

**Nation Multimedia Group Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month and nine-month periods ended
30 September 2017

and

Independent auditor's report
on review of interim financial information



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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Nation Multimedia Group Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Nation Multimedia Group Public Company Limited and its subsidiaries, and of Nation Multimedia Group Public Company Limited, respectively, as at 30 September 2017; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, and the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2017; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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



Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Emphasis of Matters

I draw attention to note 2 to the interim financial information, which indicates that the Group and the Company incurred net losses of Baht 2,341.66 million and Baht 943.80 million for the nine-month period ended 30 September 2017, respectively and, as of that date, the Group's and the Company's current liabilities exceeded its current assets by Baht 673.24 million and Baht 556.48 million, respectively and the Group and the Company had deficit of Baht 2,844.22 million and Baht 641.29 million, respectively. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

I draw attention to notes 7 and 9 to these interim financial information which state that the Company and the Group recognised impairments of investments in subsidiaries and digital television licences of Baht 768.69 million and Baht 1,493.77 million, respectively for the three-month and nine-month periods ended 30 September 2017.

My conclusion is not modified in respect of these matters.

(Patamavan Vadhanakul)
Certified Public Accountant
Registration No. 9832

KPMG Phoomchai Audit Ltd.
Bangkok
14 November 2017

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated financial statements		Separate financial statements	
		30 September 2017 (Unaudited)	31 December 2016	30 September 2017 (Unaudited)	31 December 2016
Assets	<i>Note</i>				
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	4	238,968	233,694	26,387	26,768
Current investments	4	92,496	422,376	-	49,289
Trade accounts receivable	5	276,944	398,049	1,080,910	1,168,239
Accrued income	3	702,739	790,269	528,782	581,403
Other current receivables	3	78,060	89,842	1,198,579	927,673
Inventories	9	92,356	136,926	28,468	26,224
Other current assets		361,802	381,310	103,180	111,994
Total current assets		1,843,365	2,452,466	2,966,306	2,891,590
Non-current assets					
Restricted deposits		1,250	862	-	-
Investment in associate	6	23,099	23,156	1,800	1,800
Investments in subsidiaries	7	-	-	2,853,374	3,627,879
Long-term investment in related party		-	-	-	-
Long-term investments in other companies	4	4,019	7,416	4,019	7,416
Investment properties	8	68,101	75,446	57,566	64,495
Property, plant and equipment	9	1,339,476	1,485,521	458,034	489,345
Intangible assets	9	76,271	174,142	5,966	7,511
Digital television licences	9	1,014,644	2,574,171	-	-
Deferred tax assets		102,699	112,053	18,580	21,353
Other non-current assets		181,912	170,997	103,047	119,661
Total non-current assets		2,811,471	4,623,764	3,502,386	4,339,460
Total assets		4,654,836	7,076,230	6,468,692	7,231,050

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and shareholders' equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		2017	2016	2017	2016
		(Unaudited)		(Unaudited)	
(in thousand Baht)					
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions		1,222,789	939,431	1,171,585	882,980
Trade accounts payable	3	109,366	99,264	1,461,173	1,509,798
Other current payables	3	74,387	26,141	34,655	28,594
Deferred income		107,118	119,995	38,785	27,729
Current portion of digital television licences payable	9	296,381	584,069	-	-
Current portion of long-term liabilities					
from financial institutions		132,000	120,000	132,000	120,000
Short-term borrowings		207,405	160,000	207,405	160,000
Current portion of finance lease liabilities		-	1,066	-	1,066
Accrued expenses	3	154,123	187,345	414,739	462,397
Current income tax payable		-	50	-	-
Other current liabilities		213,038	248,669	62,442	68,381
Total current liabilities		2,516,607	2,486,030	3,522,784	3,260,945
Non-current liabilities					
Digital television licences payable	9	1,125,205	1,130,070	-	-
Long-term borrowings from financial institutions		85,625	158,833	85,625	158,833
Deferred tax liabilities		21,613	20,909	-	-
Non-current provisions for employee benefit		135,134	167,253	42,578	47,685
Other non-current liabilities		94,970	105,061	71,022	81,904
Total non-current liabilities		1,462,547	1,582,126	199,225	288,422
Total liabilities		3,979,154	4,068,156	3,722,009	3,549,367
Shareholders' equity					
Share capital					
Authorised share capital		2,663,572	2,663,572	2,663,572	2,663,572
Issued and paid share capital		2,155,959	2,155,959	2,155,959	2,155,959
Share premium					
Share premium on ordinary shares		1,169,694	1,169,694	1,169,694	1,169,694
Share premium on ordinary shares of subsidiaries		96,939	96,605	-	-
Warrants	10	34,041	30,012	29,627	25,057
Reserve on acquisition of warrants	10	(91,013)	(91,013)	-	-
Retained earnings (Deficit)					
Appropriated					
Legal reserve		32,700	32,700	32,700	32,700
Unappropriated (Deficit)		(2,844,215)	(708,950)	(641,293)	302,505
Other components of shareholders' equity		95	(4,232)	(4)	(4,232)
Equity attributable to owners of the parent		554,200	2,680,775	2,746,683	3,681,683
Non-controlling interests		121,482	327,299	-	-
Total shareholders' equity		675,682	3,008,074	2,746,683	3,681,683
Total liabilities and shareholders' equity		4,654,836	7,076,230	6,468,692	7,231,050

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Three month period ended		Three month period ended	
		30 September		30 September	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Revenues					
Revenues from sales and services	3	366,944	480,514	93,984	155,838
Investment income		1,886	5,832	-	-
Other income	3	18,661	18,025	9,379	7,254
Total revenues		387,491	504,371	103,363	163,092
Expenses					
Costs of sales of goods and rendering					
of services	3	408,153	507,800	45,847	57,304
Distribution costs	3	44,552	63,530	25,051	38,262
Administrative expenses	3	180,577	218,051	92,539	118,733
Impairment losses on assets	7, 9	1,493,770	-	768,690	-
Finance costs		44,274	39,847	31,454	12,324
Total expenses		2,171,326	829,228	963,581	226,623
Share of loss of associate		(106)	(25)	-	-
Loss before income tax expense		(1,783,941)	(324,882)	(860,218)	(63,531)
Tax (expense) income		(3,317)	20,407	(541)	11,988
Loss for the period		(1,787,258)	(304,475)	(860,759)	(51,543)

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three month period ended		Three month period ended	
	30 September		30 September	
<i>Note</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Other comprehensive income				
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>				
Gains (losses) on remeasurement investments held as available for sale	952	(520)	134	(520)
Net change in fair value of available for sale investments transferred to profit or loss	546	-	356	-
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	(300)	104	(98)	104
Total components of other comprehensive income that will be reclassified to profit or loss	1,198	(416)	392	(416)
<i>Component of other comprehensive income that will not be reclassified to profit or loss</i>				
Losses on remeasurement of defined benefit plans	-	-	-	-
Income tax relating to component of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Total component of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Other comprehensive income (expense) for the period, net of income tax	1,198	(416)	392	(416)
Total comprehensive income (expense) for the period	(1,786,060)	(304,891)	(860,367)	(51,959)
Profit (loss) attributable to				
Owners of parent	(1,616,037)	(280,979)	(860,759)	(51,543)
Non-controlling interests	(171,221)	(23,496)	-	-
Loss for the period	(1,787,258)	(304,475)	(860,759)	(51,543)
Total comprehensive income (expense) attributable to				
Owners of parent	(1,615,072)	(281,305)	(860,367)	(51,959)
Non-controlling interests	(170,988)	(23,586)	-	-
Total comprehensive income (expense) for the period	(1,786,060)	(304,891)	(860,367)	(51,959)
Loss per share (in Baht)				
	13			
Basic loss per share	(0.397)	(0.069)	(0.212)	(0.013)
Diluted loss per share	(0.397)	(0.069)	(0.212)	(0.013)

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Nine month period ended		Nine month period ended	
		30 September		30 September	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Revenues	3				
Revenues from sales and services		1,305,374	1,618,879	330,250	542,892
Investment income	7	7,891	18,312	14,825	103,364
Other income		49,981	47,722	26,784	20,568
Total revenues		1,363,246	1,684,913	371,859	666,824
Expenses					
Costs of sales of goods and rendering of services	3	1,347,165	1,518,344	138,154	178,068
Distribution costs	3	174,507	169,251	72,227	95,710
Administrative expenses	3	551,510	526,514	252,180	309,974
Impairment losses on assets	7, 9	1,493,770	-	768,690	-
Loss on business restructuring		-	204,445	-	-
Finance costs		128,928	108,461	82,690	24,875
Total expenses		3,695,880	2,527,015	1,313,941	608,627
Share of profit (loss) of associate	6	(57)	1,133	-	-
Profit (loss) before income tax expense		(2,332,691)	(840,969)	(942,082)	58,197
Tax (expense) income	12	(8,966)	120,364	(1,716)	7,780
Profit (loss) for the period		(2,341,657)	(720,605)	(943,798)	65,977

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Nine month period ended		Nine month period ended	
		30 September		30 September	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Other comprehensive income					
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>					
Gains (losses) on remeasurement investments held as available for sale	4	702	(773)	(251)	(773)
Net change in fair value of available for sale investments transferred to profit or loss	4	4,757	(363)	5,536	(363)
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss		(1,092)	227	(1,057)	227
Total components of other comprehensive income that will be reclassified to profit or loss		4,367	(909)	4,228	(909)
<i>Component of other comprehensive income that will not be reclassified to profit or loss</i>					
Losses on remeasurement of defined benefit plans		(111)	(11,968)	-	(3,063)
Income tax relating to component of other comprehensive income that will not be reclassified to profit or loss		-	2,394	-	613
Total component of other comprehensive income that will not be reclassified to profit or loss		(111)	(9,574)	-	(2,450)
Other comprehensive income (expense) for the period, net of income tax		4,256	(10,483)	4,228	(3,359)
Total comprehensive income (expense) for the period		(2,337,401)	(731,088)	(939,570)	62,618
Profit (loss) attributable to					
Owners of parent		(2,135,165)	(622,757)	(943,798)	65,977
Non-controlling interests		(206,492)	(97,848)	-	-
Profit (loss) for the period		(2,341,657)	(720,605)	(943,798)	65,977
Total comprehensive income (expense) attributable to					
Owners of parent		(2,130,938)	(630,400)	(939,570)	62,618
Non-controlling interests		(206,463)	(100,688)	-	-
Total comprehensive income (expense) for the period		(2,337,401)	(731,088)	(939,570)	62,618
Earnings (loss) per share (in Baht)	13				
Basic earnings (loss) per share		(0.525)	(0.153)	(0.232)	0.016
Diluted earnings (loss) per share		(0.525)	(0.153)	(0.232)	0.015

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements												
						Retained earnings (Deficit)		Other component of shareholders' equity				
	Note	Issued and paid share capital	Share premium	Share premium of subsidiaries	Warrants	Reserve on acquisition of warrants	Legal reserve	Unappropriated (Deficit)	Investments held as available for sale	Equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
(in thousand Baht)												
Nine month period ended 30 September 2016												
Balance at 1 January 2016		2,155,849	1,169,345	95,398	18,665	(91,013)	32,700	522,640	(4,250)	3,899,334	455,017	4,354,351
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
Share options exercised		110	349	-	(251)	-	-	-	-	208	-	208
Share-based payment transactions	10	-	-	-	5,612	-	-	-	-	5,612	268	5,880
Issue of ordinary shares of non-controlling interests of subsidiary		-	-	-	-	-	-	-	-	-	8,500	8,500
Dividends to owners of the Company		-	-	-	-	-	-	(122,026)	-	(122,026)	-	(122,026)
Dividends to non-controlling interest of subsidiaries		-	-	-	-	-	-	-	-	-	(16,985)	(16,985)
Total contributions by and distributions to owners of the parent		110	349	-	5,361	-	-	(122,026)	-	(116,206)	(8,217)	(124,423)
Change in ownership interest in subsidiary												
Acquisition of non-controlling interest without a change in control	7	-	-	1,121	(135)	-	-	-	-	986	11,087	12,073
Total change in ownership interest in subsidiary		-	-	1,121	(135)	-	-	-	-	986	11,087	12,073
Total transactions with owners, recorded directly in equity		110	349	1,121	5,226	-	-	(122,026)	-	(115,220)	2,870	(112,350)
Comprehensive income (expense) for the period												
Profit or loss		-	-	-	-	-	-	(622,757)	-	(622,757)	(97,848)	(720,605)
Other comprehensive income (expense)		-	-	-	-	-	-	(6,734)	(909)	(7,643)	(2,840)	(10,483)
Total comprehensive income (expense) for the period		-	-	-	-	-	-	(629,491)	(909)	(630,400)	(100,688)	(731,088)
Transfer to legal reserve		-	-	-	-	-	3,300	(3,300)	-	-	-	-
Balance at 30 September 2016		2,155,959	1,169,694	96,519	23,891	(91,013)	36,000	(232,177)	(5,159)	3,153,714	357,199	3,510,913

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements												
						Deficit		Other component of shareholders' equity				
	Note	Issued and paid share capital	Share premium	Share premium of subsidiaries	Warrants	Reserve on acquisition of warrants	Legal reserve (in thousand Baht)	Deficit	Investments held as available for sale	Equity attributable to owners of the parent	Non- controlling interests	Total shareholders' equity
Nine month period ended 30 September 2017												
Balance at 1 January 2017		2,155,959	1,169,694	96,605	30,012	(91,013)	32,700	(708,950)	(4,232)	2,680,775	327,299	3,008,074
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
Share-based payment transactions	10	-	-	-	4,082	-	-	-	-	4,082	(195)	3,887
Dividends to non-controlling interest of subsidiaries		-	-	-	-	-	-	-	-	-	(2,712)	(2,712)
Total contributions by and distributions to owners of the parent		-	-	-	4,082	-	-	-	-	4,082	(2,907)	1,175
Change in ownership interest in subsidiary												
Acquisition of non-controlling interest without a change in control	7	-	-	334	(53)	-	-	-	-	281	3,553	3,834
Total change in ownership interest in subsidiary		-	-	334	(53)	-	-	-	-	281	3,553	3,834
Total transactions with owners, recorded directly in equity		-	-	334	4,029	-	-	-	-	4,363	646	5,009
Comprehensive income (expense) for the period												
Profit or loss		-	-	-	-	-	-	(2,135,165)	-	(2,135,165)	(206,492)	(2,341,657)
Other comprehensive income (expense)		-	-	-	-	-	-	(100)	4,327	4,227	29	4,256
Total comprehensive income (expense) for the period		-	-	-	-	-	-	(2,135,265)	4,327	(2,130,938)	(206,463)	(2,337,401)
Balance at 30 September 2017		2,155,959	1,169,694	96,939	34,041	(91,013)	32,700	(2,844,215)	95	554,200	121,482	675,682

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Separate financial statements								
				Retained earnings		Other component of shareholders' equity		
	Note	Issued and paid share capital	Share premium	Warrants	Legal reserve	Unappropriated	Investments held as available for sale	Total shareholders' equity
(in thousand Baht)								
Nine month period ended 30 September 2016								
Balance at 1 January 2016		2,155,849	1,169,345	14,511	32,700	515,258	(4,250)	3,883,413
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Share options exercised		110	349	(251)	-	-	-	208
Share-based payment transactions	10	-	-	4,926	-	-	-	4,926
Dividends to owners of the Company		-	-	-	-	(122,026)	-	(122,026)
Total contributions by and distributions to owners of the Company		110	349	4,675	-	(122,026)	-	(116,892)
Total transactions with owners, recorded directly in equity		110	349	4,675	-	(122,026)	-	(116,892)
Comprehensive income (expense) for the period								
Profit or loss		-	-	-	-	65,977	-	65,977
Other comprehensive income (expense)		-	-	-	-	(2,450)	(909)	(3,359)
Total comprehensive income (expense) for the period		-	-	-	-	63,527	(909)	62,618
Transfer to legal reserve		-	-	-	3,300	(3,300)	-	-
Balance at 30 September 2016		2,155,959	1,169,694	19,186	36,000	453,459	(5,159)	3,829,139

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

Nation Multimedia Group Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

Separate financial statements								
				Retained earnings (Deficit)		Other component of shareholders' equity		
	Note	Issued and paid share capital	Share premium	Warrants	Legal reserve	Unappropriated (Deficit)	Investments held as available for sale	Total shareholders' equity
(in thousand Baht)								
Nine month period ended 30 September 2017								
Balance at 1 January 2017		2,155,959	1,169,694	25,057	32,700	302,505	(4,232)	3,681,683
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Share-based payment transactions	10	-	-	4,570	-	-	-	4,570
Total contributions by and distributions to owner of the Company		-	-	4,570	-	-	-	4,570
Total transactions with owners, recorded directly in equity		-	-	4,570	-	-	-	4,570
Comprehensive income (expense) for the period								
Profit or loss		-	-	-	-	(943,798)	-	(943,798)
Other comprehensive income		-	-	-	-	-	4,228	4,228
Total comprehensive income (expense) for the period		-	-	-	-	(943,798)	4,228	(939,570)
Balance at 30 September 2017		2,155,959	1,169,694	29,627	32,700	(641,293)	(4)	2,746,683

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine month period ended		Nine month period ended	
	30 September		30 September	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	(2,341,657)	(720,605)	(943,798)	65,977
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense (income)	8,966	(120,364)	1,716	(7,780)
Finance costs	128,928	108,461	82,690	24,875
Depreciation	135,975	152,896	33,926	37,742
Amortisation of assets	101,692	87,133	2,598	5,000
Amortisation of digital television licences	156,517	157,170	-	-
Impairment losses on assets	1,493,770	-	768,690	-
Non-current provisions for employee benefit	(35,190)	(15,213)	(6,027)	(6,685)
Share-based payments	3,887	5,880	4,570	4,926
Gain on fair value adjustment of investments in debt securities	(313)	-	(98)	-
Impairment loss from long-term investment in other companies	-	2,950	-	2,950
Gain on disposal of investments in debt securities	(1,774)	(545)	(550)	(24)
Gain on disposal of debt security in private fund	(938)	-	-	-
(Gain) loss on disposal of long-term investments in other companies	5,914	(363)	5,914	(363)
Loss on disposal of investment in subsidiary	-	-	1,981	3,698
Share of (profit) loss of associate, net of tax	57	(1,133)	-	-
Bad and doubtful debts expense	1,942	10,056	10	5,729
Reversal of allowance for goods returned	(3,452)	(1,800)	(2,336)	(679)
(Reversal of) losses on inventories devaluation	2,013	170,592	-	(20)
Loss on decline in value of other non-current assets	861	-	-	-
(Gain) loss on disposal of equipment	(450)	4	(12)	169
Loss on disposal of investment properties	2,110	-	2,110	-
Loss on written-off of assets	10,346	5,113	-	4,898
Investment income	(7,891)	(18,312)	(14,825)	(103,364)
	<u>(338,687)</u>	<u>(178,080)</u>	<u>(63,441)</u>	<u>37,049</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	121,760	165,455	88,800	(29,243)
Accrued income	87,530	(93,798)	52,621	(97,678)
Other current receivables	11,390	(29,461)	(273,389)	(738,865)
Inventories	34,117	46,627	(2,244)	41,517
Other current assets	13,524	(73,925)	2,569	(13,617)
Restricted deposits	(388)	2,073	-	-
Other non-current assets	61	(497)	2,234	(980)
Trade accounts payable	14,557	(26,909)	(48,625)	162,060
Other current payables	50,826	2,204	6,493	(24,533)
Deferred income	(17,606)	10,874	6,327	(5,031)
Accrued expenses	(32,962)	16,452	(47,553)	32,024
Other current liabilities	(35,631)	11,261	(5,939)	7,102
Provisions for employee benefit	-	(1,661)	-	(140)
Other non-current liabilities	(10,091)	(18,264)	(10,882)	(14,126)
Net cash used in operating	<u>(101,600)</u>	<u>(167,649)</u>	<u>(293,029)</u>	<u>(644,461)</u>
Taxes paid	(53,180)	(51,509)	(15,242)	(15,878)
Withholding tax refunded	47,032	47,351	35,543	30,034
Net cash used in operating activities	<u>(107,748)</u>	<u>(171,807)</u>	<u>(272,728)</u>	<u>(630,305)</u>

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine month period ended		Nine month period ended	
	30 September		30 September	
	2017	2016	2017	2016
	(in thousand Baht)			
Cash flows from investing activities				
Proceeds from sale of long-term investment in other company	2,768	363	2,768	363
Current investments	195,731	483,358	-	-
Proceeds from sale of debt security in private fund	88,985	-	-	-
Acquisition of debt securities in private fund	(177,322)	-	-	-
Proceeds from sale of other debt securities	1,258,785	869,314	413,937	82,027
Acquisition of other debt securities	(1,033,100)	(843,700)	(364,000)	(82,000)
Proceeds from sale of investment properties	8,710	-	8,710	-
Proceeds from sale of equipment	900	1,163	90	294
Acquisition of building and equipment	(5,753)	(20,505)	(1,834)	(10,756)
Acquisition of programme licences	(69,945)	(154,252)	-	-
Acquisition of intangible assets	(16,860)	(5,939)	(1,120)	(543)
Digital television licences payments	(323,800)	(647,600)	-	-
Dividend received	24	-	14,812	103,341
Interest received	5,838	20,856	13	23
Net cash from (used in) investing activities	(65,039)	(296,942)	73,376	92,749
Cash flows from financing activities				
Proceeds from change in ownership interest in subsidiary without a change in control	3,834	12,073	3,834	12,073
Proceeds from exercise of share options	-	208	-	208
Acquisition of non-controlling interests	-	8,500	-	-
Bank overdrafts and short-term borrowings from financial institutions	288,505	432,749	293,752	451,729
Proceeds from short-term borrowings	180,000	-	180,000	-
Repayment of short-term borrowings	(130,000)	-	(130,000)	-
Proceeds from long-term loan from financial institution	-	300,000	-	300,000
Repayment of long-term borrowings from financial institution	(60,000)	-	(60,000)	-
Repayment of finance lease	(1,072)	(1,504)	(1,072)	(1,504)
Cash paid for up front fee of long-term loan from financial institution	(2,000)	(1,500)	(2,000)	(1,500)
Investment in subsidiary	-	-	-	(76,500)
Dividends paid to owners of the Company	-	(122,026)	-	(122,026)
Dividends paid to non-controlling interests of subsidiaries	(2,712)	(16,985)	-	-
Interest paid	(98,494)	(35,636)	(85,543)	(23,095)
Net cash from financing activities	178,061	575,879	198,971	539,385
Net increase (decrease) in cash and cash equivalents	5,274	107,130	(381)	1,829
Cash and cash equivalents at beginning of period	233,694	207,525	26,768	17,758
Cash and cash equivalents at ending of period	238,968	314,655	26,387	19,587
Non-cash transactions				
Payables for purchase of equipment	339	2,390	6,878	9,030
Payables for purchase of programme licences	17,632	26,038	-	-
Payables for purchase of intangible assets	605	5,388	-	294
Digital television licences payable	1,421,586	1,691,164	-	-
Assets received from rendering of services	8,785	43,650	8,785	21,688

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

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

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Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 14 November 2017.

1 General information

Nation Multimedia Group Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1858/121-122, 124-128, 28th-31st Floors, Bangna-Trad Road, Kwang Bangna, Khet Bangna, Bangkok.

The Company was listed on the Stock Exchange of Thailand in June 1988.

The principal activities of the Company are the publishing and distribution of newspapers and publishing, providing advertising and news services and others.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2016) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2016. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2016.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2016 except that the Group has adopted all the revised TFRS that are effective for annual periods beginning on or after 1 January 2017. The adoption of these revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company.

In addition to the above revised TFRS, the FAP has issued a number of other revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these interim financial statements. Those revised TFRS that are relevant to the Group’s operations are disclosed in note 17.

(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

(c) Use of judgements and estimates

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2016.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuations are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in note 14 - financial instruments.

Use of going concern basis of accounting

During the nine-month period ended 30 September 2017, the Group and the Company incurred net losses of Baht 2,341.66 million and Baht 943.80 million, respectively (*2016: net loss of Baht 720.61 million and net profit of Baht 65.98 million, respectively*) and, as of that date, the Group's and the Company's current liabilities exceeded its current assets by Baht 673.24 million and Baht 556.48 million, respectively (*31 December 2016: Baht 33.56 million and Baht 369.36 million, respectively*) and the Group and the Company had deficit of Baht 2,844.22 million and Baht 641.29 million, respectively (*31 December 2016: deficit of Baht 708.95 million and retained earnings of Baht 302.51 million*).

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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The Group's management has given careful consideration to the Group's and the Company's financial position and liquidity by executing the plan for expanding digital media segment and discontinuing the unprofitable businesses. This included the implementation of plans to control expenses, such as reducing the manpower to appropriate level, reducing the unused office space, reducing the production costs, improving the logistics management, reducing other administrative expenses, and obtaining sources of funds from other parties in order to continually improve the financial position, liquidity, cash flows and performance of the Group and the Company.

Moreover, the Group and the Company have implemented policies and procedures in an attempt to manage its liquidity risk including the rescheduling the repayment of debt. The management believes that the preparation of the financial statements on a going concern basis is appropriate. Accordingly, the consolidated and separate financial statements do not include any adjustments relating to the recoverability and classifications of recorded assets amounts or to amounts and classifications of liabilities that may be necessary if the Group and the Company are unable to continue as a going concern.

3 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with associate and subsidiaries are described in notes 6 and 7. Relationships with key management, indirect subsidiaries and other related party were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
<i>Indirect subsidiaries</i>		
Nation University	Thailand	University, a license holding by Nation U Co., Ltd.
NBC Next Vision Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors
Nation Global Edutainment Co., Ltd.	Thailand	99.74% shareholding by Nation International Edutainment Public Company Limited, some common directors
<i>Other related party</i>		
Thai Portal Co., Ltd.	Thailand	Related party, 19.00% shareholding by Kom Chad Luek Media Co., Ltd.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Revenues from sales and services	General market price and negotiable rate
Costs of sales of goods and rendering of services	Actual cost allocation rate and negotiable rate which approximates market price
Sale of equipment	Book value plus margin
Purchase of equipment	Book value plus margin
Dividend income	As announced in the minute of shareholders' meeting
Other income	Negotiable rate
Distribution costs and administrative expenses	Negotiable rate

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

	Consolidated financial statements		Separate financial statements	
<i>Three-month period ended 30 September</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries				
Revenues from sales and services	-	-	83,443	141,635
Costs of sales of goods and rendering of services	-	-	9,985	12,051
Sale of equipment	-	-	8	-
Purchase of equipment	-	-	5	236
Other income	-	-	4,617	3,923
Distribution costs and administrative expenses	-	-	2,991	3,006
Associate				
Revenue from services	1,181	1,268	31	31
Key management personnel				
Key management personnel compensation				
Wages and salaries	10,056	18,569	4,286	8,470
Defined contribution plans	636	1,039	216	302
Total key management personnel compensation	<u>10,692</u>	<u>19,608</u>	<u>4,502</u>	<u>8,772</u>

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

<i>Nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries				
Revenues from sales and services	-	-	280,762	454,422
Costs of sales of goods and rendering of services	-	-	20,545	28,976
Sale of equipment	-	-	9	1,436
Purchase of equipment	-	-	37	1,013
Dividend income	-	-	14,788	103,341
Other income	-	-	11,014	11,801
Distribution costs and administrative expenses	-	-	8,977	8,940
Associate				
Revenue from services	3,456	3,832	92	92
Key management personnel				
Key management personnel compensation				
Wages and salaries	31,914	57,108	12,739	26,410
Defined contribution plans	1,981	3,152	648	905
Total key management personnel compensation	<u>33,895</u>	<u>60,260</u>	<u>13,387</u>	<u>27,315</u>

Balances as at 30 September 2017 and 31 December 2016 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	978,574	1,014,960
Associate	192	231	11	11
Other related party	67	67	-	-
	<u>259</u>	<u>298</u>	<u>978,585</u>	<u>1,014,971</u>
Less allowance for doubtful accounts	(67)	(67)	-	-
Net	<u>192</u>	<u>231</u>	<u>978,585</u>	<u>1,014,971</u>
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			

Bad and doubtful debts expense for the:

- Three-month period ended 30 September	-	-	-	-
- Nine-month period ended 30 September	-	-	-	-

<i>Accrued income - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	70,927	65,488

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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Other current receivables - related parties	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(in thousand Baht)		
Subsidiaries and indirect subsidiaries	-	-	1,160,141	887,353
Associate	222	349	-	-
Other related party	17,345	17,345	-	-
	17,567	17,694	1,160,141	887,353
Less allowance for doubtful accounts	(17,345)	(17,345)	-	-
Net	222	349	1,160,141	887,353
	2017	2016	2017	2016
		(in thousand Baht)		
Bad and doubtful debts expense for the:				
- Three-month period ended 30 September	-	-	-	-
- Nine-month period ended 30 September	-	-	-	-
Trade accounts payable - related parties	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(in thousand Baht)		
Subsidiaries and indirect subsidiary	-	-	1,451,985	1,495,243
Associate	-	8	-	-
Total	-	8	1,451,985	1,495,243
Other current payables - related parties	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(in thousand Baht)		
Subsidiaries and indirect subsidiaries	-	-	25,668	24,862
Associate	2	12	-	-
Total	2	12	25,668	24,862
Accrued expenses - related parties	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(in thousand Baht)		
Subsidiaries	-	-	352,397	399,703

Significant agreements with related parties

The Company entered into agreements with subsidiaries and indirect subsidiaries to provide services in relation to management, operations, marketing and other services. The Company will receive the service fees as specified in the agreements.

The Company entered into an agreement with a subsidiary for rent space and related services. The Company committed to pay rental and service fees as specified in the agreement.

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The Company entered into agreements with subsidiaries and an indirect subsidiary to rent out the spaces and provide related services. The subsidiaries and indirect subsidiary committed to pay rental and service fees as specified in the agreements.

4 Other investments

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	3,047	3,630	-	-
Promissory notes	-	195,148	-	-
Debt securities held for trading	-	223,598	-	49,289
Debt security available for sale (Private fund)	89,449	-	-	-
	92,496	422,376	-	49,289
<i>Other long-term investments</i>				
Equity securities available for sale	3	2,800	3	2,800
Other non-marketable equity securities	4,016	4,616	4,016	4,616
	4,019	7,416	4,019	7,416
Total	96,515	429,792	4,019	56,705

During the first and second quarter of 2017, two subsidiaries established the private funds by engaging an independent assets management company for the purpose of cash management of the subsidiaries. These private funds invested in equity and debt securities in response to capital market conditions. As at 30 September 2017, the value of private funds outstanding totalling Baht 121.77 million (including cash and cash equivalents of Baht 30.24 million).

Movements during the nine-month periods ended 30 September 2017 and 2016 of marketable equity and debt securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
<i>Trading securities</i>				
At 1 January	223,598	25,069	49,289	3
Purchases during the period	346,900	843,700	105,000	82,000
Sales during the period	(331,046)	(868,769)	(113,781)	(82,003)
Transfer during the period	(239,765)	-	(40,606)	-
Valuation adjustment	313	-	98	-
At 30 September	-	-	-	-

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Available for sale securities				
At 1 January	-	-	-	-
Purchases during the period	686,200	-	259,000	-
Sales during the period	(925,965)	-	(299,606)	-
Transfer during the period	239,765	-	40,606	-
At 30 September	-	-	-	-
Available for sale securities (Private fund)				
At 1 January	-	-	-	-
Purchases during the period	177,322	-	-	-
Sales during the period	(88,047)	-	-	-
Valuation adjustment	174	-	-	-
At 30 September	89,449	-	-	-
Other long-term investment				
Available for sale securities				
At 1 January	2,800	2,776	2,800	2,776
Sales during the period	(8,082)	-	(8,082)	-
Valuation adjustment	5,285	(1,136)	5,285	(1,136)
At 30 September	3	1,640	3	1,640

5 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>Note</i>	<i>(in thousand Baht)</i>			
Related parties	3	259	298	978,585	1,014,971
Other parties		344,843	471,982	137,786	192,923
Total		345,102	472,280	1,116,371	1,207,894
Less allowance for doubtful accounts		(62,854)	(65,475)	(32,516)	(34,374)
allowance for goods returned		(5,304)	(8,756)	(2,945)	(5,281)
Net		276,944	398,049	1,080,910	1,168,239
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the:					
- Three-month period ended 30 September		1,094	2,292	187	681
- Nine-month period ended 30 September		2,797	10,562	865	6,196

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2017 (Unaudited)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	192	231	85,181	164,711
Overdue:				
Less than 3 months	-	-	127,667	45,935
3-6 months	-	-	62,612	115,356
6-12 months	-	-	165,085	167,921
Over 12 months	67	67	538,040	521,048
	<u>259</u>	<u>298</u>	<u>978,585</u>	<u>1,014,971</u>
Less allowance for doubtful accounts	(67)	(67)	-	-
	<u>192</u>	<u>231</u>	<u>978,585</u>	<u>1,014,971</u>
Other parties				
Within credit terms	179,989	214,457	60,049	77,667
Overdue:				
Less than 3 months	77,391	158,507	33,524	58,195
3-6 months	4,828	22,011	1,683	15,460
6-12 months	8,349	10,061	3,545	6,531
Over 12 months	74,286	66,946	38,985	35,070
	<u>344,843</u>	<u>471,982</u>	<u>137,786</u>	<u>192,923</u>
Less allowance for doubtful accounts	(62,787)	(65,408)	(32,516)	(34,374)
allowance for goods returned	(5,304)	(8,756)	(2,945)	(5,281)
	<u>276,752</u>	<u>397,818</u>	<u>102,325</u>	<u>153,268</u>
Net	<u>276,944</u>	<u>398,049</u>	<u>1,080,910</u>	<u>1,168,239</u>

The normal credit term granted by the Group ranges from 7 days to 90 days.

6 Investment in associate

	Consolidated financial statements		Separate financial statements	
<i>Nine-month periods ended 30 September</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	23,156	22,076	1,800	1,800
Share of net profit (loss) of associate	(57)	1,133	-	-
At 30 September	<u>23,099</u>	<u>23,209</u>	<u>1,800</u>	<u>1,800</u>

During the nine-month period ended 30 September 2017, there were no acquisitions and disposals of investment in associate.

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Investment in associate as at 30 September 2017 and 31 December 2016, and dividend income from the investment for the nine-month periods ended 30 September 2017 and 2016 were as follow:

Associate	Type of business	Consolidated financial statements									
		Ownership Interest		Paid-up capital		Cost		Equity		Dividend income for the nine-month periods ended	
		30	31	30	31	30	31	30	31	30	30
		September	December	September	December	September	December	September	December	September	September
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		(%)				(in thousand Baht)					
Yomiuri-Nation Information Service Limited	Advertising agency	45.00	45.00	4,000	4,000	<u>1,800</u>	<u>1,800</u>	<u>23,099</u>	<u>23,156</u>	<u>-</u>	<u>-</u>

Associate was incorporate in Thailand. None of the Group's associate is publicly listed and consequently does not have published price quotation.

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Associate	Type of business	Separate financial statements										Dividend income for the nine-month periods ended	
		Ownership Interest		Paid-up capital		Cost		Impairment		At cost - net		30 September 2017	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	30 September 2016
		(%)						(in thousand Baht)					
Yomiuri-Nation Information Service Limited	Advertising agency	45.00	45.00	4,000	4,000	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>	<u>-</u>

Associate was incorporate in Thailand. None of the Company's associate is publicly listed and consequently does not have published price quotation.

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7 Investments in subsidiaries

	Separate financial statements	
<i>Nine-month period ended 30 September</i>	2017	2016
	<i>(in thousand Baht)</i>	
At 1 January	3,627,879	2,993,311
Addition	-	76,500
Allowance for impairment	(768,690)	-
Disposals	(5,815)	(15,771)
At 30 September	2,853,374	3,054,040

Partial disposal of interest in subsidiary without a change of control

During the first and second quarter of 2017, the Company sold 1.31% of its interest in a subsidiary (“Nation International Edutainment Public Company Limited”) for Baht 3.83 million in cash, reducing its ownership interest from 72.35% to 71.04%, whilst retaining control over the subsidiary. The carrying amount of the subsidiary’s net assets in the Group’s financial statements on the date of sale was Baht 267.79 million. The Group recognised an increase in non-controlling interest of Baht 3.50 million. The Group and the Company recognised gain and loss on sale of the investment of Baht 0.33 million and Baht 1.98 million, in the consolidated statement of changes in equity and separate statement of comprehensive income for the nine-month period ended 30 September 2017, respectively.

Business restructuring of the group of subsidiary

At the Board of Directors’ meeting of a subsidiary (“Nation International Edutainment Public Company Limited”) held on 3 August 2016, the Board of Directors of the subsidiary approved the business restructuring of the publishing and distributing of publications of a subsidiary and an indirect subsidiary (together referred to as “a group of subsidiary”) in accordance with the current situation and focusing on the publishing and distributing of certain profitable publications. This included the implementation of plans to control expenses. In addition, the group of subsidiary is in process of assessing the business valuation by business alliances for the investment.

Security

During the third quarter of 2017, the Company pledged investments in subsidiaries as collateral for short-term borrowings from individuals and financial institutions as follows:

Subsidiaries	Number of shares (shares)
Nation Broadcasting Corporation Public Company Limited	350,487,666
Nation International Edutainment Public Company Limited	97,342,000
Krungthep Turakij Media Co., Ltd.	249,970
Bangkok Business Broadcasting Co., Ltd.	149,900,002
Nation U Co., Ltd.	10,000,000
WPS (Thailand) Co., Ltd.	42,250,000

Dividend

At the annual general meeting of the shareholders of a subsidiary (“WPS (Thailand) Co., Ltd.”) held on 27 April 2017, the shareholders of the subsidiary approved the appropriation of dividends from the 2016 operating results and retained earnings of Baht 0.35 per share, amounting to Baht 17.50 million. The dividends were paid to shareholders in May 2017.

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Investments in subsidiaries as at 30 September 2017 and 31 December 2016, and dividend income from those investments for the nine-month periods ended 30 September 2017 and 2016 were as follows:

Separate financial statements													
Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month periods ended	
		30	31	30	31	30	31	30	31	30	31	30	30
		September	December	September	December	September	December	September	December	September	December	September	September
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		(%)											
Nation Broadcasting Corporation Public Company Limited	Production of TV and radio programmes and providing advertisements through TV media, radio media, and new media forms	71.45	71.45	535,437	535,437	989,589	989,589	-	-	989,589	989,589	-	30,604
Nation International Edutainment Public Company Limited	Importing, publishing and distributing local and foreign publications, production of TV programmes and providing advertisements through TV media, digital media and character management	71.04	72.35	170,048	170,048	316,377	322,192	-	-	316,377	322,192	-	2,862
Nation News Network Co., Ltd.	Publishing and distribution of English newspaper, publishing, digital media publishing and advertising media	99.99	99.99	50,000	50,000	50,000	50,000	40,000	-	10,000	50,000	-	-
NML Co., Ltd.	Delivery of newspaper and publishing	99.99	99.99	50,000	50,000	50,000	50,000	-	40,000	50,000	10,000	-	-

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Separate financial statements													
Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month periods ended	
		30	31	30	31	30	31	30	31	30	31	30	30
		September	December	September	December	September	December	September	December	September	December	September	September
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		(%)											
Kom Chad Luek Media Co., Ltd.	Publishing and distribution of newspaper, publishing, digital media publishing and advertising media	99.99	99.99	25,000	25,000	99,990	99,990	96,392	96,392	3,598	3,598	-	-
Krungthep Turakij Media Co., Ltd.	Publishing and distribution of newspaper, publishing, digital media publishing and advertising media	99.99	99.99	25,000	25,000	25,000	25,000	-	-	25,000	25,000	-	48,750
Bangkok Business Broadcasting Co., Ltd.	Production of TV programmes and providing advertisements through TV media	99.93	99.93	1,500,000	1,500,000	1,499,000	1,499,000	768,690	-	730,310	1,499,000	-	-
Nation U Co., Ltd.	Establish a private university and academic training	90.00	90.00	340,000	340,000	306,000	306,000	-	-	306,000	306,000	-	-
WPS (Thailand) Co., Ltd.	Production of newspaper, and books and publishing service	84.50	84.50	500,000	500,000	422,500	422,500	-	-	422,500	422,500	14,788	21,125
Total						3,758,456	3,764,271	905,082	136,392	2,853,374	3,627,879	14,788	103,341

All subsidiaries were incorporated in Thailand.

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None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations, except for Nation Broadcasting Corporation Public Company Limited and Nation International Edutainment Public Company Limited which are listed on the Market for Alternative Investment. Based on the closing price of Baht 1.51 and Baht 1.56, respectively, at 30 September 2017 (31 December 2016: Baht 1.82 and Baht 1.57, respectively), the fair value of the Company's investments in the said companies were Baht 577.66 million and Baht 188.46 million, respectively (31 December 2016: Baht 696.25 million and Baht 193.16 million, respectively).

Impairment testing

Management of the Company performed impairment test of carrying amount of investments in subsidiaries. The recoverable amount was based on its value in use, determined by discounted future cash flows to be generated from the continuing operations according to the business plan and discount rate which is calculated by weighted average cost of capital.

CGU 1: Investment in Nation News Network Co., Ltd.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing operation of the CGU. The carrying amount of the CGU was determined to be higher than its recoverable amount by Baht 40 million and an impairment loss of Baht 40 million was recognised in the separate financial statements for the three-month and nine-month periods ended 30 September 2017.

The key assumptions used in the estimation of value in use were as follows:

Key assumptions	Separate financial statements	
	30 September 2017	31 December 2016
Discount rate	9.37%	9.10%
Terminal growth rate	0.00%	0.00%

CGU 2: Investment in NML Co., Ltd.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing operation of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount. The Company reversed impairment loss of Baht 40 million in the separate financial statements for the three-month and nine-month periods ended 30 September 2017.

The key assumptions used in the estimation of value in use were as follows:

Key assumptions	Separate financial statements	
	30 September 2017	31 December 2016
Discount rate	9.35%	9.10%
Terminal growth rate	0.00%	0.00%

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CGU 3: Investment in Bangkok Business Broadcasting Co., Ltd.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing operation of the CGU. The carrying amount of the CGU was determined to be higher than its recoverable amount by Baht 768.69 million and an impairment loss of Baht 768.69 million was recognised in the separate financial statements for the three-month and nine-month periods ended 30 September 2017.

The key assumptions used in the estimation of value in use were as follows:

Key assumptions	Separate financial statements	
	30 September 2017	31 December 2016
Discount rate	12.08%	9.51%
Terminal growth rate	3.00%	3.00%

The discount rate was a pre-tax measure based on the rate of 12 - 30 years government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

These assumptions are based on management of the Company's judgment and past experience and business plan, as well as the future prediction that is believed to be reasonable in the present situation. Changes in the information or new noticeable information may lead to the change in the assumptions and the discount rate for the estimation of the discounting future cash flows along with sensitivity of key assumptions effect to the recoverable amount.

8 Investment Properties

During the nine-month period ended 30 September 2017, the Company disposed condominium and improvements with a net book value of Baht 10.82 million. There were no other significant additions to or disposals of investment properties during the period.

9 Digital television licences

A subsidiary ("Bangkok Business Broadcasting Co., Ltd."), was the winner of the auction for commercial digital terrestrial television licence ("licence") at national level for a variety standard definition channel category at a bid price of Baht 2,200 million (exclusive of VAT). The subsidiary was required to make payments under the following payment conditions:

- 1) For the minimum bid price amounting to Baht 380 million, the payment is divided into 4 instalments and has to be made within 3 years from the date of acquiring the licence as specified by Nation Broadcasting and Telecommunications commission ("NBTC").
- 2) For the exceeding amount of the minimum bid price amounting to Baht 1,820 million, the payment is divided into 6 instalments and has to be made within 5 years from the date of acquiring the licence as specified by NBTC.

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The subsidiary paid the first instalment, which was 50% of minimum bid price and 10% of the exceeding of the minimum bid price, totalling Baht 334 million, excluded value added tax and net of guarantee deposit amounting to Baht 38 million on 29 October 2013. The subsidiary placed the letter of guarantee issued by a financial institution for the remaining licence fee amounting to Baht 1,828 million to NBTC on 7 February 2014. Such remaining licence fee will be paid annually in the amount as specified in the agreement expiring on 25 April 2019.

As at 30 September 2017, the outstanding balance of letter of guarantee was Baht 929 million (*31 December 2016: Baht 1,130 million*).

An indirect subsidiary (“NBC Next Vision Co., Ltd.”), was the winner of the auction for commercial digital terrestrial television licence at national level for a news channel category at a bid price of Baht 1,338 million (exclusive of VAT). The indirect subsidiary was required to make payments under the following payment conditions:

- 1) For the minimum bid price amounting to Baht 220 million, the payment is divided into 4 instalments and has to be made within 3 years from the date of acquiring the licence as specified by NBTC.
- 2) For the exceeding amount of the minimum bid price amounting to Baht 1,118 million, the payment is divided into 6 instalments and has to be made within 5 years from the date of acquiring the licence as specified by NBTC.

The indirect subsidiary paid the first instalment, which was 50% of minimum bid price and 10% of the exceeding of the minimum bid price, totalling Baht 199.80 million, excluded value added tax and net of guarantee deposit amounting to Baht 22 million on 29 October 2013. The indirect subsidiary placed the letter of guarantee issued by a financial institution for the remaining licence fee amounting to Baht 1,116.20 million to NBTC on 7 February 2014. Such remaining licence fee will be paid annually in the amount as specified in the agreement expiring on 25 April 2019.

As at 30 September 2017, the outstanding balance of letter of guarantee was Baht 570 million (*31 December 2016: Baht 692.80 million*).

On 25 April 2014, the subsidiary and the indirect subsidiary received the commercial digital terrestrial television licences at national level for a period of 15 years, commencing from 25 April 2014 to 24 April 2029.

On 20 December 2016, National Council for Peace and Order (NCPO) issued an order under Section 44 to promote the business of radio broadcasting, television broadcasting and telecommunications for public interest. The order allows the licence holders, who were unable to comply with the initial terms and conditions of licence fees payments from the fourth instalment onwards, to extend the payment term by providing a written notification to NBTC in advance. In case NBTC deems the requests appropriate, those licence holders are able to pay the rest of licence fees in accordance with the terms and conditions within this order, which are extended. During the year 2017, the subsidiary and the indirect subsidiary received the official letter from NBTC which approves the subsidiary and the indirect subsidiary to repay the rest of licence fees together with its interest of payments in accordance with the terms and conditions within the order.

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The details of digital television licence fees payments of the subsidiary and the indirect subsidiary to NBTC were as follows:

	<i>(in million Baht)</i>
1 st instalment (within 30 days from the date being informed as auction winner)	593.8
2 nd instalment (within 30 days from the maturity 1 year from receiving the licence)	473.8
3 rd instalment (within 30 days from the maturity 2 years from receiving the licence)	647.6
4 th instalment (within 30 days from the maturity 3 years from receiving the licence)	323.8
5 th instalment (within 30 days from the maturity 4 years from receiving the licence)	323.8
6 th instalment (within 30 days from the maturity 5 years from receiving the licence)	293.8
7 th instalment (within 30 days from the maturity 6 years from receiving the licence)	293.8
8 th instalment (within 30 days from the maturity 7 years from receiving the licence)	293.8
9 th instalment (within 30 days from the maturity 8 years from receiving the licence)	293.8
Total	<u>3,538.0</u>

Impairment testing

Management of the subsidiary and indirect subsidiary performed impairment test of carrying amount of assets related to the licences. The recoverable amounts were based on its value in use, determined by discounted future cash flows to be generated from the continuing use of assets until expiration date of licences based on its business plan and discount rate which is calculated by weighted average cost of capital.

The key assumptions used in the estimation of value in use were as follows:

Key assumptions	Consolidated financial statements	
	30 September 2017	31 December 2016
Discount rate	12.08%	9.51%
Terminal growth rate	3.00%	3.00%

The discount rate was a pre-tax measure based on the rate of 12-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

These assumptions are based on management of the subsidiary and indirect subsidiary's judgment and past experience and business plan, as well as the future prediction that is believed to be reasonable in the present situation. Changes in the information or new noticeable information may lead to the change in the assumptions and the discount rate for the estimation of the discounting future cash flows along with sensitivity of key assumptions effect to the recoverable amount.

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CGU 1: Digital television licence for a variety standard definition channel category

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU until the expiration date of licence. The carrying amount of the CGU was determined to be higher than its recoverable amount. Therefore, the Group recognised impairment loss in the consolidated financial statements for the three-month and nine-month periods ended 30 September as follows:

	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Impairment losses		
Digital television licence	842,270	-
Intangible assets	65,960	-
Inventories	8,440	-
Equipment	9,700	-
Total	926,370	-

CGU 2: Digital television licence for a news channel category

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU until the expiration date of licence. The carrying amount of the CGU was determined to be higher than its recoverable amount. Therefore, the Group recognised impairment loss in the consolidated financial statements for the three-month and nine-month periods ended 30 September as follows:

	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Impairment losses		
Digital television licence	560,740	-
Intangible assets	6,660	-
Total	567,400	-

Digital television licences payable to NBTC as at 30 September 2017 and 31 December 2016 were as follows:

	Consolidated financial statements					
	30 September 2017			31 December 2016		
	Future payments	Interest	Present value of payments <i>(in thousand Baht)</i>	Future payments	Interest	Present value of payments
Within one year	323,800	27,419	296,381	647,600	63,531	584,069
After one year but within five years	1,175,200	49,995	1,125,205	1,175,200	45,130	1,130,070
Total	1,499,000	77,414	1,421,586	1,822,800	108,661	1,714,139

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10 Warrants

NMG-WB

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the shareholders approved an issuance of warrants to the directors, management and/or employees of the Company and/or its subsidiaries of 82,387,015 units.

On 15 August 2013, the Company granted the rights and notified terms and conditions for exercising the rights to the directors, management, and/or employees of the Company and/or its subsidiaries.

NINE-WA

At the annual general meeting of the shareholders of a subsidiary (“Nation International Edutainment Public Company Limited”) held on 23 April 2013, the shareholders of the subsidiary approved an issuance of warrants to the directors, management, and/or employees of the company and/or its subsidiaries of 4,250,000 units.

On 15 August 2013, the subsidiary granted the rights and notified terms and conditions for exercising the rights to the directors, management, and/or employees of the company and/or its subsidiaries.

NBC-WB

At the annual general meeting of the shareholders of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 24 April 2013, the shareholders of the subsidiary approved an issuance of warrants to the directors, management, and/or employees of the company and/or its subsidiaries of 8,798,905 units.

On 15 August 2013, the subsidiary granted the rights and notified terms and conditions for exercising the rights to the directors, management and/or employees of the company and/or its subsidiaries.

The expenses for share-based payment transactions for the nine-month period ended 30 September 2017 of Baht 3.89 million and Baht 4.57 million in the consolidated and separate financial statements, respectively (2016: Baht 5.88 million and Baht 4.93 million, respectively).

Movements during the nine-month periods ended 30 September 2017 and 2016 of warrants were as follows:

	Consolidated financial statements			
	2017		2016	
	Number of warrants	Grant date fair value	Number of warrants	Grant date fair value
	<i>(in thousand units / in thousand Baht)</i>			
At 1 January	24,474	30,012	14,799	18,665
Issued warrants during the period	14,183	15,515	9,855	9,886
Exercised warrants during the period	-	-	(208)	(251)
Forfeited warrants during the period	(10,940)	(11,486)	(5,128)	(4,409)
At 30 September	27,717	34,041	19,318	23,891

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	Separate financial statements			
	2017		2016	
	Number of warrants	Grant date fair value	Number of warrants	Grant date fair value
	<i>(in thousand units / in thousand Baht)</i>			
At 1 January	20,709	25,057	11,993	14,511
Issued warrants during the period	12,402	13,181	7,856	7,789
Exercised warrants during the period	-	-	(208)	(251)
Forfeited warrants during the period	<u>(8,626)</u>	<u>(8,611)</u>	<u>(3,785)</u>	<u>(2,863)</u>
At 30 September	<u>24,485</u>	<u>29,627</u>	<u>15,856</u>	<u>19,186</u>

NMG-W3

The outstanding unexercised warrants as at 30 September 2017 were as follows:

Unexercised warrants as at 1 January 2017	Issued warrants <i>(million units)</i>	Exercised warrants	Unexercised warrants as at 30 September 2017	Exercise price <i>(Baht / share)</i>	Expiry date
904	-	-	904	1	5 years from the grant date

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the shareholders approved an issuance and offering of warrants to the Company's existing shareholders who subscribed for additional ordinary shares in a ratio of 1 warrant for 1 existing ordinary share, without the offering price and approved an increase in the registered share capital from Baht 873.30 million (divided into 1,647,740,300 ordinary shares at Baht 0.53 per share) to Baht 2,663.57 million (divided into 5,025,607,915 ordinary shares at Baht 0.53 per share) by issuing of not exceeding 3,377,867,615 ordinary shares at Baht 0.53 per share to reserve for the increase in share capital and exercise of warrants as referred above.

During the first quarter of 2015, a subsidiary ("Nation Broadcasting Corporation Public Company Limited") invested in the warrants of 82,237,800 units, amounting to Baht 91.01 million.

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11 Segment information

Information about reportable segments

<i>Nine-month period ended 30 September</i>	Publishing and advertising		Printing services		Edutainment		Broadcasting and new media		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>											
External revenue	451,993	717,899	30,862	43,462	88,604	105,404	576,697	618,210	157,218	133,904	1,305,374	1,618,879
Inter-segment revenue	66,852	103,107	121,811	163,371	10,652	10,577	2,548	5,973	61,713	74,548	263,576	357,576
Other income	15,829	17,086	3,018	4,717	9,965	11,674	16,785	14,950	12,275	17,607	57,872	66,034
Total segment revenue	534,674	838,092	155,691	211,550	109,221	127,655	596,030	639,133	231,206	226,059	1,626,822	2,042,489
Impairment losses on assets	-	-	-	-	-	-	1,493,770	-	-	-	1,493,770	-
Segment profit (loss) before income tax	(315,080)	(140,253)	(3,712)	13,404	10,645	(207,480)	(1,987,109)	(477,401)	(37,378)	(30,372)	(2,332,634)	(842,102)
Segment assets as at 30 September / 31 December	1,266,320	1,506,310	607,525	665,265	237,002	317,421	2,257,434	4,292,033	286,555	295,201	4,654,836	7,076,230
Segment liabilities as at 30 September / 31 December	2,046,425	1,816,550	121,388	128,492	37,209	38,029	1,710,067	2,028,461	64,065	56,624	3,979,154	4,068,156

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Reconciliation of reportable segment profit or loss

<i>Nine-month period ended 30 September</i>	2017	2016
	<i>(in thousand Baht)</i>	
Profit or loss		
Total loss before income tax for reportable segments	(2,332,634)	(842,102)
Share of profit (loss) of investment in associate	(57)	1,133
Consolidated loss before income tax	<u>(2,332,691)</u>	<u>(840,969)</u>

12 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Group's consolidated and the Company's effective tax rates in respect of continuing operations for the nine-month period ended 30 September 2017 were 0.38% and 0.18%, respectively (30 September 2016: 14.31% and 13.37%, respectively). These changes in effective tax rates were mainly caused by taxable loss carry forward, which will expire in 2017 - 2022. Deferred tax assets have not been recognised in respect of these items because management considered that it is not probable that future taxable profit of the Group will be available against which they can utilise the benefits therefrom and the different treatment for accounting and taxation purpose of allowance for inventories devaluation and amortisation and impairment loss of digital television licences.

13 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and nine-month periods ended 30 September 2017 and 2016 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
<i>Three-month period ended 30 September</i>	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to ordinary shareholders of the Company (basic)	<u>(1,616,037)</u>	<u>(280,979)</u>	<u>(860,759)</u>	<u>(51,543)</u>
Number of ordinary shares outstanding	<u>4,067,848</u>	<u>4,067,848</u>	<u>4,067,848</u>	<u>4,067,848</u>
Loss per share (basic) (in Baht)	<u>(0.397)</u>	<u>(0.069)</u>	<u>(0.212)</u>	<u>(0.013)</u>

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	Consolidated financial statements		Separate financial statements	
<i>Nine-month period ended 30 September</i>	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(2,135,165)</u>	<u>(622,757)</u>	<u>(943,798)</u>	<u>65,977</u>
Number of ordinary shares outstanding at 1 January	4,067,848	4,067,640	4,067,848	4,067,640
Effect of share options exercised on 23 May	-	99	-	99
Weighted average number of ordinary shares outstanding (basic)	<u>4,067,848</u>	<u>4,067,739</u>	<u>4,067,848</u>	<u>4,067,739</u>
Earnings (loss) per share (basic) (in Baht)	<u>(0.525)</u>	<u>(0.153)</u>	<u>(0.232)</u>	<u>0.016</u>

Diluted earnings (loss) per share

The calculations of diluted earnings (loss) per share for the nine-month periods ended 30 September 2017 and 2016 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Separate financial statements	
<i>Nine-month period ended 30 September</i>	2017	2016
	<i>(in thousand Baht / thousand shares)</i>	
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(943,798)</u>	<u>65,977</u>
Weighted average number of ordinary shares outstanding (basic)	4,067,848	4,067,739
Effect of exercise of shares options	-	194,967
Weighted average number of ordinary shares outstanding (diluted)	<u>4,067,848</u>	<u>4,262,706</u>
Earnings (loss) per share (diluted) (in Baht)	<u>(0.232)</u>	<u>0.015</u>

The Group and the Company did not assume the conversion of the warrants (NMG-W3) and the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NMG-WB) in the calculation of diluted loss per share, as the exercise prices (including fair value of services to be rendered per warrant) were higher than the weighted average market prices in the consolidated and separate financial statements for the three-month and nine-month periods ended 30 September 2017.

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The Group did not assume the conversion of the warrants (NMG-W3) in the calculation of diluted loss per share as they were antidilutive, and did not assume the conversion of the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NMG-WB) in the calculation of diluted loss per share, as the exercise prices (including fair value of services to be rendered per warrant) were higher than the weighted average market prices in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2016.

The Company did not assume the conversion of the warrants (NMG-W3) in the calculation of diluted loss per share as they were antidilutive, and did not assume the conversion of the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NMG-WB) in the calculation of diluted loss per share, as the exercise prices (including fair value of services to be rendered per warrant) were higher than the weighted average market prices in the separate financial statements for the three-month period ended 30 September 2016.

The Company did not assume the conversion of the warrants issued to the directors, management and/or employees of the Company and/or its subsidiaries (NMG-WB) in the calculation of diluted earnings per share, as the exercise prices (including fair value of services to be rendered per warrant) were higher than the weighted average market prices in the separate financial statements for the nine-month period ended 30 September 2016.

14 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
30 September 2017					
Financial assets and financial liabilities measured at fair value					
Debt security available for sale (Private fund)	89,449	-	89,449	-	89,449
Equity securities available for sale	3	3	-	-	3
31 December 2016					
Financial assets and financial liabilities measured at fair value					
Debt securities held for trading	223,598	-	223,598	-	223,598
Equity securities available for sale	2,800	2,800	-	-	2,800
Foreign currency forward contract	-	-	(90)	-	(90)

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	Carrying amount	Separate financial statements			
Fair value			Total		
Level 1		Level 2		Level 3	
(in thousand Baht)					
30 September 2017					
<i>Financial assets and financial liabilities measured at fair value</i>					
Equity securities available for sale	3	3	-	-	3
31 December 2016					
<i>Financial assets and financial liabilities measured at fair value</i>					
Debt securities held for trading	49,289	-	49,289	-	49,289
Equity securities available for sale	2,800	2,800	-	-	2,800
Foreign currency forward contract	-	-	(90)	-	(90)

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values at 30 September 2017 and 31 December 2016 for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in note 2 (c).

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments in marketable unit trusts classified as trading investments and available for sale investments	The net asset value as of the reporting date	Not applicable	Not applicable
Forward exchange contract	Closing rates at end of period	Not applicable	Not applicable

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15 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	158,855	212,595	13,221	39,242
After one year but within five years	556,503	607,963	1,800	7,338
After five years	657,855	772,999	-	-
Total	1,373,213	1,593,557	15,021	46,580

(in thousand)

<i>Other commitments</i>				
Forward contract (USD)	-	523	-	523
Unused letters of credit (Baht)	866	21,243	-	20,054
Guarantee credit lines of subsidiaries with financial institutions (Baht)	85,000	85,000	85,000	85,000
Bank guarantees (Baht)	1,650,504	2,001,747	33,668	36,567
Total	1,736,370	2,107,990	118,668	141,621

Significant agreements

- The Company and its subsidiaries entered into lease and service agreements for their office premises and facilities with a local company for the period of 3 years, expiring in various periods up to 30 November 2017 with an option for renewal. The Company and its subsidiaries agreed to pay rental and service fees at the rate specified in the agreements.
- An indirect subsidiary entered into a news supply agreement with a foreign company for a period of 5 years, commencing from 1 June 2016 to 31 May 2021 with an option for renewal. The indirect subsidiary agreed to pay a fee at the rate specified in the agreement.
- A subsidiary and an indirect subsidiary entered into service agreements covering television broadcasting satellite services with two local companies for periods ranging from 9 months to 5 years and 11 months, expiring in various periods up to 31 March 2020. The subsidiary and indirect subsidiary committed to pay the fees for such television broadcasting totalling USD 3.03 million.
- An indirect subsidiary entered into a building rental agreement with a local company for use as warehouse. The indirect subsidiary agreed to pay a rental fee at the rate as specified in the agreement. The agreement has a period of 1 year, expiring on 31 December 2017.
- A subsidiary and an indirect subsidiary entered into Standard Definition Terrestrial Digital Television Network Services agreements with Thai Royal Army for a period of 14 years and 5 months, commencing from 16 January 2014 to 31 May 2028. The subsidiary and the indirect subsidiary committed to pay the licence fees for such channels totalling Baht 1,569.47 million.

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- f) A subsidiary entered into lease and service agreements for its office and studio premises with a local company for a period of 3 years, commencing from 1 December 2014 to 30 November 2017 with an option to be renewal for a total period of 15 years. The subsidiary agreed to pay rental and service fees at the rate specified in the agreements. The subsidiary terminated the agreements on 1 May 2017.
- g) The Company entered into a building space rental agreement for studio premises with an institution of education for a period of 3 years and 11 months, commencing from 1 February 2015 to 31 December 2018. The Company agreed to pay a rental fee at the rate specified in the agreement.
- h) The Company entered into a land rental agreement with a local company for a car parking area. The Company agreed to pay a rental fee at the rate as specified in the agreement. The agreement had a period of 3 years, expiring on 28 February 2018.
- i) A subsidiary entered into car rental agreements with three local companies. The subsidiary agreed to pay rental fees at the rate specified in the agreements. The agreements had a period of 3 - 4 years, expiring in various periods up to 22 May 2021.
- j) A subsidiary entered into a service agreement for ratings measurement in television audiences of television channels in Thailand with a local association for a period of 6 years, commencing from 17 December 2015 to 30 September 2021. The subsidiary agreed to pay a service fee at the rate specified in the agreement. During the year 2017, the service provider entered into an amendment of the agreement to change the expiry date of the agreement from 30 September 2021 to 30 September 2023 and all other provision of the agreement remain unchanged.
- k) A subsidiary entered into a service agreement for ratings measurement in television audiences of television channels in Thailand with a local association for a period of 6 years, commencing from 15 January 2016 to 30 September 2021. The subsidiary agreed to pay a service fee at the rate specified in the agreement. During the year 2017, the service provider entered into an amendment of the agreement to change the expiry date of the agreement from 30 September 2021 to 30 September 2023 and all other provision of the agreement remain unchanged.

An indirect subsidiary has a commitment in respect of a letter of guarantee issued by a local financial institution for electricity usage, which the indirect subsidiary's properties and construction thereon had been pledged as collateral.

16 Other matters

The Company, a subsidiary ("Krungthep Turakij Media Co., Ltd."), directors and employees of the Group were accused of defamation through advertisements, breaches of the Computer Crime Act B.E. 2550 and others in the criminal lawsuit with the claim of Baht 2,343 million. As at 30 September 2017, the lawsuit is under the consideration of Court of First Instance. The management and the legal consultant believe that the court's judgement will be favourable to the Company, the subsidiary, directors and employees of the Group and there will be no significant impact to the financial statements as a result of the lawsuit.

The Company and directors of the Group were accused of breach of the Public Limited Company Act B.E. 2535 in the civil lawsuit with the claim of Baht 42.5 million. However, at 6 October 2016, the Phrakhanong Provincial Court rendered a civil lawsuit judgement to dismiss the case against the Company and directors of the Group. The judgement was appealed by plaintiff in January 2017. As at 30 September 2017, the lawsuit is under the consideration of Court of Appeal. The management and legal consultant believe that the court's judgement will be favourable to the Company and directors of the Group and there will be no significant impact to the financial statements as a result of the lawsuit.

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The Company and directors of the Group were accused of violating the Securities and Exchange Act B.E. 2535 in the civil lawsuit with the claim of Baht 51.9 million. At 30 September 2017, the lawsuit is under the consideration of Court of First Instance. The management and legal consultant believe that the court's judgement will be favourable to the Company and directors of the Group and there will be no significant impact to the financial statements as a result of the lawsuit.

On 16 May 2017, the Court of Appeal rendered a civil lawsuit judgement to revoke the resolutions in the 2015 annual general meeting of the shareholders of the Company held on 29 April 2015. Accordingly, the Company has filed a petition in the Supreme Court in July 2017. As at 30 September 2017, the lawsuit is under the consideration of Supreme Court. The management and legal consultant believe that the Company shall not assume any responsibility for compensation and there will be no significant impact to the financial statements as a result of the lawsuit.

17 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of revised TFRS have been issued but are not yet effective and have not been applied in preparing these interim financial statements. Those revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2018, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2017)	Related Party Disclosures
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets
TAS 40 (revised 2017)	Investment Property
TFRS 2 (revised 2017)	Share-based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 4 (revised 2017)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment

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The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

18 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2016 and the statement of comprehensive income for the three-month and nine-month periods ended 30 September 2016, which are included in the 2017 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2017 interim financial statements as follows:

	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. (in thousand Baht)	Before reclass.	Reclass.	After reclass.
Statement of financial position as at 31 December						
Other current payables	146,136	(119,995)	26,141	56,323	(27,729)	28,594
Deferred income	-	119,995	119,995	-	27,729	27,729
		<u>-</u>			<u>-</u>	
Statement of comprehensive income						
- Three-month period ended 30 September						
Gain on disposal of investments	255	(255)	-	-	-	-
Other income	17,770	255	18,025	-	-	-
		<u>-</u>			<u>-</u>	
- Nine-month period ended 30 September						
Gain on disposal of investments	908	(908)	-	-	-	-
Other income	46,814	908	47,722	-	-	-
		<u>-</u>			<u>-</u>	