

JKN Global Media Public Company Limited
and its subsidiaries
Review report and interim consolidated financial statements
For the three-month and nine-month periods ended
30 September 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of JKN Global Media Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of JKN Global Media Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of JKN Global Media Public Company Limited for the same period. 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*.

Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 13 November 2018

JKN Global Media Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		101,373	925,487	92,050	921,424
Current investment	4	27,824	-	27,824	-
Trade and other receivables	3, 5	1,010,290	739,977	965,645	686,092
Inventories		7,512	21,246	7,512	21,246
Loans to related party	3	-	-	800	500
Value added tax receivable		48,385	38,414	44,997	34,336
Other current assets		17,899	12,560	14,460	10,341
Total current assets		1,213,283	1,737,684	1,153,288	1,673,939
Non-current assets					
Restricted bank deposits		16,205	78,739	16,205	78,739
Investment in subsidiaries		-	-	102,999	102,999
Equipment		41,863	22,157	40,065	20,554
Advance payment for purchased program rights		433,573	102,904	433,573	102,904
Intangible assets - program rights	6	1,224,694	1,184,270	1,227,520	1,185,619
Computer software		3,941	798	3,730	533
Deferred tax assets		2,891	957	1,546	914
Other non-current assets		2,999	11,032	1,966	1,127
Total non-current assets		1,726,166	1,400,857	1,827,604	1,493,389
Total assets		2,939,449	3,138,541	2,980,892	3,167,328

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

JKN Global Media Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	7	113,953	523,145	113,953	523,145
Trade and other payables	3, 8	132,602	79,605	143,167	86,145
Current portion of long-term debentures	9	208,744	599,042	208,744	599,042
Current portion of liabilities under hire purchase agreements		2,952	2,086	2,952	2,086
Income tax payable		3,552	16,256	3,552	16,256
Advance receive for program rights	3	43,703	64,429	54,180	83,238
Withholding tax awaiting for submission		5,119	5,959	4,890	5,733
Other current liabilities		9,587	5,159	5,018	515
Total current liabilities		520,212	1,295,681	536,456	1,316,160
Non-current liabilities					
Debentures - net of current portion	9	392,502	-	392,502	-
Liabilities under hire purchase agreements - net of current portion		7,033	6,720	7,033	6,720
Provision for long-term employee benefits		11,616	9,764	11,149	9,575
Total non-current liabilities		411,151	16,484	410,684	16,295
Total liabilities		931,363	1,312,165	947,140	1,332,455
Shareholders' equity					
Share capital					
Registered					
10					
648,000,000 ordinary shares of Baht 0.5 each					
(31 December 2017: 540,000,000 ordinary					
shares of Baht 0.5 each)					
		324,000	270,000	324,000	270,000
Issued and fully paid-up					
540,000,000 ordinary shares of Baht 0.5 each					
		270,000	270,000	270,000	270,000
Share premium		1,022,482	1,022,482	1,022,482	1,022,482
Retained earnings					
Appropriated - statutory reserve		18,194	18,194	18,194	18,194
Unappropriated		703,514	521,804	723,076	524,197
Other components of shareholders' equity		(6,104)	(6,104)	-	-
Total shareholders' equity		2,008,086	1,826,376	2,033,752	1,834,873
Total liabilities and shareholders' equity		2,939,449	3,138,541	2,980,892	3,167,328
		-	-	-	-

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

Directors

JKN Global Media Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2018

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues					
Sales income		1,404	2,276	1,404	2,276
Service income		11,647	20,073	-	-
Revenue from program rights		347,531	313,489	353,891	315,948
Other income		237	525	1,040	1,326
Total revenues		<u>360,819</u>	<u>336,363</u>	<u>356,335</u>	<u>319,550</u>
Expenses					
Cost of goods sold		678	1,137	678	1,137
Cost of services		6,651	9,269	-	-
Cost of program rights		229,254	166,357	232,666	171,081
Selling and servicing expenses		15,886	4,774	17,666	5,903
Administrative expenses		40,648	16,847	32,896	13,554
Total expenses		<u>293,117</u>	<u>198,384</u>	<u>283,906</u>	<u>191,675</u>
Profit before finance cost and income tax expenses		<u>67,702</u>	<u>137,979</u>	<u>72,429</u>	<u>127,875</u>
Finance cost		(14,018)	(22,998)	(14,018)	(22,998)
Profit before income tax expenses		<u>53,684</u>	<u>114,981</u>	<u>58,411</u>	<u>104,877</u>
Income tax expenses	11	(10,996)	(21,412)	(11,518)	(21,192)
Profit for the period		<u>42,688</u>	<u>93,569</u>	<u>46,893</u>	<u>83,685</u>
Other comprehensive income:					
Other comprehensive income for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>42,688</u>	<u>93,569</u>	<u>46,893</u>	<u>83,685</u>
Basic earnings per share (Baht)	12				
Profit attributable to equity holders of the Company		<u>0.08</u>	<u>0.23</u>	<u>0.09</u>	<u>0.21</u>

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

(Unaudited but reviewed)

JKN Global Media Public Company Limited and its subsidiaries**Statement of comprehensive income****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Profit or loss:					
Revenues					
Sales income		35,050	3,143	35,050	3,143
Service income		39,850	36,340	6,551	-
Revenue from program rights		969,114	832,062	993,331	874,635
Other income		14,833	2,060	17,224	4,407
Total revenues		<u>1,058,847</u>	<u>873,605</u>	<u>1,052,156</u>	<u>882,185</u>
Expenses					
Cost of goods sold		12,729	1,489	12,729	1,489
Cost of services		23,904	17,209	959	-
Cost of program rights		599,870	459,870	607,235	464,594
Selling and servicing expenses		35,663	8,650	38,909	9,646
Administrative expenses		107,826	94,904	94,998	85,836
Total expenses		<u>779,992</u>	<u>582,122</u>	<u>754,830</u>	<u>561,565</u>
Profit before finance cost and income tax expenses		<u>278,855</u>	<u>291,483</u>	<u>297,326</u>	<u>320,620</u>
Finance cost		(49,105)	(61,992)	(49,105)	(61,992)
Profit before income tax expenses		<u>229,750</u>	<u>229,491</u>	<u>248,221</u>	<u>258,628</u>
Income tax expenses	11	(48,040)	(53,381)	(49,342)	(56,373)
Profit for the period		<u>181,710</u>	<u>176,110</u>	<u>198,879</u>	<u>202,255</u>
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		-	(2,447)	-	(2,447)
Less: Income tax effect	11	-	489	-	489
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(1,958)	-	(1,958)
Other comprehensive income for the period		<u>-</u>	<u>(1,958)</u>	<u>-</u>	<u>(1,958)</u>
Total comprehensive income for the period		<u>181,710</u>	<u>174,152</u>	<u>198,879</u>	<u>200,297</u>
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	12	0.34	0.44	0.37	0.51

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

(Unaudited but reviewed)

JKN Global Media Public Company Limited and its subsidiaries**Statement of cash flows****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before tax	229,750	229,491	248,221	258,628
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	4,578	1,556	4,126	1,253
Amortisation	561,019	472,010	561,035	444,986
Allowance for doubtful accounts (reversal)	5,905	(314)	(82)	(314)
Unrealised gain on trading securities	(61)	-	(61)	-
Realised gain on sales of trading securities	(1,699)	-	(1,699)	-
Amortisation of deferred debenture issuing cost	10,457	8,498	10,457	8,498
Long-term employee benefit expenses	1,852	1,407	1,574	1,337
Interest expenses	37,324	48,021	37,324	48,021
Profit from operating activities before changes in operating assets and liabilities	849,125	760,669	860,895	762,409
Decrease (increase) in operating assets				
Trade and other receivables	(276,218)	(308,504)	(279,471)	(333,070)
Inventories	13,734	(16,925)	13,734	(16,925)
Value added tax receivable	(9,971)	25,027	(10,661)	25,779
Other current assets	(5,339)	(1,126)	(4,119)	275
Other non-current assets	8,033	8,023	(839)	1,524
Increase (decrease) in operating liabilities				
Trade and other payables	67,197	(22,606)	71,222	(16,665)
Advance receive for program rights	(20,726)	115,825	(29,058)	94,029
Withholding tax awaiting for submission	(840)	(140,503)	(843)	(139,930)
Provision for penalties and surcharges	-	(22,068)	-	(21,952)
Other current liabilities	6,631	(62,047)	4,503	(62,327)
Cash from operating activities	631,626	335,765	625,363	293,147
Cash paid for interest expenses	(50,744)	(46,884)	(50,744)	(46,884)
Cash paid for corporate income tax	(64,881)	(49,329)	(62,678)	(48,379)
Net cash from operating activities	516,001	239,552	511,941	197,884

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

JKN Global Media Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Purchase of investment in trading securities	(820,000)	-	(820,000)	-
Cash received from sales of investment in trading securities	794,096	-	794,096	-
Increase of long-term deposits in financial institutions	(160)	-	(160)	-
Acquisition of equipment	(21,204)	(9,132)	(20,557)	(8,688)
Acquisition of intangible assets - program rights	(601,271)	(667,569)	(602,818)	(641,686)
Acquisition of computer software	(3,315)	-	(3,315)	-
Decrease (increase) in advance payment for purchased program rights	(330,669)	74,325	(330,669)	74,325
Increase in loans to related party	-	-	(300)	-
Decrease (increase) in restricted bank deposits	62,534	(29,287)	62,534	(29,287)
Net cash used in investing activities	<u>(919,989)</u>	<u>(631,663)</u>	<u>(921,189)</u>	<u>(605,336)</u>
Cash flows from financing activities				
Decrease (increase) in short-term loans from financial institutions	(409,192)	205,620	(409,192)	205,620
Repayment of liabilities under hire purchase agreements	(2,681)	(168)	(2,681)	(168)
Net cash received (paid) from issuance of debentures	(8,253)	202,012	(8,253)	202,012
Net cash from (used in) financing activities	<u>(420,126)</u>	<u>407,464</u>	<u>(420,126)</u>	<u>407,464</u>
Net increase (decrease) in cash and cash equivalents	<u>(824,114)</u>	<u>15,353</u>	<u>(829,374)</u>	<u>12</u>
Cash and cash equivalents at beginning of period	925,487	43,249	921,424	32,555
Cash and cash equivalents at end of period	<u>101,373</u>	<u>58,602</u>	<u>92,050</u>	<u>32,567</u>
	-		-	
Supplement cash flows information				
Non - cash transactions				
Acquisition of assets under hire purchase agreements	3,080	9,414	3,080	9,414

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

JKN Global Media Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
			Appropriated	Unappropriated	Deficit on business combination under common control	
Balance as at 1 January 2017	200,000	-	8,288	346,316	(6,104)	548,500
Profit for the period	-	-	-	176,110	-	176,110
Other comprehensive income for the period	-	-	-	(1,958)	-	(1,958)
Total comprehensive income for the period	-	-	-	174,152	-	174,152
Balance as at 30 September 2017	<u>200,000</u>	<u>-</u>	<u>8,288</u>	<u>520,468</u>	<u>(6,104)</u>	<u>722,652</u>
Balance as at 1 January 2018	270,000	1,022,482	18,194	521,804	(6,104)	1,826,376
Total comprehensive income for the period	-	-	-	181,710	-	181,710
Balance as at 30 September 2018	<u>270,000</u>	<u>1,022,482</u>	<u>18,194</u>	<u>703,514</u>	<u>(6,104)</u>	<u>2,008,086</u>

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

JKN Global Media Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders'	
	Issued and paid-up		Retained earnings			equity
	share capital	Share premium	Appropriated	Unappropriated		
Balance as at 1 January 2017	200,000	-	8,288	338,260	546,548	
Profit for the period	-	-	-	202,255	202,255	
Other comprehensive income for the period	-	-	-	(1,958)	(1,958)	
Total comprehensive income for the period	-	-	-	200,297	200,297	
Balance as at 30 September 2017	200,000	-	8,288	538,557	746,845	
Balance as at 1 January 2018	270,000	1,022,482	18,194	524,197	1,834,873	
Total comprehensive income for the period	-	-	-	198,879	198,879	
Balance as at 30 September 2018	270,000	1,022,482	18,194	723,076	2,033,752	

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

JKN Global Media Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2018

1. General information

1.1 Corporate information

JKN Global Media Public Company Limited (“the Company”) is a limited company incorporated and domiciled in Thailand. Its registered address is 45/14, JKN Gallery Salaya Building, Moo1, Tumbon Songkanong, Amphur Sampran, Nakhonpatom.

The Company and its subsidiaries (together “the Group”) are principally engaged as follows:

- a) Distribution of global and local contents of the movies, series and the documentaries as well as production and distribution of the said on DVD and Blu-ray.
- b) Advertising services and production of television programs.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Group choosing to present condensed interim financial statements. However, the Group has presented the statements of financial position, statement of comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

The interim consolidated financial statements include the financial statements of JKN Global Media Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017. There have been no change in the composition of the Group during the current period.

1.4 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Group has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Group is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

3. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	Transfer pricing policy
<u>Transaction with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Revenue from program rights	-	-	6	3	Contract Price
Service expenses	-	-	7	6	Contract Price
<u>Transaction with related parties</u>					
Rental expenses	4	2	4	2	With reference with market price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		
	2018	2017	2018	2017	Transfer pricing policy
<u>Transaction with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Revenue from program rights	-	-	24	43	Contract Price
Other income	-	-	2	2	Contract Price
Service expenses	-	-	14	6	Contract Price
<u>Transaction with related parties</u>					
Sales income	-	1	-	1	Contract Price
Rental expenses	9	7	9	7	With reference with market price

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2018 and 31 December 2017 between the Group and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
	(Audited)		(Audited)	
<u>Trade and other receivables - related parties (Note 5)</u>				
Subsidiaries	-	-	2,295	6,316
Related companies (related by common shareholder)	18	600	18	600
Total trade and other receivables - related parties	18	600	2,313	6,916
<u>Rental deposits</u>				
Related company (related by common shareholder)	1,627	846	1,627	846
Total rental deposits	1,627	846	1,627	846
<u>Trade and other payables - related parties (Note 8)</u>				
Subsidiaries	-	-	17,106	10,836
Related companies (related by common shareholder)	271	381	271	381
Total trade and other payables - related parties	271	381	17,377	11,217
<u>Advance receive for program rights - related party</u>				
Subsidiary	-	-	10,477	18,808
Total advance receive for program rights - related party	-	-	10,477	18,808

Loans to related party

As at 30 September 2018 and 31 December 2017, the balance of loans between the Group and those related companies and the movement are as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
Loans to	Balance as at 31 December 2017	Increase during the period	Decrease during the period	Balance as at 30 September 2018
<u>Subsidiary</u>				
JKN IMC Company Limited	500	300	-	800
Total loans to related party	500	300	-	800

Loans to related party, bearing interest at a rate of MOR percent per annum, repayable at call and no guarantee.

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	8,936	6,214	8,336	5,614
Post-employment benefits	255	251	255	251
Total	<u>9,191</u>	<u>6,465</u>	<u>8,591</u>	<u>5,865</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	28,039	20,201	26,239	18,601
Post-employment benefits	7,277	6,949	7,277	6,949
Total	<u>35,316</u>	<u>27,150</u>	<u>33,516</u>	<u>25,550</u>

4. Current investment

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	30 September	31 December
	<u>2018</u>	<u>2017</u>
		(Audited)
Investment in trading securities - cost	27,603	-
Add: Unrealised gain on changes in value of investment	61	-
Investment in trading securities - fair value	27,664	-
Long-term deposits in financial institutions	160	-
Total	<u>27,824</u>	<u>-</u>

The fair value hierarchy of the above trading securities is level 1.

(Unaudited but reviewed)

Movements in the investment in trading securities during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statements
Book value as at 1 January 2018	-
Acquisition during the period	820,000
Disposal during the period	(792,397)
Unrealised gain on changes in value of investment in trading securities	61
Book value as at 30 September 2018 - net	27,664

5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017 (Audited)	30 September 2018	31 December 2017 (Audited)
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	18	198	2,007	6,510
Past due				
Up to 3 months	-	397	268	397
3 - 6 months	-	5	-	5
Total	18	600	2,275	6,912
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	435,604	209,508	424,262	188,843
Past due				
Up to 3 months	90,257	274,312	83,677	242,478
3 - 6 months	272,372	225,210	268,645	223,819
6 - 12 months	211,962	30,356	180,830	24,045
Over 12 months	2,497	2,344	2,497	2,344
Total	1,012,692	741,730	959,911	681,529
Less: Allowance for doubtful accounts	(8,331)	(2,426)	(2,344)	(2,426)
Net	1,004,361	739,304	957,567	679,103
Total trade receivable - net	1,004,379	739,904	959,842	686,015

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
	(Audited)		(Audited)	
Other receivables				
Other receivable - unrelated parties	5,911	73	5,765	73
Interest receivable - related parties	-	-	38	4
Total other receivables	5,911	73	5,803	77
Trade and other receivables - net	1,010,290	739,977	965,645	686,092

As at 30 September 2018, the above trade accounts receivable approximately Baht 185 million (31 December 2017: Baht 460 million) have been secured credit facilities and sold at a discount to financial institutions, with recourse.

6. Intangible assets

Movements of the intangible assets account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2018	1,184,270	1,185,619
Acquisitions during the period - at cost	601,271	602,818
Amortisation for the period	(560,847)	(560,917)
Net book value as at 30 September 2018	1,224,694	1,227,520

7. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated/Separate	
		financial statements	
		30 September 2018	31 December 2017
Factoring	MRR	-	482,665
Promissory Note	4.00, MOR-1	113,953	40,480
Total		113,953	523,145

Short-term loans from financial institutions are secured by the trade receivables and Company's bank deposits.

8. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Trade payables - related parties	-	-	12,492	10,765
Trade payables - unrelated parties	61,139	22,710	59,763	21,372
Other payables - related parties	-	-	71	71
Other payables - unrelated parties	36,443	26,772	34,581	24,718
Accrued expenses - related parties	271	381	4,814	381
Accrued expenses - unrelated parties	39,749	29,742	31,446	28,838
Total trade and other payables	<u>132,602</u>	<u>79,605</u>	<u>143,167</u>	<u>86,145</u>

9. Long-term debentures

Movements in the long-term debentures account during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)	
	Consolidated/Separate
	financial statements
Balance as at 1 January 2018	599,042
Add: Debenture issuing during the period	400,000
Less: Deferred debenture issuing costs	(8,253)
Repayment of matured debenture during the period	(400,000)
Add: Amortisation of debentures issuing costs	10,457
Balance as at 30 September 2018	601,246
Less: Portion due within one year	(208,744)
Long-term debenture, net of current portion	<u>392,502</u>

The Securities and Exchange Commission approved an issuance and offering the debenture No. 1/2018 to private placement up to 10 people, amounting to Baht 400 million, bearing interest at a fixed rate of 6.50 percent per annum and have the tenure of 2 years. The terms of interest payment is every 3 month and the principal is to be redeemed on the debenture redemption date. This debenture is unsubordinated, unsecured debentures with debenture holders' representative in the name-registered certificate.

The Company issued the debenture on 20 July 2018 amounting to Baht 400 million. The proceeds was used for repayment of the matured debenture on 12 July 2018 and 29 July 2018 amounting to Baht 400 million.

The debenture contains terms of issue relating to the maintenance of a certain financial ratio at the end of quarterly period and at the end of year.

10. Share capital

On 25 April 2018, the Annual General Meeting of the Company's Shareholders passed the following significant resolutions:

- a) Approved the increase of the Company's registered share capital by Baht 270 million (540,000,000 shares at a par value of Baht 0.5 each) to Baht 324 million (648,000,000 shares at a par value of Baht 0.5 each). The Company registered the increase of its capital with the Ministry of Commerce on 18 May 2018.
- b) Approved the issuance of warrants No.1 (JKN-W1) to existing shareholders. The preliminary details of the warrants are as described below.

Type of Warrants	:	Warrants purchasing ordinary shares of JKN Global Media Public Company Limited No. 1 (JKN-W1) allocate to existing shareholders at the ratio of 5 ordinary shares per 1 unit of warrant
Type	:	Specified warrant's holder and transferable.
Term of Warrants	:	2 years from the issuing date of warrants.
Number of Warrants	:	not exceeding 108,000,000 units
Offering Price	:	0 Baht per unit
Exercise Ratio	:	1 warrant to 1 ordinary shares
Exercise Price	:	Baht 15
Exercise Period	:	First time on 14 December 2018, second time on 14 June 2019, third time on 13 December 2019 and last time on 8 May 2020
First Exercise Date	:	14 December 2018
Last Exercise Date	:	8 May 2020

11. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)				
For the three-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	10,479	20,283	10,479	20,283
Deferred tax:				
Relating to origination and reversal of temporary differences	517	1,129	1,039	909
Income tax expenses reported in the income statements	<u>10,996</u>	<u>21,412</u>	<u>11,518</u>	<u>21,192</u>

(Unit: Thousand Baht)				
For the nine-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	49,974	56,633	49,974	56,679
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,934)	(3,252)	(632)	(306)
Income tax expenses reported in the income statements	<u>48,040</u>	<u>53,381</u>	<u>49,342</u>	<u>56,373</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the nine-month periods ended 30 September 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	Consolidated/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
Deferred tax relating to actuarial loss	-	489
Total	-	489

12. Earnings per share

Basic earnings per share is calculated by dividing profit attributable to equity holders of the Company for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Basic earnings per share are calculated below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit attributable to equity holders of the Company	42,688	93,569	46,893	83,685
Weighted average number of ordinary shares (Thousand shares)	540,000	400,000	540,000	400,000
Basic earnings per share (Baht/share)	0.08	0.23	0.09	0.21

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit attributable to equity holders of the Company	181,710	176,110	198,879	202,255
Weighted average number of ordinary shares (Thousand shares)	540,000	400,000	540,000	400,000
Basic earnings per share (Baht/share)	0.34	0.44	0.37	0.51

13. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operation decision maker has been identified as the Company's Board of directors.

For management purposes, the Group are organised into business units based on its products and services and have three reportable segments as follows:

- Sales of program rights
- Advertising services
- Other business

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

(Unaudited but reviewed)

The following tables present consolidated revenue and profit information regarding Group's operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 September											
	Sales of program		Advertising		Other business		Total		Eliminations		Consolidated	
	rights		services									
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues												
External customers	349	316	12	20	-	-	361	336	-	-	361	336
Inter-segment	6	2	8	8	-	-	14	10	(14)	(10)	-	-
Total revenues	355	318	20	28	-	-	375	346	(14)	(10)	361	336
Segment profit	122	146	6	5	-	-	128	151	(4)	8	124	159
Selling and servicing expenses											(15)	(5)
Administrative expenses											(41)	(17)
Finance cost											(14)	(23)
Income tax expenses											(11)	(21)
Profit for the period											43	93

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Sales of program		Advertising		Other business		Total		Eliminations		Consolidated	
	rights		services									
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues												
External customers	1,004	835	40	36	-	-	1,044	871	-	-	1,044	871
Inter-segment	24	43	14	8	2	2	40	53	(40)	(53)	-	-
Total revenues	1,028	878	54	44	2	2	1,084	924	(40)	(53)	1,044	871
Segment profit	408	412	14	(5)	2	2	424	409	(17)	(16)	407	393
Other income											15	2
Selling and servicing expenses											(35)	(9)
Administrative expenses											(108)	(95)
Finance cost											(49)	(62)
Income tax expenses											(48)	(53)
Profit for the period											182	176

14. Commitments and contingent liabilities

14.1 Capital commitments

As at 30 September 2018, the Group had capital commitments of approximately USD 1 million and Baht 13 million (31 December 2017: USD 4 million), relating to purchasing of program rights and Baht 11 million (31 December 2017: Baht 1 million and USD 0.1 million), relating to purchasing equipment and computer software.

14.2 Operating lease and service commitments

The Group has entered into several lease and service agreements in respect of the lease of office space rental, advertising space rental, satellite service, rating service and the service for the center area and utility system. The terms of the agreements are generally between 1 and 3 years.

Future minimum lease payments required under these non-cancellable operating leases contracts and related services were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Payable:				
In up to 1 year	18	18	8	10
In over 1 and up to 3 years	4	3	4	3

14.3 Long-term service commitments

The Company has entered into license and technical assistance agreements with an overseas unrelated company for the use of a trademark and the technical services. Under the conditions of the license agreement, the Company is to pay an annual royalty fee as stipulated in the agreement amounting to approximately USD 4 million (31 December 2017: USD 4 million).

15. Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
US dollar	5.24	-	1.76	0.51	32.41	32.85

16. Events after the reporting period

On 12 November 2018, The Securities and Exchange Commission approved an issuance and offering the debenture No. 2/2018 to private placement up to 10 people, amounting to Baht 500 million, bearing interest at a fixed rate of 6.50 percent per annum and have the tenure of 1 years 11 months 28 days. The terms of interest payment is every 3 month and the principal is to be redeemed on the debenture redemption date. This debenture is unsubordinated, secured debentures with debenture holders' representative in the name-registered certificate.

17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2018.