

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

Interim financial statements
for the three-month and six-month periods ended
30 June 2016

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 June 2016; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2016, and the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 2016; 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 Matter

Without qualifying my conclusion, I draw attention to notes to the interim financial information as follows:

Note 3 Adjustments of prior period describing the effect of the Group's restatement related to digital television licences. The consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2015, the consolidated statements of changes in equity and cash flows for the six-month period ended 30 June 2015, which are included as comparative information, have been adjusted as described in note 3.

Note 8 Business restructuring of a group of subsidiary, on 3 August 2016, the Board of Directors of the subsidiary approved the business restructuring of the group of subsidiary's publishing and distribution of publications in accordance with the current situation. The group of subsidiary is in the process of launching new businesses and seeking for business alliances for the investment in 2016.

(Patamavan Vadhanakul)
Certified Public Accountant
Registration No. 9832

KPMG Phoomchai Audit Ltd.
Bangkok
5 August 2016

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

		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
Assets	Note	2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Current assets					
Cash and cash equivalents		316,520	207,525	12,911	17,758
Current investments	5	424,526	822,150	-	3
Trade accounts receivable	6	346,632	588,557	1,128,311	1,083,108
Accrued income	4	951,728	782,780	702,810	572,797
Other receivables	4	122,004	85,826	1,326,750	649,801
Inventories	8	161,922	379,968	37,580	69,698
Other current assets		343,276	288,077	80,572	90,943
Total current assets		2,666,608	3,154,883	3,288,934	2,484,108
Non-current assets					
Restricted deposits		610	2,683	-	-
Investment in associate	7	23,234	22,076	1,800	1,800
Investments in subsidiaries	8	-	-	2,993,311	2,993,311
Long-term investment in related party	4	-	-	-	-
Long-term investments in other companies	5	9,726	10,342	9,726	10,342
Investment property		44,678	44,678	44,678	44,678
Property, plant and equipment	9	1,573,569	1,646,419	516,201	528,224
Intangible assets	8	140,394	115,517	8,199	11,691
Digital television licences	10	2,679,048	2,783,780	-	-
Deferred tax assets	8, 11	371,615	262,922	88,943	92,415
Other non-current assets		192,773	193,918	140,164	144,613
Total non-current assets		5,035,647	5,082,335	3,803,022	3,827,074
Total assets		7,702,255	8,237,218	7,091,956	6,311,182

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

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

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016 (Unaudited)	31 December 2015	30 June 2016 (Unaudited)	31 December 2015
		(in thousand Baht)			
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions		949,574	590,385	892,933	519,497
Trade accounts payable	4	110,072	133,706	1,234,649	1,177,449
Other payables	4	110,932	119,649	36,661	58,849
Current portion of digital television					
licences payable	10	570,147	556,204	-	-
Current portion of long-term loan					
from financial institution		80,000	-	80,000	-
Current portion of finance lease liabilities		2,063	1,561	2,063	1,561
Accrued expenses	4	208,737	216,232	529,907	453,717
Income tax payable		15	1,369	-	-
Other current liabilities		237,909	236,238	66,588	62,525
Total current liabilities		2,269,449	1,855,344	2,842,801	2,273,598
Non-current liabilities					
Digital television licences payable	10	1,098,043	1,714,138	-	-
Long-term loan from financial institution		218,583	-	218,583	-
Finance lease liabilities		-	1,271	-	1,271
Deferred tax liabilities	11	22,670	17,826	-	-
Employee benefit obligations	12	184,919	163,856	57,867	52,166
Other non-current liabilities		112,954	130,432	91,424	100,734
Total non-current liabilities		1,637,169	2,027,523	367,874	154,171
Total liabilities		3,906,618	3,882,867	3,210,675	2,427,769
Equity					
Share capital	13				
Authorised share capital		2,663,572	2,663,572	2,663,572	2,663,572
Issued and paid-up share capital		2,155,959	2,155,849	2,155,959	2,155,849
Additional paid in capital					
Premium on ordinary shares	13, 14	1,169,694	1,169,345	1,169,694	1,169,345
Premium on ordinary shares of subsidiaries		95,398	95,398	-	-
Warrants	13, 14	24,394	18,665	19,369	14,511
Reserve on acquisition of warrants of the Company	14	(91,013)	(91,013)	-	-
Retained earnings					
Appropriated					
Legal reserve		38,700	32,700	38,700	32,700
Unappropriated		46,012	522,640	502,302	515,258
Other components of equity		(4,743)	(4,250)	(4,743)	(4,250)
Equity attributable to owners of the Company		3,434,401	3,899,334	3,881,281	3,883,413
Non-controlling interests		361,236	455,017	-	-
Total equity		3,795,637	4,354,351	3,881,281	3,883,413
Total liabilities and equity		7,702,255	8,237,218	7,091,956	6,311,182

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 June		30 June	
Note	2016	2015	2016	2015	
		(Restated)			
		(in thousand Baht)			
Income					
Revenue from sale of goods and rendering of services	4	482,069	711,893	177,637	196,697
Investment income	4	6,393	8,526	103,362	38,917
Gain on disposal of investments		526	31,068	369	31,289
Other income	4	10,901	17,160	5,973	9,867
Total income		499,889	768,647	287,341	276,770
Expenses					
Cost of sale of goods and rendering of services	3, 4	501,428	566,825	59,645	65,207
Selling expenses	4	56,087	73,235	29,307	41,936
Administrative expenses	4, 8	357,679	142,961	92,923	82,719
Finance costs	3	35,762	44,347	7,855	9,344
Total expenses		950,956	827,368	189,730	199,206
Share of profit of investment in associate		656	116	-	-
Profit (loss) before income tax expense		(450,411)	(58,605)	97,611	77,564
Income tax benefit	3	88,609	82,256	173	38,326
Profit (loss) for the period		(361,802)	23,651	97,784	115,890

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 June		30 June	
<i>Note</i>	2016	2015	2016	2015
	(Restated)			
	<i>(in thousand Baht)</i>			
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Defined benefit plan actuarial losses	-	-	-	-
Income tax on other comprehensive income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Items that are or may be reclassified to profit or loss</i>				
Net change in fair value of available-for-sale investments	77	(1,733)	77	(1,733)
Net change in fair value of available-for-sale investments transferred to profit or loss	(427)	(35,708)	(427)	(35,708)
Income tax on other comprehensive income	70	7,488	70	7,488
	<u>(280)</u>	<u>(29,953)</u>	<u>(280)</u>	<u>(29,953)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>(280)</u>	<u>(29,953)</u>	<u>(280)</u>	<u>(29,953)</u>
Total comprehensive income (loss) for the period	<u>(362,082)</u>	<u>(6,302)</u>	<u>97,504</u>	<u>85,937</u>
Profit (loss) attributable to				
Owners of the Company	(302,229)	21,291	97,784	115,890
Non-controlling interests	(59,573)	2,360	-	-
Profit (loss) for the period	<u>(361,802)</u>	<u>23,651</u>	<u>97,784</u>	<u>115,890</u>
Total comprehensive income (loss) attributable to				
Owners of the Company	(302,509)	(8,662)	97,504	85,937
Non-controlling interests	(59,573)	2,360	-	-
Total comprehensive income (loss) for the period	<u>(362,082)</u>	<u>(6,302)</u>	<u>97,504</u>	<u>85,937</u>
Earnings (loss) per share <i>(in Baht)</i>	<i>17</i>			
Basic earnings (loss) per share	<u>(0.074)</u>	<u>0.006</u>	<u>0.024</u>	<u>0.035</u>
Diluted earnings (loss) per share	<u>(0.074)</u>	<u>0.005</u>	<u>0.023</u>	<u>0.028</u>

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	
		Six month period ended		Six month period ended	
		30 June		30 June	
	Note	2016	2015	2016	2015
		(Restated)			
		(in thousand Baht)			
Income					
Revenue from sale of goods and rendering of services	4	1,138,365	1,436,894	387,054	404,626
Investment income	4	12,480	16,430	103,364	39,308
Gain on disposal of investments		653	61,169	387	63,377
Other income	4	29,044	31,757	13,314	18,573
Total income		1,180,542	1,546,250	504,119	525,884
Expenses					
Cost of sale of goods and rendering of services	3, 4	1,010,544	1,105,761	120,764	130,516
Selling expenses	4	105,721	140,118	57,448	78,427
Administrative expenses	4, 8	512,908	274,084	191,628	163,627
Finance costs	3	68,614	87,182	12,551	17,589
Total expenses		1,697,787	1,607,145	382,391	390,159
Share of profit of investment in associate	7	1,158	76	-	-
Profit (loss) before income tax expense		(516,087)	(60,819)	121,728	135,725
Income tax (expense) benefit	3, 16	99,957	80,559	(4,208)	25,423
Profit (loss) for the period		(416,130)	19,740	117,520	161,148

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	
		Six month period ended		Six month period ended	
		30 June		30 June	
	Note	2016	2015	2016	2015
		(Restated)			
		(in thousand Baht)			
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Defined benefit plan actuarial losses	12	(11,968)	-	(3,063)	-
Income tax on other comprehensive income	11	2,394	-	613	-
		<u>(9,574)</u>	<u>-</u>	<u>(2,450)</u>	<u>-</u>
Items that are or may be reclassified to profit or loss					
Net change in fair value of available-for-sale investments	5	(189)	2,569	(189)	2,569
Net change in fair value of available-for-sale investments transferred to profit or loss		(427)	(35,708)	(427)	(35,708)
Income tax on other comprehensive income	11	123	6,628	123	6,628
		<u>(493)</u>	<u>(26,511)</u>	<u>(493)</u>	<u>(26,511)</u>
Other comprehensive income (loss) for the period, net of income tax					
		<u>(10,067)</u>	<u>(26,511)</u>	<u>(2,943)</u>	<u>(26,511)</u>
Total comprehensive income (loss) for the period					
		<u>(426,197)</u>	<u>(6,771)</u>	<u>114,577</u>	<u>134,637</u>
Profit (loss) attributable to					
Owners of the Company		(341,778)	18,410	117,520	161,148
Non-controlling interests		(74,352)	1,330	-	-
Profit (loss) for the period		<u>(416,130)</u>	<u>19,740</u>	<u>117,520</u>	<u>161,148</u>
Total comprehensive income (loss) attributable to					
Owners of the Company		(349,095)	(8,101)	114,577	134,637
Non-controlling interests		(77,102)	1,330	-	-
Total comprehensive income (loss) for the period		<u>(426,197)</u>	<u>(6,771)</u>	<u>114,577</u>	<u>134,637</u>
Earnings (loss) per share (in Baht)					
	17				
Basic earnings (loss) per share		<u>(0.084)</u>	<u>0.006</u>	<u>0.029</u>	<u>0.048</u>
Diluted earnings (loss) per share		<u>(0.084)</u>	<u>0.004</u>	<u>0.027</u>	<u>0.039</u>

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 (Restated)											
						Retained earnings		Other component of equity			
	Issued and paid-up share capital	Share premium	Share premium of subsidiaries	Warrants	Reserve on acquisition of warrants of the Company	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Note											
(in thousand Baht)											
Six month period ended 30 June 2015											
Balance at 1 January 2015 - as reported	1,757,663	802,590	94,328	14,288	-	19,700	641,394	24,844	3,354,807	461,358	3,816,165
Impact of adjustments	3	-	-	-	-	-	(48,483)	-	(48,483)	(5,986)	(54,469)
Balance at 1 January 2015 - restated	1,757,663	802,590	94,328	14,288	-	19,700	592,911	24,844	3,306,324	455,372	3,761,696
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the Company											
Share options exercised	14	394,263	354,319	1,335	(5,198)	-	-	-	744,719	541	745,260
Share-based payment transactions	14	-	-	-	10,328	-	-	-	10,328	398	10,726
Dividends to owners of the Company	18	-	-	-	-	-	(92,855)	-	(92,855)	-	(92,855)
Dividends to non-controlling interest of subsidiaries		-	-	-	-	-	-	-	-	(9,683)	(9,683)
Total contributions by and distributions to owners of the Company		394,263	354,319	1,335	5,130	-	(92,855)	-	662,192	(8,744)	653,448
Change in ownership interests in subsidiary											
Acquisitions of non-controlling interests without a change in control		-	-	(84)	(80)	-	-	-	(164)	19,806	19,642
Total change in ownership interests in subsidiary		-	-	(84)	(80)	-	-	-	(164)	19,806	19,642
Total transactions with owners, recorded directly in equity		394,263	354,319	1,251	5,050	-	(92,855)	-	662,028	11,062	673,090
Comprehensive income for the period											
Profit or loss		-	-	-	-	-	18,410	-	18,410	1,330	19,740
Other comprehensive income (loss)		-	-	-	-	-	-	(26,511)	(26,511)	-	(26,511)
Total comprehensive income (loss) for the period		-	-	-	-	-	18,410	(26,511)	(8,101)	1,330	(6,771)
Transfer to legal reserve		-	-	-	-	8,200	(8,200)	-	-	-	-
Reserve on acquisition of warrants of the Company	14	-	-	-	(91,013)	-	-	-	(91,013)	-	(91,013)
Balance at 30 June 2015		2,151,926	1,156,909	95,579	19,338	(91,013)	27,900	(1,667)	3,869,238	467,764	4,337,002

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		Other component of equity				
	Note	Issued and paid-up share capital	Share premium	Share premium of subsidiaries	Warrants	Reserve on acquisition of warrants of the Company	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Equity attributable to owners of the Company	Non-controlling interests	Total equity
(in thousand Baht)												
Six month period ended 30 June 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 Company												
Share options exercised	13, 14	110	349	-	(251)	-	-	-	-	208	-	208
Share-based payment transactions	14	-	-	-	5,980	-	-	-	-	5,980	306	6,286
Dividends to owners of the Company	18	-	-	-	-	-	-	(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 Company		110	349	-	5,729	-	-	(122,026)	-	(115,838)	(16,679)	(132,517)
Total transactions with owners, recorded directly in equity		110	349	-	5,729	-	-	(122,026)	-	(115,838)	(16,679)	(132,517)
Comprehensive income for the period												
Profit or loss		-	-	-	-	-	-	(341,778)	-	(341,778)	(74,352)	(416,130)
Other comprehensive income (loss)		-	-	-	-	-	-	(6,824)	(493)	(7,317)	(2,750)	(10,067)
Total comprehensive income (loss) for the period		-	-	-	-	-	-	(348,602)	(493)	(349,095)	(77,102)	(426,197)
Transfer to legal reserve		-	-	-	-	-	6,000	(6,000)	-	-	-	-
Balance at 30 June 2016		2,155,959	1,169,694	95,398	24,394	(91,013)	38,700	46,012	(4,743)	3,434,401	361,236	3,795,637

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 equity		
	Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Total equity
(in thousand Baht)								
Six month period ended 30 June 2015								
Balance at 1 January 2015		1,757,663	802,590	11,726	19,700	361,999	24,844	2,978,522
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Share options exercised	14	394,263	354,319	(4,690)	-	-	-	743,892
Share-based payment transactions	14	-	-	9,209	-	-	-	9,209
Dividends to owners of the Company	18	-	-	-	-	(92,855)	-	(92,855)
Total contributions by and distributions to owners of the Company		394,263	354,319	4,519	-	(92,855)	-	660,246
Total transactions with owners, recorded directly in equity		394,263	354,319	4,519	-	(92,855)	-	660,246
Comprehensive income for the period								
Profit or loss		-	-	-	-	161,148	-	161,148
Other comprehensive income (loss)		-	-	-	-	-	(26,511)	(26,511)
Total comprehensive income (loss) for the period		-	-	-	-	161,148	(26,511)	134,637
Transfer to legal reserve		-	-	-	8,200	(8,200)	-	-
Balance at 30 June 2015		2,151,926	1,156,909	16,245	27,900	422,092	(1,667)	3,773,405

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 equity		
	Note	Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Total equity
(in thousand Baht)								
Six month period ended 30 June 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	13, 14	110	349	(251)	-	-	-	208
Share-based payment transactions	14	-	-	5,109	-	-	-	5,109
Dividends to owners of the Company	18	-	-	-	-	(122,026)	-	(122,026)
Total contributions by and distributions to owners of the Company		110	349	4,858	-	(122,026)	-	(116,709)
Total transactions with owners, recorded directly in equity		110	349	4,858	-	(122,026)	-	(116,709)
Comprehensive income for the period								
Profit or loss		-	-	-	-	117,520	-	117,520
Other comprehensive income (loss)		-	-	-	-	(2,450)	(493)	(2,943)
Total comprehensive income (loss) for the period		-	-	-	-	115,070	(493)	114,577
Transfer to legal reserve		-	-	-	6,000	(6,000)	-	-
Balance at 30 June 2016		2,155,959	1,169,694	19,369	38,700	502,302	(4,743)	3,881,281

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	
	Six month period ended		Six month period ended	
	30 June		30 June	
	2016	2015	2016	2015
	(Restated)			
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the period	(416,130)	19,740	117,520	161,148
<i>Adjustments for</i>				
Depreciation	101,441	115,594	25,267	19,832
Amortisation of assets	58,502	63,208	3,708	6,774
Amortisation of digital television licences	104,732	104,522	-	-
Investment income	(12,480)	(16,430)	(103,364)	(39,308)
Finance costs	68,614	87,182	12,551	17,589
Bad and doubtful debts expense	5,999	3,753	5,203	2,313
Allowance for goods return (reversal of)	304	(5,288)	(568)	(669)
Loss on decline in value of inventories (reversal of)	213,603	368	(19)	(42)
Gain on disposal of investment in subsidiary	-	(31,322)	-	(33,530)
Gain on disposal of long-term investments in other companies	(363)	(29,847)	(363)	(29,847)
Gain on disposal of investments in debt securities	(290)	-	(24)	-
Unrealised gain on valuation adjustment of investments in debt securities	(108)	-	-	-
(Gain) loss on disposal of equipment	(103)	(115)	73	(73)
Loss on written-off of equipment	91	39	-	-
Employee benefit obligations	6,714	5,852	1,837	1,592
Share-based payment transactions	6,286	10,726	5,109	9,209
Share of profit of investment in associate, net of income tax	(1,158)	(76)	-	-
Income tax expense (benefit)	(99,957)	(80,559)	4,208	(25,423)
	35,697	247,347	71,138	89,565
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	222,567	90,077	(50,150)	(33,934)
Accrued income	(168,948)	(203,542)	(130,013)	(122,556)
Other receivables	(36,472)	(31,933)	(676,760)	(508,028)
Inventories	4,442	4,725	32,136	16,188
Other current assets	(63,468)	(52,454)	(5,300)	(7,719)
Restricted deposits	2,073	297	-	-
Other non-current assets	566	14,827	(1,020)	256
Trade accounts payable	(43,657)	(6,330)	46,469	76,071
Other payables	(7,043)	(44,512)	(15,876)	(25,639)
Accrued expenses	4,731	(3,257)	75,935	100,921
Other current liabilities	1,671	(4,355)	4,063	(11,178)
Employee benefit obligations	(163)	(1,473)	-	(1,346)
Other non-current liabilities	(17,478)	(12,732)	(9,310)	(14,336)
Cash used in operating activities	(65,482)	(3,315)	(658,688)	(441,735)
Income tax paid	(33,583)	(17,954)	(9,109)	(12,872)
Withholding tax refunded	37,221	-	30,034	-
Net cash used in operating activities	(61,844)	(21,269)	(637,763)	(454,607)

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	
	Six month period ended		Six month period ended	
	30 June		30 June	
	2016	2015	2016	2015
	(Restated)			
	(in thousand Baht)			
Cash flows from investing activities				
Interest received	13,086	15,174	23	554
Dividend received	-	840	103,341	38,754
Current investments	382,667	(45,733)	-	-
Purchase of investments in debt securities	(694,300)	-	(82,000)	-
Net cash inflow on disposal of investments in debt securities	709,655	-	82,027	-
Proceeds from short-term loan to related party	-	-	-	42,000
Digital television licences payments	(647,600)	(473,800)	-	-
Purchase of plant and equipment	(8,665)	(111,747)	(8,934)	(54,794)
Sale of equipment	957	1,828	159	1,422
Purchase of programme licences	(78,959)	(24,840)	-	-
Purchase of intangible assets	(4,198)	(5,728)	-	(1,085)
Net cash inflow on disposal of long-term investments in other companies	363	30,412	363	30,412
Net cash from (used in) investing activities	(326,994)	(613,594)	94,979	57,263
Cash flows from financing activities				
Interest paid	(20,230)	(26,079)	(11,358)	(15,769)
Dividends paid to owners of the Company	(122,026)	(92,855)	(122,026)	(92,855)
Dividends paid to non-controlling interests of subsidiaries	(16,985)	(9,683)	-	-
Bank overdrafts and short-term loans from financial institutions	359,189	(111,706)	373,436	(114,331)
Finance lease payments	(823)	(1,488)	(823)	(1,488)
Proceeds from long-term loan from financial institution	300,000	-	300,000	-
Repayment of long-term loans from financial institutions	-	(50,400)	-	(50,400)
Proceeds from exercise of share options	208	744,719	208	743,892
Net cash inflow on disposal of investment in subsidiary	-	48,920	-	48,920
Net cash outflow on acquisition of warrants of the Company	-	(91,013)	-	-
Proceeds from paid-up share capital of non-controlling interests	-	541	-	-
Cash paid for upfront fee of long-term loan from financial institution	(1,500)	-	(1,500)	-
Net cash from financing activities	497,833	410,956	537,937	517,969
Net increase (decrease) in cash and cash equivalents	108,995	(223,907)	(4,847)	120,625
Cash and cash equivalents at 1 January	207,525	652,869	17,758	21,504
Cash and cash equivalents at 30 June	316,520	428,962	12,911	142,129
Non-cash transactions				
Payables for purchase of plant and equipment	1,286	12,005	8,151	26,299
Payables for purchase of programme licences	30,003	35,840	-	-
Payables for purchase of intangible assets	2,582	5,033	-	-
Digital television licences payable	1,668,190	2,212,258	-	-
Barter assets from rendering of services	21,554	-	10,731	-

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 six-month periods ended 30 June 2016 (Unaudited)

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Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (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 5 August 2016.

1 General information

Nation Multimedia Group Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1858/118-119, 121-122, 124-130, 27th-32nd Floors, Bangna-Trad Road, Kwang Bangna, Khet Bangna, Bangkok, Thailand.

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. Details of the Company’s associate and subsidiaries as at 30 June 2016 and 31 December 2015 are given in notes 7 and 8.

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 2015) *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 2015. 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 2015.

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 2015 except that the Group has adopted all the revised TFRS that are effective for annual periods beginning on or after 1 January 2016. 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.

(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 six-month periods ended 30 June 2016 (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 2015.

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 CFO.

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 such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such 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 19 - financial instruments.

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

3 Adjustments of prior period

The Group has adjusted prior period items which have a material effect on the Group's financial statements as follows.

In the second quarter of 2015, the Group presented digital television licences at cost less accumulated amortisation and presented digital television licences payable initially at cost less attributable transaction charges related to the liability incurred.

Due to the payment term of digital television licences is beyond the normal credit term of National Broadcasting and Telecommunications Commission ("NBTC"), the Group is required to determine the costs of digital television licences with the cash price equivalents based on present value of instalments at the recognition date and recognise the difference between the cash price equivalents and the total payments as finance costs over the payment period of digital television licences. Therefore, the Group adjusted the costs of digital television licences to comply with TAS 38 (revised 2014) Intangible Assets with retrospective adjustments of comparative information in the consolidated financial statements for the three-month and six-month periods ended 30 June 2015 in accordance with TAS 8 (revised 2014) Accounting Policies, Changes in Accounting Estimates and Errors. The effects of such adjustments to the consolidated statements of comprehensive income and changes in equity are as follows:

	Effects of adjustments of prior period		
	As previously reported	Adjustments (in thousand Baht)	As restated
Consolidated statement of comprehensive income			
For the three-month period ended 30 June 2015			
Cost of sale of goods and rendering of services	573,430	(6,605)	566,825
Finance costs	15,620	28,727	44,347
Income tax expense	77,831	(4,425)	82,256
Profit for the period	41,348	(17,697)	23,651
Other comprehensive income for the period, net of tax	(29,953)	-	(29,953)
Total comprehensive income (loss) for the period	11,395	(17,697)	(6,302)
Effects of adjustments of prior period			
	As previously reported	Adjustments (in thousand Baht)	As restated
Consolidated statement of comprehensive income			
For the six-month period ended 30 June 2015			
Cost of sale of goods and rendering of services	1,118,569	(12,808)	1,105,761
Finance costs	30,045	57,137	87,182
Income tax expense	71,693	(8,866)	80,559
Profit for the period	55,203	(35,463)	19,740
Other comprehensive income for the period, net of tax	(26,511)	-	(26,511)
Total comprehensive income (loss) for the period	28,692	(35,463)	(6,771)

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

	Effects of adjustments of prior period		
	As previously reported	Adjustments (in thousand Baht)	As restated
Consolidated statement of changes in equity			
For the six-month period ended 30 June 2015			
Balance at 1 January 2015			
Retained earnings	641,394	(48,483)	592,911
Non-controlling interests	461,358	(5,986)	455,372

4 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 7 and 8. Relationship 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.
Indirect subsidiaries		
Nation University	Thailand	University, a license holding by Nation U Co., Ltd.
Nation Edutainment Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors (transferred business and registered the liquidation on 30 June 2016)
Nation Kids Co., Ltd.	Thailand	99.99% shareholding by Nation International Edutainment Public Company Limited, some common directors (ceased its operations since May 2014)
NBC Nextmedia Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors
NBC Next Screen Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors (ceased its operations since January 2014)
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	98.99% shareholding by Nation International Edutainment Public Company Limited, some common directors

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Name of entities	Country of incorporation / nationality	Nature of relationships
Other related party		
Thai Portal Co., Ltd.	Thailand	Related party, 19.00% shareholding by Kom Chad Luek Media Co., Ltd.

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

Transactions	Pricing policies
Revenue from sale of goods and rendering of services	General market price and negotiable rate
Cost of sale 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
Interest income on loan	Approximated loan rate of financial institutions
Dividend income	As announced in the minute of shareholders' meeting
Other income	Negotiable rate
Selling and administrative expenses	Negotiable rate

Significant transactions for the three-month and six-month periods ended 30 June 2016 and 2015 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 30 June	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries				
Revenue from sale of goods and rendering of services	-	-	144,248	176,833
Cost of sale of goods and rendering of services	-	-	9,293	5,894
Sale of equipment	-	-	363	1,983
Purchase of equipment	-	-	766	695
Interest income on loan	-	-	-	100
Dividend income	-	-	103,341	37,914
Other income	-	-	3,918	5,103
Selling and administrative expenses	-	-	2,943	4,967
Associate				
Revenue from rendering of services	1,149	1,039	30	30
Key management personnel				
Key management personnel compensation				
Wages and salaries	19,152	20,043	8,970	8,814
Others	1,043	1,150	301	317
Total key management personnel compensation	20,195	21,193	9,271	9,131

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries				
Revenue from sale of goods and rendering of services	-	-	312,787	360,280
Cost of sale of goods and rendering of services	-	-	16,925	12,205
Sale of equipment	-	-	1,436	1,983
Purchase of equipment	-	-	777	27,346
Interest income on loan	-	-	-	485
Dividend income	-	-	103,341	37,914
Other income	-	-	7,878	9,361
Selling and administrative expenses	-	-	5,934	7,947
Associate				
Revenue from rendering of services	2,564	2,455	61	60
Key management personnel				
Key management personnel compensation				
Wages and salaries	38,539	42,430	17,940	19,878
Others	2,113	2,361	603	688
Total key management personnel compensation	<u>40,652</u>	<u>44,791</u>	<u>18,543</u>	<u>20,566</u>

Balances as at 30 June 2016 and 31 December 2015 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	1,022,768	869,328
Associate	197	223	11	11
Other related party	67	67	-	-
	<u>264</u>	<u>290</u>	<u>1,022,779</u>	<u>869,339</u>
Less allowance for doubtful accounts	<u>(67)</u>	<u>(67)</u>	<u>-</u>	<u>-</u>
Net	<u>197</u>	<u>223</u>	<u>1,022,779</u>	<u>869,339</u>
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Bad and doubtful debts expense for the three-month period ended 30 June	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
six-month period ended 30 June	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

For the three-month and six-month periods ended 30 June 2016 (Unaudited)

	Consolidated		Separate	
<i>Accrued income - related parties</i>	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	77,779	61,214
Other related party	-	6	-	6
Total	-	6	77,779	61,220

	Consolidated		Separate	
<i>Other receivables - related parties</i>	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	1,278,313	599,796
Associate	229	335	-	-
Other related parties	17,345	17,488	-	143
	17,574	17,823	1,278,313	599,939
<i>Less allowance for doubtful accounts</i>	<i>(17,345)</i>	<i>(17,345)</i>	<i>-</i>	<i>-</i>
Net	229	478	1,278,313	599,939

	2016	2015	2016	2015
		(in thousand Baht)		
Bad and doubtful debts expense for the three-month period ended 30 June	-	-	-	-
six-month period ended 30 June	-	-	-	-

Movements during the six-month periods ended 30 June 2016 and 2015 of short-term loan to related party were as follows:

	Consolidated		Separate	
<i>Short-term loan to related party</i>	financial statements		financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Subsidiary				
At 1 January	-	-	-	42,000
Decrease	-	-	-	(42,000)
At 30 June	-	-	-	-

<i>Trade accounts payable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Subsidiaries and indirect subsidiaries	-	-	1,219,324	1,142,322
Associate	-	64	-	64
Total	-	64	1,219,324	1,142,386

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

<i>Other payables - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(in thousand Baht)		
Subsidiaries and indirect subsidiaries	-	-	16,852	27,966
Associate	12	2	-	-
Total	12	2	16,852	27,966

<i>Accrued expenses - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(in thousand Baht)		
Subsidiaries	-	-	483,597	401,729

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.

5 Other investments

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(in thousand Baht)		
<i>Current investments</i>				
Short-term deposits at financial institutions	14,914	257,581	-	-
Promissory notes	399,500	539,500	-	-
Debt securities held for trading	10,112	25,069	-	3
	424,526	822,150	-	3
<i>Other long-term investments</i>				
Equity securities available for sale	2,160	2,776	2,160	2,776
Other non-marketable equity securities	7,566	7,566	7,566	7,566
	9,726	10,342	9,726	10,342
Total	434,252	832,492	9,726	10,345

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Movements during the six-month periods ended 30 June 2016 and 2015 of marketable equity and debt securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current investments				
Trading securities				
At 1 January	25,069	-	3	-
Purchases during the period	694,300	-	82,000	-
Sales during the period	(709,365)	-	(82,003)	-
Valuation adjustment	108	-	-	-
At 30 June	10,112	-	-	-
Other long-term investments				
Available-for-sale securities				
At 1 January	2,776	39,714	2,776	39,714
Sales during the period	(427)	(36,273)	(427)	(36,273)
Valuation adjustment	(189)	2,569	(189)	2,569
At 30 June	2,160	6,010	2,160	6,010

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	264	290	1,022,779	869,339
Other parties		425,997	664,458	148,020	252,430
Total		426,261	664,748	1,170,799	1,121,769
Less allowance for doubtful accounts		(68,023)	(64,889)	(37,239)	(32,844)
allowance for goods return		(11,606)	(11,302)	(5,249)	(5,817)
Net		346,632	588,557	1,128,311	1,083,108
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Bad and doubtful debts expense (reversal of) for the three-month period ended 30 June		3,315	2,517	1,154	(1,049)
six-month period ended 30 June		8,270	3,903	5,515	2,463

Nation Multimedia Group Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2016 (Unaudited)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	197	223	172,751	26,140
Overdue:				
Less than 3 months	-	-	121,668	86,240
3-6 months	-	-	115,255	152,922
6-12 months	-	-	142,290	192,504
Over 12 months	67	67	470,815	411,533
	264	290	1,022,779	869,339
Less allowance for doubtful accounts	(67)	(67)	-	-
	197	223	1,022,779	869,339
Other parties				
Within credit terms	199,929	298,564	34,285	35,000
Overdue:				
Less than 3 months	130,840	261,368	61,349	157,806
3-6 months	15,890	29,703	9,467	21,959
6-12 months	12,029	7,229	8,274	3,548
Over 12 months	67,309	67,594	34,645	34,117
	425,997	664,458	148,020	252,430
Less allowance for doubtful accounts	(67,956)	(64,822)	(37,239)	(32,844)
allowance for goods return	(11,606)	(11,302)	(5,249)	(5,817)
	346,435	588,334	105,532	213,769
Net	346,632	588,557	1,128,311	1,083,108

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

7 Investment in associate

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Six-month period ended 30 June				
	<i>(in thousand Baht)</i>			
At 1 January	22,076	21,756	1,800	1,800
Share of net profit of associate	1,158	76	-	-
At 30 June	23,234	21,832	1,800	1,800

During the six-month period ended 30 June 2016, there were no acquisitions and disposals of investment in associate.

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Investment in associate as at 30 June 2016 and 31 December 2015, and dividend income from the investment for the six-month periods ended 30 June 2016 and 2015 were as follows:

		Consolidated financial statements / Separate financial statements									
Name of associate	Type of business	Ownership								Dividend income for the	
		Interest		Paid-up capital		Cost		Equity		six-month periods ended	
		30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(%)		(in thousand Baht)							
Yomiuri-Nation Information Service Limited	Advertising agency	45.00	45.00	4,000	4,000	1,800	1,800	23,234	22,076	-	-

The associate was incorporated in Thailand. None of the Group's associate is publicly listed and consequently does not have published price quotations.

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8 Investments in subsidiaries

<i>Six-month period ended 30 June</i>	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	2,993,311	2,504,415
Disposals	-	(15,390)
At 30 June	<u>2,993,311</u>	<u>2,489,025</u>

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 distribution of publications of the subsidiary and indirect subsidiary (together referred to as "a group of subsidiary") in accordance with the current situation. According to the aforementioned operation's results, the Group has recognised a provision for inventory obsolescence and written-off the licences for publications for the six-month period ended 30 June 2016 amounted to Baht 193.48 million and Baht 10.97 million in the consolidated statement of comprehensive income, respectively. This included the recognition of deferred tax assets as at 30 June 2016 amounted to Baht 38.70 million in the consolidated financial statements of the Group. The group of subsidiary is in the process of launching new businesses and seeking for business alliances for the investment in 2016.

The merger of the indirect subsidiaries

At the Board of Directors' meeting of a subsidiary ("Nation International Edutainment Public Company Limited.") held on 10 February 2016, the Board of Directors of the subsidiary approved the merger of Nation Global Edutainment Co., Ltd. and Nation Edutainment Co., Ltd., indirect subsidiaries, which was the entire business transfer under the common controls for the restructuring of the business.

Pursuant to the terms of the entire business transfer agreement, Nation Edutainment Co., Ltd. agreed to transfer its entire assets and liabilities to Nation Global Edutainment Co., Ltd., which Nation Global Edutainment Co., Ltd. paid the compensation of Baht 47 million to Nation Edutainment Co., Ltd. at the transfer date on 30 June 2016. Thereafter, Nation Edutainment Co., Ltd. registered the liquidation with the Ministry of Commerce on 30 June 2016.

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Acquisition

At the extraordinary meeting of the shareholders of an indirect subsidiary (“Nation Global Edutainment Co., Ltd.”) held on 1 June 2016, the shareholders of the indirect subsidiary approved an increase in the registered share capital from Baht 50 million (divided into 50,000 ordinary shares at a par value of Baht 1,000 per share) to Baht 97 million (divided into 97,000 shares at a par value of Baht 1,000 per share) to the shareholders of an indirect subsidiary (“Nation Edutainment Co., Ltd.”). The indirect subsidiary has fully received the paid-up capital on 30 June 2016 and registered the increase in share capital with the Ministry of Commerce on 4 July 2016.

Dividends

At the annual general meeting of the shareholders of a subsidiary (“Nation International Edutainment Public Company Limited”) held on 25 April 2016, the shareholders of the subsidiary approved the appropriation of dividends from the 2015 operating results of Baht 0.022 per share, amounting to Baht 3.74 million. The dividends were paid to the shareholders in May 2016.

At the annual general meeting of the shareholders of a subsidiary (“Nation Broadcasting Corporation Public Company Limited”) held on 26 April 2016, the shareholders of the subsidiary approved the appropriation of dividends from the 2015 operating results of Baht 0.08 per share, amounting to Baht 42.84 million. The dividends were paid to the shareholders in May 2016.

At the annual general meeting of the shareholders of a subsidiary (“Krungthep Turakij Media Co., Ltd.”) held on 27 April 2016, the shareholders of the subsidiary approved the appropriation of dividends from the 2015 operating results of Baht 195 per share, amounting to Baht 48.75 million. The dividends were paid to the shareholders in May 2016.

At the annual general meeting of the shareholders of a subsidiary (“WPS (Thailand) Co., Ltd.”) held on 28 April 2016, the shareholders of the subsidiary approved the appropriation of dividends from the 2015 operating results of Baht 0.50 per share, amounting to Baht 25 million. The dividends were paid to the shareholders in May 2016.

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Investments in subsidiaries as at 30 June 2016 and 31 December 2015, and dividend income from those investments for the six-month periods ended 30 June 2016 and 2015 were as follows:

Separate financial statements												Dividend income for the	
Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		six-month periods ended	
		30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(%)		(in thousand Baht)									
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	7,620
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	76.49	76.49	170,048	170,048	340,624	340,624	-	-	340,624	340,624	2,862	9,169
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	-	-	50,000	50,000	-	-
NML Co., Ltd.	Delivery of newspaper and publishing	99.99	99.99	50,000	50,000	50,000	50,000	40,000	40,000	10,000	10,000	-	-
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	-	-

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Separate financial statements													
Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the six-month periods ended	
		30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(%)											
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	99.90	99.90	1,000,000	1,000,000	999,000	999,000	-	-	999,000	999,000	-	-
Nation U Co., Ltd.	Establish a private university and academic training	90.00	90.00	170,000	170,000	153,000	153,000	-	-	153,000	153,000	-	-
WPS (Thailand) Co., Ltd.	Publishing newspaper, and books and publishing service	84.50	84.50	500,000	500,000	422,500	422,500	-	-	422,500	422,500	21,125	21,125
Total						3,129,703	3,129,703	136,392	136,392	2,993,311	2,993,311	103,341	37,914

All subsidiaries were incorporated in Thailand.

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None of the Group'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 1.98 and Baht 2.24, respectively, as at 30 June 2016 (31 December 2015: Baht 2.60 and Baht 2.30, respectively), the fair value of the Group's investments in the said companies were Baht 757.46 million and Baht 291.35 million, respectively (31 December 2015: Baht 994.64 million and Baht 299.15 million, respectively).

9 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2016 and 2015 were as follows:

Consolidated financial statements				
Six-month period ended 30 June	2016		2015	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value (in thousand Baht)	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Building and improvements	21,949	-	-	-
Leasehold improvements	167	-	49,989	-
Machinery and equipment	442	-	26	-
Operating equipment	3,603	117	110,188	256
Furniture, fixtures and office equipment	3,005	771	9,072	262
Vehicles	500	57	4,208	-
Assets under installation	517	647	73,824	136,070
Total	30,183	1,592	247,307	136,588

Separate financial statements				
Six-month period ended 30 June	2016		2015	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value (in thousand Baht)	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Building	10,731	-	-	-
Leasehold improvements	-	-	24,606	-
Operating equipment	1,071	54	60,657	113
Furniture, fixtures and office equipment	1,051	55	2,505	2
Vehicles	500	-	-	-
Assets under installation	-	-	50,186	55,464
Total	13,353	109	137,954	55,579

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10 Digital television licences

A subsidiary (“Bangkok Business Broadcasting Co., Ltd.”), was the winner of the auction for commercial digital terrestrial television 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 payment 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 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.

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 June 2016, the outstanding balance of letter of guarantee was Baht 1,130 million (31 December 2015: Baht 1,532 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 payment 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 June 2016, the outstanding balance of letter of guarantee was Baht 692.80 million (31 December 2015: Baht 938.40 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.

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Digital television licences payable to NBTC as at 30 June 2016 and 31 December 2015 were as follows:

Consolidated financial statements						
	30 June 2016			31 December 2015		
	Future payments	Interest	Present value of payments (in thousand Baht)	Future payments	Interest	Present value of payments
Within one year	647,600	77,453	570,147	647,600	91,396	556,204
After one year but within five years	1,175,200	77,157	1,098,043	1,822,800	108,662	1,714,138
Total	1,822,800	154,610	1,668,190	2,470,400	200,058	2,270,342

11 Deferred tax

Deferred tax assets and liabilities as at 30 June 2016 and 31 December 2015 were as follows:

Consolidated financial statements				
	Assets		Liabilities	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	(in thousand Baht)			
Total	380,640	272,879	31,695	27,783
Set off of tax	(9,025)	(9,957)	(9,025)	(9,957)
Net deferred tax assets (liabilities)	371,615	262,922	22,670	17,826

Separate financial statements				
	Assets		Liabilities	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	(in thousand Baht)			
Total	89,654	92,835	711	420
Set off of tax	(711)	(420)	(711)	(420)
Net deferred tax assets (liabilities)	88,943	92,415	-	-

Movements in total deferred tax assets and liabilities during the six-month periods ended 30 June 2016 and 2015 were as follows:

Consolidated financial statements				
	(Charged) / Credited to:			
	At 1 January 2016	Profit or loss	Other comprehensive income	At 30 June 2016
	(in thousand Baht)			
Deferred tax assets				
Trade accounts receivable	11,762	696	-	12,458
Marketable securities	1,063	-	123	1,186
Inventories	16,024	42,634	-	58,658
Other current assets	6,492	-	-	6,492
Provisions	31,938	1,880	2,394	36,212
Digital television licences	31,297	6,529	-	37,826
Loss carry forward	174,303	53,505	-	227,808
Total	272,879	105,244	2,517	380,640

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	At 1 January 2016	Consolidated financial statements (Charged) / Credited to:		At 30 June 2016
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax liabilities				
Property, plant and equipment	27,783	3,629	-	31,412
Upfront fee of long-term loan from financial institution	-	283	-	283
Total	27,783	3,912	-	31,695
Net	245,096	101,332	2,517	348,945

	At 1 January 2015	Consolidated financial statements (Charged) / Credited to:		At 30 June 2015
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Investment property	1,336	-	-	1,336
Trade accounts receivable	15,345	(2,231)	-	13,114
Marketable securities	-	-	417	417
Inventories	15,190	80	-	15,270
Other current assets	6,492	-	-	6,492
Property, plant and equipment	-	1,817	-	1,817
Provisions	28,896	1,577	-	30,473
Share-based payments	3,008	1,064	-	4,072
Digital television licences	13,617	8,866	-	22,483
Loss carry forward	51,940	66,854	-	118,794
Total	135,824	78,027	417	214,268
Deferred tax liabilities				
Property, plant and equipment	43	(43)	-	-
Marketable securities	6,211	-	(6,211)	-
Upfront fee of long-term loan from financial institutions	289	(131)	-	158
Total	6,543	(174)	(6,211)	158
Net	129,281	78,201	6,628	214,110

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		Separate financial statements (Charged) / Credited to:		
	At 1 January 2016	Profit or loss	Other comprehensive income	At 30 June 2016
		(in thousand Baht)		
Deferred tax assets				
Trade accounts receivable	4,275	765	-	5,040
Marketable securities	1,063	-	123	1,186
Inventories	572	(4)	-	568
Other current assets	6,492	-	-	6,492
Provisions	10,433	527	613	11,573
Loss carry forward	70,000	(5,205)	-	64,795
Total	92,835	(3,917)	736	89,654
Deferred tax liabilities				
Property, plant and equipment	420	8	-	428
Upfront fee of long-term loan from financial institution	-	283	-	283
Total	420	291	-	711
Net	92,415	(4,208)	736	88,943

		Separate financial statements (Charged) / Credited to:		
	At 1 January 2015	Profit or loss	Other comprehensive income	At 30 June 2015
		(in thousand Baht)		
Deferred tax assets				
Investment property	1,336	-	-	1,336
Trade accounts receivable	5,208	(718)	-	4,490
Marketable securities	-	-	417	417
Inventories	574	(3)	-	571
Other current assets	6,492	-	-	6,492
Provisions	9,707	246	-	9,953
Share-based payments	2,345	904	-	3,249
Loss carry forward	3,408	24,852	-	28,260
Total	29,070	25,281	417	54,768
Deferred tax liabilities				
Property, plant and equipment	259	(11)	-	248
Marketable securities	6,211	-	(6,211)	-
Upfront fee of long-term loan from financial institutions	289	(131)	-	158
Total	6,759	(142)	(6,211)	406
Net	22,311	25,423	6,628	54,362

The Group does not record deferred tax assets from tax losses amounting to Baht 43.67 million, expire in 2016 and 2020-2021, since the management considered that it is not probable that future taxable profits will be available against which the indirect subsidiary can utilise the benefits therefrom.

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12 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Statement of financial position obligation for:				
Post-employment benefits	<u>184,919</u>	<u>163,856</u>	<u>57,867</u>	<u>52,166</u>
Three-month period ended 30 June				
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	<u>4,636</u>	<u>4,632</u>	<u>1,319</u>	<u>1,233</u>
Recognised in other comprehensive income:				
Actuarial losses recognised in the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Six-month period ended 30 June				
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	<u>9,258</u>	<u>8,982</u>	<u>2,638</u>	<u>2,576</u>
Recognised in other comprehensive income:				
Actuarial losses recognised in the period	<u>11,968</u>	<u>-</u>	<u>3,063</u>	<u>-</u>

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

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Movements during the six-month periods ended 30 June 2016 and 2015 in the present value of the defined benefit obligations were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	163,856	149,358	52,166	48,534
Include in profit or loss:				
Current services costs	6,714	5,852	1,837	1,592
Interest on obligation	2,544	3,130	801	984
	9,258	8,982	2,638	2,576
Include in other comprehensive income:				
Actuarial losses	11,968	-	3,063	-
	11,968	-	3,063	-
Other				
Benefit paid	(163)	(1,473)	-	(1,346)
	(163)	(1,473)	-	(1,346)
Defined benefit obligations at 30 June	184,919	156,867	57,867	49,764

Actuarial assumptions

The followings were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(%)</i>			
Discount rate	2.9 - 3.9	3.9 - 4.1	2.9	4.1
Future salary growth	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

13 Share capital

During the six-month period ended 30 June 2016, 208,000 units of share capital were issued as a result of the exercise of vested share options arising from the 2013 share option programme granted to the directors, management and/or employees of the Company and/or its subsidiaries totalling Baht 0.21 million. As a result, the Company had share premium amounted to Baht 0.10 million. The Company registered the paid-up share capital from the share options exercised with the Ministry of Commerce on 23 May 2016.

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14 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 82.39 million 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 4.25 million 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 8.80 million 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 six-month period ended 30 June 2016 were Baht 6.29 million and Baht 5.11 million in the consolidated and separate financial statements, respectively (2015: Baht 10.73 million and Baht 9.21 million, respectively).

Movements during the six-month periods ended 30 June 2016 and 2015 of warrants were as follows:

	Consolidated financial statements			
	2016		2015	
	Number of warrants	Grant date fair value	Number of warrants	Grant date fair value
	<i>(thousand units / in thousand Baht)</i>			
At 1 January	14,799	18,665	11,364	14,288
Issued warrants during the period	5,853	6,751	10,151	11,054
Exercised warrants during the period	(208)	(251)	(4,457)	(5,198)
Forfeited warrants during the period	(943)	(771)	(1,637)	(806)
At 30 June	19,501	24,394	15,421	19,338

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	Separate financial statements			
	2016		2015	
	Number of warrants	Grant date fair value	Number of warrants	Grant date fair value
	<i>(thousand units / in thousand Baht)</i>			
At 1 January	11,993	14,511	9,691	11,726
Issued warrants during the period	4,656	5,410	9,048	9,861
Exercised warrants during the period	(208)	(251)	(3,876)	(4,690)
Forfeited warrants during the period	(433)	(301)	(1,438)	(652)
At 30 June	16,008	19,369	13,425	16,245

NMG-W3

The outstanding unexercised warrants as at 30 June 2016 were as follows:

Unexercised warrants as at 1 January 2016	Issued warrants	Exercised warrants	Unexercised warrants as at 30 June 2016	Exercise price (Baht / share)	Expiry date
<i>(million units)</i>					
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 a par value of Baht 0.53 per share) to Baht 2,663.57 million (divided into 5,025,607,915 ordinary shares at a par value of Baht 0.53 per share) by issuing of not exceeding 3,377,867,615 ordinary shares at a par value of 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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15 Segment information

Information about reportable segments

<i>Six-month period ended 30 June</i>	Publishing and advertising		Printing service		Edutainment		Broadcasting and new media		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	<i>(in thousand Baht)</i>											
External revenue	512,088	649,048	29,681	26,461	72,911	96,881	439,096	577,459	84,589	87,045	1,138,365	1,436,894
Inter-segment revenue	64,088	62,710	112,688	136,223	4,084	3,155	3,158	902	50,560	71,661	234,578	274,651
Other income	10,277	75,467	2,819	2,794	7,648	8,912	9,789	11,842	11,644	10,341	42,177	109,356
Total segment revenue	586,453	787,225	145,188	165,478	84,643	108,948	452,043	590,203	146,793	169,047	1,415,120	1,820,901
Segment profit (loss)												
before income tax	<u>(36,056)</u>	<u>88,715</u>	<u>15,523</u>	<u>2,153</u>	<u>(212,320)</u>	<u>(5,120)</u>	<u>(269,283)</u>	<u>(134,882)</u>	<u>(15,109)</u>	<u>(11,761)</u>	<u>(517,245)</u>	<u>(60,895)</u>
Reportable segment assets												
as at 30 June /												
31 December	<u>1,555,799</u>	<u>1,744,440</u>	<u>714,588</u>	<u>745,348</u>	<u>422,912</u>	<u>609,642</u>	<u>4,713,193</u>	<u>4,832,375</u>	<u>295,763</u>	<u>305,413</u>	<u>7,702,255</u>	<u>8,237,218</u>
Reportable segment liabilities												
as at 30 June /												
31 December	<u>1,666,945</u>	<u>1,045,815</u>	<u>137,232</u>	<u>143,753</u>	<u>42,090</u>	<u>50,533</u>	<u>2,009,475</u>	<u>2,582,315</u>	<u>50,876</u>	<u>60,451</u>	<u>3,906,618</u>	<u>3,882,867</u>

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Reconciliation of reportable segment profit or loss

Six-month period ended 30 June	2016	2015
	<i>(in thousand Baht)</i>	
Profit or loss		
Total loss for reportable segments before tax	(517,245)	(60,895)
Share of profit of investment in associate	1,158	76
Consolidated loss before income tax	<u>(516,087)</u>	<u>(60,819)</u>

16 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 applied to the pre-tax income of the interim period. The Group's and Company's effective tax rate in respect of continuing operations for the six-month period ended 30 June 2016, were 19.37% and 3.46% respectively (2015: 132.46% and 18.73%, respectively). The changes in effective tax rate were caused mainly by the recognition of dividend income which is not subject to tax.

17 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and six-month periods ended 30 June 2016 and 2015 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:

Three-month period ended 30 June	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(302,229)</u>	<u>21,291</u>	<u>97,784</u>	<u>115,890</u>
Number of ordinary shares outstanding at 1 April	4,067,640	3,316,346	4,067,640	3,316,346
Effect of share options exercised on 23 May	89	-	89	-
Effect of share options exercised on 25 May	-	1,575	-	1,575
Effect of warrants exercised on 26 June	-	40,660	-	40,660
Weighted average number of ordinary shares outstanding (basic)	<u>4,067,729</u>	<u>3,358,581</u>	<u>4,067,729</u>	<u>3,358,581</u>
Earnings (loss) per share (basic) (in Baht)	<u>(0.074)</u>	<u>0.006</u>	<u>0.024</u>	<u>0.035</u>

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<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(341,778)</u>	<u>18,410</u>	<u>117,520</u>	<u>161,148</u>
Number of ordinary shares outstanding at 1 January	4,067,640	3,316,346	4,067,640	3,316,346
Effect of share options exercised on 23 May	45	-	45	-
Effect of share options exercised on 25 May	-	792	-	792
Effect of warrants exercised on 26 June	-	20,442	-	20,442
Weighted average number of ordinary shares outstanding (basic)	<u>4,067,685</u>	<u>3,337,580</u>	<u>4,067,685</u>	<u>3,337,580</u>
Earnings (loss) per share (basic) (in Baht)	<u>(0.084)</u>	<u>0.006</u>	<u>0.029</u>	<u>0.048</u>

Diluted earnings (loss) per share

The calculations of diluted earnings (loss) per share for the three-month and six-month periods ended 30 June 2016 and 2015 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:

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(302,229)</u>	<u>21,291</u>	<u>97,784</u>	<u>115,890</u>
Weighted average number of ordinary shares outstanding (basic)	4,067,729	3,358,581	4,067,729	3,358,581
Effect of exercise of shares options	-	751,977	203,433	751,977
Weighted average number of ordinary shares outstanding (diluted)	<u>4,067,729</u>	<u>4,110,558</u>	<u>4,271,162</u>	<u>4,110,558</u>
Earnings (loss) per share (diluted) (in Baht)	<u>(0.074)</u>	<u>0.005</u>	<u>0.023</u>	<u>0.028</u>

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<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(341,778)</u>	<u>18,410</u>	<u>117,520</u>	<u>161,148</u>
Weighted average number of ordinary shares outstanding (basic)	4,067,685	3,337,580	4,067,685	3,337,580
Effect of exercise of shares options	-	810,072	232,665	810,072
Weighted average number of ordinary shares outstanding (diluted)	<u>4,067,685</u>	<u>4,147,652</u>	<u>4,300,350</u>	<u>4,147,652</u>
Earnings (loss) per share (diluted) (in Baht)	<u>(0.084)</u>	<u>0.004</u>	<u>0.027</u>	<u>0.039</u>

The Company has not assumed 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 due to the loss from operating results attributable to ordinary shareholders in the consolidated financial statements for the three-month and six-month periods ended 30 June 2016.

The Company has not assumed 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 (loss) per share due to the exercise prices (including fair value of services to be rendered per warrant) are higher than the weighted average market prices in the separate financial statements for the three-month and six-month periods ended 30 June 2016.

The Company has not assumed 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 (loss) per share due to the exercise prices (including fair value of services to be rendered per warrant) are higher than the weighted average market prices in the consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2015.

18 Dividends

At the annual general meeting of the shareholders of the Company held on 27 April 2016, the shareholders approved the appropriation of dividends from the 2015 operating results of Baht 0.03 per share, amounting to Baht 122.03 million. The dividends were paid to the shareholders in May 2016.

At the annual general meeting of the shareholders of the Company held on 29 April 2015, the shareholders approved the appropriation of dividends from the 2014 operating results of Baht 0.028 per share, amounting to Baht 92.86 million. The dividends were paid to the shareholders in May 2015.

19 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.

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		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
(in thousand Baht)					
30 June 2016					
<i>Financial assets measured at fair value</i>					
Debt securities held for trading	10,112	-	10,112	-	10,112
Equity securities available for sale	2,160	2,160	-	-	2,160
<i>Financial assets / Financial liabilities not measured at fair value</i>					
Cash and cash equivalents	316,520				
Current investments	414,414				
Trade accounts receivable	346,632				
Accrued income	951,728				
Other receivables	122,004				
Bank overdrafts and short-term loans from financial institutions	949,574				
Trade accounts payable	110,072				
Other payables	110,932				
Accrued expenses	208,737				
Digital television licences payable	1,668,190				1,708,670
Finance lease liabilities	2,063				2,063
31 December 2015					
<i>Financial assets measured at fair value</i>					
Debt securities held for trading	25,069	-	25,069	-	25,069
Equity securities available for sale	2,776	2,776	-	-	2,776
<i>Financial assets / Financial liabilities not measured at fair value</i>					
Cash and cash equivalents	207,525				
Current investments	797,081				
Trade accounts receivable	588,557				
Accrued income	782,780				
Other receivables	85,826				
Bank overdrafts and short-term loans from financial institutions	590,385				
Trade accounts payable	133,706				
Other payables	119,649				
Accrued expenses	216,232				
Digital television licences payable	2,270,342				2,347,000
Finance lease liabilities	2,832				2,832

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		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
30 June 2016					
<i>Financial assets measured at fair value</i>					
Equity securities available for sale	2,160	2,160	-	-	2,160
<i>Financial assets / Financial liabilities not measured at fair value</i>					
Cash and cash equivalents	12,911				
Trade accounts receivable	1,128,311				
Accrued income	702,810				
Other receivables	1,326,750				
Bank overdrafts and short-term loans from financial institutions	892,933				
Trade accounts payable	1,234,649				
Other payables	36,661				
Accrued expenses	529,907				
Finance lease liabilities	2,063				2,063
31 December 2015					
<i>Financial assets measured at fair value</i>					
Debt securities held for trading	3	-	3	-	3
Equity securities available for sale	2,776	2,776	-	-	2,776
<i>Financial assets / Financial liabilities not measured at fair value</i>					
Cash and cash equivalents	17,758				
Trade accounts receivable	1,083,108				
Accrued income	572,797				
Other receivables	649,801				
Bank overdrafts and short-term loans from financial institutions	519,497				
Trade accounts payable	1,177,449				
Other payables	58,849				
Accrued expenses	453,717				
Finance lease liabilities	2,832				2,832

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Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group determines Level 2 fair values for debt securities held for trading using total net assets value of the investments from Asset Management Entity's Report.

20 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	<i>(in thousand Baht)</i>			
<i>Capital commitment</i>				
Plant and equipment	-	130	-	-
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	210,525	214,776	42,103	46,988
After one year but within five years	643,528	637,770	25,543	52,198
After five years	839,991	890,276	-	-
Total	1,694,044	1,742,822	67,646	99,186
	<i>(in thousand)</i>			
<i>Other commitments</i>				
Unused letter of credit (USD)	-	894	-	894
Unused letter of credit (THB)	816	42,131	-	41,105
Guarantee credit lines of subsidiaries with financial institutions (THB)	85,000	85,000	85,000	85,000
Bank guarantees (THB)	2,002,086	2,693,415	37,780	35,366
Total	2,087,902	2,820,546	122,780	161,471

- The Company and its subsidiaries entered into lease and service agreements for their office premises and facilities with a local company for a 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.

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- c) A subsidiary and an indirect subsidiary entered into service agreements covering television broadcasting satellite services with two local companies. The details are as follows:

<u>Contract period</u>	<u>Periods</u>	<u>Total fee</u> (in million USD)
25 April 2014 to 30 June 2017	3 years and 2 months	0.63
25 April 2014 to 30 June 2017	3 years and 2 months	0.02
25 April 2014 to 31 October 2019	5 years and 6 months	1.12
25 April 2014 to 31 October 2019	5 years and 6 months	0.03
25 April 2014 to 31 October 2019	5 years and 6 months	1.12
25 April 2014 to 31 October 2019	5 years and 6 months	0.03
25 April 2014 to 31 March 2020	5 years and 11 months	0.92
25 April 2014 to 31 March 2020	5 years and 11 months	0.03

- d) An indirect subsidiary entered into a warehouse rental agreement with a local company. The indirect subsidiary agreed to pay a rental fee at the rate specified in the agreement. The agreement had a period of 3 years, expiring on 31 December 2016.
- e) 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 approximately Baht 1,569.47 million.
- f) A subsidiary entered into a lease agreement for its office premises with a local company for a period of 3 years, commencing from 1 May 2014 to 30 April 2017 with an option for renewal. The subsidiary agreed to pay a rental fee at the rate specified in the agreement.
- g) 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.
- h) 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.
- i) 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 specified in the agreement. The agreement had a period of 3 years, expiring on 28 February 2018.
- j) A subsidiary entered into lease agreements for car rental in two 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 29 April 2019.
- 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 17 December 2015 to 30 September 2021. The subsidiary agreed to pay a service fee at the rate specified in the agreement.

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- l) 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.

21 Other matters

As at 30 June 2016, the Company, a subsidiary (“Krungthep Turakij Media Co., Ltd.”), directors and employees of the Group are accused of defamation through advertisements, guilty against the Computer Crime Act B.E. 2550 and others in the criminal lawsuit with the claim of Baht 2,343 million. The management and the legal consultant believe that the court’s judgment 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.

As at 30 June 2016, the Company and directors of the Group are accused of breach of the Public Limited Company Act B.E. 2535 in the civil lawsuit with the claim of Baht 42.5 million. The management and the legal consultant believe that the court’s judgment 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.

As at 30 June 2016, the Company and directors of the Group are accused of violating the Securities and Exchange Act B.E. 2535 in the civil lawsuit with the claim of Baht 51.9 million. The management and the legal consultant believe that the court’s judgment 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 2016, the Phrakhanong Provincial Court rendered a civil lawsuit judgment of the revocation of the resolutions from the meeting of the Company held on 29 April 2015 and declared the meeting and the resolutions in the 2015 annual general meeting of the shareholders of the Company to be void. The Company filed a petition of appeal and the lawsuit is ongoing in the Appeal Court.

22 Events after the reporting period

At the extraordinary meeting of the shareholders of a subsidiary (“Nation U Co., Ltd.”) held on 12 July 2016, the shareholders of the subsidiary approved an increase in the registered share capital from Baht 170 million (divided into 17,000,000 ordinary shares at Baht 10 per share) to Baht 340 million (divided into 34,000,000 ordinary shares at Baht 10 per share) and called up 50% of share capital to Baht 85 million by offering to the existing shareholders proportionately. The Company invested in ordinary shares of the subsidiary amounting to Baht 76.50 million. The subsidiary registered the increase in share capital with the Ministry of Commerce on 26 July 2016.

23 Thai Financial Reporting Standards (TFRS) not yet adopted

FAP has issued an announcement no. 5/2016 FAP Guidance for derecognition of financial assets and financial liabilities, which is not yet effective and has not been applied in preparing these interim financial statements. This announcement may be relevant to the Group’s operations, which become effective for annual financial periods beginning on or after 1 January 2017. The Group does not plan to adopt this announcement early.

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

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24 Reclassification of accounts

Certain accounts in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2015, which are included in the 2016 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2016 interim financial statements as follows:

	2015					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. (in thousand Baht)	Before reclass.	Reclass.	After reclass.
Statement of comprehensive income for the three-month period ended 30 June						
Administrative expenses	121,768	21,193	142,961	73,588	9,131	82,719
Management benefit expenses	21,193	<u>(21,193)</u>	-	9,131	<u>(9,131)</u>	-
		<u>-</u>			<u>-</u>	
Statement of comprehensive income for the six-month period ended 30 June						
Administrative expenses	229,293	44,791	274,084	143,061	20,566	163,627
Management benefit expenses	44,791	<u>(44,791)</u>	-	20,566	<u>(20,566)</u>	-
		<u>-</u>			<u>-</u>	