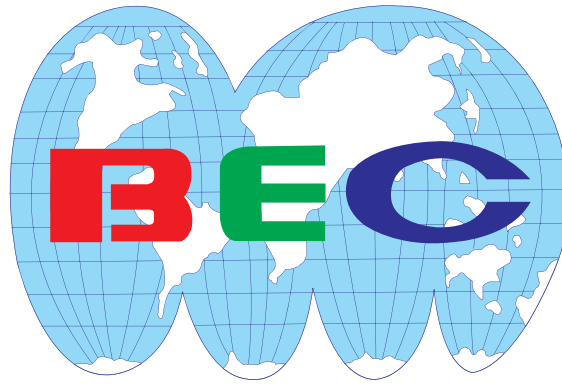


BEC WORLD PUBLIC COMPANY LIMITED



## VISION

"To be the market leader and the best provider, in the production and presentation of the highest quality news, information and entertainment programming"

## Contents

<b>1</b>	Important Financial Data	<b>31</b>	Auditor's Report
<b>2</b>	Report of the Board of Directors	<b>32</b>	Financial Statements
<b>4</b>	Audit Committee Report	<b>74</b>	Revenue Structure
<b>6</b>	Board of Directors	<b>75</b>	List of Top Ten Largest Shareholders
<b>8</b>	Executives Directors and Executive Officers	<b>76</b>	Management
<b>9</b>	The BEC World Group	<b>101</b>	Connected Transactions with Related Party which may cause Conflict of Interest in the year 2011
<b>10</b>	Corporate Profile of The BEC World Group	<b>102</b>	Supplementary Data
<b>14</b>	Activities for Society and Environment for 2011	<b>107</b>	Directors and Executives Data
<b>20</b>	Explanation and Analysis of Operation and Financial Status	<b>120</b>	Reference Persons
<b>30</b>	Report of The Board of Directors' Responsibilities for The Financial Statements		

# Important Financial Data

Unit : Million Baht

	2011	2010	2009
Total Assets	9,848	9,610	8,791
Total Liabilities	2,418	1,794	1,436
Total Shareholders' Equity	7,430	7,816	7,355
Revenues from Sales	12,803	11,714	8,949
Total Revenues	12,970	11,887	9,058
Gross Margin	6,735	6,224	5,330
Net Profit	3,530	3,303	2,635

## Financial Ratio

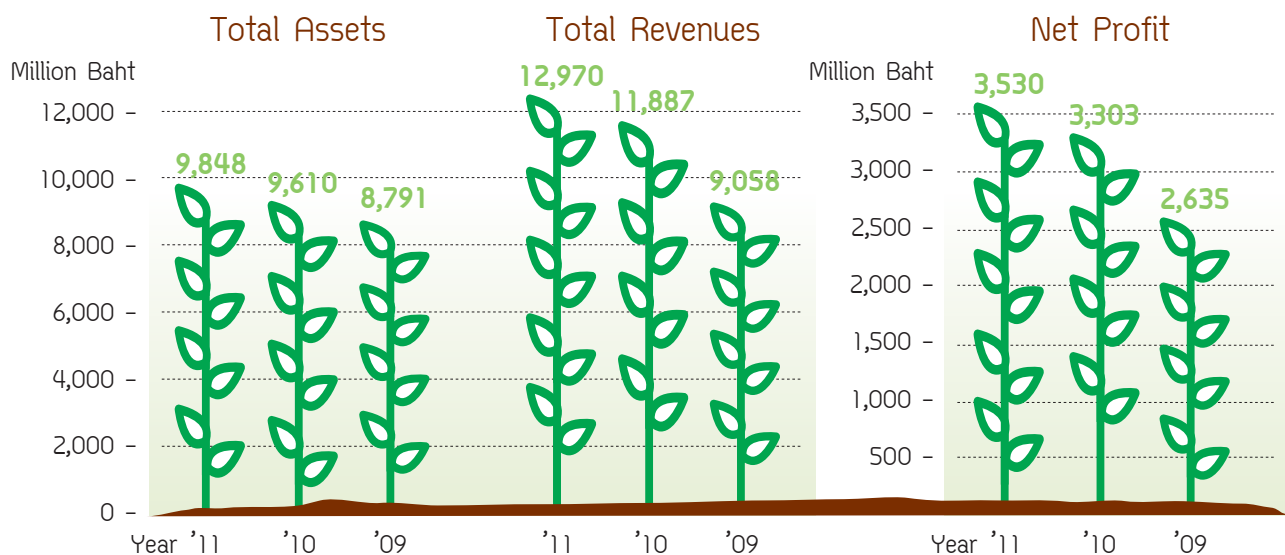
	2011	2010	2009
Net Profit to Total Revenues	27.22%	27.79%	29.09%
Return on Total Shareholders' Equity	47.51%	42.26%	35.83%
Return on Total Assets	35.84%	34.37%	29.97%
Net Profit per Share (Baht)	1.77	1.65	1.32
Dividend per Share (Baht)	1.80*	1.65	1.30
Book Value Per Share (Baht)	3.71	3.91	3.68



**Remark** \* Dividend for 2011 is the proposed number shown here as indicator. It includes an interim dividend which was paid on September 8, 2011, of Baht 0.80 per share.

## Dividend Payment Policy

BEC World Plc. has its policy to pay dividend at the rate of not lower than 90% of its net profits of each fiscal year, except in the year which it is required to invest hugely in important projects. The dividend payments from the subsidiaries, most of which BEC has about 99.99% ownership, depends largely upon cash flow projections of the company and such subsidiary.



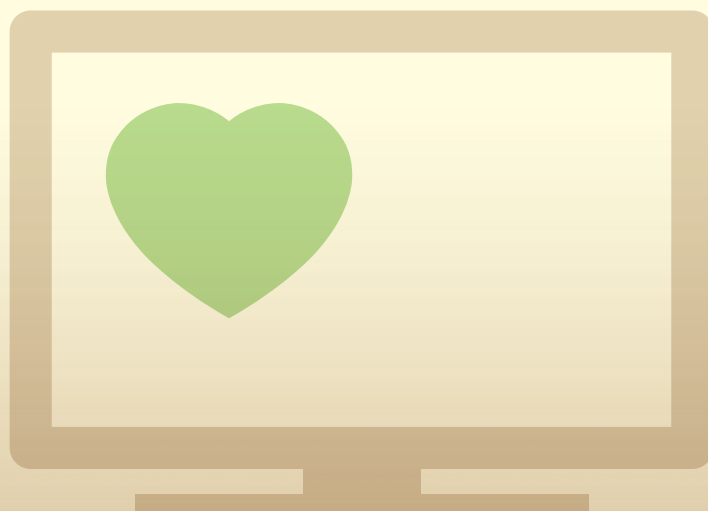
# Report of the Board of Directors



## To Shareholders of BEC World Public Company Limited

In 2011, BEC World Group could generate our advertising income and net profit at the highest rate for another year, despite the fact that the industry and our country were adversely affected by great flood situation during the last quarter of the year. Apart from the operating result which shows the highest profit in the company history, BEC World Group also received several positive feedbacks, i.e., recognition, popularity, credibility, etc. from our audience and viewers who watched our TV programs. We can say that year 2011 is the best year for our operating result in our history.

With respect to monetary operating result, BEC World Group could generate the advertising income Baht 898.2 million more than the last year or 8.1% higher. The primary profit from organizing activities also remarkably increased as well as other profits from licensing and services. As to costs and expenses, they were also increased from special program caused by great flood situation and our early retirement program of our employee. However, these programs were not regular items incurred every year but they would help to reduce costs in long term basis. The net profit (which is equity of shareholder of BEC World for 2011) is Baht 3,530.3 million which is higher than last year Baht 226.9 million or 6.9% higher.



The negative impact from great flood situation during the last quarter of 2011 caused severe reduction to BEC World group's advertising income, compared to the previous quarter and the last quarter of 2010, however, it gradually recovered since December 2011 until present. It is believed that the said recovery would help us to obtain a better operating result and an opportunity to build up wealth to all shareholders of BEC World in the future.

Our satisfied operating result for the past year were from concerted efforts of all level of our employees and our partners as well as the continuing supports from our clients, public relation media and other people including investors and shareholders. On behalf of the Board of Directors, I would like to express our gratitude and our sincere thanks to all of them.

A handwritten signature in black ink, appearing to read 'V. Maleenont', with a horizontal line extending to the right.

**(Vichai Maleenont)**  
Chairman On behalf of  
the Board of Directors

# Audit Committee Report



## To Shareholders of BEC World Public Company Limited

The Audit Committee was appointed by the Board of Director, comprising of three independent and non-executive directors, namely Mr. Arun Ngamdee as Chairman, Mr. Prathan Rangsimaporn and Mr. Manit Boonprakob as members of the Committee. Our main duties and responsibilities are to review accuracy and sufficiency of financial reports of the Company, to provide adequate and effective internal audit and internal control system of the Company, to control the Company to comply with all related laws and regulations, to consider the reasonability of the connected transaction or transaction which causes conflict of the interest, to ensure sufficiency of disclosure of information by the Company, and to consider and propose the appointment of the Company auditors and their remuneration.

During the year 2011, the Audit Committee held six meetings which all members thereof have attended all meetings, some meetings were held with external auditor without management, having the followings significant matters:

1. Reviewing quarterly, annual and consolidated financial statements of the Company and its subsidiaries, prior to submission to the Board of Director, the Securities Exchange Commission and the Stock Exchange of Thailand. After due consideration of the said financial statements and discussions with auditors and management division, we are of the opinion that the above-mentioned financial statements are recorded in accordance with generally accepted accounting principles with accuracy, completeness and sufficient disclosure of information.
2. Evaluating sufficiency and appropriateness of the Company's internal control system, through the supervision and review of the Internal Audit Office and auditors; supporting and encouraging their independent operation; introducing to apply risk assessment as guideline for examining in order to mitigate from potential risk causing damage to business operation of the Company; and discussing with internal audit officer and external auditor to consider material suggestions for enhancing efficiency of their operation and internal control, presenting to the executives and the Board of Director of the Company including following up the adjustment and development of the work. We opine that the internal control system and risk management of the Company are sufficient and appropriate.
3. Reviewing compliance of relevant rules, regulations and laws of the Securities and the Stock Exchange of Thailand; following up compliance of laws regarding operation systems of the Company. We found that there is no significant matter concerning non-compliance of the aforesaid rules, regulations and laws.



4. Reviewing the connected transactions or transactions which may cause conflict of interest to be in compliance of the laws and regulations of Stock Exchange of Thailand. We are of the opinion that the aforesaid transactions are reasonable and for the best interest of the Company. The Company also discloses accurate and complete information.
5. Reviewing organization structure, scope and responsibilities as well as charter of Internal Audit Office and annual audit plan.
6. Reviewing and discussing with the auditor and management representative to acknowledge any issue(s) which might cause administrative difficulties or might have influence on the business operation of the Company including advice on how to improve presentation of financial report and disclosure of any information; providing advice to management division as deemed appropriate.
7. We have already evaluated our operations according to the charter of Audit Committee and we are of the opinion that we have fully complied with the aforesaid. The Audit Committee report and advice have been presented to the Board of Director for their acknowledgement regularly in every Board of Director meeting.

For the year 2012, the Audit Committee has proposed the Board of Director to further propose to Annual General Shareholder Meeting to appoint Dr. Virach Aphimeteetamrong and/or Mr. Chaiyakorn Aunpitipongsa and/or Mr. Apiruk Ati-anuwat, certified auditor of Dr. Virach & Associates as the Company's auditor for the accounting period for year 2012. Since they are appropriate, competent, professional, in addition, their performance in the past are acceptable and reliable, the auditor are independent and they have no relationship with the Company and its subsidiaries. The adjusted audit fee as proposed is also reasonable. The additional auditing fee causes from additional works due to restructure and expansion of business of the Company group.

(Arun Ngamdee)  
Chairman of the Audit Committee  
On behalf of the Audit Committee

# Board of Directors



Mr. Vichai Maleenont  
Chairman



Mr. Prasan Maleenont  
Vice-Chairman



Mr. Pravit Maleenont  
Director



Ms. Ratana Maleenont  
Director



Ms. Nipa Maleenont  
Non-Executive Director



Ms. Amphorn Maleenont  
Director

Mr. Prachum Maleenont  
Director

Mrs. Ratchanee Nipatakusol  
Director



Mr. Arun Ngamdee  
Independent Director

Mr. Prathan Rangsimaporn  
Independent Director

Mr. Manit Boonprakob  
Independent Director



Mr. Chansak Fuangfu  
Independent Director

Mr. Somchai Boonnamsiri  
Independent Director

Mr. Matthew Kichodhan  
Non-Executive Director

Mrs. Chalaiporn Itthithavorn  
Company Secretary

# Executives Directors and Executive Officers

## Audit Committee

- |                            |                                  |
|----------------------------|----------------------------------|
| 1. Mr.Arun Ngamdee         | Chairman of the Audit Committee  |
| 2. Mr.Prathan Rangsimaporn | Member of the Audit Committee    |
| 3. Mr.Manit Boonprakob     | Member of the Audit Committee    |
| Mr.Chatchai Thiamtong      | Secretary of the Audit Committee |

## Nominating Committee

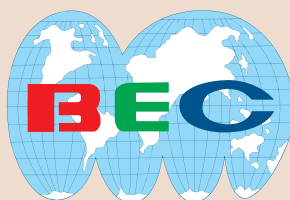
- |                              |                                       |
|------------------------------|---------------------------------------|
| 1. Ms.Ratana Maleenont       | Chairman of the Nominating Committee  |
| 2. Mr.Prachum Maleenont      | Member of the Nominating Committee    |
| 3. Mrs.Ratchanee Nipatakusol | Member of the Nominating Committee    |
| Mr.Chatchai Thiamtong        | Secretary of the Nominating Committee |

## Executive Directors and Executives Officers

- |                                      |   |
|--------------------------------------|---|
| 1. Mr.Vichai Maleenont               | Chairman of the Executive Board (CEO)   |
| 2. Mr.Prasan Maleenont               | Vice-Chairman of the Executive Board, Chief Operating Officer (COO)               |
| 3. Mr.Pravit Maleenont               | Executive Director - Television Business and<br>Senior Executive Vice - President |
| 4. Ms.Ratana Maleenont               | Executive Director - Finance and Accounting Business                              |
| 5. Ms.Amphorn Maleenont              | Executive Director - Production Business  |
| 6. Mr.Prachum Maleenont              | Executive Director - New Media Business and<br>Senior Executive Vice - President  |
| 7. Mrs.Ratchanee Nipatakusol         | Executive Director - Marketing and Sales Business                                 |
| 8. Mr.Panithan Tosnaitada*           | Vice President - Advertising Department   |
| 9. Mr.Somrak Narongvichai*           | Vice President - Production Department  |
| 10. Mr.Borisut Puranasamriddhi*      | Vice President - Administration Department  |
| 11. Mr.Chatchai Thiamtong            | Vice President - Finance Department   |
| 12. Ms.Apinya Kangsanarak Ph. D.*    | Vice President - Human Resource Department  |
| 13. Mr.Pisanu Ruangrajitpakorn*      | Vice President - Technology Department  |
| 14. Mr.Natthrapong Phisitphadhrikul* | Vice President - Internal Audit Office  |
| 15. Mr.Nopphadol Khemayotin*         | Vice President - Business Development<br>and Investment Department                |

**Remark** \* Not being the executive officer according the definition of "Executive Officer", Notification of Capital Market Supervisory Board No. Tor. Jor 24/2552





## BEC WORLD PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2011

### Broadcasting and Media Business

#### Free TV Broadcasting

99.99% THE BANGKOK ENTERTAINMENT CO., LTD. (300)

#### Radio Broadcasting

99.99% YOU & I CORPORATION CO., LTD. (35)

#### New Media

99.99% SATELLITE TV BROADCASTING CO., LTD. \*(1)

99.99% BANGKOK SATELLITE &

TELECOMMUNICATION CO., LTD. \*(25)

99.99% BEC MULTIMEDIA CO., LTD. (200 : Paid up 50)

99.99% BECI CORPORATION LTD. (200)

Note: - Number in brackets are registered capital in Baht Million  
 - % Show is shareholding percentage  
 \* NOT YET OPERATING

<sup>1</sup>established in August 2011

### Programme Sourcing and Production

#### Documentary and Entertainment Programme Sourcing and Production

99.99% RUNGSIROJVANIT CO., LTD. (5)

99.99% NEW WORLD PRODUCTION CO., LTD. (5)

99.99% BANGKOK TELEVISION CO., LTD. (5)

99.99% BEC INTERNATIONAL DISTRIBUTION CO., LTD. (5)

└ 59.99% TVB 3 NETWORK CO., LTD. (10)

#### Production of Shows, Music and Campaign Activities

59.99% BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED (250 : Paid up 200)

└ 59.99% THAITICKETMAJOR CO., LTD. (10)

└ 59.99% HAVE A GOOD DREAM CO., LTD. (10)

└ 51.00% BEC-TERO COMCOM CO., LTD. (28)

└ 51.00% IMG BEC-TERO SPORTS & ENTERTAINMENT CO.,LTD.<sup>1</sup> (10)

└ 50.00% BEC-TERO SCENARIO CO., LTD. (40)

└ 99.99% BEC-TERO SASANA CO., LTD. (10)

└ 99.99% BEC-TERO RADIO LTD. (49.96)

#### Extended and Supporting Businesses

99.99% BEC BROADCASTING CENTER CO., LTD. (1)

99.99% BEC NEWS BUREAU CO., LTD. \*(5)

99.99% BEC STUDIO CO., LTD. \*(5)

99.99% BEC ASSET CO., LTD. (30)

99.99% BEC IT SOLUTION CO., LTD. (15)

# Corporate Profile Of The BEC World Group

On 31 December 2011, the BEC WORLD Group comprises 25 companies whereby BEC World Plc., was the parent company, which could be categorized by type of business as follows:-



## 1. Broadcasting and Media Business

### 1.1 TV Broadcasting

- Terrestrial Free to Air TV broadcasting - Bangkok Entertainment Co., Ltd. operates Thai TV Channel 3, a terrestrial nation wide free to air television network under the concession agreement with MCOT Public Company Limited
- Subscribed TV broadcasting: The BEC World Group also looks for opportunity to expand its transmission to various countries throughout the world. During the past 3-4 years, we tried to broadcasts our TV programmes to Japan and America. Currently, we are looking for business alliance in various countries.

1.2 **Radio Broadcasting** Bangkok Entertainment Co., Ltd. operates FM frequency 105.5 MHz, You & I Corporation Co., Ltd. operates FM frequency FM 95.5 MHz. There are 2 radio station in total whereby Virgin BEC-TERO Radio (Thailand) is responsible for sale of air time and giving advice regarding program development.

1.3 **New Media** - i.e., internet and mobile phone related businesses, operated by BECi Corporation Ltd., BEC-Multimedia Co., Ltd. and BEC-TERO ComCom Co., Ltd. We also look for opportunity to operate satellite TV through Bangkok Satellite & Telecommunication Co., Ltd. and Satellite TV Broadcasting Co., Ltd.



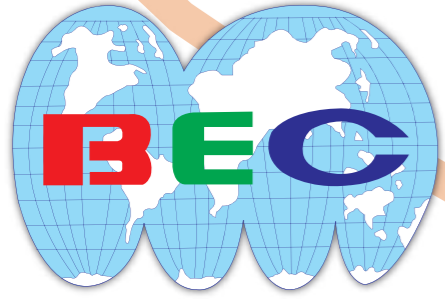


## 2. Programme Sourcing–Production, Distribution and Extended and Supporting Businesses.

- 2.1 **Programme Sourcing, Production and Distribution** operated through BEC World Public Co., Ltd., Rungsirojvanit Co., Ltd., New World Production Co., Ltd., Bangkok Television Co., Ltd., TVB 3 Network Co., Ltd., BEC International Distribution Co., Ltd., BEC-Tero Entertainment Plc. and Have A Good Dream Co., Ltd.
- 2.2 **Production of Shows, Music and Campaign Activities** operated by BEC-Tero Entertainment Plc., Have A Good Dream Co., Ltd., BEC-TERO Scenario Co., Ltd. conducts business relating to musical play and BEC-TERO Sasana Co., Ltd. manages football club, IMG BEC-TERO SPORTS & ENTERTAINMENT Co., Ltd. organize sport, contest and show, whereby ThaiTicketMajor Co., Ltd. provides public relations activities and advertising services, as well as ticket sales (shows and bus tickets)
- 2.3 **Extended and Supporting Businesses** - BEC IT Solution Co., Ltd., provides information technology services. BEC Asset Co., Ltd. provides asset management and leases. BEC Broadcasting Center Co., Ltd. provides broadcasting facilities services. In addition, there is a plan to provide a wide range of production services, including studio and equipment rental and post-production services by BEC STUDIO Co., Ltd., With respect to news production, “BEC News Bureau Co., Ltd.” provides news for broadcasting on radio and television, including selling some certain BEC’s news to other news stations.

At present, BEC World Public Co., Ltd. has a registered capital of Baht 2 billion divided into 2,000 million ordinary shares with par value at Baht 1 per share, the company’s shares listed as “BEC”, began trading on the SET on July 18, 1996. As of 31 December 2011, BEC WORLD Group employed the total of 1,899 employees .

BEC World Public Company Limited is located at No. 3199, Maleenont Tower, on 2<sup>nd</sup> ,3<sup>rd</sup> ,8<sup>th</sup> ,9<sup>th</sup> and 30<sup>th</sup> -34<sup>th</sup> Floor, Rama IV Road., Klongton, Klongtoey, Bangkok 10110, and can be reached by telephone at # (66) 2204-3333, 2262-3333, by Fax #(66) 2204-1384 and at Web-site: [www.becworld.com](http://www.becworld.com).



BEC World Public Company Limited



Delivering innovations  
to society through  
**our hearts and minds,**  
together working as one.



# Activities for Society and Environment in 2011

BEC World group has a policy to operate its business with awareness of good society and environment. As our subsidiary, Bangkok Entertainment Co., Ltd., operates TV Station (the “Station”), which is the highest efficient media that could reach audiences in nationwide. Our activities are organized in a form of campaign for participation of people throughout the country. Not only organizing our own activities, but also supporting all activities and campaigns of various entities/organizations, having objectives for society and environment preservation by joining our Company as a part of those activities and campaigns. Our main activities, during 2011, were helping Thai people who suffered from big flood problem, having details as follows:



## Thank you... Thai Spirit

...an article written by Atcha Suwanpakpraek,  
a deputy managing director of Bangkok Entertainment Co., Ltd.

2011 was a year of water, indeed, starting from flooding in southern part of Thailand in March. Although it was a summer season, there were heavy rain. Subsequently, flood flew over many provinces, in northern, north and central area of Thailand. Such enormous amount of water overwhelmed Chaophraya river and spread through Thai Gulf in last December until first quarter of this year.

In the light of such flooding situation last year, it has a big negative effect all over Thai country, especially, 65 provinces, more than 12.8 million Thai people, including, agriculture area around 150 million rai. The World Bank has assessed damages arising from the said flooding is around Baht 1.44 billion and also the forth severe national disaster in the world. This flood is the most severe flooding in decades, compared with large flooding and a number of affected people in 2010.

As soon as such incident happens, Channel 3, by “Krob Krua Kao 3 Team” acted as a flooding center for helping people and opened a donation bank account namely “Krob Krua Kao 3 Fund For Flood Victims”. Our intention was to actively support and make a relief for all suffered Thai people from flooding, which we regarded this task as our responsibility toward society.



On 23 March 2011, there were a flooding and severe earthquake in many provinces of southern part of Thailand. Flash flooding destroyed lives, accommodations, plants, field, etc. of thousands of people with its violent water tide. Krob Krua Kao 3 Team voluntarily acted as “Helping Center” for Thai people to show our “Thai Spirit” to help each other. We opened bank account namely “Krob Krua Kao 3 Fund For Flood Victims”, encouraging Thai people to donate their fund through such account, including SMS via mobile phone network: AIS, DTAC and TrueMove, or giving fund directly at Channel 3. Total amount of this donation is Baht 179,107,418.17. We also appointed a fund committee to manage and spend such donation carefully, clearly and efficiently to comply with intention of every donator. This is to guarantee that all expenses over the said fund for all projects to help victims have been promptly used and transparently. The said fund committee has considered and approved the following projects:





### 1. Food Center Project Baht 24,990,698.69.-

This project urgently supported all affected people from flooding by sending rice, dried food and survival bags to all people in Surathani, Nakorn Srithamarath, Pathaloong, Krabi and Choomporn provinces for 68,500 bags.

### 2. Learning Materials and School Restoration Project

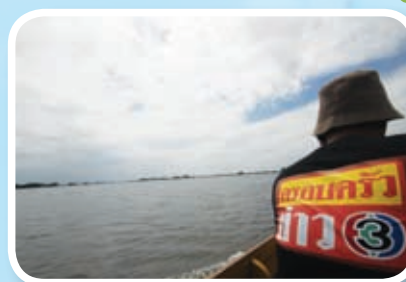
Baht 42,193.390.33.-

Flooding in southern part of Thailand has destroyed school and also caused damage to various learning materials and library. Students, suffering from flooding, when rapidly flew through their houses, must struggle to survive. All their clothing, school uniform, books, notes, stationaries, etc. have been destroyed by the flood. The project was established to help 599 schools and total 70,170 students.

### 3. Baan Nam Jai Thai Project

Baht 44,651,208.75.-

We jointly worked together with Thai government to rebuild houses for flooding victims whose houses was totally damaged in 4 provinces, i.e. Krabi, Nakorn Srithamarath, Surathani and Pathaloong, totally 194 houses, including, providing Kitchenware, mattresses, pillows, mosquito nets and water tanks.



### 4. Procurement of Equipments for Work and Career Restoration Project

Baht 2,755,224.00.-

We, under this scheme, launched 10 million shrimps to Songkhla Lake, providing fishnet for local fishermen in Pattanee. In addition, we provided some fishes to incubate their gene in natural lake in Surathani, giving good and high quality rice seeds (Pan-Ped-Thet) and vegetable seeds to local people at Kuan Kanoon Ampher, Pattaloong.

### 5. Overcoat Project Baht 2,589,880.00.-

The project is set to provide 15,754 overcoats to all affected people, evacuating from flooding in Pathaloong, Krabi, Surathani and Nakorn Srithamarath.



### 6. Danger Alarming Center Baht 3,793,890.00.-

Many areas in southern provinces of Thailand are located near waterway and foothills, considered as risk areas for “flood and landslide”. Many lives have been lost from violent flash flooding. We receive many requests from village and local community to assist them. Therefore, we co-operated with the private sector to install rain gauge, radio communicator, signal booster and network to make danger alarming center. Such alarming equipments were located in Noppitam, Sichol, Pakpanang and Ronpiboon Districts, Nokorn Srithammarath, Kaopranom District, Krabi, and Viphavadee District, Surathani. There were also officers from Kra-Chok-Ngao Foundation attended a rehearsal for warning and evacuation. During raining season with flash flooding around the end of last year, these equipments gave some warning, informing people to evacuate from dangerous incident in Noppitam and Sichol Districts. Up to now there has been no any damage at all.

### Summary

Total amount of donation fund	Baht 179,107,418.17
Total expenses for 6 projects	Baht 120,974,291.77
Remaining balance	Baht 58,133,126.40

(The remaining amount is transferred to Krob Krua Kao 3 Fund For Victims 2554-2)

While the flood situation in Southern provinces was still terrible, there was heavy rain in northern part of Thailand from May 2011. Many areas were affected by high level flooding and subsequently rain storm. There were flooding and landslide in Nam-Pad District, Uttradit, causing damage over many lives and properties of local people in such area. Water flooding became a critical issue. Enormous amount of water, exceeding dam’s capacity, began to flow and spread through central part of Thailand via Chaophraya river to Thai Gulf. This took more than 3 months for such natural disaster. During that time, the big flooding spread and covered the affected people from flooding huge area which was the worst situation in decades. Krob Krua Kao 3 Team helped affected people by providing fund donation from the beginning of the year to provide all necessary aids to relief their suffer. Channel 3 also opened a new fund as “Krob Krua Kao 3 Fund For Victims 2554-2”. The donation fund was made through Bangkok Bank, Siam Commercial Bank and SMS





via mobile phone network: AIS, DTAC and TrueMove. Total donation was Baht 548,303,958.87.- (including the remaining balance of 54-1 Fund in the amount of Baht 58,133,126.40.-

The fund committee has approved the following projects to help the affected people from flooding:

**1. Food Center Project** Baht 214,951,758.40.-

This project provided 550,000 survival bags to all flood victims in every affected province. At the same time, food center have been established to keep all unpacked consumer goods in any communities which could take care of themselves. This also encourages participation in society.

**2. Learning Materials and School Restoration Project**

Baht 44,065,457.00.-

Our learning materials caravan assisted schools and students who suffered by flooding in central and north eastern area of Thailand, totally 656 schools and 110,000 students. The Fund has been also arranged for learning materials, library equipments for kindergarten, stationaries and sport equipments for all schools and students.



**3. Baan Nam Jai Thai – Nampad Project**

Baht 12,565,000.00.-

Due to severe rain storm and flash flooding, more than 70 houses were completely destroyed in Nam-Pad District, Uthradit province. Krob Krua Kao 3 Team, together with Puen-Puang-Pa Foundation, mutually rebuilt 35 houses for flooding victims and also gave them kitchenware, mattresses, pillows, mosquito nets and water tanks. We also rendered them more fund, apart from government budget, for another 36 houses, totally Baht 716,004.00.

**4. Pra-Too-Jai Project** Baht 30,000,000.00.-

We provided some door panels and doorknobs to all affected people in various provinces for 45,392 sets of the above household equipments.

**5. Overcoat Project** Baht 2,500,000.00.-

During flash flooding crisis in Nampad District, Uthradit province, some local villagers evacuated from their houses and suffered by cold in winter season. The Fund has been used to provide 2,000 overcoat and 580 blankets to them.



## 6. Boat from Nam Jai Thai Project

Baht 13,790,070.00.-

Due to highly deep flood, which takes time for months, thousands of people suffered from inconvenient transportation, especially for some living in rural area, really need a large boat. The Fund, therefore, arranged some large engine boats to all volunteers, community and state sector to use such boats for giving support all affected people as much as possible, including providing boat engines for some boats, donated for this flood.

There were also 2,092 small size of donated boats, given through Krob Krua Kao 3 to flood victims.

## 7. Kitchen from Nam Jai Thai Project

Baht 97,500,000.00.-

During flood situation, “Poo Ying Tueng Poo Ying program” and volunteers have provided fresh cooked food to affected people in many areas. When the flood situation was getting better, we found that kitchenware of many victims were damaged. Therefore, we procured and provided them around 20,000 new sets of kitchenware, such as pot, dish, bowl, spoon, pan, gas tank, etc.

## 8. Movable Toilet Project

Baht 2,000,000.00.-

Moveable toilets were the most important thing for affected people from flood. There were a lot of movable toilets, donated through Krob Krua Kao 3. However, the government sector still urgently requested to provide for more victims. Therefore, we spent Baht 2 million to produce more movable toilets to comply with such request.

## 9. Cleaning Kits Project

Baht 4,400,000.00.-

When the flooding situation was back to normal, we initiated a restoration program. We provided 10,000 sets of cleaning kits, comprising of cleaning mops, floor brushes, detergent, cleaning liquid, gloves, alcohol, garbage bags, etc., to victims to clean their houses.

## 10. Fixing House for Flood Victims Project

Baht 8,009,193.33.-

“P.O. News 3 program” was responsible for fixing victims house for some affected people. The Fund has a policy to fix and rebuild house to the poor, old and handicapped people as a priority in many provinces. We fixed some houses, and, in some special circumstances, we established a new house to replace the former one, destroyed by flooding. Mostly, we attempted to fix the destroyed house not establishing a new one. Up to now, 466 houses have already been restored.

## 11. Recruitment Project

Baht 60,000.00.-

We also arranged many activities to look for jobs for unemployed people, affecting by flooding, as well as, arranging professional knowledge training for them in cooperation with Department of Employment and private entities. In total, we arranged for these activities for 6 times in 6 provinces.



## 12. Procurement of Equipments for Working and Career Restoration Project

Baht 23,027,400.00.-

To assist local farmers, to have rice seeds for rice farming (to replace and cure damage from flooding). “3 Dimension News program” was responsible for a project to give new productive rice seeds for many farmers, living in Lopburi and Chainat provinces, totally 900 tons. “Kaset-Hot News program” procured “Cha-Om plant” for 250 local orchard men to grow in damaged area in Ang-Thong province. “Toh-Kao-Setthakit program” assisted orchard men in Lad-Loom-Kaew, Pathumthanee, by providing 24,000 tons of “Mango-Nam-Dok-Mai No.4 Gene”, to them.

## 13. Other Projects

Baht 1,217,946.60.-

These projects were established upon requests from relevant entities or local communities, i.e., Project regarding construction of wooden bridge to connect with the main road to Bhumibol Hospital; Project to provide animal food; Project to provide mobile water pump to recover flood area, etc.

In addition, there are some pending projects, under consideration of fund committee, i.e., Rejuvenating program for “Buddhist Diocese”, to renovate main area, having been destroyed by flooding, especially, many trees, in order to recover this area to Thai Buddhist Area Symbol Center, as soon as possible.

## Conclusion

Total amount of donation fund	Baht 548,303,958.87
Total expenses for 13 projects	Baht 454,086,825.33
Remaining balance	Baht 94,217,133.54

(summary of expenses as of 16 February 2012)

With respect to “Krob Krua Kao 3 Team” for flooding affected people, there are, totally, Baht 186,519,788.53, minus by all expenses in the above mentioned project Baht 156,171,455.51. Total remainings is Baht 30,348,333.02. This remaining amount has been transferred to “Rachaprajanugroh Foundation” under King Patronage.

Our assistance by Krob Krua Kao 3 Team, provided to flooding victims, is very successful and can fulfill intention of all donators due to we received cooperation from our alliances for many organizations, both private and government sectors. This can promptly assist all affected people from flooding through “Krob Krua Kao 3 Team”. We, on behalf of victims and donators, are highly grateful and thank you all for such assistance. These cooperation and donations could show distinctively real nature of Thai society which is always helpful and supportive during every crisis. This is called “Thai Spirit” and thanks for all “Thai Spirit”.



# Explanation and Analysis of Operation and Financial Status



## Industrial Environment – Broadcasting and Advertising Media Business:

Domestic broadcasting business comprises 2 parts, i.e., (1) Free TV business and (2) Subscribed TV Business.

With respect to free TV business, currently there are six main networks where the 5 original networks (Channel 3 as operated by Bangkok Entertainment Co., Ltd., 5, 7, 9 and 11) broadcast in VHF system and the new network, “T-PBS” (originally operated under the name “iTV”, then changed to “TiTV” and finally, changed to a public service TV), broadcasts in UHF system. Even though all networks have nationwide broadcasting coverage. However, due to our reputation for decades, only two major networks (channel 3 and channel 7) have dominated the broadcasting industry with the aggregate percentage of viewers during primetime at 70%. Channel 7 has been accepted as the market leader in term of number viewers since it could establish its nationwide network coverage long before its peers and had advantage in creating viewer base. Now, it has market share on viewers around 40%. For Channel 3, it had originally focused on viewers in city area so the percentage sharing in viewers was smaller. Over the past twenty years, channel 3 has expanded its nationwide network coverage like other networks and offered variety of TV programs to suit broader range of audience to increase number of viewers; however, it still has been the second rank in the viewership share, at around 30%, which is lower than channel 7. For other four channels, each of them has only around 10% or less of sharing while channel 11 has the least viewers.

Regarding advertising media business, at the first stage, every network conducted its commercial services. When the concession agreement between the Government and “iTV” was terminated and “iTV” was changed to “TiTV”, there was no material change in the competition environment for some certain period of time. However, after TiTV was transformed to be a public services TV (T-PBS), there was no advertising in the middle of January 2008, reducing only 5 networks-commercial TV. Neilsen Media research specified that TiTV had a huge in market share in TV advertising spending, over than 15% in 2007, thus this caused a big change in industry environment, especially, the market share on advertising spending. Spending budget on advertising through TV media was lower almost every month in 2008, However, the industrial environment is increased from the previous year in the second quarter and probably it is the best quarter of 2008 Decrease of spending budget on advertising through TV media in 2008 is only 4.4 percent, thus, every other TV channels other than “T-iTV / T-PBS” is additionally growing year-on-year. All of every advertiser had not reduced their spending except a former big supporter of TiTV, decreasing their advertising budget in 2008. Neilsen Media Research reported that there are several more advertisers, both large and medium sizes, have increased their advertising spending in 2008 more than the prior year; and several of those also increased their spending more than 20%, including some new advertisers, as well This strongly shows the diversity, resiliency and great growth potential of the industry which had allowed our channel 3 and other channels to raise the rate-card up on certain day-parts since the beginning of 2008 as well as another round around the mid of 2<sup>nd</sup>



quarter of 2008 before the bad news from both outside of the country and the domestic one hit the macro-economy pulling the demand down consecutively during the last 2 months of 2008, even the drops were still a minor one. For 2009, bad news from both foreign countries and domestic started causing negative effect to macro-economic of Thailand since the end of 2008. According to Nielsen Media research, the whole industry has been decreased for 8% in term of advertising spending in the first quarter of 2009, compared to its previous quarter. Though, it may be considered as normal to compare the first quarter of the year (which is “low-season”) with the last quarter of the year (which is “high-season”), Nielsen Media research reported that advertising spending via TV media has recovered in March, at the first high-season for 2009. However, it was reported that there was a huge reduction in advertising spending of a big advertiser, causing a big decrease to the industry in second quarter of 2009. This situation not only made Channel 3 had the highest market share for advertising budget in this industry during the beginning of the year until the end of third quarter, it also caused intense competition among product owners/advertisers, spending large amount of advertising budget compared to the previous year. This created a good environment for the growth rate to the industry after the mid of the year which continued to gradually increase. The total amount of advertising spending of 2009 is better than 2008. While growth rate of other channels was better, some major channel’s growth rate was lower despite the fact that such irregularity was resolved from the third quarter. Channel 3 still received the highest advertising spending via TV media in this year. The Company group obtained its revenue at the peak rate for the 2<sup>nd</sup> – 4<sup>th</sup> quarters of 2009 compared to the past. In 2010, in the light of low revenue in the first quarter of prior year due to macro economy problem and decrease of spending advertising budget of one big advertiser via TV media in one major channels during 2nd and 3rd quarters of year 2009, this created intense competition among product owners/advertisers, and also had an effect over all industry to recover after the mid of year 2009. The market situation was continued to gradually increase at a good rate. According to Nielsen Media Research, the total amount of advertising spending of this year was better than previous year, by growing higher at 2 digits rate, although industry and the country have been affected by riot in the mid of second quarter. However, after such problems had been resolved, advertising





spending has been increased gradually as it was before. This income is derived from live broadcasting of FIFA World Cup, recovery of macro economic situation and customers and manufacturers' confidence, including live broadcasting of Asian Games at the end of this year. All of the aforesaid factors caused more competition among product owners/advertisers. Nielsen Media Research informed that total whole industry in 2010 has been increased around 15% and also reported that there were several advertisers, both large and medium size, who were consumer product advertisers (the current big advertisers) and new entry advertisers from automobile and financial industry. They increased advertising spending via TV media more than 20% compared to the previous year. This caused the foremost revenue as it has been before and higher than the revenue in 2007, iTV was still active. Moreover, Neilson Media research shows that advertising period in almost every channel, has been increased to the maximum rate under prohibition by law. The aforesaid could ensure diversity, stability and good opportunity of the industry

In 2011, the advertising industry kept growing in many quarters, advertising industry has dramatically decreased consecutively, until the end of September 2011. Nielsen Media research reported that since October 2011 due to the great flood problem and more worst in November when the flood damaged many industrial areas. The flood also caused problem to transportation in Bangkok and outskirts. These severely affected to the industry by reducing its growth rate compared to previous quarter and previous year, approximately more than 14% even though there was a obvious recovery signal in December.

However, in the light of the growth of advertising industry since beginning of 2011 until the end of third quarter, it makes total advertising spending for the whole year was still higher than the previous year, only 3.5%. Other advertising media had better growth rate than television media due to the latter was severely affected by the great flood and a compulsory regulation of NBT on limited air time for advertisement, since the previous year. The growth rate of TV advertising spending was less than overall advertising industry. (only 2.4%).

However, a better economic situation before the flood has raised a serious competition among product owners/advertisers. Many current customers and new advertisers, in different field/category of product, both large and medium size, including existing large advertisers (i.e., advertisers for major consumer products and telecommunication industries) and new large advertisers (i.e. advertisers for vehicles and financial industries), had increased their advertising budgets for television media more than 20%, compared to previous year. In addition, a number of advertisers totally, were increased, causing some changes in market share of major advertisers. There was various type of advertising budget through television media. The aforementioned fact obviously shows strong purchasing power in competitive situation and variety of industry as well as stability and good opportunity for industrial growth as always.

Anyhow, Nielsen Media research reported that Channel 3 and Channel 7, the major operators, received their advertising revenue sharing at a rate lower than the market share of their viewers. However, the difference of their advertising revenue sharing between Channel 3 and Channel 7 was narrower than their viewer sharing, while small broadcasting operators received their advertising revenue sharing higher than their viewer sharing. However, no one could confirm correctness and accuracy of such report. Although the market share of the two major operators has been high,



other operators have been aggressively competing to receive bigger market shares. Moreover, the broadcasting industry still faces with new challenges including potential new competition as there is still room in UHF system for new players and other platforms awaiting for future directions to be set by the new independent regulatory body which is in the process to be established, but these changes will not be suddenly occurred as prior warnings, such as, public discussion of a draft master plan, shall be required to be notified prior to implement the changes or issuing new licenses. Competition for the industry is interesting and observable.

As to subscribed TV business, there has been only one national player who has obtained license and various small local operators. Although those operators have been in the business for many years, but they have been unable to significantly expand their subscriber base causing many operators to transform themselves to be free TV in the hope that they would get advertising revenue instead. However, with their limited penetration and so fragment in nature, they have not been able to attract most of viewers of free TV. Despite the lack of competition among subscribed TV operators currently, they have been grouped together causing reduction in our potential opportunity. However, we believe that with our strengths in TV production and high quality of programs, there are still opportunities where we will be able to generate additional incomes from subscribed TV businesses.

For radio business, competition is more intense than TV broadcasting as there are a lot more players including both FM and AM frequencies. With narrower coverage than TV, each radio program or station has become much more segmented. Each radio station is now focusing on its niche audience market and has clear market position. Improved and changing economic environment has benefited operators with clear market positions and created more competition among radio operators. As we realize that key success factors for both TV and radio operators are the ability to reach into advertisers' target groups, we focus our efforts on the quality and expansion of our audience base. Each of our radio station has created its niche market and become more successful. Therefore, we put all our effort to expand such audience base. However, as the setting-up of the new independent regulatory body (NBC – National Broadcasting Commission) which started by the 1997 Constitution has been postponed, most of the radio licenses were expired and became short-term licenses to be renewed on yearly basis causing the increase of competition to fight for radio frequency and the increase of operating cost, as well as create business interruption if one could not be granted for maintaining the frequency. Although the program could still be presented to another radio station, this could reduce the profitability of the radio business. However, radio business would not create any impact against BEC World since the revenue from this business has not been significant proportion.

New media business, which includes internet websites and messaging service via mobile network, such as voice message, text message, still and dynamic image contents, also experienced rising competition as there have been more and more players getting into the market while market volume has been dramatically increased. However, we believe that key success factors for this business are quality of content and effective marketing. Therefore, we are confident that BEC World group is well placed to compete with its peers. Sharing with this new media business will increase opportunity of the group to raise value of its programs. However, this business is considered very small with normal growth rate.



## Industrial Environment – Program Sourcing and Production Business:

For program sourcing and production business, as a broadcaster, we need to source programs for our own broadcasting business, and we have also expanded into live performance and film production. While organizing live performance is quite diverse, the BEC World group has the expertise in organizing international performance of which there are only a few meaningful players. BEC World group has got a strong track record, extensive marketing and promotion network for its subsidiaries to engage in TV media and radio businesses. The competition has not been intense due to BEC World group has been a top choice among the leading players in this business for any operator who wishes to organize a show in Thailand. As for film production, even BEC World had revitalized the Thai film industry, but there have been a lot of new film producers coming into the market with at least one Thai film a week or even more, therefore, BEC World group has decided to reduce its role in film production and focuses more on distribution of these Thai films to other countries.



### Risk factors:

#### Risk Factors of Business Operation

##### *Growth of Advertising Costs and Expenses*

As BEC World's major incomes have been derived from selling airtime to advertisers, the key risk factor is the growth of advertising spending of economic as a whole which depends on purchasing power of consumers in the country and competition among manufacturers who are the real advertising spenders. Though the management is unable to control these factors directly, we believe that this is not a serious concern for our business operation because main advertising spenders of TV and radio media are consumer product manufacturers who target mass market, which has been growth continuously as a result of growing economic and high competition in consumer product industries. In addition, the recovery of economic as a whole has caused the higher competition and the entry of new advertisers resulting in growing of advertising spending since 1999 in line with improved economic environment. Though such growth has slowed down during the past couple of years due to reduction of consumer confidence, including, politics problem and world economic depression which affect country export. In addition, another factor is especially, in 2008, one TV commercial station was transformed to public service station without any advertising. However, under the bird eye's view, there are still some growth in several sectors, favoring the industry to grow from previous year at high rate since last quarter until the beginning of forth quarter of 2011, which dramatically decreased due to the great flood. However, there was obvious recovery since December 2011 and the growth of advertising industry since early of 2012. The risk that advertising spending will fall is very minimal and if happens, it would only be temporary. This is because the competition in advertising market is a factor to raise advertising money as well as media operated by BEC World group remain the most effective mean in reaching end-consumers.



### **Market Share Maintaining**

BEC World group continues to improve operating efficiency in order to draw more viewers than its competitors. However, whether the group can still maintain high rate of viewers or enhancing its efficiency for consumers, are the risk factors despite of its success in improving efficiency of programs and sourcing. There is also competition risk with other operators, both old operators, improving their efficiency and new operators, acquiring new license to establish a new channel. In addition, audiences of TV program may change to be viewer of new candidates. However, we believe that BEC World group may slightly have an effect from the aforesaid risk.

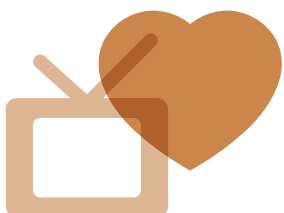
### **Amendment of Broadcasting Operational Control**

There is a risk from amending broadcasting operation control due to an establishment of independent regulatory body instead of government authority. However, BEC World group may have a little effect, since the Company was legally granted to renew its concession to operate under protection of transitory provision of the Constitution and related laws. Although, the industry is affected by Operation of Radio and Television Broadcasting Business Act, which has been effective since first quarter of 2008, by reducing advertising time. However, all operators in this industry confront the same problem, this shall not change any, competition in the industry.



### **Renewal Operation Agreement**

Due to the delay of establishment of the aforesaid regulatory body and the nature of some contracts to operate radio frequencies granted on yearly basis, there is also a risk whether the group will be granted for renewal of operation of relevant radio frequencies. However, since the revenue generated from radio business is still small and the profitability is also low, the impact to the group is minimal if the group cannot carry on this business. However, the risk of TV business is lower than radio business, since the Company has its concession to further conduct its business until 2020. In addition, there is an advanced technology, changing “Analogue system”, currently system, to be “Digital system”, which TV program can be raised its efficiency to draw and provide good perception of end customer.





### ***Substitute of TV media by new advertisement***

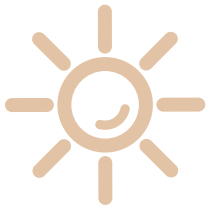
The risks from potential substitutes of TV media include electronic media such as internet; new TV media such as Satellite TV, Digital TV, etc.,. BEC World group believes that, though there is more clear development in this area. However, there is no immediate impact on the operation of BEC World group from these new media in the near future especially in regard to selling advertising airtime. This is because advertising spending tends to concentrate on media which can effectively reach mass target group. Due to financial obligations whereby the end customers are required to increase their spending, and their habitual behavior, those new advertisements are only NICHE MARKET. In addition, main revenue of BEC World group comes from mass market position, and advertising budget, usually spent to media which can mainly reach target group of the advertiser. Similarly, impact on the group's business from subscribed TV's selling airtime as currently allowed by law is still small since the subscribed TV normally has small group of viewers which can be considered as niche market while free TV (Channel 3, 5, 7, 9, 11) has viewer base throughout the country which is a mass market. Free TV advertising remains the most popular approach for consumer product manufacturers as the market sharing for Free TV remains quite high compared to other media. For other electronic media, such as, internet, although it has been new and become popular quickly, the access of users is limited and is regarded as a niche market as well. This new media is normally used as a supplementary media to free TV advertising and is only effective if the advertisers focus on niche market where mass market media may be too expensive for a small target market. These advertisers are not our main clients but they may establish new product/advertiser to raise competition in the market in the future which, eventually, will be benefit to BEC World group.

## **Risk of Operation and Management**

### ***Holding Shares of the Company by a Group of Majority Shareholders***

Since Maleenont family holds majority shares approximately 51.03% of BEC World's total shares. Therefore, Maleenont family might be able to set management policy of the Company. However, the good corporate governance specified by the Company and other regulatory bodies could ensure and reduce such risk for minority shareholders. There are also some internal and external independent bodies supervising and auditing management and operation of the Company. Any transaction or resolution which is significant as specified by law, the Company always obtains a special resolution from shareholder's meeting before proceeding. In light of the above, the aforesaid factors could ensure and secure risk of operation and management of the Company.





## Structure of BEC World Group

In 2011, BECW group has slightly changed its structure. BEC-Tero Entertainment Plc. (BEC-Tero, a subsidiary, the Company held 60% of its paid-up capital, has established its new subsidiary, during the third quarter of 2011. The said new company is a joint venture with “IMG Worldwide Inc.”, a corporate entity registered in USA, which is not considered as a connected company. BEC-Tero holds 51% shares of Baht 10 million capital in this new subsidiary, established under the name “IMG BEC-Tero Sport and Entertainment Co., Ltd.” to operate businesses as to organizing activity for sport contest, fashion and various entertainment. In addition, there was a dissolution registration of “Thai Audiotex Service Co., Ltd.”, which has ceased its business operation for many years ago. The said registration was done around the end of 2011.

However, BEC-Tero has purchased shares of BEC-Tero Radio Co., Ltd. (former name “Virgin BEC-Tero Radio (Thailand) Co., Ltd.”), increasing BEC-Tero’s shareholding ratio in the said company to 99.99% of total registered capital. This changed status of BEC-Tero Radio Co., Ltd. from an “associated company” to “subsidiary” around the end of the previous year (2010). Therefore, operating result of BEC-Tero Radio Co., Ltd. shall be combined in profit and loss statement of BECW Group since the first quarter of 2011 onwards.

## Operating Result

Due to modification in accounting policy as to investment money in subsidiaries and associated companies, operating result of the Company as shown in its specific financial statement is different from the operating result of the group. To avoid any confusion, explanation is provided in the consolidated financial statement of the Company.

According to Accounting Standards No.12 regarding Income Tax and No.19 regarding Employee’s Benefits, this has an effect over financial statement preparation since the beginning of 2011. It requires recognition of additional assets and debts and adjustment to financial statement of the Company for previous year. However, the aforesaid modification is not material changes (“net profit” which is an equity of the Company’s shareholders in 2010 or 3,303.4 million Baht has increased from the amount reported Baht 1.1 million and total assets as of the end of 2011 has increased from the amount reported for Baht 42.1 million (which was “deferred income tax”). Therefore, the following explanation will be compared with a report, which has been adjusted an operating result.



BEC World group had net profit (equity of the Company's shareholder) for year 2011 in the amount of Baht 3,530.3 million, highest amount in the company's history for another year, which was increased 6.9% or Baht 226.9 million compared with the prior year. Even though the Company was severely affected by great flooding during last quarter of the year and the Company also paid employee's special remuneration from early retirement program in first quarter of the year, despite that fact that BECW group had large amount of income due to "BEC-Tero Radio" has waived its debts in 2010. The Company could generate its "advertising revenue" more than the previous year at 8.1% or Baht 898.2 million. We also received income and profit from "Organizing activities/shows" and "Revenue from licensing and other services" higher than previous year. Though "Costs" and "Expenses" were increased, but BECW Group could generate profit to its shareholders more than the prior year for another year.

## Sale Revenue

After adjusted business expansion by adding more air time for its own TV program, conducted by BECW group and extend advertising air time for our TV Station at maximum rate for 24 hours since beginning 2010, in 2011, BECW group could generate "revenue from sale of adverting air time" more than the previous year in the amount of Baht 898.2 million



or 8.1% higher. The great flood affected our business during the last quarter of year, decreasing revenue from sale of advertising time to 6.2% lower than previous year. The said revenue is derived from business expansion, adjustment of TV program and increase of air time advertising for certain period and extension of program with prime air time period. Revenue and primary profit from "organizing concert and show" were much higher than the previous year as well as revenue from licensing and other services, resulting from recovery of confidence in macro economic environment and strong market position of BECW World group.

## Costs and Expenses

"Costs" (except costs from show organizing) were increased at a high rate compared with the prior year. This was due to business expansion, and adjustment of TV program to introduce more TV programs including extension of prime air time period which was for raising up our opportunity to generate higher revenue on a long term basis. Some partial costs also came from special expenses incurred during the first quarter of the year due to early retirement program. Another part of expenses was combination of "BEC-Tero Radio" 's operating result in profit and loss statement of BECW group at beginning of 2011. The aforementioned caused main reduction to "Sale expenses" as they were offset between internal transactions, however, "management expenses" were increased from the said early retirement program and expenses arising from great flooding problem during last quarter of the year.





## Financial Status

Total assets were slightly increased compared with the balance as at the end of year 2010. The amount increased was mostly “Deferred additional benefits”. “Debts” were increased from “Deferred income” from sale of programs in foreign countries, waiting for recognition as income and “Reserve for long term benefits of employee” according to new Accounting Standard. “Equity” was decreased from the amount of previous year due to decreased profit from the second half of the year, causing mostly from dividend payment. BECW group remains stable.

## Factors that may affect Operating Result and Financial Status in the Future:

Most of the group’s operating costs and expenses do not directly relate to the revenue. They are either fixed or varied according to the market situation. In 2010, BEC World group had clearly increased of its operating cost but it was for expansion of business to raise up opportunity for generating income. Although, the group also has a policy to expand its business, such expansion is clearly ensured by growth of macro-economic. There was usual adjustment in 2011, radio business of subsidiary was transferred to combine in operating result of the group for the first year. It is believed that growth



rate of costs and expenses of BECW group will be increased in accordance with inflation rate of our country. This year may incur some expenses more than the previous year from many reasons for cost increment, such as minimum wages (there will be no direct effect over the Company group since all remunerations paid to employees are already higher than the new rate according to government policy) and oil prices which tend to increase for another round. Furthermore, it is widely assumed that the value of Baht currency which may drop will not cause effect to us and the inflation rate would be quite low this year. The concern that the intense competition in the TV broadcasting business would increase the programming costs significantly is seemed to be exaggerated as the industry does not have problem on shortage of resources and the key success factor is not the competition for bidding for resource. The competition in this industry also tends to be less than the previous year due to the change of government operator due to establishment of Office of the National Broadcasting and Telecommunication Commission specified in Broadcasting and Television Business Operation Act B.E. 2551.

Therefore, the group’s operating efficiency and profitability depends very much on its ability to generate revenue. Although the selling of advertising airtime, which is the main source of our revenue, depends largely on the growth of the overall advertising expenditure of the economy which is beyond the direct control of the group management. The market environment, which has been positive from recovery of macro economic, government policies and recovery after great flooding, encouraged advertisers to spend budget at a high rate throughout previous year. The recovery rate from great flooding was very fast, making higher rate of advertising spending at early this year. This represents a better opportunity of industry and BEC World group. Another factor is intense competitive environment which keeps growing high, it is thus our belief that the group’s profitability this year, 2012, will be improved further. As the group has a very strong capital structure with excellent liquidity without any problem of assets quality, there should be no financial problem of any kind.

## Report of the Board of Directors' Responsibilities for the Financial Statements

The accompanied financial statements comprised of Statements of Financial Position, Statements of Income, Comprehensive Income Statements, Statements of Changes in Shareholders' Equity, Statement of Cash Flows and Notes to the Financial Statements have been prepared by the management in conformity with generally accepted accounting principles and appropriate accounting policies applied consistently and based on management's best estimates and judgments with adequate disclosure of material issues.

The Board of Directors has set up and maintained effective internal control system designed to provide the management with reasonable assurance that transactions are recorded properly, the assets are safeguarded and that material frauds and malpractices are precluded.

The Board of Director also appointed the Audit Committee, which comprises of three independent non-executive directors to review the accuracy and sufficiency of the company's financial reports and to ensure the adequacy and the efficiency of the internal control systems of the Company. Opinion of the Audit committee is shown in Audit committee's Report published in this Annual Report.

BEC World Plc. also arranged to have independent certified public accountant as auditor auditing the financial statements. The auditor performed audits of the financial statements in accordance with generally accepted auditing standards and expressed his independent opinion on the true and fair of the company's financial positions and performance of its operations as stated in the financial statements. Auditor's Report is also shown in this Annual Report.



(Mr. Vichai Maleenont)  
Chairman  
On behalf of the Board of Directors

*V & A*

Dr. Virach & Associates

518-3 Panunee Building, 7<sup>th</sup> Floor Ploenchit Road, Lumpinee District, Khet Patumwan, Bangkok 10330  
Tel./Fax: 66 (0) 2250-2860, 2255-2518, 2254-1210, 2250-0634, 2254-8386-7

## To The Shareholders BEC World Public Company Limited

I have audited the consolidated statements of financial position of BEC World Public Company Limited and its subsidiaries as at December 31, 2011 and 2010, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended and the separate financial statements of BEC World Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit 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 audit provides a reasonable basis for my opinion.

In my opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of BEC World Public Company Limited and its subsidiaries and the separate financial statements of BEC World Public Company Limited as at December 31, 2011 and 2010, the results of their operations and their cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the above financial statements, as described in Note 2.3 to the financial statements, during the year 2011, the Company has adopted to the revised and new accounting standards issued by the Federation of Accounting Professions, which are effective to the financial statements beginning on or after January 1, 2011. To apply these in preparation and presentation of the financial statements, the financial statements as at December 31, 2010, shown herewith as comparison have been newly presented to conform with the financial statement for the year ended December 31, 2011.

According to Note 3.1 to the financial statements, during the year 2011, the Company and its subsidiaries have changed its accounting policy on income taxes. Thus, the financial statements for the year ended December 31, 2010 shown herewith as comparison have been restated from the effect of change in accounting policy. I have audited the adjusted transactions for the financial statements for the year ended December 31, 2010. In my opinion, the adjusted transactions are appropriate and fairly adjusted.

According to Note 3.2 to the financial statements, during the year 2011, the Company and its subsidiaries have adopted to the new accounting standards in accordance with Thai Accounting Standard No. 19 Employee Benefits. The Company and its subsidiaries have chosen the perceived value of debt increase by adjusted to the beginning retained earnings for the year 2011, for consolidated financial statements amount of Baht 283.92 million (net of tax) and the separate financial statements amount of Baht 31.65 million (net of tax).



(Dr. Virach Aphimeteetamrong)  
Certified Public Accountant Registration No. 1378  
February 13, 2012

# Balance Sheets

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2011 AND 2010

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2011	2010 (RESTATED)	2011	2010 (RESTATED)
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4.21 and 5	3,147,180,994	5,194,693,731	657,537,800	1,884,952,520
Short-term investments					
Deposit at financial institutions		1,948,070,327	-	1,413,488,523	-
Investments in Open-end Fund	4.2 and 6	49,643,050	48,579,307	11,103	11,749
Investments in related party	11	2,886,487	-	-	-
Total short-term investments		2,000,599,864	48,579,307	1,413,499,626	11,749
Trade and other receivables	4.3 and 7	906,660,441	959,888,451	220,338,050	405,136,980
Short-term loans to related parties	8	-	-	195,321,750	388,000,000
Inventories	4.4 and 9	417,805	311,961	-	-
Other current assets					
Dividend receivable		-	-	1,699,989,800	1,549,986,833
Concerts and television programmes under process	4.5	43,889,757	28,368,467	-	1,143,780
Accrued interest income		14,457,157	9,889,300	11,993,597	13,654,837
Others		110,366,382	93,837,240	11,276,018	6,287,274
Total other current assets		168,713,296	132,095,007	1,723,259,415	1,571,072,724
<b>Total Current Assets</b>		<b>6,223,572,400</b>	<b>6,335,568,457</b>	<b>4,209,956,641</b>	<b>4,249,173,973</b>
<b>Non-current Assets</b>					
Available-for-sale securities	4.6 and 10	55,337,500	61,162,500	55,337,500	61,162,500
Bank deposits with obligation		82,923,700	98,500,929	-	-
Investments in subsidiaries	4.7 and 11	-	-	813,190,028	811,635,028
Other long-term investments	4.8	3,000,000	3,000,000	-	-
Investments property	4.9 and 12	63,250,000	63,431,165	650,000	763,980
Property, plant and equipment	4.10 and 13	258,236,764	312,412,066	13,963,803	15,566,305
Intangible assets	4.11 and 14	55,259,818	46,582,063	58	58
Deferred right to use property	4.12 and 15	1,053,100,182	1,140,674,311	-	-
Deferred additional compensation	4.13 and 16	385,390,823	-	-	-
Deferred pictures rental, picture products, plays and copyright charges	4.14 and 17	1,264,074,648	1,251,480,867	584,049,381	630,765,875
Deposit on pictures copyright		3,400,000	2,420,000	-	-
Prepaid plays production		207,941,000	170,901,600	207,941,000	160,901,600
Deferred tax assets	4.16 and 26	117,448,311	42,133,907	49,989,711	40,976,511
Other non-current assets		75,591,833	81,665,420	10,287,820	10,287,820
<b>Total Non-current Assets</b>		<b>3,624,954,579</b>	<b>3,274,364,828</b>	<b>1,735,409,301</b>	<b>1,732,059,677</b>
<b>TOTAL ASSETS</b>		<b>9,848,526,979</b>	<b>9,609,933,285</b>	<b>5,945,365,942</b>	<b>5,981,233,650</b>

Notes to the financial statements form an integral part of these statements.

# Balance Sheets (Continued)

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2011 AND 2010

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2011	2010 (RESTATED)	2011	2010 (RESTATED)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>					
Short-term borrowings from financial institutions	18	-	28,000,000	-	-
Trade and other payables	19	398,278,900	358,010,959	116,605,724	117,831,661
Accrued expenses		421,941,026	392,718,322	29,985,225	28,794,488
Short-term borrowings from related party	20	7,840,000	4,400,000	-	-
Corporate income tax payable		596,779,254	660,645,860	64,362,412	60,443,624
<b>Other current liabilities</b>					
Revenue Department payable		118,918,806	125,364,516	13,453,665	17,381,937
Undue sale tax		43,987,342	55,747,367	10,658,550	23,394,980
Cash received from selling tickets-the contracting companies		153,483,700	46,132,275	-	-
Unearned revenue		301,840,179	117,683,264	-	-
Others		2,500,933	5,443,428	424,928	583,085
Total other current liabilities		620,730,960	350,370,850	24,537,143	41,360,002
<b>Total Current Liabilities</b>		<b>2,045,570,140</b>	<b>1,794,145,991</b>	<b>235,490,504</b>	<b>248,429,775</b>
<b>Non-current Liabilities</b>					
Provision for long-term employee benefits	4.22 and 21	373,113,472	-	39,126,375	-
<b>Total Non-current Liabilities</b>		<b>373,113,472</b>	<b>-</b>	<b>39,126,375</b>	<b>-</b>
<b>Total Liabilities</b>		<b>2,418,683,612</b>	<b>1,794,145,991</b>	<b>274,616,879</b>	<b>248,429,775</b>
<b>Shareholders' Equity</b>					
<b>Share capital</b>					
<b>Authorized share capital</b>					
2,000,000,000 common stocks of Baht 1 par value		2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
<b>Issued and paid-up share capital</b>					
2,000,000,000 common stocks at Baht 1 each		2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Premium on common stocks		1,166,724,373	1,166,724,373	1,166,724,373	1,166,724,373
<b>Retained earnings</b>					
<b>Appropriated</b>					
Legal reserve	24	200,000,000	200,000,000	200,000,000	200,000,000
<b>Unappropriated</b>					
		3,925,201,582	4,278,778,955	2,331,613,253	2,389,008,065
Other components of shareholders' equity		(27,588,563)	(22,928,563)	(27,588,563)	(22,928,563)
<b>Total Shareholders' Equity of Parent Company</b>		<b>7,264,337,392</b>	<b>7,622,574,765</b>	<b>5,670,749,063</b>	<b>5,732,803,875</b>
Non-controlling interests		165,505,975	193,212,529	-	-
<b>Total Shareholders' Equity</b>		<b>7,429,843,367</b>	<b>7,815,787,294</b>	<b>5,670,749,063</b>	<b>5,732,803,875</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>9,848,526,979</b>	<b>9,609,933,285</b>	<b>5,945,365,942</b>	<b>5,981,233,650</b>

Notes to the financial statements form an integral part of these statements.

# Statements of Income

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
		2011	2010 (RESTATED)	2011	2010 (RESTATED)
<b>REVENUES</b>					
Advertising income		11,967,163,543	11,068,988,253	821,100,000	760,087,500
Income from copyright and other services		269,877,273	195,055,618	1,578,200,800	1,294,977,200
Income from organizing concerts and shows		566,558,848	449,756,818	-	-
Dividend income	11	-	-	3,086,778,740	2,920,373,605
Other incomes					
Interest income		123,287,661	52,387,689	70,541,594	36,804,197
Gain on debt exclusion	11	-	58,301,876	-	-
Gain from reverse allowance on impairment of investments in subsidiaries		-	-	1,595,000	9,132,000
Others		43,450,897	62,873,304	1,270,588	6,064,768
Total other incomes		166,738,558	173,562,869	73,407,182	52,000,965
<b>Total Revenues</b>		<b>12,970,338,222</b>	<b>11,887,363,558</b>	<b>5,559,486,722</b>	<b>5,027,439,270</b>
<b>EXPENSES</b>					
Cost of sales and services	25	5,601,922,407	5,100,327,813	1,519,689,183	1,326,340,035
Cost of organizing concerts and shows		466,050,724	389,630,719	-	-
Selling expenses		434,753,320	535,776,102	4,635,635	2,287,422
Administrative expenses		1,195,811,205	963,934,950	223,533,623	204,591,021
Loss on investment impairment in subsidiaries		-	-	40,000	40,000
Loss on goodwill impairment	11	-	10,718,556	-	-
Directors's remuneration	22	19,000,000	19,215,000	19,000,000	19,215,000
Finance costs		636,440	44,936	-	-
<b>Total Expenses</b>		<b>7,718,174,096</b>	<b>7,019,648,076</b>	<b>1,766,898,441</b>	<b>1,552,473,478</b>
<b>Profit before Income Tax Expenses</b>		<b>5,252,164,126</b>	<b>4,867,715,482</b>	<b>3,792,588,281</b>	<b>3,474,965,792</b>
<b>Income Tax Expenses</b>	4.17 and 26	<b>1,622,559,802</b>	<b>1,450,979,731</b>	<b>218,329,997</b>	<b>153,451,926</b>
<b>Profit for the years</b>		<b>3,629,604,324</b>	<b>3,416,735,751</b>	<b>3,574,258,284</b>	<b>3,321,513,866</b>
<b>Profit attributable to</b>					
Equity holders of the parent		<b>3,530,346,446</b>	<b>3,303,402,917</b>	<b>3,574,258,284</b>	<b>3,321,513,866</b>
Non-controlling interests		99,257,878	113,332,834	-	-
		<b>3,629,604,324</b>	<b>3,416,735,751</b>	<b>3,574,258,284</b>	<b>3,321,513,866</b>
<b>Earnings per share to equity holders of the parent</b>					
Basic Earnings Per Share (Baht)	4.18	<b>1.77</b>	<b>1.65</b>	<b>1.79</b>	<b>1.66</b>
Issued and paid-up 2,000,000,000 common stocks					

Notes to the financial statements form an integral part of these statements.

# Statements of Comprehensive Income

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<b>Profit for the years</b>	3,629,604,324	3,416,735,751	3,574,258,284	3,321,513,866
Other Comprehensive Income:-				
Loss on remeasuring available-for-sale securities	(5,825,000)	(4,660,000)	(5,825,000)	(4,660,000)
Income tax relating to components of other comprehensive income for the periods	1,165,000	932,000	1,165,000	932,000
Other comprehensive income (loss) for the years-net of tax	(4,660,000)	(3,728,000)	(4,660,000)	(3,728,000)
Total comprehensive income for the years	3,624,944,324	3,413,007,751	3,569,598,284	3,317,785,866
Total comprehensive income attributable to				
Equity holders of the parent	3,525,686,446	3,299,674,917	3,569,598,284	3,317,785,866
Non-controlling interests	99,257,878	113,332,834	-	-
	3,624,944,324	3,413,007,751	3,569,598,284	3,317,785,866

Notes to the financial statements form an integral part of these statements.

# Statements of Changes in Shareholders' Equity

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

## CONSOLIDATED

Year	Notes	Equity holders of the parent							Total shareholders' equity	
		Issued and paid-up share capital	Premium on common stocks	Appropriated-Legal reserve	Retained earnings		Other comprehensive income (loss)	Total equity holders of the parent		
					Unappropriated reserve	shareholders' equity				Other components of equity
					Available-for-sale investments				Non-controlling interests	
<b>Year 2010</b>										
		2,000,000,000	1,166,724,373	200,000,000	3,846,380,253	(24,000,704)	7,189,103,922	166,199,764	7,355,303,686	
	3				35,174,698	4,800,141	39,974,839	225,606	40,200,445	
		2,000,000,000	1,166,724,373	200,000,000	3,881,554,951	(19,200,563)	7,229,078,761	166,425,370	7,395,504,131	
					3,303,402,917	(3,728,000)	3,299,674,917	113,332,834	3,413,007,751	
					(6,178,913)		-	20,000,021	20,000,021	
	22				(2,900,000,000)		(2,900,000,000)	(4,119,279)	(10,298,192)	
		2,000,000,000	1,166,724,373	200,000,000	4,278,778,955	(22,928,563)	7,622,574,765	193,212,529	7,815,787,294	
<b>Year 2011</b>										
		2,000,000,000	1,166,724,373	200,000,000	4,242,487,110	(28,660,704)	7,580,550,779	193,102,608	7,773,653,387	
	3				36,291,845	5,732,141	42,023,986	109,921	42,133,907	
		2,000,000,000	1,166,724,373	200,000,000	4,278,778,955	(22,928,563)	7,622,574,765	193,212,529	7,815,787,294	
					(283,923,819)		(283,923,819)	(11,556,698)	(295,480,517)	
	3				3,530,346,446	(4,660,000)	3,525,686,446	99,257,878	3,624,944,324	
					(3,600,000,000)		(3,600,000,000)	4,900,020	4,900,020	
	22						-	(2,886,479)	(2,886,479)	
		2,000,000,000	1,166,724,373	200,000,000	3,925,201,582	(27,588,563)	7,264,337,392	165,505,975	7,429,843,367	

Notes to the financial statements form an integral part of these statements.

# Statements of Changes in Shareholders' Equity (Continued)

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

## SEPARATE FINANCIAL STATEMENTS

Notes	Issued and paid-up share capital	Premium on common stocks	Appropriated- Legal reserve	Retained earnings		Other comprehensive shareholders' equity	Total equity
				Unappropriated income (loss)	Available-for-sale investments		
<b>Year 2010</b>							
Beginning balances, January 1, 2010 -before restated	2,000,000,000	1,166,724,373	200,000,000	1,932,249,873	(24,000,704)		5,274,973,542
Effect of change in accounting policy							
- Income tax				35,244,326	4,800,141		40,044,467
Restated balances, January 1, 2010	2,000,000,000	1,166,724,373	200,000,000	1,967,494,199	(19,200,563)		5,315,018,009
Total comprehensive income for the year 2010 (restated)				3,321,513,866	(3,728,000)		3,317,785,866
Dividend payment				(2,900,000,000)			(2,900,000,000)
Restated ending balances, December 31, 2010	2,000,000,000	1,166,724,373	200,000,000	2,389,008,065	(22,928,563)		5,732,803,875
<b>Year 2011</b>							
Ending balances, December 31, 2010 -before restated	2,000,000,000	1,166,724,373	200,000,000	2,353,763,695	(28,660,704)		5,691,827,364
Effect of change in accounting policy							
- Income tax				35,244,370	5,732,141		40,976,511
Restated ending balances, January 1, 2011	2,000,000,000	1,166,724,373	200,000,000	2,389,008,065	(22,928,563)		5,732,803,875
Recognized incremental liabilities in retained earnings at the beginning of the year							
- Employee benefits				(31,653,096)			(31,653,096)
Total comprehensive income for the year 2011				3,574,258,284	(4,660,000)		3,569,598,284
Dividend payment				(3,600,000,000)			(3,600,000,000)
Ending balances, December 31, 2011	2,000,000,000	1,166,724,373	200,000,000	2,331,613,253	(27,588,563)		5,670,749,063

Notes to the financial statements form an integral part of these statements.

# Statements of Cash Flows

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax expenses	5,252,164,126	4,867,715,482	3,792,588,281	3,474,965,792
ADJUSTMENTS TO RECONCILE PROFIT BEFORE INCOME TAX EXPENSES TO NET CASH PROVIDED FROM (USED IN) OPERATIONS				
Depreciation	118,317,580	152,017,557	3,326,887	4,907,968
Amortization of intangible assets	20,004,001	8,348,357	-	-
Amortization of right to use property	140,935,175	135,733,120	-	-
Amortization of additional compensation	19,609,177	-	-	-
Amortization of pictures rental, plays, picture products and copyright charges	1,623,371,711	1,460,632,799	1,298,801,419	1,107,808,861
Amortization of withholding tax	11,758,945	-	-	-
Loss on goodwill impairment	-	10,718,556	-	-
Bad debts	11,962,361	734,020	-	-
Increase (decrease) in doubtful debt				
- Trade accounts receivable	(5,584,075)	(27,734,167)	-	-
- Short-term loans to related parties	-	(9,869,604)	10,518,604	7,275,350
Unrealized (gain) loss on investments in Open-end Fund	(1,063,743)	(454,995)	646	222
Gain on assets disposal	(4,235,784)	(12,951,181)	(1,032,707)	(4,689,561)
(Gain) loss on exchange rates	(19,136)	(708,995)	599,322	(323,570)
Dividend income	-	-	(3,086,778,740)	(2,920,373,605)
Loss on impairment of investments property	181,165	-	113,980	-
Loss on impairment of investments in subsidiaries	-	-	40,000	40,000
Gain from reverse loss on impairment of investments in subsidiaries	-	-	(1,595,000)	(9,132,000)
Gain on investment pay back in related party	-	(14,327)	-	-
Share of profit on joint ventures' dissolution	-	(5,396)	-	-
Gain on debt exclusion	-	(58,301,876)	-	-
Interest income	(123,287,663)	(52,387,689)	(70,541,594)	(36,804,197)
Interest expenses	636,440	44,936	-	-
Long-term employee benefits expenses	31,062,965	-	2,187,412	-
Share of loss on subsidiaries dissolution	52,332	-	-	-
Share of loss on non-controlling interests dissolution	52,331	-	-	-
Profit from operation before changes in operating assets and liabilities items	7,095,917,908	6,473,516,597	1,948,228,510	1,623,675,260

Notes to the financial statements form an integral part of these statements.

# Statements of Cash Flows (Continued)

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>				
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Investments in Open-end Fund	-	25,800,000	-	-
Trade and other receivables	47,370,073	(4,988,082)	184,798,930	140,795,211
Inventories	(105,844)	(50,959)	-	-
Other current assets	(26,664,025)	136,370,135	(3,844,964)	(858,852)
Deposit on pictures copyright charges	(980,000)	7,462,648	-	-
Prepaid plays production	(37,039,400)	(28,693,600)	(47,039,400)	(64,693,600)
Other non-current assets	(6,230,179)	4,772,230	-	(302,804)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade and other payables	34,034,735	68,517,979	(1,811,401)	23,925,458
Accrued expenses	29,061,199	23,997,793	1,190,737	1,232,205
Other current liabilities	270,345,789	(59,954,024)	(16,836,717)	(5,664,675)
Provision for employee benefits	(29,418,451)	-	(3,002,751)	-
<b>CASH PROVIDED FROM OPERATION</b>	<b>7,376,291,805</b>	<b>6,646,750,717</b>	<b>2,061,682,944</b>	<b>1,718,108,203</b>
Interest expenses paid	(429,455)	(7,995)	-	-
Income tax expenses paid	(1,689,982,294)	(1,237,240,764)	(213,970,791)	(140,980,232)
<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>5,685,880,056</b>	<b>5,409,501,958</b>	<b>1,847,712,153</b>	<b>1,577,127,971</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in deposit at financial institutions	(1,948,070,327)	-	(1,413,488,523)	-
(Increase) decrease in bank deposits with obligation	15,577,229	(82,259,206)	-	-
Interest income	118,719,806	44,079,933	67,901,230	29,829,253
Proceeds from dividend income	-	-	2,936,775,773	2,470,378,172
Increase in short-term loans to related parties	-	-	(57,000,000)	(255,300,000)
Settlement from short-term loans to related parties	-	-	243,461,250	109,000,000
Purchase of investments in subsidiary	-	(1)	-	-
Proceeds from dissolution of related companies	-	20,044,353	-	-
Purchase of equipment	(58,660,017)	(72,047,314)	(1,724,388)	(9,152,399)
Proceeds from equipment and intangible assets disposal	4,529,289	56,662,664	1,032,710	4,719,626
Increase in intangible assets	(28,681,756)	(9,408,215)	-	-
Increase in right to use property	(53,361,046)	(122,231,912)	-	-
Increase in additional compensation	(405,000,000)	-	-	-
Increase in pictures rental, picture products, plays and copyright charges	(1,635,965,492)	(1,430,763,181)	(1,521,974,125)	(1,256,689,990)
Proceeds from plays disposal	-	-	269,889,200	215,867,500
<b>NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>	<b>(3,990,912,314)</b>	<b>(1,595,922,879)</b>	<b>524,873,127</b>	<b>1,308,652,162</b>

Notes to the financial statements form an integral part of these statements.

# Statements of Cash Flows (Continued)

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Decrease in short-term borrowings from financial institutions	(28,000,000)	-	-	-
Dividend payment	(3,600,000,000)	(2,900,000,000)	(3,600,000,000)	(2,900,000,000)
Increase in short-term borrowings from related parties	3,440,000	4,400,000	-	-
Subsidiary's dividend paid to non-controlling interests	(117,424,242)	(102,421,851)	-	-
Proceeds from capital increase in non-controlling interests in subsidiary	4,900,020	20,000,050	-	-
Paid to non-controlling interests in subsidiary	(27)	-	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(3,737,084,249)</b>	<b>(2,978,021,801)</b>	<b>(3,600,000,000)</b>	<b>(2,900,000,000)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,042,116,507)</b>	<b>835,557,278</b>	<b>(1,227,414,720)</b>	<b>(14,219,867)</b>
<b>CASH AND CASH EQUIVALENTS AS AT JANUARY 1,</b>	<b>5,194,693,731</b>	<b>4,367,659,847</b>	<b>1,884,952,520</b>	<b>1,899,172,387</b>
<u>LESS</u> CASH AND CASH EQUIVALENTS TRANSFERRED OUT FROM DISSOLVED SUBSIDIARY HELD BY SUBSIDIARY (SUPPLEMENTARY STATEMENT 1)	(5,396,230)	-	-	-
<u>LESS</u> CASH AND CASH EQUIVALENTS TRANSFERRED OUT FROM DISSOLVED JOINT VENTURE HELD BY SUBSIDIARY (SUPPLEMENTARY STATEMENT 2)	-	(22,335,158)	-	-
<u>ADD</u> CASH AND CASH EQUIVALENTS FROM SUBSIDIARY ACQUISITION (SUPPLEMENTARY STATEMENT 3)	-	13,811,764	-	-
<b>CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,</b>	<b>3,147,180,994</b>	<b>5,194,693,731</b>	<b>657,537,800</b>	<b>1,884,952,520</b>
<b>ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS : NON-CASH ITEMS CONSIST OF</b>				
Transferred accrued interest income to short-term loans to related parties	-	-	4,301,604	1,975,350
Dividend receivable	-	-	1,699,989,800	1,549,986,833
Subsidiary's dividend payable to non-controlling interests	10,200	13,166	-	-
Increase in fixed assets from assets payable	5,877,001	11,912,321	-	31,121
Transferred depreciation to selling tickets program under process	-	82,040	-	-
Available-for-sale securities				
Loss on remeasuring available-for-sale securities	(5,825,000)	(4,660,000)	(5,825,000)	(4,660,000)

Notes to the financial statements form an integral part of these statements.

# Statements of Cash Flows (Continued)

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010

## SUPPLEMENTARY STATEMENT 1

### Reclassified investments in subsidiaries

On December 22, 2011, THAI AUDIOTEX SERVICE LTD. which is subsidiary of BECI CORPORATION LTD. has dissolved. Therefore, current investments are reclassified to investments in related party and outstanding assets and liabilities are transferred out from the consolidation, as follows :

Cash and cash equivalents	5,396,230	-	-	-
Trade accounts receivable	1,072	-	-	-
Other current assets	8,570	-	-	-
Equipment	101,235	-	-	-
Other non-current assets	544,820	-	-	-
Trade and other payables	(128,791)	-	-	-
Accrued expenses	(45,480)	-	-	-
Non-controlling interests	(2,938,837)	-	-	-
Beginning investments	2,938,819	-	-	-
Share of loss on subsidiary dissolution	(52,332)	-	-	-
Current investments in related party	2,886,487	-	-	-

## SUPPLEMENTARY STATEMENT 2

### Reclassified investments in subsidiaries

On March 31, 2010, BEC-TERO SCENARIO JOINT VENTURE which is joint venture of BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED has dissolved. Therefore, current investments are reclassified to investments in related party and in August 2010, the Company has received from joint venture which has been liquidated. Therefore, outstanding assets and liabilities are transferred out from the consolidation, as follows :

Cash and cash equivalents	-	22,335,158	-	-
Other current assets	-	34,617	-	-
Trade accounts payable	-	(81,204)	-	-
Other current liabilities	-	(71,154)	-	-
Corporate income tax payable	-	(2,192,787)	-	-
Beginning investments	-	20,024,630	-	-
Share of profit on joint ventures dissolution	-	5,396	-	-
Current investments in related party	-	20,030,026	-	-
Proceeds from investments pay back in related party	-	20,044,353	-	-
Gain on investments pay back in related party	-	14,327	-	-

Notes to the financial statements form an integral part of these statements.

# Statements of Cash Flows (Continued)

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Unit : Baht

	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<b>SUPPLEMENTARY STATEMENT 3</b>				
Investments in subsidiary of the subsidiary				
On December 29, 2010, BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED, increase its investments in VIRGIN BEC-TERO RADIO (THAILAND) LTD., (New name : BEC-TERO RADIO CO., LTD.) from 51.00% to 99.99% of shareholding. The acquired assets and liabilities are shown, as follows :				
Cash and cash equivalents	-	13,811,764	-	-
Trade and other receivables	-	132,433,966	-	-
Allowance for doubtful debt - Trade accounts receivable	-	(1,715,430)	-	-
Other current assets	-	6,995,225	-	-
Equipment	-	10,953,789	-	-
Computer software	-	1,459,270	-	-
Other non-current assets	-	30,517,110	-	-
Trade and other payables	-	(10,494,737)	-	-
Accrued expenses	-	(31,645,934)	-	-
Short-term borrowings from related parties	-	(115,268,862)	-	-
Corporate income tax payable	-	(16,078,587)	-	-
Short-term borrowings from financial institution	-	(28,000,000)	-	-
Other non-current liabilities	-	(13,984,350)	-	-
Total	-	(21,016,776)	-	-
Non-controlling interests	-	29	-	-
Discount from change in shareholding ratio in subsidiary				
Equity holders of the parent	-	6,178,913	-	-
Non-controlling interests	-	4,119,279	-	-
Goodwill from acquisition	-	10,718,556	-	-
Cash flows paid for investments in subsidiary	-	1	-	-

Notes to the financial statements form an integral part of these statements.

# Notes To The Financial Statements

BEC WORLD PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
DECEMBER 31, 2011 AND 2010

## 1. TYPE OF BUSINESS

### 1.1 General information

Legal status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
Company location	2 <sup>nd</sup> , 3 <sup>rd</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> and 30 <sup>th</sup> - 34 <sup>th</sup> Floors, at Maleenont Tower, 3199 Rama IV Road, Kwaeng Klongtan, Khet Klongtoey, Bangkok 10110, Thailand.
Type of business	(1) Providing, producing TV programmes and selling air time. (2) Holding shares in subsidiaries and associates which operate business as stated in Note 11 to the financial statements.

### 1.2 Joint operation information

1.2.1 A subsidiary has made an agreement for joint operation of color TV transmission with the Mass Communication Organization of Thailand (MCOT) dated April 28, 1978 as amended the first time on September 13, 1982, the second time on July 16, 1987 and the third time on May 2, 1989. The subsidiary was granted the right for joint operation of Channel 3 color Thai TV station's transmission until March 25, 2020. All property created or procured for the operation under this agreement shall be transferred to the MCOT on the date the subsidiary creates or procures. The subsidiary has the right to use such property.

Under the above agreement, the subsidiary has to pay annual compensation to the Mass Communication Organization of Thailand as specified in the agreement.

1.2.2 A subsidiary has made an agreement to lease air time for operating programme and advertisement with the Mass Communication Organization of Thailand dated January 25, 1990 as amended on September 22, 1994. The subsidiary was granted the right to operate programme and advertise through an MCOT FM radio station, at 105.5 MH frequency in Bangkok until January 31, 2020. To be consistent with the term of the agreement for joint operation of color TV transmission as amended, it is agreed that if the agreement for joint operation of color TV transmission is terminated before its term for whatever reason, this agreement shall be deemed terminated.

Under the above agreement, the subsidiary has to pay the monthly air time and other expenses to the MCOT as specified in the agreement.

1.2.3 In August 2004, the Mass Communication Organization of Thailand (MCOT) was dissolved and MCOT Public Company Limited was set up to take over all the existing business, rights, liabilities, obligations and assets of the MCOT.

## 2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The consolidated and the separate financial statements are prepared in accordance with Thai Accounting Standards and Financial Reporting Standards under the Accounting Act, B.E. 2543 (2000), the Accounting Profession Act, B.E. 2547 (2004) and the Notification of the Office of the Securities and Exchange Commission.

2.1 These consolidated financial statements included the financial statements of BEC World Public Company Limited with its subsidiaries as follows:

PARTICULARS	% HOLDING		ESTABLISHED IN
	2011	2010	
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>			
1. THE BANGKOK ENTERTAINMENT CO., LTD.	99.99	99.99	THAILAND
2. RUNGSIROJVANIT CO., LTD.	99.99	99.99	THAILAND
3. NEW WORLD PRODUCTION CO., LTD.	99.99	99.99	THAILAND
4. BEC BROADCASTING CENTER CO., LTD.	99.99	99.99	THAILAND
5. YOU & I CORPORATION CO., LTD.	99.99	99.99	THAILAND
6. BEC ASSET CO., LTD.	99.99	99.99	THAILAND
7. BEC STUDIO CO., LTD.	99.99	99.99	THAILAND
8. BEC INTERNATIONAL DISTRIBUTION CO., LTD.	99.99	99.99	THAILAND
9. BEC NEWS BUREAU CO., LTD.	99.99	99.99	THAILAND
10. BANGKOK TELEVISION CO., LTD.	99.99	99.99	THAILAND
11. BANGKOK SATELLITE & TELECOMMUNICATION CO., LTD.	99.99	99.99	THAILAND
12. BEC IT SOLUTION CO., LTD.	99.99	99.99	THAILAND
13. SATELLITE TV BROADCASTING CO., LTD.	99.99	99.99	THAILAND
14. BEC-TERO ENTERTAINMENT PUBLIC CO., LTD.	59.99	59.99	THAILAND
15. BECI CORPORATION LTD.	99.99	99.99	THAILAND
16. BEC MULTIMEDIA CO., LTD.	99.99	99.99	THAILAND
<u>SUBSIDIARY HELD BY BEC INTERNATIONAL DISTRIBUTION CO., LTD.</u>			
1. TVB 3 NETWORK CO., LTD.	59.99	59.99	THAILAND
<u>SUBSIDIARIES HELD BY BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED</u>			
1. THAITICKETMAJOR CO., LTD.	59.99	59.99	THAILAND
2. HAVE A GOOD DREAM CO., LTD.	59.99	59.99	THAILAND
3. BEC-TERO COMCOM CO., LTD.	51.00	51.00	THAILAND
4. BEC-TERO SCENARIO CO., LTD.	50.00	50.00	THAILAND
5. BEC-TERO SASANA CO., LTD.	99.99	99.99	THAILAND
6. BEC-TERO RADIO CO., LTD. (Formerly: VIRGIN BEC-TERO RADIO (THAILAND LTD.))	99.99	99.99	THAILAND
7. IMG BEC-TERO SPORTS & ENTERTAINMENT CO., LTD.	51.00	-	THAILAND
<u>SUBSIDIARY HELD BY BECI CORPORATION LTD.</u>			
1. THAI AUDIOTEX SERVICE LTD.	-	49.99	THAILAND

2.2 Inter-company balances and transactions of the Company and subsidiaries have been eliminated from the consolidated financial statements.

2.3 Compliance with the new accounting standards and financial reporting standards in the year

The Company and the group have adopted to revised accounting standards and financial reporting standards issued by the Federation of Accounting Professions, as follows:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings Per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share - Based Payments
TFRS 3 (revised 2009)	Business Combination
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
	Financial Reporting Standard Interpretations
TFRIC 15	Agreements for the Construction of Real Estate
	Accounting Standard Interpretations
SIC 31	Revenue-Barter Transactions Involving Advertising Service

The standards which are effective to the financial statements beginning on or after January 1, 2013 are as follows:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
	Accounting Standard Interpretations:
SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders

The Group Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied except in 2011, the Group Company had early adopted to the Thai Accounting Standard No. 12 regarding "Income Taxes", before the effective date to the financial statements on or after January 1, 2011.

2.4 These financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

### 3. CHANGE IN ACCOUNTING POLICY

3.1 In 2011, the Company and its subsidiaries have adopted to accounting standard No.12 Income Taxes before the effective date. The Company and its subsidiaries have to restate the previous periods consolidated and separate financial statements shown herein as comparison, as if the Company has recorded deferred income tax assets or deferred income tax liabilities. Therefore, the information of the consolidated and separate financial statements for the year ended December 31, 2010, shown herein as comparison was the information prepared under the new accounting policy. The effect of the change in accounting policy is as follows:

#### Consolidated Financial Statements

Statement of Financial Position as at December 31, 2010	<u>THOUSAND BAHT</u>
Deferred income tax assets	42,134
Deferred income tax assets recognized in shareholders' equity	
Loss on remeasuring available-for-sale securities	(5,732)
Non-controlling interests	(110)
Increase retained earnings in equity holders of the parent	<u>36,292</u>
Statements of income for the period ended December 31, 2010	
Decrease in income tax from deferred income tax expense	1,001
Increase profit for the period	1,001
Profit (loss) attributable to	
Increase equity holders of the parent	1,117
Decrease non-controlling interests	(116)

## Separate Financial Statements

Statement of Financial Position as at December 31, 2010

	THOUSAND BAHT
Deferred income tax assets	40,976
Deferred income tax assets recognized in shareholders' equity	
Loss on remeasuring available-for-sale securities	(5,732)
Increase retained earnings	35,244

The effect of applying accounting standard No. 12 Income Taxes before the effective date which has to adjust the beginning retained earnings for the consolidated and separate financial statements as at January 1, 2011 amount of Baht 36.29 million and Baht 35.24 million, respectively and as at January 1, 2010 amount of Baht 35.17 million and Baht 35.24 million, respectively.

3.2 In year 2011, the Company and its subsidiaries have adopted to the new accounting standards in accordance with Thai Accounting Standard No. 19 Employee Benefits. To adopt this accounting policy, the Company and its subsidiaries have chosen the perceived value of debt increase by adjusted to the beginning retained earnings on January 1, 2011 for consolidated financial statements in equity holders of the parent amount of Baht 283.92 million (net of tax), the non-controlling interests amount of Baht 11.56 million (net of tax), for the separate financial statements amount of Baht 31.65 million (net of tax).

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 Revenues and expenses recognition**

Revenues and expenses are recorded on an accrual basis.

Income from advertising is recorded as revenues whenever the service is broadcasting via television and radio.

Income from pictures, plays and copyright products are recorded as revenues upon the transmission dates or sales.

Income from organizing concert and live shows are recorded after the action performed.

Income from royalties from plays are charged at fixed amounts which the licensee cannot refund and the licensor has no further obligations subsequent to granting the rights, the royalties are recognised as income in full when the licensee is entitled to exploit the rights under the terms of the agreement.

Dividend income is recorded when shareholder's right to receive is established.

Interest income is recorded on an accrual basis based on the effective interest rate.

### **4.2 Investments in Open-end Fund**

Investments in Open-end Fund are considered as trading securities, stated at fair value. Cost of disposed investments during the period is calculated by the weighted average method.

### **4.3 Trade accounts receivable and allowance for doubtful accounts**

Trade accounts receivable are stated at net realizable value. The Company provides allowance for doubtful accounts by estimating from the uncollectible accounts receivable based on the past experience in debt collection and the current status of outstanding debtors on the statement of financial position date.

#### 4.4 Inventories

Inventories for sale are stated at cost or net realizable value, whichever is the lower. Cost is calculated by the weighted average method.

Programmes which are not yet transmitted are stated at cost and will be recognized as cost after the transmission.

#### 4.5 Concerts and television programmes under process

Concerts under process are amortized to cost of production after proportion of show performed.  
Television programmes under process are stated at cost of production under processing and producing, which will be recorded to cost whenever the copyrights are transferred and submitted or after transmission.

#### 4.6 Available-for-sale securities

Available-for-sale securities are marketable securities with the objective for long-term investments which stated at fair value. The Company recognized revaluation of available-for-sale securities as separate item in other comprehensive income (loss) under the caption "Available-for-sale securities".

#### 4.7 Investments in subsidiaries

Subsidiaries are companies in which the group of the Company has power to govern the financial and operating policies. The Company included the subsidiaries in the consolidated financial statements since the date that the group Company has power to govern until the date of the power to govern is ended. The investments in subsidiaries for the separate financial statements are presented by the cost method net after the allowance for impairment.

#### 4.8 Investments in other companies

Investments in other companies are those companies in which the group of the Company has shareholding but has no power to govern or participate in setting up any policy. Investments in other companies are stated at cost.

#### 4.9 Investments property

Investments property consists of land and structures presented by fair value. The Company and its subsidiaries recognized gain or loss on investments property incurred during the period were duly presented in the gain or loss.

#### 4.10 Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation of fixed assets is calculated by the straight-line method based on the estimated useful life of assets, as follows:

PARTICULARS	USEFUL LIFE (YEARS)
Building	20
Office furniture and equipment	3 - 10
Utilities system	5
Television and radio operating equipment	5
Leasehold improvement	5
Motor vehicles	5 - 10
Processing and tools equipment	5

#### 4.11 Intangible assets

The computer softwares are amortized to expenses by the straight-line method based on the estimated useful life of 3-10 years.

Royalty football players and coach are amortized to cost by the straight-line method based on the period of time specified in the contract.

#### 4.12 Deferred right to use property

Deferred right to use property is amortized to expenses by the remaining periods of concession or by the straight-line method based on the estimated useful life of the following assets:

PARTICULARS	USEFUL LIFE (YEARS)
Building	5 - 20 or the remaining periods of concession
Building improvement	5
Other structures	5
Color television and radio transmitter	10 or the remaining periods of concession
Color television and radio equipment	5 - 10
Television relay vehicles	5 - 10
Network station property	5 or the remaining periods of concession

#### 4.13 Deferred additional compensation

Deferred additional compensation is amortized to expenses by the straight-line method according to the remaining periods of concession.

#### 4.14 Deferred pictures rental, picture products, plays and copyright charges

Pictures rental are amortized to expenses by the straight-line method according to the period specified in the agreement or portion of pictures transmission as specified in the agreement or according to the right as obtained for transmission.

Picture products are amortized to cost by the ratio of revenues received based on the estimated total revenues.

Plays charges are amortized to expenses at 20% per annum since the acquisition and will be amortized to expenses until the balance is equal to 20% of initial cost when the whole story is transmitted for the first time. After that, the straight-line method will be applied to amortize within 5 years.

Copyright charges are amortized to expenses by the straight-line method according to the period specified in the agreement.

#### 4.15 Operating Leases

Leases where most of substantial risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rental applicable to such operating leases are charged to expenses in the statements of income over the lease term.

#### 4.16 Deferred tax assets/liabilities

Deferred tax assets/liabilities are recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the statements of financial position date. They will be realised in future period when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred tax assets are recognized for deductible temporary differences or addible tax are deferred tax liabilities if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets.

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

#### 4.17 Income tax expenses

Income tax expenses from profit/loss for the period consist of current income tax and deferred tax. Income tax expenses recognized in income statement unless part of transaction recorded in shareholders' equity recorded directly to equity.

#### 4.18 Earnings per share

Basic earnings per share is calculated by dividing the annual net profit by the number of issued and paid-up common stocks at the end of the year.

#### 4.19 Foreign currency transactions

Foreign currency transactions incurred during the period are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities on the statement of financial position date are converted to Baht at the rates of exchange in effect on that date. Gains or losses on exchange rates are credited or charged to operations during the year.

#### 4.20 Barter income

Barter income arose from the exchange of different goods or service for other goods or service, of which is recognized at fair value of those goods or service in exchange.

#### 4.21 Cash and cash equivalentents

Cash and cash equivalentents are cash on hand and at bank, and all highly liquid investments due not more than 3 months from the date of acquisition with no obligation.

#### 4.22 Employee benefits

##### **Short-term employee benefits**

The Company recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

##### **Long-term employee benefits**

###### Defined contribution plan

The Company and its subsidiaries provide a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to the statements of income in the incurred period.

#### Defined benefit plan

In 2011, the provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

In 2010, the Company recorded the expenses for employee benefit under the Thai Labour Law in the incurred year.

### 4.23 Significant accounting judgments and estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use judgments various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, allowance for depreciation of plant and equipment, deferred tax assets, provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

## 5. CASH AND CASH EQUIVALENTS

As at December 31, 2011 and 2010, cash and cash equivalents include the following

Unit : Baht

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Cash and Bank deposit	1,433,029,100	1,827,528,668	322,722,002	414,285,670
Short term investments in fixed deposit	1,714,151,894	718,198,023	334,815,798	261,580,198
Bills of exchange	-	2,648,967,040	-	1,209,086,652
Cash and cash equivalents	3,147,180,994	5,194,693,731	657,537,800	1,884,952,520

As at December 31, 2011 and 2010, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.25 percent to 3.90 percent per annum and between 0.25 percent to 2.00 percent per annum, respectively.

## 6. INVESTMENTS IN OPEN-END FUND

Unit : Baht

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Investments in Open-end Fund-Debt securities	46,802,522	46,802,522	10,037	10,037
Allowance for investment adjustment	2,840,528	1,776,785	1,066	1,712
Investments in Open-end Fund-Fair value	49,643,050	48,579,307	11,103	11,749

Investments in Open-end Fund are trading securities. The difference between fair value and cost is shown as allowance for investment value adjustment in Open-end Fund. Gains (losses) on investments in Open-end Fund incurred during the year were duly presented in the statements of income as follows:

Unit : Baht

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Unrealized gain (loss) on investments in Open-end Fund	1,063,743	454,995	(646)	(222)
Realized gain on disposal of investments in Open-end Fund	-	5,298,549	-	-
Gains (losses) on investments in Open-end Fund	1,063,743	5,753,544	(646)	(222)

## 7. TRADE AND OTHER RECEIVABLES

Unit : Baht

AGING	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Trade accounts receivable				
Current	771,916,271	866,668,179	-	-
Overdue within 3 months	89,940,448	62,615,882	-	-
Over 3 to 6 months	9,049,972	11,258,127	-	-
Over 6 to 12 months	2,038,790	258,782	-	-
Over 12 months	8,840,391	9,720,238	-	-
Cheque returned	-	55,000	-	-
Total	881,785,872	950,576,208	-	-
Less Allowance for doubtful accounts	(9,621,354)	(15,205,429)	-	-
Trade accounts receivable-net	872,164,518	935,370,779	-	-
Trade accounts receivable of related parties	3,107,867	-	220,319,550	405,136,980
Total trade accounts receivable-net	875,272,385	935,370,779	220,319,550	405,136,980
Other receivables	31,388,056	24,517,672	18,500	-
Trade and other receivables-net	906,660,441	959,888,451	220,338,050	405,136,980

## 8. SHORT-TERM LOANS TO RELATED PARTIES

Unit : Baht

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS		INTEREST RATE (%)	
	2011	2010	2011	2010	2011	2010
<b>COMPANY LOANS TO</b>						
- SUBSIDIARIES						
1. BEC BROADCASTING CENTER CO., LTD.						
Beginning balances	-	-	190,000,000	190,000,000		
Settlement during the year	-	-	(70,000,000)	-		
Ending balances	-	-	120,000,000	190,000,000	2.75-4.25	2.75-3.25
2. YOU & I CORPORATION CO., LTD.						
Beginning balances	-	-	67,684,350	65,832,052		
Increase during the years	-	-	2,400,000	-		
Compound interest	-	-	2,464,694	1,852,298		
Ending balances	-	-	72,549,044	67,684,350	2.75-4.625	2.75-4.00
<u>Less</u> Allowance for doubtful accounts	-	-	(72,549,044)	(67,684,350)		
Total short-term loans-net	-	-	-	-		
3. BEC ASSET CO., LTD.						
Beginning balances	-	-	78,000,000	7,000,000		
Increase during the years	-	-	-	100,000,000		
Compound interest	-	-	1,683,000	-		
Settlement during the years	-	-	(34,361,250)	(29,000,000)		
Ending balances	-	-	45,321,750	78,000,000	2.75-4.625	2.75-3.25
4. BEC INTERNATIONAL DISTRIBUTION CO., LTD.						
Beginning balances	-	-	4,642,852	4,519,800		
Compound interest	-	-	153,910	123,052		
Ending balances	-	-	4,796,762	4,642,852	3.00-4.625	2.75-3.75
<u>Less</u> Allowance for doubtful accounts	-	-	(4,796,762)	(4,642,852)		
Total short-term loans-net	-	-	-	-		
5. TVB 3 NETWORK CO., LTD.						
Beginning balances	-	-	28,300,000	23,000,000		
Increase during the years	-	-	14,600,000	5,300,000		
Settlement during the years	-	-	(9,100,000)	-		
Ending balances	-	-	33,800,000	28,300,000	3.00-4.875	3.00-4.25
<u>Less</u> Allowance for doubtful accounts	-	-	(33,800,000)	(28,300,000)		
Total short-term loans-net	-	-	-	-		

Unit : Baht

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS		INTEREST RATE (%)	
	2011	2010	2011	2010	2011	2010
6. BANGKOK TELEVISION CO., LTD.						
Beginning balances	-	-	120,000,000	50,000,000		
Increase during the years	-	-	40,000,000	150,000,000		
Settlement during the years	-	-	(130,000,000)	(80,000,000)		
Ending balances	-	-	30,000,000	120,000,000	2.75-4.625	2.75-3.25
<b>TOTAL SHORT-TERM LOANS TO SUBSIDIARIES-NET</b>	-	-	195,321,750	388,000,000		
<b>SUBSIDIARY LOANS TO</b>						
- ASSOCIATE HELD BY SUBSIDIARY COMPANY						
1. BEC-TERO RADIO CO., LTD. (Formerly: VIRGIN BEC-TERO RADIO (THAILAND) LTD.)						
Beginning balance	-	34,000,000	-	-		
<u>Less</u> Allowance for doubtful accounts	-	(9,869,604)	-	-		
Total short-term loans-net	-	24,130,396	-	-		
<u>Less</u> Reclassified investment in associate to subsidiary						
- Principal	-	(34,000,000)	-	-		
- Allowance for doubtful accounts	-	9,869,604	-	-		
Total short-term loans-net	-	-	-	-	-	6.198-7.325
<b>TOTAL SHORT-TERM LOANS TO RELATED PARTIES - NET</b>	-	-	195,321,750	388,000,000		

## 9. INVENTORIES

Unit : Baht

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Finished goods	315,776	172,249	-	-
Programmes not yet on the air	81,299	119,142	-	-
Other goods	20,730	20,570	-	-
Total	417,805	311,961	-	-

## 10. AVAILABLE-FOR-SALE SECURITIES

Available-for-sale securities is reclassification from investment in associate to available-for-sale securities.

Unit : Baht

PARTICULARS	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2011	2010
WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED		
Cost	266,046,765	266,046,765
<u>Less</u> Adjustment of investment revaluation	(176,223,561)	(176,223,561)
Fair value on the date of reclassification	89,823,204	89,823,204
<u>Less</u> Loss on remeasuring available-for-sale securities	(34,485,704)	(28,660,704)
Available-for-sale securities-Fair value	55,337,500	61,162,500

## 11. INVESTMENTS IN SUBSIDIARIES

Unit : Baht

PARTICULARS	[%] HOLDING		COST METHOD	
	2011	2010	2011	2010
1. THE BANGKOK ENTERTAINMENT CO., LTD.	99.99	99.99	299,999,200	299,999,200
2. RUNGSIROJVANIT CO., LTD.	99.99	99.99	34,999,510	34,999,510
3. NEW WORLD PRODUCTION CO., LTD.	99.99	99.99	59,999,160	59,999,160
4. BEC BROADCASTING CENTER CO., LTD.	99.99	99.99	42,996,990	42,996,990
5. YOU & I CORPORATION CO., LTD.	99.99	99.99	34,999,300	34,999,300
6. BEC ASSET CO., LTD.	99.99	99.99	29,999,930	29,999,930
7. BEC STUDIO CO., LTD.	99.99	99.99	4,999,930	4,999,930
8. BEC INTERNATIONAL DISTRIBUTION CO., LTD.	99.99	99.99	4,999,930	4,999,930
9. BEC NEWS BUREAU CO., LTD.	99.99	99.99	4,999,930	4,999,930
10. BANGKOK TELEVISION CO., LTD.	99.99	99.99	4,999,930	4,999,930
11. BANGKOK SATELLITE & TELECOMMUNICATION CO., LTD.	99.99	99.99	24,999,930	24,999,930
12. BEC IT SOLUTION CO., LTD.	99.99	99.99	14,999,930	14,999,930
13. SATELLITE TV BROADCASTING CO., LTD.	99.99	99.99	999,930	999,930
14. BEC-TERO ENTERTAINMENT PUBLIC CO., LTD.	59.99	59.99	122,116,158	122,116,158
15. BECI CORPORATION LTD.	99.99	99.99	199,992,000	199,992,000
16. BEC MULTIMEDIA CO., LTD.	99.99	99.99	49,998,000	49,998,000
INVESTMENTS IN SUBSIDIARIES			936,099,758	936,099,758
<u>LESS</u> ALLOWANCE FOR IMPAIRMENT			(122,909,730)	(124,464,730)
<b>TOTAL INVESTMENTS IN SUBSIDIARIES-NET (SEPARATE FINANCIAL STATEMENTS)</b>			813,190,028	811,635,028

## TRANSACTIONS OF SUBSIDIARIES

### The subsidiaries held by BECI CORPORATION LTD.

#### **THAI AUDIOTEX SERVICE LTD.**

In December 2011, THAI AUDIOTEX SERVICE LTD., subsidiary of BECI CORPORATION LTD. has registered of dissolution with the Ministry of Commerce and in the process of liquidation. Thus, investments in such company are reclassified to short-term investments in related companies in the consolidated financial statements amount of Baht 2.89 million.

### The subsidiaries held by BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED

#### **IMG BEC-TERO SPORTS & ENTERTAINMENT CO., LTD.**

In August 2011, the Company's subsidiary has invested in IMG BEC-TERO SPORTS & ENTERTAINMENT COMPANY LIMITED the amount of 509,998 common stocks amount of Baht 5.10 million, in shareholding proportion of 51.00%. The type of business is organizing the sport, contest and show.

#### **BEC-TERO SASANA CO., LTD.**

In April 2010, the Company's subsidiary has invested in BEC-TERO SASANA COMPANY LIMITED the amount of 999,997 common stocks amount of Baht 10 million, in shareholding proportion of 99.99%. The type of business is managing a football club.

#### **BEC-TERO SCENARIO CO., LTD.**

In March 2010, the Company's subsidiary has invested in BEC-TERO SCENARIO COMPANY LIMITED amount of 1,999,998 common stocks amount of Baht 20 million, in shareholding proportion of 50%. The type of business is organizing show on the stage.

#### **BEC-TERO RADIO CO., LTD.**

##### **(Formerly : VIRGIN BEC-TERO RADIO (THAILAND) LTD.)**

On February 2, 2011, the Extraordinary General Shareholders' Meeting No. 2/2011 has a resolution to change the company name from VIRGIN BEC-TERO RADIO (THAILAND) LTD. to BEC-TERO RADIO COMPANY LIMITED, and has registered the change of company name with the Ministry of Commerce on February 3, 2011. In the same day the Company's subsidiary increase acquisition of stocks amount of 5 shares at Baht 10 par value amount of Baht 50. Common stock was increased from amount of 4,996,073 shares to amount of 4,996,078 shares.

On December 29, 2010, BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED has acquired preferred stocks of BEC-TERO RADIO CO., LTD. (Formerly: VIRGIN BEC-TERO RADIO (THAILAND) LTD.) amount of 2,448,080 shares from VIRGIN RADIO INTERNATIONAL LIMITED amount of Baht 1 as an acquisition cost of stocks increase in BEC-TERO RADIO CO., LTD. (Formerly : VIRGIN BEC-TERO RADIO (THAILAND) LTD.) which has a capital deficiency. BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED has to guarantee for the loans with certain financial institution replacing for VIRGIN RADIO INTERNATIONAL LIMITED which increase from Baht 40 million to Baht 80 million (See Note 29.5). At the same time, VIRGIN RADIO INTERNATIONAL LIMITED has agreed on exclusion of loan and accrued interest amount of Baht 58.30 million to subsidiary which the subsidiary has recognized debt exclusion as revenue in the year 2010. The acquisition of preferred stocks resulting the

proportion increase from 51.00% to 99.99%. The subsidiary, therefore, has reclassified investments in associate to subsidiary and has goodwill from acquiring the business amount of Baht 10.72 million which the subsidiary has set up provision of loss on goodwill impairment.

The financial statements of BEC-TERO RADIO CO., LTD. (Formerly: VIRGIN BEC-TERO RADIO (THAILAND) LTD.) in the consolidated financial statements for the year 2010 based on the audited financial statements of other certified public accountants.

## JOINT VENTURE INVESTED BY BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED

### BEC-TERO SCENARIO JOINT VENTURE

In March 2010, shareholders' of BEC-TERO SCENARIO JOINT VENTURE, joint venture of the subsidiary has dissolved and in the process of liquidation. Thus, investments in such joint venture are reclassified to short-term investments in related party in the consolidated financial statements amount of Baht 20.03 million.

In August 2010, the subsidiary has received amount of Baht 20.05 million from BEC-TERO SCENARIO JOINT VENTURE, which has been liquidated.

Unit : Baht

PARTICULARS	TYPE OF BUSINESS	PAID-UP CAPITAL		DIVIDEND	
		2011	2010	2011	2010
<b>SUBSIDIARIES</b>					
1. THE BANGKOK ENTERTAINMENT CO., LTD.	Operating business of TV and radio stations	300,000,000	300,000,000	1,899,994,933	1,799,995,200
2. RUNGSIROJVANIT CO., LTD.	Providing, producing TV programmes and sell air time for advertising	5,000,000	5,000,000	529,992,580	629,991,180
3. NEW WORLD PRODUCTION CO., LTD.	Providing, producing TV programmes and sell air time for advertising	5,000,000	5,000,000	-	-
4. BEC BROADCASTING CENTER CO., LTD.	Servicing studio equipment	1,000,000	1,000,000	49,996,500	149,989,500
5. YOU & I CORPORATION CO., LTD.	Producing radio programmes, operating radio station	35,000,000	35,000,000	-	-
6. BEC ASSET CO., LTD.	Own and leasing assets	30,000,000	30,000,000	49,999,883	49,999,883
7. BEC STUDIO CO., LTD. ( * )	Producing programmes and servicing studio equipment	5,000,000	5,000,000	-	-
8. BEC INTERNATIONAL DISTRIBUTION CO., LTD.	Providing, producing TV programmes	5,000,000	5,000,000	-	-
9. BEC NEWS BUREAU CO., LTD. ( * )	Producing news	5,000,000	5,000,000	-	-
10. BANGKOK TELEVISION CO., LTD.	Providing, producing TV programmes and sell air time for advertising	5,000,000	5,000,000	349,995,100	149,997,900
11. BANGKOK SATELLITE & TELECOMMUNICATION CO., LTD. ( * )	Satellite uplink-downlink services	25,000,000	25,000,000	-	-

PARTICULARS	TYPE OF BUSINESS	PAID-UP CAPITAL		DIVIDEND	
		2011	2010	2011	2010
12. BEC IT SOLUTION CO., LTD.	Information technology services, retail of computer accessories and maintenance service	15,000,000	15,000,000	39,999,813	-
13. SATELLITE TV BROADCASTING CO., LTD. ( * )	Satellite uplink-downlink services	1,000,000	1,000,000	-	-
14. BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED	Providing and producing TV programmes and sell air time for TV advertising; producing and promoting music for organizing concert, producing pictures and plays	200,000,000	200,000,000	166,799,931	140,399,942
<b><u>SUBSIDIARIES (CONTINUE)</u></b>					
15. BECI CORPORATION LTD.	Invest in internet business	200,000,000	200,000,000	-	-
16. BEC MULTIMEDIA CO., LTD.	Invest in multimedia business	50,000,000	50,000,000	-	-
<b><u>COMPANIES HELD BY</u></b>					
1. BEC INTERNATIONAL DISTRIBUTION CO., LTD.					
<b><u>SUBSIDIARY</u></b>					
1. TVB 3 NETWORK CO., LTD.	Providing and producing TV programmes and sell air time	10,000,000	10,000,000	-	-
2. BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED					
<b><u>SUBSIDIARIES</u></b>					
1. THAITICKETMAJOR CO., LTD.	Servicing for producing advertisement, reserve and selling show ticket, servicing to make seats reservation and sell bus tickets	10,000,000	10,000,000	9,299,985	13,199,846
2. HAVE A GOOD DREAM CO., LTD.	Providing and producing TV programmes and sell air time for TV	10,000,000	10,000,000	-	-

\* NOT YET OPERATING

PARTICULARS	TYPE OF BUSINESS	PAID-UP CAPITAL		DIVIDEND	
		2011	2010	2011	2010
3. BEC-TERO COMCOM CO., LTD.	Advertising agency and sponsorship on the idle-screens of mobile telephones through mobile operators in Thailand	28,000,000	28,000,000	-	-
4. BEC-TERO SCENARIO CO., LTD.	Organizing show on the stage	40,000,000	40,000,000	-	-
5. BEC-TERO SASANA CO., LTD.	Managing a football club	10,000,000	10,000,000	-	-
6. BEC-TERO RADIO CO., LTD. (Formerly: VIRGIN BEC-TERO RADIO (THAILAND) LTD)	Producing radio programmes and operating radio stations	49,960,800	49,960,800	-	-
7. IMG BEC-TERO SPORTS & ENTERTAINMENT CO., LTD.	Organizing the sport, contest and show	10,000,000	-	-	-
<hr/>					
3. BECI CORPORATION LTD. <b>SUBSIDIARY</b>					
1. THAI AUDIOTEX SERVICE LTD.	Providing audio information services via telephone	-	30,000,000	-	-
TOTAL DIVIDEND				3,096,078,725	2,933,573,451
- DIVIDEND RECEIVED FROM SUBSIDIARIES				3,086,778,740	2,920,373,605
- DIVIDEND RECEIVED FROM SUBSIDIARIES HELD BY SUBSIDIARIES				9,299,985	13,199,846

## 12. INVESTMENTS PROPERTY

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Historical cost	63,431,165	63,431,165	763,980	763,980
<u>Less</u> Provision for impairment	(181,165)	-	(113,980)	-
Fair Value	63,250,000	63,431,165	650,000	763,980

Fair value is assessed by independent appraiser with market comparative method.

## 13. PROPERTY, PLANT AND EQUIPMENT

Unit : Baht

PARTICULARS	CONSOLIDATED								
	Land	Office furniture and equipment	Utility systems	Television and radio equipment	Leasehold improvement	Motor vehicles	Tool and processing	Assets under installation	Total
<b>Cost</b>									
December 31, 2009	1,284,250	479,753,838	100,870,241	284,198,986	114,328,539	430,638,565	361,846,722	78,364,610	1,851,285,751
Purchases	-	19,480,340	-	2,523,751	1,191,750	50,177,353	5,284,191	5,302,250	83,959,635
Increase from acquisition	-	107,078,487	-	-	59,514,579	3,018,630	-	-	169,611,696
Disposal/unused	-	(21,475,717)	-	(13,564,894)	-	(28,749,962)	(176,112,347)	-	(239,902,920)
Transferred to/from	-	196,000	-	70,998,160	-	-	7,170,450	(78,364,610)	-
December 31, 2010	1,284,250	585,032,948	100,870,241	344,156,003	175,034,868	455,084,586	198,189,016	5,302,250	1,864,954,162
Purchases	-	20,005,896	452,322	1,775,316	481,080	29,938,371	11,676,832	207,200	64,537,017
Disposal/unused	-	(6,254,257)	-	(465,681)	(348,704)	(23,328,654)	-	-	(30,397,296)
Transferred to/from	-	(230,000)	-	-	1,352,250	-	3,936,156	(5,302,250)	(243,844)
December 31, 2011	1,284,250	598,554,587	101,322,563	345,465,638	176,519,494	461,694,303	213,802,004	207,200	1,898,850,039
<b>Accumulated depreciation</b>									
December 31, 2009	-	433,190,447	90,844,258	254,499,317	102,481,994	302,001,490	264,905,215	-	1,447,922,721
Increase	-	24,973,157	7,269,982	24,654,708	11,657,858	53,891,782	29,570,070	-	152,017,557
Increase from acquisition	-	100,572,225	-	-	55,454,299	2,631,383	-	-	158,657,907
Disposal/unused	-	(19,644,839)	-	(13,218,838)	-	(28,324,080)	(144,950,372)	-	(206,138,129)
Transferred to/from	-	82,040	-	-	-	-	-	-	82,040
December 31, 2010	-	539,173,030	98,114,240	265,935,187	169,594,151	330,200,575	149,524,913	-	1,552,542,096
Increase	-	25,579,972	2,700,058	21,832,457	4,781,082	44,986,061	18,437,950	-	118,317,580
Disposal/unused	-	(6,111,618)	-	(314,828)	(348,704)	(23,328,642)	-	-	(30,103,792)
Transferred to/from	-	(133,601)	-	-	-	-	(9,008)	-	(142,609)
December 31, 2011	-	558,507,783	100,814,298	287,452,816	174,026,529	351,857,994	167,953,855	-	1,640,613,275
<b>Net book value</b>									
December 31, 2010	1,284,250	45,859,918	2,756,001	78,220,816	5,440,717	124,884,011	48,664,103	5,302,250	312,412,066
December 31, 2011	1,284,250	40,046,804	508,265	58,012,822	2,492,965	109,836,309	45,848,149	207,200	258,236,764

### Depreciation for the years

2010 (122.89 million Baht include in cost of services remainder include in administrative expenses)	152,017,557
2011 (89.10 million Baht include in cost of services remainder include in administrative expenses)	118,317,580

As at December 31, 2011 and 2010, the consolidated financial statements have fully depreciated fixed assets and are usable at the cost of Baht 1,298.99 million and Baht 1,108.58 million, respectively.

PARTICULARS	SEPARATE FINANCIAL STATEMENTS				
	Office furniture and equipment	Utility systems	Motor vehicles	Processing and tools equipment	Total
<b>Cost</b>					
December 31, 2009	130,197,140	19,280,129	53,989,621	318,010	203,784,900
Purchases	436,856	-	8,746,664	-	9,183,520
Disposal/unused	-	-	(14,856,658)	-	(14,856,658)
December 31, 2010	130,633,996	19,280,129	47,879,627	318,010	198,111,762
Purchases	119,388	-	1,605,000	-	1,724,388
Disposal/unused	-	-	(6,964,019)	-	(6,964,019)
December 31, 2011	130,753,384	19,280,129	42,520,608	318,010	192,872,131
<b>Accumulated depreciation</b>					
December 31, 2009	128,304,740	19,279,930	44,561,415	317,997	192,464,082
Increase	1,031,041	42	3,876,885	-	4,907,968
Disposal/unused	-	-	(14,826,593)	-	(14,826,593)
December 31, 2010	129,335,781	19,279,972	33,611,707	317,997	182,545,457
Increase	546,555	-	2,780,332	-	3,326,887
Disposal/unused	-	-	(6,964,016)	-	(6,964,016)
December 31, 2011	129,882,336	19,279,972	29,428,023	317,997	178,908,328
<b>Net book value</b>					
December 31, 2010	1,298,215	157	14,267,920	13	15,566,305
December 31, 2011	871,048	157	13,092,585	13	13,963,803

### Depreciation for the years

2010 (include in administrative expenses)	4,907,968
2011 (include in administrative expenses)	<u>3,326,887</u>

As at December 31, 2011 and 2010, the separate financial statements have fully depreciated fixed assets and are usable at the cost of Baht 171.50 million and Baht 177.59 million, respectively.

## 14. INTANGIBLE ASSETS

Unit : Baht

PARTICULARS	CONSOLIDATED			
	The computer softwares	Royalty football players and coach	The computer softwares under installation	Total
<b>Cost</b>				
December 31, 2009	87,329,406	-	2,288,106	89,617,512
Purchases	2,363,283	6,080,852	964,080	9,408,215
Increase from acquisition	4,182,157	-	-	4,182,157
Disposal/unused	(13,281,549)	-	-	(13,281,549)
Transferred to/from	-	-	82,040	82,040
December 31, 2010	80,593,297	6,080,852	3,334,226	90,008,375
Purchases	19,436,062	8,240,978	1,004,716	28,681,756
December 31, 2011	100,029,359	14,321,830	4,338,942	118,690,131
<b>Accumulated depreciation</b>				
December 31, 2009	35,689,925	-	-	35,689,925
Increase	7,873,211	475,146	-	8,348,357
Increase from acquisition	2,722,887	-	-	2,722,887
Disposal/unused	(3,334,857)	-	-	(3,334,857)
December 31, 2010	42,951,166	475,146	-	43,426,312
Increase	9,533,875	10,470,126	-	20,004,001
December 31, 2011	52,485,041	10,945,272	-	63,430,313
<b>Net book value</b>				
December 31, 2010	37,642,131	5,605,706	3,334,226	46,582,063
December 31, 2011	47,544,318	3,376,558	4,338,942	55,259,818

### Amortization of intangible assets for the years

2010 (7.72 million Baht include in cost of services remainder include in administrative expenses)	8,348,357
2011 (18.81 million Baht include in cost of services remainder include in administrative expenses)	20,004,001

As at December 31, 2011 and 2010, the consolidated financial statements have fully amortized intangible assets, which are usable at the cost of Baht 27.95 million.

Unit : Baht

PARTICULARS	SEPARATE FINANCIAL STATEMENTS				
	2009	INCREASE	2010	INCREASE	2011
The computer softwares	2,267,820	-	2,267,820	-	2,267,820
<u>Less</u> The computer softwares accumulative amortization	2,267,762	-	2,267,762	-	2,267,762
Intangible assets-net	58		58		58
Amortization for the years	-		-		-

As at December 31, 2011 and 2010, the separate financial statements have fully amortized intangible assets, which are usable at the cost of Baht 2.27 million.

## 15. DEFERRED RIGHT TO USE PROPERTY

Unit : Baht

PARTICULARS	CONSOLIDATED								
	Building improvement	Building structures	Other structures	Color television and transmitter	Color television and radio equipment	television relay vehicles	Network station property	Property under installation	Total
<b>Cost</b>									
December 31, 2009	94,749,618	62,424,725	1,819,856	300,316,002	475,066,673	12,633,040	2,215,046,141	-	3,162,056,055
Increase	-	702,873	-	-	62,005,448	-	2,461,072	57,062,519	122,231,912
December 31, 2010	94,749,618	63,127,598	1,819,856	300,316,002	537,072,121	12,633,040	2,217,507,213	57,062,519	3,284,287,967
Increase	-	624,341	-	38,057,972	6,998,418	6,832,750	847,565	-	53,361,046
Transferred to/from	-	-	-	-	-	-	57,062,519	(57,062,519)	-
December 31, 2011	94,749,618	63,751,939	1,819,856	338,373,974	544,070,539	19,465,790	2,275,417,297	-	3,337,649,013
<b>Accumulated Amortization</b>									
December 31, 2009	77,571,913	48,091,759	1,635,661	224,440,643	452,597,646	11,631,512	1,191,911,402	-	2,007,880,536
Increase	1,690,807	6,571,728	117,947	8,123,620	16,846,653	125,937	102,256,428	-	135,733,120
December 31, 2010	79,262,720	54,663,487	1,753,608	232,564,263	469,444,299	11,757,449	1,294,167,830	-	2,143,613,656
Increase	1,690,807	5,147,839	66,244	9,305,454	18,955,109	602,662	105,167,060	-	140,935,175
December 31, 2011	80,953,527	59,811,326	1,819,852	241,869,717	488,399,408	12,360,111	1,399,334,890	-	2,284,548,831
<b>Net book value</b>									
December 31, 2010	15,486,898	8,464,111	66,248	67,751,739	67,627,822	875,591	923,339,383	57,062,519	1,140,674,311
December 31, 2011	13,796,091	3,940,613	4	96,504,257	55,671,131	7,105,679	876,082,407	-	1,053,100,182

### Amortization for the years

2010 (include in cost of services)	135,733,120
2011 (include in cost of services)	140,935,175

As at December 31, 2011 and 2010, the consolidated financial statements have fully amortized right to use property, which are usable at the cost of Baht 845.19 million.

## 16. DEFERRED ADDITIONAL COMPENSATION

In July 2011, BANGKOK ENTERTAINMENT COMPANY LIMITED, the Company's subsidiary had paid additional compensation to MCOT Public Company Limited amount of Baht 405 million. The subsidiary has amortized deferred additional compensation to expenses by the straight-line method according to the remaining periods of concession under agreement for joint operation of color TV transmission.

Unit : Baht

PARTICULARS	CONSOLIDATED
Deferred Additional Compensation	405,000,000
<u>Less</u> Amortization of additional compensation	(19,609,177)
Deferred Additional Compensation-Net	385,390,823

## 17. DEFERRED PICTURES RENTAL, PICTURE PRODUCTS, PLAYS AND COPYRIGHT CHARGES

Unit : Baht

PARTICULARS	SEPARATE FINANCIAL STATEMENTS			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Deferred Pictures Rental, Picture Products, Play and Copyright Charges-net brought forward	1,251,480,867	1,281,350,485	630,765,875	697,752,246
<u>Add</u> Increase during the years	1,635,965,492	1,430,763,181	1,521,974,125	1,256,689,990
<u>Less</u> Decrease by inter-company sales	-	-	(269,889,200)	(215,867,500)
Total	2,887,446,359	2,712,113,666	1,882,850,800	1,738,574,736
<u>Less</u> Amortization for the years	(1,623,371,711)	(1,460,632,799)	(1,298,801,419)	(1,107,808,861)
Deferred Pictures Rental, Picture Products, Play and Copyright Charges-net carried forward	1,264,074,648	1,251,480,867	584,049,381	630,765,875

## 18. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

BEC-TERO RADIO CO., LTD. (Formerly: VIRGIN BEC-TERO RADIO (THAILAND) LTD.) a subsidiary held by BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED, the Company's subsidiary has signed short-term borrowings agreement with certain financial institution in amount total of Baht 80 million (Short-term borrowings amount of Baht 70 million and bank overdraft amount of Baht 10 million) to use as working capital, by issuing promissory notes not over 180 days with the interest rate MLR. The borrowings are guaranteed by BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED (See Note 29.5).

## 19. TRADE AND OTHER PAYABLES

Unit : Baht

PARTICULARS	SEPARATE FINANCIAL STATEMENTS			
	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Trade accounts payables	351,809,261	327,886,365	114,421,666	116,040,917
Trade accounts payables-related parties	5,888,435	5,856,126	-	-
Other payables	40,581,204	24,268,468	2,184,058	1,790,744
Total trade and other payables	398,278,900	358,010,959	116,605,724	117,831,661

## 20. SHORT-TERM BORROWINGS FROM RELATED PARTIES

Unit : Baht

PARTICULARS	CONSOLIDATED		INTEREST RATES (%)	
	2011	2010	2011	2010
BEC-TERO COMCOM CO., LTD. BORROWINGS FROM COMCOM AS CO., LTD.				
Beginning balances	4,400,000	-		
Increase during the years	3,440,000	4,400,000		
Ending balances	7,840,000	4,400,000	2.00	2.00

## 21. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Unit : Baht

PARTICULARS	FOR THE YEAR ENDED DECEMBER 31, 2011	
	CONSOLIDATED	SEPARATE FINANCIAL STATEMENTS
Incremental liabilities from adoption a new accounting policy at the beginning balances	371,468,958	39,941,714
<u>Add</u> Current service cost	19,819,900	1,449,531
Interest cost	11,243,065	737,881
<u>Less</u> Incremental liabilities of the year from decreasing employee	(29,418,451)	(3,002,751)
Ending balances	373,113,472	39,126,375

In 2011, the Company and subsidiaries have early retirement project. In March 2011, the Company and subsidiaries paid extra compensation in consolidated financial statements amount of Baht 113.35 million, and in separate financial statements amount of Baht 13.35 million under such project. Some part of extra compensation has to deduct from incremental liabilities from adoption of new accounting policy at the beginning balances.

The principal assumptions used in determining the employee benefit liabilities are shown as follows:

Unit : Baht

PARTICULARS FOR THE YEAR ENDED DECEMBER 31, 2011	CONSOLIDATED/ SEPARATE FINANCIAL STATEMENTS
Discount rate	4.6 % per annum
Salary increase rate (depends on the age)	5.5 - 9.7 % per annum
Staff turnover rate (depends on the age)	1.8 - 15.2 % per annum

## 22. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On August 11, 2011, the Board of Director's Meeting No. 5/2011 was held and has a resolution to pay interim dividend for 2,000 million shares at Baht 0.80 per share amount of Baht 1,600 million. The interim dividend payment was made on September 8, 2011.

On April 27, 2011, the Ordinary General Shareholders' Meeting was held and has acknowledged the payment of interim dividend during the year 2010 to the shareholders following the Board of Directors's Meeting held on August 10, 2010, which has a resolution to pay interim dividend at Baht 0.65 per share amount of Baht 1,300 million. The interim dividend payment was made on September 9, 2010 and has a resolution to pay dividend for the results of their operation for the second half of the year 2010 at Baht 1.00 per share amount of Baht 2,000 million, dividend payment was made on May 26, 2011. Total dividend payment following the resolution at Baht 1.65 per share amount of Baht 3,300 million. The Meeting also approved to pay the directors' remuneration for the year 2011 comprised of meeting allowance not over Baht 1.5 million and directors' bonus amount of Baht 18 million.

On May 7, 2010, the Ordinary General Shareholders' Meeting was held and has acknowledged the payment of interim dividend during the year 2009 to the shareholders following the Board of Directors's Meeting held on August 13, 2009, which has a resolution to pay interim dividend at Baht 0.50 per share amount of Baht 1,000 million. The interim dividend payment was made on September 10, 2009 and has a resolution to pay dividend for the results of their operation for the second half of the year 2009 at Baht 0.80 per share amount of Baht 1,600 million, dividend payment was made on May 26, 2010. Total dividend payment following the resolution at Baht 1.30 per share amount of Baht 2,600 million. The Meeting also approved to pay the directors' remuneration for the year 2010 comprised of meeting allowance not over Baht 1.5 million and directors' bonus amount of Baht 18 million.

## 23. TRANSACTIONS WITH RELATED PARTIES

The Company and subsidiaries have certain transactions with the related parties which are related through the shareholding or having shareholders or co-directors. Such transactions incur in normal business at market price which are comparable to the trading transactions with others. The effects of these transactions were reflected in the accompanying financial statements on the bases mutually agreed by the Company and subsidiaries with parties concerned as follows:

RELATED PARTIES	RELATIONSHIP
1. Subsidiaries	See Note 11
2. Associates held by subsidiary	See Note 11  (In December 2010, the subsidiary of company increase investment thus, reclassified investments category in associate to subsidiary.)
3. Related companies	
3.1 MALEENONT TOWER CO., LTD.	Shareholders and /co-directors
3.2 MILLIONAIRE PROPERTY FUND	MALEENONT TOWER CO., LTD., is major investment
3.3 SPORT ART CO., LTD.	Major shareholders are related parties.
4. Related companies of subsidiary	Shareholder of subsidiary company of BEC-TERO
4.1 COMCOM AS CO., LTD.	ENTERTAINMENT PUBLIC COMPANY LIMITED
4.2 TELEVISION BROADCASTS LIMITED	Shareholder of subsidiary company of BEC INTERNATIONAL DISTRIBUTION CO., LTD.

The significant transactions with related parties are as follows:

Unit : Baht

STATEMENTS OF FINANCIAL POSITION TRANSACTIONS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
1. Trade accounts receivable (Note 7)				
- Subsidiaries	-	-	220,319,550	405,136,980
- Related companies	2,033,000	-	-	-
- Related company of subsidiary	1,074,867	591,368	-	-
Total	3,107,867	591,368	220,319,550	405,136,980
2. Short-term loans extended (Note 8)				
- Subsidiaries-net	-	-	195,321,750	388,000,000
3. Dividend receivable				
- Subsidiaries	-	-	1,699,989,800	1,549,986,833
4. Other current assets				
- Subsidiaries	-	-	7,342,419	8,549,261
5. Sale of plays (Note 17)				
- Subsidiaries	-	-	269,889,200	215,867,500
6. Other non-current assets				
Leased building deposits				
- Related companies	43,019,480	43,019,480	9,304,056	9,304,056
7. Short-term borrowings				
- Related companies of subsidiary	7,840,000	4,400,000	-	-
8. Trade accounts payable				
- Subsidiaries	-	-	13,676,216	19,026,697
- Related companies	5,721	-	-	-
- Related companies of subsidiary	5,882,714	5,856,126	-	-
Total	5,888,435	5,856,126	13,676,216	19,026,697
9. Accrued interest				
- Related companies of subsidiary	1,557,308	1,503,919	-	-
10. Other current liabilities				
- Subsidiaries	-	-	10,658,550	24,055,438
- Related companies	5,667,550	6,834,880	113,841	114,756
Total	5,667,550	6,834,880	10,772,391	24,170,194

INCOME STATEMENT TRANSACTIONS FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	11. Advertisement income			
- Subsidiaries	-	-	821,100,000	760,087,500
- Associates held by subsidiaries	-	58,099,588	-	-
- Related companies of subsidiary	1,900,000	-	-	-
Total	1,900,000	58,099,588	821,100,000	760,087,500
12. Income from copyright and other services				
- Subsidiaries	-	-	1,578,200,800	1,294,977,200
- Associates held by subsidiaries	-	9,420,792	-	-
- Related companies of subsidiary	2,358,038	2,497,279	-	-
Total	2,358,038	11,918,071	1,578,200,800	1,294,977,200
13. Income from show				
- Associates held by subsidiary	-	6,035,234	-	-
14. Dividend income				
- Subsidiaries	-	-	3,086,778,740	2,920,373,605
15. Other income				
- Subsidiaries	-	-	15,416,157	13,349,343
- Associates held by subsidiary	-	7,879,823	-	-
- Related companies of subsidiary	402,885	48,153	-	-
Total	402,885	7,927,976	15,416,157	13,349,343
16. Cost of sales and services				
- Subsidiaries	-	-	230,037,764	219,825,743
- Associates held by subsidiary	-	3,923,104	-	-
- Related companies	125,530,408	116,216,820	-	-
Total	125,530,408	120,139,924	230,037,764	219,825,743
17. Cost of show				
- Associates held by subsidiary	-	6,312,541	-	-
18. Selling expenses				
- Associates held by subsidiary	-	151,270,606	-	-
19. Administrative expenses				
- Subsidiaries	-	-	25,434,398	25,696,375
- Associates held by subsidiary	-	411,000	-	-
- Related companies	120,916,010	113,076,760	42,417,172	42,571,910
Total	120,916,010	113,487,760	67,851,570	68,268,285
20. Interest expenses				
- Related companies of subsidiary	53,390	21,029	-	-

## 24. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set up legal reserve at least 5% of annual net profit less deficits brought forward (if any) until meet 10% of authorized share capital. Such legal reserve is not allowed to pay for dividend. The Company has completely appropriated for legal reserve in compliance with the legal requirement.

## 25. EXPENSES BY NATURE

Unit : Baht

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	Increase in changes of finished goods	(105,844)	(50,959)	-
Production expenses	3,962,728,575	3,676,379,474	1,519,689,183	1,326,295,991
Organizing concerts and shows expenses	466,050,724	389,630,719	-	-
Director and management benefit expenses	177,483,346	174,160,147	50,243,267	50,062,128
Employee benefit expenses	1,278,703,162	1,002,810,362	106,051,727	63,314,570
Depreciation	118,317,580	152,017,557	3,326,887	4,907,968
Amortization of intangible assets	20,004,001	8,348,357	-	-
Amortization of right to use property	140,935,175	135,733,120	-	-
Amortization of additional compensation	19,609,177	-	-	-
Agencies and promotions expenses	434,749,939	535,776,102	4,635,635	2,287,422
Building and place expenses	404,553,683	342,393,409	74,556,639	73,959,154
Other expenses	694,508,138	602,404,852	8,395,103	31,646,245
Total	7,717,537,656	7,019,603,140	1,766,898,441	1,552,473,478

## 26. INCOME TAX

Corporate income taxes of the Company and subsidiaries for the years ended December 31, 2011 and 2010 were calculated from the accounting profit and adjusted with other revenues and some expenses which are exempted from income tax, such as dividend income etc. or being disallowable expenses in income tax computation purposes such as doubtful debt and loss on impairment, etc.

The Company has calculated corporate income taxes for the year 2011 at the rate of 30 per cent and for 2010, taxable profit maximum Baht 300 million was calculated at the rate of 25 per cent and taxable profit over Baht 300 million, at the rate of 30 per cent.

Corporate income taxes of subsidiaries were calculated at the rate of 15, 25 and 30 per cent.

Income taxes recognized in statements of income consist:

Unit : Baht

PARTICULARS FOR THE YEARS ENDED DECEMBER 31,	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
	The corporate income tax for the years	1,620,720,712	1,451,981,193	217,889,579
<u>Add (Less)</u> Net increase (decrease) in deferred tax assets/liabilities on temporary differences	1,839,090	(1,001,462)	440,418	-
Income tax expenses	1,622,559,802	1,450,979,731	218,329,997	153,451,926

On December 21, 2011, a royal decree No. 530 was issued which enacted the law for reducing the corporate income tax rates. Under this new law the reduction in corporate income tax rates is on a temporary basis whereby the corporate income tax rate is to be reduced for the 3 years. The corporate income tax rate for 2012 is 23 percent, for 2013 and 2014 at 20 percent. The Federation of Accounting Professions issued the guideline regarding the reduction in corporate income rate in which the substantially enacted tax rate for using for measurement of the deferred tax assets and deferred tax liabilities would be 23 percent for 2012 fiscal year and 20 percent for 2013 fiscal year onwards. The Company and its subsidiaries had record their deferred tax assets which expected to utilize at the rates of 15% and 20% by adjusted from the year 2010.

As at December 31, 2011 and 2010, the deferred tax assets/liabilities arose from the following temporary differences: Unit : Baht

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Gain from investments in Open-end Fund	(1,884,304)	(1,192,887)	(1,066)	(1,712)
Allowance for doubtful accounts receivable	3,486,604	1,374,000	-	-
Allowance for available-for-sale securities	176,223,561	176,223,561	176,223,561	176,223,561
Calculate depreciation difference from tax rate	9,306,210	5,815,786	-	-
Provision for employee benefits	366,047,957	-	39,126,375	-
Impairment on investments property	67,185	-	113,980	-
Unrealized loss on remeasuring available-for-sale securities recognized in Shareholders' Equity	34,485,704	28,660,704	34,485,704	28,660,704
	587,732,917	210,881,164	249,948,554	204,882,553
<b>Deferred tax assets/liabilities calculated from tax rate of 20%.</b>	117,546,583	42,176,233	49,989,711	40,976,511
Gain from investments in Open-end Fund	(655,147)	(282,176)	-	-
<b>Deferred tax assets/liabilities calculated from tax rate of 15%.</b>	(98,272)	(42,326)	-	-
<b>Total deferred tax assets/liabilities</b>	117,448,311	42,133,907	49,989,711	40,976,511

## 27. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries operate in one industrial segment, that is the business of entertainment and recreation which operate in one geographical area, Thailand. Therefore, the revenues, profit and all assets shown in the consolidated and the separate financial statements are related to the aforesaid business segment and geographical area.

## 28. REGISTERED PROVIDENT FUND

The Company and its subsidiaries have set up and registered provident fund in accordance with the Provident Fund Act B.E. 2530 (1987), in order to be the savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation. The fund is partly contributed by the employees and another part by the Company at the rate 3-5% of their basic salaries. Hereby, the Company has appointed the Kasikorn Asset Management Company Limited to be the fund manager.

Provident fund contributions made by the Company and its subsidiaries for their employees and recorded as expenses in the income statements for the years ended December 31, 2011 and 2010 are Baht 26.93 million (the Company Baht 1.85 million) and Baht 24.58 million (the Company Baht 1.88 million), respectively.

## 29. COMMITMENTS AND CONTINGENT LIABILITIES

### 29.1 Commitments and contingent liabilities

The subsidiaries have commitments and contingent liabilities, as follows:

Unit : Million Baht

PARTICULARS	CONSOLIDATED	
	2011	2010
Bank guarantees		
- guarantee of agreement for joint operation of color TV transmission	10.00	10.00
- guarantee for improvement of tools and equipment according to the agreement for joint operation of color TV transmission as amended No.3	72.00	72.00
- Others	6.61	6.27

### 29.2 Commitments on copyright charges under buying forward contract

The subsidiaries have commitments on copyright charges under buying forward contract, as follows:

Unit : Million Baht

PARTICULARS	CONSOLIDATED	
	2011	2010
Current portion		
- Copyright of pictures	-	2.88
- Copyright of FA Cup	3.40 (USD 106,665)	18.58 (USD 613,334)
- Copyright of LA Liga	2.27 (EUR 55,000)	4.42 (EUR 110,000)
- Copyright of UEFA Champions League And UEFA Super Cup	-	13.63 (USD 450,000)
Over 1 year but not over 3 years		
- Copyright of FA Cup	-	3.23 (USD 106,665)
- Copyright of LA Liga	-	2.21 (EUR 55,000)

### 29.3 Commitments on long-term lease

The Company and its subsidiaries have commitments on long-term lease, as follows:

- The Company and its subsidiaries have entered into Lease Agreement to lease the office space of Maleenont Tower, on 2<sup>nd</sup>- 9<sup>th</sup>, 21<sup>st</sup>, 25<sup>th</sup>- 28<sup>th</sup> and 30<sup>th</sup>- 34<sup>th</sup> Floors, at 3199 Rama IV Road, Kwaeng Klongtan, Khet Klongtoey, Bangkok with Millionaire Property Fund for the total period of 3 years, by gradually signing the agreement, commencing from April 9, 2010, November 12, 2010 and January 19, 2011.
- Its subsidiary has entered into Lease Agreement to lease the space of Maleenont Tower (M II), on B2 and 2<sup>nd</sup>- 12<sup>th</sup> Floors for the period of 3 years, commencing from April 9, 2010 to April 8, 2013.
- Its subsidiary has entered into Lease Agreement to lease the space of BAIYOK II Building, 84<sup>th</sup> Floor for the period of 3 years, commencing from March 17, 2011 to March 16, 2014.

Unit : Million Baht

PARTICULARS	SEPARATE FINANCIAL STATEMENTS	
	CONSOLIDATED	
	2011	2010
Space rental, equipment and furnishing on the leased space (per month)		
Maleenont Tower	5.26	1.86
Maleenont Tower (M II)	2.83	-
BAIYOK II Building	1.20	-
Total	9.29	1.86
Common services (per month)		
Maleenont Tower	3.51	1.24
Maleenont Tower (M II)	1.89	-
Total	5.40	1.24
Total	14.69	3.10

## 29.4 Commitments on joint-operation contracts with MCOT

According to the Television Joint-operation of color TV transmission Contract, the subsidiary has to pay annual compensation to MCOT, as follow :

Unit : Million Baht

PARTICULARS	Minimum amount
Current portion	173.44
Over 1 year but not over 5 years	784.96
Over 5 years	759.62
Total	1,718.02

The subsidiary has to pay annual compensation according to the Contract of Operating Programme and Advertisement through an MCOT FM radio station, at 105.5 MH frequency to MCOT, as follow:

Unit : Million Baht

PARTICULARS	Minimum amount
Current portion	16.41
Over 1 year but not over 5 years	83.81
Over 5 years	90.20
Total	190.42

## 29.5 Commitments from guarantees for the loans

BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED, the Company's subsidiary guarantees for the loans of BEC-TERO RADIO CO., LTD. (Formerly: VIRGIN BEC-TERO RADIO (THAILAND) LTD.), the subsidiary held by such subsidiary with certain financial institution at the maximum amount of Baht 80 million.

## 30. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company and its subsidiaries have information relating to financial instruments both in and off statement of financial positions, as follows:

### 30.1 Accounting policies and procedure

See Note 4.

### 30.2 Risk from breach of contracts

- Due to the contracting parties do not follow the requirement in the contract which caused damage to the Company and its subsidiaries.
- Risk from concentration of credit is minimal even most of the trade accounts receivable of the Company and its subsidiaries are advertising agencies, due to businesses of the group spread throughout the industries and not concentrated within any particular agency or group of agencies and the group has closely monitored each trade account receivable business, thus the Company and its subsidiaries do not expect any material damage from this kind of risk.
- For the financial assets shown in the statement of financial positions, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

### 30.3 Risk relating to interest rate

Risk from the fluctuation in interest rate may have negative effect to the Company for the current and the following years. Management believes that they can manage the contingent risk, due to the Company has set up a plan and follow up the situation closely.

### 30.4 Risk from currency exchange rate

The Company and its subsidiaries have outstanding foreign currency assets and liabilities at the statement of financial position date which the amounts are immaterial. Therefore, there is no exchange rate risk.

As at December 31, 2011, the subsidiary has entered into a Buying Forward Exchange Contracts with certain local commercial bank for hedging against the fluctuation of exchange rate risk which might be affected to amount of Baht that the subsidiary has to pay the liabilities in foreign currency amount of USD 0.45 million. The delivery will be made during March 2012 with the exchange rate on delivery date about Baht 31.39 to USD 1 and the fair value a Buying Forward Exchange Contracts amount of Baht 14.53 million (USD 1 at Baht 32.01)

### 30.5 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of financial instruments:

- Financial assets shown at book value which equal to estimated fair value.
- Financial liabilities shown at book value almost the same with fair value, due to such liabilities will be matured in short term.

## 31. RECLASSIFICATION

The Company and subsidiaries certain accounting transactions in the financial statements for the year ended December 31, 2010, have been reclassified to conform to the current year's classification. The Company and subsidiaries have complied with the presentation of the financial statements in accordance with the stipulations of the Notification of the Department of Business Development. The reclassifications had no effect to previously reported profit or shareholders' equity.

## 32. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 13, 2012.

# Revenue Structure

## Revenue Structure of the Group during the Previous Three Years, 2011, 2010 and 2009 respectively.

(All these revenues are net of intra-group transactions.)

Product/Service	Provided by	2011		2010		2009	
		Company Limited	Million Baht	%	Million Baht	%	Million Baht
<b>Advertising Income</b>							
<u>From Television</u>	BEC World Plc. Bangkok Entertainment <sup>1</sup> Rungsirojanit <sup>1</sup> Bangkok Television <sup>1</sup> BEC-Tero Entertainment <sup>2</sup> and sub.						
<u>Total advertising income from television</u>		11,566.91	89.18	10,782.84	90.71	8,101.47	89.44
<u>From Radio Station</u>	Bangkok Entertainment <sup>1</sup> You & I Corporation <sup>1</sup> BEC-Tero Entertainment <sup>2</sup> and sub.						
<u>Total advertising income from radio station</u>		400.25	3.09	286.15	2.41	270.45	2.99
<u>Total Advertising Income</u>		11,967.16	92.27	11,068.99	93.12	8,371.92	92.43
<b>Income from Copyright and Other Services</b>	Bangkok Entertainment <sup>1</sup> Bangkok Television <sup>1</sup> BEC-Tero Entertainment <sup>2</sup> and sub. BEC International Distribution <sup>1</sup> BEC IT Solution <sup>1</sup> BECI Corporation <sup>1</sup>	0.25 28.69 211.57 2.66 0.18 26.53	0.00 0.22 1.63 0.02 0.00 0.20	- 2.22 160.75 2.54 0.90 28.64	- 0.02 1.35 0.02 0.01 0.24	0.57 2.27 126.63 7.87 1.32 41.86	0.00 0.03 1.40 0.09 0.01 0.46
<u>Income from copyright and Other Services</u>		269.88	2.07	195.05	1.64	180.52	1.99
<b>Income from concerts and shows</b>	BEC-Tero Entertainment <sup>2</sup> and sub.	566.56	4.37	449.76	3.78	396.55	4.38
<u>Total Income from Sales and Services.</u>		12,803.60	98.71	11,713.80	98.54	8,948.99	98.80
<b>Other Income</b>		166.74	1.29	173.56	1.46	109.11	1.20
<b>Total Revenue</b>		12,970.34	100.00	11,887.36	100.00	9,058.10	100.00

Notes <sup>1</sup> 99.99% held by BEC World Public Company Limited

<sup>2</sup> 59.99% held by BEC World Public Company Limited

## Revenue Structure and Changes from the Previous Year

BEC World's major revenue is advertising income came mainly from sales of Thai TV Color Channel 3's commercial airtime, especially during the time slots that filled up with programmes sourced or produced by BEC World and its subsidiaries. Other significant sales revenue is income from concerts and shows. Revenue from copyright and other services came mainly from income from right to use our programmes, movies and dramas (soap-opera) for sale of VCD/DVD within the country; income from right to broadcast movies in foreign countries; service fees from selling show tickets and selling bus tickets; revenue from Mobile Entertainment, and other services etc., while other income came mainly from interest earnings and return from investments.

Our advertising income in 2011 is up higher year-on-year by 8.1 percent, an increase of Baht 898.2 million, due to our business expansion, adjustment of TV program, extension of prime and super-prime air time slots including extension of popular TV programs with higher advertising rate. Our "concerts and events businesses" revenue and margin are also higher year-on-year as well. This is a result of the improved macro-economic conditions and the strong market position of our products and services.

# List Of Top Ten Largest Shareholders

(a) As at 26 August 2011, the latest closing of the company share registrar within the last fiscal year.

Name of the shareholders	No. of shares held	Percentage
1. MALEENONT GROUP*	1,020,600,000	51.03
2. CHASE NOMINEES LIMITED 42	169,586,270	8.48
3. HSBC (SINGAPORE) NOMINEES PTE LTD	83,104,290	4.16
4. Thai NVDR Company Limited	79,592,372	3.98
5. ALBOUYS NOMINEES LIMITED	71,453,400	3.57
6. STATE STREET BANK AND TRUST COMPANY	44,633,780	2.23
7. STATE STREET BANK EUROPE LIMITED	44,162,786	2.21
8. THE BANK OF NEW YORK (NOMINEES) LIMITED	35,668,279	1.78
9. STATE STREET BANK AND TRUST COMPANY FOR AUSTRALIA	25,409,493	1.27
10. BNP PARIBAS SECURITIES SERVICES LUXEMBOURG	23,370,000	1.17

Remark: \* Detail of the Maleenont Group is as follow:

1. Mr.Prasan Maleenont holds 121,667,500 shares which is 6.08%.
2. Mr.Pravit Maleenont holds 127,575,000 shares which is 6.38%.
3. Mr.Prachum Maleenont holds 127,575,000 shares which is 6.38%.
4. Ms.Ratana Maleenont holds 123,575,000 shares which is 6.18%.
5. Ms.Nipa Maleenont holds 127,575,000 shares which is 6.38%.
6. Ms.Amphorn Maleenont holds 125,175,000 shares which is 6.26%.
7. Mrs.Ratchanee Nipatakusol holds 110,317,500 shares which is 5.52%
8. Ms.Tracy Ann Maleenont holds 78,570,000 shares which is 3.93%.
9. Ms.Cathleen Maleenont holds 78,570,000 shares which is 3.93%.

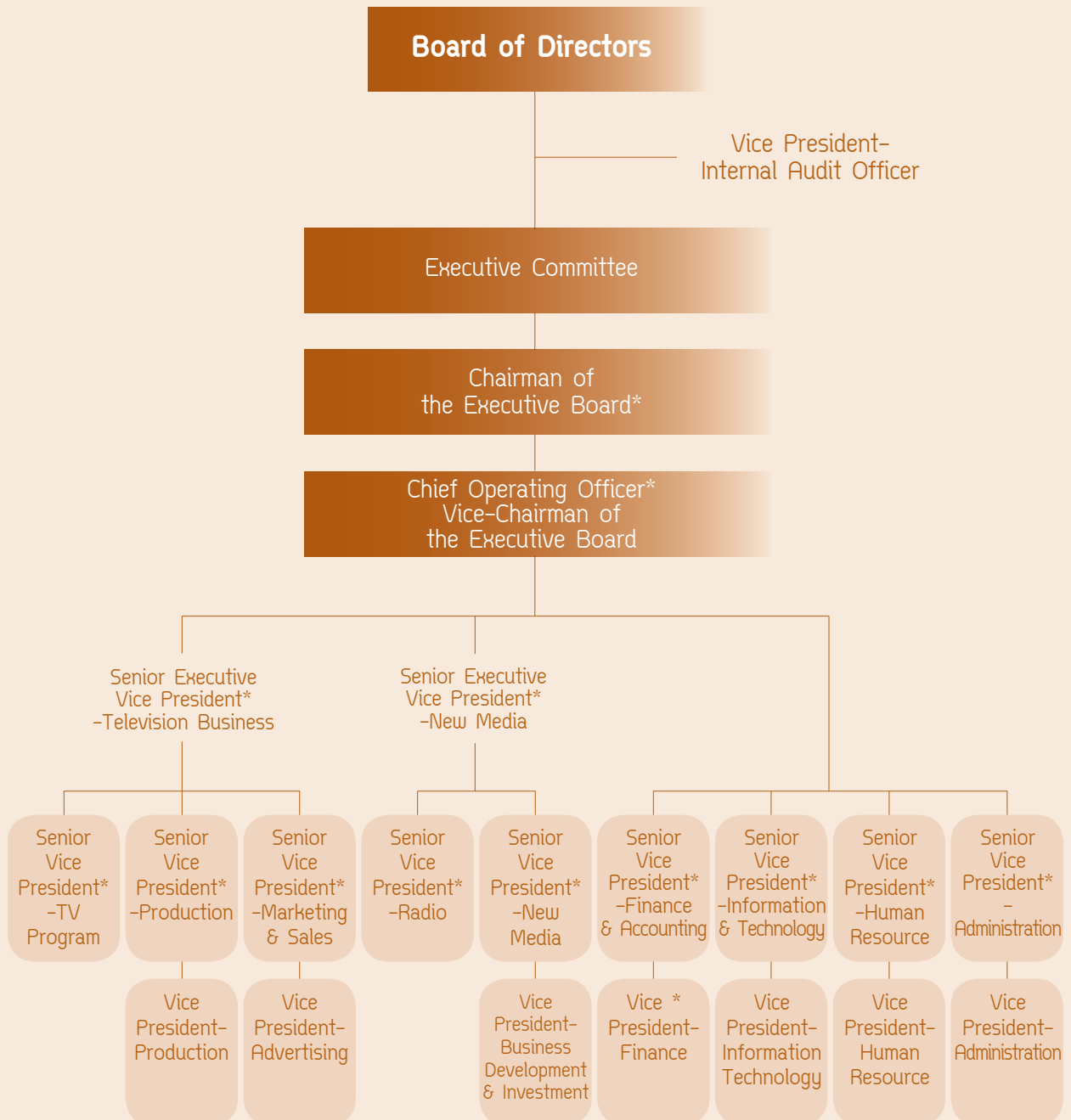
## Change in Holding of the Company's Shares by Directors and Executives:

During the year 2011, holdings of other directors and executives did not change.

(b) The company has members of Maleenont family - The Maleenont, as majority shareholder that could set management policy and control business operation of the Company, significantly, whereby BEC World is the main business of the Maleenont.

## Organization Chart of the Company

BEC World Public Company Limited.  
as of December 31, 2011



Remark: \* means the executive officer according the definition of "Executive Officer"

## 1. Management Structure

BEC World is managed by Board of Directors, which is a unitary Board comprising 7 executive directors, 7 non-executive directors, not less than 5 out of which are independent directors, which is adequate to audit the Company's management as required under the CG rules.

The Board has established sub-committees to assist for management or scrutiny of some certain matters. These sub-committees are, Executive Committee, Audit Committee and Nominating Committee. The Board of Directors is the highest body of the Company which shall determine vision, direction and policy of the Company and make decision for the best interest of the Company and shareholders on a long term basis, as well as giving advice and considering the operation of the Executive Committee, which is responsible for management and supervision of the administration unit.

In conducting the management, the Board of Directors has assigned the Executive Committee, comprising 7 directors, each of them has duty to supervise and control routine works of each business line, depending on expertise, interest, capability, and suitability of each person. Chairman of the Executive Committee shall be the person who is responsible for supervision and control of the management. The Executive Committee shall comply with direction/policy and principles of good corporate governance from the Board of Directors form and impose business plan. The COO shall manage and control all performance of the executive officers.

The Audit Committee has duty to audit the management's performance. It has major role in auditing the financial report to ensure the accuracy of financial statements as required by the generally accepted accounting standard. The accounting policy has been properly selected and strictly complied, which includes the audit conducted to ensure sufficient disclosure of material information, information relating to connected transaction or transactions which may have conflict of interest.

### Board of Directors

As of 31 December 2011, the Company's Board of Directors comprised 14 directors, namely,

- |                               |                                      |
|-------------------------------|--------------------------------------|
| 1. Mr. Vichai Maleenont       | Chairman of the Executive Board      |
| 2. Mr. Prasan Maleenont       | Vice-Chairman of the Executive Board |
| 3. Mr. Pravit Maleenont       | Director                             |
| 4. Miss Ratana Maleenont      | Director                             |
| 5. Miss Nipa Maleenont        | Non-Executive Director               |
| 6. Miss Amphorn Maleenont     | Director                             |
| 7. Mr. Prachum Maleenont      | Director                             |
| 8. Mrs. Ratchanee Nipatakusol | Director                             |
| 9. Mr. Arun Ngamdee           | Independent Director                 |
| 10. Mr. Prathan Rangsimaporn  | Independent Director                 |
| 11. Mr. Manit Boonprakob      | Independent Director                 |
| 12. Mr. Matthew Kichodhan     | Non-Executive Director               |
| 13. Mr. Chansak Fuangfu       | Independent Director                 |
| 14. Mr. Somchai Boonnamsiri   | Independent Director                 |

Mr. Chatchai Thiamtong as Board of Director's Secretary and Mrs. Chalaiporn Itthithavorn as the Company's Secretary.

CV showing experiences of the directors and the executive officers are displayed in page 107-117.

Independent director means a director who is independent in giving opinion. The Board of Directors meeting No. 4/2551 reviewed qualifications of the independent director as follows:

- 1) Director who may hold shares in the Company not more than 1% of the total shares entitled to cast vote.
- 2) Director who does not have management duty in the Company or subsidiary.
- 3) Director who is independent from the management and the controlling shareholders.
- 4) Director who shall not be close relative or the person who has received or had interest jointly with the management, the major shareholders or the controlling shareholders.
- 5) Director who does not have business relationship significantly with the Company which can influence opinion to be given independently.
- 6) Director who is not the employee or staff who has received salary regularly during two years before assuming the position.

## Authorized Directors

Authorized directors are Mr. Vichai Maleeenont, the Chairman, to sign with the Company seal, or Mr. Prasan Maleenont, Mr. Pravit Maleenont, Miss. Ratana Maleenont, Mr. Prachum Maleenont, Miss. Amphorn Maleenont, Miss. Nipa Maleenont and Mrs. Ratchanee Nipatakusol, any two directors to jointly sign with the Company seal.

## Scope of Authority of the Board of Directors

The Board of Directors is the highest body of the Company which shall determine vision, direction and policy and make decision for the best interest of the Company and shareholders on a long term basis, as well as giving advice and considering the operation of the Executive Committee, which is responsible for management and supervision of the administration unit. Director shall perform the duty in compliance with laws, objectives and articles of association of the Company as well as resolutions of the shareholders meetings. The Board of Directors may delegate one or more directors or other persons to perform any act(s) on behalf of the Board of Directors.

## Measures to prevent Conflict of Interest

The Board of Directors has set measures to prevent conflict of interest by requiring director to inform the Board of Directors without delay if the director or his/her close relative(s) and person(s) related to the director has any interest in the transaction to be entered into with the Company, any change of shareholding of the Company, or any other company in the group which the Company holds shares more than 25% of the total shares issued of the said company.

## Performance of The Board of Directors

In 2011, the Board of Directors convened 6 meetings.

Name-Family Name	Number of attendance time/ number of meetings
1. Mr. Vichai Maleenont	6/6
2. Mr. Prasan Maleenont	6/6
3. Mr. Pravit Maleenont	4/6
4. Mr. Prachum Maleenont	6/6
5. Miss Ratana Maleenont	6/6
6. Miss Nipa Maleenont	6/6
7. Miss Amphorn Maleenont	6/6
8. Mrs. Ratchanee Nipatakusol	6/6
9. Mr. Matthew Kichodhan	4/6
10. Mr. Arun Ngamdee	6/6
11. Mr. Prathan Rangsimaporn	5/6
12. Mr. Manit Boonprakob	6/6
13. Mr. Chansak Fuangfu	6/6
14. Mr. Somchai Boonnamsiri	6/6

## Executive Committee and the Executive Officers

As at 31 December 2011, the Company's Executive Committee comprised 7 executive directors as follows:

1. Mr.Vichai Maleenont	Chairman of the Executive Board
2. Mr.Prasan Maleenont	Vice-Chairman of the Executive Board, Chief Operating Officer
3. Mr. Pravit Maleenont	Senior Executive Vice President, Executive Director, Television Business Division
4. Mr. Prachum Maleenont	Senior Executive Vice President, Executive Director, New Media Business Division
5. Miss Ratana Maleenont	Executive Director, Finance and Accounting Division
6. Miss Amphorn Maleenont	Executive Director, Production Division
7. Mrs. Ratchanee Nipatkusol	Executive Director, Marketing and Sale Division

The Executive Officers according to the definition of "the Executive Officer", as at 31 December 2011 comprised 8 executive officers as follows:

1. Mr. Vichai Maleenont	Chairman of the Executive Board (CEO)
2. Mr. Prasan Maleenont	Chief Operating Officer (COO)
3. Mr. Pravit Maleenont	Senior Executive Vice President, Senior Vice President, Television Business Division
4. Mr. Prachum Maleenont	Senior Executive Vice President, Senior Vice President, New Media Business Division
5. Miss Ratana Maleenont	Senior Vice President, Finance and Accounting Division
6. Miss Amphorn Maleenont	Senior Vice President, Production
7. Mrs. Ratchanee Nipatkusol	Senior Vice President, Marketing and Sale Division
8. Mr. Chatchai Thiamtong	Vice President, Finance

## Scope of Authority of the Executive Committee and the Executive Officers

The Board of Directors has appointed the Executive Committee to be a working group responsible for routine management of the Company. Currently, the Company's Executive Committee comprised 7 directors, each of them has duty to supervise and control routine works of each business unit, depending on expertise, interest, capability, and suitability of each person. They also hold positions of directors in subsidiaries. Chairman of the Executive Committee shall be the person who is responsible for supervision and control of the Executive Committee. The Executive Committee shall obtain direction/policy and principles of good corporate governance from the Board of Directors to determine the operation plan with the Chief Operating Officer responsible for supervision and control of the executive officers' management and performance. The Board of Directors has delegated authority to the Executive Committee to perform the duty on behalf of the Board of Directors. However, for certain matters which are new or relate to more line of commands, the Executive Committee may refer the matter to the Board of Directors for approval on a case by case basis, such as, in case of joint investment with others for new business.

## Performance of Duty of the Executive Committee and the Executive Officers

The Executive Committee and the executive officers normally convene the meeting once a week.

## Audit Committee

As at 31 December 2011, the Audit Committee comprised 3 directors as follows:

1. Mr. Arun Ngamdee Chairman of the Audit Committee
  2. Mr. Prathan Rangsimaporn Audit Committee
  3. Mr. Manit Boonprakob Audit Committee
- Mr. Chatchai Thiamtong, secretary of the Audit Committee

## Scope of Authority of the Audit Committee

The Company's Audit Committee has scope of authority and responsibility toward the Board of Directors as follows:

1. To verify and ensure the accuracy and sufficiency of the Company's financial reports;
2. To verify and ensure the efficiency and suitability of the Company's internal control and internal audit system, consider the independency of the internal audit office, approve the appointment, transfer or terminate employment of the head of internal audit office or other related divisions responsible for internal control;
3. To verify and ensure the Company's compliance with laws regarding Securities and Exchange Control, rules and regulations of the Stock Exchange and laws relating to the Company's businesses;
4. To consider, select, nominate for appointment of independent person to be the Company's auditor and propose compensation for the Company's auditor including to attend the meeting with the auditor without the management's attendance at least once a year;
5. To consider connected transaction or transaction which may be subject to conflict of interest to comply with the laws and regulations of the SET in order to ensure that such transaction is reasonable and done for the best interest of the Company;
6. To prepare the Audit Committee's report for disclosure in the Company's annual report. The Audit Committee's Report is on page 4-5;
7. To perform any other duties as assigned by the Board of Directors and as agreed by the Audit Committee.

## Performance of Duty of the Audit Committee

In 2011, the Committee convened 6 meetings.

Name-Family Name	Number of attendance time/ number of meetings
1. Mr. Arun Ngamdee	6/6
2. Mr. Prathan Rangsimaporn	6/6
3. Mr. Manit Boonprakob	6/6

## The Nominating Committee

As at 31 December 2011, the Nominating Committee comprised 3 directors as follows:

- |                               |                                      |
|-------------------------------|--------------------------------------|
| 1. Miss Ratana Maleenont      | Chairman of the Nominating Committee |
| 2. Mr. Prachum Maleenont      | Nominating Committee                 |
| 3. Mrs. Ratchanee Nipatakusol | Nominating Committee                 |

## Scope of Authority of the Nominating Committee

The Nominating Committee has scope of authority and responsibility toward the Board of Directors as follows:

1. To determine procedures and criteria to nominate directors of the Company, including top management of the Company for transparency purpose;
2. To select persons qualified for nomination as new director or top management;
3. To provide opinion to the Board of Directors and to report the result of performance to the Board of Directors regularly.

## Performance of Duty of the Nominating Committee

In 2011, the Nominating Committee convened 2 meeting.

Name-Family Name	Number of attendance time/ number of meetings
1. Miss Ratana Maleenont	1/1
2. Mr. Prachum Maleenont	1/1
3. Mrs. Ratchanee Nipatakusol	1/1

## 2. Nomination of Directors and Executive Officers

In accordance with the Company's articles of association, it specifies that the Company shall have not less than 5 directors, not less than half of them shall have domicile within the Kingdom. Directors shall be appointed by the shareholders meeting. In every annual general shareholders meeting, one third of the directors shall retire from the director under term of their rotation period. Nomination of directors shall be in accordance with the Company's articles of association which provide that each shareholder shall have vote, equivalent to the number of shares held by him/her. The shareholders may exercise their rights to cast all votes to select one or more directors, but they may not split their votes. The candidate(s) who receive highest scores, respectively, shall be appointed as directors in the number required for such term. In case position of director is vacant for any reason, other than by rotation term, under the articles of association, the appointment of directors to fill in such vacancy shall be undertaken, unless the remaining term of such director is less than 2 months. In this connection, the Nominating Committee shall propose name of person to the Board of Directors for further appointment. With respect to nomination of the executive officers, the selection process may be conducted by supervisor in chain of command, or through the Nominating Committee, depending upon the position. However, in the past, change(s) in the position of executive officers is not quite often.

### 3. Compensation of Directors, Management and Auditor in 2011

#### 3.1 Monetary Compensation for the Directors and Management

At the end of 2011, the Company had 14 directors and had 8 executive officers, 7 of them were also the Company's directors.

The Company's directors and management received monetary compensation in 2011 as follows:

(a) Compensation to directors

The compensation was Baht 18,000,000.- as meeting allowance and remuneration.

Unallocated director compensation was Baht 1,000,000.-

(b) Aggregate amount of compensation to all executive officers

The compensation was Baht 31,243,267.-(i.e., salary, vehicle and living allowance, bonus, and contribution to provident fund).

#### Table showing compensation to directors in 2011.

In 2011, the Board of Directors convened 6 meetings, the Audit Committee convened 6 meetings and the Nominating Committee convened 1 meeting. The meeting details and the amount of compensation can be summarized as follows:

Name-Family name	Meeting Allowance	Remuneration	Total
1. Mr. Vichai Maleenont	90,000	2,082,000	2,172,000
2. Mr. Prasan Maleenont	60,000	1,227,250	1,287,250
3. Mr. Pravit Maleenont	40,000	1,227,250	1,267,250
4. Mr. Prachum Maleenont	60,000	1,227,250	1,287,250
5. Miss Ratana Maleenont	60,000	1,227,250	1,287,250
6. Miss Nipa Maleenont	60,000	1,227,250	1,287,250
7. Miss Amphorn Maleenont	60,000	1,227,250	1,287,250
8. Mrs. Ratchanee Nipatakusol	60,000	1,227,250	1,287,250
9. Mr. Arun Ngamdee	120,000	1,100,000	1,220,000
10. Mr. Prathan Rangsimaporn	110,000	1,000,000	1,110,000
11. Mr. Manit Boonprakob	120,000	1,000,000	1,120,000
12. Mr. Matthew Kichodhan	40,000	1,227,250	1,267,250
13. Mr. Chansak Fuangfu	60,000	1,000,000	1,060,000
14. Mr. Somchai Boonnamsiri	60,000	1,000,000	1,060,000

**3.2 Other compensations**, such as, stock option plan, convertible securities, debenture or other benefits which the management received from the Company

-None-

## 4. Corporate Governance

### Corporate Governance (CG) Compliance Report

#### BEC World PLC

#### 2011

### Section 1 Shareholder Rights

1) The Board of Directors has prescribed CG policy regarding shareholder rights and treatment to shareholder as follows:

- (1) The Company shall honor rights and treatment to shareholder and all groups of interested party with honesty, equality and fairness.
- (2) The Company shall operate the business with transparency, which can be examined and shall disclose sufficient information to all related parties correctly, not misleading in material information. The Company shall not conceal any information which should be notified. The information to be disclosed/notified must be up to date and communicated within due time and thoroughly.

The Board of Directors has controlled the Company's secretarial works and the Investor Relations ("IR") Unit to ensure the application of the CG policy to protect shareholder rights and also encourage all shareholders to exercise their rights i.e. right to receive dividend, right to receive updated business information disseminated via the Stock Exchange of Thailand's electronic system and the Company's website, [www.becworld.com](http://www.becworld.com), to enable all shareholders and investors to receive such information in due course. It must provide sufficient information beneficial for their investment and decisions, encouraging shareholders to exercise their rights to attend the meetings, casting their voting rights, sharing their views in shareholders meeting, including exercising their rights to vote for director appointment, director compensation, auditor appointment and auditor fee, including, exercising their rights to make decisions on material transactions, having considerable impact on the Company.

- 2) The Board of Directors has controlled the Company's secretarial works and the IR Unit to protect shareholders' rights more than those required by laws, such as, the right to receive sufficient information to make decision, which shall be updated, correct, complete and transparent. To disseminate such information comprehensively and in appropriate time, the Board of Directors has arranged to disseminate the information on the Company's website, [www.becworld.com](http://www.becworld.com), including to allow the shareholders to visit the Company. The Company has also made PR news regarding business development of the group in the forms of business and/or entertainment news broadcasted on Channel 3, which has been operated by the group, news in business and entertainment sections of newspapers, all of which have been highly effective and readily accessible media for people in nationwide.
- 3) In 2011 Annual General Shareholders meeting, the Company facilitated all shareholders to exercise their rights in attending the meeting and casting their votes without any restriction or deterioration of the shareholder's rights to access the Company's information required for disclosure. There was no distribution of additional information without prior notice, no additional agenda or amendment of any material information. The Company also allowed shareholders who came late to attend the meeting.
- 4) The Company has informed information regarding the resolution of the Board of Directors to call for the 2011 Annual General shareholders meeting through electronic system by attaching draft of the invitation letter regarding the shareholders meeting as approved by the Board of Directors, the contents of which contained all information relating to date, time, place and agendas of the meeting, as well as, resolutions of the Board, sent 48 days in advance prior to the shareholders meeting date and accordingly disseminated through the Company's website, immediately, after notifying the said details to the SET.
- 5) The Company has assigned Thailand Securities Depository Co., Ltd. ("TSD"), acting as the Company's Share Registrar to deliver the invitation letter, calling for the shareholders meeting to shareholders within 14 days in advance prior to the shareholders meeting.

- 6) The Company has disclosed its information via the Company's website, and updated all information consistently to enable the shareholders to review and study the Company's information through this channel.
- 7) In the 2011 shareholders meeting, the Chairman allocated the meeting time properly and allowed the shareholders to express their views and make enquiries to the meeting in accordance with the agendas, freely. The details of which can be viewed from Minutes of the shareholder meeting on the Company's website.
- 8) In 2011 shareholders meeting, Chairman of various Sub-Committees, comprising Chairman of the Audit Committee and Chairman of the Nominating Committee also attended the meeting, giving an opportunity to the shareholders to make enquiries in all related matters. The details of which can be viewed from the Shareholder meeting Minutes on the Company's website.
- 9) The Company is aware of the importance of unlawful utilization of insider information which creates unfairness against shareholders. The Board, therefore, has set a policy in relation to this matter and notified all directors, management and management officers involving such insider information for their acknowledgement. In this connection, director/management/officer, having knowledge regarding financial status of the Company and its group, including any other information having an effect on trading price of the Company's stock, which has not been publicly available, shall not enter into any sale or purchase transaction of the Company's stocks at least 2 weeks before announcement of the operating result in each quarter or before filing such information to SET. All directors and management, responsible for filing report of stock acquisition with the Office of SEC, shall submit copy of the said report to the Company Secretary to inform any modification in securities holding to the Board for acknowledgement in every meeting. In 2011, everyone provided full cooperation and fully complied with the Company's policy.

The Board has prescribed "a Conflict of Interest Policy" by requiring all directors and management, including all related persons of the directors and the management, having any interest in any transaction entered into with any company in the group, shall disclose such information together with all documents to the Company Secretary immediately upon knowing the said information in order to propose for acknowledgement of Company's Board of Directors to make further decision for benefit of the Company. To enable the Company to be independent in making such decision, director or management who has a conflict of interest, shall not participate in making a decision over any transaction between the Company and him/herself, as a person who has a conflict of interest.

## Section 2 Equal Treatment to all Shareholders

In the 2011 shareholders meeting, the Company seriously paid attention to equal treatment to all shareholders without discrimination. The Company duly complied with CG guidance imposed by the Office of SEC and SET, having details as follows:

### **Before the Shareholders Meeting**

1. The Board has given all shareholders an opportunity to exercise their rights by opening communication channel for them to contact the Company and the Board through the Company's website, [www.becworld.com](http://www.becworld.com), or IR Unit at e-mail address: [ir@becworld.com](mailto:ir@becworld.com) or contact by themselves in person at the Company office, Maleenont Tower Building. Should any shareholder wish to express his/her opinion, suggestion or making any enquiry, he or she shall have the right to do so via the above methods. Upon receiving any request from the shareholder, the Company, by the Company Secretary office, may propose the said matter to the Company's Board of Directors for consideration within meeting agenda in due time prior to the Board request for annual general shareholders meeting.

In 2011, there has been no shareholders proposed any matter(s) to be included in agendas for the meetings, or propose any candidate to be appointed as director.

2. The Company has established the IR Unit to contact, coordinate, manage and provide any information for shareholders and general investors. The IR Unit has organized various activities beneficial to shareholders and general investors of the Company, (please see page 91-92). In addition, the Company has exploited the SET's electronic system to notify such information to the shareholders as well.
3. In case any shareholder proposes any agenda, the Company will receive and consider only agenda which would be useful to all shareholders on the condition that such request is possible for the Board to comply and it is not contrary to laws and related regulations. Under such terms and conditions, the Company will add such request as meeting agenda, accordingly, including director opinion regarding such matter. With respect to director appointment proposal, Nominating Committee would consider qualifications of each candidate proposed by shareholder in accordance with selection process imposed by the Company prior to Company's Board consideration.
4. In case the Board opines that such matter, proposed by shareholder is not useful for the sake of the shareholder or such request has too short period to consider, including candidate proposal, submitted in very late time and difficult to consider qualifications in accordance with the Company's criteria, the Board will assign the Company Secretary to contact such shareholder to clarify the reason for refusal of such matter to be included in the agenda, or inform name of such candidate for acknowledgement of the shareholders meeting only.
5. Other than invitation letters for shareholders meeting and supporting documents for shareholders meeting, the Company shall deliver proxy forms together with explanation of all related documents required to be presented by shareholder/proxy for shareholder meeting registration attached with the invitation letters.
6. With respect to filing of information with the SET on 10 March 2011 regarding resolution to call for the 2011 annual general shareholders meeting, the Company has posted the draft of invitation letter of shareholders meeting, both Thai and English version, in the last section of such information disclosure. The Company will post the original invitation letters, together with relevant supporting documents, financial statement proxy and explanation of the documents and all required documents to be presented by the shareholders/proxy before commencement of the Meeting, and also the Annual Report, having the same contents as ones sent to all shareholders in hard copy both in Thai and English on the Company's website on 25 March 2011 which displayed all information for 33 days prior to the shareholder meeting's date, except for supporting documents for the first agenda (the minutes of 2010 AGM), which the Company had posted it on website within 14 days following the closing date of 2010 AGM. The last section of such information, sent to shareholders also informed all shareholders that, in case any shareholder wishes to review such information before the Meeting in advance prior to receiving the invitation letter and supporting documents in hard copy form sent by registered mail, he/she can review it by logging into the Company's website. The latest information posted on website was the balance sheet and income and loss statement as of 31 December 2010, which were a material information contained in 2010 Annual Report, both in Thai and English version, it was uploaded on website 33 days after the shareholder meeting date.
7. The Company has appointed TSD to be the Company's Share Registrar to deliver all invitation letters to all shareholders. In 2011, the Company delivered all shareholders the invitation letters 14 days in advance before the shareholder meeting date (the first meeting).

8. The Company has encouraged all shareholders to exercise their rights in attending the meeting and casting their voting rights. The Company has delivered all forms of proxy letters to all shareholders for their convenience. In case any shareholder can not attend the meeting, the Company facilitated such shareholders by enabling to appoint his/her proxy to attend the meeting on his/her behalf, or appointing Mr. Manit Boonprakob, an independent director, appointed by the Board to be an alternative proxy. The Company has encouraged shareholders to use the shareholder proxy form to control their votes.
- In the 2011 Shareholder Meeting, both Thai and foreign shareholders, particularly, the institutional shareholders, appointed Mr. Manit Boonprakob to be their proxies to exercise their voting rights.
9. The Company has published the invitation letters for the 2011 Annual General Shareholder Meeting in “Kaohoon (Stock News)” newspaper for 3 consecutive days, approximately 1 week, before the Shareholder meeting date to call for the shareholders meeting.
10. With respect to the invitation letters for 2011 annual general shareholders meeting, the Company has arranged for disclosure of information, supporting each agenda properly for consideration, as follows:
- **Agenda for director appointment:** preliminary information of each candidate (such as prefix, name, age, director category, educational background, experience including any information which may cause a conflict of interest against the Company’s business), position in other companies. In 2011, this agenda was proposed for appointment of the independent directors. The Board of Directors has nominated the former directors who have been retired by rotation. The aforesaid nominated directors have already been considered their qualifications by the Nominating Committee and their performance for the latest year were also provided.
  - **Agenda for director compensation:** For 2011 AGM, the Company informed the amount and category of director compensation, the adjusted amount compared with the prior year. The Company fixed the director compensation in monetary form only, not in any other forms of benefits. In considering the director compensation, since there is no sub-committee appointed by the Board for this purpose, the Board has jointly considered this matter by themselves. The Board was allowed to consider their compensation, as approved by the shareholder meeting, voluntarily and reasonably. The Board properly discussed and expressed their views for shareholders’ decision.
  - **Agenda for auditor appointment and auditing fee:** the Audit Committee has proposed names of the former auditor and auditing firm and also explained reason for appointing the former auditor as specified in the supporting documents for meeting. The Audit Committee focuses on importance of auditor independence, considering appropriateness of auditing fee incremental including reasonable rate of auditor fee. The Board of Directors has requested enough information in each agenda, providing their own opinion for shareholders’ decision.
  - **Agenda for dividend allocation:** The dividend payment policy is shown in page 1 of the Annual Report, as well as, in the supporting document for this agenda. The Board of Directors has arranged for details of each agenda, and director’s opinion. sufficient, i.e. rate of dividend, information regarding interim dividend payment and total amount of all dividend payments, net profit and accumulative profit as specified in specific and consolidate financial statement of the Company and its subsidiaries as well as to present ratio of dividend and net profit for consideration. Such information was clear for shareholders’ decisions.
  - In 2011, there was no agenda to consider and approve any material matter of the Company, i.e., increase/decrease of registered capital, amendment of articles of association, sale/dissolution/transfer/merger of the Company’s business.

11. In case any shareholder has any query regarding corporate agenda, the shareholders may send their questions relevant to each agenda to the Board of Directors in advance before the Meeting date by sending a letter to the Company's Board of Directors, or contacting through IR Unit or the Company Secretary or sending the question(s) via the Company's website. However, in 2011, there was no shareholder(s), submitting any query regarding the Meeting agendas to the Board of Directors in advance before the shareholders meeting date.

#### **Annual General Shareholder Meeting**

1. To facilitate all shareholders, the Company brought computer systems to assist in registering the shareholders attending the meeting, including printing of voting cards, specifying details of attendees and number of shares, having voting rights, in each agenda.
2. There were 13 directors from total 14 directors, attending the shareholders meeting. The Chairman could not attend the meeting. However, Chairman of the Audit Committee and Chairman of the Nominating Committee, including all senior vice presidents of the Company, all, attended the meeting. Vice Chairman, who also represented as Chief Operating Officer of the Company, acting as the Chairman of the shareholder meeting. In addition, the Company invited auditor and legal counselor to join the meeting in order to clarify and answer all questions of the shareholders.
3. The Chairman informed that the quorum, consisting of required number of attendees and shares, was duly constituted to commence the meeting and also clarified voting right procedures to all shareholders in the shareholders meeting.
4. The Company did not add any additional agendas without notifying the shareholders in the shareholders meeting in advance.
5. The Chairman conducted the meeting in each agenda as specified in the invitation letter, sent to all shareholders without any changes or addition.
6. With respect to voting, the Chairman informed the meeting to use voting card in each agenda for transparency, and available for further examination in case there is any argument raised by any shareholders. The Company prepared voting cards for every agenda. Agenda for director appointment, the Company provided 1 voting card per 1 director. For 2011 AGM, the Company also asked for cooperation from all shareholders to submit voting slip for director appointment agenda to the Company for record.
7. Agenda for director appointment, the Chairman proposed the meeting to consider director appointment to replace the former directors, under rotation retire, by proposing list of candidates to be considered by the meeting one by one to enable the shareholders to exercise their rights to vote for director appointment.
8. The Chairman conducted the meeting orderly and properly allocated the meeting time for each agenda, enabling all attendees to freely express their views, suggestion including making any inquiry or doubt in various matters regarding meeting agenda or any matters related to the Company. The Chairman also allocated reasonable time for the executive director(s) and the management(s) in clarifying/answering all questions to all attendees. To respect all shareholders' rights, the Chairman had to control the meeting and the time spent in an effective way. For any query which was not relevant to the meeting agenda or the Company, the Chairman would answer such query after the meeting was finished. For 2011, the Chairman allocated proper time for the executive directors and management to answer all queries during the meeting.

### After the Shareholders Meeting Date

1. In 2011 AGM, the Company Secretary was responsible for preparing all minutes of the shareholders meeting, specifying date, time and place; a quorum, divided by a number of shares, a number of shareholders and proxy; list of directors and managements who attended the meeting; voting procedure; agenda and resolution of each agenda, classified as agreed, disagreed or abstained; including queries/ suggestion from shareholders together with correct and complete answers from the Board of Directors.
2. The Company Secretary has submitted the minutes of 2011 AGM to SET within 14 days from the shareholders meeting date and also subsequently submitted the same to the Board of Directors meeting No.3/2554 dated 12 May 2011 which was the first meeting held after the shareholders meeting date for their consideration of correctness and completeness. Then, the minutes was proposed for signing by the authorized directors of the Company for certification, and resubmitted to SET. The said minutes was also submitted to the Ministry of Commerce together with approval of 2010 financial statement in May 2011.
3. After filing the minutes with SET, the Company will upload all shareholders meeting minutes on the Company's website. In year 2011, the Company has disclosed the shareholders meeting minutes on the Company's website within 14 days after the shareholders meeting date so that the shareholders, who did not attend the meeting, would be aware of all details of the meeting and enable the shareholders who attended the meeting to express their views before the next meeting.

## Section 3. Roles of Interested Persons

The Board is aware of the importance and roles of all interested person groups toward the Company. Therefore, the Board has prescribed role of interested persons in CG policy, which the Company will respect all of their rights and provide fair treatment to all groups of shareholders and interested persons with honest, equality, fairness and awareness of rights of all interested persons by forming the practical policy as follows:

- 1) Arranging for Code of Conduct in written documents for directors, managements, and employees to understand ethics which the Company applies to operate the business including monitoring the compliance with the Code of Conduct.
- 2) Setting a unit to be responsible for interested person treatment in each group to ensure that there is a responsible unit to actually apply the said Code to interested persons.
- 3) Imposing rights of each group of interested person including roles and duties of each unit toward each group of interested persons.

### Interested person treatment

- **Treatment for Company shareholders:** the Board has assigned the IR Unit and the Company Secretary to be responsible for taking care of shareholders and investors. The management has set a policy for shareholder treatment to realize shareholders' rights and treat them with fairness and equality, encouraging shareholders to exercise their rights. In operating business, other than seeking only profit for shareholders in form of dividends, the Board also pays attention to enhance value of business entity and prosperity for shareholders in long term period by declaring policy to pay dividends at least 90% of net profit.

- **Treatment for internal interested persons:** i.e. employee and management of Company group are the most valuable assets of the Company. The Board has assigned HR division to take care all employees to receive reasonable compensation, giving fair treatment, encouraging all employees to develop their own knowledge, capacity and experience to be suitable for their duties to succeed in their works, arranging good and safe environment for working. For employee benefits, the Company has arranged the group insurance (i.e. life insurance, accident insurance and health insurance), other than benefits provided under the labor law. Not only social security, the Company has also provided provident fund, annual health check-up and uniform, etc. The Board has arranged an intranet system to increase inter-communication within organization. During the year 2011, the oil price, which was the main factor for production and transportation businesses, was increased causing the increase of the cost of living, the Board has considered to increase the living cost for employees to be suitable for the economic condition. In addition, additional benefits given to employees who work in 3 southern provinces of Thailand as approved in 2007 have been given continuously up to 2011, as follows: 1) increasing the amount of life insurance 10 times more than normal employees; 2) allocating a special allowance for 3,000 - 4,500 Baht/person/month; and providing flack jacket to everyone in 2011. Also, the Board has supported all employees who have faith in Buddhism to practice in the dharma without regarding as taking leaves.
- **Treatment for TV producers or TV operators or actors:** operated by Bangkok Entertainment Co., Ltd. has assigned TV program Division to take care all TV producers and actors with a policy to treat them equally. Due to TV air time limits and high numbers of TV producers/operators and actors, the management has to allocate air time properly for all TV producers/operators to equally allow them to have opportunity to generate income and to TV actors to maintain their popularities. In case there is agreement between Channel 3 and TV producer, the TV program Division has to strictly comply with terms and conditions of agreements, such as, complete and punctual payment of compensation. In addition, the TV Program Division has supported various training programs i.e. training for new TV producer, legal training by copyright experts to protect their own copyright and performer's right.
- **Treatment for Customers:** i.e. advertising agency, product owners, TV program sponsor. Customers should receive updated information on TV programs and show time for their efficient business planning. Sale Division of Bangkok Entertainment Co., Ltd. is responsible for customer management. Bangkok Entertainment Co., Ltd. has policy to treat customers with honest and sincerity by facilitating them with rapid, credible commitment and keeping confidentiality. Distribution of information in relation to TV programs to customers must be efficient, i.e. the information shall contain material information sufficient for making decision, the distribution must be comprehensive, equal, and timely since commercial air time is limited.
- **Treatment for Creditors:** The BEC World group has a policy to treat all creditors equally by assigning Accounting Division to be responsible for monitoring of debt payment and strict and timely complying with terms and conditions under relevant agreement to maintain good commercial relationship, reputation and image of the business, including mitigating from any potential penalty arising from breach of contract. In 2011, the Company fully complied with all agreements with creditors.
- **Treatment for competitors:** The BEC World group has a policy to give fair treatment to all TV program competitors equally and in good faith and lawful by developing quality of TV programs and efficiency of TV signal. Competitor is a significant factor to drive the Company to continuously develop its product quality and services. In 2011, the Company did not have any dispute with any competitor.

- **Treatment for Community/ Society:** The BEC World group has a policy to conduct the business with morality and support Thai society without focusing on profit only. Therefore, any TV program provided by The Company group, offers not only entertainment but also knowledge and morality, such as, drama series broadcasted do not focus only entertainment but always have moral concept within each series. In addition, the Company has also provided some useful programs for woman and kids to encourage Thai society to accept woman capacity and pay more attention to family, especially, next generation of our society. Furthermore, the Board has paid attention to the media ethics. As TV station administered by Bangkok Entertainment Co., Ltd., which is the highest efficient media to draw attention from public nationwide, we realize that seeking various TV programs may cause some impacts on some groups of people in society or community. The Board has assigned PR Unit to be responsible for public relations among TV stations, community and society to convey our good attitude and select suitable TV programs to entertain all viewers including listening to all opinions and suggestions from society and community for further improvement.
- **Activity for Society and Environment:** Activity for Society and Environment shows in this Annual Report page 14-19
- **Indemnification:** the Board has imposed compensation package for any interested person who has been injured from the Company's violation. In such circumstance, the Company will appoint a committee to consider compensation to any injured persons in reasonable, fair and efficient measure to mitigate such damage.
- **Mechanism for Interested Person's Participation:** the Board has set procedures to allow all interested persons to participate by requesting all relevant units responsible for each group of interested persons to arrange for meeting and hearing from each group of interest persons and reporting to the Board of Directors and relevant sub-Committee for acknowledgement of their opinion and suggestion. The Company Secretary has been assigned to be a co-ordinator. Any interested person may send a problem, opinion or any suggestion to the Board and every Sub-committee through the Company Secretary directly or via the Company's website. In addition, the Board has controlled and managed all divisions to disclose sufficient information within reasonable time to enable the interested person to have participation efficiently.
- **Notification or Complaint for Illegal Transaction:** the Board has prescribed procedures for a notification and complaint of any illegal transaction or immorality, incorrect financial statement or defective internal control system by notifying such matter(s) to the Internal Audit Office to examine and report such matter to the Audit Committee, subsequently. Such complaint shall be deemed to be "confidential information", without disclosing name of the notifying or complaining person to public. The Internal Audit Office will conduct an investigation of information and prepare a report of such investigation.

## Section 4 Information Disclosure and Transparency

The Board has paid attention to information disclosure and transparency by setting CG Policy, under the information disclosure and transparency section. The Company will conduct business with transparency and available to be examined and shall disclose sufficient information to all related persons completely, correctly and not misleading or concealing any material matters. The information to be disclosed must be updated, and the disclosure must be timely and widely done.

## Efficiency of Information Disclosure Process

The Company has disseminated all material Company's information, both financial information and non-financial information correctly, completely, timely and transparently in accordance with the regulations, prescribed by the SET and SEC through SET and the Company's website by updating such information, consistently. In 2011, the Company complied with all regulations correctly and did not have any penalty in relation to the offence of non-disclosure.

To develop information disclosure system in efficiency way, IR Unit has evaluated efficiency of such system and impose key factor for such valuation. With respect to report/information to be filed within definite period i.e. filing one time per year, or per quarter, the Company attempts to expedite such submission to be faster and also provides efficient information regarding completeness and correctness of contents and disclosure of sufficient information for benefits of shareholders and investors. The Company has also disclosed all information required to be disclosed under the SET rules for analysts and media, via the Company's website as soon as we can to enable all interested persons to access the said information. In case of a mistake in preparation and disclosure of the information, to solve such problem, the Company shall prepare a memorandum, containing mistake issue and delay, indicating reasons and resolutions for the benefits of colleagues and other relevant persons to refer and use it for consideration in planning for the subsequent disclosure.

The Company disclosed information as specified in 56-1 Form as of 31 December 2011 and in this 2011 Annual Report, providing details regarding director duties for the previous year including performance of the Audit Committee and the Nominating Committee, compensation paid to the directors, the executive officers, the business ethics and the director's training record.

**Quality of Financial Report:** The Board has made director responsibility report regarding financial report signed by Chairman as shown in this 2011 Annual Report together with auditor report.

## IR Unit

The Board has established IR Unit under direct control of Finance Division, responsible for preparation and submission of reports in accordance with regulations of the SET and SEC including disclosure of material information, both financial information and non-financial information, such as; notifying of material resolutions of the Board of Directors i.e. resolution to call for the shareholders meeting; fixing the date of closing share register book, and dividend payment, and etc., providing information and news on the Company's activities to communicate such information to all shareholders, investors, securities analyst and also general public where the information to be disclosed timely must be correct, complete and updated.

The Board has appointed Mr. Chatchai Thiamtong, Vice President of Finance Division, to be the authorized person to sign in filing of information application form via information disclosure system of SET, and to be a representative of the Management Division in providing the Company's information to shareholders, investors, analysts, press reporters and related government authority including clarifying on any rumor by disclosing information with respect to the Company's development in accordance with SET regulations regarding information disclosure of listed Company.

In addition, IR Unit is a coordinator between TSD - the Company Registrar to render registration service(s) for shareholders and closing of share register book, preparation and submission of various documents to shareholders via mail including preparation and submission of dividend check or transferring dividend to shareholders bank account.

**Communication channel of the Company:** The Board has supported IR Unit by giving an opportunity to all shareholders, investors, analysts and reporters to access the Company's information through various channels, such as, through the Company's website, [www.becworld.com](http://www.becworld.com), other than through the SET media, to disclose the Company's information to public widely, when the IR Unit distributes any Company's information to media, analysts and investors regarding information in the business industry and the Company group, the Company shall post the said documents on the Company's website, both in Thai and in English version, so that any person may follow up on the Company's information and the business industry consistently, having details as follows:

- Vision, information regarding business operation of the Company group, Board's report, structure of Board of Directors and shareholding structure, showing actual investment;
- Annual report, invitation letter for shareholders meeting and related documents to be sent to all shareholders showing the same documents as sent to shareholders via registered mail by posting such information on the Company's website, prior to delivery of the said documents via registered mail. The Company is always able to post such information on website on or before the closing date of share register book for calling shareholders meeting.
- Shareholders meeting minutes shall be posted on the website within 14 days after the shareholders meeting date;
- Financial statement and news which the Company distributes through SET system. Such information shall be posted after filing it with SET through electronic system;
- Information for analysts and investors in any investor meeting shall be posted so that the disclosure of the Company's information is widely made.

#### **IR Activities**

In 2011, IR Unit arranged and joined the following activities.

- Analyst meeting and press conference at head office, totally 4 times by holding such activities in the next following working day after filing financial statement of 2010 and financial statement of 1<sup>st</sup>-3<sup>rd</sup> quarter of 2011. During almost every meeting, Mr.Chatchai Thaimtong, senior vice president, Finance Division, Mr. Surin Krittayapongpan, Marketing and Sale Director of the main subsidiary of the Company provide information and clarification regarding operating result, marketing, policy/business trend to the analysts directly.
- In addition, the Company has assigned Mr.Chatchai Thaimtong to join some activities held by securities companies i.e.
- In addition, giving an opportunity to institutional investors, both local and international, to visit business entity and meet executive directors (Company Visit), consistently, especially after filing the operating result report with SET where roughly there were 3 institutional investors visiting the Company per week.

**Plan for conducting IR activities for 2012,** having details as follows:

1. To arrange for the analysts meeting and press conference for the operating result at the Company's head office, in every quarter by conducting such activities on the date after filing financial statement with SET through electronic system and with SEC.
2. To give an opportunity to local and international investors to visit the Company and meet executive directors (Company Visit), except some financial period - 2 weeks before closing the financial statements.
3. To attend investor activities as invited by securities companies, both locally and internationally to meet all investors.

## Section 5 Directors Responsibilities

### 1. Structure of Board of Directors

- 1.1. There are 14 members of Board of Directors, comprising 7 executive directors and 7 non executive directors provided that among those directors, there are 5 independent directors causing the Company structure to have at least 1/3 of independent directors from the total directors which is adequate to ensure the efficiency of the application of CG rules and the audit of the Company's management.
- 1.2. The Board has appointed the Nominating Committee to assist the Board in looking for qualified director and management of the Company by setting minimum criteria and qualifications for qualified candidate to be a management and director of the Company in accordance with the prescribed official and transparent rules and methods. Apart from considering professional directors, the Nominating Committee also looks for candidate from various professionals in order to make the Board comprising of qualified directors who can support the Company group's business. The Nominating Committee is entitled to perform their duties independently to propose candidates for directorship to the shareholder meeting for further approval. In case director completes his directorship term, the Company, by the Nominating Committee, shall select the qualified candidate to be proposed to the shareholders meeting for consideration. In 2011, there was no proposal from minority shareholders to nominate any person as a director candidate(s).
- 1.3. The Board of Directors consists of executive directors, having skills in entertainment business where each of them is responsible for different task which is subject to his/her expertise. Each independent director is professional in academic area and one of them is a skillful professional person in account and financial area. Every director has competent knowledge and qualifications with diversified experiences, morality, honesty and willingness to use their best endeavor for the Company. All of the directors have performed their duties with best capacity and dedicated themselves for the Company. List of the Board of Directors and their responsibilities can be viewed on page 77. List of management and executive officers is shown on page 79 of this report.
- 1.4. The Chairman also assumes position of Chief Executive Officer (CEO) as well. However, in practice, Chief Operating Officer(COO), who is also the Senior Executive Vice President shall be assigned to manage the Company. Chairman, CEO and all directors will co-operate and individually work in their own position, separately. CEO will be responsible for policy management and COO will be responsible for following up, supervising all related section to comply with the Company's policies by fixing target, work plan, result assessment and improvement guideline.
- 1.5. The Board has imposed qualifications of "Independent Director" of the Company by applying criteria which is more stringent than the minimum criteria of the SEC by setting shareholding ratio, less than 1% of total voting shares. The definition and qualification of "Independent Director" is shown on page 78 of the Annual Report.
- 1.6. There are 7 executive directors and 1 non-executive director, who are members of Maleenont family, a majority shareholder of the Company, holding totally 43.17% in the Company. The remaining shares are held by minority shareholders.
- 1.7. For disclosure of information of the Board's structure, it is shown in Annual Report, which clearly indicates directors representing shareholders, non-executive directors, independent directors and executive directors.
- 1.8. The term for directorship both director and Sub-committee, are 3 years, without limitation of number of terms.

- 1.9 As the executive directors have normal routine management works in the Company and subsidiaries, assuming the position of director in other companies may disrupt some routine works. The Board, therefore, has set a policy that executive director may assume the position of director in other companies, which the Company has made investment and has condition of sending representative to act as directors to jointly control and manage the company. For non-executive director, he shall not assume the position of director in other companies more than 5 listed companies. However, if it is necessary to assume the position of director more than 5 companies, such director has to obtain prior approval from the Board of Directors, so that the director shall have sufficient time to perform his duty. Please see further details of executive directors and controlling person, page 118 of this report. In 2011, there were 3 non executive directors assuming the director position in other listed companies, i.e. Mr. Matthew Kichodhan, being director in other 3 listed companies; Mr. Chansak Fuangfu, being director in another listed company and Mr. Somchai Boonnamsiri, being director in another Securities Company.
- 1.10 As the senior management has normal routine management works in the Company and subsidiaries, assuming position as director in other companies, may disrupt his company's the routine works. The Board, therefore, has set a policy requiring the senior management to seek approval from the Board of Directors. The approval shall be granted if assuming such director position in other companies, does not affect Company's works under his responsibility and there should be limitation of liability. Now, none of the senior management is a director in other listed companies.
- 1.11 The Board has appointed Mrs.Chalaiporn Ittithavorn to be the Company Secretary, having minimum responsibility as required bylaws, i.e., meeting arrangement, preparation and keeping of minutes for both the Board of Directors and shareholders meeting, including, report regarding director and management's interest. In case there is any pending issue in the meeting, the Company Secretary shall co-operate with various divisions to inform the Board or sub-committee meeting resolution to the relevant divisions for their acknowledgement, as well as to follow up the compliance thereof. The Company Secretary shall also render advice related to rules and regulations regarding maintenance of status of listed company in SET and all relevant laws concerning business operation of the Company which the Board shall be aware of. In addition, the Company Secretary shall be responsible for activities of the Board of Directors, and all sub-committees collecting and proposing any training program for the Board and coordinating to process and facilitate the seminar registration for the Board including assigning to supervise IR Unit's works with the responsibilities to handle all activities of shareholders/investors and to provide information to analysts and investors. The Board has arranged for adequate number of officers at the Company Secretarial Office for assisting the performance of the Company Secretary.

## 2. Sub - Committee

- 2.1 The Audit Committee consists of 3 independent directors, one of which has good knowledge, understanding and experience in accounting and finance area.
- 2.2 The Board of Directors has approved roles, duties, responsibilities and Charter of the Audit Committee in writing.
- 2.3 Qualifications of the Audit Committee are in compliance with regulations of SET and SEC.
- 2.4 The Audit Committee has consistently reported their performance result to the Board of Directors at every meeting. Further, the report of past year performance is also shown on the Annual Report, page 4-5.
- 2.5 The Board of Directors did not appoint any sub-Committee to consider compensation package for director. To consider such compensation for director, the Board of Directors has considered the matter based on information provided by the SET relating to compensation to director of listed company and proposed the consideration result to the shareholders meeting, as shown in invitation letter for consideration.

- 2.6 The Board has appointed the Nominating Committee to look for qualified candidate to be appointed as director and senior management as specified in the relevant rules and procedure.
- 2.7 The Board has approved roles, duties, responsibilities or Charter of the Nominating Committee in writing.
- 2.8 The Nominating Committee consists of 3 executive directors, list of the Nominating Committee names are shown on page 81 of this report.
- 2.9 In 2011, the Nominating Committee has reported the performance result to the meeting of Board of Director No.2/2554, held on 10 March 2011. Number of meetings of the Nominating Committee and their performance are shown on page 81 of this Annual Report.

### **Roles, Duties and Responsibilities of the Board of Directors**

The Board has considered, and approved all significant matters regarding corporate management, such as, vision, strategy, financial target, risk, budget plan, control, management, including, supervising and controlling Management Division to conduct the business in accordance with the policy and strategy in efficiency way to enhance business value for the Company and shareholders including for the benefits of all related parties.

In the first meeting of the Board of Director of each year, the executive directors shall propose to the Board of Directors for approval of the determination of vision, task, strategy, financial target, risk, work plan and budget, then communications regarding strategy, objective, and etc., as approved by the Board of Director shall be made to all directors, executive directors, employees for clear understanding. The communication shall be made through the management at Vice President level. In this regard, the Company has arranged for intranet to support efficient communication within the organization. The secretary of the Board of Director shall follow up with executive officers to collect information and present operating report and progress according to work plan approved by the Board of Director on a routine basis. The Board has divided power of each director and the Management Division clearly, as shown in Section “Scope of Authorization of the Board of Directors” page 78 and “Scope of Authorization of Executive Director and Management Officer, page 80 of this report as well as Annual Report.

**CG Policy:** The Board has paid attention to CG policy by following up the development of compliance with the CG policy, also updating evaluation report regarding problems and business obstacles and giving reasonable comments and suggestion including improving the said policy as deemed appropriate.

The Board has set CG policy in written documents for all employees in the organization to acknowledge and comply with such policy. The Board has assigned HR Division to set up some activities to campaign and promote the CG policy to all employees to comply therewith, such as, setting up an announcement board for posting any knowledge information, communication through intranet system and review the said policy at least once a year to update such policy.

After following up compliance of the policy, we found that employees have adjusted their attitudes and accepted the importance of the application of the CG rules within the organization. Employees have applied the CG policy to well adapt with their duties resulting in changes of organization culture to meet international standard in terms of management, and transparency as reported herein.

**Code of Conduct:** The Board has prepared written Code of Conduct, consisting of 6 Sections i.e. 1) Code for Customer; 2) Code for Company; 3) Code for Ourselves; 4) Code for Supervisor; 5) Code for Colleague; and 6) Code for People under Control, as shown in the Employee Handbook already distributed to all employees to enable directors, management and all employees to understand the said Code of Conduct, which the Company has applied in conducting business. The Board of Directors has provided intranet system for communication and public relation of good conducts within organization. Should any employee have any queries, he or she may post such

queries on the web-board through Intranet system. In addition, communication through internal e-mail system can also be done as well. HR Division is responsible for campaigning it to encourage all employees to comply therewith by preparing notice board to announce news and relevant information at the employee rest area and through the Intranet system. Initially, the Company explained and communicated with employees to understand objective of the Code of Conduct where in reality all employees had already been aware of it and complied therewith before it was compiled and made it in writing by HR Division. Now, information and news relating to the Code of Conduct distributed and presented often involve issue and case study of the real events to be used as a guideline for employees' due compliance. The presentation contains interesting presentation, friendly discussion, slide presentation and colorful documents, and etc.

All employees voluntarily follow with the said Code of Conduct. The Company encourages them to realize the value of Code of Conduct compliance. In addition, head of each unit also plays important role in such encouragement since he/she is familiar with all employees under his/her control. Supervisor has to give suggestions including stimulating all employees under his/her control and supervision to strictly comply therewith, evaluating an appropriateness of Code of Conduct as well. The Board also follows up the compliance of Code of Conduct by employees in organization via Management Section. In 2011, there was no problem in the application and compliance with the Code of Conduct.

**Potential Conflict of Interest Transaction:** The Board of Directors has imposed criteria of "Conflict of Interest" issue by instructing directors and managements, having direct and indirect interest in entering into any business transaction with the Company, to clarify such details with the Board upon being aware of the said transaction. In addition, during consideration of the said conflict of interest transaction, all interested directors shall not attend the meeting in such agenda and let the remaining directors have independent view to make a final decision about such transaction. Regarding potential and significant conflict of interest transaction, the Board shall assign the independent directors to review and scrutinize such matters, subsequently, proposing consequence of their consideration to the Board of Directors. In case the Board has no expertise to consider the said connected transaction, the Board could assign an independent expert or corporate auditor to provide their own opinion regarding the said transaction as supporting information for the Board of Directors or shareholders. The Company also filed information disclosure through electronic system, disclosing such details in the remark of financial statement, correctly. Such information regarding conflict of interest of 2011 is shown on "Connected Transaction with Related Party which may cause Conflict of Interest" of this report as well as Annual Report.

**Risk Management Policy:** The Company has imposed a risk management policy to cover organization. All Divisions shall participate in risk management process by letting every manager to survey potential problems in his own division, suggest good solution to prevent and eliminate or lower problems and risk, give a guideline to minimize potential damages. The Internal Audit Office has been assigned to be the main authority to co-ordinate with all units in the organization for risk management and report to the Board of Directors periodically, particularly in a case where there is a change of risk level. The Board of Directors has also focused on giving an advance alarm signal of any unusual transaction. In addition, the Internal Audit Office is required to review the system and the efficiency of risk management evaluation, at least once a year and report to the Board of Directors and all relevant managements. In 2011, there was no transaction which might create significant risk on the Company.

### **Board of Directors Meeting**

1. The Company Secretary prepared a memorandum, notifying of all meetings in advance throughout the year, by sending it to all directors at the early of the year to enable all directors to allocate their available times for all meetings.

2. The Company has determined to convene Board of Directors meetings, at least 5 times per year. The main agenda of the 4 meetings shall be the agenda of approving the operating result before disclosing it to public, and the remaining meeting shall be the consideration to convene an annual general shareholders meeting. In 2011, there were 6 meetings. (Details of the meetings are shown in Management Section, page 79).
3. Chairman and Senior Executive Vice President, shall jointly consider and select agenda to be proposed to the Board of Directors meeting on where each director shall have the right to propose his agenda to the meeting, independently.
4. The Board of Directors has assigned the Company Secretary to deliver supporting documents to all directors in advance, approximately one week, to enable them to have enough time to study all information. Supporting documents shall have material information sufficient for considering each agenda. In the past, there had been some problems regarding late delivery of supporting documents. The problem was solved by delivering only complete documents of relevant agenda to all directors in advance where the remaining documents would be delivered thereafter, as soon as possible.
5. The Board of Directors may invite management or any person(s) involving in each matter for enquiry of any details during the meeting.
6. During the meeting, the Chairman shall allocate reasonable time for all agendas. The Chairman shall commence the meeting by giving opportunities for all directors to independently express their own opinion. All directors shall have rights to raise issue to be considered, give opinion and suggestions, independently. The meeting will hear all opinion and comments before making decision based on reasons, justification and appropriateness, especially in important agenda. To have correct and mutual understanding, the Chairman will summarize a resolution at the end of each agenda. Generally, it takes 3 hours approximately for each meeting, which is deemed to be proper time for the Board of Directors to consider the matter thoroughly.
7. After the meeting, the Company Secretary shall be responsible for preparing the minutes of the meeting to be completed within 14 days. The Company Secretary shall review the minutes to ensure that it shall contain relevant details, namely, date, time, list of attending directors, summary of all agendas, all discussions and remarks, opinion, suggestion of each director, resolutions, (for a case where there is no unanimous vote, name and opinion of director who disagrees, must also be included), name of the person who records the minutes, name of the Company secretary who reviews the minutes, all of which must be clear and complete. The Company Secretary is independent in considering the accuracy and completeness of the minutes
8. The Company Secretary shall be responsible for keeping all invitation letters, meeting minutes and supporting documents and arrange for good filing system for easy searching and retrieval. The Company has customary practice to certify the minutes in the subsequent meeting. Amendment of the minutes can not be made without the meeting's approval. Then, the minutes duly certified shall be sent to the Chairman for signing.
9. Number of the Board of Directors meetings is suitable for nature of director duty and business type, except for main agenda as required by law, the Chairman and CEO shall gather other information to be acknowledged by other directors and/or specified as meeting agenda to be included in 5 main meetings as scheduled at the beginning of each year. If it is necessary to convene additional meeting, such additional meeting may be convened as appropriate.
10. Since the Board of Directors meeting is not convened every month, the Company Secretary shall prepare a report of the Company's operating result and submit it to the Board of Directors every month.

11. If non-executive directors deems proper, they may convene the meeting as necessary among themselves without attendance of executive director, to discuss any problem and subsequently inform the managing director of the result of the meeting. Such meeting, normally, convenes before the meeting of Board of Director. The Company Secretary is responsible to arrange for meeting place.

**Evaluation of Director Performance:** the Board of Directors has set a director evaluation to assess their own performance, at least once a year, by evaluating performance of all directors together without individual evaluation. The Board has mutually set the criteria for such assessment by using the forms developed from samples advised by the SET. After receiving the evaluation result, the Board will determine direction to improve working process with an opportunity for every director to express his/her view, independently. In 2011, the evaluation was conducted on February 15, 2012.

**Director Compensation:** The Board of Directors has set a policy to pay monetary compensation for director suitable for economic condition, director responsibilities, operating result and nature of business, by imposing the criteria for director compensation, namely, 1) comparing with director compensation of other listed companies in the same industry, or those having similar income or profit; 2) Operating result of the Company; 3) reasonable compensation, suitable for obligation, duty and responsibility of director. The director who has more duties and responsibilities shall receive more compensation. The procedure for reviewing director compensation annually is transparent. The Board will jointly consider the director compensation at the Board of Directors meeting and submit it for further approval in the shareholders meeting. All compensation shall be paid in monetary form only. Details of compensation are as shown in, "Director Compensation", page 82.

**CEO Compensation:** Since the Company has no Sub-Committee to consider compensation, the Board of Directors shall consider and approve compensation for CEO by take into account of duty, responsibility, performance and business profit of the Company. The Board shall evaluate CEO performance by comparing with the annual business target. The Board of Director also considered information regarding director and executive officer compensation of listed company.

**Director and Management Development:** The Board of Director pays attention to development of directors and executive officers by encouraging them to attend seminar and training course, building their knowledge and expertise for management. The Company shall support expenses and various facilities. Especially for DAP program of IOD, almost directors have already attended such program and 3 of them have already attended DCP program. All 3 members of the Audit Committee have already attended Audit Committee Program (ACP). There is also 1 executive director, having no knowledge regarding accounting and finance, has already been attended Finance for Non-Finance Directors Program. The Company Secretary has been assigned to look for good training program(s) to be proposed to each director for consideration without restriction for only program organized by IOD. The Board of Directors has supported the Company Secretary to attend DCP program organized by IOD, and encouraged IR officers and internal audit officer, responsible for CG matter, to attend CG training program organized by private sector. In addition, the Company, by HR Department, also arranged for internal training program for general management for all personnel and specific program suitable for each unit which all executives could attend such programs.

**Successive Plan for Company Management:** The Board of Directors has set successive plan for company management. The Board of Directors focuses on development of director and management capacity, by preparing successive plan. The Company has already prepared candidates or successor for Chairman, CEO, COO, Vice President, temporarily and permanently, by appointing senior executive to be temporary successor to replace in important position. With respect to permanent candidate or successor, the Nominating Committee shall consider on case by case basis. In 2011, the Company applied the successive plan temporarily only when Chairman and CEO were not capable of attending the shareholders meeting and in case COO is not available due to traveling abroad.

## Personnel

The Company believes in the importance of appropriate manpower allocation taking the size of the Company into account and preparation for the future plan. On 31 December 2011, the Company group has total of 1,899 employees divided by the course of work as follows:

- Television broadcasting and media	1,129	persons
- Sourcing and producing documentaries, entertainment programme	131	persons
- Radio broadcasting	102	persons
- Production of Shows, Music, and Campaign Activities	436	persons
- Chain and Supporting Businesses	101	persons
Total	1,899	persons

Suitable remuneration is the essential factor in promoting personnel's courage and morale as well as building up their loyalty to the organization in a long term basis. The Company considers paying the total remuneration to the employees for the year 2011 in an amount of 1,279 Million Baht consisting of salary, over time expenses, allowance, bonus, contribution to the provident fund, medical allowance and other welfares.

As the employees are deemed as valuable assets of the Company. The Company pays attention to the recruitment of efficient personnel as well as their development which will lead to the improvement of potential of the Company in the long term basis. The Company, therefore, has a policy to promote the development of skill of the employees by arranging them to attend many seminars matching to their course of work which are organized by external organization. HR Department also set up a training course within the Company by rotating to all departments as deemed appropriate. To make themselves ready for current business competition, variety and frequent training courses have been introduced to them.

For the year 2011, the Company group has organized internal training courses suitable to each unit, i.e., How to Respond in Riot Situation, Experienced Marketing, Transmission of News Clipping and Video Visual via Internet, Working and Living Goal, Techniques for News Reporting by Video Visual (aspect of new directors), 3D Design, Next Step of Krobkruakao No.4, Quality and Morality for Work, Treatment of Mentality after Crisis, Next Step for Communication Technology for TV Station No.4, Dharma in Office, Training for News Reporters, Changing Stress for Creativity, Mediation No.1,2/2554, Guideline for Account Receivable, Doubtful Account and Uncollectable Account and Techniques for Saving Electricity and Energy in Building. For outside training, the courses which may support role and responsibility of the chosen employees. Total cost of training and seminar for the past year is approximately Baht 4.45 Million (including seminar fee organized by the Company group).

## **5. Supervision on the Use of Insiders' Information**

The Company has policy of prohibiting executives to use internal information of the Company for their own benefits including trading of Company's securities. The Company has already informed all executives and employees such policy and practical guidelines as well as recommendation of the Stock Exchange and the Security and Exchange Commission on the matters in order for them to be aware of the expecting standard and to strictly comply thereof. The Company in stipulated that the directors and executives must immediately report to the Company in case of trading of the Company's securities. Such reports (if any) shall be collected and represented to the Board of Directors at the following meeting. The executives are not allowed to use such information for their own benefit or to disclose internal sensitive information to the outsiders or those persons having no related duty to access such information. The management, all executive officers or any person receiving insider's information are asked not to trade the Company's securities before disclosure of financial statement to the public.

## 6. Internal Control

The Company has prescribed and maintained all effective internal control system in order to reasonably ensure that all accounting data is recorded with correctness, accuracy and sufficient for take care Company's assets. This also prevents all material frauds and malpractice. The Board of Directors has also appointed the Audit Committee and the Internal Audit Office to review and examine adequacy and suitability of the internal control system of the Company and its subsidiaries, to identify internal control weakness, to recommend improvement and preventing measures, to manage risks of the organization. To provide independency of operation of Internal Audit Office and obtain co-operation from all levels of staff, the Board of Directors has published charter of the Audit Committee and the charter of the Internal Audit Office to keep all staffs thoroughly informed.

The Audit Committee holds meetings with the Auditor and the Internal Auditors, on a regular basis, at least once for every quarter to discuss and assess adequacy and suitability of internal control system of the Company and its subsidiaries. The Audit Committee also reports their operation and recommendation in system improvement, as well as, pursuit of such recommendations to the Board of Directors in the Board of Directors Meeting. Upon receiving any issue or recommendation for improvement of internal control system, it shall be emphasized in the report as well as to inform compliance thereof to the Board of Director. The Audit Committee and the Board of Director unanimously agree that the internal control system of the Company and its subsidiaries is appropriate and adequate. Full report of the Audit Committee is shown on page 4-5 hereof.

The Internal Audit Office has been assigned by the Board of Directors to assess the internal control system, at least once time per year and report such result to the Board of Directors via the Audit Committee. The result of such assessment for the year 2011, as reported through the Audit Committee in February 14, 2012 and reported to the Board of Director on 15 February 2012, respectively. It indicates that the Company and its subsidiaries have the efficient internal control system in the general acceptance, however some matters might be improved. Such result of assessment has already been passed to the Executive Directors and auditor for their acknowledgement and improvement.

### Payment of Audit Fee

#### Audit Fee

2011 AGM passed a resolution to approve audit fee at the total amount of Baht 6,270,000.- The actual audit fee incurred in 2011 was Baht 6,284,000.- or Baht 14,000.- higher than the amount approved by 2011 AGM. This is due to the fact that the audit fee was paid in accordance of various volume of works according restructure of the Company group, having details as follows:

- 1) There has been an incorporation of IMG BEC-TERO Sports and Entertainment Co., Ltd. [IMG BEC-TERO] in August 2011 after proposing the audit fee to 2011 AGM. This causes some additional audit fee for reviewing accounting records in third quarter of 2011 and auditing works for 2011 in the amount of Baht 30,000.-
- 2) There was a dissolution of Thai Audiotex Service Co., Ltd., causing reduction of audit fee in the amount of Baht 16,000.-

#### Other Fees (Non-Audit Fee)

-None-

# Connected Transactions between Related Parties which may cause Conflict of Interest in the year 2011

In 2011, BEC World group has entered into some connected transactions between related parties which may cause conflict of interest, as follows:

Related parties which may cause conflict of interest	Details of relationship	Transaction value (Million Baht)	Type of Transaction
Sport Art Co., Ltd.	Relatives of director of BECW is a majority shareholder in this company	1.90	Revenue from sale of advertising time
Millionaire Property Fund And Maleenont Tower Co.,Ltd	Directors and executive officers of the Company are majority shareholders of Maleenont Tower Co.,Ltd.	125.52	service costs - lease agreement not exceeding 3 years and utility charges for lease building to support broadcasting system,
	Maleenont Tower Co., Ltd. is a majority unit holder of Millionaire Property Fund.	120.92	management costs - lease agreement not exceeding 3 years and utility charges for office building

## 1. Necessity and Reasonableness of Transactions

Connected transactions during the previous year are necessary and reasonable transactions for the highest benefits for the Company, as follows:

- 1) Transaction for sale of advertising time, which is considered as ordinary business transaction. Due to subsidiaries of the Company has to obtain various TV programs to broadcast via Channel 3 TV Station to maintain its viewership, the Audit Committee was of the view that Sport Art Co., Ltd. is a program producer for Thai boxing sport contest, introducing its program with modern theme. Its programs were popular for both Thai and foreign viewers. The rate of advertising fee of this transaction could be compared with the reference price of similar transactions made between subsidiaries and other TV producers.
- 2) Transaction for lease of office spaces, which is considered as short-term lease transaction. The Audit Committee was of the view that, in conducting TV and radio station of subsidiaries, the Company group requires not only normal office area, but also wish to lease some space, having a special design to serve their business operation as studio and technical room for program production. The lessor also gave a special favor to design 12-storey building to suit such requirement. The leased premises could support long term business expansion and also, located in downtown, having suitable communication and transportation system, enabling to facilitate Company's business operation. Most commercial terms and conditions of such connected transactions were better than normal terms and conditions, based on general market price

## 2. Policy or Guideline for Connected Transactions

The Company has a policy to avoid entering into any connected transactions with any related party which may cause "Conflict of Interest". Unless such transaction is in favor for business operation of the Company group. In addition, the Company group tends to enter into the said connected transaction as mentioned in item 1 above pursuant to the following reasons:

- 1) Subsidiaries of the Company still has to obtain various TV programs to broadcast via Channel 3 TV Station to maintain its viewership. Thai boxing sport contest of Sport Art Co., is still the most popular program in terms of viewership.
- 2) For lease transaction in Maleenont Tower, the Company group has spent considerable investment for studio construction and system works. Therefore, the Company group has a policy to renew lease term to exploit the premises in Maleenont Tower as much as possible to be worth for its investment.

With respect to connected transactions which may arise in the future, the Board of Director shall comply with Securities and Exchange Act of 1992, Notifications of Capital Market Supervisory Board and Regulations concerning Connected Transaction. The Company shall assign the audit Committee to consider, review and opine appropriateness of the price and reasonableness for entering into any transaction between the related parties which may cause conflict of interests. For determination of consideration and all relevant conditions, the Audit Committee may requires for opinion from independent experts at the Company's expense in the event that the Audit Committee has no expertise in considering any specific transaction.

# Supplementary Data

Details of Companies which the Company holds 10% or more of shares

## SUBSIDIARIES

### 1. Name: THE BANGKOK ENTERTAINMENT CO., LTD.

Business: Operating business of TV and radio station.  
Registered Capital: Baht 300 million  
(Issued and fully paid-up share capital 3,000,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3333, 0-2204 - 3333  
Fax. (66) 0-2204 - 1384

### 2. Name: RUNGSIROJVANIT CO., LTD.

Business: Providing, producing TV programmes and sell air time for advertising.  
Registered Capital: Baht 5 million  
(Issued and fully paid-up share capital 500,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3333, 0-2204 - 3333  
Fax. (66) 0-2204 - 1384

### 3. Name: NEW WORLD PRODUCTION CO., LTD.

Business: Providing, producing TV programmes and sell air time for advertising.  
Registered Capital: Baht 5 million (Issued and fully paid-up share capital 500,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3333, 0-2204 - 3333  
Fax. (66) 0-2204 - 1384

### 4. Name: BEC BROADCASTING CENTER CO., LTD.

Business: Servicing studio equipment  
Registered Capital: Baht 1 million. (Issued and fully paid-up share capital 100,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3333, 0-2204 - 3333  
Fax. (66) 0-2204 - 1384

### 5. Name: YOU & I CORPORATION COMPANY LIMITED

Business: Producing radio programmes, operating radio station  
Registered Capital: Baht 35 million  
(Issued and fully paid-up share capital 350,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3279  
Fax. (66) 0-2262 - 3665

**6. Name: BEC ASSET CO., LTD.**

Business: Own and leasing assets.  
Registered Capital: Baht 30 million  
(Issued and fully paid-up share capital 3,000,000 common shares)  
Office: 3<sup>rd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3759  
Fax. (66) 0-2262 - 3780

**7. Name: BEC STUDIO CO., LTD. (Not yet operating)**

Business: Producing programmes and servicing studio equipment  
Registered Capital: Baht 5 million (Issued and fully paid-up share capital 500,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3333, 0-2204 - 3333  
Fax. (66) 0-2204 - 1384

**8. Name: BEC INTERNATIONAL DISTRIBUTION CO., LTD.**

Business: Providing, producing TV programmes, Holding Company  
Registered Capital: Baht 5 million (Issued and fully paid-up share capital 500,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3333, 0-2204 - 3333  
Fax. (66) 0-2204 - 1384

**9. Name: BEC NEWS BUREAU CO., LTD. (Not yet operating)**

Business: Producing news programmes.  
Registered Capital: Baht 5 million (Issued and fully paid-up share capital 500,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3333, 0-2204 - 3333  
Fax. (66) 0-2204 - 1384

**10. Name: BANGKOK TELEVISION CO., LTD.**

Business: Providing, producing TV programmes and sell air time for advertising.  
Registered Capital: Baht 5 million (Issued and fully paid-up share capital 500,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3333, 0-2204 - 3333  
Fax. (66) 0-2204 - 1384

**11. Name: BANGKOK SATELLITE & TELECOMMUNICATION CO., LTD.**

(Not yet operating)  
Business: Satellite uplink - downlink services.  
Registered Capital: Baht 25 million  
(Issued and fully paid-up share capital 2,500,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3333, 0-2204 - 3333  
Fax. (66) 0-2204 - 1384

**12 Name: BEC IT SOLUTION CO., LTD.**

Business: Information technology services, retail of computer accessories and maintenance service.  
Registered Capital: Baht 15 million  
(Issued and fully paid-up share capital 1,500,000 common shares)  
Office: 3<sup>rd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3759  
Fax. (66) 0-2262 - 3780

**13. Name: SATELLITES TV BROADCASTING CO., LTD.**

(Not yet operating)  
Business: Satellite TV operator.  
Registered Capital: Baht 1 million (Issued and fully paid-up share capital 100,000 common shares)  
Office: 2<sup>nd</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3333, (66) 0-2204 - 3333  
Fax. (66) 0-2204 - 1384

**14. Name: BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED**

Business: Providing and producing TV programmes and sell air time for TV advertising; organizing show, concert and campaign activity.  
Registered Capital: Baht 250 million  
(Issued and fully paid-up share capital 200,000,000 common shares)  
Office: 25<sup>th</sup>-28<sup>th</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3800  
Fax. (66) 0-2262 - 3801-2

**15. Name: BECi Corporation LTD.**

Business: Invest in Internet business.  
Registered Capital: Baht 200 million  
(Issued and fully paid-up share capital 20,000,000 common shares)  
Office: 4<sup>th</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2204 - 9999  
Fax. (66) 0-2204 - 9970

**16. Name: BEC-MULTIMEDIA CO., LTD.**

Business: Invest in multimedia business.  
Registered Capital: Baht 200 million (Issued 20,000,000 Common shares; 25% paid-up)  
Office: 4<sup>th</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2204 - 9999  
Fax. (66) 0-2204 - 9970

**SUBSIDIARY HELD BY BEC INTERNATIONAL DISTRIBUTION CO.,LTD.**

**17. Name: TVB 3 NETWORK CO., LTD.**

Business: Providing and producing TV programmes and sell air time.  
Registered Capital: Baht 10 million  
(Issued and fully paid-up share capital 1,000,000 common shares)  
Office: 9<sup>th</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3050  
Fax. (66) 0-2262 - 3066

**SUBSIDIARIES HELD BY BEC-TERO ENTERTAINMENT PUBLIC COMPANY LIMITED**

**18. Name: THAITICKETMAJOR CO., LTD.**

Business: Servicing for producing advertisement, reserve and selling show ticket,  
Registered Capital: Baht 10 million  
(Issued and fully paid-up share capital 1,000,000 common shares)  
Office: 27<sup>th</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3800  
Fax. (66) 0-2262 - 3801-2

**19. Name: HAVE A GOOD DREAM CO., LTD.**

Business: Providing and producing TV programmes and sell air time for TV  
Registered Capital: Baht 10 million  
(Issued and fully paid-up share capital 1,000,000 common shares)  
Office: 74/2 Soi Ekkamai 22, Sukhumvit 63 (Ekkamai) Road,  
Klongton Nua, Wattana, Bangkok 10110  
Tel. (66) 0-2262 - 3800  
Fax. (66) 0-2262 - 3801-2

**20. Name: BEC-TERO COMCOM CO.,LTD.**

Business: Advertising agency on the idle-screens of mobile telephones through mobile operators in Thailand  
Registered Capital: Baht 28 million  
(Issued and fully paid-up share capital 5,600,000 common shares)  
Office: 21<sup>st</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3800  
Fax. (66) 0-2262 - 3801-2

**21. Name: BEC-TERO SCENARIO CO.,LTD.**

(established in March 2010)  
Business: Organizing show on the stage  
Registered Capital: Baht 40 million  
(Issued and fully paid-up share capital 4,000,000 common shares)  
Office: 28<sup>th</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3800  
Fax. (66) 0-2262 - 3801-2

**22. Name: BEC-TERO SASANA CO., LTD.**

(established in April 2010)  
Business: Managing a football club  
Registered Capital: Baht 10 million  
(Issued and fully paid-up share capital 1,000,000 common shares)  
Office: 26<sup>st</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3800  
Fax. (66) 0-2262 - 3801-2

**23. Name: BEC-TERO RADIO CO., LTD.**

(Formerly: VIRGIN BEC-TERO RADIO (THAILAND) Co., Ltd. registered and changed the company name in February 2011)  
Business: Producing radio programmes, and selling advertising on radio  
Registered Capital: Baht 49,960,800 (Issued and fully paid-up share capital 4,996,080 shares)  
Office: 23<sup>th</sup> - 24<sup>th</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0 -2262 - 3500  
Fax. (66) 0-2262 - 1410

**24. Name: IMG BEC-TERO SPORTS & ENTERTAINMENT CO., LTD.**

Business: Organizing and managing sport competition, fashion and various entertainments  
Registered Capital: Baht 10,000,000 (Issued and fully paid-up share capital 1,000,000 shares)  
Office: 28<sup>th</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110  
Tel. (66) 0-2262 - 3800  
Fax. (66) 0-2262 - 3801-2

**SUBSIDIARY HELD BY BECI CORPORATION CO., LTD.****25. Name: Thai Audiotex Service Ltd.**

(registered of dissolution in December 2011)  
Business: Providing Audio Information services via telephone  
Registered Capital: Baht 30 million  
(Issued and fully paid-up share capital 3,000,000 common shares)  
Office: 4<sup>th</sup> Fl., Maleenont Tower, 3199 Rama IV Road, Klongton, Klongtoey, Bangkok 10110 (Office of Liquidator)  
Tel. (66) 0-2204 - 9999  
Fax. (66) 0-2204 - 9970

## 1. Mr.Vichai Maleenont

The executive officer according the definition of “Executive Officer”

Position: Chairman of the Board, Chairman of the Executive Board

Age: 92 years

Work Experience:

1995 - Present Chairman of the Board, Chairman of the Executive Board and CEO of BEC World Plc.  
Chairman of the Executive Board and Director of The Bangkok Entertainment Co., Ltd.  
Director and Authorized Director of 3 subsidiaries of BEC World Group.

Education/Training Program: High School Diploma

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders’ information  
and inappropriate connected transaction for the past 2 years: None

The Company’s securities ownership as of 31 December 2011: 0.00%

Family Relationship: Member of Maleenont Family

## 2. Mr. Prasan Maleenont

The executive officer according the definition of “Executive Officer”

Position: Vice-Chairman of the Board, Vice-Chairman of the Executive Director and Chief Operating Officer

Age: 68 years

Work Experience:

1995 - Present Vice-Chairman of the Board, Vice-Chairman of the Executive Director and  
Chief Operating Officer of BEC World Plc  
Vice-Chairman of the Executive Board of The Bangkok Entertainment Co., Ltd.  
Present Director and Authorized Director of 19 subsidiaries of BEC World Group.  
Jan.1998-Present Chairman of the Board and Executive Director, BEC-Tero Entertainment Plc.

Education/Training Program: Bachelor Degree (Business Administration) Elmhurst College, Illinois, U.S.A.  
Diploma, National Defence Course for the Joint State-Private Sectors (Class 7),  
The National Defence College  
Certificate of Director Accreditation Program (DAP) year 2004,  
Thai Institution of Directors Associations (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders’ information  
and inappropriate connected transaction for the past 2 years: None

The Company’s securities ownership as of 31 December 2011: 6.08%

Family Relationship: Member of Maleenont Family

### 3. Mr.Pravit Maleenont

The executive officer according the definition of “Executive Officer”

Position: Director, Executive Director-Television Business and Senior Executive Vice President

Age: 65 years

Work Experience:

1995 - Present Director, Executive Director-Television Business and Senior Executive Vice President, BEC World Plc.

Present Managing Director of The Bangkok Entertainment Co., Ltd.

Present Director and Authorized Director of 7 subsidiaries of BEC World Group.

Education/Training Program: Bachelor of Science, Engineering University of Illinois, Chicago, Illinois, USA  
Diploma, National Defence Course for the Joint State-Private Sectors (Class 3),  
The National Defence College  
Certificate of Director Accreditation Program (DAP) year 2004,  
Thai Institution of Directors Associations (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders’ information

and inappropriate connected transaction for the past 2 years: None

The Company’s securities ownership as of 31 December 2011: 6.38%

Family Relationship: Member of Maleenont Family

### 4. Ms. Ratana Maleenont

The executive officer according the definition of “Executive Officer”

Position: Director, Executive Director - Finance and Accounting Business

Chairman of the Nominating Committee

Age: 62 years

Work Experience:

1995 - Present Director, Executive Director - Finance and Accounting Business of BEC World Plc.

Present Director and Executive Director of The Bangkok Entertainment Co., Ltd.

Present Director and Authorized Director of 12 subsidiaries of BEC World Group.

Education/Training Program: Bachelor Degree in Economics, Thammasat University.  
Certificate of Director Accreditation Program (DAP) year 2004,  
Thai Institution of Directors Associations (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders’ information

and inappropriate connected transaction for the past 2 years: None

The Company’s securities ownership as of 31 December 2011: 6.18%

Family Relationship: Member of Maleenont Family

## 5. Ms. Nipa Maleenont

---

Position: Non-Executive Director

Age: 60 years

Work Experience:

1995 - Present Director and Authorized Director of BEC World Plc.,  
and The Bangkok Entertainment Co., Ltd.

Present Director and Authorized Director of 3 subsidiaries of BEC World Group

Education/Training Program: Bachelor Degree in Commercial and Accounting, Thammasat University.

Certificate of Director Accreditation Program (DAP) year 2004,

Thai Institution of Directors Associations (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information

and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 6.38%

Family Relationship: Member of Maleenont Family

## 6. Ms. Amphorn Maleenont

---

The executive officer according the definition of "Executive Officer"

Position: Director and Executive Director - Production Business

Age: 57 years

Work Experience:

1995 - Present Director and Executive Director - Production Business of BEC World Plc.  
and The Bangkok Entertainment Co., Ltd.

Present Director and Authorized Director of 12 subsidiaries of BEC World Group.

Education/Training Program: Bachelor Degree in Commercial and Accounting, Thammasat University.

Certificate of Director Accreditation Program (DAP) year 2004,

Thai Institution of Directors Associations (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information

and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 6.26%

Family Relationship: Member of Maleenont Family

## 7. Mr. Prachum Maleenont

The executive officer according the definition of “Executive Officer”

Position: Director, Executive Director - New Media Business and Senior Executive Vice-President, Member of the Nominating Committee

Age: 56 years

Work Experience:

1995 - Present Director, Executive Director - New Media Business and Senior Executive Vice-President of BEC World Plc.

Director and Executive Director of The Bangkok Entertainment Co., Ltd.

Present Director and Authorized Director of 13 subsidiaries of BEC World Plc.

July 2002- Present Director and Executive Director of BEC-Tero Entertainment Plc.

Education/Training Program: Bachelor Degree (Marketing) Assumption Commerce University.  
Certificate of Director Accreditation Program (DAP) year 2004,  
Thai Institution of Directors Associations (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders’ information and inappropriate connected transaction for the past 2 years: None

The Company’s securities ownership as of 31 December 2011: 6.38%

Family Relationship: Member of Maleenont Family

## 8. Mrs. Ratchanee Nipatakusol

The executive officer according the definition of “Executive Officer”

Position: Director and Executive Director - Marketing and Sales Business  
Member of the Nominating Committee

Age: 54 years

Work Experience:

1995 - Present Director and Executive Director - Marketing and Sales Business of BEC World Plc.

Present Executive Vice President of The Bangkok Entertainment Co., Ltd.

Present Director and Authorized Director of 5 subsidiaries of BEC World Group.

Education/Training Program: Bachelor Degree (Art), Thammasat University.  
Certificate of Director Accreditation Program (DAP) year 2004, and  
Certificate of Finance for Non - Finance Directors Program year 2004,  
Thai Institution of Directors Associations (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders’ information and inappropriate connected transaction for the past 2 years: None

The Company’s securities ownership as of 31 December 2011: 5.52%

Family Relationship: Member of Maleenont Family

## 9. Mr.Arun Ngamdee

Position: Independent Director and Chairman of the Audit Committee

Age: 77 years

### Work Experience:

- 1995 - Present Chairman of the Audit Committee of BEC World Plc.
- 1995 - Present Independent Director of BEC World Plc.
- 1993 - 1995 Director General of Public Relations Department.
- 1989 - 1993 Deputy Director General of Public Relations Department.

Education/Training Program: MA, Public Relations, Boston University  
Bachelor Degree of Arts, Chulalongkorn University  
Certificate of Top Executive from NIDA and Institute of Civil Servant Development.  
Certificate of Director Accreditation Program (DAP) year 2003, and Certificate of Audit Committee Program (ACP) year 2005, Thai Institution of Directors Associations (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.00%

Family Relationship: None

## 10. Mr. Prathan Rangsimaporn

Position: Independent Director and Member of the Audit Committee

Age: 78 years

### Work Experience:

- 1999 - Present Member of Audit Committee of BEC World Plc.
- 1995 - Present Independent Director of BEC World Plc.
- 1992 - 2008 Special Instructor of the Faculty of Journalism and Mass Communication, Thammasat University
- 1994 - 2001 The Dean of the Faculty of Communication Arts, Siam University
- 1993 Senior Public Relations Expert
- 1986 - 1988 Director, Division of Directing Broadcasting Commission.  
Member and Secretary to the Directing Broadcasting Commission,

Education/Training Program: MA Journalism, University of Panjab, Pakistan, Under SEATO Scholarship, BA Journalism, BA Social Administration, Thammasat University  
Certificate of Director Accreditation Program (DAP) year 2003, and Certificate of Audit Committee Program (ACP) year 2005, Thai Institution of Directors Associations (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.00%

Family Relationship: None

## 11. Mr. Manit Boonprakob

Position:	Independent Director and Member of the Audit Committee
Age:	61 years
Work Experience:	
June 2011 - Present	Ethics Committee of Federation of Accounting of Professions, under the Royal Patronage of His Majesty the King
Dec.1999 - Present	Independent director and a member of the Audit Committee of BEC World Plc.
1998 - Present	Managing Director of BMS Consulting Office, Executive Director of THABB Support Ltd. and Chirachit Co., Ltd.
June 2011 - Present	Ethic Committee of Federation of Accounting Professions, under the Royal Patronage of His Majesty the King
1993 - 1998	Director and Executive Director, EVP - Finance and CFO of ABB Group of companies in Thailand.
Education/Training Program:	Master Degree in Business and Administration, Thammasat University. Bachelor Degree in Accounting, Chulalongkorn University. Certified Public Accountant (Thailand) Diploma in Director Certification Program (DCP#02/2000), and Certificate of Audit Committee Program (ACP) year 2005, Thai Institution of Directors Associations (IOD)
Previous record in illegal dealing for the past 10 years:	None
Previous record in wrong doing on misuse of insiders' information and inappropriate connected transaction for the past 2 years:	None
The Company's securities ownership as of 31 December 2011:	0.00%
Family Relationship:	None

## 12. Mr. Matthew Kichodhan

Position:	Non-Executive Director
Age:	45 years
Work Experience:	
Sep 2009 - Present	Senior Vice President, International Business, Thai Beverage Plc.
Present	Managing Director, Oishi Group Plc.
April 2006 - Present	Director of WAVE Entertainment Plc.
2007- Present	Independent Director of Ocean Glass Plc.
2006 - Aug.2009	Director and Chief Operations Officer of Minor Corporation Plc. and Director of subsidiaries
2004 - 2005	Vice President, Business Management, Asia Pacific, GILLETTE ASIA PACIFIC GROUP
1995 - 2004	Brand Marketing Director, Asia Pacific Region, PEPSI-COLA INTERNATIONAL
Education/Training Program:	Master of Science, Management, Imperial College (Management School), University of London, England Bachelor of Commerce, University of Toronto, Canada Diploma in Director Certification Program (DCP#95/2007), Certificate of Director Accreditation Program (DAP#57/2006), Thai Institute of Directors Association (IOD)
Previous record in illegal dealing for the past 10 years:	None
Previous record in wrong doing on misuse of insiders' information and inappropriate connected transaction for the past 2 years:	None
The Company's securities ownership as of 31 December 2011:	0.00%
Family Relationship:	None

### 13. Mr. Chansak Fuangfu

Position:	Independent Director
Age:	61 years
Work Experience:	
Present	Director, Vice President to present Director, Senior Executive Bangkok Bank Public Company Limited Independent Director, BEC- Tero Entertainment Public Company Limited Independent Director, WAVE Entertainment Public Company Limited Director, Teijin Polyester (Thailand) Company Limited Director, Hi-Tech Nittsu Co., Ltd. Director, Thai Industrial Estate Corporation Limited
Education/Training Program:	MBM, Asian Institute of Management, Philippines. AMP, Harvard Business School., U.S.A., 2000 B.Sc.(Economic) with Honours, Thammasat University, Thailand. Diploma, National Defence Course for the Joint State - Private Sectors (Class 9), The National Defence College Certificate of Director Accreditation Program (DAP) year 2004, Thai Institution of Directors Associations (IOD)
Previous record in illegal dealing for the past 10 years:	None
Previous record in wrong doing on misuse of insiders' information and inappropriate connected transaction for the past 2 years:	None
The Company's securities ownership as of 31 December 2011:	0.00%
Family Relationship:	None

### 14. Mr. Somchai Boonnamsiri

Position:	Independent Director
Age:	57 years
Working Experience:	
Nov 07 - present	Chief Executive Officer, Krung Thai Asset Management Plc.
Jun 95 - present	Chairman, Wall Street Tullett Prebon Co., Ltd.
Jan 03 - Jan 08	Director and Member of Audit Committee and Risk Management Committee, Eastern Water Resources Development and Management Plc.
Dec 06 - Sept 07	Advisor and Chairman of Risk Management Committee, Krung Thai Asset Management Plc.
Dec 05 - Jul 07	Director and Member of Audit Committee, Thailand Privilege Card Co., Ltd.
Oct 03 - Nov 06	Chairman, Wall Street Tullett Prebon Securities Co., Ltd.
Jan 03 - Oct 06	Director and Member of Audit Committee & Financial Management Committee, Metropolitan Waterworks Authority
Nov 05 - Sept 06	Advisor to Investment and Risk Management Committee, Thailand Tobacco Monopoly
Education/Training Program:	M.A. Economics, The Victoria University of Manchester, England BSc. (Hons.) Economics, The University of Salford, England Ordinary National Diploma in Business Studies with distinctions City of Bath Technical College, England

Secondary School, Amnuay Silpa, Pranakorn  
Capital Market Academy Class 8,  
Capital Market Academy, Bangkok, Thailand  
Diploma, National Defence Course for the Joint State - Private Sectors (Class 9),  
The National Defence College  
Diploma in Director Certification Program (DCP#59/2005),  
Thai Institute of Directors Association (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information

and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.00%

Family Relationship: None

### 15. Mr.Panithan Tosnaitada

Position: Vice President - Advertising Department

Age: 68 years

Work Experience:

1996 - Present Vice President, Advertising Department, BEC World Plc.

1980 - 1995 Vice President of The Bangkok Entertainment Co., Ltd.

Education/Training Program: Bachelor Degree (Administrative), Winning College, Hong Kong

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information

and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.00%

Family Relationship: None

### 16. Mr.Somrak Narongvichai

Position: Vice President - Production Department

Age: 61 years

Work Experience:

1996 - Present Vice President, Production Department, BEC World Plc.

1991 - 1995 Program Product Manager of The Bangkok Entertainment Co., Ltd.

Education/Training Program: Bachelor Degree (Art-Drama), Chulalongkorn University.

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information

and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.00%

Family Relationship: None

## 17. Mr.Borisut Puranasamriddhi

Position: Vice President - Administration Department

Age: 65 years

Work Experience:

1996 - Present	Vice President - Administration Department, BEC World Plc.
1990 - 1995	Public Relations Manager of The Bangkok Entertainment Co.,Ltd.

Education/Training Program: Bachelor Degree (Journalism), Thammasat University  
The Program for Senior Executives in Criminal Justice Administration  
(Section 4), National Academy of Criminal Justice

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information  
and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.00%

Family Relationship: None

## 18. Mr.Chatchai Thiamtong

The executive officer according the definition of "Executive Officer"

Position: Vice President - Financial Department, Secretary of the Board of Directors  
and Secretary of the Audit Committee

Age: 60 years

Work Experience:

1996 - Present	Vice President - Finance and Secretary of the Board of Directors of BEC World Plc.
1999 - Present	Secretary of the Audit Committee
1999 - 10 April 2001	Independent Director and a member of the Audit Committee of SINGER (Thailand) Plc.
1991 - 1995	Director - SINGER (Thailand) Plc.

Education/Training Program: Bachelor Degree in Accounting, Thammasat University  
Bachelor Degree in Law, Thammasat University  
Directors Training Program: Diploma in Director Certification Program (DCP 63/2005),  
Thai Institution of directors Associations (IOD)

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information  
and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.015%

Family Relationship: None

## 19. Ms. Apinya Kangsanarak Ph.D.

---

Position: Vice President - Human Resource Department

Age: 50 years

### Work Experience:

2002 - Present Vice President - Human Resource Department, BEC World Plc.  
Manager Personal Department, The Bangkok Entertainment Co., Ltd.

1995 - 2002 Senior Vice President Human Resource Development Department  
and Human Resource Management Department of Bangkok Metropolitan Bank Plc.

Education/Training Program: Philosophy of doctor (Higher Education), Chulalongkorn University.

Master of Education, Srinakarintharawitot University.

Bachelor of Science, Mahidol University.

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information  
and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.00%

Family Relationship: None

## 20. Mr. Pisanu Ruangrajitpakorn

---

Position: Vice President - Technology Department

Age: 56 years

### Work Experience:

May 2003 - Present Vice President - Technology Department, BEC World Plc.  
and Managing Director, BEC IT Solution Co.,Ltd.

2000 - April 2003 Assistant Vice President - IT, Samart Corporation Plc.

1996 - 1998 VP, RIS Co., Ltd.

Education/Training Program: Bachelor Degree in Accounting, Chulalongkorn University

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information  
and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.00%

Family Relationship: None

## 21. Mr.Natthrapong Phisitphadhrikul

(registered changing the name from Mr.Noppong Bootkhwan)

Position: Vice President - Internal Audit Office

Age: 46 years

### Work Experience:

Jan.2004 - Present Vice President - Internal Audit Office, BEC World Plc.

Aug.2002 - Dec.2003 Internal Audit Division Manager, Inter Comfort Co., Ltd.

Education/Training Program: M.B.A. Thammasat University

Mini M.B.A. UTCC

B.B.A. (Accounting) Ramkhamhaeng University

Certified Internal Auditor (CIA) No. 30806

Certified Professional Internal Auditor (CPIA) No. 3012

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information

and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.00%

Family Relationship: None

## 22. Mr.Nopphadol Khemayotin

Position: Vice President - Business Development and Investment Department

Age: 45 years

### Work Experience:

Feb.2004 - Present Vice President - Business Development and  
Investment Department, BEC World Plc.

2001 - 2003 Senior Vice President, Investment Department Asset Plus Securities Plc.

Education/Training Program: Certificate of Achievement (Future Market)

Sakura Dellsher Education Program, Chicago, U.S.A (Received Full Academic Scholarship)

Certificate of Laws and Ethics for Fund Management

Association of Investment Management Companies (AIMC) Thailand

Master of Business Administration (M.B.A) in Finance

Western International University, Arizona, U.S.A

Bachelor of Arts (B.A.) in Finance and Banking, Thammasat University, Bangkok, Thailand

Previous record in illegal dealing for the past 10 years: None

Previous record in wrong doing on misuse of insiders' information

and inappropriate connected transaction for the past 2 years: None

The Company's securities ownership as of 31 December 2011: 0.00%

Family Relationship: None

## BEC World's existing Executives and Controlling Parties holding management roles in subsidiaries and related companies as of December 31, 2011

List Name of the Executive and Controlling Parties	BEC World Plc.	Company																										
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1. Mr. Vichai Maleenont	X, //	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//
2. Mr. Prasan Maleenont	//	//	//	//	//	//	//	//	//	//	//	//	//	X, //	//	//	//	//	//	//	//	//	//	//	//	//	//	//
3. Mr. Pravrit Maleenont	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//
4. Mr. Prachum Maleenont	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//
5. Ms. Ratana Maleenont	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//
6. Ms. Nipa Maleenont	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//
7. Ms. Amphorn Maleenont	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//
8. Mrs. Ratchanee Nipatakul	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//	//
9. Mr. Arun Ngamdee	/																											
10. Mr. Prathan Rangsimaporn	/																											
11. Mr. Manit Boonprakob	/																											
12. Mr. Chansak Fuangfu*	/																											
13. Mr. Somchai Boonnamsiri*	/																											
14. Mr. Matthew Kichodhan	/																											
15. Mr. Chatchai Thiamtong	/																											

### Details of Companies stated in the above table

#### Subsidiaries Directly Held by the Company

- Bangkok Entertainment Co., Ltd.
- Rungsirjavanit Co., Ltd.
- New World Production Co., Ltd.
- BEC Broadcasting Center Co., Ltd.
- You & I Corporation Co., Ltd.
- BEC Asset Co., Ltd.
- BEC Studio Co., Ltd.
- BEC International Distribution Co., Ltd.
- BEC News Bureau Co., Ltd.
- Bangkok Television Co., Ltd.
- Bangkok Satellite & Telecommunication Co., Ltd.

#### Subsidiaries Directly Held by BEC-TERO Entertainment Plc.

- Thai Ticket Major Co., Ltd.
- Have A Good Dream Co., Ltd.
- BEC-Tero ComCom Co., Ltd.
- BEC-Tero Scenario Co., Ltd.
- BEC-Tero Sasana Co., Ltd.
- BEC-Tero Radio Co., Ltd.<sup>1</sup>

(Formerly: Virgin BEC-Tero Radio (Thailand) Co., Ltd.)

- IMG BEC-Tero Sports & Entertainment Co., Ltd.<sup>2</sup>

#### Related Companies

- Maleenont Tower Co., Ltd.
- Millionaire Property Fund
- Sport Art Co., Ltd.

#### Remark:

X = Chairman // = Authorized Director / = Director

<sup>1</sup> = registered the change of company name with the Ministry of Commerce on February 3, 2011

<sup>2</sup> = established in August 2011

## Name List of the Executives and Controlling Parties of the Subsidiaries

Name List of the Executives and Controlling Parties	Bangkok Entertainment Co., Ltd.	Rungsirojvanit Co., Ltd.	BEC-Tero Entertainment Plc.	Bangkok Television Co., Ltd.
1. Mr. Chatri Sophonpanich	X			
2. Mr. Vichai Maleenont	//	//		
3. Mr. Prasan Maleenont	//		X//	//
4. Mr. Pravrit Maleenont	//			//
5. Mr. Prachum Maleenont	//		//	//
6. Ms. Ratana Maleenont	//	//		//
7. Ms. Nipa Maleenont	//			
8. Ms. Amphorn Maleenont	//	//		//
9. Mrs. Ratchanee Nipatakusol		//		
10. Mr. Boonyarith Suwanphucksa		/		
11. Dr. Cathleen Maleenont			//	
12. Mr. Brian L. Marcar			//	
13. Mr. Chansak Fuangfu			/	
14. Mr. Pravrit Jitnarapong			/	
15. Dr. Varasak Voraphamorn				/
16. Mr. Manootham Thajai				/

Remark: Subsidiaries mean significant subsidiaries of the Company, i.e., generating revenue over 10% of total revenue in 2011 profit and loss statement.

X = Chairman // = Authorized Director / = Director

# Reference Persons

## SHARE REGISTRAR:

### THAILAND SECURITY DEPOSITORY COMPANY LIMITED

The Stock Exchange of Thailand Building

Office: 62 Rachadapisek Road, Klongtoey, Klongtoey, Bangkok 10110

Call Center: 0-2229-2888

Tel: 0-2596-9000

Fax: 0-2832-4994-5

Website: [www.tsd.co.th](http://www.tsd.co.th)

E-mail: [contact.tsd@set.or.th](mailto:contact.tsd@set.or.th)

## AUDITOR:

Dr.Virach Aphimeteetamrong, CPA# 1378

Mr.Chaiyakorn Aunpitipongsa CPA# 3196

Mr.Apiruk Ati-anuwat CPA# 5202

### DR.VIRACH AND ASSOCIATE OFFICE COMPANY LIMITED

Office: 518/3 Panunee Building, 7<sup>th</sup> Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Tel: 0-2252-2860, 0-2255-2518

Fax: 0-2254-1210

## LEGAL COUNSELORS:

### P&P Law Firm

Office: 3199 Maleenont Tower Building, 22<sup>nd</sup> Floor, Rama IV Road,  
Klongton, Klongtoey, Bangkok 10110

Tel: 0-2665-6150

Fax: 0-2665-6153

Website: [www.paiboon.biz](http://www.paiboon.biz)

E-mail: [pa@paiboon.biz](mailto:pa@paiboon.biz)

## FINANCIAL ADVISOR:

### ASIA PLUS SECURITIES PUBLIC COMPANY LIMITED

Office: 175 Sathorn City Tower, 3/1 Floor, South Sathorn Road,  
Thungmahamek, Sathorn, Bangkok 10120

Tel: 0-2285-1888, 0-2680-1111

Fax: 0-2670-9271

Website: [www.asiaplus.co.th](http://www.asiaplus.co.th)