

Annual Report 2012



CMO Public Company Limited





Creativity

คิดอย่างสร้างสรรค์ ไอเดียใหม่ๆเกิดได้จากทุกคน





NISSAN SYLPHY
The Aesthetic of Living

SYLPHY

Up to Date

ทันสมัย

ก้าวทันการเปลี่ยนแปลงของโลก ติดตามข้อมูลข่าวสารใหม่ๆ



Professional

มีความเป็นมืออาชีพ

ทั้งเรื่องคุณภาพงานและชีวิตการทำงานด้านต่างๆ









Social Responsibility

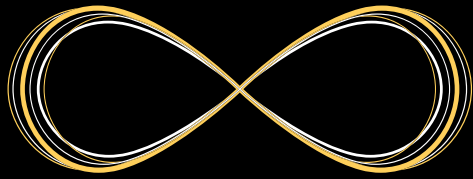
รับผิดชอบต่อสังคมและสิ่งแวดล้อม

มีจริยธรรมในการทำงานและ มีมาตรฐานความปลอดภัยต่อชีวิตและสุขภาพ



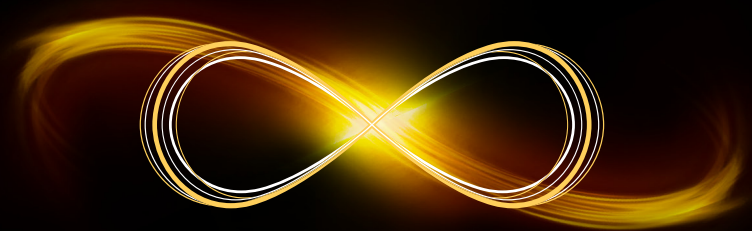
Vision

“CMO is ASEAN leading experience communication creator with world’s class craftsmanship”



Mission

“CMO generates impactful experiences through holistic communications with infinite creativity to be your solution”



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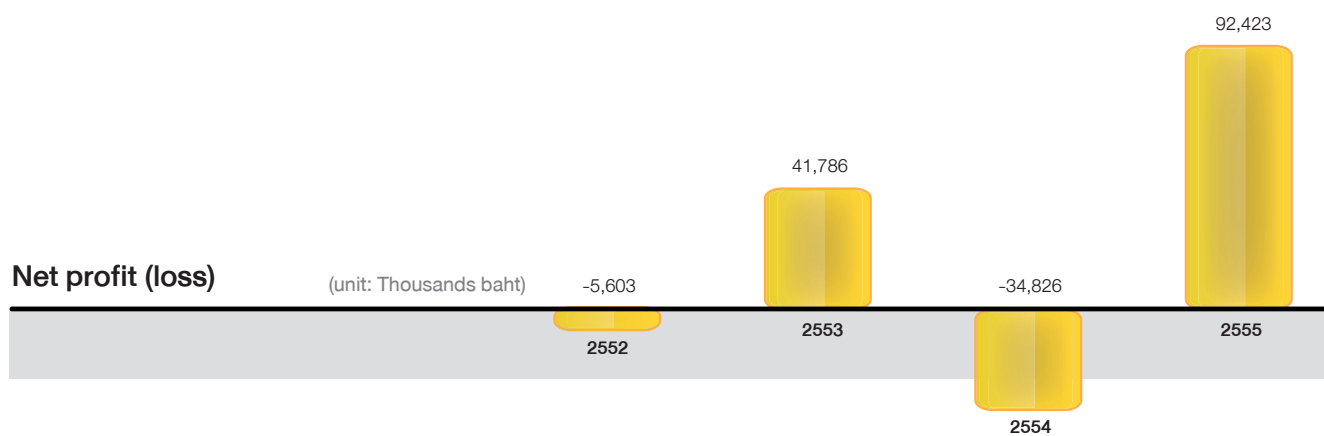
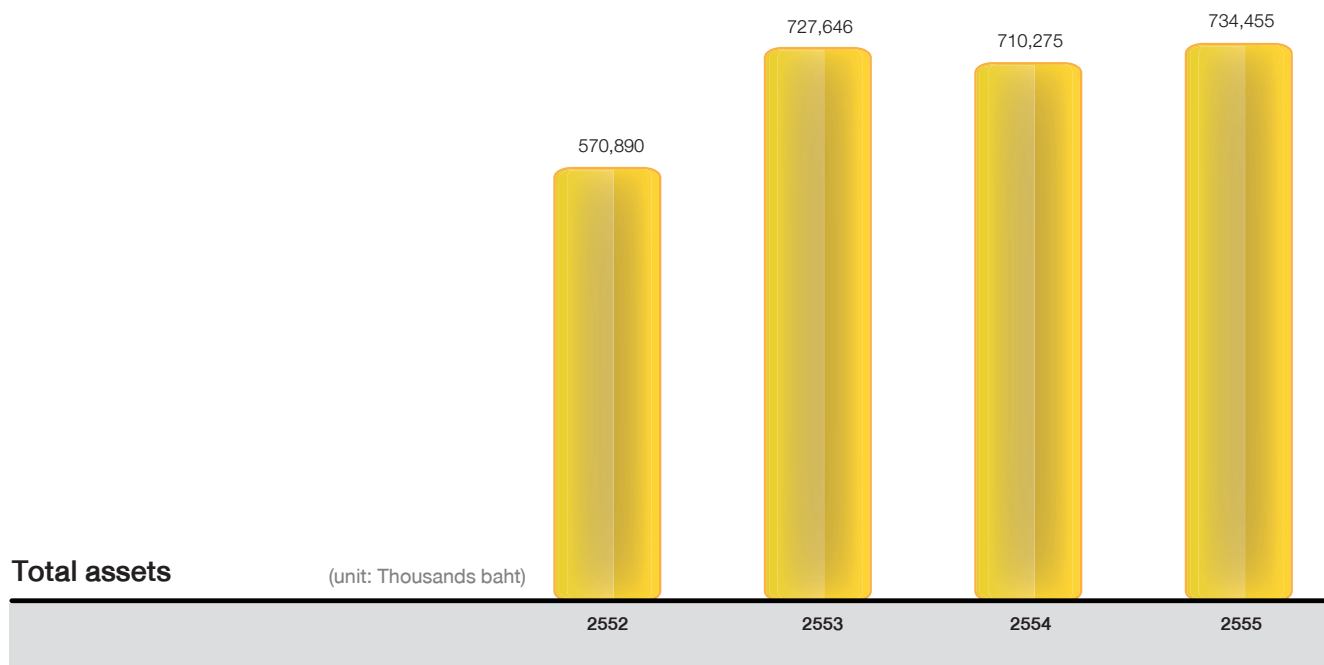
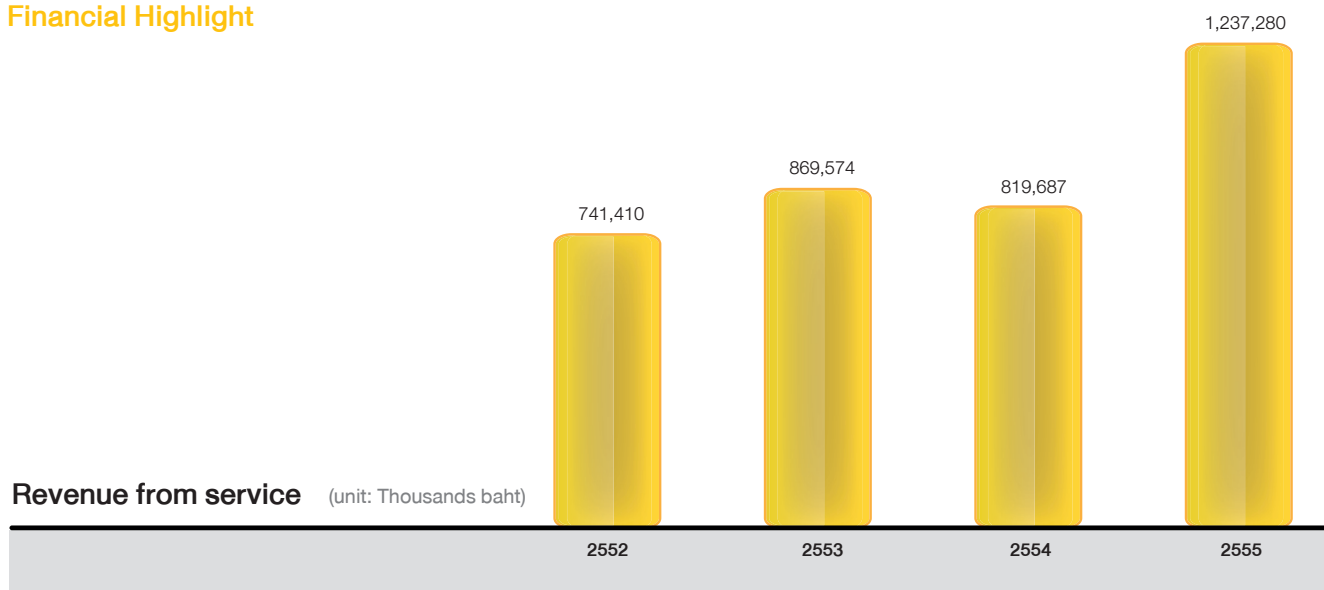
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Financial Highlight

(unit: Thousands baht)

	Consolidated				The Company			
	2552	2553	2554	2555	2552	2553	2554	2555
Income Statement:								
Revenue from service	741,410	869,574	819,687	1,237,280	495,857	572,829	531,648	803,944
Total revenue	745,225	874,645	822,281	1,243,232	498,999	604,415	558,528	855,188
Cost of service	606,476	668,658	648,153	968,402	412,670	474,136	470,894	695,106
Gross profit	134,934	200,916	171,534	268,877	83,187	98,693	60,754	108,837
Selling and administrative expenses	125,190	132,994	179,477	153,513	122,778	62,595	104,901	64,125
Interest expenses	12,897	14,487	16,204	11,436	10,525	11,624	12,907	6,182
Income tax expenses	6,264	16,720	13,272	17,457	4,633	7,444	-	2,922
Net profit (loss)	(5,603)	41,786	(34,826)	92,423	(51,606)	48,617	(30,174)	86,852
Balance sheet:								
Total assets	570,890	727,646	710,275	734,455	461,226	642,874	509,155	463,463
Total liabilities	322,894	436,177	414,012	356,151	267,104	400,135	324,327	195,612
Total shareholders' equity	247,996	291,470	296,263	378,304	194,122	242,739	184,828	267,851
Financial ratio:								
Gross profit margin (%)	18.20%	23.11%	20.93%	21.73%	16.78%	17.23%	11.43%	13.54%
Operating profit margin (%)	1.83%	8.39%	-0.65%	9.81%	-7.35%	11.82%	-3.25%	11.94%
Net profit margin (%)	-0.76%	4.81%	-4.25%	7.47%	-10.41%	8.49%	-5.68%	10.80%
Return on equity (%)	-2.24%	15.49%	-11.85%	27.40%	-23.47%	22.26%	-14.11%	38.37%
Earning (loss) per share (Baht)	(0.06)	0.25	(0.26)	0.55	(0.34)	0.32	(0.20)	0.56
Liquidity ratio (times)	1.01	0.75	0.94	0.98	0.88	0.69	0.89	1.15
Debt to equity (times)	1.30	1.50	1.40	0.94	1.38	1.65	1.75	0.73

Financial Highlight





Message from Ratanavudh Vajarodaya

Chairman

CMO Public Company Limited

Dear valued shareholders and customers

The year of 2012 marked a year of progressive transformation and notable success for “CMO”. We embarked last year on a fresh business strategy and a novel standpoint of not being a mere event organizer, but an experience creator with full integrated marketing communication services and infinite creativity. Furthermore, we strived to expand our business internationally to keep ourselves ready for the upcoming establishment of the ASEAN Economic Community (AEC) in 2015.

With over 20 years of professional experience and recognition as an outstanding business leader, “CMO” continues developing itself to keep up with rapid changes in today’s business world, especially in a highly competitive event industry. Nowadays, we have diversified our services to support customer demands of holistic communications. We placed additional investments in wide array of creative business, for instance, event equipment & technology, multimedia production, utility services, and online marketing.

Our thoughtful and adaptive means of operating business resulted in a satisfying turnover in 2012 with the gross income of THB 1,243 millions. This figure surpassed THB 822 millions of gross income in 2011 (THB 421 millions in addition or 51% further) with the gross profit of THB 92 million in 2012. In 2013, we plot to make 200 million Baht investment in business expansion. We plan to purchase additional equipment to escalate our capability and penetrate both local & international markets. In addition, we will manage our business under a novel “360o Experience Creator” concept, which covers strategic planning, creative ideas, and multi-dimensional services.

Moreover, we target to debut “Bangkok Creative Playground” at the end of this year. This new office is objected to be

creative hub of ASEAN, where innovative ideas beneficial to creative business are pulled together for clients from Thailand and overseas.

As a member of board director of CMO PLC, I would like to express my sincere gratitude to all managements and employees for their great contributions to company’s sustainable growth. Besides, I am very grateful to all valued shareholders and customers for their support and trust in our business operation, and for always being a part of our success. Finally, I assure that we will operate our business with consciousness; adhere to good corporate governance; and generate unceasing improvements for the greatest benefits of all stakeholders.





Message from Sermkhun Kunawong,
Group CEO
CMO Public Company Limited

Greeting to valued shareholders and customers

The year 2012 was another substantial year of CMO as we prospered to become a 2-billion-Baht company with great stability and continuous expansions in both local and international markets. In addition, it marked the most successful year of ours, in term of business performance, since we have registered in MAI market under the Stock Exchange of Thailand. We gained total revenue of 1,237 million Baht, which was 417.6 million Baht higher or 51% over the previous year. In 2012, we initiated a new business direction with clear positioning. We stepped beyond a mere event organizer into a multi-dimensional experience creator. We diversified our business into non-event sectors such as online media and IMC campaign. To cope with today's speedy innovation and market change, we constantly develop our services to meet all marketer's demand. We also improved our competences in art management, museum, and entertainment business. We persist in delivering only high-quality service, which is the operating standard of CMO Group.

Creativity is a significant force behind our success. Believing that creativity is the origin and the foundation of our business, we combine every work step with infinite creativity. Apparently, "CMO" stands for Creative Management Organization. CMO is trusted by both private and government sectors to organize countless number of remarkable events, nationally and internationally. Examples of event that we organized include: The River of Kings III, IV, and V; Wat Arun Festival; The Grand Exhibition for the 60th Anniversary Celebrations of His Majesty the King's Accession to the Throne; some parts of the Royal Flora Expo; 8 corporate pavilions at BOI Fair 2011; TrueMove iPhone 5 Launch; Coca Cola's "C Day" campaign; Nissan Pavilion at Motor Expo 2012; The 16th Home Pro Expo; and PTT booth at GASEX 2012 in Bali.

In preparing for the upcoming establishment of ASEAN Economic Community in 2015, we regularly adjust our business strategies to maintain our competitiveness. CMO takes pride in being a steady corporation with integral marketing tools. The company is renowned as a leading event management company and the owner of the biggest event rental center in ASEAN. Nowadays, we have already signed a joint venture agreement with the biggest (and the oldest) MICE company in Indonesia. In addition, we constantly deliver our services

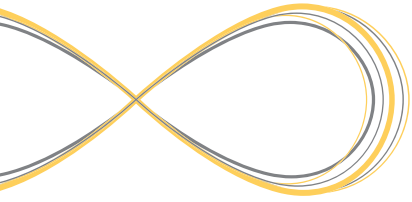
to clients in CLMV countries, comprising of Cambodia, Laos, Myanmar, and Vietnam.

In 2013, CMO will embark on a new challenge in becoming "ASEAN Creative Playground". We will implement a 130 million Baht investment plan to build "Bangkok Creative Playground" on an area of 12 rai (4.8 acre). This new office will be the hub of creativity that assembles new ideas related to creative business. Additionally, it will function as CMO's flagship store in offering IMC services and welcoming ASEAN guests to discover about event management industry. With this development, CMO aspires to be an outstanding leader in ASEAN creative industry and a collaborative alliance of ASEAN marketers.

I would like to take this opportunity on behalf of all management teams and employees to thank our valued customers, shareholders, and all stakeholders for their confidence and solid support for CMO. I would also like to express my gratitude to all staffs for their untiring contributions to the company. Lastly, I would like to affirm you that the Board of Directors and I will operate the company with social awareness and good corporate governance. Together, we will direct CMO to shine remarkably as a leader in ASEAN market and ensure highest benefits to all valued customers and shareholders.



Board of Directors



Mr. Anant Gatepithaya

- Director
- Audit Committee
- Independent Director

Mr. Sermkhun Kunawong

- Director
- Chief Executive Officer

Mr. Jumphol Rodcumdee

- Director
- Chairman
of the Audit Committee
- Independent Director



Mr. Ratanavudh Vajarodaya

- Chairman of Board of Directors
- Audit Committee

Ms. Suree Sirikorn

- Director

Ms. Ausanee Kerdpheungboonpracha

- Director



Management Team



Ms. Jutiporn Mingkwanrungrueng
Managing Director



Ms. Kronthong Tonarree
Managing Director



Ms. Nongrat Thanjitt
Managing Director





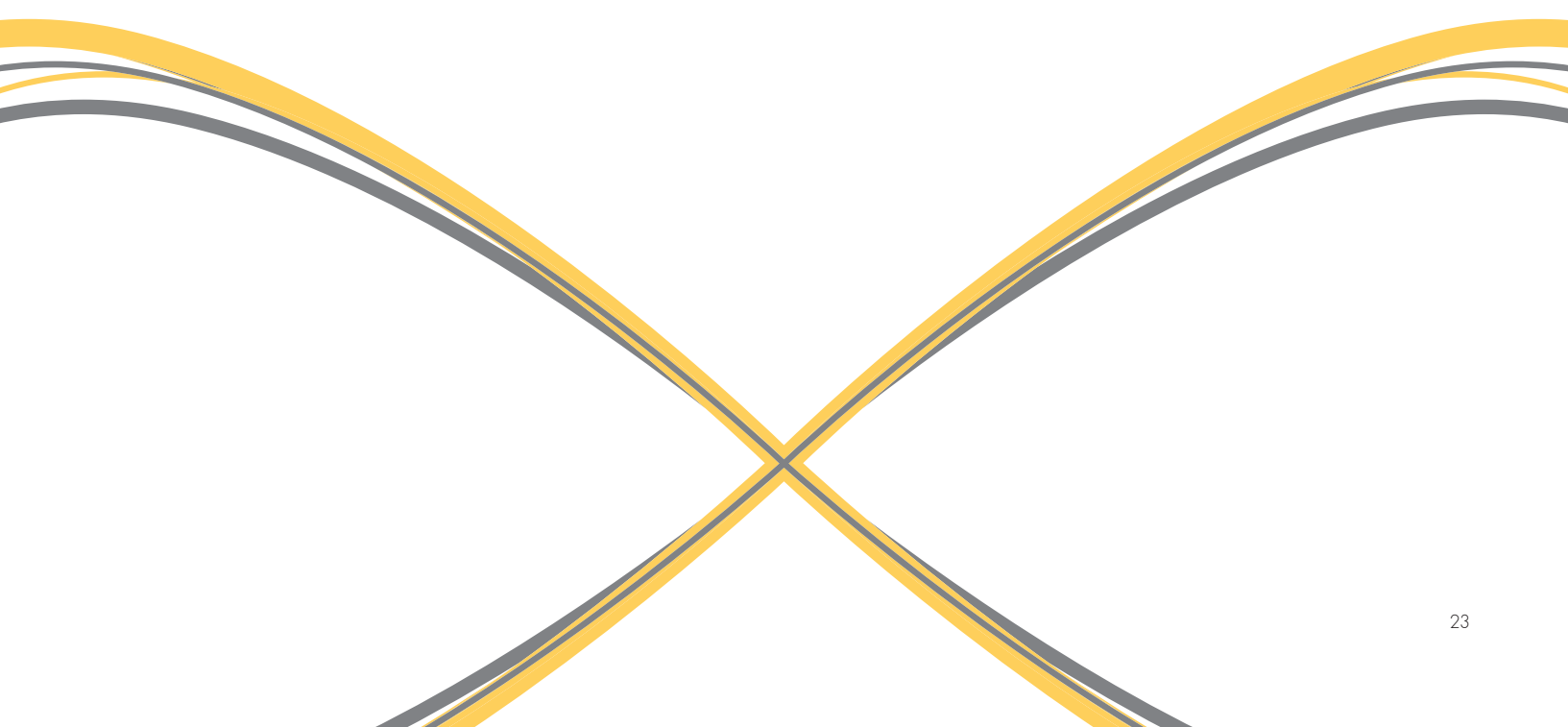
Ms. Panitda Klaimanee
Managing Director



Ms. Rungarunothai Sraikit
Managing Director

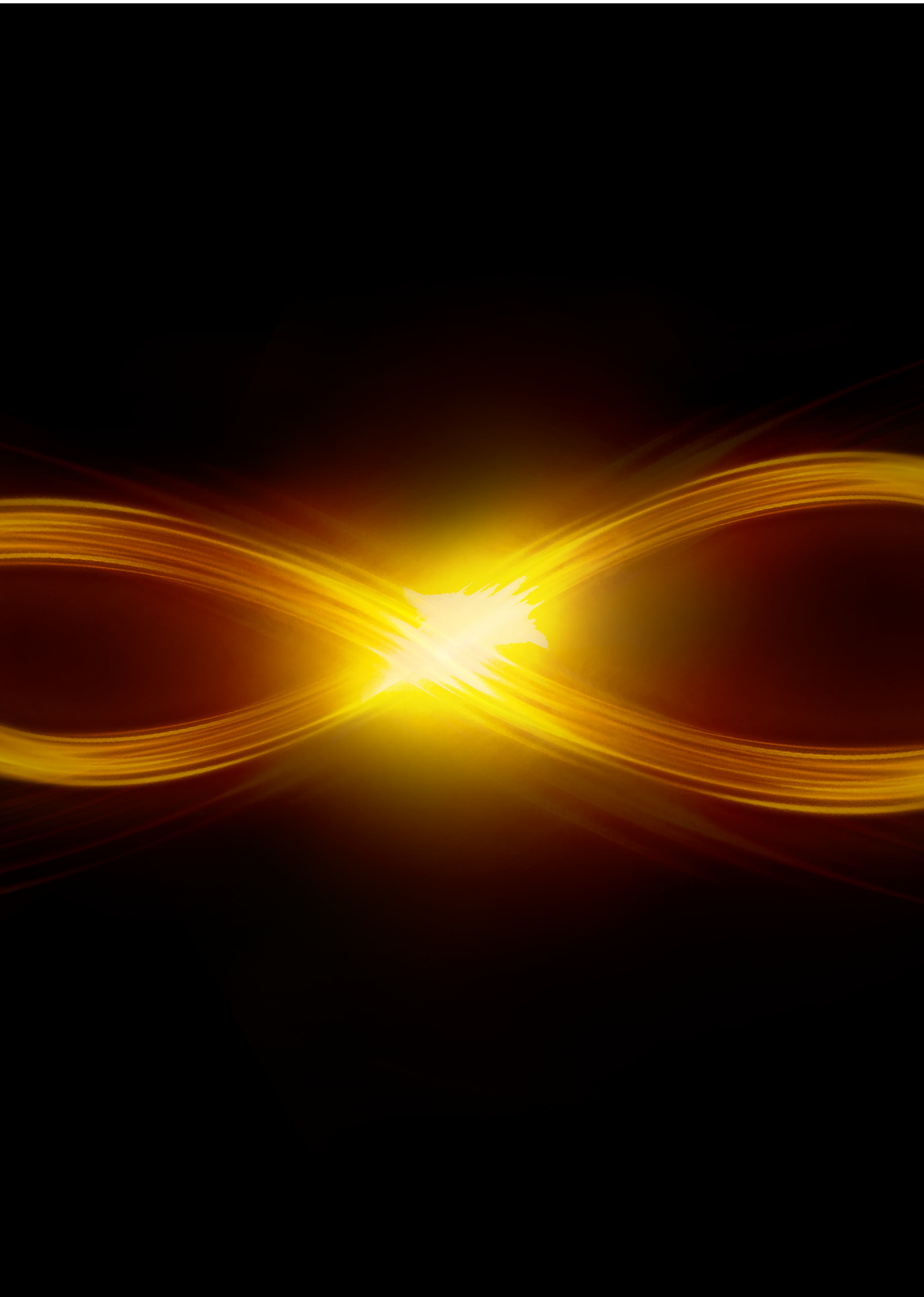


Ms. Woraporn Teesirikasern
Managing Director





General Information



General Information

General Information of the Company

Name	:	CMO Public Company Limited (Changed name on 23 December 2011)
Type of Business	:	Event management for public events, exhibitions and entertainment activities
Head Office Location	:	1471 Soi Ladprao 94, Ladprao Road Plubpla, Wangthonglang, Bangkok 10310
Registered Number	:	0105533044751
Registered Capital	:	222,500,000 Baht
Paid up Capital	:	187,494,835 Baht
Type	:	Common stock
Homepage	:	http://www.cmo-group.com
Tel	:	0-2559-0505, 0-2559-2070 (17 lines)
Fax	:	0-2559-2069

Other Subsidiary Company

Name	:	PM Center Company Limited
Type of Business	:	Rental equipment for image, lighting, sound and effects
Head Office Location	:	4/18-19 Moo 11, Nuanchan Road, Klongkhum, Buangkhum, Bangkok 10240
Registered Number	:	40854600046
Registered Capital	:	135,000,000 Baht
Type	:	Common stock
Homepage	:	http://www.pmcenter.co.th
Tel	:	0-2791-9400
Fax	:	0-2791-9401

Name	:	The Eyes Company Limited
Type of Business	:	Production of multi-vision slide, video, multimedia and computer graphics
Head Office Location	:	1603 Soi Ladprao 94, Ladprao Road Plubpla, Wangthonglang, Bangkok 10310
Registered Number	:	0105529020606
Registered Capital	:	15,000,000 Baht
Type	:	Common stock
Homepage	:	http://www.theeyes.co.th
Tel	:	0-2559-3437-8
Fax	:	0-2559-2629

Name	:	Exposition Technology Company Limited
Type of Business	:	Electrical and lighting services
Head Office Location	:	252 Soi Yu-Charoen 29, Ratchadapisek Road Samsennok, Huay Kwang, Bangkok 10320
Registered Number	:	0105542010406
Registered Capital	:	5,000,000 Baht
Type	:	Common stock
Homepage	:	http://www.expotech.co.th
Tel	:	0-2691-6093-4, 0-2691-7146
Fax	:	0-2276-3940

Name : Thoth Media Company Limited
Type of Business : Online media marketing
Head Office Location : 35/133 Soi Ladprao 23, Chandrakasem, Chatuchak, Bangkok 10900
Registered Number : 0105551006726
Registered Capital : 500,000 Baht
Type : Common stock
Homepage : <http://www.thothmedia.com>
Tel : 0-2930-0747
Fax : 0-2930-0748

Registrar

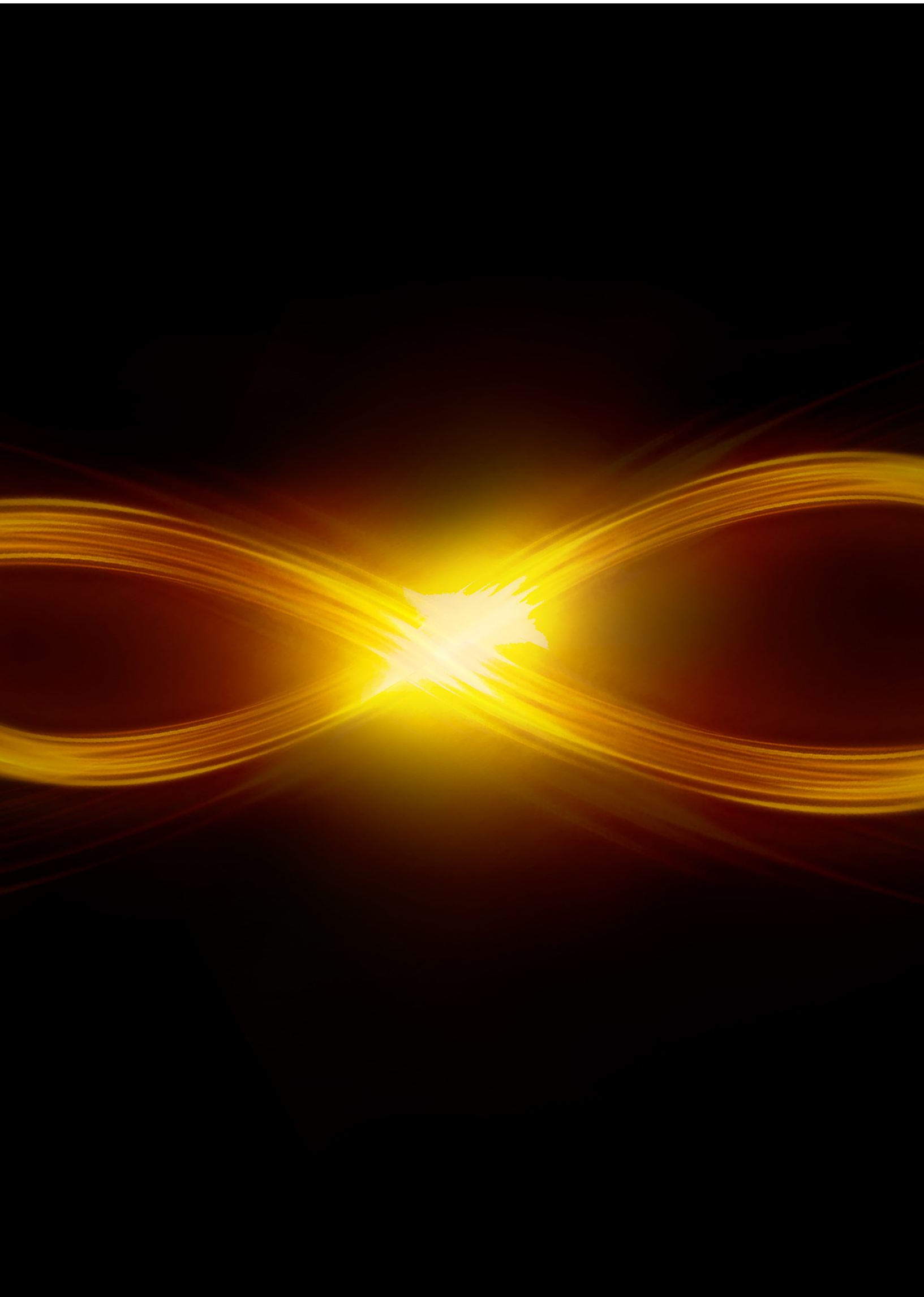
Name : Thailand Securities Depository Company Limited
Type of Business : Thailand Securities Depository Company
Head Office Location : 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey, Bangkok 10110
Homepage : <http://www.tsd.com>
Tel : 0-229-2800, 0-2654-5599
Fax : 0-22359-1259

External Auditor

Name : ANS Audit Company Limited
Type of Business : Certified Public Auditor
Head Office Location : 100/72, 22nd Floor, 100/2 Vongvanij Building B Rama 9 Road, Huaykwang, Bangkok 10320
Homepage : <http://www.ans.com>
Tel : 0-2645-0107-9
Fax : 0-2645-0110



Business



Business

The History and Important Changes

CMO Public Company Limited is founded in June 5, 1991 by the lead of Mr. Sermkhun Kunawong and Mrs. Suree Khunawong. The company is running the business for Event Management; Public Event, Meeting, Incentive, Convention & Exhibition (MICE), Exhibition & Trade Show and Marketing & Promotion. The company's capital for the first registration was amounted Baht 1 million and the business started with only 4 employees. The history and important movements of the Company Group is presented briefly as followed;

The History and Significant Movements of the Company Group

Year	Significant Movements
1986	Mr. Sermkhun Kunawong is a founder of The Eyes Co., Ltd. The company was the first one among others. It provides a service for multimedia and multi-vision. At that time "The Eyes" was one of the biggest multimedia manufacturers in Thailand.
1990	Presentation Media Supplies Co., Ltd. (now it is P.M. Center Co., Ltd.) was established to provide Equipment Rental Service for performances and presentation of The Eyes Co., Ltd.
1991	C.M. Organizer Co., Ltd. was established to provide an Event Management Service. The company was truly one of the pioneers in such business in Thailand.
1992	The Executives of the Company Group decided to unite 3 companies altogether and "The Eyes Group" was formed. At that moment "The Eyes Group" was one of a few companies that were able to fully provide Event Management Business.
1994	The structure of the group's administration had changed. "S. Cubic Group" was formed to be in place of "The Eyes Group". Also, S.Cubic Co., Ltd. was built up to hold shares, control the financial arrangement, handle the accounting and also do an internal check for each company among the Company Group
1998	The policy and some business strategies of the company were changed. CM Organizer Public Co. Ltd. put more concerns on Public Event Service and MICE (Meeting, Incentive, Convention & Exhibition) because the growth of both kinds of business were speculated to be grand in the future
1999	"The Eyes" expanded more services for Multimedia. The products that "The Eyes" manufactured are 3D videos, panorama videos, computer games, CD-ROMs and websites, both for its chain group and internal customers In the same year, the 65th Annual Conference of the International Federation of Library Association was held by the company (C.M. Organizer). More than 2,000 librarians from around the world attended the conference
2001	The management of "PM" changed the policy and marketing strategies by emphasizing more on Production Solutions Management (in pro-lighting, pro-image, pro-sound and special effects)
2003	The Company Group had radically changed its funding structure and shareholding for a preparation to register in Market for Alternative Investment (or "MAI"). The registered capital was increased from Baht 8 million to Baht 59 million and Baht 150 million respectively. In addition, the shareholding structure was also changed in which the company held the shares of "PM" and "The Eyes" for 99.997% and 99.84% respectively. S.Cubic Co., Ltd. became the large shareholder of the Company Group. C.M. Organizer Co., Ltd. was transformed into a public company limited and renamed "C.M. Organizer Public Company Limited"
2004	PM Center's capital structure has radically changed from Baht 39.90 Million to Baht 135 Million of paid up capital which CM Organizer held the shares of "PM" for 99.99% and increased capital paid for the Eyes from Baht 5 Million to Baht15 Million which held the shares of "the eyes" for 99.95%
2008	The Company has expanded a new business in line of Utility Service Provider by held the share of Exposition Technology Company Limited for 40%. Moreover, CMO Group has a great successful of Thai Pavilion to stand up front of 102 countries with Silver Award in Theme and Conception from Bureau International des Expositions : BIE in World Water Exposition 2008 " Expo Zaragoza 2008", Zaragoza, Spain

ปี	พัฒนาการที่สำคัญ
2009	The Company had set new business unit “CM MICE” and announced ASEAN Platform approach to serve various kinds of events in wide array of ASEAN market with international standard.
2010	The Company had change company structure and name of A-Link to M31 which aim to be one stop music and artist management company by held shares 55%. The Company was won the Corporate Social Responsibility Award in SET Award 2010.
2011	The Company had change company name to “CMO Public Company Limited” To prepare for an explanation to new business and new market both in bound and out bound, AEC market.
2012	The Company was increased the company’s register capital from Baht 150 million to Baht 222.5 million by issuing 72.5 newly ordinary million shares to reserve for the payment of stock dividend amounted 37.5 million shares, the exercise of warrants amounted 30 million shares and the exercise of ESOP-warrants amounted 5 million shares. This increase was principal caused by explanation to ASEAN market and AEC market.

Business of the Company and its subsidiaries

The Group is principally engaged in providing event management and operations related to the core business of the Group. We currently own and operate as following;

CMO Public Company Limited

The company is running the business for Event Management and operations related to the core business such as creative management with a focus on quality work and meet the needs of customers. The company’s customer can be divided into two major groups, government sector and private sector who want to boost their sales and marketing to promote their image. Significant of the company success in the past such as The River of King 3rd, 4th and 5th, Wat Arun Festival,

Core business of the company has four majors’ activities;

- Corporate Marketing & Event
- Museum & Exhibition
- National & Public Event
- Meeting, incentive, Convention & Exhibition: MICE
- Art, Culture & Entertainment

PM Center Company Limited

PM offers equipment service for four types of activities as followed;

- Pro Image such as Led Screen, Projector, Screen, Panorama, Plasma and Xenon
- Pro Lighting such as Convention Lighting, Outdoor Lighting, Concert Lighting and Exhibition Lighting
- Pro Audio such as Meeting Convention, Launch new product and Light & Sound
- Pro Effect such as Laser, Water tunnel, Water Screen, Fountain (Straight , Skirt and Circle)

The EYES Company Limited

The EYES offer three main types of services as follow;

- Multimedia which is provides various visual and audio media materials which will use for event, exhibition and museum. This type of service such as video projector, projection mapping, Panorama Screen Video, Multi Screen Video, 3D Video, Video synchronized with Light, Sound, Effect including fireworks or fountain
- Video Presentation in which The EYES design and produce video presentation by bringing in the most updated techniques with using computer graphics to make a high resolution presentation. This type of service such as company profile, training video, product information, sales and marketing video, feature and advertising spot.
- Interactive Media which used to create a colorful event, exhibition and museum are more interesting by allowing audiences to interact with all media in order to get the information of the products and services or for entertainment. These interactive medias including Interactive Shadow, Multi-touch Table, Silhouette Art Projection, Augmented Reality, Photo Booth or Movie Bike. The company can adapt/ apply program match to the customer needs

Exposition Technology Company Limited

Utility Service is under the operation of the Exposition Technology Company Limited (or “Expo Tech”), a subsidiaries of the Company which held 40 percent of the paid up capital. Expo Tech provide infrastructure service such as electrical system, water ducts system, air ducts system, network system for event. Moreover, Expo Tech provides all types of utilities in The IMPACT Chaleenger, Muang Thong Thani.

Thoth Media Company Limited

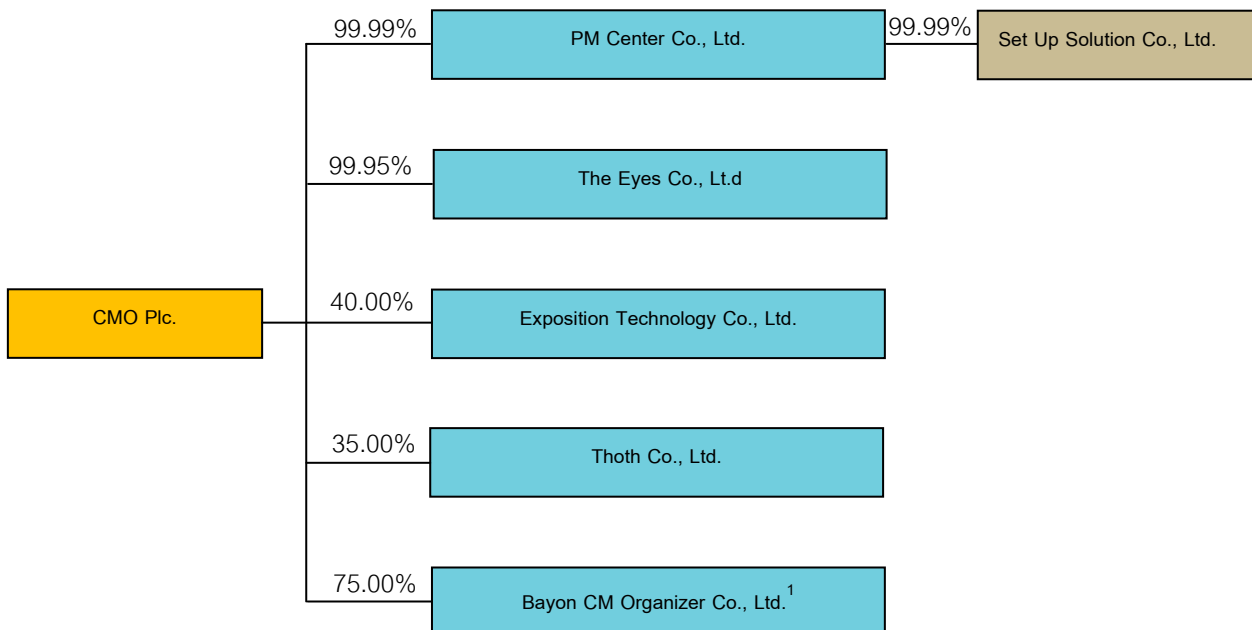
Thoth Media provide full service online marketing. There are four main types.

- Innovation tools on online such as Online Measurement: KPIOLOGY, Online Monitoring and Message Control: War room, and Online Video Live Streaming
- Content offered on online such as Seeding and Negative Message Control
- Management and activities on online via social media such as Facebook and Twitter
- Internet Marketing Programs to promote product online such as website, Facebook, Smart phone and Tablet

Bayon CM Organizer Company Limited

Bayon provide light & sound and event management especially MICE and Incentive Group in Cambodia

The following diagram displays our current organizational and ownership structure as of 31 December 2012



Note: (1) The company is in the process of cancellation

The Company’s policy is to invest in the business which provide event management service and related. The return of investment will be considered by taking into account the investment potential of the business and support the current business. Its subsidiaries are supervised by a representative of the company enter into director or executive to oversee and monitor the management of its subsidiaries to meet the business goal.

The revenue of the Company and its subsidiaries

The Company revenue divided by Company business year 2009 – 2012

Type of Revenue	2009		2010		2011		2012	
	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%
Revenue from event management business	503.91	63.56%	572.83	60.21%	528.84	58.78%	819.35	60.77%
Revenue from equipment rental business	258.54	32.61%	325.63	34.23%	313.47	34.84%	481.39	35.71%
Revenue from presentation media production business	21.68	2.73%	33.38	3.51%	48.89	5.43%	40.42	3.00%
Revenue from design, decoration and construction	8.64	1.09%	10.74	1.13%	5.09	0.57%	0	0.00%
Revenue from musical and activity	0	0.00%	8.83	0.93%	3.48	0.39%	0	0.00%
Revenue from online marketing	0	0.00%	0	0.00%	0	0.00%	7.07	0.52%
Total	792.77	100%	951.41	100%	899.77	100%	1348.23	100%

The Company revenue divided by type of customer year 2009 – 2012

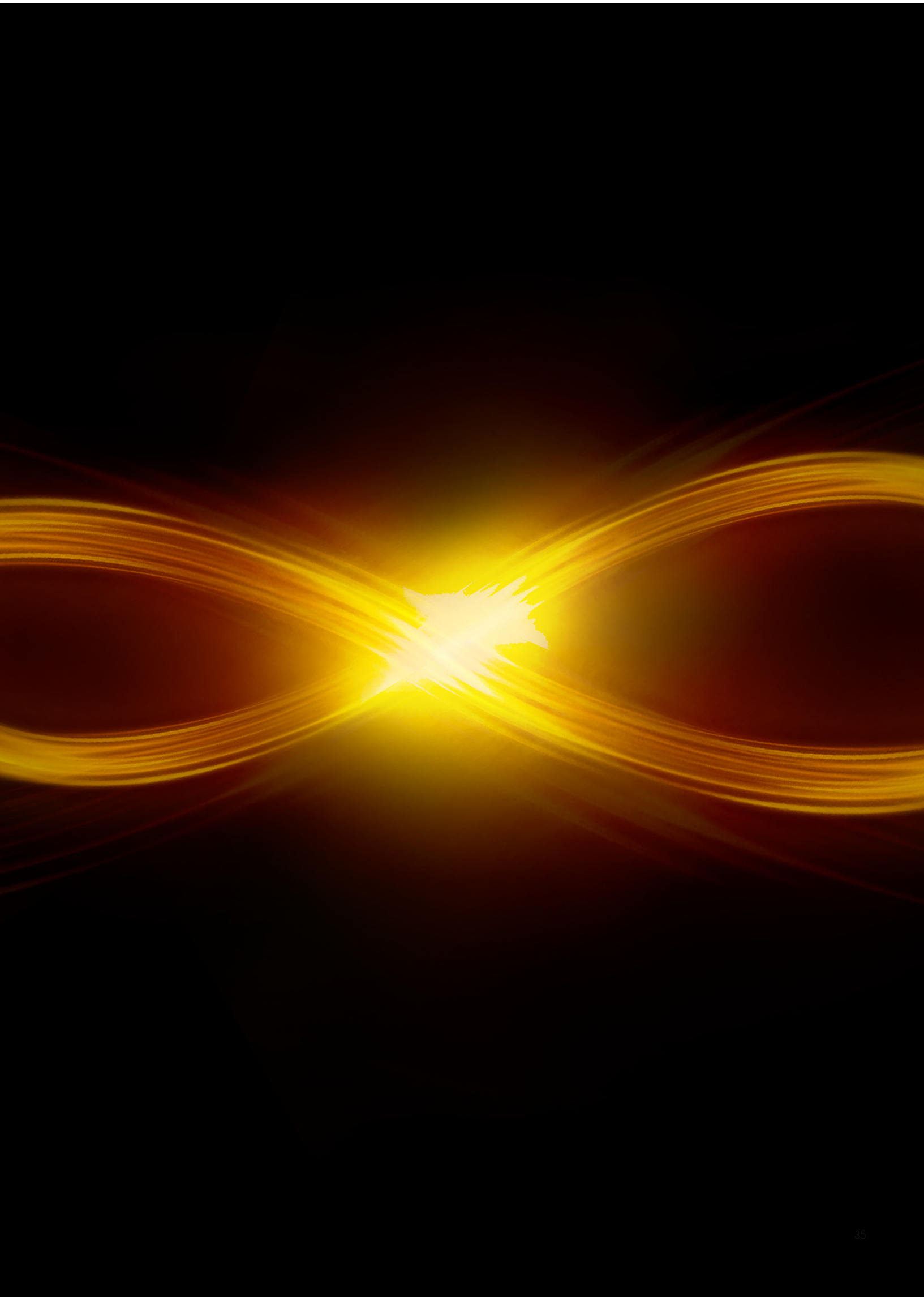
Company's revenue	2009		2010		2011		2012	
	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%
CMO Public Company Limited								
- Revenue from government	289.87	58.09%	225.39	39.26%	166.49	30.89%	158.16	19.51%
- Revenue from private sector	205.99	41.28%	347.44	60.51%	365.22	67.76%	645.79	79.65%
- Other revenue	3.14	0.63%	1.33	0.23%	7.25	1.35%	6.85	0.84%
Total	499.00	100%	574.16	100%	538.96	100%	810.80	100%

The Company revenue divided by Business Service Units year 2009 – 2012

Company revenue	2009		2010		2011		2012	
	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%
CMO Public Company Limited								
- Revenue from corporate marketing events	169.87	34.04%	219.75	38.27%	200.85	37.27%	267.77	33.03%
- Revenue from public event	151.01	30.26%	186.48	32.48%	201.07	37.31%	97.36	12.01%
- Revenue from trade show and exhibition	63.98	12.82%	99.00	17.24%	57.94	10.75%	358.14	44.17%
- Revenue from MICE	2.03	0.41%	16.46	2.87%	22.27	4.13%	0.65	0.08%
- Revenue from event management function	19.20	3.85%	21.14	3.68%	0.00	0.00%	22.23	2.74%
- Revenue from design & construction	89.77	17.99%	30.00	5.23%	46.71	8.67%	51.26	6.32%
- Other revenue	3.14	0.63%	1.33	0.23%	10.06	1.87%	13.39	1.65%
Total	499.00	100%	574.16	100%	538.90	100%	810.80	100%



Risk Factors



Risk Factors

Risk relating to the company and subsidiaries divided by 4 risks

Risk from inconsistency of the client companies' plans for marketing activities

Marketing events, sales promotion, public relations and other image enhancing events are all additional activities or additional communicating tools for marketing that can be organized along with the traditional marketing tools such as advertisement. These activities are, therefore, supplementary activities for the clients' business. Consequently, the Company's event management can easily be affected by the change of customer requirement, such as the policy change from foreign head office in terms of content and budget, the product change, the budget change, the postponement of event schedule, etc. Such changes may affect the revenue and performance of the Company and its affiliations.

However, since the Company has been in the business continuously for over a decade, it has customer base comprising both government and private sectors conducting various types of business and has strong policy to acquire new customers. These clients have more tendency to organize events for their marketing, public relations and sales promotion purposes in order to communicate directly to their target consumers.

In addition, the Company also has another progressive management policy by establishing the strategy for managing its own event activities. Therefore, it is possible to forecast the target and implementation of such events, as well as to promote the brand of events in order to create good reputation and trustworthiness, as well as the interest in such events in the following years for more stable future. This will also result in more revenue from supporters of existing events as well as the potentially well-known branded events in the future.

Actually, the Company has tried to maintain the customer base in attempt to expand the revenue from each of the clients. This is indicated from the fact that the staff has put their best efforts in the work, and tried to expand the clients' successful performance in order to maintain continuous flow of work. A specific business unit is established to take care and provide services to the customers closely. All recommendations are accepted for improvement. And most importantly, the clients' budget will be worth utilized in accordance with their objectives. Moreover, the efficiency of performance must be measurable in order to achieve maximum quality.

Risk from economic instability and the change of government policy
Event Management business is connected to and related with advertisement and public relations business that directly ties in with the overall economic situation of the country. The public spending and general business survival are essential factor for product or service owners in considering the use of any kinds of advertisement or public relations, which include exhibition as a marketing tool for sales promotion.

When people in the country, ranging from business sectors at the level of consumer product operators to the high impact level such as energy, are substantially sensitive to political situation, the business operation is therefore directly affected by overall political and economic movements such as political stability, political rally, and economic policy. These factors affect the consideration on roles of advertising, public relations, and budget for organizing event activities, not to mention various project policies that are established and supported directly from the government and jointly promoted by the private sector. Examples are gigantic projects of event organizations, such as the country's public relation projects for tourism purpose or international conference

Nevertheless, the Company has always been well prepared for such cases. The Company attempts to allocate the management to avoid overly reliance on certain parties, either from government or private sector. The company revenue come from different customers, not depending on or influenced by any customer. It also tries to maintain the balance of income generating operations with maximum prudence, apart from establishing the policy to depend on its own work. Moreover, there is also a policy to go for foreign market with regards to international conferences and receptions to create stability and to avoid being overly dependent on domestic operation.

Risk from market entering of the new operators, and from the adjustment of the clients and adjustment of the advertising firms into the Event market

Event Management market becomes well-known and has increasing market value yearly, not to mention its attractive revenue. Therefore, considerable number of operators, including those previously relating to the business, which are advertising agencies, media, or television programs and public relation companies, begin to adjust them and find ways to create more revenue from event management market. These operators attempt to focus on their existing strength, as well as to incorporate the business of event management into their operation. However, despite the attempt to create more selling points to increase revenue, the expertise in event management depends on experience and specific skills. Although these companies try to establish the Event Management division, or use other methods of marketing, the expertise of existing personnel is still not able to respond to the client needs. Moreover, they are not able to organize the events with equitable standard when compared to the companies with direct experience in this field. Nevertheless, the growth trend of these companies in the event market still creates pressure and results in more aggressive competition in the industry.

Additionally, the event market also involves the movement of previous operators or clients who have accumulated their experience and learned about the event management from our Company or other event management companies. Therefore, these operators or clients are able to adjust themselves, and learn to organize the events without depending upon the direct event management companies in some

cases. Therefore, the Event industry not only confronts with higher competition, but it also needs to adjust itself, as well as to maintain and improve its quality. At the same time, it is also necessary to obtain client acceptance from successful performance and to continuously develop its potential to the greatest extent.

The Company has developed and promoted the quality of event management by accepting new technology that is suitable for organizing the events. Our staffs are assigned to take good care of the clients closely, and are able to create high quality events with new concepts that are always beneficial for the business of the Company. Examples include the attempt to find new joint ventures to enhance the potential of the Company or to find new marketing tools to continuously reinforce the Company's business units. Moreover, the company takes advantage in the company's strength by expanding business into potential international market to reduce the risks.

Risk from natural disasters

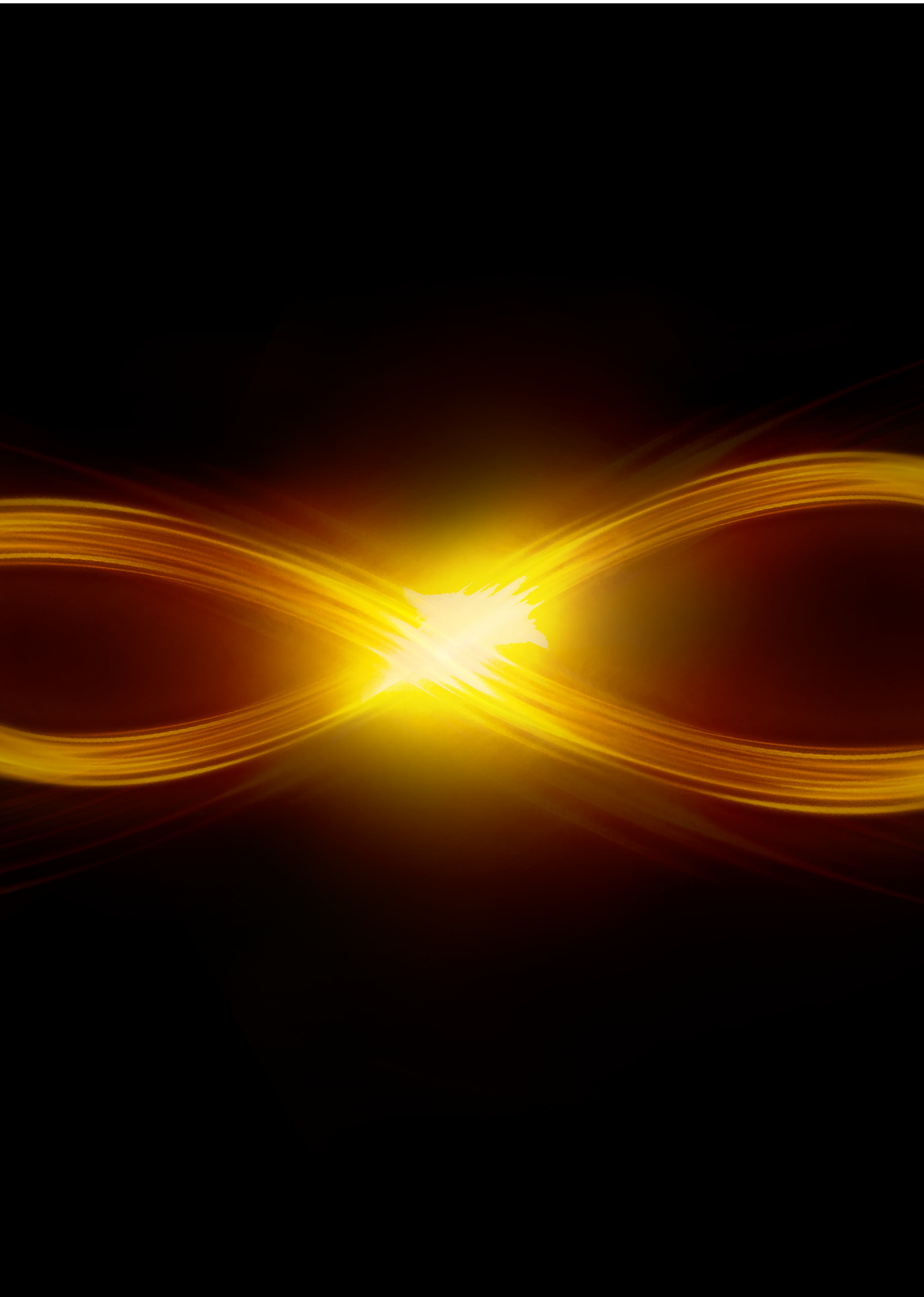
The natural current is fluctuations and more difficult to forecast. Natural disasters are occurring more often than the past which may affect to the company's business. Sometime we have to postpone the event from these natural disasters.

The company has been monitoring the situation both natural disasters and other event, inside and outside of the country, closely. Especially in areas where the company will be held to find a way to prevent any situation that may occur as well as the safety of those who will be in attendance.

The company concern about the safety of worker and audiences. Therefore, the company has been in the insurance for event and for audiences for the event which have a large number of participants or some event which the company agreed to have insurance.



Shareholding and Management Structure



Shareholding and Management Structure

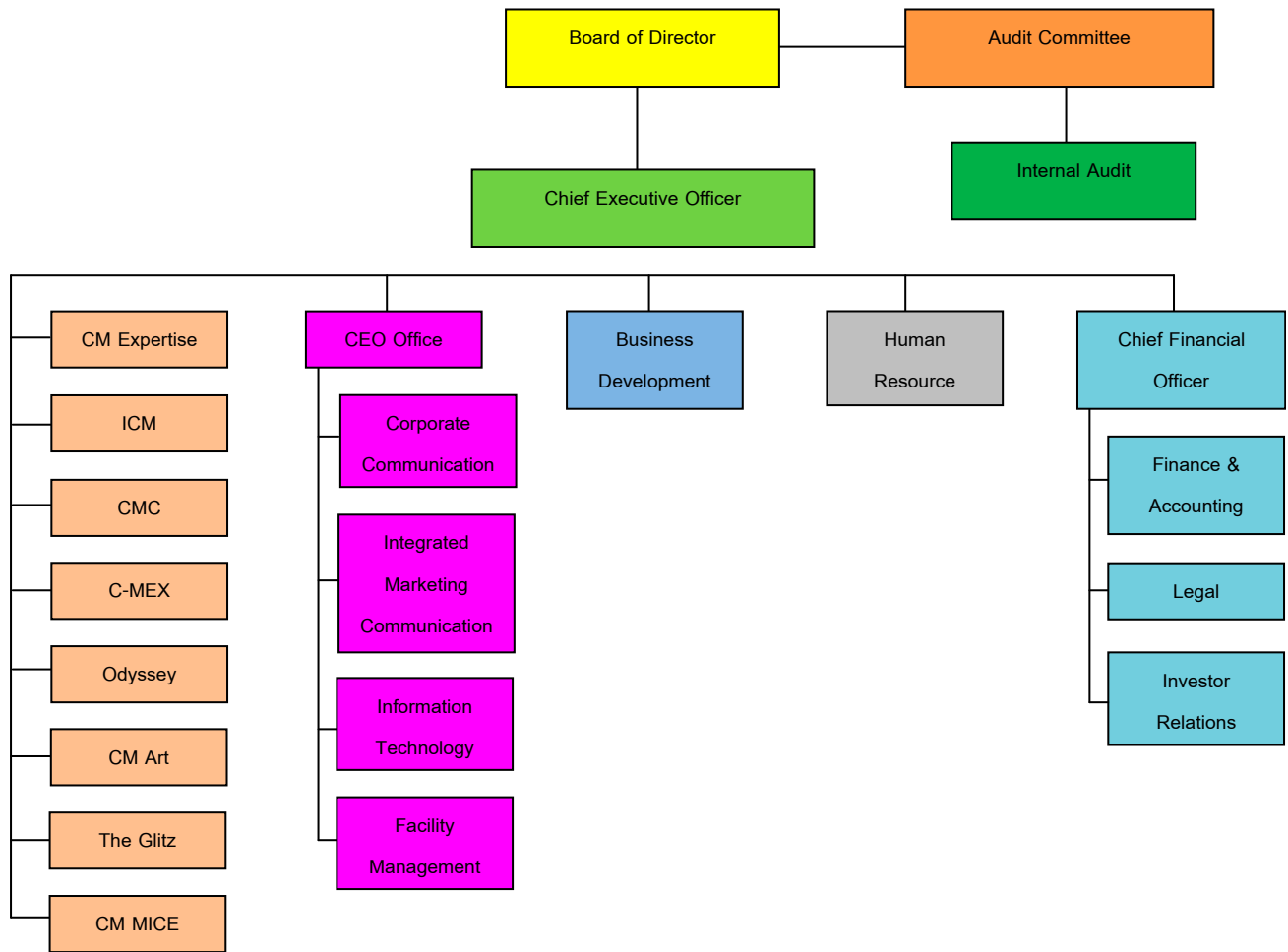
Shareholders

The following table sets out our major shareholders as of March 13, 2013

No.	List of Shareholders	# Shares	Percent
1	S. Cubic Co., Ltd.*	70,564,875	37.59%
2	Ms. Suree Sirikorn	15,078,500	8.03%
3	Thai NVDR Co., Ltd.	8,907,847	4.75%
4	Mr. Sermkhun Kunawong	7,502,000	4.00%
5	Ms. Ausanee Kerdpheungboonpracha	4,391,000	2.34%
6	Mr. Sompol Kullertprasert	3,101,675	1.65%
7	Mr. Mitpan Sathaworramanee	3,000,400	1.60%
8	Mrs. Nuttamon Yongthanyaroj	2,680,000	1.43%
9	Mr. Banyathi Vuthiserthapaibul	2,500,000	1.33%
10	Ms. Pattama Kullertprasert	1,000,050	0.53%
11	Others	68,987,988	36.75%
		187,714,335	100.00%

Note: *Kunawong's group holds its interest in S. Cubic Co., Ltd. which holds a 100 percent of paid up capital

Management Structure



The management

The management structure of the company consists of 3 groups of committees, which are Board of Directors, Audit Committee and Executive Management, as listed below:

คณะกรรมการบริษัทฯ

As of December 31, 2012, the company has 6 members of a board as listed below:

- | | | |
|-------------------|----------------------|-----------------------------------|
| 1. Mr. Ratanavudh | Vajarodaya | Chairman of Board of Directors*** |
| 2. Mr. Jumphol | Rodcumdee | Committee** |
| 3. Mr. Anant | Gatepithaya | Committee** |
| 4. Mr. Sermkhun | Kunawong | Committee* |
| 5. Ms. Suree | Sirikorn | Committee** |
| 6. Ms. Ausanee | Kerdpheungboonpracha | Committee |

Ms. Piyamart Yongsirichaisakul is a company secretary

* Directors who have authority to sign which are Mr. Sermkhun Kunawong or Ms. Suree Sirikorn anyone together with company stamp

** Independent Committee

Composition, Qualifications of the board of Directors

Composition

1. The Board of Directors consists of the Chairman of the Board of Directors and at least three persons or at least one-third of all directors, whichever is greater, shall be independent directors.

2. The directors shall have such qualifications and shall not have any prohibited characteristics as set forth in the Public Limited Companies Act, with two-year term of office.

3. The appointment of directors shall be transparent and comply with the Articles of Association. Names and backgrounds of candidates nominated for appointment as directors shall be submitted through the Board of Directors for consideration to seek approval from the shareholders meeting. The said nomination process should allow the minority shareholders to nominate candidates for consideration and selection

Qualifications

1. The Board of Directors shall have leadership, visions, ability, knowledge and experiences which are useful for the Company's business operations, and shall also be independent to provide opinions, consider, conclude opinions and make decisions, significantly taking into account the optimum benefits to both the Company and its shareholders. To ensure that the Board of Directors led by the Chairman of the Board of Directors shall be able to efficiently supervise the performance of the management, the Chairman of the Board of Directors shall not be the same person as the Managing Director.

2. Audit Committee: At least three members of the Board of Directors shall be appointed as members of the Audit Committee, provided that all of them shall be independent directors having the qualifications as prescribed in the Qualifications of Independent Directors and that at least one of them shall have knowledge in accounting and/or finance, with the duties to audit and supervise the Company's operations, including to monitor the preparation of financial reports, internal control system, selection of the auditor, and consideration of conflicts of interest

As December 31, 2012, the company has held the Meeting of Board of Director for 5 times. Here is the detail of committee attend.

Name	Position	Number of Attend
Mr. Ratanavudh Vajarodaya	Chairman of the Board of Director	5/5
Mr. Jumphol Rodcumdee	Director	5/5
Mr. Anant Gatepithaya	Director	5/5
Mr. Sermkhun Kunawong	Director	5/5
Ms. Suree Sirikorn	Director	4/5
Ms. Ausanee Kerdpheungboonpracha	Director	5/5

Scope of Authority and Responsibilities of the Board of Directors

1. The Board of Director perform policy in the business, financial policy, funding, management of fund and risk management of the company
2. To approve the budget and investment of the company and oversee the implementation of the project according to the plan
3. Oversee the operations of the company to meet or better than the target
4. Provide the general information and financial information to shareholders and stakeholders which are properly, timely and in accordance with laws
5. Review the adequacy and appropriateness of internal control and risk management of the company
6. Consider to contract of loan and guarantee
7. Consider the salary bonuses welfare of employees and directors' remuneration

The Audit Committee/ Independent Committee

As of December 31, 2012, the company has 3 members of Audit Committee as listed below:

1. Mr. Jumphol Rodcumdee Chairman of Audit Committee
2. Mr. Anant Gatepithaya Audit Committee*
3. Mr. Ratanavudh Vajarodaya Audit Committee

Mr. Vuttiphan Tanametant is a secretary of the Audit Committee.

Note: *Audit Committee who has experience in audited financial statement

As of December 31, 2012, the company has held the Meeting of Board of Director for 4 times. Here is the detail of committee attend.

Name	Position	Number of Attend
Mr. Jumphol Rodcumdee	Chairman of Audit Committee	4/4
Mr. Ratanavudh Vajarodaya	Audit Committee	3/4
Mr. Anant Gatepithaya	Audit Committee	4/4

Qualifications of Independent Directors

1. The Board of Directors shall have the duty to supervise the Company's operations to ensure its compliance with the laws, objectives and the Articles of Association, as well as resolutions of the shareholders meetings, by performing its duties with integrity, good faith and due care to protect the Company's interest, including compliance with the rules and regulations as specified by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

2. Holding no more than 1 (one) percent of all voting shares of the Company, its parent company, subsidiaries, affiliated companies or any legal entity which may have a conflict of interest;

3. Not being an employee, staff, advisor regularly receiving salary, or person with power to control the Company, its parent company, subsidiaries, affiliated companies or any legal entity which may have a conflict of interest, for a period of at least three years.

Scope of Authority and Responsibilities of the Audit Committee

Any undertaking of any related transaction which needs to comply with relevant regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission and report to the Board of Director of the Company

1. Review the Company's financial statement which are accurate and adequate by coordinate with external auditor of the Company and executives responsible for financial report both quarterly and annual

2. Review the Company's internal control system. Internal audit may appropriate and effective

3. Review the operations of the Company in accordance with laws and undertaking which needs to comply with relevant regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission and report to the Board of Director of the Company

4. Consider the appointment of the Auditor as well as the auditor's remuneration with regard to reliability adequacy of resources and workload of auditor. Including the personal experience of auditor of the company

5. Consider the disclosure of the Company's information in related transaction case or conflict of interest

6. Perform other duties as authorized and approved by the Board of Directors of the Company and the Audit Committee such as review the financial management's policy and risk management. Review of the ethic of the company

7. Report all activities of audit committee by disclose in the company's annual report which was signed by the chairman

Information of the Board of Director

Name	Age	Education	No. of share As of 13 March 2013	Relationship	Working Experience last 5 years		
					Year	Position	Company
1. Mr. Ratanavudh Vajarodaya	55	- MA Corporate Political and Communication, Fairfield University, USA - DAP 9/2004	205,500 shares (0.11%)	-	2003-present 2000-present	- Chairman and Audit Committee - Special Advisor	- CMO Public Company Limited - Bureau of the Royal
2. Associate Professor Jumphol Rodcumdee	66	- MS Broadcast-Journalism, Boston University, USA - DAP 9/2004	None	-	2003-present 2006-present 2003-2006	- Director and Chairman of Audit Committee - Art & Culture Consultant, - Vice President	- CMO Public Company Limited - Chulalongkorn University - Chulalongkorn University
3. Mr. Anant Gatepithaya	61	- MM , Graduate Institute of Business Administration of Chulalongkorn University (SASIN) - DAP 7/2004 - ACP 2/2004 - DCP 17/2002	16,000 shares (0.01%)	-	2003-present 2008-present 2007-present 2007-present 2004-present 2011-present 2010-present	- Director and Audit Committee - Director and Audit Committee - Director and Audit Committee - Director and Audit Committee - Director and Audit Committee - Director and Audit Committee - Director and Audit Committee	- CMO Public Company Limited - Zeer Property Co., Ltd. - Asset Management of Donsak - Samui Plc. - Hydrotech Plc. - Fortune Part Industry Plc. - Supalai Plc. - The Brilliant Solution Co., Ltd.
4. Mr. Sermkhun Kunawong	52	- BCA, Chulalongkorn University - DAP 10/2004	7,502,000 shares (4.00%)	Relative (Ms. Woraporn Teesirikasern)	2008-present 2003-present 2003-present 1986-present	- Chairman - Chief Executive Officer - Chairman - Chairman	- Exposition Technology Co., Ltd. - CMO Public Company Limited - PM Center Co., Ltd. - The Eyes Co., Ltd.
5. Mrs. Suree Kunawong	52	- BNS, Chulalongkorn University - DAP 10/200	15,078,500 shares (8.03%)	Sibling (Ms. Ausanee Kerdphengboonpracha)	2003-Present 1990-Present 2003-present 1986-present	- Director - Director - Chief Executive Officer - Director	- Exposition Technology Co., Ltd. - CMO Public Company Limited - PM Center Co., Ltd. - The Eyes Co., Ltd.
6. Ms. Ausanee Kerdphengboonpracha	51	- MBA, National Institute of Development Administration (NIDA) - DAP 9/2004	4,391,000 shares (2.34%)	Sibling (Ms. Suree Sirikorn)	2003-Present 1993-present	- Director - Deputy Managing Director	- CMO Public Company Limited - PM Center Co., Ltd.

Management Team

As of December 31, 2012, The Company has 7 members of the executives as listed below:

1. Mr. Sermkhun	Kunawong	Chief Executive Officer
2. Ms. Rungarunothai	Sraikit	Managing Director
3. Ms. Panitda	Klaimanee	Managing Director
4. Ms. Kronthong	Tonarree	Managing Director
5. Ms. Jutiporn	Mingkwanrungrueng	Managing Director
6. Ms. Nongrat	Thanjitt	Managing Director
7. Ms. Woraporn	Teesirikaserm	Managing Director

Management team is responsible for consulting suggestion and/or comment to the decision of the Chief Executive Officer in matters relating to the business of the Company.

However, the powers of management team may under the laws and regulation of the company and management team has no authorized to do or approve the transactions which have a conflict of interest. Any case happened, management team may report to the Board of Director to consider thereafter.

Scope of Authority and Responsibilities of the Chief Executive Officer

1. Approval of the participant in the exhibition seminar which amounted Baht 150 million
2. Approval to purchase equipment or any other property which amounted not exceed Baht 25 million
3. Approval of rental, event management or contractor which amounted not exceed Baht 30 million
4. Approval for the hiring of an executive or an employees with a salary not to exceed Baht 500,000 unless the employer or employee in the higher Chief Executive Officer level which must be approved by the Board of Director
5. Approval for any transaction that exceeds the limit above which there is an urgent need to the company's benefit. The Chief Executive Officer can do the transaction and report to the Board of Director
6. Follow the rule and objective of the company, resolution of the Board's meeting and resolution of the Shareholder's meeting. And comply with all relevant laws and regulations later on the company was listed in the Stock Exchange of Thailand including the rules relating to the transaction with a conflict of interest
7. Consider the transaction or take any other action which necessary or appropriate to conduct the business of the Company or for the benefit of the company's business
8. Make a decision regarding to the operation of the company, mission, objective and company's policy including corporate governance and the overall operations of the customer relation and be responsible to the Board of Director
9. Approval for the company's loan which not to exceed Baht 20 million but amounted which exceed Baht 20 million may approve by the Board of Director
10. Authority delegated to the Chief Executive Officer or other appropriate duties as the chief executive officer and managing the necessary and appropriate in the discretion of the Chief Executive under the rule of law. Rules and regulations of the company.

The Chief Executive Officer shall have no the power to implement the above. If the Chief Executive Officer has a conflict of interest or a stake in the authorized it

In addition, some transaction that under the regulation of the Stock Exchange of Thailand shall be approved by the Shareholder's meeting and/ or any other operating rules and procedures as set out in the announcement of that too which to comply with the requirements of the Stock Exchange of Thailand in the matter.

Details of Management Team

Name	Age	Education	No. of share As of 13 March 2013	Relationship	Working Experience last 5 years		
					Year	Position	Company
1. Mr. Sermkhun Kunawong	52	- BCA, Chulalongkorn University - DAP 10/2004	7,486,000 shares (3.99%)	spouse	2008-present 2003-present 2003-present 1986-present	- Chairman - Chief Executive Officer - Chairman - Chairman	- Exposition Technology Co., Ltd. - CMO Public Company Limited - PM Center Co., Ltd. - The Eyes Co., Ltd.
1. Ms. Rungarunothai Sraikit	45	- MA, National Institute of Development Administration	None	-	2008-Present 1993 - 2008	- Managing Director - Director	- CMO Public Company Limited - CMO Public Company Limited
2. Ms. Panitda Klaimanee	44	- BA, Suan Dusit Rajabhat University	12,000 shares (0.01%)	-	2008-Present 1994 - 2008	- Managing Director - Director	- CMO Public Company Limited - CMO Public Company Limited
3. Ms. Kronthong Tonarree	41	- Journalism and Mass Communication, Thammasat University	120 shares (0.00%)	-	2008-Present 2550 - 2551	- Managing Director - Director	- CMO Public Company Limited - CMO Public Company Limited
4. Jutiporn Mingkwanrungruen	40	- Master of Business Administration at Queensland University of Technology, Australia	6,000 shares (0.00%)	-	2012-Present 2007-2012	- Managing Director - Director	- CMO Public Company Limited - CMO Public Company Limited
5. Ms. Nongrat Thanjitt	39	- MA English Business, National Institute of Development Administration (NIDA)	6,120 shares (0.00%)	-	2008-Present 2007-2008	- Managing Director - Director	- CMO Public Company Limited - CMO Public Company Limited
6. Ms. Woraporn Teesirikaserm	34	- BCA, Chulalongkorn University	120 Shares (0.00%)	Relative (Mr. Sermkhun Kunawong)	2011 - present 2009-2010	- Managing Director - Director	- CMO Public Company Limited - CMO Public Company Limited

The Remuneration for the Executives

The remuneration for the Board of Director of the Company

In 2012, total remuneration in meeting fee paid to the committee equaled to Baht 1.54 million.

Name	Position	Meeting Allowance (Baht)
Mr. Ratanavudh Vajarodaya	Chairman of the Board of Director	400,000
Mr. Jumphol Rodcumdee	Director	300,000
Mr. Anant Gatepithaya	Director	240,000
Mr. Sermkhun Kunawong	Director	200,000
Mrs. Suree Kunawong	Director	200,000
Ms. Ausanee Kerdpheungboonpracha	Director	200,000

Remuneration of the Management Team

The total remuneration paid by the Company to 7 individuals of the management team during fiscal year 2012, including salary and bonuses totaled Baht 27.10 million.

Employees

As of December 31, 2012 there were a total number of 482 people employed by the company divided by permanent contract 472 people and temporary contract 10 people as indicated below:

- CMO Public Company Limited; permanent contract 173 people and temporary contract 9 people
- PM Center Company Limited; permanent contract 189 people and temporary contract 1 people
- The Eyes Company Limited; permanent contract 30 people
- Exposition Technology Company Limited; permanent contract 62 people
- Thoth Media Company Limited; permanent contract 18 people

Employees Remuneration

As of December 31, 2012, the total remuneration paid to employees amounted to Baht 231.61 million including salaries, bonuses, social security funds, and provident funds.

Compliance with Good Corporate Governance Principles

The Company emphasizes on good governance and realizes that the accountable and transparent management will enhance the Company's progress in business operation. Furthermore, it will also strengthen the confidence of all relevant parties, and bring maximum benefits to all shareholders and stakeholders.

Section 1 – Rights of Shareholders

The Company has realized the basic rights of shareholders which include the right to buy or sell or transfer shares, the right to gain shares in the Company's profit, the right to receive relevant and adequate information of the Company in timely manner, the right to participate and vote in shareholder meetings to elect or remove directors. The Company has also recognized the good corporate government and taken steps to demonstrate its respect for basic shareholders' right. Since we believe that accountable and transparent operation will lead to organizational development and increase the confidence of relevant persons, which will eventually result in the best interests of shareholders and relevant persons. Therefore, the company has set policies relating to the rights of shareholders as follows:

- Shareholders and stakeholders have enjoyed equitable treatments and the rights that they are eligible to such as the right to
- The company sends each of the shareholders a letter identifying the date of the meeting including the meeting documents at least 7 days prior to the scheduled meeting except there is any extraordinary resolution, the letter and documents will be send at least 14 days prior to the schedule meeting. Besides, the company has a policy to announce both Thai and English information via CMO Group's website: <http://www.cmo-group.com/investor.php>, before delivering the documents, including Meeting agendas, Annual Report, Financial Statement, Criteria, procedure and required documents for attending the meeting and three proxy forms for shareholders to the shareholders for considering the information in advance.
- On the meeting day, the company always allows registration of shareholders at least an hour before meeting. Minutes of the meeting endorsed by the shareholders are kept in a safe place and all relevant persons are eligible to check the minutes.
- Before each meeting, the Chairman explains clearly how ballots are cast and counted as well as allocates enough time for meeting.
- The chairman gives the participants equitable right of questioning, expressing their opinions, and giving recommendations concerning the company administration without time limitation. Furthermore, the shareholders' opinions can be proposed prior to the meetings via the company's website: <http://www.cmo-group.com/investor.php> as well as Email address: cmoir@cmo-group.com
- During a regular meeting, all members of the board including a chief financial officer participate in the meeting and answer the shareholders' questions.

Section 2 – Equitable Treatment of Stakeholders

The company realizes that shareholders should be treated equitably and fairly. A meeting of the shareholders is arranged under the following policies:

- Allowing each shareholder to propose agenda for consideration and director nominee at a shareholders' meeting ahead of the actual meeting date via the company's website: <http://www.cmo-group.com/investor.php> and Email address: cmoir@cmo-group.com
- Shareholders who are the company's executives will not add any unnecessary and unannounced agendas, especially important agendas, which require other shareholders to take time to study.
- Shareholders who are not able to attend the meeting are eligible to having their delegates attending the meeting and voting on their behalf by using the proxy forms A, B and C, in which the independence directors will be listed as a shareholder' s proxy.
- For transparency and accountability, the company promotes the use of ballots during important agendas concerning the connected transactions. In addition, a director who involve the connected transactions will not have right to vote.

- In the director election agenda, the shareholders are able to vote on individual nominees.
- Recording the minutes accurately and completely for sending it to SET and the Securities and Exchange Commission after meeting.

The minute is also posted on the company's website <http://www.cmo-group.com/investor.php> within 14 days after the conference.

- The company has developed the code of conduct for the executive body, and the employees in writing. In order to be aware of it and use it as the guideline for execution of their duties honestly and morally and must not use the insider information as personal interest.

Section 3 – Roles of Stakeholders

The company realizes the importance of all groups of stakeholders. The rights of stakeholders that are established by law or through mutual agreements are to be respected. Stakeholders consist of shareholders, employees, creditors, debtors, customers, auditors, independent assessors, and communities which are equitably treated each group. The company has set policies to the stakeholders as follows:

- Customers – CMO Group strictly honors agreement and regularly coordinates with its customers to deliver products of quality matching customers' needs in a timely manner.

- Employees – CMO Group recruits, adopts, and hires staff based on qualifications, experience, and competence for suitable positions as well as equally promotes their career advancement. The Company provides a full range of social welfare services and benefits to our employees such as medical expense reimbursement, accidental insurance and provident fund in order to take care of the employees for long-term. Besides, the Company's directors and employees was prevented from applying the opportunity or information received from being in the position of director, executive or employee for private as well as not applying the internal information for stock trading purpose 1 month before the Financial Statement disclosure.

- Government – CMO Group not only strictly follows the provisions of laws and regulations issued by supervisory agencies but also supports public-sector projects to foster the best interests of society.

- Suppliers – CMO Group treats all suppliers fairly and always offers an opportunity for new suppliers to present their products and services.

- Competitors – CMO Group treats its competitors professionally and fairly. The company participates in the establishment of the Business of Creative and Event Management Association (EMA) which aims to set a standard of event business quality and provide the knowledge to public.

- Society – CMO Group has set policies to benefit the society in the fields of art and culture such as being a sponsor of the Bangkok Sculpture Center, non-profit organization that promotes and supports local Thai sculptors. At the center, visitors can see a number of sculptures by local artists with free of charge. As the Company becomes aware of environmental issues, furthermore, the policy regarding re-use of such materials is introduced to our employees.

Section 4 – Operational Transparency and Information Disclosure

The company emphasizes on operational transparency and disclosure of sufficient information that affects the decisions of the investors reliably, regularly and in timely manner.

- The Company has reported the significant information via the SET Form 56-1 and annual report 56-2.

- The board of directors has provided a report of the responsibility in the financial statements together with a report of independent auditor as well as a report of the audit committee and corporate governance via annual report.

- The board of directors has disclosed the information regarding directors such as names, roles of the directors and the audit committee and the details of attending meetings.

- CMO Group has set the Investor Relations Department to coordinate with shareholders, property analysts stock analysts, relevant government agencies, and general people in order to present them information and make them confident that the company is able to disclose important and correct information in a timely and transparent manner. Apart from dissemination of information under the criteria set by the Stock Exchange of Thailand, the board of directors has approved the dissemination of some information both in Thai and English via the company's web site: <http://www.cmo-group.com/investor.php>

- The company has revealed the policy on remuneration for directors.

- The company has elucidated the top 10 lists of major shareholders including board of directors and management persons.

- The company has disclosed connected transactions in the financial statement by strictly following the rules, regulations, and orders of the Stock Exchange of Thailand.

- The company considered, selected, and appointed the company's auditor who is well known and accepted by the Securities and Exchange Commission Thailand.

- The company allows persons to ask questions through the investor relation department.

- The company has never been decreed to rectify the financial statement by the Securities and Exchange Commission Thailand.

- The company has disclosed the information regarding directors and executives' share hold in the company complied with regulations of Securities and Exchange Commission and the Stock Exchange of Thailand

- The company has assigned the directors and the top 4 lists of executives to present the conflict of interest report according to the Stock and Stock Market Act B.E. 2551(A.D. 2008)

Section 5 – Responsibilities of the Committee

The company's board of directors consists of members with such qualities as leadership, vision, experiences, and expertise in required fields to facilitate the company operation and to best benefit the shareholders.

1. Structure of the Board of Directors

- The board of directors is composed of six directors, four of which are independent directors. The number of the independent directors counts more than 1/3 of the overall directors in accordance with the standard set by the Stock Exchange of Thailand. The chairman of the board is an independent director who has no connection with the executive body and is not the same person with the Chief Executive Officer. Policies for company operation is set by the executive body, which consists of 7 executive officers, to ensure that business planning and decision making are appropriate and are not controlled by only one person or one group of persons.

- The directors will hold the position for a term of three years. One third of the directors will vacate the office by drawing of lots. Then, new directors will be selected.

- The board sets a policy to disclose information on the appointment of each director to shareholders in the annual report.

- For balance of administration, the board has clearly assigned the power of the chairperson of the board and the Managing Director (Chief Executive Officer). The chairperson of the board is not the same person with the Managing Director.

- The board has selected independent directors, who are not the company employees, to hold the position of chairperson of the board.

- The company has a company's secretary, who provides suggestions about laws and regulations that the committee needs to know and comply with.

2. Subcommittee

- The company's board of directors has appointed an audit committee according to regulations set by the Stock Exchange of Thailand. This subcommittee consists of three independent directors who are not the company's executives or employees. These independent directors will supervise the operation and responsibilities of the audit committee.

3. Roles, Duties, and Responsibilities of the Board of Directors

- The board will consider and provide opinions and recommendations concerning important issues of the company including mission and vision statements. This will also supervise and ensure that the executive body is able to achieve the goals under the established strategies, work plans, and annual budget.

- The board will use the code of ethics as its guideline and operate honestly, fairly, and morally to achieved the defined intent.

- The board has a policy to avoid connected transactions or any transactions that may cause conflict of interest. However, in the event of a connected transaction, the company has assigned relevant divisions to gather information relating to such connected transaction to present to the audit committee who will consider and present the opinions concerning such matter to the board of directors and the shareholders for approval. The stakeholders of such matter will not be allowed to make an approval vote to ensure that the company complied with the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission.

- The board will hold responsible for the company's financial statement and information, which will appear in the annual report. Such financial statement is prepared under the accounting standard accepted nationwide. Appropriate accounting policy will be selected. Preparation of the financial statement will be performed in a regular and careful manner. Sufficient information will be disclosed in the notes to the financial statements.

- The board has a strict control and supervision of financial transactions and compliance with rules and regulations through the audit committee which performs as the following:

- Review of the internal control system through the internal audit department, reports directly to the Audit Committee.

- Review and consideration of the financial statement.

- Company's compliance with the Securities and Exchange Act, the rules and regulations of the Stock Exchange of Thailand as well as other related laws.

- Selection and appointment of external auditor, accepted by the Securities and Exchange Commission Thailand.

- Preparation of the audit committee statement and disclosure in the annual report.

4. Meeting of the Committees

- The company has followed the Public Company Limited Act, which requires the board of directors to hold at least one meeting every three months. The board has prepared the meeting in advance and called for additional meeting as necessary. In 2012, there were five meetings of the board of directors. Each Meeting, the secretary informed the directors in advance of the meeting and sent them the meeting agendas and documents. During the meeting, each director was allowed to freely express his/her opinions. The secretary was the one recording the meeting and prepared the minutes.

- The audit committee meets at least once every three months. In 2012, there were four meetings of the audit committee. Each meeting, an internal auditor acted as the secretary of the audit committee and prepared the minutes. At least one week before the meeting, the secretary would inform the committee members of the meeting and send them agendas and supporting documents. In the event that there was an agenda in which the audit committee needed to consider the financial statement, certified public accounts, and the Chief Financial Officer would be invited to attend the meeting in order to give the meeting their opinions towards the financial statement.

- The Company Board of Directors has taken part in the participations with the Management holding independent expressions on the opinions in order to jointly prescribe the direction of the Organization through the company new year party and PM Center Open house day which are held regularly every year.

5. Remuneration

- Currently, the Remuneration Committee is not established in the company. However, the board of directors carefully considers and transparently sets a policy on remuneration of the board directors. Such remuneration is in the same level as that offered by other companies in the industry and good enough to attract and keep qualified directors. For the executives, their remuneration is in compliance with the principles and policies established by the committee, which is in connection with the operational results of the company and the performance of each executive.

6. Development of the Committee Members and the Executives

- The company promotes the training and education for those related to supervision of the company's business operation, including the executives, secretaries, and internal audit unit, for improvement of their performance. Related persons are encouraged to participate in the training arranged by the Stock Exchange of Thailand or relevant associations.

The internal control and audit

The company has an Audit Committee which independently performs duties and responsibilities in accordance with the Audit Committee Charter. Operation of the Audit Committee is consistent with the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission. In the opinion of the Audit Committee, the company has a good business supervision system in accordance with the corporate governance principles and appropriate and sufficient internal control system. The internal control system has presented no transactions that essentially affected the company.

The internal control and audit

The company has an Audit Committee which independently performs duties and responsibilities in accordance with the Audit Committee Charter. Operation of the Audit Committee is consistent with the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission. In the opinion of the Audit Committee, the company has a good business supervision system in accordance with the corporate governance principles and appropriate and sufficient internal control system. The internal control system has presented no transactions that essentially affected the company.

Internal Control

CMO Group has designed and developed its internal control system in efficiency and effectiveness, which consists of internal environment, risk management and continuous monitoring. The organization chart has been determined appropriately with the business plan and business environment. Each department has its responsibilities and can be independently verified each other. The company recruits, adopts, and hires staff based on qualifications, experience, and competence for suitable positions. As a result, the company assures that the internal control system is efficient and suitable practices with current business circumstances and also complies with a good corporate governance policy.

Internal Audit

By using the internal audit department as a tool, the Audit Committee performs independently on reviewing and evaluating the sufficiency of the internal control system as well as considering all reports directly from the internal auditor. Consequently, the internal control system can be assured that it has efficient and suitable practices with current business circumstances as well as the company complies with the Securities and Exchange Act, the rules and regulations of the Stock Exchange of Thailand as well as other related laws. Furthermore, the Audit Committee performs duties to review the quarterly and annual financial statements and also connected transactions between the company and its subsidiaries and related parties to ensure that the company has a good corporate governance.

The Policy of Dividend Contribution

The company's policy is to contribute the dividend to shareholders not less than 40 percent of the net profit (after the company's income tax has been cleared and legally reserved). Anyhow, this completely depends on economic situation, the proceedings of the company and future projects of the company.

The Connected Transaction

List of Enterprises which hold the company's shares for up to 10%

Company's name	Type of business	Kinds of stock	Amount (shares)	Percentage of shareholding(%)
PM Center Co.,Ltd.	Providing equipment for event management and presentation	Common stock	1,349,991	99.99
The Eyes co.,Ltd.	Providing multimedia and presentation production	Common stock	149,918	99.95
C-MEX Exhibition Co.,Ltd.	Providing design and construction of booth and stage	Common stock	27,000	90.00
Set Up Solution Co.,Ltd. (Held by PM Center Co.,Ltd.)	Fix installment Service for Screen, Light and Sound Equipment and Special Technique System	Common stock	1,977	99.99
Exposition Technology Co.,Ltd.	Providing electric equipment and utilities in event	Common stock	20,000	40.00
Dream Box and CM Organizer Joint Venture	Musical Show management			50.00

Steps of the Approval for the Corresponeded Listing

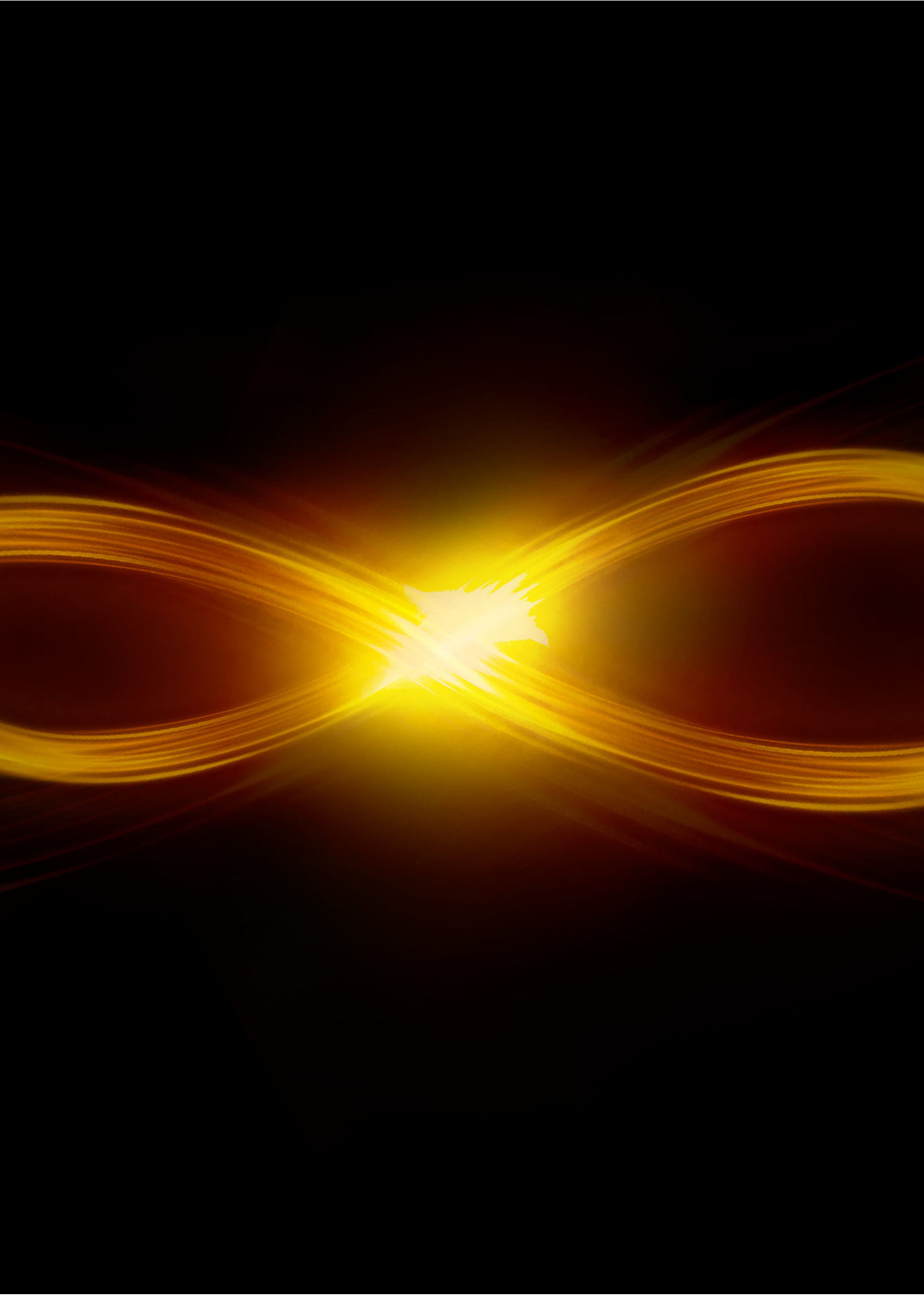
The company or the chain group will have a corresponeded listing with other entrepreneurs whom may have a beneficial conflict. To do so, they will need an approval from the committee of the company or shareholders beforehand. However, it depends on the proportion that has been set by the Stock Exchange of Thailand. If there is any conflict that involves with the gain and loss, or with the benefit of the company, the committee who has the gain and loss in such matters will not have the right to cast the vote in any circumstances. This process will not be authorized if the assigned person is able to approve the list, in which may have caused any conflict to the company or the chain group. Common business is an exception. It will also be called an exception if the process is going along with the resolution of the company's committee that the independent director joined in, or if the consideration is clearly narrowed down.

Policy of Future Corresponeded Listing

The Audit Committee and the company will handle the corresponeded listing, which may be taken in the future. They will check if the list is reasonable and should be approved through its course, along with the announcement of the Stock Exchange of Thailand. The corresponeded listing will be clearly revealed.



Related Party Transaction



Related Party Transaction

List of Enterprises which hold the company's shares for up to 10%

Company's name	Type of business	Kinds of stock	Amount (shares)	Percentage of shareholding (%)
PMCenter Co.,Ltd.	Providing equipment for event management and presentation	Common stock	1,349,991	99.99
The Eyes co.,Ltd.	Providing multimedia and presentation production	Common stock	149,918	99.95
Exposition Technology Co.,Ltd.	Providing electric equipment and utilities in event	Common stock	20,000	40.00
Thoth Media Co., Ltd.	Online Marketing	Common stock	1,750	35

Detail of Related Party Transactions

The company has business transaction with its subsidiaries as details disclosed in the note to the financial statement no. 5. The transaction is subject to regular of the company's business by the agree is agreed upon and the acceptable price

Steps of the Approval for the Corresponded Listing

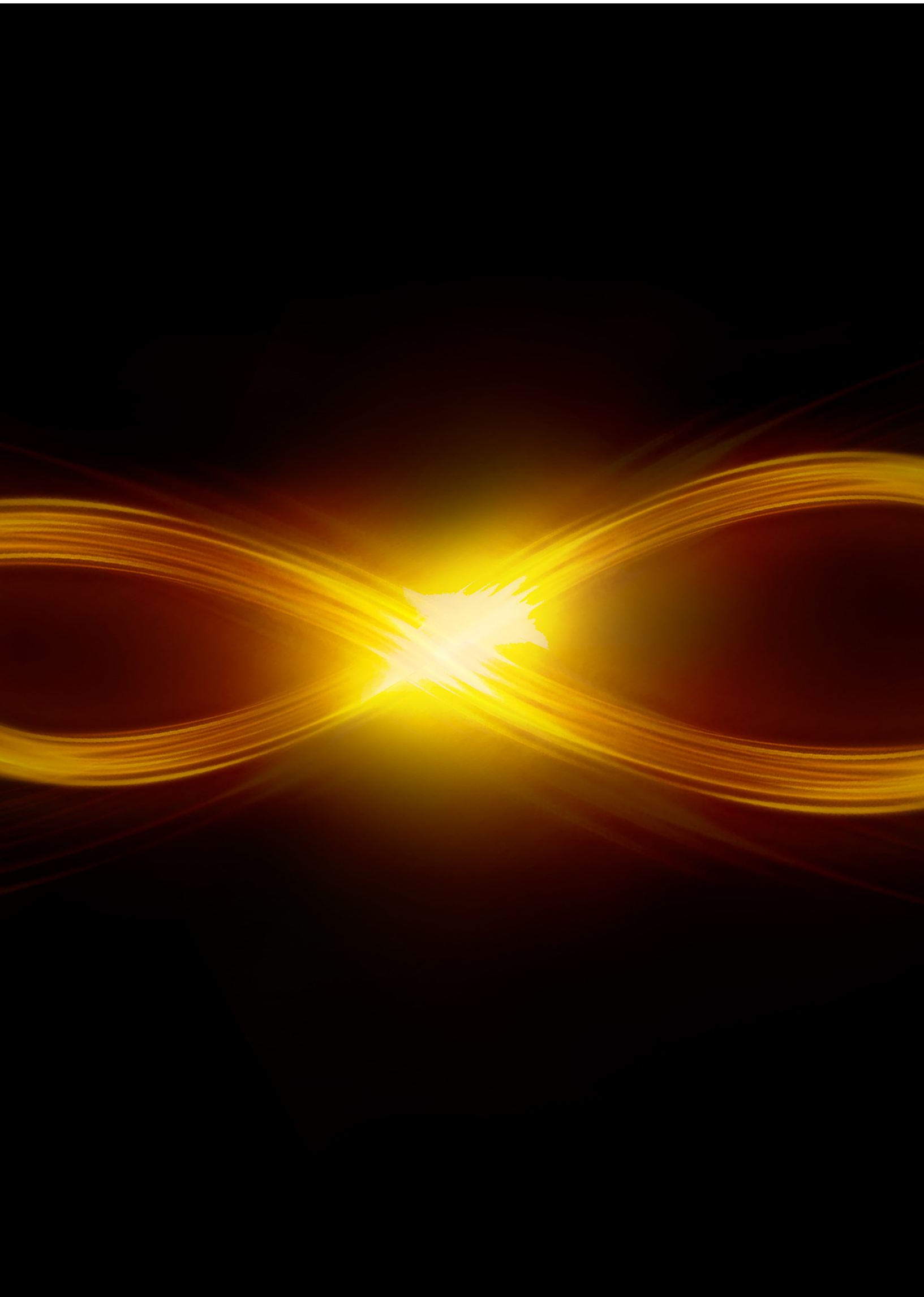
The company or the chain group will have a corresponded listing with other entrepreneurs whom may have a beneficial conflict. To do so, they will need an approval from the committee of the company or shareholders beforehand. However, it depends on the proportion that has been set by the Stock Exchange of Thailand. If there is any conflict that involves with the gain and loss, or with the benefit of the company, the committee who has the gain and loss in such matters will not have the right to cast the vote in any circumstances. This process will not be authorized if the assigned person is able to approve the list, in which may have caused any conflict to the company or the chain group. Common business is an exception. It will also be called an exception if the process is going along with the resolution of the company's committee that the independent director joined in, or if the consideration is clearly narrowed down.

Policy of Future Corresponded Listing

The Audit Committee and the company will handle the corresponded listing, which may be taken in the future. They will check if the list is reasonable and should be approved through its course, along with the announcement of the Stock Exchange of Thailand. The corresponded listing will be clearly revealed.



Management's Discussion and Analysis



Management's Discussion and Analysis of Financial Condition and Results of Operations

Summary of the Company and Consolidated financial Statement

(Unit: Thousand Baht)

Financial Position (Consolidated)	Consolidated				The Company			
	2009	2010	2011	2012	2009	2010	2011	2012
Income Statement:								
Revenue from service	741,410	869,574	819,687	1,237,280	495,857	572,829	531,648	803,944
Total revenue	745,225	874,645	822,281	1,243,232	498,999	604,415	558,528	855,188
Cost of service	606,476	668,658	648,153	968,402	412,670	474,136	470,894	695,106
Gross profit	134,934	200,916	171,534	268,877	83,187	98,693	60,754	108,837
Selling and administrative expenses	125,190	132,994	179,477	153,513	122,778	62,595	104,901	64,125
Interest expenses	12,897	14,487	16,204	11,436	10,525	11,624	12,907	6,182
Tax expense	6,264	16,720	13,272	17,457	4,633	7,444	-	2,922
Net profit (loss)	(5,603)	41,786	34,826	92,423	(51,606)	48,617	30,174	86,852
Balance Sheet:								
Total assets	570,890	727,646	710,275	734,455	461,226	642,874	509,155	463,463
Total liabilities	322,894	436,177	414,012	356,151	267,104	400,135	324,327	195,612
Shareholders' equity	247,996	291,470	296,263	378,304	194,122	242,739	184,828	267,851
Financial Ratios:								
Gross profit margin (%)	18.20%	23.11%	20.93%	21.73%	16.78%	17.23%	11.43%	13.54%
Operating profit margin (%)	1.83%	8.39%	-0.65%	9.81%	-7.35%	11.82%	-3.25%	11.94%
Net profit margin (%)	-0.76%	4.81%	-4.25%	7.47%	-10.41%	8.49%	-5.68%	10.80%
Return on equity (%)	-2.24%	15.49%	-11.85%	27.40%	-23.47%	22.26%	-14.11%	38.37%
Earning (loss) per share	(0.06)	0.25	(0.26)	0.55	(0.34)	0.32	(0.20)	0.56
Liquidity ratio (time)	1.01	0.75	0.94	0.98	0.93	0.69	0.89	1.15
Debt to equity ratio (time)	1.30	1.50	1.40	0.94	1.38	1.65	1.75	0.73

ตารางแสดงอัตราส่วนทางการเงิน

	Unit	Consolidated				The Company			
		2009	2010	2011	2012	2009	2010	2011	2012
Liquidity ratio:									
Liquidity ratio	times	1.01	0.75	0.94	0.98	0.93	0.69	0.89	1.15
Account receivable turnover	times	3.75	3.42	3.26	4.93	2.51	2.76	2.50	4.22
Days sale outstanding	days	97.31	106.80	111.88	74.06	145.50	132.06	146.24	86.59
Profitability ratio:									
Gross profit margin	(%)	18.20%	23.11%	20.93%	21.73%	16.78%	17.23%	11.43%	13.54%
Operating profit margin	(%)	1.83%	8.39%	-0.65%	9.81%	-7.35%	11.82%	-3.25%	11.94%
Net profit margin	(%)	-0.76%	4.81%	-4.25%	7.47%	-10.41%	8.49%	-5.68%	10.80%
Return on equity	(%)	-2.24%	15.49%	-11.85%	27.40%	-23.47%	22.26%	-14.11%	38.37%
Efficiency ratio:									
Return on asset	(%)	-1.01%	6.44%	-4.84%	12.79%	-11.14%	8.81%	-5.24%	17.86%
Total asset turnover	times	1.34	1.34	1.14	1.71	1.07	1.04	0.92	1.65
Financial ratio:									
Debt to equity	times	1.30	1.50	1.40	0.94	1.38	1.65	1.75	0.73
Interest coverage ratio	times	1.05	5.04	0.33	10.61	3.46	5.82	1.34	15.52
Dividend payout ratio	(%)	-	0.80	-	N/A	-	0.62	-	N/A

Management's Discussion and Analysis of Financial Condition and Results of Operations

Business operation overview

In the year 2012, total revenue of CMO group was Baht 1,237.28 million, an increase from Baht 819.69 million in 2011. This increase was principally caused by the revenue acknowledgement in part of BOI fair 2012's job, total 8 pavilions, which postponed from year 2011 together with the increase of economic situation both domestic, international economy and foreign investment. The promotional activities are active and funds are used more in these activities in a variety of industries such as automotive, communications, real estate and food and beverage throughout the year 2012.

Moreover, CMO group has adjusted its strategy in accordance with the economic conditions and highly significant competitors. The company is engaged to long contract with customers and also expansion business in the oversea such as to work with international clients who want to have an event in Thailand, to work with clients who want to have an event in aboard and preparing for the AEC which will occur in the near future.

a. Profitability

Revenues

In 2012, CMO group had total revenue Baht 1,237.28 million increased from 2011 by Baht 417.59 million or 50.95 percent. This increase was principally caused by the revenue acknowledgement in part of BOI fair 2012's job which postponed from year 2011 amounted Baht 300 million and other projects which had a high value.

We derive our revenue primarily from event management business, amounted Baht 528.84 million in 2011, a 54.94 percent increase from Bath 819.35 million in 2012, equipment service, amounted Baht 313.47 million in 2011, a 53.57 percent increase from Baht 481.39 million in 2012 and presentation media production business, amounted Baht 48.89 million in 2011, a 17.33 percent decrease from Baht 40.42 million in 2012.

Cost of services

Cost of services was Baht 968.40 million or a 78.27 percent of revenues from services in 2012 compare with year 2011 which was 79.07 percent of revenues from services.

Gross profit margin

Gross profit margin was 21.73 percent of revenues from services in 2012 increase from year 2011 which was 20.93 percent of revenues from services.

Selling and administrative expenses

Selling and administrative expenses amounted to Baht 153.51 million or 12.41 percent of revenues from services in 2012 compare with year 2011 which was Baht 179.48 million or 21.90 percent of revenues from services. This decrease was principally caused by impairment of assets recognized in the Urban Space project in 2011 keeping costs in selling and administrative expenses back to normal.

Finance costs

In 2012, the group had ability to manage finance costs as a result of day sales outstanding was 74.06 days in 2012 decrease from 111.88 days in 2011. Finance costs in 2012 were Baht 11.44 million, a decrease of 29.43 percent from Baht 16.21 million.

Net profit

In 2012 net profit of the group was Baht 92.42 million or 7.47 percent of revenues from services while in 2011, there was a net loss Baht 34.83 million therefore return on equity was 27.40 percent in 2012

b. Financial status

Assets

As at December 31, 2012 total assets of the group was Baht 734.46 million divided by current assets was Baht 311.97 million and non-current assets was Baht 422.48 million while in 2011, total assets of the group was Baht 710.28 million divided by current assets was Baht 355.77 million and non-current assets was Baht 354.51 million.

The decrease of current asset was principally caused by the decrease of work in process and the increase of accounts receivable which the work was finished in year 2012

The increase of non-current asset was principally caused by the increase of property, land and equipment due to the company invested in equipment for equipment services, invested in online and media management business and other non-current assets.

In 2012, return on asset was 12.79 percent and total asset turnover was 1.71 times higher than 2011 which was 1.14 times

Liabilities

As at December 31, 2012, total liabilities of the group was Baht 356.15 million while in 2011 was Baht 414.01 million. This decrease was principally caused by lower accounts payable and repaid of bank overdrafts and loan.

Shareholders' Equity

As at December 31, 2012 the total shareholders' equity of the group was Baht 378.30 million increases from Baht 296.26 million in 2011 mainly due to increase in retained earnings in 2012. Profit attributable to equity holders of the company was Baht 84.86 million or earnings per share was 0.55 Baht per share and that company paid stock dividend amounted to Bath 37.50 million.

This increase of shareholders' equity was principally caused by the increase of the company's registered capital from the existing registered capital of Baht 150,000,000 to Baht 222,500,000 by pay dividend by ordinary shares amounted to Baht 37.5 million, issuance and offering of free warrants (Warrant) amounted Baht 30.00 million and issuance and offering of Baht 5.00 million of free warrant to directors, management and/ or employees of the company and/ or its subsidiaries (ESOP) for expansion project of the company. As a result the end of 2012 the paid up capital of the company was Baht 187.49 million.

Liquidity

In 2012, the group had cash flows from all activities as the following;

- Net cash from operating activities was Baht 121.25 million
- Net cash used in investing activities was Baht 68.88 million which mainly invested in fixed assets
- Net cash from financing activities was Baht 61.20 million which mainly from repaid in loan

Capital structure

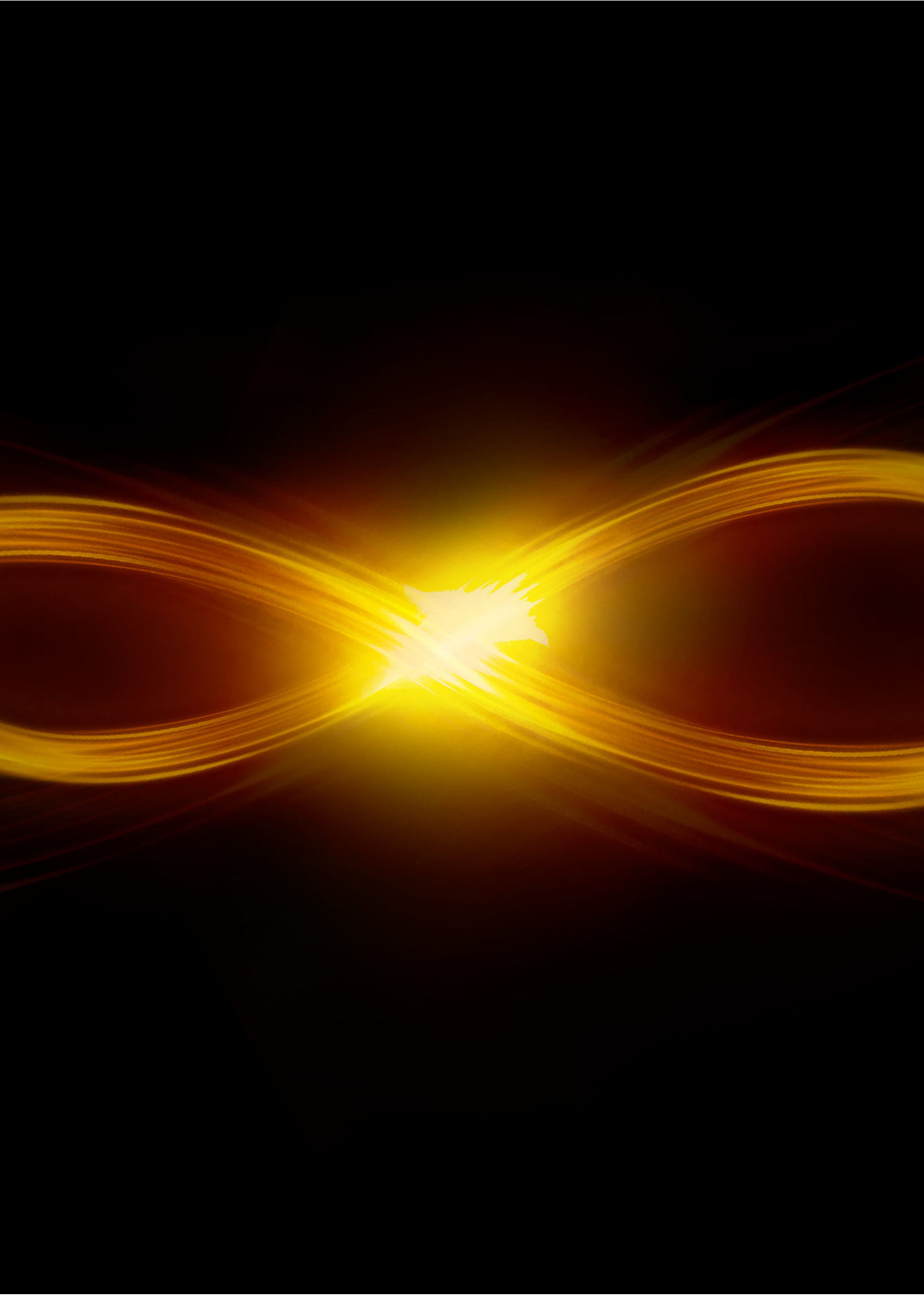
As at December 31, 2012 debt to equity ratio was 0.94 times decrease from 1.40 times in 2011 due to decrease of account payable and bank overdrafts and short term loans.

Auditor's remuneration

The company and its subsidiaries used ANS Audit Company as the company's auditor and audit fee amounted to Baht 1,300,000 million for the year 2012.



Report of the Audit Committee 2012



Report of the Audit Committee 2012

The Board of Directors of CMO Public Company Limited appointed an Audit Committee comprising of three independent directors who are not the company's executives or employees. All directors are well-qualified persons in terms of the requirement of the SEC. The list of their names is as follows: Assoc. Prof. Joopool Rodcumdee – Chairman, Mr. Anant Gatepithaya – Member and Mr. Ratanavudh Vajarodaya – Member. All audit committee members have knowledge, expertise and experience in the fields of mass communications, business administration, accounting and finance. The secretary of the Audit Committee is Mr. Vuttiphan Tanamentanont.

During 2012, the Audit Committee members performed duties and responsibilities in accordance with the Audit Committee Charter. We were responsible for review of financial transactions to ensure compliance with accounting standards and disclosure of sufficient information. In addition, we ensured that the company had an appropriately efficient internal control system and considered a disclosure of information concerning the connected transactions. Operation of the Audit Committee was consistent with the guideline of the Stock Exchange of Thailand.

In the year 2012, the committee held four meetings and the attendance of the Audit Committee members was 92% as follows:

Name	Position	Regular Meeting
Assoc. Prof. Joopool Rodcumdee	Chairman	3/4
Mr. Anant Gatepithaya	Member	4/4
Mr. Ratanavudh Vajarodaya	Member	4/4

Each meeting included the external auditors, the Chief Financial Officer, and the internal auditor. The Audit Committee regularly submitted all minutes of the meetings to the Board of Directors. Essences of the meetings are presented below.

1. Reviewed the quarterly and annual financial statements of CMO Public Company Limited as well as the consolidated financial statements of CMO with the CMO's management. External auditors were invited to attend the meetings in order to give their opinions. Such the financial statements show financial status and operation result correctly and in consistence with the generally accepted accounting principles. Information significant to the financial statements has been disclosed in the notes to the financial statements to submit to the company's committee for approval before filing with the Stock Exchange of Thailand and the Securities and Exchange Commission.

2. Approved the internal audit plan and reviewed the performance of the auditing unit in terms of operation, report of the audit results, and monitoring including provided recommendations for efficient and effective practices.

3. Reviewed and evaluated the sufficiency of the internal control system as well as considered all reports of the internal audit in order to assure that the internal control system was efficient and suitable practices with current business circumstances and ensure that the company complied with the Securities and Exchange Act, the rules and regulations of the Stock Exchange of Thailand as well as other related laws.

4. Supported a good corporate governance policy by assigning delegates to attend the Principles of good corporate governance conference.

5. Considered and approved connected transactions between the company or its subsidiaries and related parties to ensure that the company complied with the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission.

6. Assessed the company's risk and reported to the Board of Directors for necessary actions.

7. Considered, selected, submitted, and appointed the company's auditor for the year 2013. The selected auditor is ANS Audit Co., Ltd. Result of the selection will be submitted to the meeting of the shareholders.

In summary, the Audit Committee fulfilled the responsibility of the Audit Committee Charter as approved by the Board of Directors and found that the Company disclosed financial and operation information correctly, In the opinion of the Audit Committee, during the year 2012 the company has had a good business supervision system in accordance with the corporate governance principles and appropriate and sufficient internal control system. The internal control system has presented no transactions that essentially affected the company. Results have been reported to the company's committee.

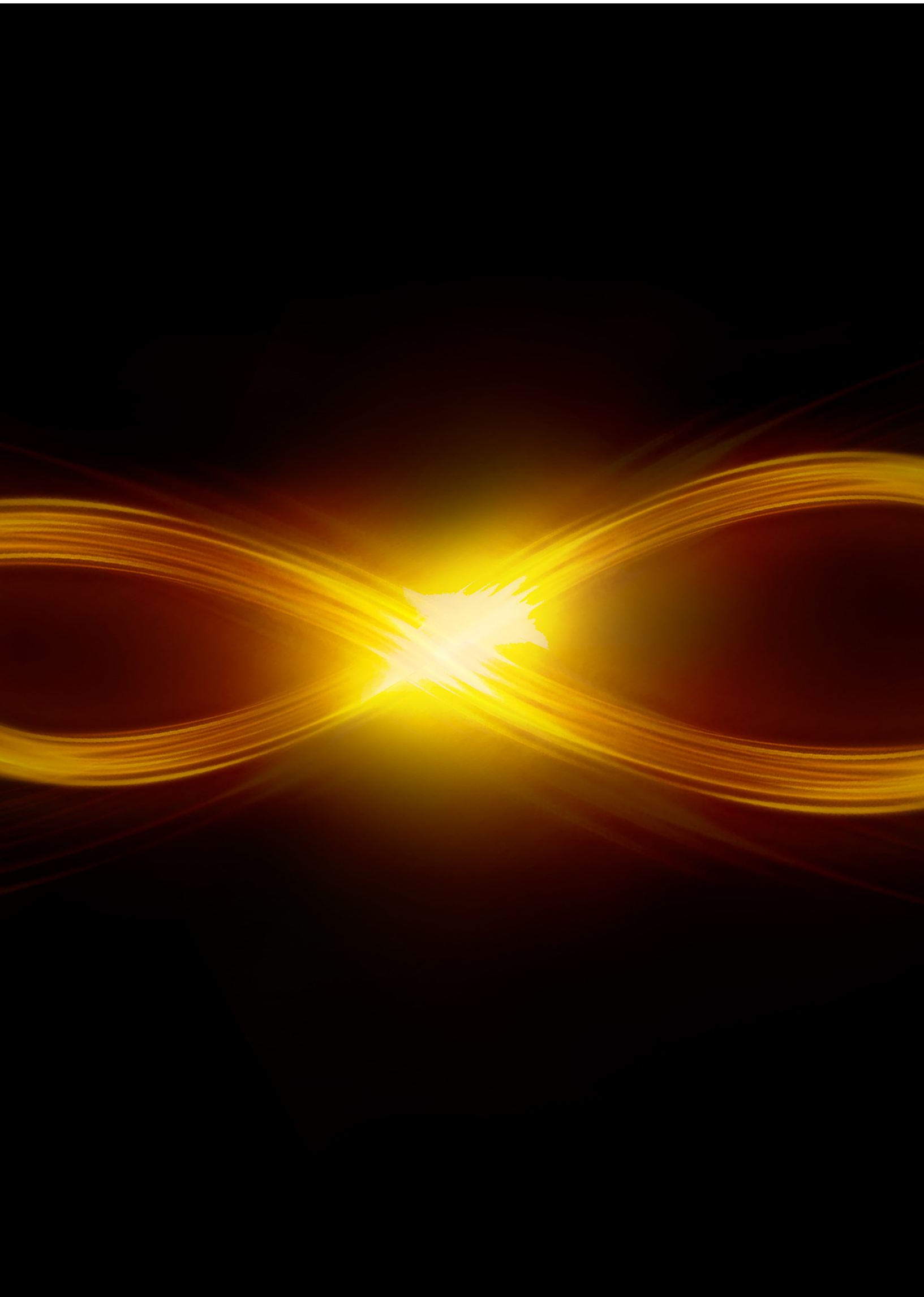
On behalf of the Audit Committee



Assoc. Prof. Joopool Rodcumdee
Chairman, Audit Committee



Certification of the Accuracy of Information



CERTIFICATION OF THE ACCURACY OF INFORMATION

The Company has revised this Annual Information Disclosure document with caution and certifies that the information disclosed herewith is complete, accurate, truthful and does not cause any misunderstanding nor lack any material information that needs to be disclosed. In addition, the Company hereby certifies that:

(1) The Financial Statements and other financial details summarized in this Annual Information Disclosure document represent accurate and complete information regarding the financial status, performance and cash flows of the Company and its subsidiaries.

(2) The Company maintains an effective disclosure system to ensure that material information of the Company and its subsidiaries are disclosed accurately and completely, and the Company is also responsible for ensuring compliance with such system.

(3) The Company also maintains an effective internal control system, and is responsible for ensuring compliance with such system. The Company reported the information about the internal control assessment on 20 February 2013 to the Company's Statutory Auditor and the Audit Committee. This assessment included any important default and any change of the internal control system including any weaknesses which may affect the reporting of the Company and its subsidiaries' financial statements.

Therefore, as evidence that these documents constitute the entire set that the Company has certified, the Company has authorized Ms. Piyamart Yongsirichaisakul to initial all pages. If any page is without Ms. Piyamart Yongsirichaisakul's initials, the Company does not certify that the information given is the true copy.

Name

Mr. Sermkhun Kunawong

The Execution Of The Authorized Person

Position

Chief Executive Officer

Signature

.....

Name

Ms. Piyamart Yongsirichaisakul

Authorized Person

Position

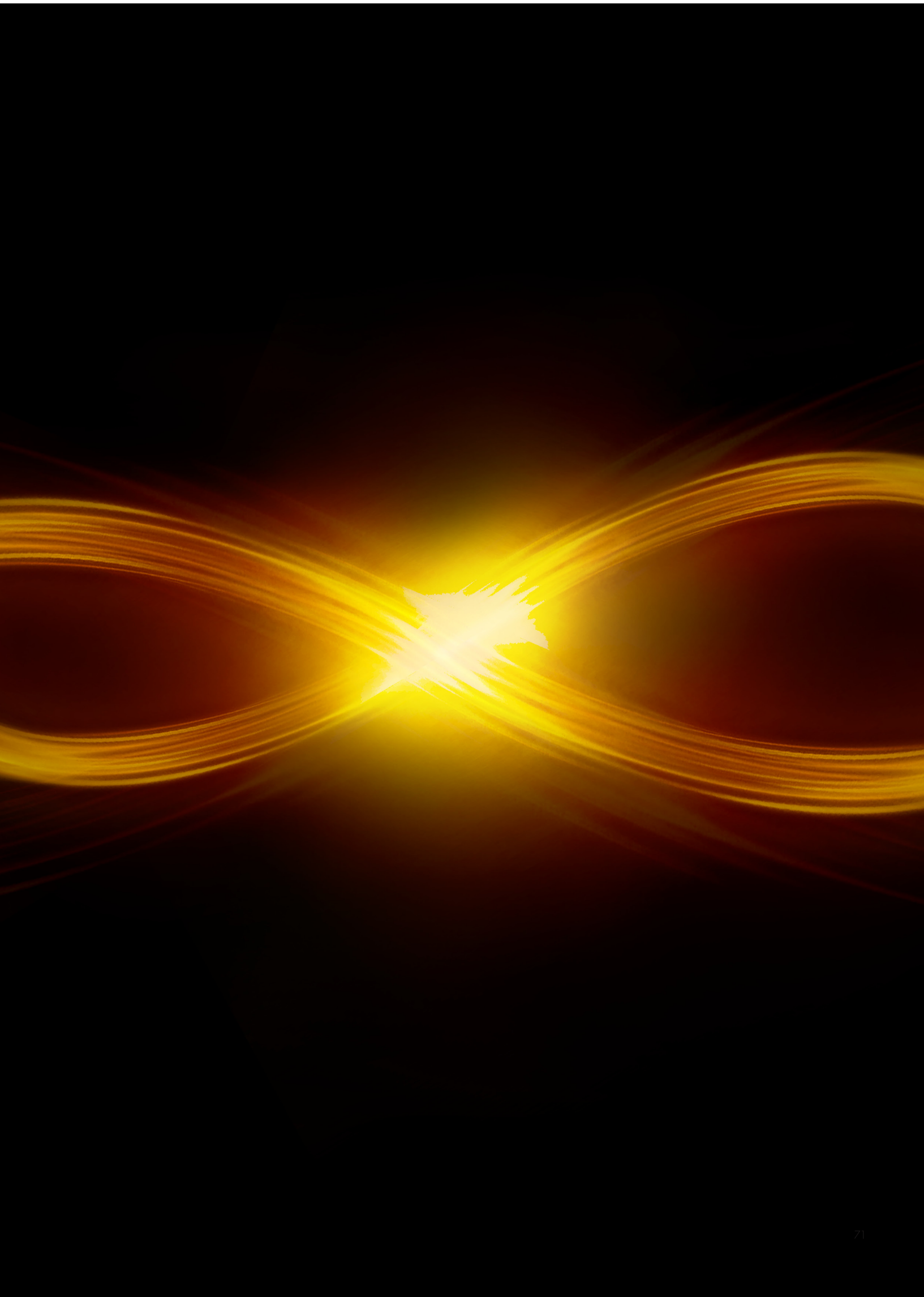
Company's Secretary

Signature

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FINANCIAL STATEMENTS



Auditor's Report

To the Board of Directors and Shareholders of CMO Public Company Limited and its subsidiaries and joint venture:

I have audited the accompanying consolidated and separate financial statements of CMO Public Company Limited and its subsidiaries and joint venture and of CMO Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2012, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of CMO Public Company Limited and joint venture and of CMO Public Company Limited, respectively, as at December 31, 2012, and the consolidated and separate results of operations and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Atipong AtipongSakul

Certified Public Accountant Registration Number 3500

ANS Audit Company Limited
Bangkok, February 20, 2013

CMO PUBLIC COMPANY LIMITED
AND SUBSIDIARIES AND JOINT VENTURE
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEARS ENDED DECEMBER 31, 2012

CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURE
 STATEMENTS OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2012 AND, 2011

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Notes	2012	2011	2012	2011
ASSETS					
Current assets					
Cash and cash equivalents	6	22,724,867.64	31,552,325.75	3,686,414.54	6,953,755.00
Trade and other receivables - net	5, 7	278,193,627.46	223,906,715.26	207,010,480.74	174,434,329.01
Short-term loan to related companies - net	5	50,000.00	50,000.00	50,000.00	50,000.00
Work in process and supplies - net	8	11,003,297.21	100,260,524.65	6,972,229.47	100,308,671.65
Total current assets		311,971,792.31	355,769,565.66	217,719,124.75	281,746,755.66
Non-current assets					
Restricted deposits at bank	10	5,821,784.75	944,063.89	722,775.66	710,009.12
Investments - net	5	-	-	161,085,000.00	155,080,000.00
Goodwill	5	7,977,657.00	4,635,859.29	-	-
Property, plant and equipment - net	9, 11, 14	373,343,762.09	320,227,985.73	50,655,347.72	47,886,162.41
Other non-current assets		35,340,473.82	28,697,768.79	33,280,444.35	23,731,595.79
Total non-current assets		422,483,677.66	354,505,677.70	245,743,567.73	227,407,767.32
Total assets		734,455,469.97	710,275,243.36	463,462,692.48	509,154,522.98

CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURE
 STATEMENTS OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2012 AND, 2011

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Notes	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	11	134,208,972.21	158,173,245.64	92,293,372.82	142,243,190.87
Trade and other payables	5,12	143,120,620.08	194,244,419.56	93,791,784.52	157,987,282.60
Current portion of liabilities under financial lease agreements	13	26,029,092.02	14,567,551.94	666,721.38	587,627.47
Current portion of long-term loan from financial institutions	14	6,439,915.33	9,072,000.00	2,676,000.00	2,676,000.00
Short-term loan from related companies	5	-	-	-	11,400,000.00
Short-term loan from third party	15	7,000,000.00	-	-	-
Income tax payable		561,767.68	1,070,117.84	-	-
Total current liabilities		317,360,367.32	377,127,334.98	189,427,878.72	314,894,100.94
Non-current liabilities					
Liabilities under financial lease agreements - net	13	29,035,831.13	21,125,456.41	1,302,727.13	1,969,448.06
Long-term loan from financial institutions - net	14	6,076,035.74	12,515,951.07	3,962,035.74	6,638,035.74
Employee benefit obligations	16	3,441,932.78	3,093,437.50	919,446.78	825,389.50
Other non-current liabilities		237,020.00	149,993.00	-	-
Total non-current liabilities		38,790,819.65	36,884,837.98	6,184,209.65	9,432,873.30
Total liabilities		356,151,186.97	414,012,172.96	195,612,088.37	324,326,974.24

CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURE
 STATEMENTS OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2012 AND, 2011

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Notes	2012	2011	2012	2011
Shareholders' equity					
Share capital					
Authorized share capital					
Common shares 222,500,000 shares in 2012 and Common shares 150,000,000 shares in 2011 at Baht 1 each	17	222,500,000.00	150,000,000.00	222,500,000.00	150,000,000.00
Issued and fully paid-up share capital					
Common shares 187,494,835 shares in 2012 and Common shares 150,000,000 shares in 2011 at Baht 1 each	20	187,494,835.00	150,000,000.00	187,494,835.00	150,000,000.00
Premiums on share capital		44,121,936.71	44,121,936.71	44,121,936.71	44,121,936.71
Reserve for share-based payments	18	340,078.20	-	340,078.20	-
Discount on investments		4,907,142.73	4,907,142.73	-	-
Retained earnings (deficits)					
Appropriated					
Appropriated to legal reserve	19	6,827,865.34	2,485,244.36	6,827,865.34	2,485,244.36
Unappropriated		44,697,911.07	5,843,387.13	26,065,888.86	(14,779,632.33)
Other components of equity		77,684,665.63	77,684,665.63	3,000,000.00	3,000,000.00
Total shareholders' equity of the company		366,074,434.68	285,042,376.56	267,850,604.11	184,827,548.74
Non-controlling interests		12,229,848.32	11,220,693.84	-	-
Total shareholders' equity		378,304,283.00	296,263,070.40	267,850,604.11	184,827,548.74
Total liabilities and shareholders' equity		734,455,469.97	710,275,243.36	463,462,692.48	509,154,522.98

CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURE
 STATEMENTS OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2012 AND, 2011

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Notes	2012	2011	2012	2011
	3, 5, 21				
Revenues from services		1,237,279,861.49	819,687,105.45	803,943,558.16	531,647,501.22
Cost of services		(968,402,362.07)	(648,153,403.07)	(695,106,104.23)	(470,893,832.59)
Gross profit		268,877,499.42	171,533,702.38	108,837,453.93	60,753,668.63
Other incomes		5,951,817.18	2,594,034.01	6,845,722.37	7,248,922.35
Selling expenses		(16,939,777.55)	(11,388,215.62)	(8,939,247.46)	(5,837,995.46)
Administrative expenses		(136,573,575.50)	(168,089,156.33)	(55,185,457.86)	(99,062,684.73)
Finance costs		(11,435,830.41)	(16,204,406.34)	(6,182,393.17)	(12,907,006.27)
Dividend income		-	-	44,398,740.50	19,631,283.98
Profit (loss) before income tax expenses		109,880,133.14	(21,554,041.90)	89,774,818.31	(30,173,811.50)
Income tax expenses		(17,457,313.65)	(13,271,551.52)	(2,922,398.76)	-
Profit (loss) for the years		92,422,819.49	(34,825,593.42)	86,852,419.55	(30,173,811.50)
Other comprehensive income :					
Surplus on land revaluation		-	77,685,973.54	-	3,000,000.00
Total comprehensive income (loss) for the years		92,422,819.49	42,860,380.12	86,852,419.55	(27,173,811.50)
Profit (loss) attributable to					
Equity holders of the Company		84,861,422.30	(39,728,293.17)	86,852,419.55	(30,173,811.50)
Non-controlling interests		7,561,397.19	4,902,699.75	-	-
		92,422,819.49	(34,825,593.42)	86,852,419.55	(30,173,811.50)
Total comprehensive income (loss) attributable to					
Equity holders of the Company		84,861,422.30	37,956,372.46	86,852,419.55	(27,173,811.50)
Non-controlling interests		7,561,397.19	4,904,007.66	-	-
		92,422,819.49	42,860,380.12	86,852,419.55	(27,173,811.50)
Earnings (loss) per share					
Basic earnings (loss) per share		0.55	(0.26)	0.56	(0.20)
Diluted earnings (loss) per share		0.54	(0.26)	0.55	(0.20)

CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURE
 STATEMENTS OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2012 AND, 2011

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash Flows from Operating Activities:				
Profit (loss) before income tax expenses	109,880,133.14	(21,554,041.90)	89,774,818.31	(30,173,811.50)
Adjustments to reconcile profit (loss) before income tax expense to net cash flow from operating activities:				
Depreciation	59,917,390.28	55,977,747.10	19,638,412.52	21,447,239.04
Loss on land revaluation	-	1,479,937.06	-	1,479,937.06
(Reversal) loss on assets impairment	(12,956,532.96)	25,118,347.82	(12,956,532.96)	25,118,347.82
Allowance for doubtful accounts (reversal)	5,011,335.14	2,704,790.01	(101,775.69)	(263,861.58)
Allowance for decline in value of inventories	-	1,455,282.21	-	592,899.65
Provision for contingent liabilities	-	1,763,922.15	-	-
Estimation of employee benefit obligations	348,495.28	325,156.50	94,057.28	87,741.50
Share of (profit) loss from investments using the equity method	489.97	20,487.17	-	-
Reserve for share-based payments	340,078.20	-	340,078.20	-
Dividend income	-	-	(44,398,740.50)	(19,631,283.98)
(Gain) on sales of fixed assets	(632,602.39)	(2,010,374.35)	(180,503.94)	(1,062,807.11)
(Gain) loss on disposal of investment in subsidiary	46,912.86	(587,548.13)	(405,000.00)	(220,000.00)
Written off withholding tax	291,028.33	1,931,009.25	291,028.33	342,255.89
Interest expenses	11,435,830.41	16,204,406.34	6,182,393.17	12,907,006.27
Profit from Operating Activities before Changes in Operating Assets and Liabilities	173,682,558.26	82,829,121.23	58,278,234.72	10,623,663.06
Operating assets (increased) decreased				
Trade and other receivables	(56,626,881.34)	67,172,261.86	(24,559,406.54)	90,142,961.95
Work in process and supplies	89,412,276.83	(80,332,733.31)	93,336,442.18	(82,747,940.96)
Unbilled receivable under litigation process	-	128,476,484.11	-	128,476,484.11
Other non-current assets	7,822,078.40	(12,150,894.81)	4,501,913.21	(14,632,287.02)
Operating liabilities increased (decreased)				
Trade and other payables	(49,116,733.03)	7,955,935.90	(64,109,220.68)	(39,244,586.87)
Other non-current liabilities	87,027.00	(18,120.00)	-	-
Cash from operating activities	165,260,326.12	193,932,054.98	67,447,962.89	92,618,294.27
Interest paid	(11,456,709.34)	(16,324,898.70)	(6,268,670.57)	(12,966,763.12)
Income tax paid	(32,549,378.77)	(29,447,557.94)	(17,264,188.86)	(15,235,030.59)
Net cash from operating activities	121,254,238.01	148,159,598.34	43,915,103.46	64,416,500.56

CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURE
 STATEMENTS OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2012 AND, 2011

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash Flows from Investing Activities:				
(Increase) decrease in restricted deposits at bank	(4,877,720.86)	3,689,415.82	(12,766.54)	1,897,832.97
Cash received from loans to related companies	-	-	500,000.00	3,650,000.00
Cash payment of loans to related companies	-	(25,000.00)	-	(725,000.00)
Cash received from sales of investment in subsidiary	405,000.00	-	405,000.00	-
Cash from investment in subsidiary	1,025,156.58	-	-	-
Investment in subsidiary	(5,005,000.00)	-	(6,005,000.00)	-
Cash received from sales of investment in subsidiaries	-	1,320,000.00	-	1,320,000.00
Decrease in net assets of disposed subsidiary	(451,912.86)	(732,451.87)	-	-
Dividend income from investments	-	-	35,983,771.00	-
Purchase of fixed assets	(60,620,423.41)	(33,918,998.80)	(9,451,066.87)	(21,302,759.58)
Cash received from sales of fixed assets	639,907.81	2,216,267.11	180,505.94	1,112,149.53
Net cash from (used in) investing activities	(68,884,992.74)	(27,450,767.74)	21,600,443.53	(14,047,777.08)
Cash Flows from Financing Activities:				
Increase (decrease) in bank overdraft and short-term loans from financial institutions - net	(23,964,273.43)	240,722.02	(49,949,818.05)	26,887,989.73
Cash payments for financial lease agreements	(21,593,690.60)	(11,442,544.13)	(587,627.02)	(461,865.31)
Cash received from loans from related parties	-	9,500,000.00	-	32,500,000.00
Repayment of short-term loans from related parties	-	(31,100,000.00)	(11,400,000.00)	(52,099,850.00)
Cash received from short-term loan from third party	7,000,000.00	12,000,000.00	-	12,000,000.00
Cash payment of short-term loans from third party	-	(30,000,000.00)	-	(30,000,000.00)
Cash payment of long-term loans from financial institution	(9,072,000.00)	(9,071,084.67)	(2,676,000.00)	(2,676,000.00)
(Increase) decrease in non-controlling interests from disposed investment	293,962.53	(598,978.81)	-	-
Dividend paid	(13,860,701.88)	(34,699,610.98)	(4,169,442.38)	(30,000,000.00)
Net cash used in financing activities	(61,196,703.38)	(95,171,496.57)	(68,782,887.45)	(43,849,725.58)
Net increase (decrease) in cash and cash equivalents	(8,827,458.11)	25,537,334.03	(3,267,340.46)	6,518,997.90
Cash and cash equivalents, Beginning of years	31,552,325.75	6,014,991.72	6,953,755.00	434,757.10
Cash and cash equivalents, End of years	22,724,867.64	31,552,325.75	3,686,414.54	6,953,755.00
Supplemental Disclosures of Cash Flows Information				
Increase in assets from financial lease agreements during the years	40,965,605.40	31,740,211.31	-	-
Decrease in accounts payable for purchase fixed assets during the years	(2,861,503.75)	(6,514,820.40)	-	(5,225,432.15)

CMO PUBLIC COMPANY LIMITED AND SUBSIDIARIES AND JOINT VENTURE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2012

1. GENERAL INFORMATION

CMO Public Company Limited (“the Company”) was incorporated under Thai laws on June 5, 1991, and was subsequently transformed from a juristic person under the Civil and Commercial code as “a Company Limited” to be a juristic person under the Public Company Limited Act B.E. 2535 on December 29, 2003. The Company’s primary business is event management for public events, exhibitions and entertainment activities. The Company’s registered office is located at 1471 Soi Ladprao 94, Ladprao Rd., Plubpla, Wangthanglang, Bangkok.

2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS

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

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

They are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Basis of consolidated financial statement presentation

The consolidated financial statements related to the Company and its subsidiaries and the interest in the joint venture (together referred to as the “Group”) as follows:

		% Equity interest owned by the Company	
		31 December 2012	31 December 2011
Subsidiaries	Nature of business		
PM Center Co., Ltd.	- Rental equipment for Image, Lighting, Sound and Effects.	99.99	99.99
The Eyes Co., Ltd.	- Production of multi-vision slide, video, multimedia and computer graphics.	99.95	99.95
Workmanship Set and Design Co., Ltd.	- Designing, fixing, composing and construction of sign boards and construction work for the trade fair and exhibition.	-	90.00
Exposition Technology Co., Ltd.	- Electrical and lighting services	40.00	40.00
Thoth Media Co., Ltd.	- Online Media Marketing	35.00	-
The subsidiary held by PM Center Co., Ltd.			
Set Up Solution Co., Ltd.	- Installation of equipment for Image system, Lighting, Sound, Effects and transportation services	99.99	99.85
Joint Venture			
Dream Box and CM Organizer Joint venture	The musical show and stage play.	50.00	50.00
CMO – TEE Entertainment Joint Venture	Creating and production of events	50.00	-

The financial statements of Exposition Technology Co., Ltd. and Thoth Media Co., Ltd are included in the consolidated financial statements even though the Company’s shareholding is less than 50 percent. This is because the Company has control over their financial and operating policies, and they are therefore regarded as subsidiary companies.

All significant intercompany transactions and accounts were eliminated in preparing the consolidated financial statements.

Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

The changes in accounting policies as at January 1, 2011

In the year 2011, the Group has adopted new and revised TFRS which such transition affected the financial statements reflected from the adoption of TAS No. 16 (revised 2009) "Property, Plant and Equipment" and TAS No. 19 "Employee Benefits".

New and revised Thai Financial Reporting Standards not yet effective

The Group has not yet adopted the new and revised Thai Financial Reporting Standards as follows:

a) Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Interpretation (TI) and guidelines which are effective for the financial statements for the period beginning on or after January 1, 2013 as follows:

<u>TAS/TFRS/TI/FAP's Announcement</u>	<u>Topic</u>
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
TFRS 8	Operating Segments
TI 10	Government Assistance – No Specific Relation to Operating Activities
TI 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
TI 25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
No. 34/2555	Accounting Guidance for Transfer and Transferred of Financial Assets

The management of the Group has assessed the effects of these TAS, TFRS, TI and guideline, and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied except as follows:

TAS 12 – Income Taxes

The main change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the Group's financial statements. Deferred tax assets and liabilities are the amounts of income taxes recoverable and payable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carry forward of unused tax losses. Currently, the Group does not recognise deferred tax in the financial statements.

The Group will adopt TAS 12 with effective from January 1, 2013. The effects of the change will be recognised retrospectively in the financial statements and the statement of financial position as at December 31, 2012 and January 1, 2012 will be adjusted accordingly. The management estimates that the impact on the statement of financial position as at December 31, 2012 and January 1, 2012 will be as follows:

(Unit: Million Baht)					
	Consolidated financial statements			Separate financial statements	
	December 31, 2012	January 1, 2012		December 31, 2012	January 1, 2012
The Statements of financial position					
Increase in deferred tax assets	3.21	11.72		4.57	9.93
Increase in deferred tax liabilities	15.54	15.54		0.60	0.60
Increase in retained earnings	3.21	11.72		4.57	9.93
Decrease in other components					
of shareholders' equity	15.54	15.54		0.60	0.60

	(Unit: Million Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
The statements of comprehensive income for the year ended December 31, 2012		
Profit (loss) for the year		
The amount before adjustment	92.42	86.85
Adjust deferred tax	(8.51)	(5.36)
The amount after adjustment	<u>83.91</u>	<u>81.49</u>
Decrease in basic earnings		
per share (Baht per share)	(0.05)	(0.03)

b) Thai Financial Reporting Interpretations (TFRI) and TI which are effective for the financial statements for the period beginning on or after January 1, 2014 as follows:

<u>TFRI/TI</u>	<u>Topic</u>
TFRI 4	Determining whether an Arrangement contains a Lease
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes
TI 29	Service Concession Arrangements: Disclosures

The management of the Group is assessing the impacts of these interpretations on the financial statements for the year in which they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Revenues and Expenses Recognitions
- Revenues and expenses are recognized on an accrual basis.
- Revenues from event management of public shows, exhibitions and entertainment events are recognized when the services are completed.
- Revenues from completed service but unbilled has presented in unbilled receivable which included in trade accounts receivable.
- Revenues from decoration construction are recognized based on the percentage of completion computing on the proportion of actual cost incurred compared to the estimated total cost. Uninvoiced income is presented as unbilled receivable included as part of account receivable while the respective cost is presented in statement of comprehensive income.
- Revenues from rental of Image, Lighting, and Sound, and Effect techniques equipment are recognized when the services are completed.
- Revenues from the production of slide, multivision, video, multimedia and computer graphics are recognized when the productions are de-livered to the customers.
- Revenues from service of music and artist management are recognized when the services are completed.
- Cost of uncompleted jobs or undelivered jobs are recorded as work in process.

Cash and Cash Equivalents

Cash and cash equivalents presented in the statements of cash flows, comprise of cash in hand, deposits at financial institutions with a maturity period not over 3 months except for cash at bank held as collateral.

Allowance for Doubtful Accounts

The Company and subsidiaries provide an allowance for doubtful accounts equal to the estimated uncollectible amount which is based on collection experience and analysis of the current status of individual receivables.

Work in Process and Supplies

Cost of work, which is not yet recognized as revenues, is recorded in work in process using the invoiced value after discounting. Supplies are stated at cost by using First-in, First-out method.

Investments in Subsidiaries and Joint Venture

Investments in joint venture are presented in the consolidated financial statements by using the proportionate method. Investments in subsidiaries and joint venture are presented in the separate financial statements by using the cost method, and adjusted impairment, if any.

The Company presented the outstanding balance of the negative goodwill arisen from the acquisition of the investment in a subsidiary company as "Discount on Investments" shown under the shareholders' equity. This will be recognized in the statement of comprehensive income when the investment is disposed.

Property, Plant and Equipment and Depreciation

Land is presented at the appraised value appraised by the independent appraiser, dated February 9, 2011 by using the market value. Buildings and equipment are stated at cost less accumulated depreciation and impairment loss from assets (if any).

Depreciation is computed by the straight-line method based on the estimated useful lives of the assets as follows:-

	<u>Useful life (years)</u>
Buildings	30
Building improvements	5
Building and equipment on leased space	The remaining lease term
Operating equipment	3, 5
Office equipment	3, 5
Furniture and fixtures	5
Vehicles	5

Financial Lease Agreements

The Group records operating equipment and vehicle under financial leases as assets and liabilities at amounts equal to the fair value of the leased assets at the inception of the lease or, if lower, at the present value of the minimum lease payments. In calculating the present value of the minimum lease payments, the discount factor is the lease's implicit interest rate. Interest expense is allocated to periods during the lease term according to the remaining balance of the liability for each year.

Employee Benefits

Short-term benefits

The Group recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits – defined benefit plan

The employee benefits liabilities in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognizes actuarial gains or losses in the profit or loss in the period in which they arise.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Income Tax

Income tax for the year is calculated from the net profit for the year adjusted by non-deductible expenses or non-taxable income and multiplied by the income tax rate stipulated by the Revenue Code, (year 2012: 23%, year 2011: 30%).

Transactions in Foreign Currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies outstanding at the statement financial position date are translated into Baht at the exchange rates ruling on that dates. Gain or losses on exchange rates are recognized as income or expenses for the year.

Basic Earnings (Loss) per Share and Diluted Earnings (Loss) per Share

Basic earnings (loss) per share are computed by dividing the profit (loss) for the year by the weighted average number of issued and paid-up common shares and the increased shares from warrants exercised during the year.

Diluted earnings (loss) per share are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares including the effect of shares to be increased from exercise warrants for the year.

Financial Instruments

The Group has no policy to speculate in or engage in the trading of any financial derivative instruments.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventory

The determination of allowances for diminution in the value of inventory, requires management to make judgments and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow-moving and deteriorated inventories, that is estimated based on the approximate useful life of each type of inventory.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Property, plant and equipment / Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Group's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5. RELATED PARTY TRANSACTIONS

The Company had business transactions with related parties. These parties are directly and indirectly related through common shareholding and/or directorship. The financial statements reflect the effects of these transactions on the basis determined by the Company and the parties concerned. For the years ended December 31, 2012 and 2011, the significant transactions with related parties can be summarized as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Transactions between the Company and related parties For the years ended December 31,				
Subsidiaries				
Dividend income	-	-	44,399	19,631
Other income	-	-	1,611	4,792
Cost of services	-	-	84,438	67,740
Other expenses	-	-	1,612	883
Interest expenses	-	-	375	1,225
Joint venture				
Revenue from services	15,551	-	31,101	-
Related Companies				
Interest expenses	-	202	-	202
Directors				
Interest expenses	-	640	-	221
Related parties				
Interest expenses	-	673	-	673

The Company has transactions with related parties by using cost plus profit.

Management compensation – for key management personnel

For the year ended December 31, 2012 and 2011, these consist of the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term benefits	48,464,177.61	36,108,025.95	27,605,650.84	20,243,498.00
Post-employment benefits	314,989.41	237,880.30	59,893.33	58,165.28
Total	48,779,167.02	36,345,906.25	27,665,544.17	20,301,663.28

The outstanding balances as at December 31, 2012 and 2011 of the above transactions have been separately shown in the statements of financial position and consist of the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables - related companies				
Dream Box and CM Organizer Joint Venture	45	45	45	45
Exposition Technology Co., Ltd.	-	-	321	-
The Eyes Co., Ltd.	-	-	1,190	2,780
CMO – TEE Entertainment Joint Venture	10,318	-	20,635	-
Total trade receivables - related companies	10,363	45	22,191	2,825
Other receivables - related companies				
CMO – TEE Entertainment Joint Venture	216	-	431	-
Accrued interest - related companies				
Dream Box and CM Organizer Joint Venture	7	7	7	7
Less: Allowance for doubtful accounts	(7)	(7)	(7)	(7)
Total accrued interest - related companies - net	-	-	-	-
Short-term loan to related companies				
Workmanship Set and Design Co.,Ltd.	-	-	-	500
Dream Box and CM Organizer Joint Venture	100	100	100	100
Total short-term loan to related companies	100	100	100	600
Less: Allowance for doubtful accounts	(50)	(50)	(50)	(550)
Total short-term loan to related companies - net	50	50	50	50

During the years, the Company had movements on loans to related parties as follow:-

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term loan to related companies				
Subsidiaries				
Balance at beginning of the years	-	-	500	3,450
Increase during the years	-	-	-	700
Decrease during the years	-	-	(500)	(3,650)
Balance at end of the years	-	-	-	500
Related parties				
Balance at beginning of the years	100	75	100	75
Increase during the years	-	25	-	25
Balance at end of the years	100	100	100	100
Total short-term loan to related parties	100	100	100	600

The Company charged interest on loan to related parties by MOR rate per annum.

Investments – net

Investments in subsidiaries and joint venture as at December 31, are as follow:

(Unit: Thousands Baht)

Company	Relationships	Separate financial statements							
		2012			2011			Devidend income	
		Paid-up capital	Ownership %	Cost method	Paid-up capital	Ownership %	Cost method	2012	2011
<u>Subsidiaries</u>									
PM Center Co., Ltd.	Common management and shareholdings	135,000	99.99	134,999	135,000	99.99	134,999	24,975	13,500
The Eyes Co., Ltd.	Common management and shareholdings	15,000	99.95	14,601	15,000	99.95	14,601	12,968	2,998
Workmanship Set and Design Co., Ltd.	Common management and shareholdings	-	-	-	3,000	90.00	2,700	-	-
Exposition Technology Co., Ltd.	Common management and shareholdings	2,000	40.00	5,400	2,000	40.00	5,400	6,456	3,133
Thoth Media Co., Ltd.	Common management and shareholdings	125	35.00	5,005	-	-	-	-	-
<u>Joint Venture</u>									
Dream Box and CM organizer Joint Venture	Common management and shareholdings	160	50.00	80	160	50.00	80	-	-
CMO -TEE Joint Venture	Common management and shareholdings	2,000	50.00	1,000	-	-	-	-	-
Total investments				161,085			157,780	44,399	19,631
Less: Impairment of investment				-			(2,700)		
Total investments - net				161,085			155,080		

On October 31, 2012, the Company entered into a joint venture contract with TEE Entertainment Company Limited and formed the CMO-TEE Entertainment Joint Venture, which the Company shares net gain (loss) at 50 : 50%.

On August 17, 2012, a subsidiary increased the investment in ordinary shares of Set Up Solution Co., Ltd., in the amount of Baht 2.80 million for 28,000 shares at Baht 100 per share (par value).

On February 27, 2012, the Company disposed the investment in ordinary shares of Workmanship Set and Design Co., Ltd. of 27,000 shares at Baht 15 per share. The Company recognized the gain from disposal of investment in the separate statement of comprehensive income for the year ended 2012 of Baht 0.41 million.

On May 15, 2012, the Company acquired ordinary shares of Thoth Media Co., Ltd., of Baht 5.01 million equal to 1,750 shares at Baht 2,860 per share representing the 35% interest of such company's registered capital. This incurred the excess of cost over the such company's book value as at May 15, 2012 according to the unaudited financial statements of Baht 3.34 million.

On September 1, 2011, a subsidiary invested in the ordinary shares of Setup Solution Co., Ltd., which was incorporated with the Ministry of Commerce on September 1, 2011 totaling 1,997 shares, at Baht 100 par value (100% paid-up), for a total amount of Baht 0.20 million, resulting in 99.85 % interest.

On June 16, 2011, the Company has disposed the investment in common stock of M Thirty One Co., Ltd. of 110,000 shares at Baht 12 per share. The Company has recognized the gain from disposal of investment in the consolidated statement of comprehensive income for the year ended December 31, 2011 of Baht 0.59 million.

On July 1, 2008, the Company acquired ordinary shares of Exposition Technology Co., Ltd., in the amount of Baht 5 million equal to 4,000 shares at Baht 1,250 per share (Par value of Baht 100 per share). This incurred the excess of cost over the book value as at July 1, 2008 of the subsidiary company according to the unaudited or unreviewed financial statements of Baht 4.64 million.

	(Unit: Thousands Baht)			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payable from related companies				
PM Center Co., Ltd.	-	-	3,973	11,132
The Eyes Co., Ltd.	-	-	1,918	18,587
Exposition Technology Co.,Ltd.	-	-	4,847	3,228
Thoth Media Co., Ltd.	-	-	362	-
Total trade payable related companies	-	-	11,100	32,947
Other payable from related companies				
Exposition Technology Co., Ltd.	-	-	-	89
Workmanship Set and Design Co., Ltd	-	-	-	420
Total other payable from related companies	-	-	-	509
Short-term loan from related parties				
The Eyes Co., Ltd.	-	-	-	4,400
Exposition Technology Co., Ltd.	-	-	-	7,000
Total short-term loan from related parties	-	-	-	11,400

The short-term loan from related parties was charged with interest rate of MOR per annum.

During the years ended December 31, the Company had movements on the short - term loan from related parties as follow:-

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term loan from related parties				
Subsidiaries				
Balance at beginning of the years	-	-	11,400	17,400
Increase during the years	-	-	-	23,000
Decrease during the years	-	-	(11,400)	(29,000)
Balance at end of the years	-	-	-	11,400
Related parties				
Balance at beginning of the years	-	8,000	-	8,000
Increase during the years	-	9,500	-	9,500
Decrease during the years	-	(17,500)	-	(17,500)
Balance at end of the years	-	-	-	-
Directors				
Balance at beginning of the years	-	13,600	-	5,600
Increase during the years	-	-	-	-
Decrease during the years	-	(13,600)	-	(5,600)
Balance at end of the years	-	-	-	-
Total short-term loan from related parties	-	-	-	11,400

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash on hand	177,388.00	307,283.10	70,000.00	70,000.00
Cash at banks - current account	19,657,533.24	29,815,490.89	3,594,984.54	6,861,925.00
Cash at banks - savings account	2,889,946.40	1,429,551.76	21,430.00	21,830.00
Cash and cash equivalents	22,724,867.64	31,552,325.75	3,686,414.54	6,953,755.00

7. TRADE AND OTHER RECEIVABLES – NET

Trade and other receivables as at December 31, consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables				
Trade receivables – related companies	10,362,507.46	44,720.00	22,190,885.81	2,825,270.00
Trade receivables – others	271,893,247.76	234,728,941.43	180,870,963.46	181,774,420.15
Total trade receivables	282,255,755.22	234,773,661.43	203,061,849.27	184,599,690.15
Less: Allowance for doubtful accounts	(24,661,490.02)	(20,166,285.88)	(15,820,401.63)	(15,422,177.33)
Trade receivables – net	257,594,265.20	214,607,375.55	187,241,447.64	169,177,512.82
Other receivables				
Advance to employee	3,258,354.50	5,077,595.10	1,843,389.50	3,284,981.90
Prepaid expenses	4,108,093.48	2,348,328.03	2,734,028.10	1,831,851.58
Deposit	3,669,346.47	-	-	-
Undue output VAT	4,857,202.85	-	3,619,571.67	-
Accrued dividends income	-	-	8,414,969.50	-
Accrued interest income – related companies	6,990.23	6,990.23	6,990.23	6,990.23
Others	5,222,495.96	1,873,416.58	3,203,749.33	139,982.71
Total other receivables	21,122,483.49	9,306,329.94	19,822,698.33	5,263,806.42
Less: Allowance for doubtful accounts	(523,121.23)	(6,990.23)	(53,665.23)	(6,990.23)
Total other receivables – net	20,599,362.26	9,299,339.71	19,769,033.10	5,256,816.19
Total trade and other receivables – net	278,193,627.46	223,906,715.26	207,010,480.74	174,434,329.01

Trade receivables can be classified by age analysis as follow:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables – related companies				
Not yet due	-	-	7,092,371.50	-
Past due				
Over 12 months	44,720.00	44,720.00	44,720.00	44,720.00
Unbilled receivables – related companies				
Not yet due	10,317,787.46	-	15,053,794.31	2,780,550.00
Total trade receivables – related companies	10,362,507.46	44,720.00	22,190,885.81	2,825,270.00
Trade receivables - others				
Not yet due	108,023,550.18	125,319,401.56	60,989,063.62	90,971,461.25
Past due				
Less than 3 months	60,961,258.38	21,043,191.34	33,876,825.51	13,817,151.29
Over 3 months but not over 6 months	3,627,316.50	641,322.03	2,969,587.50	20,716.00
Over 6 months but not over 12 months	2,508,280.19	23,464,318.93	2,506,140.19	19,001,581.49
Over 12 months	26,757,672.52	19,678,579.04	17,809,584.13	13,734,250.15
Unbilled receivables - others				
Not yet due	47,498,700.41	25,148,816.37	40,203,292.93	24,795,947.81
Past due				
Less than 3 months	16,734,413.50	176,684.43	16,734,413.50	176,684.43
Over 3 months but not over 6 months	1,914,000.00	16,090,427.14	1,914,000.00	16,090,427.14
Over 6 months but not over 12 months	1,056,743.75	447,775.09	1,056,743.75	447,775.09
Over 12 months	2,811,312.33	2,718,425.50	2,811,312.33	2,718,425.50
Total trade receivables - others	271,893,247.76	234,728,941.43	180,870,963.46	181,774,420.15
Total	282,255,755.22	234,773,661.43	203,061,849.27	184,599,690.15
Less: Allowance for doubtful accounts	(24,661,490.02)	(20,166,285.88)	(15,820,401.63)	(15,422,177.33)
Trade receivables – net	257,594,265.20	214,607,375.55	187,241,447.64	169,177,512.82

As at December 31, 2011, the Group discounted trade receivables with a company amounted of Baht 18.13 million. The Company and a subsidiary have factoring facility lines with a company totaling Baht 153 million and Baht 83 million in 2012 and 2011 respectively, which are guaranteed by some of the group's directors.

8. WORK IN PROCESS AND SUPPLIES – NET

Work in process and supplies as at December 31, consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Supplies	2,812,984.72	2,712,814.92	-	-
Work in process	9,843,368.65	99,200,765.89	7,762,903.07	101,099,345.25
Loss on inventory devaluation	(1,653,056.16)	(1,653,056.16)	(790,673.60)	(790,673.60)
Total	11,003,297.21	100,260,524.65	6,972,229.47	100,308,671.65

9. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment as at December 31, 2012 consisted of:

	Consolidated financial statements				As at December 31, 2011
	As at	New subsidiary's brought forward	Movement during the year		
	January 1, 2011		Increase	Decrease	
Cost					
Land					
- At cost	79,470,139.86	-	5,768,340.06	-	85,238,479.92
- Revaluation surplus	76,206,036.48	-	-	-	76,206,036.48
At appraised value	155,676,176.34	-	5,768,340.06	-	161,444,516.40
Buildings	86,303,329.06	-	2,066,101.94	-	88,369,431.00
Building improvements	6,539,174.39	475,759.69	59,000.00	-	7,073,934.08
Building and equipment on leased space	41,685,527.84	-	-	9,644,910.00	32,040,617.84
Operating equipment	354,426,921.99	314,627.48	64,791,157.60	5,426,155.88	414,106,551.19
Office equipment	47,588,054.48	1,067,836.33	2,731,715.23	3,903,378.63	47,484,227.41
Furniture and fixtures	1,759,170.16	432,004.11	259,591.54	-	2,450,765.81
Vehicles	25,046,514.13	-	5,183,785.05	2,624,000.00	27,606,299.18
Work in progress	2,984,222.12	-	18,066,846.29	257,731.95	20,793,336.46
Total	722,009,090.51	2,290,227.61	98,926,537.71	21,856,176.46	801,369,679.37

(Unit : Baht)

	Consolidated financial statements				As at December 31, 2011
	As at	New subsidiary's brought forward	Movement during the year		
	January 1, 2011		Increase	Decrease	
Accumulated depreciation					
Buildings	28,798,682.74	-	3,106,818.66	-	31,905,501.40
Building improvements	7,051,691.25	53,830.71	310,625.21	-	7,416,147.17
Building and equipment on leased space	17,293,772.34	-	12,956,532.96	2,489,115.21	27,761,190.09
Operating equipment	266,505,694.09	-	36,257,704.34	5,388,097.98	297,375,300.45
Office equipment	39,536,419.57	565,944.42	3,825,612.85	3,889,216.08	40,038,760.76
Furniture and fixtures	973,254.24	210,403.11	429,341.62	-	1,612,998.97
Vehicles	16,263,933.02	-	3,030,754.64	2,623,999.00	16,670,688.66
Total	376,423,447.25	830,178.24	59,917,390.28	14,390,428.27	422,780,587.50
Allowance for impairment	25,357,657.53			20,112,327.75	5,245,329.78
Net booked value	320,227,985.73				373,343,762.09

As at December 31, 2012, the Group presents land at the appraised value appraised by the independent appraiser, dated February 9, 2011 by using the market value.

Depreciations for the years ended December 31, 2012 and 2011, amounted to Baht 59.92 million and Baht 55.98 million, respectively, in the Company's consolidated statements of comprehensive income.

As at December 31, 2012 and 2011, the Group's equipment and vehicles amounting to Baht 269.09 million and Baht 235.42 million, respectively, are fully depreciated but still in use.

The Group's land and construction are mortgaged as collateral for letters of guarantee, bank overdrafts and loans from financial institutions.

(Unit : Baht)

	Separate financial statements			As at December 31, 2012
	As at	Movement during the year		
	January 1, 2012	Increase	Decrease	
Cost				
Land				
- At cost	17,224,998.06	-	-	17,224,998.06
- Revaluation surplus	1,520,062.94	-	-	1,520,062.94
At appraised value	18,745,061.00	-	-	18,745,061.00
Buildings	24,229,212.94	-	-	24,229,212.94
Building improvements	3,140,520.66	-	-	3,140,520.66
Building and equipment on leased space	41,685,527.84	-	9,644,910.00	32,040,617.84
Operating equipment	33,198,481.72	6,441,001.58	-	39,639,483.30
Office equipment	15,151,365.27	85,007.29	923,023.52	14,313,349.04
Vehicles	9,745,854.50	-	-	9,745,854.50
Assets under installation	-	2,925,058.00	-	2,925,058.00
Total	145,896,023.93	9,451,066.87	10,567,933.52	144,779,157.28
Accumulated depreciation				
Buildings	6,863,381.36	703,584.25	-	7,566,965.61
Building improvements	2,896,464.42	102,157.11	-	2,998,621.53
Building and equipment on leased space	17,293,772.34	12,956,532.96	2,489,115.21	27,761,190.09
Operating equipment	26,468,459.37	4,183,485.41	-	30,651,944.78
Office equipment	12,645,981.90	1,027,513.85	923,021.52	12,750,474.23
Vehicles	6,484,144.60	665,138.94	-	7,149,283.54
Total	72,652,203.99	19,638,412.52	3,412,136.73	88,878,479.78
Allowance for impairment	25,357,657.53		20,112,327.75	5,245,329.78
Net booked value	47,886,162.41			50,655,347.72

Depreciations for the years ended December 31, 2012 and 2011, amounted to Baht 19.64 million and Baht 21.45 million, respectively, in the Company's separate statements of comprehensive income.

During the year ended December 31, 2012, the Company reversed the allowance for impairment amounting of Baht 12.95 million in the consolidated and separate statements of comprehensive income due to the depreciation of the impaired asset and of Baht 7.16 million due to the disposal of the impaired asset.

As at December 31, 2012 and 2011, the Company's equipment and vehicles amounting to Baht 43.75 million and Baht 36.03 million, respectively, are fully depreciated but still in use.

10. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Withholding income tax	31,019,382.93	7,202,005.29	29,632,907.58	6,614,691.83
Deposits	4,321,090.89	21,495,763.50	3,647,536.77	17,116,903.96
Total	35,340,473.82	28,697,768.79	33,280,444.35	23,731,595.79

11. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at December 31, consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Bank overdrafts	43,318,972.21	24,640,445.05	19,103,372.82	16,112,437.03
Promissory notes	90,890,000.00	133,532,800.59	73,190,000.00	126,130,753.84
Total bank overdrafts and short-term loans from financial institutions	134,208,972.21	158,173,245.64	92,293,372.82	142,243,190.87

As at December 31, 2012 and 2011, the Group had bank overdrafts and short-term loans facilities as follows:-

(Unit: Million Baht)

	2012	2011
CMO Public Company Limited and subsidiaries and joint venture	295	382
CMO Public Company Limited	200	349

As at December 31, 2012 and 2011, bank overdrafts, short-term loans, and long-term loan from financial institutions, charged with interest rates between the market rate and MOR, are guaranteed by some of the Company's and subsidiaries' directors, by a mortgage of the Group's land and construction and by restricted deposits at bank.

12. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables				
Trade payables - related parties	-	-	11,099,846.37	32,946,871.50
Trade payables - others	79,421,142.88	66,774,695.90	57,198,309.96	45,193,585.41
Total trade payables	79,421,142.88	66,774,695.90	68,298,156.33	78,140,456.91
Other payables				
Account expenses	23,496,170.74	16,887,018.71	2,927,536.57	3,116,761.11
Accrued interest expense	18,678.46	39,557.39	-	-
Accrued withholding tax	3,355,908.34	4,198,785.55	1,477,581.61	2,422,378.62
Provision for contingent liabilities	-	1,763,922.15	-	-
Dividends payable	68,879.28	79,139.28	68,879.28	79,139.28
Accounts payable for purchases of fixed assets	283,893.00	3,145,396.75	283,893.00	3,145,396.75
Unearned income received from customers	9,296,447.90	90,683,386.92	3,354,649.90	67,631,835.80
Deposits	4,000,000.00	-	4,000,000.00	-
Revenue Department payable	2,679,959.50	-	1,159,713.60	-
Undue output VAT	12,960,770.92	-	7,209,505.96	-
Other payable from related companies	-	-	-	508,958.60
Others	7,538,769.06	10,672,516.91	5,011,868.27	2,942,355.53
Total other payables	63,699,477.20	127,469,723.66	25,493,628.19	79,846,825.69
Total trade and other payables	143,120,620.08	194,244,419.56	93,791,784.52	157,987,282.60

In December, 2012, the Company entered into an agreement to sell land and building with a third party in the amount to Baht 20 million, (Net book value of Baht 18 million as at December 31, 2012). Under the agreement, the Company had received a deposit of Baht 4 million. The transfer of ownership on land is agreed to be made in November 2013.

13. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS - NET

Liabilities under financial lease agreements as at December 31, consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Due within 1 year				
Minimum payments	29,236,460.43	16,628,453.73	781,816.80	726,265.85
Deferred interest	(3,207,368.41)	(2,060,901.79)	(115,095.42)	(138,638.38)
Present value of minimum payment	26,029,092.02	14,567,551.94	666,721.38	587,627.47
Due over 1 year not exceeding 5 years				
Minimum payments	30,882,353.38	22,516,416.11	1,436,885.00	2,218,701.35
Deferred interest	(1,846,522.25)	(1,390,959.70)	(134,157.87)	(249,253.29)
Present value of minimum payment	29,035,831.13	21,125,456.41	1,302,727.13	1,969,448.06
Net book value of equipment				
under finance leases agreements	75,951,798.29	47,348,253.86	2,570,801.46	3,276,219.27

The Group entered into lease agreements with a bank and certain companies for operating equipment and vehicles. The leases agreements have the terms of one to five years and bear interest rates between 4.29 % to 10.86 % per annum.

14. LONG-TERM LOANS FROM FINANCIAL INSTITUTION – NET

Long-term loans from financial institution as at December 31, consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Long-term loans from banks	12,515,951.07	21,587,951.07	6,638,035.74	9,314,035.74
Less current portion	(6,439,915.33)	(9,072,000.00)	(2,676,000.00)	(2,676,000.00)
Long-term loans - net	6,076,035.74	12,515,951.07	3,962,035.74	6,638,035.74

On May 13, 2010, a subsidiary obtained long-term loan from a local bank totaling of Baht 7.3 million. The loan bears the interest at the rate of MLR per annum. The repayments of the principal will be made within 36 equal monthly installments of Baht 231,000 each starting in June 2010. The loans are guaranteed by a mortgage of the subsidiary's land and construction.

On June 25, 2009, the Company obtained long-term loan from a local bank totaling of Baht 16 million. The loan bears the interest at the rate of MLR per annum. The repayments of the principal will be made within 72 equal monthly installments of Baht 223,000 each starting in July 2009. The loans are guaranteed by a mortgage of the Company's land and construction.

On March 25, 2009, a subsidiary obtained long-term loan from a local bank totaling of Baht 8 million. The loan bears the interest at the rate of MLR per annum. The repayments of the principal will be made within 60 equal monthly installments of Baht 135,000 each starting in April 2009. The loans are guaranteed by a mortgage of the subsidiary's land and construction.

On November 7, 2007, a subsidiary obtained long-term loan from a local bank totaling of Baht 14 million. The loan bears the interest at the rate of MLR per annum. The repayments of the principal will be made within 84 equal monthly installments of Baht 167,000 each starting in December 2007. The loans are guaranteed by a mortgage of the subsidiary's land and construction.

15. SHORT-TERM LOAN FROM THIRD PARTY

On August 7, 2012, a subsidiary issued the promissory notes to third party of Baht 7 million. The promissory notes bear interest rate of 7.30% per annum and have 6 months maturity term.

16. EMPLOYEE BENEFITS OBLIGATIONS

The Group made defined benefit plan in accordance with severance payment under the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last salary.

Movements of the present value of employee benefits obligation for the year ended December 31, are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Post-employment benefit plan				
Defined benefit obligations beginning of years	3,093,437.50	2,768,281.00	825,389.50	737,648.00
Current service costs	202,801.00	194,214.88	55,138.00	52,803.50
Cost of interest	145,694.28	130,941.62	38,919.28	34,938.00
Defined benefit obligations end of years	3,441,932.78	3,093,437.50	919,446.78	825,389.50

Employee benefit expenses in the statements of comprehensive income for the year ended December 31, consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service cost	202,801.00	194,214.88	55,138.00	52,803.50
Cost of interest	145,694.28	130,941.62	38,919.28	34,938.00
Total employee benefits expenses	348,495.28	325,156.50	94,057.28	87,741.50

Employee benefit expenses for years ended December 31, as shown in the statements of comprehensive income are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Administrative expenses	348,495.28	325,156.50	94,057.28	87,741.50
Total employee benefits expenses	348,495.28	325,156.50	94,057.28	87,741.50

Principal actuarial assumptions as at December 31, 2012 and 2011 (expressed as weighted averages) are as follows:

(Percentage/Year)

	Consolidated financial statements	Separate financial statements
Discount rate	4.42	4.42
Future salary increases	6.93	6.93
Mortality rate	As Mortality Table 1997	As Mortality Table 1997

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

17. SHARE CAPITAL

The resolutions of Extraordinary General Shareholders' Meeting No. 1/2012 held on October 25, 2012, the shareholders approved the increase of registered capital from the existing registered capital of Baht 150.00 million to Baht 222.50 million by issuing 72,500,000 new ordinary shares at a par value of Baht 1 per share to reserve for the payment of stock dividend amount of 37.50 million shares and to reserve for the exercise of warrants allocated to existing shareholders of 30 million shares and to reserve for the exercise of ESOP-Warrants of 5.00 million shares. The Company registered the increase in share capital with the Ministry of Commerce on November 6, 2012.

On November 12, 2012, the Company issued the warrants to purchase the Company's ordinary shares offering to the existing shareholders at a ratio of 5 new ordinary shares to 1 unit of warrant of 30.00 million units with the price of Baht 0.00 per unit, the exercise price at Baht 2.00, warrant term is within 3 years at the rate of one warrant for one share. The warrant holders shall be exercised on April 1, 2013, October 1, 2013, April 1, 2014, October 1, 2014, April 1, 2015, and the last exercise date is November 11, 2015

18. RESERVE FOR SHARE-BASED PAYMENTS

On November 12, 2012, the Company issued the warrants to purchase the Company's ordinary shares offering to directors and employees of the Company (ESOP) of 5.00 million units with the price of Baht 0.00 per unit, the exercise price at Baht 1.80, warrant term is within 3 years at the rate of one warrant for one share. The warrant holders shall be exercised on the 1st of February and September of each year and to be exercised in the first year of 20 %, the second year of 30 % and the third year of, 50 %.

19. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company set aside as a legal reserve at least 5% of its net profit until the reserve equal 10% of the authorized share capital. This reserve is not available for dividend distribution.

20. DIVIDEND PAYMENT

The resolutions of Extraordinary Shareholders' Meeting No. 1/2012 held on October 25, 2012, the shareholders approved to pay cash dividend for the interim period of 2012 at the rate of Baht 0.0278 per share totaling of Baht 4.17 million, and to pay a stock dividend of 37.50 million

shares with a par value of Baht 1 each at the ratio of 4 current shares per 1 dividend share totaling of Baht 37.50 million. Pursuant to annual meeting of shareholders held on April 22, 2011, the shareholders authorized the payment of a dividend from the profit for the year 2010 to shareholders of Baht 0.20 per share, amounting to Baht 30 million to eligible shareholders. The dividend was paid on May 20, 2011.

21. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, are as follows:

(Unit : million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cost of service	597.87	545.25	597.87	390.04
Employee benefits	111.20	152.99	111.20	88.70
Depreciation	59.92	55.98	19.64	21.45
Loss on assets impairment (reversal)	(12.95)	25.36	(12.95)	25.36
Advertising fee	3.93	4.85	3.93	4.48
Management compensation	48.80	36.35	27.67	20.30

22. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended December 31, 2012 and 2011 were calculated as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net profit (loss) attributable to shareholders of the parent (Baht)	84,861,422.30	(39,728,293.17)	86,852,419.55	(30,173,811.50)
Number of ordinary share outstanding at beginning of years	150,000,000	150,000,000	150,000,000	150,000,000
Effect of shares issued during the years	4,725,376	-	4,725,376	-
Weighted average number of ordinary shares outstanding during the years	154,725,376	150,000,000	154,725,376	150,000,000
Basic earnings (loss) per share (Baht)	0.55	(0.26)	0.56	(0.20)
Number of ordinary shares outstanding (basic) Effect of warrants to be exercised	154,725,376	150,000,000	154,725,376	150,000,000
Allocated to the existing shareholders	1,543,673	-	1,543,673	-
Allocated to directors and employees	298,674	-	298,674	-
Weighted average number of ordinary shares outstanding during the year (diluted)	156,567,723	150,000,000	156,567,723	150,000,000
Diluted earnings (loss) per share (Baht)	0.54	(0.26)	0.55	(0.20)

23. FINANCIAL INFORMATION BY SEGMENT

The Group operates the event management for public, exhibition and various entertainment activities in Thailand. The revenues separated by business segments are as follows:

For the year ended December 31, 2012

(Unit : Thousands Baht)

	Consolidated Financial Statements							Total
	Organizer	Music and Actor					Eliminated	
		Rental Equipment	Production of Media	Designing Fixing	Online Media Marketing	and Musician provider		
Revenues								
Marketing and Promotion Events	267,767							
Trade Shows and Exhibitions	409,398							
Public Events	112,757							
MICE	651							
Professional Exhibition Organizer	22,231							
Documentary	6,542							
Total	819,346	317,584	40,417	-	7,066	163,805	(110,939)	1,237,279
Cost of services								(968,402)
Gross profit								268,877
Other incomes								5,952
Selling expenses								(16,940)
Administrative expenses								(136,573)
Finance costs								(11,436)
Share of loss from investments using the equity method								-
Loss before income tax expense								109,880
Tax expense								(17,457)
Profit for the year								92,423
Other comprehensive income :								
Surplus on land revaluation								-
Total comprehensive income for the year								92,423
Profit (loss) attributable to								
Equity holders of the Company								84,862
Non-controlling interests								7,561
								92,423
Total comprehensive income attributable to								
Equity holders of the Company								84,862
Non-controlling interests								7,561
								92,423
<u>As at December 31, 2012</u>								
Trade and other receivables - net	195,296	56,859	7,915	-	3,414	18,903	(24,793)	257,594
Property plant and equipment - net	50,655	301,094	11,318	-	1,246	13,249	(4,219)	373,343
Others	228,845	23,337	9,369	-	907	6,413	(165,353)	103,518
Total Assets	474,796	381,290	28,602	-	5,567	38,565		734,455

For the year ended December 31, 2011

(Unit : Thousands Baht)

Consolidated Financial Statements							
	Music and Actor						
	Rental	Production	Designing	and Musician			
	Organizer	Equipment	of Media	Fixing	provider	Eliminated	Total
Revenues							
Marketing and Promotion Events	200,854						
Trade Shows and Exhibitions	104,651						
Public Events	201,069						
MICE	22,269						
Professional Exhibition Organizer	-						
Total	528,843	313,466	48,890	5,087	3,481	(80,080)	819,687
Cost of services							(648,153)
Gross profit							171,534
Other incomes							2,594
Selling expenses							(11,388)
Administrative expenses							(168,069)
Finance costs							(16,204)
Share of loss from investments using the equity method							(21)
Loss before income tax expense							(21,554)
Tax expense							(13,272)
Loss for the year							(34,826)
Other comprehensive income :							
Surplus on land revaluation							77,686
Total comprehensive income for the year							42,860
Profit (loss) attributable to							
Equity holders of the Company							(39,728)
Non-controlling interests							4,902
							(34,826)
Total comprehensive income attributable to							
Equity holders of the Company							37,956
Non-controlling interests							4,904
							42,860
<u>As at December 31, 2011</u>							
Trade and other receivables - net	174,434	64,683	20,511	1,232	579	(37,532)	223,907
Property plant and equipment - net	47,886	265,230	11,311	20	1,736	(5,955)	320,228
Others	286,834	42,912	11,772	418	451	(176,247)	166,140
Total Assets	509,154	372,825	43,594	1,670	2,766		710,275

24. FINANCIAL INSTRUMENTS

Financial Risk Management

The Group is exposed to risks from changes in market interest rates, and from nonperformance of contractual obligations by counterparties. The Group does not use derivative instruments to manage such risks. They do not hold or issue derivative instruments for speculative or trading purposes.

Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group's exposure to interest rate risk relates primarily to its deposits with and loans from financial institutions, and short-term loans from related parties.

Since the majority of these financial assets and liabilities are short-term and long-term loans bear floating interest rate, the Company and its subsidiaries believe that there will be no material impact on the Company and its subsidiaries' financial statements.

Exchange rate risk

The Company has no transactions in foreign currencies, therefore, there is no exchange rate risk.

Credit Risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable including the related company receivables. However, due to the large number of entities comprising the Company's and its subsidiaries customer base, the Group does not anticipate material losses from their debt collections.

Fair Value

As the majority of financial assets and liabilities are short-term and long-term loans bear floating interest rate, the Company's and the subsidiaries' management believe that their carrying values of financial assets and liabilities do not materially differ from their fair value.

25. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2012 and 2011, the Group has contingent liabilities in relation to the letters of guarantee issued by banks amounting to approximately Baht 64 million and Baht 58 million, respectively.

26. PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2552. Both employees and the Company contribute to the fund monthly at the rate of 3% of salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. Total contributions by the Group for the year ended December 31, 2012 and 2011 amounted to approximately Baht 3.59 million and Baht 3.10 million respectively, in the consolidated financial statement and amounted to Baht 2.03 million and Baht 1.77 million respectively, in the separated financial statement.

27. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the board of directors meeting 1/2013 held on February 20, 2013, the board approved the payment of a dividend from the operation for the year 2012 of Baht 0.10 per share, to the shareholders whose name appear in the share register dated May 7, 2013. The dividend will be paid on May 23, 2013.

28. APPROVAL OF FINANCIAL STATEMENT

These financial statements have been approved by the Board of Directors to be issued on February 20, 2013.



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