to the date of appointment.

3.4.3 Not be a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children, executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries.

3.4.4 Not have a business relationship amounting to over three (3) percent of the net tangible assets of the Company or twenty (20) million baht, whichever is lower, with the Company, its parent company, subsidiary, affiliate or legal entity who may have a conflict of interest, and neither be nor have been a major shareholder, non-independent director or executive of a legal entity having a business relationship with the Company, its parent company, subsidiary, affiliate or legal entity who may have a conflict of interest, unless the foregoing relationship ended not less than two (2) years prior to the date of appointment. The term "business relationship" shall have the same meaning as defined in the Notification of the Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issued Shares. The value of the business relationship shall be calculated according to the method stipulated by the Capital Market Supervisory Board.

3.4.5 Neither be nor have been an auditor of the Company, its parent company, subsidiary, affiliate or legal entity who may have a conflict of interest, nor be a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or legal entity who may have a conflict of interest, unless the foregoing relationship ended not less than two (2) years from the date of appointment.

3.4.6 Neither be nor have been any professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding two (2) million baht from the Company, its parent company, subsidiary, affiliate or legal entity who may have a conflict of interest, and neither be nor have been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship ended not less than two (2) years from the date of appointment.

3.4.7 Not be a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.

3.4.8 Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as an independent director with qualifications complying with the criteria under 1 to 9, the independent director may be assigned by the Board to take part in the business decisions of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or legal entity who may have a conflict of interest, on condition that these decisions must be collective ones.

Management Structure
The Company's management structure consists of the Board of Directors and the Audit Committee

As of February 14, 2011 the Board of Directors consists of:

Name	Position
1. Mr. Somkid Wangcherdchuwong	Chairman of the Board of Directors
2. Mr. Nittimon Jungsiri	Vice Chairman of the Board of Directors
3. Mr. Vichakoraput Rattanavichaien	Director, Independent Director, Chairman of the Audit Committee and Company's Secretary
4. Mr. Sumatee Inhnu	Director, Independent Director and member of the Audit Committee
5. Mr. Somboon Wongwanich	Director, Independent Director and member of the Audit Committee
6. Mrs. Ratanaporn Nammontri	Director
7. Mr. Wuttiporn Deawpanich	Director

4. Major Responsibility of the Board of Directors

4.1 Performing their duties with prudence and honesty within the framework of applicable laws, the Company's Objectives, the Company's Article of Association, and shareholders' resolutions, as well as overseeing benefits and protecting interests of the Company.

4.2 Setting corporate strategies and directions and monitoring that operational performances of the management are efficiently and effectively pursued according to the established policies, in order to ensure that corporate value and long-term interests of the shareholders are being maximized.

4.3 Reviewing and approving issues of significance such as business plans and policies, management authority, large scales investment projects, acquisitions or disposals of assets, and other matters prescribed by the applicable laws.

4.4 Authorizing and/or approving the Company's and its subsidiaries' related parties transactions as per conditions prescribed in the Stock Exchange of Thailand's notifications, rules and guidance.

4.5 Regularly evaluating performance and approving a remuneration scheme for management and contracted management services.

4.6 Being accountable for management and contracted management consultant's performances and results, and being responsible for overseeing that management perform their tasks diligently and cautiously.

4.7 Ensuring that the accounting system, financial reporting, and auditing process are reliable; overseeing that proper assessment of internal controls exists; monitoring efficiency and effectiveness of the internal audit system, risk management, financial reporting, and follow-up process.

4.8 Overseeing that conflicts of interest among stakeholders are avoided.

4.9 Overseeing that the Company conducts its business with integrity.

4.10 Regularly review the corporate governance policy and evaluate its compliance actions, at least once a year.

4.11 Preparing "The Board of Director's Responsibility Report" to be presented together with the Company's financial statements. This report is required as part of the Company's annual report, and placed beside " The Auditor's Report". Also detailed material subjects that must be complied to under the "Code of Best Practice for Directors of Listed Companies" of the Stock Exchange of Thailand.

5. Formation of Sub-Committee

The Board of Directors formed the Audit Committee to assist the Board in reviewing and offering opinions on the Board's assigned tasks .The Audit Committee is considered as a part of the Board of Directors, The Audit Committee members consists of three members, at least one of whom has experience in accounting or finance, and are independent directors and qualified under the Securities and Security Exchange's notifications. Members of the Audit Committee are:

Name	Position	No. of Meetings in 2010	No. of Attendances in 2010
1. Mr. Vichakoraput Rattanavichaien	Chairman of the Audit Committee	4	4
2. Mr. Somboon Wongwanich	Member of the Audit Committee	4	3
3. Mr. Sumatee Inhnu	Member of the Audit Committee	4	4

The authority of the Audit Committee and its scope of duties are as follows:

1. Review, together with management and auditor, the accuracy of the Company's financial statements in accordance with generally accepted accounting principles.
2. Comment on the changing accounting policy and determine financial approval authority of the Executive Board and the Managing Director and report directly to Board of Directors.
3. Review the internal controls and internal audit systems to ensure that they are appropriate and effective.
4. Review that the Company complies the laws governing securities and exchange, the regulations of The Stock Exchange of Thailand and the laws applicable to the Company's business.
5. Consider, select and nominate independent person to be the Company's external auditors and propose the external audit fee to the Board of Directors. In addition, to consider and approve the audit plan of auditor and annually attend meetings with external auditors without management presence.
6. Review the independent of auditors and comment on a hiring policy of auditor whose service beyond the scope of audit.
7. Review the work of risk management committee.
8. Review and comment on appropriate disclosure of information in case that there are connected transactions or transactions which may lead to a conflict of interest in compliance with the laws and related regulations including consider on accuracy and completeness of the disclosure.
9. Review and comment on internal audit performance and co-ordinate with auditors.
10. Consider the independent of internal audit team, agree to consider hiring, termination of employment and consider the internal audit team service fee.
11. Consider and approve the authority of internal audit team and annual audit plan.

12. Assign the authority to management to support and coordinate with auditor and internal auditor as deem appropriated for the report of the audit committee to the Board of Directors at least once a year.
13. Inform the performance of audit committee to the Company's Board of Director at least once a year.
14. Prepare Audit Committee report to disclose in the Company's annual report and annual filing form 56-1 which must be affixed with the signature of the Chairman of the Audit Committee together with the following information:
    a) Comment on the accuracy, completeness and reliability of the Company's financial statements
    b) Comment on the adequacy of the internal control system of the Company
    c) Comment on the Company's operation in accordance with the laws governing Securities and Exchange, the regulations of SET and the laws applicable to the Company's business.
    d) Comment on the suitability of the auditor
    e) Comment on potential transactions which may have conflict of interest
    f) The number of audit committee meeting and the attendance of each audit committee.
    g) Comment or observation which audit committee received from performing according to its Charter
    h) Any transactions which should be disclosed to shareholders or investors under the scope, duties and responsibilities assigned from the Company's Board of Directors.
15. While performing its duties, the Audit Committee must directly report to the Company's Board of Directors if there are any following transactions which affect the Company's financial status and operating performance in order to take corrective actions on a timely basis.
    a) Transactions which may lead to conflict of interest
    b) Fraud or irregularity or a significant deficiency in internal control system
    c) Against the law governing Securities and Exchange, the regulations of SET and the laws applicable to the company's business.

    Nonetheless, If the Company's Board of Directors or management have not taken corrective actions within the given timeline, the Audit Committee may report to the SEC and the SET

    and SET.
16. Annually review the scope of work and evaluate the performance of the Audit Committee.

6. Management Team

As of March 7, 2007 the Company terminated the employment of all its executives and employees, and retains no executives and employees. The Company since then has been operated by the Board of Directors by means of hiring contracted management services to operate accounting and financial tasks, to oversee commercial documents and legal matters, to coordinate business activities, as well as to assist the Company's financial advisor in preparing the rehabilitation plan. The Company also hires a legal advisor to process its legal cases and hires a financial advisor to prepare the rehabilitation plan. These contracted management services and advisors perform their duties and transactions under policy guidelines and approval from the Board of Directors.

7. The Board of Directors' Meetings

The Board is scheduled to meet at least five times a year. In addition to regular meetings, extraordinary meetings may be called for if necessary. The Chairman of the Board and the Chairman of the Executive Committee oversee and approve agendas of meetings and meeting schedules, the Secretary to the Board is responsible for the delivery of meeting notifications and relevant supporting documents to Board members no less than seven days in advance of each meeting to allow adequate time for Board members to study the agenda and prepare themselves.

The Chairman of the Board chairs and monitors the Board meetings. He also assures sufficient allocation of time for discussions on each agenda topic and allows each director to freely express his/her view on important agenda items, as well as offers chances for the management to present relevant information to support the discussions.

The Secretary to the Board of Directors takes records of the meetings and prepares minutes for each meeting. The minutes are to be completed within fourteen days after each meeting, and are kept together with all other related documents to support the Board's follow-up actions in compliance with the Company's Articles of Association and the resolutions of shareholders' meetings. The Secretary also works in coordination with other concerned parties.

In 2010 the Board held 5 meetings. The director's attendance list for the year is as follows:

Name	No. of meetings during the directorship term	No. of attendances
1. Mr. Somkid Wangcherdchuwong	5	5
2. Mr. Nittimon Jungsiri	5	4
3. Mr. Sumatee Inhnu	5	5
4. Mr. Vichakoraput Rattanavichaien	5	5
5. Mr. Somboon Wongwanich	5	4
6. Mrs. Ratanaporn Nammontri	5	5
7. Mr. Wuttiporn Deawpanich	5	5

8. Remuneration of Directors and Executives

The Company set the remunerations for its directors within the comparative range of their responsibilities and the industry benchmark. Such remunerations are within the appropriate range and sufficient to motivate and maintain the quality of each individual in performing their tasks. Remunerations paid in 2010 were

8.1 Director's Remuneration

Directors	Amount (Baht)
1. Mr. Somkid Wangcherdchuwong	960,000
2. Mr. Vichakoraput Rattanavichaien	600,000
3. Mr. Nittimon Jungsiri	840,000
4. Mr. Sumatee Inhnu	600,000
5. Mr. Somboon Wongwanich	600,000
6. Mrs. Ratanaporn Nammontri	600,000
7. Mr. Wuttiporn Deawpanich	600,000
Total	**4,800,000**

8.2 Contracted Management Services' Remuneration

As the Company has no business operation therefore, the Company has not paid any remuneration for the management. However, the Company has to pay the remuneration for legal advisor, lawyer, contracted accounting and financial management service and financial advisor in 2010 in the amount of Baht 13.4 million.

9. Training and Knowledge Enhancement for Directors

Newly-appointed directors are provided with necessary information of the Company, as well as details of applicable laws and regulations, and current business environment in order to equip them with sufficient knowledge. Appropriate training and development programs are also regularly provided to facilitate each director with all the necessary skills required to efficiently perform their duties.

Section 2 Shareholder's Rights and Equitable Treatment

1. Shareholder's Rights and Equitable Treatment

The Board of Directors respects the shareholders' rights and has a duty to protect the benefits of every shareholder impartially, regardless of whether they are retail, foreign, institutional, or major shareholders. Every shareholder is entitled to the rights and equitable treatment detailed below:

1.1 The right to receive share certificates and share transfers, and to be sufficiently informed of operating results and management policies on a regularly and timely basis.
1.2 The right to an equitable share of profits.
1.3 The right to participate in meetings, vote and make recommendations on decisions concerning major corporate actions.
1.4 The right to elect directors.
1.5 Other rights as stipulated by laws.

In addition to the above rights, every shareholder is entitled to the rights and impartial treatment stipulated in the Company's Articles of Association and all related laws.

2. Shareholders' Meeting

The Company has a policy to conduct shareholders' meetings according to the laws and guidelines prescribed by regulatory bodies.

In each shareholder's meeting, every shareholder has the right to give his or her opinion and query any of the information presented which is relevant to the agenda and the issues being discussed. The Chairman of the meeting shall allocate an appropriate period of time for each item on the agenda and encourage all attendees to participate in the discussion and express their opinions.

In each meeting, at least one independent director shall be appointed as a proxy for shareholders who cannot attend the meeting, and every party shall be informed beforehand in the notification of the meeting. Every shareholder shall have the right to vote separately for each item on the agenda. The Board shall not combine unrelated matters together and seek for their approval in one single request or resolution.

It is the duty of all directors to attend every shareholder's meeting to answer any queries that shareholders might have. During the 2010 General Annual Shareholders Meetings, the director's attendance list for the year is as follows:

Name	Position	2010 General Annual Shareholders
1. Mr. Somkid Wangcherdchuwong	Chairman of the Board of Directors	Attend
2. Mr. Nittimon Jungsiri	Vice Chairman of the Board of Directors	Attend
3. Mr. Vichakoraput Rattanavichaien	Director, Independent Director and Chairman of the Audit Committee	Attend
4. Mr. Sumatee Inhnu	Director, Independent Director and member of the Audit Committee	Attend

Name	Position	2010 General Annual Shareholders
5. Mr. Somboon Wongwanich	Director, Independent Director and member of the Audit Committee	Attend
6. Ms. Ratanaporn Nammontri	Director	Attend
7. Mr. Wuttiporn Deawpanich	Director	Attend

3. Role to Stakeholders

The Company is aware of the rights of stakeholders and has a policy to ensure the importance of these rights by the appropriate prioritization of all stakeholders as follows: shareholders, employees, executives, customers, partners, creditors, and society. Cooperation between stakeholders shall be established according to their roles and responsibilities so that the Company can run its operations smoothly and effectively in order to equitably benefit all stakeholders.

Section 3 Disclosure of Information and Transparency

Roles and duties of the Board regarding information disclosure and transparency

1. It is the duty of the Board of Directors to disclose financial information, operating performance, and other relevant information accurately, completely, thoroughly and in a timely manner to all shareholders and stakeholders in the Company.

2. The Company disclosure policy consists of the dissemination of the following information:

   2.1 The Company's Objectives.
   2.2 The Company's financial status and operating performance, shareholding structure, and voting rights.
   2.3 Names of the directors, members of sub-committee, the Chairman of the Executive Committee, and the Managing Director, as well as their remunerations.
   2.4 Factors and policy on risk management policies for operational and financial risks which are material and foreseeable.
   2.5 Corporate governance strategies and policies, and the Board's responsibility regarding financial reports and the reports of the Chairman of the Audit Committee, as well as all other related reports.
   2.6 Records of meeting attendances of each director and/or each sub-committee member at their respective meetings for the year which must be disclosed in the Company's annual reports

Interested parties who wish to obtain available information on the Company's operations and performance are welcome to contact our number 0-2791-1795-6 or visit the website www.itv.co.th as well as through other communication channels such as The Stock Exchange of Thailand.

Section 4 Internal Control and Risk Management Systems

1. Internal Control

The Board of Directors shall arrange and maintain the Company's internal control system in order to safeguard the shareholders' investment capital and the Company's assets. It is the Board's duty to review the efficiency of the internal control system at least once a year and report its performance to the shareholders. The review shall cover all matters pertaining to financial controls, operational controls, compliance controls and risk management.

2. Risk Management

The Company maintains risk management procedures that appropriately manage both internal and external risk factors affecting the Company to be within acceptable level.

7. Related Party Transactions

In 2010, the Company had transactions with persons that may have had conflicting interests. The prices set for the trading of goods and services with such parties are similar to those applied in normal business conditions to any other outsiders. These transactions are disclosed in the Note to Financial Statements (No. 4) reported as of December 31, 2010

Related Parties / Relation to the Company	**CS Loxinfo Public Company Limited (CSL)** CSL is an affiliated company of the in the SHIN Group. SHIN is its major shareholder holding 41.14% of THCOM shares, whereas THCOM holds 99.99% shares in DTV Service Co., Ltd. (DTV), and DTV holds 42.19% in CSL shares. As of December 31, 2010, neither the Company nor CSL has the same directors sitting on their Boards.
Nature of Transaction	The Company uses the CSL's email service and hosting domain name

Amount of Related Party Transactions as of (consolidated financial statements)

	31 December 2009 (Million Baht)	31 December 2010 (Million Baht)
Service Fee for email and domain name	0.0036	0.0036

Rationale and necessity of the transactions

- (Arm's length) CSL has expertise in providing leased-line internet services and its service fees are charged on an arm's length basis

Related Parties / Relation to the Company	**2. Advanced Info Services Public Company Limited (ADVANC)** ADVANC is an associated company within the SHIN Group. SHIN holds 42.55% of its shares. As of December 31, 2010 neither the Company nor ADVANC has the same directors sitting on their Boards.
Nature of Transaction	The Company hired a asset management company to manage its investment and such asset management company invested in ADVANC's shares.

Amount of Related Party Transactions as of (consolidated financial statements)

	31 December 2009 (Million Baht)	31 December 2010 (Million Baht)
1.Investment in Debentures	48.1	47.1
2.Accrued Interest	0.6	0.6
3.Investment Return	1.7	2.2

- It was the same investment as other investors and investment in both primary market and secondary market.
- Return on investment was according to the conditions as same as other investors.
- Net value of the fund in 2009 and 2010 was 1,068 million Baht and 1,088 million Baht respectively.

8. Major Shareholders

8.1 Top eight major shareholders of the ITV Public Company Limited as of the latest share registration book closing date on March 19, 2010 by Thailand Securities Depository Company Limited can be shown as follows

No.	List of Shareholders	No. of Shares	% Shareholding
1	Shin Corporation Public Company Limited	638,602,846	52.92
2	GOLDMAN SACHS & CO	48,720,694	4.04
3	Thai NVDR Company Limited	37,705,910	3.13
4	Mr. Narit Jiaarpa	26,628,000	2.21
5	NORTRUST NOMINEES LTD.	23,117,100	1.92
6	State Street Bank and Trust Company for London	14,785,990	1.23
7	Mr. Virat Klongprakij	8,171,300	0.68
8	Thailand Securities Depository Company Limited	7,212,700	0.60
Total		**804,944,540**	**66.71**

Remark: Investors can obtain information from. www.set.or.th prior to the 2010 Annual General Meeting of Shareholders

8.2 Major shareholders whose behavior may have influential impacts to the Company's management policy or its operations is Shin Corporation Plc. The major shareholders of Shin Corporation Plc. as of November 26, 2010 are:

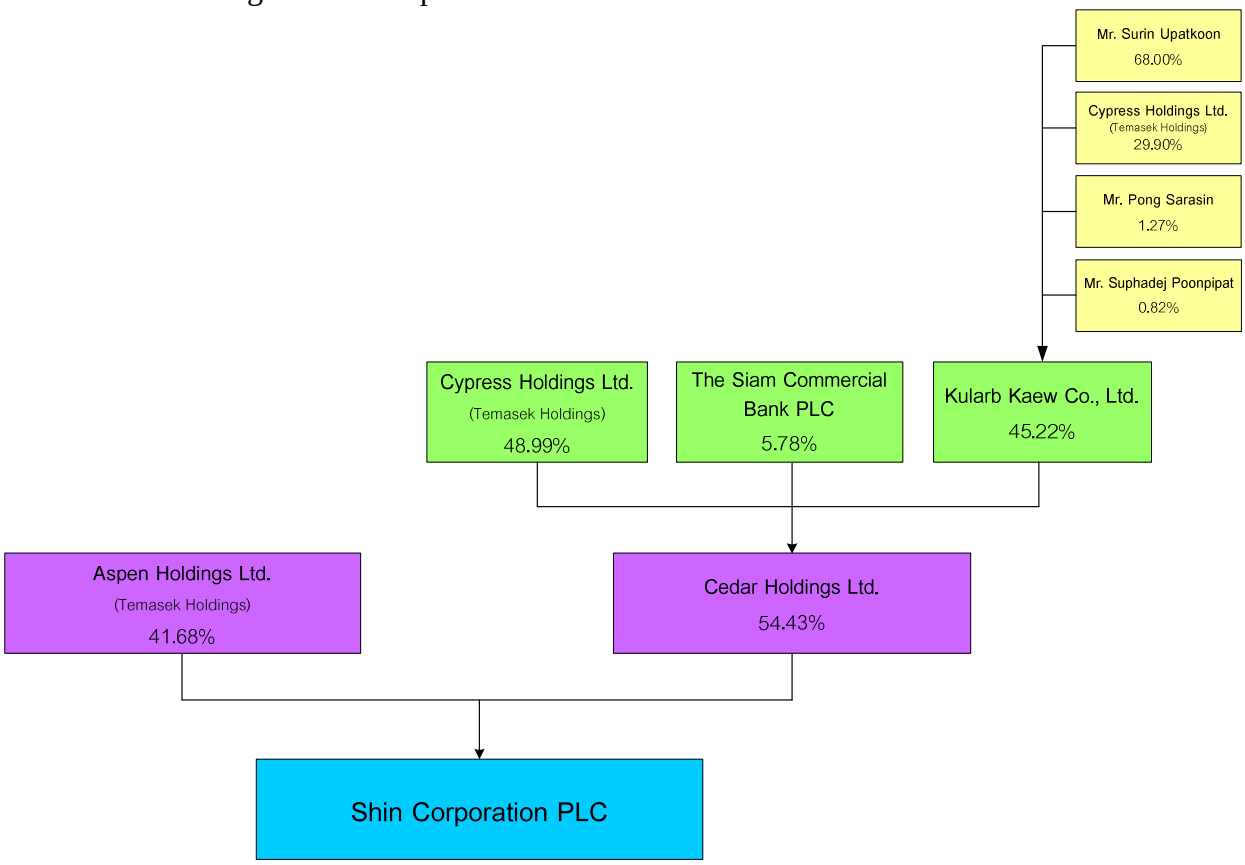
No.	List of Shareholders	No. of Shares	% Shareholding
1.	Cedar Holding Co., Ltd.*	1,742,407,239	54.43
2.	Aspen Holding Co., Ltd.*	1,334,354,825	41.68
Total		**3,076,762,064**	**96.11**

Remark: Information as of the latest share registration book closing date of Shin Corporation Plc. on November 26, 2010 obtained from Thailand Securities Depository Company Limited

*Aspen is a company incorporated in Thailand, and an indirectly controlled subsidiary of Temasek Holdings (Pte) Ltd. (Temasek)

*Cedar Holding Co., Ltd. is a company incorporated in Thailand, of which its shareholders are the Siam Commercial Bank Public Company Limited (5.78%), Kularb Kaew Company Limited (45.22%) and Cypress Holdings Limited (48.99%). Cypress Holdings Limited which is an indirectly controlled subsidiary of Temasek Holdings (Pte) Ltd.

The shareholding structure is presented as follows:



Remark: Information as of January 18, 2011

Dividend Policy

The Company does not plan to pay out dividends due to the fact that as of December 31, 2010, the Company's financial statements still showed an accumulated loss of Baht 9,334 million.

9. Information of the Board of Directors

Name-Surname	**Mr. Somkid Wangcherdchuwong** (Be appointed as a director of the Company as of February 19, 2007.)
Age (year)	54
Position	Chairman of the Board of Directors and Authorized Director
% of Shareholding	-
Family Relationship between Management	None
Highest Education	• Barrister-at-law The Thai Bar • Bachelor Degree of Law, Chulalongkorn University • Director Accreditation Program 50/2006
Work Experience	2007 – Present • Chairman of the Board of Directors ITV Plc. 1996 - Present • Attorney at Law Suwat Somkid Law Office 1991 - 1995 • Attorney at Law Udomwattana Law Offic 1989 - 1990 • Attorney at Law Dr. Surabodee Sattabut Law & Bussiness Office 1982 - 1988 • Attorney at Law Vikery, Prapon, Pramuan & Sutee Law Office 1980 - 1981 • Attorney at Law Kriengsak & Sanya Law Office
Illegal Record In the Past 10 year	None

Name-Surname	**Mr. Nittimon Jungsiri** (Be appointed as a director of the Company as of March 7, 2007..)
Age (year)	54
Position	Vice-Chairman of the Board of Directors and Authorized Director
% of Shareholding	-
Family Relationship between Management	None
Highest Education	• Barrister-at-law The Thai Bar • Bachelor Degree of Law, Chulalongkorn University • Director Accreditation Program 75/2008

Work Experience	2007 – Present	• Director of ITV Plc
	1998 - Present	• Consultant and Attorney at Law
	1993 - 1998	• Legal Manager Apitun Seafood Co., Ltd.
	1992 -1993	• Legal Manager Eak Thanakij Fund Plc.
	1982 - 1984	• Case Department Manager Siam Yamaha Co., Ltd. and Subsidiary
	1980 - 1981	• Checking and assessing Officer BMTA

Illegal Record In the Past 10 year None

Name-Surname	**Mr. Vichakoraput Rattanavichaien** (Be appointed as a director of the Company as of March 7, 2007.)
Age (year)	51
Position	Director, Independent Director, Chairman of the Audit Committee and Secretary of the Board of Directors
% of Shareholding	-
Family Relationship between Management	None
Highest Education	• Bachelor Degree of Law, Ramkhamheang University • Director Accreditation Program 75/2008

Work Experience	2007 - Present	• Director, Independent Director, Chairman of the Audit Committee and Secretary of the Board of Directors of ITV Plc.
	2001 - Present	• Attorney at Law Apiboon Law Office
	2000 - Present	• Director Lawyers' Professional Etiquette Department
		• The Lawyers Council of Thailand
	1989 - 2001	• Attorney at Law Somporn & Associated Law Office
	1987 - 1989	• Attorney at Law The Lawyers Council of Thailand
	1986 - 1987	• Attorney at Law Kamnuan Chalopatum Law Office

Illegal Record In the Past 10 years None

Name-Surname	**Mr. Sumatee Inhnu** (Be appointed as a director of the Company as of March 7, 2007.)
Age (year)	44
Position	Director, Independent Director and Member of the Audit Committee
% of Shareholding	-
Family Relationship between Management	None
Highest Education	• Bachelor Degree of Law, Ramkhamheang University • Director Accreditation Program 75/2008
Work Experience	2007 - Present • Director, Independent Director and Member of the Audit Committee of ITV Plc. 1999 - Present • Attorney at Law Freelance 1995 - 1999 • Attorney at Law Thammanit Law Office 1993 - 1995 • Attorney at Law Boonserm and Friends Law Office 1992 - 1993 • Attorney at Law Thostep Law Office
Illegal Record In the Past 10 years	None

Name-Surname	**Mr. Somboon Wongwanich** (Be appointed as a director of the Company as of May 15, 2007.)
Age (year)	43
Position	Director, Independent Director and Member of the Audit Committee
% of Shareholding	-
Family Relationship between Management	None
Highest Education	• Master Degree MA (Financial Accounting) Chulalongkorn University • Director Accreditation Program 75/2008
Work Experience	2007 - Present • Director, Independent Director and Member of the Audit Committee of ITV Plc. 2005 – 2006 • Finance Director of Boon Rawd Trading International Co., Ltd. 2003 – 2005 • Consultant & Accountant Freelance 1999 – 2003 • Assistant General Manager L.T.U. Apparels Co., Ltd. 1998 – 1999 • Financial Controller, Fatima Broadcasting International Co., Ltd.
Illegal Record In the Past 10 years	None

Name-Surname	**Mrs. Rattanaporn Nammontri** (Be appointed as a director of the Company as of April 23, 2007.)
Age (year)	46
Position	Directors and Authorized Director
% of Shareholding	0.0575
Family Relationship between Management	None
Highest Education	• Master of Business Administration (MBA) Kasetsart University • Director Accreditation Program 75/2008
Work Experience	2007 - Present • Director of ITV Plc. 2005 - Present • Director of K.R. Infotech Co., Ltd.
Illegal Record In the Past 10 years	None

Name-Surname	**Mr. Wuttiporn Diawpanich** (Be appointed as a director of the Company as of Aril 10, 2008.)
Age (year)	59
Position	Director
% of Shareholding	-
Family Relationship between Management	None
Highest Education	• Master Degree of Arts (Applied Sociology), Kasetsart University • Director Accreditation Program 75/2008
Work Experience	2008 - Present • Savant committee, Thai Consumer Protection Association 2007 - Present • Chairman of Consumer Rights Association 1997 - Present • Director of V. Comtech Co., Ltd. 1991 - Present • Chairman & committee Association of Thailand Telecommunications under patronage 1987 – 1997 • Director & General Manager, Worajak International Co., Ltd. 1984 - 1987 • Marketing Manager, Jebsen & Jessen (Thailand) Co., Ltd. 1981 – 1984 • Marketing Manager , Zimedarby (Thailand) Co., Ltd. 1979 - 1981 • Sales Manager, B.Grim & Go Co., Ltd.
Illegal Record In the Past 10 years	None

10. Management Discussion and Analysis

10.1 Operating Performance (Consolidated Financial Statement)

Financial Highlights

Unit : Million Baht

	2010	2009	% Increase / (Decrease)
Total Revenues	28	33	*(15.2)*
Administrative Expenses	(27)	(31)	*(12.9)*
Profit from Normal Operations	1	2	*0*
Financial Costs	-	-	*0*
Extraordinary Expenses			
Provision for Unpaid Operating Fee	(433)	(433)	*0*
Total Expenses	(433)	(433)	*0*
Net Loss	**(432)**	**(431)**	***0.2***

Revenues

In 2010, the Company's total revenues of 28 million Baht came from the investment in fixed income securities. Compared to the previous year, total revenues decreased 5 million Baht from 33 million Baht. This was mainly due to the fact that the Company invested in fixed income securities since 2008 when was the year that generated higher profits from the investment in fixed income securities than other years. Consequently, the Company gained profits from investment at the high rate in 2009. During the end of 2009 until early of 2010, some fixed income securities were maturity for redemption and The Fund Manager had to take the fund to reinvestment. During that period, the profits from investment in fixed income securities were rather low. So, the Company gained lower profit from Company's investment in 2010 than in 2009.

Administrative Expenses

In 2010, the Company incurred 27 million Baht in administrative expenses, a drop of 4 million Baht or 12.9 % from the same period of last year. The one – time deduction of the capitalized attorney fee was entirely made in 2009. Additionally, the Company had revenues from investment in fixed income securities only and the Company did not do any business because there were still pending legal issues which materially affected its financial status. So, only necessary expenses relating to the Company's actual business operating condition were attorney fee, court fee, fund management fee, securities agent fee, office administration expense and expense in relation to loss on provision for interest of unpaid operating fee.

Provision for Unpaid Operating Fee

Subsequent to the termination of its television broadcasting operating on March 7, 2007, the Company had set aside a provision for unpaid operating fee throughout the year.

Financial Costs

In 2009 and 2010, the Company had financial cost for bank charge expenses only.

Net Loss

The Company experienced a net loss of 432 million Baht, a slight decrease of about 1 million Baht which was due to the fact that the return on investment was dropped. The provision for unpaid operating fee difference was still pending legal cases under arbitration process at Arbitration Institute.

In order to comply with the Generally Accepted Accounting Principles, the Company was obliged to recognize the loss of 434 million Baht per annum for loss on provision for interest of unpaid operating fee, a payable that has not actually been paid.

Financial Status (Consolidated Financial Statement)

Assets

As of December 31, 2010, the Company's total assets equaled to 1,122 million Baht, a decrease of 9 million Baht or 0.8 % from the end of 2009. Investments in fixed income securities accounted for 97 % of total assets. Main components of total assets as of December 31, 20010 and December 31, 2009 comprised of:

Unit : Million Baht

	Dec 2010	% of Total Assets	Dec 2009	% of Total Assets
Cash and Cash Equivalents	30	2.7%	20	1.7%
Short-term Investments	1,088	97.0%	1,108	98.0%
Trade Receivables – Net	0	0.0%	0	0.0%
Other Current Assets	4	0.3%	3	0.3%
Equipments – Net	0	0.0%	0	0.0%
Other Assets	0	0.0%	0	0.0%
Total Assets	**1,122**	**100.0%**	**1,131**	**100.0%**

- **Current Assets**

  As of December 31, 2010, the Company's major current asset was short-term investments which stood at 1,088 million Baht, a decrease of 20 million Baht from 2009. Such decrease was mainly come from the fact that in 2009, there were promissory note of 40 million Baht – 4 months tenors - due redemption in 2010 which was spent as the Company' s working capital.

Liabilities

As of December 31, 2010, the Company had total liabilities of 4,598 million Baht, an increase of 430 million Baht or 10.3 % from the previous year. Such increase was as a result of an additional disputed operating fee during 2004-2007 for the amount of 434 million Baht recorded on the Company's book in accordance with the ruling of the Supreme Administrative Court on December 13, 2007. Liabilities as of December 31, 2010 and December 31, 2009 comprised of :

Unit : Million Baht

	Dec 10	% of Total Liabilities	Dec 09	% of Total Liabilities
Provision for Unpaid Operating Fee and Interest	4,590	99.8%	4,156	99.8%
Other Current Liabilities	8	0.2%	12	0.2%
Total Liabilities	**4,598**	**100.0%**	**4,168**	**100.0%**

Shareholders' Equity

As of December 31, 2010, the Company had negative shareholders' equity of 3,476 million Baht, additional decrease of 440 million Baht from the end of 2009. This was mainly due to net losses from 2010's operations for the amount of 432 million Baht. Debt to equity ratio decreased from (1.37)x at end of 2008 to (1.32)x on December 31, 2010

Liquidity

At the end of 2009, the Company had cash on hand of 20 million Baht and investment in fixed income securities of 1,108 million Baht. At the end of 2010, the Company had cash on hand of 30 million Baht and investment in fixed income securities of 1,088 million Baht. The decrease of 10 million Baht cash was mainly due to:

- Cash flow from interest income and others 1 million Baht
- Investment Activities 13 million Baht
  - *Due promissory note 40 million Baht*
  - *Additional investment in fixed income securities (27) million Baht*
- Net cash outflow from repayment to the creditors and operating expenses (24) million Baht
- Decrease of cash flow in 2010 (10) million Baht

10.2 Audit Fees

Refer to consideration of Annual General Meeting Shareholders for 2010 that appointed KPMG Phumchai Co.,Ltd as the Company's auditor for the year 2010. The Company paid audit fee Baht 580,000 and didn't have any other service fee.

Board of Directors' Responsibility for Financial Reporting

The Board of Directors Is responsible for the financial statements of ITV Public Company Limited and for the consolidated financial statements of the Company and its subsidiaries, Including financial information presented in annual reports. The aforementioned financial statements has been prepared in accordance with generally accepted accounting standards. The selection of appropriate accounting policies and practices held regularly with careful usage of discretion and best estimates in the preparation. Important information is adequately and transparently disclosed in the notes to financial statements to the Company's shareholders and investors.

The Board of Directors has provided and maintained a risk management system and suitable and effective internal controls to ensure that accounting records are accurate, integrity and adequate to protect its assets in order to prevent fraud or materially irregular operation.

In this regards, the Board of Directors has appointed an Audit Committee responsible for reviewing the accounting policy and quality of financial reports, review internal controls and internal audit as well as risk management system. The comments of the Audit Committee regarding the issues have been included in the annual report.

The financial statements of the Company and the consolidated financial statements of Company and its subsidiaries have been audited by an external auditor which is KPMG Phoomchai Auditor Company Limited. In conducting their audit, the Company has supported them with all of the Company's records and related information in order to express an opinion in accordance with generally accepted auditing standards, The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors is of the opinion that the Company's overall internal control system has functioned up to a satisfactory level and rendered credibility and reliability to ITV Public Company Limited's financial statements and for the consolidated financial statements of the Company and its subsidiaries for the period ended December 31, 2010 and that they have been prepared according to generally accepted principles and related regulations.

(Mr. Somkid Wangcherdchuwong)
Chairman of the Board of Directors

KPMG Phoomchai Audit Ltd.
Empire Tower, 50th-51st Floors
195 South Sathorn Road
Bangkok 10120, Thailand

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Report of Certified Public Accountant

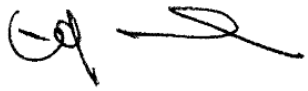
To the Shareholders of ITV Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2010 and 2009, and the related statements of income, changes in equity and cash flows for the years then ended 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 express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my report.

As mentioned in notes 2 (b) and 16 to the financial statements as at 31 December 2010, the Company's current liabilities exceed its current assets by an amount of Baht 3,476 million and there is a deficit in excess of the share capital of an amount of Baht 3,476 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 Agreement fee totaling Baht 2,210 million and the interest on the total unpaid Operating Agreement 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 Agreement fee 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 ITV'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 years ended 31 December 2010 and 2009 of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited, I am unable to express an opinion on the aforementioned financial statements.



(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2011

ITV Public Company Limited and its Subsidiary

Balance sheets

As at 31 December 2010 and 2009

		Consolidated financial statements		Separate financial statements	
Assets	*Note*	2010	2009	2010	2009
			(in Baht)		
Current assets					
Cash and cash equivalents	*5*	30,340,789	19,681,400	29,264,511	18,526,067
Current investments	*6*	1,087,814,709	1,108,432,033	1,087,814,709	1,108,432,036
Trade accounts receivable	*7*	-	-	-	-
Programming rights and production costs	*8*	-	-	-	-
Withholding tax receivable		51,552	454,083	49,884	452,444
Other current assets		3,555,874	2,632,272	3,545,631	2,622,029
Total current assets		**1,121,762,924**	**1,131,199,788**	**1,120,674,735**	**1,130,032,576**
Non-current assets					
Investments in a subsidiary	*9*	-	-	1,146,366	1,225,392
Equipment	*10*	13,921	19,497	13,921	19,497
Other assets		152,300	147,300	152,300	147,300
Total non-current assets		**166,221**	**166,797**	**1,312,587**	**1,392,189**
Total assets		**1,121,929,145**	**1,131,366,585**	**1,121,987,322**	**1,131,424,765**

ITV Public Company Limited and its Subsidiary

Balance sheets

As at 31 December 2010 and 2009

Liabilities liabilities net of capital deficiency	*Note*	**Consolidated financial statements** 2010	2009	**Separate financial statements** 2010	2009
			(in Baht)		
Current liabilities					
Provision for unpaid operating agreement fee and interest	*16*	4,589,742,578	4,156,324,770	4,589,742,578	4,156,324,770
Accrued expenses		7,436,513	10,770,439	7,395,512	10,729,439
Other current liabilities		574,910	567,658	574,910	567,660
Total liabilities		**4,597,754,001**	**4,167,662,867**	**4,597,713,000**	**4,167,621,869**
Capital deficiency					
Share capital	*11*				
Authorised share capital					
- ordinary shares		7,800,000,000	7,800,000,000	7,800,000,000	7,800,000,000
Issued and paid-up share capital		6,033,487,000	6,033,487,000	6,033,487,000	6,033,487,000
Deficiency on share capital	*11*	(174,296,959)	(174,296,959)	(174,296,959)	(174,296,959)
Unrealised gain (loss) on securities available for sale	*6*	(705,964)	7,187,790	(705,964)	7,187,790
Deficit		(9,334,308,933)	(8,902,674,113)	(9,334,209,755)	(8,902,574,935)
Capital deficiency		**(3,475,824,856)**	**(3,036,296,282)**	**(3,475,725,678)**	**(3,036,197,104)**
Total liabilities net of capital deficiency		**1,121,929,145**	**1,131,366,585**	**1,121,987,322**	**1,131,424,765**

The accompanying notes are an intergral part of these financial statments.

ITV Public Company Limited and its Subsidiary

Statements of income

For the years ended 31 December 2010 and 2009

		Consolidated financial statements		Separate financial statements	
	Note	2010	2009	2010	2009
			(in Baht)		
Revenues					
Return on investment		27,284,149	31,863,929	27,284,149	31,863,929
Interest income		426,110	1,468,001	423,316	1,509,947
Other income		-	118,051	-	118,053
Total revenues		**27,710,259**	**33,449,981**	**27,707,465**	**33,491,929**
Expenses					
Loss on provision for interest of unpaid operating fee	*16*	433,417,808	433,417,808	433,417,808	433,417,808
Administrative expenses	*12*	21,119,276	26,389,671	21,039,276	26,254,698
Impairment loss on assets		-	-	79,026	177,938
Management benefit expenses	*4*	4,800,000	4,800,000	4,800,000	4,800,000
Total expenses		**459,337,084**	**464,607,479**	**459,336,110**	**464,650,444**
Loss before financial costs		**(431,626,825)**	**(431,157,498)**	**(431,628,645)**	**(431,158,515)**
Financial costs		(7,995)	(7,648)	(6,175)	(6,705)
Loss for the year		**(431,634,820)**	**(431,165,146)**	**(431,634,820)**	**(431,165,220)**
Basic loss per share	*14*	**(0.36)**	**(0.36)**	**(0.36)**	**(0.36)**

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 years ended 31 December 2010 and 2009

	Consolidated financial statements				
	Share capital	Deficiency on share capital	Fair value changes	Deficit	Capital defficiency
			(in Baht)		
Balance at 1 January 2009	**6,033,487,000**	**(174,296,959)**	**4,566,483**	**(8,471,508,967)**	**(2,607,752,443)**
Unrealised gain on securities available for sale	-	-	2,621,307	-	2,621,307
Net income recognised directly in equity	-	-	2,621,307	-	2,621,307
Loss for the year	-	-	-	(431,165,146)	(431,165,146)
Balance at 31 December 2009 and 1 January 2010	**6,033,487,000**	**(174,296,959)**	**7,187,790**	**(8,902,674,113)**	**(3,036,296,282)**
Unrealised loss on securities available for sale	-	-	(7,893,754)	-	(7,893,754)
Net expense recognised directly in equity	-	-	(7,893,754)	-	(7,893,754)
Loss for the year	-	-	-	(431,634,820)	(431,634,820)
Balance at 31 December 2010	**6,033,487,000**	**(174,296,959)**	**(705,964)**	**(9,334,308,933)**	**(3,475,824,856)**

	Separate financial statements				
	Share capital	Deficiency on share capital	Fair value changes	Deficit	Capital defficiency
			(in Baht)		
Balance at 1 January 2009	**6,033,487,000**	**(174,296,959)**	**4,566,483**	**(8,471,409,715)**	**(2,607,653,191)**
Unrealised gain on securities available for sale	-	-	2,621,307	-	2,621,307
Net income recognised directly in equity	-	-	2,621,307	-	2,621,307
Loss for the year	-	-	-	(431,165,220)	(431,165,220)
Balance at 31 December 2009 and 1 January 2010	**6,033,487,000**	**(174,296,959)**	**7,187,790**	**(8,902,574,935)**	**(3,036,197,104)**
Unrealised loss on securities available for sale	-	-	(7,893,754)	-	(7,893,754)
Net expense recognised directly in equity	-	-	(7,893,754)	-	(7,893,754)
Loss for the year	-	-	-	(431,634,820)	(431,634,820)
Balance at 31 December 2010	**6,033,487,000**	**(174,296,959)**	**(705,964)**	**(9,334,209,755)**	**(3,475,725,678)**

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

ITV Public Company Limited and its Subsidiary

Statements of cash flows

For the years ended 31 December 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in Baht)			
Cash flows from operating activities				
Loss for the year	(431,634,820)	(431,165,146)	(431,634,820)	(431,165,220)
Adjustments for				
Depreciation and amortisation	5,577	5,575	5,575	5,577
(Reversal of) allowance for doubtful debt	(20,381)	21,307	(20,381)	(4,357,835)
Interest income	(426,110)	(1,468,001)	(423,316)	(1,509,947)
Impairment loss on investment	-	-	79,026	3,774,608
	(432,075,734)	(432,606,265)	(431,993,916)	(433,252,817)
Changes in operating assets and liabilities				
Trade accounts receivable	20,381	58,694	20,381	761,165
Withholding tax receivable	402,531	344,750	402,559	(43,301)
Other current assets	(1,068,461)	471,408	(1,068,461)	468,180
Other assets	(5,000)	(56,100)	(5,000)	(56,100)
Provision for unpaid operating fee and interest	433,417,808	433,417,808	433,417,808	433,417,808
Accrued expenses	(3,333,927)	4,244,219	(3,333,926)	4,351,883
Other current liabilities	7,252	10,056	7,253	10,055
Net cash flows provided by (used in) operating activities	**(2,635,150)**	**5,884,570**	**(2,553,302)**	**5,656,873**
Cash flows from investing activities				
Interest received	570,969	2,951,077	568,176	3,043,023
Sale (purchases) of debt securities	40,000,000	(596,000,000)	40,000,000	(596,000,000)
Increase in debt securities	(27,276,430)	(31,799,525)	(27,276,430)	(31,799,525)
Cash inflow on liquidation of jointly-controlled entity	-	-	-	3,536,223
Increase in share capital of subsidiary	-	-	-	(5,000,000)
Net cash flows provided by (used in) investing activities	**13,294,539**	**(624,848,448)**	**13,291,746**	**(626,220,279)**

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

ITV Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in Baht)			
Cash flows from financing activities				
Proceeds from loan to subsidiary	-	-	-	5,000,000
Net cash flows provided by financing activities	**-**	**-**	**-**	**5,000,000**
Net increase (decrease) in cash and cash equivalents	**10,659,389**	**(618,963,878)**	**10,738,444**	**(615,563,406)**
Cash and cash equivalents at beginning of year	19,681,400	638,645,278	18,526,067	634,089,473
Cash and cash equivalents at end of year	**30,340,789**	**19,681,400**	**29,264,511**	**18,526,067**

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

ITV Public Company Limited and its Subsidiary
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Note **Contents**

These notes form an integral part of the financial statements.

These financial statements were authorised for issue by the Board of directors on 14 February 2011

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 Company has been listed on the Stock Exchange of Thailand since 13 March 2002.

On 4 June 2009, the Stock Exchange of Thailand ("SET") 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 year 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 16 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 31 December 2010 and 2009 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2010	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

2 Basis of preparation of financial statements

(a) Basis of preparation

The 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 financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand. They are prepared on the historical cost basis except as stated in the accounting policies.

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") and guidelines promulgated by the Federation of Accounting Professions ("FAP") and with generally accepted accounting principles in Thailand.

During 2010, the FAP announced the re-numbering of the following TFRS.

Former no.	Revised no.	Topic
TAS 11	TAS 101	Doubtful Account and Bad Debts
TAS 34	TAS 104	Accounting for Troubled Debt Restructuring
TAS 40	TAS 105	Accounting for Investment in Debt and Equity Securities
TAS 48	TAS 107	Financial Instruments Disclosure and Presentation

The Group has adopted the revised Framework for the Preparation and Presentation of Financial Statements (revised 2009), which was issued by the FAP during 2010 and effective on 26 May 2010. The adoption of the revised framework does not have any material impact on the consolidated and separate financial statements.

The FAP has issued during 2010 a number of new and revised TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised standards and interpretations are disclosed in note 19.

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 13 Utilisation of tax losses
Note 16 Provisions and contingencies

(b) Financial status

As at 31 December 2010, the Company's current liabilities exceed its current assets by an amount of Baht 3,476 million and deficit in excess of its share capital by an amount of Baht 3,476 million *(31 December 2009 ITV's current liabilities exceed its current assets by an amount of Baht 3,036 and deficit in excess of its share capital by an amount of Baht 3,036 respectively)*. In addition, as discussed in note 16 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 agreement fee totaling Baht 2,210 million and the interest on the total unpaid operating agreement 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 agreement fee including interest and penalty. The Company's agreement for the operation 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 the Operation 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 agreement 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 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiary.

Subsidiary

Subsidiary is entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiary have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, current investments, trade accounts receivable, loans to a subsidiary, withholding tax receivable, provision for unpaid operating agreements and interest, accrued expenses and other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group is a party to financial instruments that manage exposure to fluctuations in foreign currency exchange and interest rates. These instruments mainly comprise:

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The changes in the fair value are recognised immediately in the statement of income.

Fair value estimation

The fair values of foreign currency forward contracts are determined using forward exchange market rates at the reporting date, cross currency and interest rate swap contract are determined by using reference rate from broker.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at banks and other short-term highly liquid investments with original maturities of three months or less.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Investments

Investments in subsidiary

Investments in subsidiary in the separate financial statements of the Company are accounted for using the cost method.

Investments in other debt and equity securities

Marketable equity securities which are classified as available-for-sale securities are carried at fair value. Fair value of marketable equity securities is calculated by reference to the purchasing prices quoted by the Stock Exchange at the close of business on the reporting date. Increases/decreases in the carrying amount are credited/charged against unrealised gains/losses from revaluation of investment in shareholders' equity.

Investments in non-marketable equity securities are classified as general investments, presented in balance sheet at cost. Current investments represent time deposits, bills of exchange and promissory notes with original maturities of more than 3 months but less than 12 months.

Investment in held to maturity bond is presented at amortisted cost.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statements of income.

When disposing, the difference between the receipt from disposal and the book value of such investments is recognised in the statement of income. When disposing of part of the Group's holding of a particular investment in equity securities the carrying amount of the disposed part is determined by reference to the average carrying amount of the total holding of the investment.

(f) Equipment

Equipment is stated at historical cost less accumulated depreciation.

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of equipment. The estimated useful lives are as follows:

Office equipment	5 years

In case that a book value is higher than realizable value, the book value will be adjusted to be realisable value.

(g) Programming rights and production costs

Programming rights

The Company buys programming rights for broadcasting. Programming rights are stated at cost. The cost comprises both the purchase price and other costs directly attributable to the acquisition of the programming rights, such as duties, less all attributable discounts, allowance or rebates. Provision is made, where necessary, for impairment based on the estimated recoverable value.

The cost of the programming rights is amortised according to the number of transmissions specified in the broadcasting agreement. If the program is broadcasted more than once, the cost of programming rights is amortised at a rate of 80% on the first transmission and 20% on the second transmission.

Production costs

Production costs comprise direct costs related to production. News production costs are expensed as incurred. Costs relating to other in-house productions are capitalised based on estimated recoverable revenues and are amortised when the production is broadcast.

(h) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income.

(i) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(j) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(k) Revenue

Interest income and return on investments are recognised in the statement of income as they accrue unless collectibility is in doubt.

(l) Expense

Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

(m) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that the related tax benefit will be realised.

4 Related party transactions and balances

The Company is controlled by Shin Corporation Public Co., Ltd. ("Shin Group"), incorporated in Thailand, which owns 52.92 % of the Company's shares as at 31 December 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 year, 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 years ended 31 December 2010 and 2009 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Subsidiary				
Interest income	-	-	-	46
Related parties - Shin Group				
Return on investments through private funds, managed by independent fund manager	2,220	1,732	2,220	1,732
Management benefit expenses	4,800	4,800	4,800	4,800

Balances as at 31 December 2010 and 2009 with related party were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	(in thousand Baht)			
Accrued interest receivable from debenture through private funds, managed by independent fund manager				
Related party - Shin Group	574	574	574	574
Current investments in debenture through private funds, managed by independent fund manager				
Related party - Shin Group	47,114	48,131	47,114	48,131

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Cash on hand	8	8	8	8
Cash at banks - saving accounts	30,333	19,673	29,257	18,518
Total	**30,341**	**19,681**	**29,265**	**18,526**

The weighted average effective interest rate of savings deposits and highly liquid short-term investments was 1.77% per annum *(2009: 1.67% per annum)*.

Cash and cash equivalents of the Group and the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

6 Current investments

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Securities available for sale	1,088,521	1,061,244	1,088,521	1,061,244
Unrealised gain(loss) on securities available for sale	(706)	7,188	(706)	7,188
Promissory Note	-	40,000	-	40,000
Total	**1,087,815**	**1,108,432**	**1,087,815**	**1,108,432**

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

The return on investments was 2.51% per annum *(From starting date of investment until 31 December 2009: was 3.47%)*

The weighted average effective interest rate of Promissory Note was 1.50% per annum *(2009: 1.50%)*

In 2010 and 2009, the Company has hired a 2 security institutions to manage portfolio of investments as describe in note 17

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Other parties	10,448	10,467	10,448	10,467
	10,448	10,467	10,448	10,467
Less Allowance for doubtful accounts	(10,448)	(10,467)	(10,448)	(10,467)
Net	-	-	-	-

Trade accounts receivable of the Group as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Other parties				
Overdue:				
Over 12 months	10,448	10,467	10,448	10,467
	10,448	10,467	10,448	10,467
Less Allowance for doubtful accounts	(10,448)	(10,467)	(10,448)	(10,467)
Total	-	-	-	-

8 Programming rights and production costs

	Consolidated and separate financial statements	
	2010	2009
	(in thousand Baht)	
At 1 January	103,199	103,199
Less Allowance for impairment	(103,199)	(103,199)
At 31 December	-	-

9 Investments in a subsidiary

	Separate financial statements	
	2010	2009
	(in thousand Baht)	
At 1 January	25,000	27,500
Allowance for impairment	(23,854)	(23,775)
Decrease in share capital	-	(7,500)
Increase in share capital	-	5,000
At 31 December	**1,146**	**1,225**

Investment in a subsidiary as at 31 December 2010 and 2009 and dividend income for the years ended 31 December 2010 and 2009 were as follows:

	Separate financial statement											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the years	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	(%)		*(in thousand Baht)*									
Subsidiary												
Artware Media Company Limited	99.99	99.99	25,000	25,000	25,000	25,000	(23,854)	(23,775)	1,146	1,225	-	-
Total			**25,000**	**25,000**	**25,000**	**25,000**	**(23,854)**	**(23,775)**	**1,146**	**1,225**	**-**	**-**

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 from the original paid-up amount of Baht 20 million to Baht 25 million. As a result, there is an 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.

10 Equipment

	Consolidated financial statements	Separate financial statements
	(in thousand Baht)	
Cost		
At 1 January 2009	97,291	206
Disposals	(97,085)	-
At 31 December 2009 and 1 January 2010	**206**	**206**
Disposals	-	-
At 31 December 2010	**206**	**206**
Depreciation		
At 1 January 2009	97,266	181
Depreciation charge for the year	6	6
Disposals	(97,085)	-
At 31 December 2009 and 1 January 2010	**187**	**187**
Depreciation charge for the year	6	6
Disposals	-	-
At 31 December 2010	**192**	**192**
Net book value		
At 1 January 2009	**25**	**25**
At 31 December 2009 and 1 January 2010	**19**	**19**
At 31 December 2010	**14**	**14**

The Group has not fully depreciated equipment that is still in use as at 31 December 2010 and 2009.

11 Share capital and deficiency

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

As at 31 December 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)*.

12 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Consult and management fees	14,059	15,647	13,979	15,621
Lawyer and finance fees	5,757	10,011	5,757	10,011
Others	1,303	732	1,303	623
Total	**21,119**	**26,390**	**21,039**	**26,255**

13 Income tax

The income tax on the Group's loss before tax for the years ended 31 December 2010 and 2009 differ from the theoretical amount that would arise using the basic tax rate of the Group as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
For the years ended 31 December				
Loss before income tax	(431,635)	(431,165)	(431,635)	(431,165)
Tax rate	30%	30%	30%	30%
The result of the accounting loss multiplied by the income tax rate	(129,491)	(129,350)	(129,491)	(129,350)
Tax losses in current peirod not recognised as deferred tax assets	129,490	129,238	129,490	129,238
Expenses not deductible for tax purpose	1	112	1	112
Tax charge	**-**	**-**	**-**	**-**

14 Basic loss per share

The calculations of basic loss per share for the years ended 31 December 2010 and 2009 were based on the loss for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the year as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht / thousand shares)			
Loss for the year	(431,635)	(431,165)	(431,635)	(431,165)
Basic loss attributable to equity holders of the Company	**(431,635)**	**(431,165)**	**(431,635)**	**(431,165)**
Number of ordinary shares outstanding	**1,206,697**	**1,206,697**	**1,206,697**	**1,206,697**
Basic loss per share (in Baht)	**(0.36)**	**(0.36)**	**(0.36)**	**(0.36)**

15 Financial instruments

As at 31 December 2010 and 2009, the Group has the following risks relating to significant financial instruments:

Credit risk

The Group has no significant concentrations of credit risk.

Fair values

The carrying amounts of the following financial assets and financial liabilities approximate their fair value: cash and cash equivalent, trade receivables, related party balances, withholding tax receivable, provision for unpaid operating agreement fee and interest, accrued expenses and other current liabilities. Fair value of current investments are determined in note 6 to the financial statements.

16 Commitments and contingencies

16.1 Commitments from the Operating Agreement before to be revoked the 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, 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 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 the amount of income, expenditure, assets and liabilities, and disclosure information regarding assets and unpredictable liabilities.

16.2 Contingencies in respect of other legal cases

The Company is a defendant in various legal actions. 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.

16.3 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

On 30 January 2004, the arbitration award granted by the arbitration panel on the dispute between the Company and the PMO in accordance with the Operating Agreement can be summarised as follows;

1. The PMO shall indemnify the Company in the amount of Baht 20 million.

2. The Operating Agreement fee to be paid shall be reduced and adjusted by reducing the fee to 6.50% (from the original rate of 44%) of gross revenue or the minimum guarantee of Baht 230 million (reduced and adjusted from the original Operating Agreement of the 8th year of Baht 800 million, the 9th year of Baht 900 million, and the 10th - 30th year of Baht 1,000 million each year), whichever is higher, starting from 3 July 2002.

3. The PMO shall return parts of the minimum guarantee of Baht 800 million paid by the Company subject to conditions during the arbitration proceedings on 3 July 2003. The amount to be returned is Baht 570 million.

4. The Company is eligible to broadcast its television programmes during the prime time (7.00 p.m. - 9.30 p.m.) without being restricted to news, documentaries and social benefit items. The Company must, however, broadcast news, documentaries and social benefit programmes for not less than 50% of its total airtime, subject to the rules and regulations issued by governmental agencies applicable in general to all television stations.

On 27 April 2004, the PMO filed the complaint with the Central Administrative Court for setting aside the arbitral award granted by the arbitration panel.

On 9 May 2006, the Central Administrative Court handed down its ruling regarding the revocation of the arbitration award.

On 7 June 2006, the Company filed an appeal against the verdict of the Administrative Court of the First Instance with the Supreme Administrative Court, and the Supreme Administrative Court received the execution of the judgment.

On 13 December 2006, the Supreme Administrative Court ruled to uphold the judgment of the Central Administrative Court regarding revocation of the arbitral award dated 30 January 2004. As a consequence of that ruling, the Company has to follow the previous terms and conditions as specified in the Operating Agreement on the following;

1. The Company is required to change its television programmes to be in line with Clause 11 of the Operating Agreement which covers the combination of news, documentaries and social benefit programmes which shall not be less than 70% of total air-time, and all programmes broadcasted during the prime time (7.00 p.m. - 9.30 p.m.), have to be these kinds of programmes.

2. The Company is required to follow Clause 5 (the Operating Agreement fee to be rate of 44% and the minimum guarantee of Baht 1,000 million) of the Operating Agreement in respect of payment of Operating Agreement fee to the PMO.

On 14 December 2006, the PMO issued a letter dated 14 December 2006 claiming that;

1. The Company is required to alter the television programming in order to comply with Clause 11 of the agreement for the operation.

2. The Company is required to pay the unpaid Operating Agreement fee totalling Baht 2,210 million, for the 9th operating year (the Seventh Payment) in the amount of Baht 670 million, the 10th operating year (the Eighth Payment) in the amount of Baht 770 million and the 11th operating year (the Ninth Payment) in the amount of Baht 770 million plus 15% interest per annum on the unpaid Operating Agreement fee, calculated on a daily basis from the date the payment become overdue.

3. The Company is required to pay the penalty fee in accordance with Clause 11, second paragraph, of the Operating Agreement from 1 April 2004 to 13 December 2006 at the rate of 10% of the annual Operating Agreement fee, calculated on a daily basis from the date the payment become overdue. As the Company had not scheduled programmes following Clause 11, first paragraph, the penalty fee for breach determined by the PMO is in the amount of Baht 97,760 million (The Company changed its programming schedule following the Supreme Administrative Court's judgment on 14 December 2006).

The PMO demanded that all payments must be paid within 45 days of the receipt of such notice (received on 15 December 2006). In the event that the Company fails to repay such amount within the allocated period of time, the PMO will have to act in accordance with the terms of the Operating Agreement and any relevant law.

On 21 December 2006, the Company sent a letter to the PMO which is summarised as follows;

1. The Company has altered the television programming in compliance with Clause 11 of the Operating Agreement since 14 December 2006.

2. The Company was not in default for the payment of the Operating Agreement fee since the Operating Agreement fee amounting to Baht 230 million was paid to the PMO in accordance with the arbitral award. Since the arbitral award was bound to both parties under Clause 15 of the Operating Agreement, the Company had no liability on interest of the Operating Agreement fee during the period that the arbitral award was granted until the Supreme Administrative Court's judgment was handed down.

3. The Company disagreed with the PMO on the issue of the penalty fee amounting to Baht 97,760 million with the 45 days payment period as follows;

    3.1 The Company has not breached the Operating Agreement because the Company has complied with Clause 15 of the Operating Agreement which states that "The arbitral award shall be bound to both parties.", the last paragraph in Clause 30 of the Arbitration rules of Judiciary Office and the second paragraph of Section 70 of Act on Establishment of Administrative Courts and Administrative Court Procedure, B.E. 2542. Consequently, the alteration of television programming from 1 April 2004 to 13 December 2006 (the date that the Supreme Administrative Court's judgment was handed down) has duly complied with the Operating Agreement and law.

    3.2 As to the Operating Agreement regarding the penalty fee incurred on the alteration of television programming, the PMO has the right to terminate the Operating Agreement. However, in order to comply with the arbitration proceeding as stated in section 3.1, if it is apparent that the Company breaches the Operating Agreement, the PMO shall be entitled to terminate the Operating Agreement if the process of settlement of dispute becomes final.

3.3 The Supreme Administrative Court gazette No. 78/2549 dated 13 December 2006 stated that "Regarding the matter of the penalty, the parties have to resolve these themselves, and if the dispute cannot be resolved, the statement of claims is required to be filed in accordance with the procedure defined in the Operating Agreement".

3.4 The issue of interest and the penalty incurred from the alteration of television programming had not been finalised since it was not an issue raised for consideration by the Supreme Administrative Court. Therefore, if the parties had any controversy thereon and it cannot be resolved, the statement of claims shall then enter into arbitration proceeding in accordance with Clause 15 of the Operating Agreement stating that "If any dispute or controversy arises in connection with this Operating Agreement, both parties shall agree to submit the said dispute for arbitration, and the Arbitration Committee's award shall be final and binding".

The Company and its legal consultant viewed that the calculation of the penalty of the PMO was not in compliance with the objective of the Operating Agreement. The penalty should be calculated at Baht 274,000 per day as a maximum amount, not Baht 100 million per day as stated by the PMO. However, if the penalty fees are charged, the penalty for the period from 1 April 2004 to 13 December 2006 should be Baht 268 million, not Baht 97,760 million as claimed to be paid and led to cancellation of agreement by the PMO.

With regard to the interest on the unpaid Operating Agreement fee claimed by the PMO, the Company and its legal consultant is of the opinion that during the period that the Company complied with the arbitral award, the Company neither had a liability to settle the debt nor was at default to pay the Operating Agreement fee since the Operating Agreement fee of Baht 230 million was paid in accordance with the arbitral award. The arbitral award become binding on both parties under Clause 15 at the time it comes into force, since the Company was not at default in the payment of the Operating Agreement fee or makes the delay payment. In addition, the PMO has not requested provisional remedial measures from the Court to order the Company not to comply with the arbitral award in such period of time. Consequently, the Company has no liability for the interest of the Operating Agreement fee and the PMO has no right to claim for the unpaid Operating Agreement fee during the period that the arbitral award was valid and the judgment of the Central Administrative Court was not enforceable during the period that the appeal was submitted to the Supreme Administrative Court.

On 4 January 2007, referring to the penalty for alteration of television programming and interest of overdue Operating Agreement fee, the Company filed the statement of claim, Black Case number 1/2550, to the Arbitration Institute. With regard to Operating Agreement fee in the amount of Baht 2,210 million, the Company has the opinion that in order to comply with the Operating Agreement and to compromise with the PMO not to terminate the Operating Agreement affecting The Company's business. The Company proposed that the PMO to pay the amount of Baht 2,210 million with the condition that the PMO shall enter into the arbitration proceeding seeking the arbitral award on the penalty fee and interest of the Operating Agreement fee. Nevertheless, the PMO did not accept the said proposal on 31 January 2007.

On 2 February 2007, the Company submitted a letter to the Prime Minister appealing for justice and proposing that the PMO accept the Operating Agreement fee in the amount of Baht 2,210 million and enter into the arbitral proceedings on the issue of the penalty fee and interest.

On 13 February 2007, the PMO did not accept the said proposal. As a result, the Company's proposal shall not be enforceable from the date that the PMO rejected the Company's proposal in writing and the Company had no onward liability on its proposal onward in accordance with Section 357 of the Civil Code. Thereafter, the Central Administrative Court made an order striking out the case, Black Case number 640/2550 dated 22 June 2007 from the Case List. The Court ruled that the PMO's claimant stating that the Company accepted the unpaid debts of Baht 2,210 million cannot be

viewed as the Company accepting liability because it was an option proposed by the Company which it had not become final, and thus considered as a dispute to be enter into arbitration proceedings.

On 20 February 2007, the Company issued a complaint to prescribe provisional remedial measures, and a complaint of compelling urgency was filed with the Central Administrative Court. The following matters are as follows;

1. The Company requested the Central Administrative Court to rule that the right to terminate the Operating Agreement of the PMO will be revoked during the period that the penalty fee was incurred from the change of television programming, and interest of the unpaid Operating Agreement fee of approximately Baht 100,000 million will not be paid until the arbitral award is granted and the dispute becomes finalised.

2. The Company requested the Central Administrative Court to specify the grace period to make the payment of the unpaid Operating Agreement fee amounting to Baht 2,210 million within 30 days of the date of the receipt of the Court order.

On 21 February 2007, the Central Administrative Court ordered the rejection of the complaint to prescribe provisional remedial measures and the complaint of compelling urgency. The Court ruled that in the case of the PMO's right of termination of Operating Agreement, the Company was entitled to claim for damages arisen from such termination if the Company viewed that such termination was incorrect. In respect of the fact that the PMO requested the Company to pay the penalty fee and interest of the Operating Agreement fee as well as requested the Court demanding the Company to pay the Operating Agreement fee amount of Baht 2,210 million to the PMO within 30 days from the date that the Court had granted the order, the Court opinioned that it was the case that such issues shall be mutually negotiated between the Company and the PMO. If the Company viewed that the Company should not be bound to pay or requested to provide debt settlement, the Company was eligible to process under the Operating Agreement and legal proceeding. Therefore, the Court did not deem it necessary to prescribe provisional remedial measures to the Company during the time that such process was being made. The order of the Central Administrative Court shall be deemed final and cannot be further appealed.

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.

On 28 March 2007, the Company sent a letter to the PMO disputing that the termination of the Operating Agreement exercised by the PMO demanding that the Company pay the debts of approximately Baht 100,000 million was not in compliance with the law and terms of agreement. The reason is that the Company has not breached the Operating Agreement and disagreed with the said revocation. The termination of the Operating Agreement harmed the Company's business operations which shall be the responsibility of the PMO, and the Company reserved its right on any further legal action against the PMO.

On 30 March 2007, the PMO requested the Central Administrative Court in the Black Case number 640/2550 to order the Company to pay unpaid Operating Agreement fee of Baht 2,210 million, the 12th Operating Agreement fee of Baht 677 million (counted from the date the arbitration panel judged the arbitral award to 7 March 2007), interest of overdue Operating Agreement fee of Baht 562 million (counted from the date the arbitration panel judged the arbitral award to the date of requesting of the order, 30 March 2007), adjusting of television program fee of Baht 97,760 million, and the undelivered value of assets under Operating Agreement of Baht 656 million with 7.5% of the interest of the undelivered value of assets counted from the requested date until the Company repays in full.

The undelivered value of assets fee is a new issue that the PMO has previously not raised. The aggregated amount is Baht 101,865 million.

On 8 May 2007, the Company filed against the PMO for the complaint to the Central Administrative Court in the Black Case number 910/2550 requesting that the PMO pay the compensation in the amount of Baht 119,252 million in respect of Article 5 pa.4 which has not been approved by cabinet caused the Company's damages.
On 9 May 2007, the Company filed the statement of claim, Black Case number 46/2550, with the Arbitration Institute seeking an arbitral award granted by the arbitration panel to rule that the Operating Agreement terminated by the PMO was not in accordance with law and the terms of Agreement, the PMO 's claim for the Company for payment of the Operating Agreement fee (fraction), interest, penalty fee and value of undelivered assets was incorrect, and compensation shall be paid to the Company by the PMO.

On 30 May 2007, the Central Administrative court ordered the dismissal of the Black Case number 910/2550 filed by the Company in respect of Article 5 pa.4 which has not been approved by cabinet caused the Company's damages. The reason for the dismissal of the case was its expiry by law (10 years).

On 22 June 2007, the Central Administrative Court passed an order striking out Black Case number 640/2550 in which the PMO demanded that the Company pay the Operating Agreement fee, interest, penalty fee and value of undelivered assets from the Case List, so that the parties of the Operating Agreement shall enter into arbitration proceedings as specified in the Operating Agreement. On 24 July 2007, the PMO filed and appeal against the verdict of the Central Administrative Court (of the First Instance) with the Supreme Administrative Court regarding revocation of Black Case number 640/2007 by the Central Administrative Court. In addition, the PMO also issued a complaint to prescribe provisional remedial measures in order to stop arbitration proceedings and await for order of the Supreme Administrative Court.

On 11 July 2007, the Company appealed to the Supreme Administrative Court for the Central Administrative Court's order to dismiss Black Case number 910/2550 because of its expiry. (The case No. 910/2550 was the issue that the Company filed the dispute against the PMO in respect of Article 5 pa.4 which has not been approved by cabinet caused the Company's damages and claim to be paid for damages from the PMO in the amount of Baht 119,252 million).

On 24 July 2007, the PMO filed an appeal against the verdict of the Central Administrative Court (of the First Instance) with the Supreme Administrative Court regarding revocation of Black Case number 640/2550 by the Central Administrative Court. In addition, the PMO also issued a complaint to prescribe provisional remedial measures in order to stop arbitration proceedings and await for order of the Supreme Administrative Court.

On 29 October 2007, the Company filed a complaint to the Central Administrative Court to prescribe provisional remedial measures and the complaint in the case of compelling urgency filed. The complaint was to request the Court to order that the Public Television Bill shall not become effective. The said Bill was approved in principle by the Cabinet and shall be brought to be considered by rules to drop the draft bill on the Thai Public Television Broadcasting Station Act ("TPBS") which was approved by the Cabinet on 24 April 2007 and shall be submitted to the National Legislative Assembly ("NLA") on 31 October 2007. The Company contested that if the Bill is approved and becomes enforceable, neither the award granted by the Arbitration Committee nor the judgment given by the Administrative Court on the dispute or case arisen between the Company and the PMO after 31 October 2007, which one of the claims that the Company claimed against the PMO to indemnify for damages and/or grant the Company of the operating right to re-operate the UHF Broadcasting Television Station for the remaining period as specified in the Operating Agreement, shall not be effective for final approval before its effective announcement. The reason is that all business including

rights, obligations, assets, budget, debt, frequency rights and encumbrance of the Company shall be transferred to the government subject to Section 57, Transitory Provisions of the Bill. Consequently, the Company then requested the Central Administrative Court to commence urgent proceedings and rule that the Bill shall not be brought for the NLA' s consideration in accordance with any method that the Court shall deem appropriate until the case becomes final or the Court passes other judgment.

On 30 October 2007, the Central Administrative Court rejected the complaint clarifying that the approval process of the Bill taken by the NLA is a legislative power under the Constitutional Law, and is not acting as an administrative power, therefore, the Court is unable to make an order forbiding the undertaking of the NLA to cancel the aforesaid complaint of the Company for the reason that NLA is not the Administrative Government agency, but acted as a State Legislative Assembly Council Authority for which the Administrative court has no access right to prohibit its bill approval process. In addition, since the said disputes are currently on the account of the Arbitration Committee or the court is on the process of consideration of the Company cases, the Central Administrative Court shall then be deemed unable to prescribe the provisional remedial measures as per the Company's complaint. The Administrative court remedial measures shall not be appropriate in the meantime.

On 31 October 2007, the said bill was approved by the NLA and its effective date shall be announced by the government gazette at a later stage. Nevertheless, the other claims of the Company which required the PMO to indemnify for damages by paying the damages amount will remain valid if in case the court rules in favour of the Company in the existing lawsuits.

On 14 November 2007, the Supreme Administrative Court reaffirmed the Central Administrative Court's order in dismissing the case No. 910/2550 due to its expiry (10 years). Such case was filed by the Company requesting the PMO to pay the amount of Baht 119,252 million regarding the invalidity of Article 5 pa.4 due to the PMO did not propose to the cabinet for approval caused the Company's damage.

On 19 December 2007, the Supreme Administrative Court upheld the Central Administrative Court's verdict for the dismissal of the referenced case in order to allow the parties to the Operating Agreement to use the arbitration proceeding. Accordingly, that the Company submitted the arbitration institution dispute No. 1/2550 to the arbitration institution on 4 January 2007, (prior to the termination of the Operating Agreement) seeking the ruling on the fine for the adjustment of the broadcasting schedule and the interest on the difference of the minimum Operating Agreement fee, and the arbitration institution dispute No. 46/2550 on 9 May 2007, (after the termination of the Operating Agreement) with regard to PMO's illegally terminating the Agreement for the Operation in breach of the Operating Agreement and against the law, and both disputes are currently under the consideration of the arbitration institution, the arbitration proceeding shall continue.

On 15 January 2008, the State Legislative Assemble Council Authority announced Thai Public Television Broadcasting Station Act ("TPBS") effective date by law being 15 January 2008. The Bill was approved and becomes enforceable, and neither the award granted by the Arbitration Committee nor the judgment given by the Administrative Court on the dispute or case arisen between the Company and the PMO, for which one of the claims the Company made against the PMO to indemnify for damages and/or grant the Company of the Operating right to re-operate the UHF Broadcasting Television Station for the remaining period as specified in the Operating Agreement, shall not be effective for final approval before its effective announcement. The reason is that all business including rights, obligations, assets, budget, debt, frequency rights and encumbrance of the Company shall be transferred to the government subject to Section 57, Transitory Provisions of the Act. Nevertheless, the other claims of the Company made to the PMO to indemnify for damages by paying such damages amount still be valid if the court rules in favourable of the Company lawsuit cases.

On 3 March 2008, the Company filed the complaint with the Arbitration Institution for including black case No.1/2550 and black case No.46/2550 as one case which is under the consideration of the Arbitration Institution.

On 7 March 2008, the Company Arbitrator for those 2 cases is approved.

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 are 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.

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 1,699 million in these financial statements, of which of the amount of Baht 433 million was provision for interest on unpaid operating fee for the year ended 31 December 2010 *(2009: Baht 433 million).*

17 Significant agreements with third parties

a) On 27 June 2008, the Company entered into a contract with a body of persons for an administrative management as follow;

1 Undertaking the rehabilitation plan and preparing documents of the disputes with PMO,
2 Administrative management of accounting and financing affair,
3 Administrative management of business according to the guidelines and procedures of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC),
4 Administrative management of general affair of the office,
5 Administrative management of filing important documents both financial and legal documents and handling company assets and
6 Administrative management of filing financial and legal documents.

The Company is committed to pay a service fee of Baht 9.6 million per annum. The agreement has a term of five years. The Company has the right to terminate the agreement by 30 days advance notice.

b) On 1 November 2010 the Company entered into a contract with a body of persons for advising and undertaking legal. The Company is committed to pay the advisory fee of Baht 3.36 million. The contract has a term of one year. The Company has the right to terminate the agreement by 7 days advance notice.

c) On 20 November 2008, the Company engaged an asset management company for managing bond investment according to the Company policy. The agreement has a term of one year and shall be automatically renewed for another one year. The Company will pay the management fee annually of net asset calculated daily. The asset management company will deduct the fee from fund quarterly within 15 days of ended quarter. The Company has the rights to terminate the agreement by 60 days advance notice.

d) On 20 November 2008, the Company engaged a bank for bond investment deposition. The agreement has a term of one year and shall be automatically renewed for another one year. The Company has paid service fee annually of net asset of last working day of week and last day of month by weekly calculated. A bank will deduct the fee from fund quarterly within 10 days of ended quarter. The Company has the rights to terminate the agreement by 60 days advance notice.

e) On 22 November 2010, the Company engaged an asset management company for managing bond investment according to the Company policy. The agreement has a term of one year and shall be automatically renewed for another one year. The Company will pay the management fee annually of net asset calculated daily. The asset management company will deduct the fee from fund quarterly within 15 days of ended quarter. The Company has the rights to terminate the agreement by 60 days advance notice.

f) On 22 November 2010, the Company engaged a bank for bond investment deposition. The agreement has a term of one year and shall be automatically renewed for another one year. The Company has paid service fee annually of net asset of last working day of week and last day of month by weekly calculated. A bank will deduct the fee from fund quarterly within 10 days of ended quarter. The Company has the rights to terminate the agreement by 60 days advance notice.

18 Events after the reporting period

On 19 January 2011, the Stock Exchange of Thailand (SET) announced the amendment to SET regulations on procedures and guidelines for companies facing possible delisting due to operations or financial conditions. Under the guidelines, the SET will allow the company 3 years for rehabilitation to resolve the delisting grounds, going through 3 stages (each of 1 year), starting from 10 March 2011. If the company is unable to resolve its delisting ground within the given period, the SET will consider approving delisting the company's securities.

The Company is aware of the aforementioned announcement and will comply with regulations and announcements from SET.

19 Thai Accounting Standards (TAS) not yet adopted

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

TFRS	Topic	Year effective
		2011
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 Tax	2013
TAS 16 (revised 2009)	Property, Plant and Equipment	2011
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 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