

The opinions of the Independent Financial Advisor
on the acquisition of assets

Of



Amarin Printing and Publishing Public Company Limited

By



Thanachart Securities Public Company Limited

19 March 2014

This English report of the Independent Financial Advisor's Opinions has been prepared solely for the convenience of foreign shareholders of Amarin Printing and Publishing Public Company Limited and should not be relied upon as the definitive and official document. The Thai language version of the Independent Financial Advisor's Opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.



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TNS. IB. 012/2014

19 March 2014

Subject: Opinion of the Independent Financial Advisor Concerning the Asset Acquisition

To: Shareholders
Amarin Printing and Publishing Public Company Limited

Attachment: 1. Business overview and financial performance of Amarin Printing and Publishing Public Company Limited
2. Business overview and financial performance of Amarin Television Company Limited

Re: 1. Resolution of the Board of Directors' meeting of Amarin Printing and Publishing Public Company Limited No. 1/2014, held on 30 January 2014
2. Information Memorandum on the Asset Acquisition, dated 30 January 2014
3. Letter no. AP. 1036/56 Re: Pre-Qualification Result for Spectrum Licensing for Non-Frequency Business (Subscription-based Television Services) at Local Level, dated 13 December 2013
4. Letter No. AP. 1001/57 Re: Result of Auction for Spectrum Licensing for Non-Frequency Business (Subscription-based Television Services) at Local Level, dated 14 January 2014
5. The Notification of the National Broadcasting and Telecommunication Commission Re: Rules, guidelines and conditions of the bidding of frequencies for terrestrial digital television service, 2012
6. Radio and Television Broadcasting Act, 2008
7. The Notification of the National Broadcasting and Telecommunication Commission Re: Guideline for time-sharing, 2013
8. The Notification of the National Broadcasting and Telecommunication Commission Re: Broadcasting license fee, 2012
9. High Definition Terrestrial Digital Television Network Service Agreement with Royal Thai Army Radio and Television
10. Form 56-1 of Amarin Printing and Publishing Public Company Limited for the year ended December 31, 2011 and 2012



11. Audited financial statements of Amarin Printing and Publishing Public Company Limited for the year ended 31 December 2011 – 2013, and reviewed financial statements for 9-month period ended 30 September 2013
12. Audited financial statements of Amarin Television Company Limited for the year ended 31 December 2012 and 2013, and reviewed financial statements for 9-month period ended 30 September 2013
13. Company Affidavit, Memorandum of Association, and other documents, including interviews with the management of Amarin Printing and Publishing Public Company Limited, Amarin Television Company Limited, and related parties

- Disclaimers:
1. The study results of Thanachart Securities Public Company Limited (“TNS” or “Independent Financial Advisor” or “IFA”) in this report were based on information and assumptions provided by the management of Amarin Printing and Publishing Public Company Limited and Amarin Television Company Limited as well as the information of the Company disclosed to the public on the websites of the Securities and Exchange Commission (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th)
 2. TNS shall not be responsible for the profits or the losses, and any impacts resulting from this transaction
 3. TNS conducted the study with knowledge, skills, and cautiousness on the basis of the professional ethics
 4. TNS considers and provides opinion based on the situation and information at the present time. If such situation and information have been changed significantly, the study results in this report may be affected.

The Board of Directors’ Meeting No. 1/2014 of Amarin Printing and Publishing Public Company Limited (“the Company” or “AMARIN”), held on 30 January 2014, has passed a resolution to propose the annual shareholders’ meeting for the year 2014, to be held on 18 April 2014, to consider and ratify the acquisition of High-Definition Terrestrial Digital Television Variety Channel License (“the License”) acquired by Amarin Television Company Limited (“the Subsidiary” or “Amarin Television” or “ATV”), a subsidiary in which the Company holds 99.99% of its total shares, from a bid winning with bidding price of 3,320,000,000 Baht (VAT



excluded), the fulfillment of pre-conditions according to the Notification of the National Broadcasting and Telecommunication Commission (“NBTC”) - entering into High Definition Terrestrial Digital Television Network Service Agreement (“the Network Service Agreement”) with Royal Thai Army Radio and Television for the period of 14 years and 5 months, totaling service fee of 2,449,680,000 Baht (VAT excluded); as well as the expected additional investments in television business for studio building and equipment procurement of approximately 100,000,000 Baht, totaling transaction value of 5,869,680,000 Baht (“the Transaction”). The transaction is considered the acquisition of assets according to the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004, with the highest value of transaction size at the time the Board of Directors approved the transaction, calculated on the consolidated financial statements for the period ended 30 September 2013, of 230.47% from the total consideration paid. However, the highest value of the transaction size calculated on the latest financial statements for the year ended 31 December 2013 is 232.24% from total consideration paid. As the transaction size exceeds 100%, the Transaction is considered as Class 4 Transaction and the Company is required to report and disclose the information memorandum on the acquisition of assets to the SET and convene a shareholders’ meeting to seek approval for entering into the transaction.

Pursuant to the meeting of the board of directors no. 1/2014 held on January 30th, 2014, the board of directors has approved to proceed to fulfill the preconditions according to the Notification of NBTC where Amarin Television is required to pay the first installment of the licensing fee within 30 days upon receiving written notification of the bidding result and enter into the Network Service Agreement with the Royal Thai Army Radio and Television before the shareholders approved the Transaction. Nevertheless, the Company will propose the details of the Transaction in the annual general shareholders’ meeting for the year 2014 to consider and ratify the Transaction.

However, the acquired assets are in similar line of business or mutually supporting businesses to the Company. The Company has no policy to make a major change in its main business after the acquisition. The enlarge group resulting from the acquisition of assets has suitable qualifications for listing with the SET. There will be no material change in the composition of board of directors, the power to control or the controlling



shareholders of the Company. As a result, the transaction follows Clause 24 of the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004, the Company is exempted from filing a new listing application to the SET. In addition, the transaction is not considered as connected transaction according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551, Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003.

In this regards, the Board of Directors' Meeting of AMARIN has appointed Thanachart Securities Public Company Limited ("TNS" or "Independent Financial Advisor" or "IFA") to express an opinion on rationality of the transaction and fairness of the price to the shareholders of the Company.

TNS, as a Securities and Exchange Commission approved financial advisor and is independent from the Company, has studied the information regarding this Transaction from the audited and/or reviewed consolidated financial statements of the Company, company affidavit, shareholder list, article of association, memorandum of association, information memorandum, summary of agreements related to the Transaction, information and other supporting documents, assumptions received from the Company as well as the information from the interview of executives and management of AMARIN and ATV, industry overview and relevant economic factors. TNS has studied the information pertaining to the Asset Acquisition, which can be summarized as follows.



Abbreviation	
“The Company” or “AMARIN”	Amarin Printing and Publishing Public Company Limited
“The Subsidiary” or “Amarin Television” or “ATV”	Amarin Television Company Limited
“Digital TV Business” or “the Project”	Digital television business
“The License”	The High-Definition Terrestrial Digital Television Variety Channel License
“The Bid”	The Bidding of the Frequencies for Digital Television Business License
“The NBTC”	The National Broadcasting and Telecommunication Commission
“Independent Financial Advisor” or “IFA” or “TNS”	Thanachart Securities Public Company Limited
“SEC”	The Securities and Exchange Commission
“SET”	The Stock Exchange of Thailand
“the Transaction”	The assets acquisition transaction
“Network Service Agreement” or “Service Agreement”	High Definition Terrestrial Digital Television Network Service Agreement
“RTA”	Royal Thai Army Radio and Television



1. The Executive Summary

The meeting of the Board of Directors no. 1/2014 of Amarin Printing and Publishing Public Company Limited (the “**Company**”) on January 30, 2014, passed a resolution approving the proposal to the Annual General Meeting of shareholder 2014 on April 18, 2014 to consider and ratify the participation in acquisition of the license to use allocated frequencies for national commercial digital television service (the “**License**”) by Amarin Television Company Limited (“**ATV**”), a subsidiary in which the Company holds approximately 99.99% won the auction for the License with 3,320,000,000 baht (excluding VAT) and the fulfillment of preconditions to be granted the License pursuant to the Notification of the National Broadcasting and Telecommunications Commission (the “**NBTC**”) that make ATV has entered into the High Definition Terrestrial Digital Television Network Service Agreement (the “**Network Service Agreement**” or “**Service agreement**”) with the Royal Thai Army (“**RTA**”) for a total fee of approximately Bath 2,449,680,000 (excluding VAT) throughout the agreement term of 14 years and 5 months including the estimated additional investment for television business, studio construction and equipment purchase for the Company’s operation support of approximately 100,000,000 baht. The summation of this transaction is totally 5,869,680,000 baht.

As per the meeting of the Board of Directors no.1/2014 on January 30, 2014, the Board of Director had the resolution to appoint Thanachart Securities Public Company Limited as the independent financial advisor to provide opinions regarding the fair price and reasonability of entering into the transaction to the shareholders of the Company.

Thanachart Securities Public Company Limited (“**TNS**” or “**Independent Financial Advisor**” of “**IFA**”), as qualified Financial Advisor under the supervision of The Securities and Exchange Commission (the “**SEC**”) and independent from the Company has determined the objectives and necessities for this transaction, considered potential benefit, impact and potential risk as well as the feasibility of the project, and concluded an opinion that the Company will benefit and gain more business opportunity at acceptable level of risk. Therefore, the Transaction is reasonable with the detail summarized as follows;

The main objective of this Transaction is to stable the growth of the Company. As the Company’s printing and publishing business were having a constant growth for a long time due to change of technology that affects consumer’s behavior, the Company’s growth is quite limited if it continues operating only those businesses.



The Transaction will create more opportunities to generate revenues and enhance the company's competitive advantages. There are also risks associated with the growth of advertising industry and its market share, since the main stream of revenues of television business is from advertising. There are also risks associated with large amount of investment in this Project. However, the Company has received a financial support from a financial institution as a source of fund for the Project.

After considering the fairness of the price and the conditions of the Transaction, IFA has reviewed and analyzed the issues into 2 parts as follows:

1. The fairness of the price of the acquired assets which includes the License fee, the network service fee and the expected investment budget. As the License fee is the final bidding price of the Company, the price of the License is considered as a fair price. For the network service fee, the NBTC has approved the service fee for every operators where the fees are slightly different for each operators due to the difference in quality of service and equipment, therefore, the network service fee is considered as a fair price. In this regards, IFA concludes that the conditions of the Transaction is reasonable.
2. Regarding the feasibility of the Project, IFA has taken into account the economic factors, the industry condition, Company's audited consolidated financial statements as well as internal information and information from the interview of management of the Company etc., to form the assumptions for financial projections of the digital TV business for the period of 15 years (From 1 June 2014 to 31 May 2029) and analyse the feasibility of the Project with the following methods:
 - 2.1. Net Present Value Method (NPV)
 - 2.2. Internal Rate of Return Method (IRR)
 - 2.3. Payback Period Method (Payback Period)

The feasibility results from 3 methods can be summarized as follows:

Evaluation Method		Result
1.	Net Present Value : NPV	826.30 million Baht
2.	Internal Rate of Return : IRR	14.50%
3.	Payback Period	9 years and 3 months



1. **The Net Present Value** equals to 826.30 million Baht, since the NPV is greater than zero, the Project is considered feasible as it will generate additional cash flows for the Company.

2. **Internal Rate of Return** equals to 14.50% which is higher than the Company's weighted average cost of capital of 10.30%. As a result, the Project is good for investment.

3. **Payback Period** is approximately 9 years and 3 months which falls the project period.

From the above results, the Transaction is considered reasonable and IFA has an opinion that the shareholders should approve the Transaction.

The shareholders should study the information attached to this meeting invitation letter before making a vote, where the approval of the Transaction depends solely on shareholders' discretion.

TNS, as an IFA hereby certifies that the opinions stated above have prudently been provided under the professional standards and principals with due regard to the shareholders' benefits.

The details of the opinion of the IFA can be summarized as follows:



2. General Information of the Transaction

2.1 Characteristics and details of the transaction

2.1.1 Transaction Date

13 January 2014

2.1.2 Relevant Parties and their Relationships to the Company

2.1.2.1 The Auction and Acquisition of the License

Licensor: Amarin Television Company Limited, a subsidiary of the Company in which it holds 99.99% of its total shares

Licensee: The National Broadcasting and Telecommunication Commission (“NBTC”)

Relationship: None

2.1.2.2 The High Definition Terrestrial Digital Television Network Service Agreement

Subscriber: Amarin Television Company Limited, a subsidiary of the Company in which it holds 99.99% of its total shares

Service Provider: The Royal Thai Army Radio and Television

Relationship: None

2.1.2.3 Additional Investment in Television Business

Company: Amarin Television Company Limited, a subsidiary of the Company in which it holds 99.99% of its total shares

Relevant Parties: Several trading partners

Relationship: None

2.1.3 Details of the Acquired Assets

- 1) The license and the right to use allocated frequencies for national commercial digital television services, high-definition variety channel, for a period of 15 years from the date the license is received

Amarin Television won the auction with the bid price of 3,320,000,000 Baht (VAT excluded) and is required to pay the license fee according to the Notification of NBTC Re: Criteria, Procedures and Conditions on the Auction for Allocated Frequencies for National Commercial Digital Television Services B.E. 2013 as follows:



No. of Installment	Payment Period	Licensing Fee*				
		Minimum Price		Surplus		Total Licensing Fee
		%	Baht	%	Baht	
1	Within 30 days upon receiving written notification of the bidding result	50%	755,000,000	10%	181,000,000	936,000,000
2	Within 30 days from the completion of 1 year of licensing	30%	453,000,000	10%	181,000,000	634,000,000
3	Within 30 days from the completion of 2 years of licensing	10%	151,000,000	20%	362,000,000	513,000,000
4	Within 30 days from the completion of 3 years of licensing	10%	151,000,000	20%	362,000,000	513,000,000
5	Within 30 days from the completion of 4 years of licensing	-	-	20%	362,000,000	362,000,000
6	Within 30 days from the completion of 5 years of licensing	-	-	20%	362,000,000	362,000,000
	Total Licensing Fee	100%	1,510,000,000	100%	1,810,000,000	3,320,000,000

* Remark: Licensing fee excludes VAT, other fees and interest stipulated by law.

Condition before granting the License

The bidding winners have to fulfill the following conditions before granting license:

1. Pay the first installment of license fee
2. Apply for the use of television network with the digital television network licensee within 30 days after receiving the notification of bidding winner
3. Fulfill the Notification of NBTC regarding guidelines and procedures of broadcasting permission within 45 days after receiving the notification of bidding winner

In case that the bidding winner does not fulfill these conditions within the specified period, the winner is deemed to be disclaimed and cannot reclaim any fees previously occurred.

License granting

Once the bidding winner has fulfilled all conditions before granting license, the commission will issue the license according to the Notification of NBTC regarding guidelines and procedures of digital television servicing permission and guidelines and procedures of broadcasting permission.



Scopes and conditions of the License

1. The licensee can share the same frequency with other licensees by using the network of the digital television network licensee.
2. The License is valid for 15 years from the date of receiving the License.
3. The licensee shall pay the licensing fee, other fees and annual fee for the broadcasting and telecommunication research and development fund for public interest according to the relevant notification of NBTC.
4. The licensee shall comply with the scopes and conditions set in the notification of NBTC
5. The licensee shall set up an effective complaint mechanism as set by the NBTC
6. The licensee shall provide an appropriate service for disables, elderly or disadvantaged people to equally access, aware and utilize as normal people
7. The licensee shall establish a system to monitor contents and program schedule as set by the NBTC
8. The licensee must have a self-regulatory process to be effective under the standards of ethical conduct and social responsibility.
9. Licensee shall plan the duty of the operator in the event of a disaster or emergency declared by the NBTC and inform the NBTC within 30 days from the date of receiving the license.
10. Licensee must comply with the rules on mergers, holding in the same business, cross-media ownership or the dominance of broadcasting business between licensees, mass media or any other person as set by the NBTC.

Summary of guidelines for preparation of broadcasting schedule according to the notification of NBTC

1. The licensee is required to organize the program schedule according to the type of license according to the notification of NBTC.
2. The licensee is required to organize the program schedule with news or knowledgeable contents not less than 25 percent of total contents and in-house production contents not less than 50 percent of total airing time.
3. The licensee is required to air contents for society wellness or kids at least 60 minutes per day between 04.00 – 06.00 p.m. every day and between 07.00 – 09.00 a.m. on weekends. During 06.00 – 10.00 p.m., there are large numbers of viewers where kids and youths are viewing, therefore, the contents airing during the time should be appropriate and should not be harmful to kids' mind, emotion and society. However, the NBTC shall notify the change of the proportion and airing period for those contents as appropriate.



4. The licensee shall organize the program schedule in accordance with the level of programs as well as arrange the airing period according to the type of programs. If necessary, the NBTC may notify to air some types of programs in any other specified period additionally.
5. The licensee is required to air the following programs:
 - (1) Thai National Anthem, airing every day, twice a day at 08.00 a.m. and 06.00 p.m.
 - (2) Royal affairs and agendas, airing every day from 07.00 – 08.30 p.m.
6. The licensee shall provide service to promote and protect the rights of disables and disadvantaged people in order for them to access, recognize and utilize the broadcasting programs as normal people. The licensee may arrange full-time reading programs or programs with sign language, running text, voice description or any other format for disables and disadvantaged people to access news contents at least 60 minutes per day.
7. In order to protect kids and youths, the licensee shall organize program schedule in accordance with the level of programs and arrange the airing period according to the appropriateness of each type of programs as follow:
 - (a) Programs rated Nor13 are not allowed to air before 08.30 p.m. of every day and can be aired until 05.00 a.m. of the next day.
 - (b) Programs rated Nor18 or other programs with the characteristics specified by the NBTC are not allowed to air before 10.00 p.m. of every day and can be aired until 05.00 a.m. of the next day.
 - (c) Programs rated Chor is not allowed to air before 12.00 a.m. of every day and can be aired until 05.00 a.m. of the next day.
8. The licensee is required to arrange and present the program schedule and proportion of program for each type of license to the NBTC at least 15 days before the airing date.

The licensee shall arrange and present the main program schedule to the NBTC at least once a year and at least 15 days before the airing date.
9. In case that the NBTC or the authorized persons sees that the program schedule of the licensee does not comply with the guidelines set by the NBTC and should be corrected, the licensee shall correct the program schedule within 7 days after the date informed by the authorized person or other persons set by the NBTC.
10. To change the program schedule that is already approved by the NBTC, the licensee shall submit the new program schedule and supporting documents to the NBTC at least 7 days before the changing date.



In this regards, ATV has already fulfilled all conditions before granting the License and is under the process of license issuance from the NBTC.

- 2) The right to use the high-definition terrestrial digital television network service according to the Network Service Agreement with the Royal Thai Army Radio and Television for a period of 14 years 5 months from 17 January 2014 to 31 May 2028 (“Network Service”)

According to the Network Service Agreement, Amarin Television is required to pay monthly the service fee of 14,160,000 Baht per month (VAT excluded), totaling of 2,449,680,000 Baht, given that the Royal Thai Army Radio and Television completes installing all network stations set by the NBTC. In the case that the Royal Thai Army Radio and Television has not completed installing network stations in some areas, the service fee will be collected only for the areas where network stations are completely installed. The service fee has to be paid at least 30 days in advance before the airing date.

- 3) The assets that Amarin Television expected to invest additionally for television business

Amarin Television expects additional investments for studio building and equipment procurement for digital television business of approximately 100,000,000 Baht, which is under the process. The investment details are as follows:

Investment Details	Approximated Cost (million Baht)
1. Studio and studio system	30
2. Cameras, editing equipment, broadcasting equipment and other relevant equipment	70
Total Investment Cost	100

After receiving the License, entering into the Network Service Agreement and additional investments, Amarin Television will provide high-definition digital television channel airing types of contents in proportion according to the rules and regulations set by the notifications of NBTC and relevant laws.



2.2 Type and size of the Transaction

The transaction is considered the acquisition of assets according to the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 with the transaction size calculated in details as follows:

Calculating Method	Calculation	Transaction Size (Percentage)
1. Net tangible asset – NTA	$\frac{\% \times \text{NTA of the acquired assets}}{\text{NTA of AMARIN}} \times 100\%$	N.A.
2. Net Profit	$\frac{\% \times \text{Net profit of the acquired assets}}{\text{Net income of AMARIN}} \times 100$	N.A.
3. Total Consideration	$\frac{\text{Total consideration}}{\text{Total assets of AMARIN}} \times 100$	232.24
4. Equity Value	$\frac{\text{No. of shares issued as payment for assets}}{\text{No. of issued and paid-up shares of AMARIN}} \times 100$	N.A.

Remark: The transaction size is calculated using audited consolidated financial statements of the Company for the year ended 31 December 2013.

According to the transaction size calculation table above, the highest value of the transaction size calculated on the latest financial statements for the year ended 31 December 2013 is 232.24% from total consideration paid method which is considered as Class 4 Transaction according to the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004. However, the acquired assets are in similar line of business or mutually supporting businesses to the Company. The Company has no policy to make a major change in its main business after the acquisition. The enlarge group resulting from the acquisition of assets has suitable qualifications for listing with the SET. There will be no material change in the composition of board of directors, the power to control or the controlling shareholders of the Company. As a result, the transaction follows Clause 24 of the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004, the Company is exempted from filing a new listing application to the SET but the Company is still required to report



and disclose the information memorandum on the acquisition of assets to the SET and convene a shareholders' meeting to seek approval for entering into the transaction. The shareholders' meeting invitation and the opinion of independent financial advisor regarding the acquisition of assets have to be sent to the shareholders at least 14 days before the meeting date. The resolution to approve the transaction has to receive not less than $\frac{3}{4}$ of total votes from the shareholders attending the meeting and having voting rights, excluding the shareholders that have conflict of interest for the Transaction. However, this Transaction has no shareholders that have conflict of interest who cannot vote for the Transaction.

2.3 Sources of fund

The sources of fund used for the Transaction are the working capital of the Company and its subsidiaries and long-term loan from financial institutions. The Company and its subsidiaries have net working capital from operation approximately 400 million Baht per year. Other than that, they will use long-term loan from financial institution with loan covenants for AMARIN to maintain D/E ratio not over 2 times and DSCR not lower than 1.8 times, both on consolidated basis. However, the conditions of the loan from financial institutions do not affect the rights of the shareholders.

2.4 Information of Amarin Printing and Publishing Public Company Limited as in Appendix 1 of this independent financial advisor report.

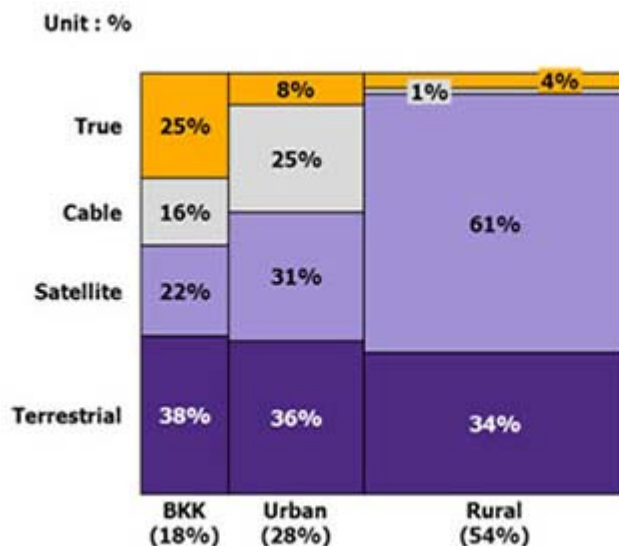
2.5 Information of Amarin Television Company Limited as in Appendix 2 of this independent financial advisor report.

2.6 Digital TV Industry Overview

After the license auction, TV industry will have more competitors from 6 channels in current analog system to 48 channels in upcoming digital system. The research from Siam Commercial Bank Pcl's Economic Intelligence Center indicates that Thailand's cable and satellite installations (including True vision) grew drastically from merely 20% of total households with installations in 2008 to 64% of total households in 2012, or an average growth of 40% per annum. There are 3 growth drivers for cable and satellite TV installations which are the demand for better viewing and sound quality, the demand for a variety of channels and the cheaper installation costs. However, the viewer still prefer to watch free channels, especially channel 3 and 7 together gained market share of 51%.



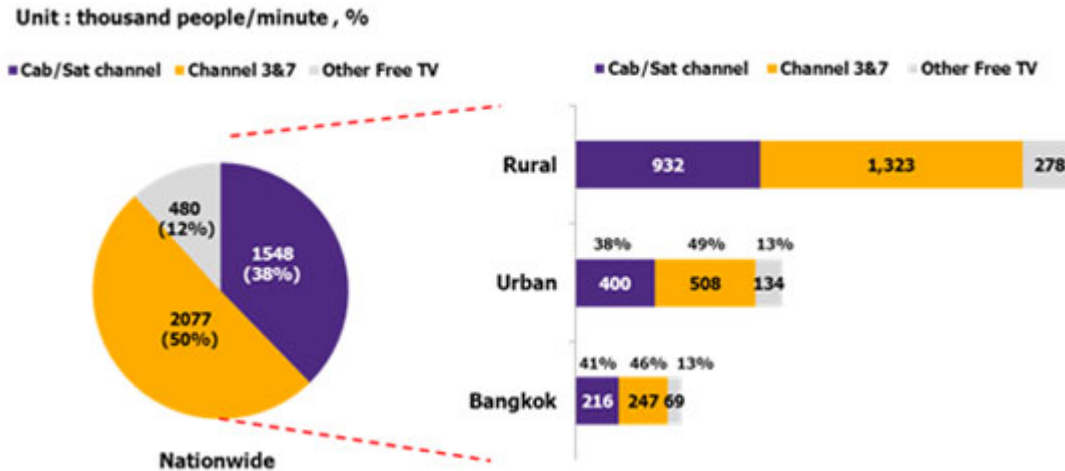
Proportion of TV platforms households accessed in 2012 classified by viewing area



Source: EIC analysis based on data from AGB Nielsen Media Research.

Volume and proportion of viewership of different types of channels during a 1 day period classified by area

(Data retrieved: 9-15 September 2013)



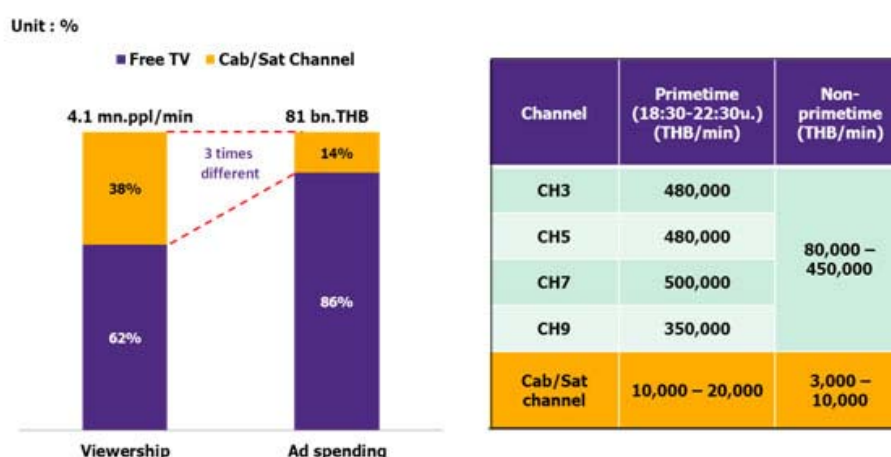
Source: EIC analysis based on data from AGB Nielsen Media Research.

Due to major preference on free channels, products and services that need advertisement to still advertise via free TV. Consumer consumption trends hence give free TV operators higher bargaining power for advertisement fees, whereby the current advertisement fee free TV channels are charging higher than that of the alternative channels. Therefore, most of the advertisement revenue is clustered with free TV operators. When



considering the amount of viewership during non-prime time, the viewership for free TV and alternative TV channels are similar, some alternative TV channels even have higher viewership for instance music or movie channels such as NBT and TPBS. Although, during prime-time from 6.30 - 10.30 pm, the viewership for alternative channels will usually be 2 times lower than free TV channels but still gains a high market share of 38% which is not in line with their revenue market share that is only at 14%, or 3 times lower than the viewership market share as per the graph and table below.

Distribution of advertisement revenue comparing viewership portion and advertisement fee of free TV and alternative TV channels



Source: EIC analysis based on data from AGB Nielsen Media Research.

In this condition, the creation of digital TV will change the competitive landscape of TV media, from being monopolized by the existing 6 free TV operators to a more liberalized market with 48 new clearly-categorized channels to choose from, allowing advertisers to more accurately choose advertisement times and channels, which fits their target group. Moreover, the digital TV system will have a more precise rating system creating more reliability for advertisers. As a result, advertisement revenues are expected to be more equally distributed in the digital TV system. Therefore, the creation of the digital TV is both a risk and an opportunity for alternative TV operators, whereby operators would need to adjust in order to prepare for changes that would occur. Adjustments that should be made are for example, developing on-air systems, improving content quality, adding new services to attract viewers, and finding other revenue sources to replace revenue that could be lost from fiercer competition in the future.



3. The reasonableness of the transaction

3.1 The Objective and necessity of the transaction

Amarin Television Company Limited, a subsidiary of Amarin Printing and Publishing Public Company Limited, operates television business broadcasting through satellite under “AMARIN activ TV” channel and produces television contents for free TV channels. The characteristic of the contents are referred from the contents of magazines and books that the Company produced and distributed for more than 36 years. The contents produced are considered as Edutainment contents which provide knowledgeable information along with entertainment. Due to the fact that existing businesses of the Company, advertising business and printing business, are stabilized and mature with large and strong customer base, the Company foresees the opportunity to expand the business in to fields that support, strengthen and add value to existing businesses as well as to expand new customer base in order to increase the Company's competitiveness. Hence, ATV entered into the Bidding of the License to operate television business and produce contents for free TV channel broadcasting where everyone can view quality contents as opposed to satellite channels, to be used as a media to advertise other businesses of the Company, and to create new choice for viewers who demand information and entertainment at the same time.

As Amarin Television operated satellite TV since November 2012 which broadcasting on Amarin activ TV channel for niche market. After the Company won the auction digital license in high definition since December 2013, the Company ceases the operation on satellite TV around January 2014 for preparing digital TV broadcast. This channel is free TV which take into wider viewer that make currently content of the Company on digital TV different from satellite TV to meet the requirement for target group. Amarin television's digital TV operated under the concept of “Fulfill the Imagination” presents about entertainment and information at the same time which consist of 3 categories 1. news and world's informative 2. variety lifestyle such as house, food and health care 3. variety entertainment such as plays, series, movies and shows. For contents that the Company has own production are lifestyle and news. In part of purchasing license to broadcasting such as show, series which had target group is family.



3.2 Benefits of the Transaction

➤ Diversifying risks from existing businesses

Due to the change in technology ie. Smartphones and tablets, the consumer's preference for printing media has been shifted towards e-magazine and e-book which is more convenient and easy to keep. As a result, the Company's printing business, which contributes most of the revenues from printing and distribution of magazines and books as well as advertising, will be affected in the long-term. The Company has to adapt the business strategy by creating new businesses through the License in order to diversify the risk from existing businesses. The digital television business is another channel to reach the consumers which increases the opportunity to create more revenues from advertising as well as the Company's future financial performance.

➤ Creating more value to the Company

Entering into the Transaction is the creation of new business line for the Company, which is still related to existing businesses as the Company can utilize the concepts from magazines or fairs, ie. Baan Lae Suan Fair, Health, Cuisine & Beauty Festival etc., and the equipment previously used in satellite TV business to create new TV contents for viewers. In addition, the digital TV business will be another way to widely promote Company's businesses which will create more recognition and other business opportunities in the future.

➤ Increasing the competitiveness of the Company

Television is considered as the most effective media to reach large number of the consumers. By entering into the transaction, the Company will have every type of media on hand including television, magazines, books and fairs, which can reach to more number of consumers and increase the Company's competitiveness to provide variety of choices for the customers. In addition, the Company's printing business is widely recognized and stable and is known for long business experience which results in a strong and consistent customer base as well as a competitive advantage over other competitors.

➤ Being an opportunity to reach new group of customers

Under this new free TV business, which is the most effective media to reach to general viewers, the Company can make use of this media to advertise other businesses of the Company such as magazines, books



or fairs business etc., to promote those businesses for more recognition as well as to create an opportunity to reach new group of customers in order to expand the customer base.

➤ Increasing the opportunity to create revenues and profits in future

The transaction will increase the business opportunity for the Company in creating more revenues from advertising resulting from that fact that the Company has full range of media including printing media, magazines and television, which is more convenient for the customers to choose in order to advertise their products to the direct targets as being the Company's competitive advantage. As the Transaction will promote the Company's existing businesses and expand the customer base, it is expected that the Transaction will create more revenues and profits for the Company in the future.

3.3 Impact to the Company from the Transaction

➤ Increasing of liabilities and leverage ratio due to the sourcing of capital for the Transaction

According to the fact that ATV won the bidding of the license with the bidding price of 3,320,000,000 Baht (VAT excluded) and according to the Notification of the NBTC Re: Criteria, Procedures and Conditions on the Auction for Allocated Frequencies for National Commercial Digital Television Service B.E. 2013 that requires ATV to enter into the Network Service Agreement with the Royal Thai Army Radio and Television where ATV is required to pay the service fee of 14,160,000 Baht per month (VAT excluded), ATV has the obligation to pay these fees related to the TV business operation. In this regards, ATV has entered into a loan agreement with a financial institution, which specified a debt covenant on the Company.

However, the Company has a strong financial position as shown by debt to equity ratio of the consolidated financial statements for the year ended 31 December 2011, 2012 and 2013 of 0.26, 0.24 and 0.23, respectively, with no long-term debt incurred in the past, as well as the ability of company to generate consistent profits. As a result, the Company is expected to be able to comply with the debt covenant specified by the financial institution.

➤ The capability of dividend payment

As this Transaction requires large amount of investment and the Company may not be able to generate profits from digital television business in the first few years, the Company's capability for dividend may decrease



in short-term. However, the shareholders will have an opportunity to receive a higher dividend yield in the future when the digital television business generates profits and excess liquidity.

3.4 Risk from the transaction

➤ Risk from the fact that the Transaction requires large amount of investment

As the Transaction requires large amount of investment to fund the license fee, network service fee as well as studios and equipment, the success of this Project has a significant impact on the Company's financial performance as a whole. However, the Transaction will create more value to the Company as well as strengthen the Company's position in the long run. As evidence, the Company received a financial support from a financial institution for investment and working capital.

➤ Risk from the growth of advertising business and the market share

As the revenue of digital television business is mainly from advertising, the main risk factor of this business is related to the growth rate of advertising budget of both private companies and government's departments which depends on various factors such as domestic purchasing power, economic condition and market competition. In 2014, the advertising business is expected to grow approximately 6 billion Baht or 5% (Source: TNS's research, 8 January 2014). In the past, there are only 4 major players in the television industry which are Channel 3, 5, 7 and 9. With the notification of the NBTC that limits the number of advertising minutes in each day, the number of product owners that have access to advertise their products through TV media is quite limited associated with a high advertising costs. After the bidding of the License, there will be more players entering into this business, allowing more companies, both newcomers and existing business es, to access the TV media to directly reach their consumers

The License Bidding creates a number of new players in the market with approximately 24 new channels which will change the competition in TV industry that was monopoly into a more liberalized competition. As the number of advertising minutes will be increased by 6 times, the averaged advertising fee may decrease and may be lower than the current advertising fee on analog TV channels. With a larger number of viewers and a more variety of contents, the rating system of the program will be improved and will increase the advertising budget through TV media to grow 10 – 15% during 2014 – 2018 (Source: CIMB's research, dated 15 November 2013)



According to the industry's trend, the Company foresees an opportunity to create more revenues from advertising from the companies that could not access TV media for advertising. With the competitive advantage on variety of media and large customer base, the Company is expected to gain customers' reliability to advertise their products through ATV's TV channel.

➤ Business continuity risk

The Company concerns about business continuity especially the business operation which may be affected from uncertainties such as natural disaster, human, technology or even epidemic, computer system failure, demonstration, riots and new laws and regulations etc., where the Company cannot continue the operation and/or the Company's performance will be affected.

➤ Interest rate risk

As part of ATV's source of fund is from financial institution, the fluctuation of interest rate may affect finance cost of the Company. However, the Company has set the cash management policy to be in accordance with the business operation in order to reduce risks and financial costs. The Company has no policy to hold or issue any other financial instruments for speculation or trading that are not in line with the Company's businesses.



4. Opinion of Independent Financial Advisor

Independent Financial Advisor has reviewed and analyzed the reasonableness of the conditions for the transaction in 2 parts as follows;

1. The fairness of the price of the asset acquired consisting of License fee, network service fee and investment budget for capital expenditure to be used in business operation.

2. The feasibility of the Project, IFA has taken into account the economic factors, the industry condition, Company's audited consolidated financial statements as well as internal information and information from the interview of management of the Company etc., to form the assumptions for financial projections of the digital TV business for the period of 15 years (From 1 June 2014 to 31 May 2029) and analyze the feasibility of the Project with the following methods:

1. Net Present Value Method (NPV)
2. Internal Rate of Return Method (IRR)
3. Payback Period Method (Payback Period)

4.1 The fairness of the price and the reasonableness of the conditions of the transaction

Based on the Auction for Allocated Frequencies for Commercial Digital Television Service by NBTC that allowed interested parties to submit the application for the License where the NBTC considered the qualification of the bidders, ATV received a letter notified as a qualified bidder who is able to join the bid of the License, dated 13 December 2013. The Notification of the NBTC Re:Criteria, Procedures and Conditions on the Auction for Allocated Frequencies for National Commercial Digital Television Service B.E. 2013 clearly specifies the minimum bid price, the starting bid price, the incremental of next bid price, and conditions of the bid for each license type. There are 7 licenses offered for High Definition category with minimum bid price of 1,510,000,000 Baht and the incremental of the next bid of 10,000,000 Baht.

On January 14, 2014, ATV received a letter notified as a bid winner with the final bidding price of 3,320,000,000 Baht (VAT excluded). The list of the bid winners' is as follows;



	Bid Winning Company	Bid Price (Baht)
1.	BEC-Multimedia Company Limited	3,530,000,000
2.	Bangkok Media and Broadcasting Company Limited	3,460,000,000
3.	Bangkok Broadcasting & TV Company Limited	3,370,000,000
4.	Triple V Broadcast Company Limited	3,360,000,000
5.	MCOT Public Company Limited	3,340,000,000
6.	Amarin Television Company Limited	3,320,000,000
7.	GMM HD Digital TV Company Limited	3,320,000,000

Source: Resolution of the National Telecommunications Commission dated January 6, 2014

As the price of the License is the result of the bidding process, the License fee that the Company has to pay is considered as a fair price.

The fulfillment of the pre-conditions specified by the NBTC where the bid winners has to apply for network service with a network service licensee within 30 days from the date receiving the letter notified the bid winning. The NBTC has approved the network service fee for each operator where the fees for each of them are slightly different due to the difference of service and equipment quality as well as the cost associated with the building of network infrastructure. The price of each operator can be summarized as follows:

Network Service Operator	Service fee (Baht per Channel per Month)
1. Thai Public Broadcasting Service	13,810,000
2. The Government Public Relations Department	13,950,000
3. Royal Thai Army Radio and Television	14,160,000
4. MCOT Public Company Limited	14,280,000

Source: Resolution of the National Telecommunications Commission, dated October 14, 2013

According to the Resolution of the NBTC, the network service fee is considered as a fair price. ATV has entered into the Network Service Agreement with the Royal Thai Army Radio and Television (“RTA”) as the quality of service and equipment as well as the network system of RTA is reliable. The monthly network service fee of RTA is 14,160,000 Baht (excluding VAT).



In addition, ATV also estimates the investment for the construction of studios and the procurement of equipment related to the production and broadcasting of approximately 100,000,000 Baht to support the business operation and working capital.

4.2 Project Feasibility

4.2.1 Net Present Value Method

Independent Financial Advisor uses net present value method to determine the feasibility of digital television business. Under this method, the future of company's operation is concerned by computing free cash flows from operation that the Company can generate in the future base assumptions. This financial forecast is based on numbers of assumptions such as going concern basis, no significant change, economic stability, current management team, and not taken into account the future changes of business plan by the Company.

IFA has developed assumptions and financial projections by projecting the financial performance for digital TV business under the management of ATV for 15 years (from 1 June 2014 to 31 May 2029) with the reference from ATV's past financial performance including audited consolidated and separated financial statements, the information from the interview of managements and other related agreements received from the Company i.e. Office rental agreement. Network Service Agreement etc. as well as the relevant notifications of the NBTC.

The assumption in this financial forecast was prepared under current economic condition. If the condition has changed significantly from the assumption, the net present value will be affected.

IFA calculated NPV using free cash flows of the Project for the period of 15 years according to the validity of the License. The significant assumptions used in this financial forecast are as follows;

The significant assumptions used in the forecast

1. Revenue assumptions of the Company consist of 2 parts which are advertising revenue and revenue from allocating time to other operators. The time allocation are as in the table below:

Assumption of operating hours	No. of hour per day	Note
1. First-Run		
Year 2014 to 2018	13	Base for advertising revenue calculation
Year 2019 to 2029	15	Base for advertising revenue calculation



Assumption of operating hours	No. of hour per day	Note
2. Re-Run		
Year 2014 to 2018	8	Not included in revenue calculation *
Year 2019 to 2029	6	Not included in revenue calculation *
3. Time allocated to others		
Year 2014 to 2018	3	Base for the calculation of revenue from allocating time to other operators
Year 2019 to 2029	3	
Total	24	

Note: *Due to the fact that this assumption is the estimated revenue with the conservative therefore number of re-run hours did not including as the base of revenue of the Company.

1.1 Advertising revenue

Advertising revenue is computed from “number of available time for sale in first run X average advertising minutes per day (10 minutes per day) X number of days in a year (360 days) x average occupancy for the year X net advertising rate per minute” The detail are as follow;

Note: The Act of Broadcasting's operation B.E. 2008 limits the advertising minutes of not over than 12.5 minutes per hour and the daily-averaged advertising minutes of not over than 10 minutes per hour.

Definition

➤ Number of available time for sale especially from first run of ATV. The number of operating hour used as based for computing advertising revenue are as follows:

Year	No. of available time for sale in first run	Advertising minute per day	Advertising minute per year
Year 2014 to 2018	13	130	46,800
Year 2019 to 2029	15	150	54,000

Note: In 2014, ATV will start to broadcast on June 1, 2014 as follow to the resolution of NBTC.

➤ Net advertising rate per minute is estimated within the range between the average of current net advertising rate of ATV and the average net advertising rate of the industry. We assumed the increasing rate according to the forecasted growth rate of advertising business for 2014 which is approximately 5% (Source: TNS Research, dated 8 January 2014).



➤ Averaged occupancy rate or the capability to sell advertising time.

From the Notification of NBTC Re: Criteria and Additional permission in Television network service on the digital television frequency specify on the terrestrial B.E. 2013 specifies that the network service licensee shall expand the network coverage to the household as follows:

1. Within 1 year after received the license, approximately 50% of total household in the country.
2. Within 2 years after received the license, approximately 80% of total household in the country.
3. Within 3 years after received the license, approximately 90% of total household in the country.
4. Within 4 years after received the license, approximately 95% of total household in the country.

Since ATV has various media such as printing, magazine and fairs, one of the sale strategies the Company should do is to bundle the advertising media and sell in packages. This is the strength of the Company that motivates the customers to choose the Company's service. The occupancy rates estimated for the business are as follows;

Year	Occupancy rate each year
Year 2014	Approximately 50% of total advertising minute available for sale
Year 2015	Approximately 70% of total advertising minute available for sale
Year 2016	Approximately 75% of total advertising minute available for sale
Year 2017 to 2029	Approximately 80% of total advertising minute available for sale

1.2 Revenue from allocating time to other operators

IFA estimated the revenue from allocating time to other operators from "Allocated hours for other operators X Occupancy rate of selling operation's hour to other company X Net selling price per hour"

Note: As follow to the notification of NBTC Re: Time Allocation to other entrepreneurs for operation B.E. 2013 specifies that "the Company whom got the digital television license had to operate by themselves. The allocation of time to other entrepreneurs shall be complied with the criteria and procedure specified in the notification. The license's holder has to allocate time for other companies at least 10% but not over than 40% of total available hour that the license's holder have for operation and allocated to the appropriated period."

Definition

➤ Allocated hours for other operators is the estimated operating hour allocated to the companies. IFA estimated these hours to be approximately 3 hours per day which can be separated into 2 periods, peak time and



off peak time, according to the minimum requirement of the NBTC specified in the notification above. The fees of operation's hours depend on rating in each period.

➤ Occupancy rate of selling operation's hour to other company is the selling capability of the Company. IFA has considered the probability of this rate based on the selling capability in the past and information from the interview with the management. Since the concept of the channel is "Edutainment", the operators the Company needs to find must be able to maintain this concept.

➤ Net selling price per hour is the net pricing of operating hours allocated by the Company, divided into peak time rate and off peak time rate, adjusted with growth rate and discount rate where the growth rate used is in accordance with general inflation rate of approximately 2.40% (Source: Bank of Thailand's Money Policy, July 2013). The net selling price that IFA estimated is referred from current selling price of cable and satellite television.

The revenue projected from advertising revenue and revenue from allocating time to other operators since year 2014 to 2029

Revenue structure	Revenue projected (Unit: million baht)							
	2014	2015	2016	2017	2018	2019	2020	2021
Revenue from allocating time to other operators	1	11	15	16	17	17	18	18
Advertising Revenue	229	642	786	1,038	1,142	1,383	1,452	1,525
Total Revenue per year	230	653	801	1,054	1,159	1,400	1,470	1,543

	2022	2023	2024	2025	2026	2027	2028	2029
Revenue from allocating time to other operators	19	19	20	20	21	21	22	9
Advertising Revenue	1,601	1,681	1,765	1,854	1,946	2,043	2,146	939
Total Revenue per year	1,620	1,700	1,785	1,874	1,967	2,064	2,168	948



2. **Cost assumptions** consist of 3 components including production cost, broadcasting cost and amortization cost of digital television license and depreciation cost of production equipment with the detail as follows:

Cost	Assumption	Note
1. Production cost for broadcasting such as labor cost, news and variety's content, moderator cost, travel and location cost etc.	Considered historical actual cost of ATV used when operating satellite television and the information from interview of managements.	- Growth rates adjusted by the inflation rate.
2. Broadcasting Cost <ul style="list-style-type: none"> - Annual fees consist of <ul style="list-style-type: none"> ■ The annual fees of permission for frequency service and annual license fees. ■ Annual deposit to the Broadcasting, television and telecommunications research and development fund - Television network service rental 	<ul style="list-style-type: none"> - 2% of total revenue before expense. - 2% of total revenue before expense. - 14,160,000 baht per month (exclude vat) 	<ul style="list-style-type: none"> - NBTC notification regarding to annual license fee for broadcasting and television B.E. 2012 - The Network Service Agreement with the Royal Thai Army Radio and Television, adjusted by inflation rate.
3. Amortization cost of digital television license and depreciation of production equipment per year <ul style="list-style-type: none"> - The amortization cost of license computed from the bidding price 3,320,000,000 baht (VAT excluded) 	<ul style="list-style-type: none"> - Straight line method for the whole life of License, 15 years 	<ul style="list-style-type: none"> - The Notification of the NBTC Re: Criteria, Procedures and Conditions on the Auction for Allocated Frequencies for National Commercial Digital Television Service B.E. 2013



Cost	Assumption	Note
- The depreciation of production equipment estimated from investment budget of approximately 100 million Baht	- Straight line method for the whole life of assets <ul style="list-style-type: none"> ▪ 10 years for studios ▪ 5 years for equipment 	- Replacement cost assumptions: <ul style="list-style-type: none"> ▪ In 2024 for studio ▪ In 2019 and 2024 for equipment

Selling and administrative expense assumptions are as follows:

Selling and Administrative Expenses	Assumption	Note
1. Selling expenses including: - Marketing expenses, brokerage fee for sale persons and other expenses related to the sale 2. Administrative expenses including: - Office rental fee, management fee, employee compensation and miscellaneous expenses etc.	- Approximately 120 million Baht per year	- Estimated from the Company's budget and the information from the interview of managements, adjusted by the inflation rate

Costs and expenses projection for 2014 - 2029

Cost and expense	Projection (Unit: million Baht)							
	2014	2015	2016	2017	2018	2019	2020	2021
Production and broadcasting costs	259	462	478	500	518	571	590	608
Amortization and depreciation costs	145	237	237	237	236	236	236	236
Total Costs	404	699	715	737	754	807	826	844
Selling and administrative expenses	127	146	154	166	170	182	186	191
Total selling and administrative expenses	127	146	154	166	170	182	186	191



	2022	2023	2024	2025	2026	2027	2028	2029
Production and broadcasting costs	628	647	668	689	711	734	757	325
Amortization and depreciation costs	236	236	236	236	236	236	236	93
Total Costs	864	883	904	925	947	970	993	418
Selling and administrative expenses	196	201	206	212	218	224	230	99
Total selling and administrative expenses	196	201	206	212	218	224	230	99

According to the projections resulting from the assumptions above, the free cash flows calculated using the projected financial performance was discounted by weighted-average cost of capital (WACC) of 10.30 % with the detail of WACC calculation as follows:

$$WACC = Ke * \left(\frac{E}{D+E} \right) + Kd * (1 - \text{tax}) * \left(\frac{D}{D+E} \right)$$

where Ke = Cost of Equity

Kd = Average cost of debt which equals 4.75%

Tax = Corporate Income Tax Rate for 2012 which equals 20%

D/E = Target debt to equity ratio which equals 2 times according to the Company's cash management policy and debt covenant

The cost of equity (Ke) calculated using Capital Asset Pricing Model (CAPM) formula below equals 23.29%

$$Ke = Rf + \beta(Rp)$$

where Rf = Risk-free rate referred from the yield of 10-year government bond as at 15 January 2014 which equals 4.03% per year (Source: www.thaibma.or.th)

Rp = Risk premium or the difference of the return on market and the risk-free rate which equals 8% (Source: TNS's research referring from pages.stern.nyu.edu/~adamodar/ Thailand's Information for 2013)

β = Coefficient of market return and risk which equals 2.41 times, calculating from averaging levered beta of peers in entertainment sector including BEC, GRAMMY, MCOT, RS and WORK in the past 3 years (Source: Bloomberg) adjusted by the interest bearing debt to equity ratio as at 31 December 2013 (Source: Peers' audited financial statements) and corporate income tax rate for 2013. Then, the averaged unlevered beta of each company is used to represent ATV's unlevered beta, adjusted by ATV's target capital structure and corporate income tax rate.

$$\beta_L = \beta_u * \left(1 + \left((1 - \text{tax}) * \frac{D}{E} \right) \right)$$



where β_L = Levered Beta of the peers

β_u = Unlevered Beta of the peers

Tax = Corporate Income Tax Rate for 2012 which equals 20%

D = Interest Bearing Debt of the peers (Source: Peers' audited financial statements)

E = Market Capitalization of the peers as at 31 December 2013 (Source: SETSMART)

Ticker	$\beta_{Levered}$	$[1+(1-tax)(\frac{D}{E})]$	$\beta_{Unlevered}$
BEC	0.8636	1.0017	0.8621
GRAMMY	0.5305	1.3125	0.4042
MCOT	0.8440	1.0003	0.8437
RS	1.2840	1.0369	1.2382
WORK	1.3414	1.0468	1.2814
Averaged $\beta_{Unlevered}$			0.9260

The calculation of levered beta derives from the following formula:

$$\beta_L = \beta_u * (1 + ((1 - tax) * \frac{D}{E}))$$

where β_L = Levered Beta of digital TV business which equals 2.41 times

β_u = Average of peers' unlevered beta which equals 0.9260

Tax = Corporate Income Tax Rate for 2012 which equals 20%

D/E = Target debt to equity ratio which equals 2 times according to the Company's cash management policy and debt covenant

According to the assumptions above, IFA calculated the NPV by discounting the free cash flows from digital TV business for the period of 15 years (from 1 June 2014 to 31 May 2029) with the discount rate calculated by WACC of 10.30%. As a result, the NPV of digital TV business equals 826.30 million Baht with the detail as follows.



Net present value of digital TV business for 2014 - 2029

Item	Projection (Unit: million Baht)							
	2014	2015	2016	2017	2018	2019	2020	2021
Profit (Loss) from operation	(359)	(275)	(161)	47	133	317	373	362
Amortization and depreciation	148	240	240	240	238	238	238	238
After-tax financial costs (Int(1-Tax))	47	65	74	82	81	75	52	43
Investments in assets (FCInv)	(100)	-	-	-	-	(70)	-	-
Investments in License (FCInv)	(936)	(634)	(513)	(513)	(362)	(362)	-	-
Investment in net working capital (WCInv)	87	(40)	(31)	(53)	(22)	(52)	(15)	(15)
Free cash flow for the year	(1,113)	(644)	(391)	(197)	68	146	648	628
Net Present Value (NPV)	(1,051)	(551)	(303)	(138)	43	85	340	299
	2022	2023	2024	2025	2026	2027	2028	2029
Profit (Loss) from operation	415	471	526	586	641	696	754	343
Amortization and depreciation	238	238	238	238	238	238	238	93
After-tax financial costs (Int(1-Tax))	32	21	13	3	-	-	-	-
Investments in assets (FCInv)	-	-	(100)	-	-	-	-	-
Investments in License (FCInv)	-	-	-	-	-	-	-	-
Investment in net working capital (WCInv)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Free cash flow for the year	669	713	659	808	859	913	970	413
Net assets for 2029								957
Net present value (NPV)	289	279	234	260	251	241	233	315

Remark Net assets of ATV for 2029 is the company's assets less liabilities which mainly consisted of cash, trade receivables and operating equipments.

4.2.2 Internal Rate of Return Method (IRR)

Internal rate of return is the rate that discounts the future cash flow equal to zero NPV.

$$NPV = 0 = \sum \frac{CF_n}{(1+IRR)^n} - CF_0$$

where CF_0 = initial investment

CF_n = cash flow from the project

According to the calculation, IRR of the project equals 14.50% which is greater than the company's WACC of 10.30%. As a result, the project is good for investment.



4.2.3 Payback Period Method

Payback period is the period when the company receives the initial investment back or when the accumulated free cash flow equals to zero. According to the calculation, the payback period equals to 9 years and 3 months which is in between the project life but still takes some times to payback.

The summary of 3 feasibility evaluation methods is as follows:

Method	Result
1. Net Present Value (NPV)	NPV = 826.30 million Baht
2. Internal Rate of Return (IRR)	IRR = 14.50%
3. Payback Period	Payback Period = 9 years and 3 months

4.3 Sensitivity Analysis

According to the projection, IFA found that the key success factor of the project's feasibility is the net advertising rate (net price). Therefore, the sensitivity analysis on the factor has been made and the effects to the NPV are as follow:

- If net price decreases by 5%, the NPV will decrease to 510.56 million Baht
- If net price increases by 5%, the NPV will increase to 1,238.28 million Baht

The sensitivity analysis shows that if net price changes by 5% the NPV is still positive. Hence, the investment of ATV is considered feasible.

Summary

According to the project feasibility evaluation, the summary can be made as follows:

1. Net Present Value (NPV) equals 826.30 million Baht which is greater than zero and will create more value to the Company
2. Internal Rate of Return (IRR) equals 14.50% which is greater than WACC of the Company of 10.30% making the project feasible and is good for investment.
3. Payback Period equals 9 years and 3 months which is in between the project life

As a result, the project is feasible for investment.



5. The Conclusion of Opinion from Independent Financial Advisor

5.1 Reasonability of the transaction

Although entering into digital television business requires costly investment and has some risks from growth of advertising sector, public relation and market sharing, the Company will benefit from this transaction by increasing opportunities to improve its income growth and performance from television advertising beyond printing media business which is the Company's core business. The transaction will also add value to the Company by expanding into the new business that supports and further strengthens its competitive advantage. The Company can provide a wide variety of advertising media options to better serve customers' needs and reach targeted consumers. Moreover, entering into the transaction may become a starting point to other television-related businesses in the future. Coupled with its strong financial foundation, established customer base and long history of experience in advertising and magazine business, together with support from financial institutions, the Company has high potential in competing with other competitors for market share. Therefore, the IFA is of an opinion that entering into the transaction to acquire the license for broadcasting and telecommunications is reasonable.

5.2 Suitability of the Price

The price of the license was derived from an auction which had pre-specified the minimum price, payment term and other conditions that each of the winning bidders has to comply with. The network service fees to be charged by the network providers were approved by the National Telecommunications Commission. In addition, each of the network providers is required to charge its clients the same rate of network service fee. Considering that the network service fee along with payment term and other conditions offered to the Company by the Royal Thai Army are at arm's length basis, the price of the license and the network service fee are suitable and reasonable. Therefore, the IFA is of an opinion that the prices and conditions of entering into the transaction are reasonable.

The IFA has also considered the feasibility of the project based on the aforementioned financial projection and assumptions and is of an opinion that the investment in the project is feasible provided that the Company can produce and run television programs, manage advertising time to be sold to customers, and control operating costs in accordance with the projection. The project will generate incremental cash flow from operation equivalent to the internal rate of return of 14.50% and the net present value of 826.30 million baht



throughout its 15-year life (from June 1, 2014 to May 31, 2029). Nonetheless, the shareholders should be aware of limitations of IRR and NPV above as they are calculated from the financial projection prepared by the IFA which relies on assumptions under the current economic situation. Any change in the assumptions may affect the rate of return of the business.

5.3 Opinion of Independent Financial Advisor

Considering the information above, the IFA is of an opinion that the transaction to acquire a license for broadcasting and telecommunications is reasonable. The IFA would like to propose to the shareholders to approve the investment to acquire the license for broadcasting and telecommunications.

Nevertheless, the approval of the license acquisition investment depends on the judgment of the Company's shareholders. The shareholders should study and consider additional information from related documents such as information account 1 and information account 2, etc. for proper judgment and discretion.

Thanachart Securities Public Company Limited as the independent financial advisor hereby certifies that the opinions stated above have prudently been provided under the professional standards and principals with due regard to the shareholders' benefits.

Best Regards,

Thanachart Securities Public Company Limited

(.....)

(Mrs. Asvini Tailanga)

Managing Director

(.....)

(Ms. Suvabha Charoenying)

Managing Director

For this duty as a Financial Advisor, Ms.Sunun Lertseethong and Ms.Chanthira Buriprasert were appointed as

Financial Advisor Controller.

(.....)

(Ms. Sunun Lertseethong)

Assistant Managing Director

(.....)

(Ms.Chanthira Buriprasert)

First Vice President, Investment Banking Department

Financial Advisor Controller



Appendix 1

Business Overview and Financial Performance Amarin Printing and Publishing Public Company Limited

1. Basic Information

Company Name	:	Amarin Printing and Publishing Public Company Limited
Main Business	:	Printing, publishing and advertising
Head Office Address	:	378 Chaiyaphruk Road, Taling-Chan, Bangkok 10170
Telephone	:	0-2422-9999
Fax	:	0-2433-8792, 0-2434-8699
Website	:	http://www.amarin.com/
Registered Capital	:	200,000,000 Baht Divided into 200,000,000 common shares at par value of 1.00 Baht per share
Paid-Up Capital	:	200,000,000 Baht Divided into 200,000,000 common shares at par value of 1.00 Baht per share

2. Nature of Business Operation

2.1. Business Operation of Each Divisions

Amarin Printing and Publishing Public Company Limited are both large-scale printing and publishing houses operating 4 businesses consisting of:

1. Printing Business

The Printing Business Unit is truly the Company's backbone with possibly the best production system and comprehensive printing services available to meet the publishing demands of magazines and books as well as commercial printing. Once transcripts from the magazines and books publishing units are passed online through the communication network to the printing house, modern color proofs are digitally prepared and typesetting readied for the printing machines to run the production process in a highly efficient production system to ensure attractive and quality binding results.

Amarin's commercial printing is known for its comprehensive services and superior facilities to handle the multitude of different production formats with Amarin Publishing Services (APS) being charged with the details of conceptual designs, content preparation, design, artwork and photographing. The services of photo-retouch



and color enhancement, meanwhile, are seamlessly linked to the printing process of printed matters, digital and other electronic media. For quality control, the Digital Publishing Services (DPS) are in place to ensure that the output of new media meets customers' specific purposes and within budget. Be it e-book, digital publishing or tablet publishing, the Company is equipped to better respond to the extensive requirements of its clientele both in the public and private sectors as well as other retail customers who demand high-quality printed materials and still other demands of varied media formats.

Moreover, the Printing Business Unit differentiates itself with its comprehensive range of printing services. Printing produced on paper can make use of the sheet-feeder-based offset printing machine by applying industrial engineering technology, effective cost control and select technology to the demand for production excellence. Accordingly, researches are constantly carried out to enhance its technical quality. Only the right materials are good enough for quality printing works to satisfy the market demands, yet still meet regional competition as is evident in its constant wins of printing awards including the Asian Print Awards and Thailand Print Awards over the past years. Product quality aside, the Printing Business Unit maintains its full commitment to effective production management and services based on ISO-9001 standards.

2. Publishing Business (Magazine & Book Publishing Business)

For a long experience in publishing business and the devotion to develop magazines and books in various styles to serve different group of readers, the Company's publishing is now widely-recognized by many readers and has several publishing houses for magazines and books.

Magazine Business

For more than three decades since the launch of its first magazine "Baan Lae Suan" and followed subsequently by the introduction of "Praew" and "Sudsapda", Amarin has proven its unwavering commitment to producing quality magazines.

The readers' warm response to the first three magazines gave rise to the appearances of the health-oriented "Cheewajit" and "Health & Cuisine" in 1997. Four years later, it was granted the license of "National Geographic" to publish the vernacular edition. "room" appeared in 2003. Then, "WE" was born a year later to be followed in 2005 by the licensed "Real Parenting. In 2007, Amarin was granted the license of "InStyle" which was followed by "Secret" in 2008" and "my home" in 2010. "lemonade", the latest Amarin magazine grew the Company's magazine portfolio further in 2011.



As of December 2013, the Company had a total of 13 monthly and bi-monthly magazine titles in print; the continued growth was meant to meet the diverse interests of the readers. Yet, it is no exaggeration to say that Amarin's magazines are leaders of the league with total sales topping those in the same categories.

Book Publishing Business

The Company has started book publishing business in parallel with magazine business by establishing "Praew" publishing house to produce literature books, short novels and poems in 1992.

At present, the Company has a total of 17 publishing house producing different kinds of books including kids, health, cuisine, home and garden etc. to serve different readers' needs by focusing on quality as our first priority.

Marketing Events and Fairs

Fairs and Opening Events

In 2013, the Company arranged 6 fairs and events including the 10th and 11th Health Cuisine & Beauty Festival, Baan Lae Suan Mid Year, Baan Lae Suan 2013, the 1st and 2nd Amarin Baby & Kids Fair and other marketing events for the Company's magazines ie. Lemonade Office Star, WE Are In Love 2013, National Geographic Thailand Photography Contest 2013", Praew Magazine's 35th Anniversary with the 10th Praew Charity, the 5th Secret Jamboree and the 10th Sudsapda Shopping Market etc. All fairs and marketing events were very successful and received well responses from both magazine readers and publics.

3. Activ Amarin Business

Formerly called "Business Development", established on 1996 to develop career and learning support for magazine's members and the overall society, consisting of:

Amaring Travel

Amarin Travel operation is to organize the tours for magazine readers and publics in the name of "Amarin Tour" being trusted for its premium tours to exotic destinations both domestic and abroad as well as Festive Tour which designed for travelers with a more adventurous soul for whom a more specific experience is the answer.

Other than organizing tours for retail customers, Amarin Tour also organize group tours for public and private corporate.



Amarin Training

Operating under the concept “Learning for Better Living”, Amarin Training provides training services and organizes seminars aimed at raising the quality of life. Accordingly, training classes in food, vocational and crafts, skill enhancements, physical and mental health, child and juvenile development and home and garden were organized to the enthusiastic reception of its customers, thanks to their trusted quality.

Meanwhile, “Amarin Training” continued to provide in-house and outside training courses and seminars on subjects required by customers both from the public and private sectors.

Amarin Television

Amarin Television is in charge of overseeing the production of television programs. In 2013, two programs were produced for television broadcasts which are 1) Kids’ Matters, a program designed to engage the youth in constructive, creatively entertaining and morals-boosting activities, Kids’ Matters, Ruang Dek Dek, on air every Wednesday on Channel 7 from 04.30 – 05.00 p.m., 2) Baan Lae Suan Fine Day, a variety program about home with material supports from Baan Lae Suan and ROOM magazines, on air every Friday on Modern Nine TV from 10.00 – 10.30 a.m.

Amarin Creative and Event

It offers a fully-integrated marketing communication service through quality event and fair organized for its internal customers including magazines and publications as well as external clients. Examples of these events include the celebrated Baan Lae Suan Fair, Health, Cuisine and Beauty Festival. Given its proven records, its external customers both from the public and private sectors have trusted with the organization of their respective events. Other achievements in 2013 including the exhibition opening and promotion for “His Majesty the King and the Privy Council” by Khun Sak Korsangruang, the senator of the Lawyers Council, the 180 year of Thai-US relationship photo exhibition by the US embassy in Thailand, various economic seminars spoken by Dr. Surin Pitsuwan and Khun Korn Jaticavanich, TMB Wealth Banking Seminars by TMB Bank Pcl, the academic day opening event by Metropolitan Electricity Authority, Lamsoon New Year Party 2014 of Lamsoon (Thailand) Co., Ltd and “Create the Future : Press Tour : Aspire Condo : BKK-UDONTANI-LAO” by AP (Thailand) Pcl. etc.

More than 14 years of accumulated experiences and continued success in the creation of marketing communication activities have given Amarin Creative and Event the resolve to create quality works in response to



the requirements of the customers in a comprehensive and efficient manner under its business-related vision: “Because quality is our expertise”.

Amarin New Media

A specialized unit, Amarin New Media is involved in the production of digital contents in a range of formats like website, mobile contents, e-magazine and e-book which end-users can access through various applications such as Apple iOS, RIM Blackberry and Android.

Other than serving internal department, it had also served external parties as in the cases of such commissioned websites as www.trachang.co.th and www.colourclub.dulux.co.th. In the meantime, customers could make use of its comprehensive range of integrated services covering design, production, development and consultation in all other new media formats including content creation for e-magazine and e-book.

Cheewajit Home

The Cheewajit-based Clinic offers its clinical services in conjunction with modern-day medical practices with an emphasis on “minimal medical prescription”. It is open daily from 10.00 a.m. – 07.00 p.m. Cheewajit Home splits its operation into two parts, namely The Cheewajit Home Clinic, offering medical services including treatment, therapy and convalescence services based on the integrated approach of alternative and modern medicines. Cheewajit Home Shop, the shop for health food products carefully sourced with most of the raw materials coming from natural and organic farms in accordance with the Cheewajit lifestyle. Other consumer products under the “Cheewajit Home” brand are also available.

2.2. Business and Competition Trend

The overall economy in 2013 is continue to grow, especially in the first half of the year, resulting from the economic stimulation policy from the government including first car policy, first house policy, the increase of minimum wage and the reduction of corporate income tax rate etc. However, the growth in the second half of the year was slowing down due to lack of stimulation policy from the government as well as the rise of cost of livings and household debts resulting in decreasing household consumption and expenses.

In 2014, the growth of consumption is expected to be higher than 2013 due to large investment projects which inject the economy as well as the policy to stimulate domestic purchasing power. In addition, the world and Asia’s economy tends to be improved this year.



Where the Company is concerned, its major source of revenue comes from three related industries including advertising, publishing and printing.

Advertising Industry

In 2013, the overall advertising industry's billing value is approximately 120,000 million Baht with 3% growth from last year resulting from the slowdown of the economy and consumers' purchasing power as well as the political demonstration which reduce products' advertising budget spending at the end of 2013.

In 2014, the advertising industry in Thailand is expected to grow by at least 5% thanks to a number of favorable factors including the election at the beginning of the year, the airing of digital TV in the first quarter and the World Cup 2014 in Brazil which will support the growth of advertising industry next year. The types of media that has an increasing advertising budget in 2013 are TVs, newspapers, mobile and internet.

Publishing Industry

Magazine Business

Overall, the market in 2013 was rewarding due in large part to the recovery of the country's economy from the economy stimulation policy from the government. It is clear therefore that the performance of the business is determined by the economy as its income comes from magazine and advertising sales and it is common knowledge that a substantial amount of investment is required for the initial stage of the operation before it could gain a foothold in the market and recognition from media buyers.

For the business to compete, it is required to constantly adjust to innovation and new technologies needed to meet the changing lifestyle of the consumers and the growth potential to reach out to a larger audience through digital content on website or e-magazine or segmentation-based magazine launches for specific target readers and growth opportunity in the market share as well as on social networks ie. Facebook and Instagram which received well responses from the consumers.

In 2013, several new covers both local and copyrighted were introduced either by market leaders and new players with news of more launches of new covers. Altogether, the industry is set to start off a new colorful year with more segmentation-based magazines to satisfy customers' diverse appeals.



Book Publishing Business

The market value of the publishing industry in 2013 amounted to 22,000 million baht, representing a 5% growth from 2012. Key factors contributing to the growth were attributed to the improved economic sentiment in Thailand, thanks to the national policy that designated the period between 2009 – 2018 the “National Reading Decade” and the Bangkok Metropolitan’s reading development project to increase the number of books read from 2-5 books to 15 books per person per year and the anticipated implementation of the AEC also bodes well for the book industry which will provide the means to learning more about the diverse cultures and livelihoods of the ASEAN community.

Publishing Business Strategy

Recognizing the impact that the economy could have on its operation, AMARIN closely toes the line of the country’s economic health, thus adopting a new marketing communication approach to become an Integrated Solution Provider. AMARIN was making the most of its strength and expertise in content business and its major customer base with high potential through a diverse range of channels. These customer bases, including magazine readers/subscribers and pocketbook fans, visitors to the Company’s organized fairs and marketing events, customers in the tour and training businesses, television program followers and the new media audience, helped contribute to value creation and the integration of target audiences.

The Company also maintained its research and development policy to probe the readers’ behavior which would enable it to accurately project readers’ trend, future changes and the requirements of its readership and advertisers.

Printing Industry

Overall economy had improved and the printing industry will continue to grow on the back of the the government’s corporate income tax scheme and the reading-inspired policy that made “Reading a National Culture” for Thailand and the fact that Bangkok was designated by UNESCO to be the World Book Capital in 2013. Together with the imminent enforcement of the AEC in 2015, the road ahead for the printing industry can only be a promising one.

The industry’s pressing demands for high-definition printing will remain unchanged. In fact, one can only expect it to rise further. Notwithstanding, the uncertainties in Thailand’s economic, social and political scenes will undoubtedly affect the market and consumer sentiments. Until now, the operation of AMARIN’s publishing



business has followed the business plan strictly to counter such uncertainties as it has its competitive edge to maintain, be it the top quality production, cost leadership and or on maximized efficiency throughout the plant. By industry leadership, it must be able to consistently offer new and attractive designs of difference, distinguish itself by virtue of its products, making them interesting and preferred by every market segment at all times. It is only through this approach that the continued growth of our business can be guaranteed.

2.3. Investment in Subsidiaries & Related Companies

As at 31 December 2013, AMARIN has the investment in subsidiaries and related companies as follow:

Company's name	Type of Business	Relationship	Paid-Up (Baht)	% of Shareholding
Amarin Television Co., Ltd.	TV Business	Subsidiary Company	10,000,000	99.99%
Amarin Book Center Co., Ltd.	Book Seller	Related Company	10,000,000	19.00%
WPS (Thailand) Co., Ltd.	Printing Services	Related Company	500,000,000	0.50%

Source: Notes to AMARIN's financial statements for the year ended 31 December 2013

2.4. Revenue Structure

Consolidated Financial Statements	2011		2012		2013	
	MB	%	MB	%	MB	%
1. Revenue from production & distribution of books	1,621.27	84.82	1,856.48	85.18	1,717.14	82.21
2. Revenue from travel, Cheewajithome & training seminar	88.33	4.62	83.33	3.82	78.40	3.75
3. Revenue from organizing exhibitions, TV program production & website development	183.63	9.61	206.43	9.47	268.93	12.88
4. Other revenues	18.13	0.95	33.36	1.53	24.16	1.16
Total	1,911.36	100.00	2,179.60	100.00	2,088.63	100.00

Source: Notes to AMARIN's financial statements for the year ended 31 December 2013

3. Board of Directors

The members of the Board of Directors as at 16 October 2013 consist of:

No.	Name	Position
1	Mrs. Metta Utakapan	Chairman of the Board / President
2	Mrs. Rarin Utakapan Punjarungroj	Chief Executive Officer
3	Mrs. Supawadee Komaradat	Director
4	Mr. Cheewapat Nathalang	Director



No.	Name	Position
5	Mrs. Suphab Noium	Director
6	Mr. Chokchai Punjarungroj	Director
7	Mr. Somchai Phagaphasvivat	Independent Director / Chairman of the Audit Committee
8	Mr. Charoenchit Na Songkhla	Independent Director / Audit Committee
9	Mr. Smat Ruangnarong	Independent Director
10	Mr. Ampon Ruayfupant	Independent Director / Audit Committee

Source: Company's affidavit

4. Capital Structure

Top 10 major shareholders as at the latest book closing date on 30 April 2013 consist of:

No.	Shareholders' Name	No. of Shares	Percentage
1	Mrs. Metta Utakapan	74,393,662	37.20
2	Mr. Rapee Utakapan	24,561,579	12.28
3	Mrs. Rarin Utakapan Punjarungroj	18,533,684	9.27
4	Bangkok Commercial Asset Management Co., Ltd.	5,863,158	2.93
5	Bangkok Life Assurance Pcl.	5,322,700	2.66
6	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	4,924,730	2.46
7	BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	4,891,053	2.45
8	CHASE NOMINEES LIMITED 1	4,201,058	2.10
9	Aberdeen Growth Open-Ended Fund	3,556,614	1.78
10	His Majesty the King	3,273,685	1.64

Source: AMARIN's shareholder list as at the latest book closing date on 30 April 2013

5. Summary of financial statements

Summary of financial statements (Unit: million Baht)	2011	2012	2013
Total Revenues	1,911.36	2,179.60	2,088.63
Total Costs	1,279.10	1,408.06	1,404.47



Summary of financial statements (Unit: million Baht)	2011	2012	2013
Selling & Administration Expenses	291.34	314.03	326.21
Financial Costs	0.15	0.60	0.69
Net Profit	235.97	350.07	285.08
Earnings per Share (Baht)	1.18	1.75	1.43
Assets	2,328.16	2,490.05	2,527.44
Liabilities	484.62	476.44	468.75
Shareholders' Equity	1,843.54	2,013.61	2,058.69
Book Value per Share (Baht)	9.22	10.07	10.29
Dividend per Share (Baht)	0.90	1.20	N/A

Source: AMARIN's audited financial statements for the year ended 31 December 2012 and 2013

The Explanation and Analysis of Financial Condition and Operating Result

Operating Result

Operating Revenue

In 2013, the Company and subsidiaries has revenue from sale and service of 2,064.47 million Baht, decreased from 2012 by 3.81% due to lower number of printing jobs. The revenue from production and distribution of books is 1,717.14 million Baht, decreased from the same period of last year by 139.34 million Baht or 7.51%. The revenue from travel business, Cheewajithome and training seminar business is 78.40 million Baht, decreased from the last year by 4.93 million Baht or 5.92% and the revenue from organizing exhibitions, TV program production and website development is 268.93 million Baht, increased from last year by 62.50 million Baht or 30.28%.

Operating Costs

In 2013, the Company and subsidiaries has operating costs of 1,404.47 million Baht, decreased from last year by 3.59 million Baht or 0.26% with the cost-to-sale proportion of 68.03% which increased from last year proportion of 65.61% resulting from the rising cost of TV production where the cost of organizing exhibition, TV program production and website development business is 183.64 million Baht, increased from last year by 73.43 million Baht or 66.63%.



Selling & Administration Expenses

In 2013, the Company and subsidiaries has selling expenses of 51.87 million Baht, increased from 2012 by 3.79 million Baht or 7.88% and administration expenses of 247.40 million Baht, increased from last year by 8.50 million Baht or 3.56%. In total, the selling and administration expenses increased from last year by 4.28% resulting from an increase in marketing expenses to boost sales as well as satellite TV business expenses.

Net Profit

In 2013, the Company has net profit of 285.08 million Baht, decreased from last year by 65.00 million Baht or 18.57% due to the decrease of main revenue from printing business and the increase of new business costs and expenses (Satellite TV business).

Financial Condition

Assets

As at 31 December 2013, the Company and subsidiaries has total assets of 2,527.43 million Baht consisting of:

Current assets	1,494.16 million Baht
Property, plant & equipments	863.07 million Baht
Other non-current assets	170.20 million Baht

In 2013, total assets increased from 2012 by 1.50% due to the increase of investment in property, plant & equipments.

Liabilities

As at 31 December 2013, the Company and subsidiaries has total liabilities of 468.75 million Baht, decreased from last year by 7.69 million Baht or 1.61% resulting from the decreasing of accrued income taxes and other non-current liabilities where the debt-to-equity ratio for 2013 equals 0.23 times.

Shareholders' Equity

As at 31 December 2013, the Company and subsidiaries has shareholders' equity of 2,058.69 million Baht with book value of 10.29 Baht per share, comparing to 2012's shareholders' equity of 2,013.61 million Baht with book value of 9.96 Baht per share. The Company has 200 million paid-up common shares in total in both 2013 and 2012.



Cash Flows

In 2013, the Company and subsidiaries has the cash flows from operation of 467.22 million Baht, cash flows from investing of 57.68 million Baht and cash flows used for financing of 242.88 million Baht. As at 31 December 2013, the balance sheet shows cash and cash equivalents of 374.57 million Baht with the details as follow:

Net cash flows from operating activities equal 467.22 million Baht, decreased from 2012 by 21.02% due to the decrease of trade receivables and the increase of trade payables.

Net cash flows from investing activities equal 57.68 million Baht resulting from the decrease of temporary investment by the sale of government bonds.

Cash flows used by financing activities results from the payment of dividend of 240.00 million Baht and the lease payment of 2.88 million Baht making the net cash flows from financing activities equal 242.88 million Baht



Appendix 2

Business Overview and Financial Performance

Amarin Television Company Limited

1. Basic Information

Company Name	:	Amarin Television Company Limited
Main Business	:	Television Business
Head Office Address	:	7/9 Arun-amarin Road, Arun-amarin, Bangkok-Noi, Bangkok
Telephone	:	0-2422-9111
Fax	:	0-2422-9122
Registered Capital	:	10,000,000 Baht Divided into 100,000 common shares at par value of 100.00 Baht per share
Paid-Up Capital	:	10,000,000 Baht Divided into 100,000 common shares at par value of 100.00 Baht per share

2. Nature of Business Operation

Amarin Television Public Company Limited (“ATV”) is a subsidiary of AMARIN, established on 11 October 2012 to operate television business. ATV and AMARIN have made a co-operation agreement on satellite television “AMARIN activ TV”, broadcasting variety of entertaining contents for everyone with the focus on quality and copyrights contents. According to the agreement, ATV is responsible for broadcasting through THAICOM satellite in C-Band and KU-Band systems. ATV has broadcasted the channel since November 2012.

In October 2013, ATV submitted the application for digital television license with the NBTC and was notified from the NBTC that it is qualified, and participated in the license bidding thereafter. In January 2013, ATV was notified as the bidding winner for the License of high-definition variety channel with the bidding price of 3,320,000,000 Baht (VAT excluded). The bid winning leads to the termination of the co-operation agreement on satellite television between ATV and AMARIN and the cease of satellite channel broadcasting from 31 January 2013 onwards in order to prepare digital television channel broadcasting.



3. Board of Directors

The members of the Board of Directors as at 17 December 2013 consist of:

No.	Name	Position
1	Mrs. Metta Utakapan	Director
2	Mrs. Rarin Utakapan Punjarungroj	Director
3	Mrs. Suphab Noium	Director
4	Mrs. Supawadee Komaradat	Director
5	Mr. Chokchai Punjarungroj	Director
6	Mr. Pachara Yutidhammadamrong	Director
7	Mr. Cheewapat Nathalang	Director

Source: Company's affidavit

4. Capital Structure

As at 17 December 2013, ATV has 10 million Baht of registered and paid-up capital^{1/} divided into 100,000 common shares at par value of 100 Baht per share with the shareholders listed as follows^{2/}:

No.	Shareholders' Name	No. of Shares	Percentage
1	Amarin Printing and Publishing Public Company Limited	99,997	99.997
2	Mrs. Metta Utakapan	1	0.001
3	Mrs. Rarin Utakapan Punjarungroj	1	0.001
4	Mr. Chokchai Punjarungroj	1	0.001
	Total	100,000	100.00

Source: 1/ ATV's company affidavit

2/ ATV's shareholders' list as at the established date on 3 October 2012 which the Company confirms no change until present

5. Summary of financial statements

Summary of financial statements (Unit:: Baht)	2012	2013
Total Revenues	1,800,001	42,830,105
Total Costs	657,056	36,015,774
Selling & Administration Expenses	381,110	7,577,259



Summary of financial statements (Unit:: Baht)	2012	2013
Net Profit (Loss)	586,974	(1,546,266)
Earnings per Share (Baht)	5.87	(15.46)
Assets	16,024,041	204,992,786
Liabilities	5,437,067	195,952,078
Shareholders' Equity	10,586,974	9,040,708
Book Value per Share (Baht)	105.87	90.41

Source: ATV's audited financial statements for the year ended 31 December 2012 and 2013

The Explanation and Analysis of Financial Condition and Operating Result

Operating Result

Due to the fact that ATV was established on 11 October 2012 to operate television program production and broadcasting through satellite channel started from 1 December 2012, ATV has only 3 months of operating period in 2012. In 2013, ATV has 42.8 million Baht of revenues from service, increased by 41.0 million Baht or 2,279.4% from that of 2012, and 36.0 million Baht of cost of service, increased by 35.4 million Baht or 5,381.0% from that of last year. ATV has 7.6 million Baht of selling and administrative expenses, increased by 7.2 million Baht or 1,224.7% from the same period of last year and 1.5 million Baht of net loss, decreased by 2.1 million Baht from 0.6 million Baht of net profit for 2012, resulting from the fact that ATV just started the business and the revenues from service is still minimal while costs and expenses still incurred and was necessary for business operation.

Financial Condition

As at 31 December 2013, ATV has 205.0 million Baht of total assets, increased by 189.0 million Baht from last year's total assets, resulting from the making of deposit for License bidding amounted 189.0 million Baht to the NBTC. ATV has 195.9 million Baht of total liabilities, increased by 190.5 million Baht from 2012's total liabilities, resulting from the increase in short-term loans from AMARIN amounted 189.0 million Baht for the License bidding deposit. In 2013, ATV has 9.0 million Baht of shareholders' equity, decreased by 1.5 million Baht from last year's, resulting from net loss of 1.5 million Baht for 2013. The cause of net loss in 2013 was partly due to the expenses for buying bids from the NBTC amounted 2.0 million Baht (VAT excluded).