

JKN Global Media Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 2020

## **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 2020, 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 interim consolidated financial statements. I have also reviewed the separate financial information of JKN Global Media Public Company Limited for the same periods (collectively "interim financial information").

Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

## Emphasis of matters

I draw attention the following matters:

1. Trade receivables

- a) As described in Note 4 to the interim consolidated financial statements, the Company presented outstanding trade receivables amounting approximately to Baht 1,700 million in the consolidated and separate statements of financial position as at 30 September 2020 (31 December 2019: approximately Baht 1,800 million). The outstanding amount was significant to the financial statements, and was greater than the revenue from program rights, which were the main revenue of the Company (revenue from program rights presented in the consolidated and separate comprehensive income statements for the nine-month period ended 30 September 2020 was approximately Baht 1,200 million, revenue from program rights for the year 2019 was approximately Baht 1,700 million). Based on the Company's management assessment, the above situation is considered normal for the Company's business because sometimes even with payment schedule specified, major customers who have purchased the program rights are likely to wait until the benefits from the rights to the released program rights have been reaped, before making payments to the Company. This practice also corresponds to the highly competitive market environment.

Although the Company has a large amount of overdue receivables, according to the management's assessment, there is no need to set up additional allowance for doubtful accounts, other than those had been set aside in accordance with the Company's policy because the management is confident that payments from all these receivables will be collected based on the management's past experience in this business and best estimates under the current conditions. The management is fairly acquainted with the major customers and have conducted business with them before. Therefore, the collectability depends on the responsibility and ability of the Company to follow up on and collect the debts. If, ultimately, the Company is unable to collect the debts, the Company may incur losses in the future.

- b) The Company's revenue from program rights are mainly derived from businesses undertaken with major customers. As such, the Company's business is dependent on relationships and the revenue received from these major customers.

Revenue from program rights from the first 13 major customers for the nine-month period ended 30 September 2020 accounts for approximately 94% of total revenue from program rights and outstanding accounts receivable of these customers as at 30 September 2020 account for approximately 96% of all outstanding accounts receivable. The Company has been able to make partial collection of over Baht 207 million from these major customers after period-end, but there are still a large amount outstanding to be collected by the Company in the future.

Based on my review of the audit working papers for the year 2019 prepared by another auditor of our firm, as described in the Other Matter section, I found that 6 major overseas customers (as at 30 September 2020, 5 overseas customers included in the first 13 major customers and the other who made full repayment in the third quarter of 2020) have places of business and operations in different countries but have the same Asia region domain name service provider (Registrar) in a particular country. The Company's management has confirmed their previous position that the major customers are a varied group of individuals with prior business relationships and prior business dealings with each other in the program rights trading business, and it is therefore credible that the customers may have recommended the domain service provider to each other. During the first quarter of the current year, the Company has entered into partial debt payment insurance agreements for 3 of these debtors with a local financial institution, as described in Note 4 to the interim consolidated financial statements. Therefore, the management believes that the fact that all 6 major customers have the same domain name registrar will not have any impact on the undertaking of transactions between the Company and the 6 customers.

2. Advance payment for purchase of program rights and intangible assets - program rights

As described in Note 7 to the interim consolidated financial statements, the Company made a large advance payment to purchase program rights in the nine-month period of 2020 because the Company's management believed that it was a good and appropriate time to make such a purchase. As a result, the outstanding balance of advance payments as at 30 September 2020 was approximately Baht 900 million (higher than that as at 31 December 2019, approximately of Baht 400 million) and the Company has an outstanding balance of intangible assets - program rights of approximately Baht 2,100 million (higher than that as at 31 December 2019, approximately of Baht 1,400 million).

The Coronavirus disease 2019 pandemic (COVID-19), the Company has to make efforts to preserve business continuity and this depends on the ability of the Company to choose appropriate program rights that can be sold at a reasonable price, as well as to amend its future business plans and sales plans in line with the economic situation and current circumstances. If, in the end, the Company is unable to sell the programs or is only able to sell them at a low price, or other circumstances affect the business plans and sales plans, the Company may incur potential losses in the future.

The COVID-19 pandemic has severely affected the economy and business during the year and this is expected to continue into the future, with the situation differing from previous business situations, there is the potential for impairment of advance payment for purchase of program rights and intangible assets.

3. Adequacy of working capital

The Company's current assets exceed its current liabilities by a significant amount, but the main components of current assets are trade and other receivables which have long payment terms and are long overdue. The Company is responsible for expediting collection of these accounts receivable to ensure that the payment terms and conditions are met, so that the proceeds can be used as working capital and to settle liabilities, including loans and debentures that come due. Expediting debt collection is therefore crucial for the Company under the current circumstances, or the Company may suffer from inadequate working capital. Therefore, the debt collectability depends on the responsibility and ability of the Company to pursue and quickly collect debts in the future.

4. The impact of the COVID-19 pandemic

As described in Note 1.5 to the interim consolidated financial statements, due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and nine-month periods ended 30 September 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries, including the film industry.

Even though consumers will watch more movies and series, entrepreneurs involved in this business might be affected by the situation.

The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

My conclusion is not qualified in respect of these matters.

## Other Matter

The consolidated statement of financial position of JKN Global Media Public Company Limited and its subsidiaries, and the separate statement of financial position of JKN Global Media Public Company Limited as at 31 December 2019, presented herein as comparative information, were audited by another auditor of our firm who, under his report dated 28 February 2020, expressed an unmodified opinion on those statements with emphasis of matters relating to the significant long outstanding accounts receivable, including 6 major overseas customers whose places of business and operations are in different countries but have the same Asia region domain name service provider (Registrar), of which the total was greater than all revenue from program rights for the year 2019. The Company was in the process of obtaining insurance for the debts of these 6 customers from a local financial institution and believed that the allowance for doubtful debts was adequate. In addition, operating liquidity and settlement of liabilities, including the debentures that were about to mature, was dependent on the Company's ability to make collection from its debtors promptly and in accordance with scheduled terms of payment.

The consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019, and the consolidated statements changes in shareholders' equity and cash flows for the nine-month period then ended of JKN Global Media Public Company Limited and its subsidiaries, and the separate statements of comprehensive income for the three-month and nine-month periods then ended, and the separate statements of changes in shareholders' equity and cash flows for the nine-month period then ended of JKN Global Media Public Company Limited, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 14 November 2019, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting* and the emphasis of matters relating to the sale return of the program rights of Baht 220 million from a major customer in order to maintain business relations in the future and sales of Baht 300 million to new customers, whom were referred and guaranteed by this major customer and business partners. In addition, the Company was required to accelerate the debt repayment to increase the effectiveness of accounts receivable collection in the future in order to use money for working capital and liabilities payment, including the payment of debentures of Baht 400 million that were mature within one year.

Manee Rattanabunnakit

Certified Public Accountant (Thailand) No. 5313

EY Office Limited

Bangkok: 13 November 2020

**JKN Global Media Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 September 2020**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2020</u>	<u>31 December 2019</u>	<u>30 September 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		352,843	116,940	296,319	100,454
Current investment	2	-	164	-	164
Trade and other receivables	3, 4	1,730,562	1,816,204	1,711,918	1,779,434
Inventories		87	1,031	87	1,031
Value added tax receivable		121,106	68,223	115,548	62,220
Other current financial assets	2, 5	100,680	-	100,680	-
Other current assets		16,194	21,306	10,474	14,211
<b>Total current assets</b>		<b>2,321,472</b>	<b>2,023,868</b>	<b>2,235,026</b>	<b>1,957,514</b>
<b>Non-current assets</b>					
Restricted bank deposits		21,563	20,463	21,563	20,463
Investment in subsidiaries	6	-	-	491,024	170,999
Equipment		70,126	79,294	39,316	42,782
Right-of-use assets	2	43,886	-	36,154	-
Advance payment for purchase of program rights	7	909,296	411,817	909,296	411,817
Intangible assets - program rights	7	2,122,186	1,447,099	2,127,457	1,452,344
Computer software		16,721	13,344	15,600	12,507
Deferred tax assets		6,990	2,163	6,709	1,778
Other non-current assets		3,899	7,613	2,357	6,833
<b>Total non-current assets</b>		<b>3,194,667</b>	<b>1,981,793</b>	<b>3,649,476</b>	<b>2,119,523</b>
<b>Total assets</b>		<b>5,516,139</b>	<b>4,005,661</b>	<b>5,884,502</b>	<b>4,077,037</b>

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 2020**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2020</u>	<u>31 December 2019</u>	<u>30 September 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions		-	300,000	-	300,000
Trade and other payables	3, 8	175,564	134,389	474,142	169,141
Current portion of long-term loan from financial institution	9	127,800	-	127,800	-
Current portion of debentures	10	758,073	893,335	758,073	893,335
Current portion of liabilities under hire purchase agreements	2	-	3,920	-	3,920
Current portion of lease liabilities	2	10,996	-	9,435	-
Income tax payable		19,234	16,955	19,234	16,955
Advance receive for program rights	3	44,443	2,146	56,061	23,825
Withholding tax awaiting for submission		8,753	6,856	8,076	6,599
Value added tax awaiting for submission		10,084	6,304	10,079	6,297
Other current financial liabilities		1,627	-	1,627	-
Other current liabilities		7,648	10,408	1,262	958
<b>Total current liabilities</b>		<b>1,164,222</b>	<b>1,374,313</b>	<b>1,465,789</b>	<b>1,421,030</b>
<b>Non-current liabilities</b>					
Convertible debentures - liability component	11	1,006,894	-	1,006,894	-
Long-term loan from financial institution - net of current portion	9	318,950	-	318,950	-
Debentures - net of current portion	10	396,152	395,412	396,152	395,412
Liabilities under hire purchase agreements - net of current portion	2	-	4,214	-	4,214
Lease liabilities - net of current portion	2	36,384	-	30,066	-
Provision for long-term employee benefits		18,666	16,650	17,365	15,629
<b>Total non-current liabilities</b>		<b>1,777,046</b>	<b>416,276</b>	<b>1,769,427</b>	<b>415,255</b>
<b>Total liabilities</b>		<b>2,941,268</b>	<b>1,790,589</b>	<b>3,235,216</b>	<b>1,836,285</b>

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 2020**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2020</u>	<u>31 December 2019</u>	<u>30 September 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital	12, 17				
Registered					
902,839,834 ordinary shares of Baht 0.5 each (31 December 2019: 648,000,000 ordinary shares of Baht 0.5 each)		451,420	324,000	451,420	324,000
Issued and fully paid-up					
607,498,256 ordinary shares of Baht 0.5 each (31 December 2019: 540,000,000 ordinary shares of Baht 0.5 each)		303,749	270,000	303,749	270,000
Share premium		1,022,482	1,022,482	1,022,482	1,022,482
Convertible debentures - equity component	11	176,828	-	176,828	-
Retained earnings					
Appropriated - statutory reserve		32,400	32,400	32,400	32,400
Unappropriated		1,051,203	896,294	1,113,827	915,870
Other components of shareholders' equity		(11,791)	(6,104)	-	-
<b>Total shareholders' equity</b>		<u>2,574,871</u>	<u>2,215,072</u>	<u>2,649,286</u>	<u>2,240,752</u>
<b>Total liabilities and shareholders' equity</b>		<u>5,516,139</u>	<u>4,005,661</u>	<u>5,884,502</u>	<u>4,077,037</u>
		-	-	-	-

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

.....  
Directors  
.....

(Unaudited but reviewed)

**JKN Global Media Public Company Limited and its subsidiaries****Statement of comprehensive income****For the three-month period ended 30 September 2020**

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from contracts with customers - services		9,188	2,758	-	-
Revenue from contracts with customers - program rights		386,579	412,106	393,052	420,682
Gain on exchange rate		6,047	16,203	6,047	16,204
Other income		8,459	1,878	8,466	2,756
<b>Total revenues</b>		<u>410,273</u>	<u>432,945</u>	<u>407,565</u>	<u>439,642</u>
<b>Expenses</b>					
Cost of services		8,736	10,158	-	-
Cost of program rights		190,889	244,278	191,239	247,271
Selling and servicing expenses		14,396	24,134	15,954	36,886
Administrative expenses		48,784	59,958	42,582	50,504
<b>Total expenses</b>		<u>262,805</u>	<u>338,528</u>	<u>249,775</u>	<u>334,661</u>
<b>Profit from operating activities</b>		<u>147,468</u>	<u>94,417</u>	<u>157,790</u>	<u>104,981</u>
Finance income		311	66	296	67
Finance cost		(40,560)	(26,737)	(40,454)	(26,737)
<b>Profit before income tax expenses</b>		<u>107,219</u>	<u>67,746</u>	<u>117,632</u>	<u>78,311</u>
Income tax expenses	13	(23,215)	(15,286)	(23,234)	(15,490)
<b>Profit for the period</b>		<u>84,004</u>	<u>52,460</u>	<u>94,398</u>	<u>62,821</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currency		7,014	-	-	-
<b>Other comprehensive income for the period</b>		<u>7,014</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>91,018</u>	<u>52,460</u>	<u>94,398</u>	<u>62,821</u>
<b>Earnings per share (Baht)</b>					
15					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.14</u>	<u>0.09</u>	<u>0.16</u>	<u>0.10</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.12</u>	<u>0.09</u>	<u>0.14</u>	<u>0.10</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 2020**

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from contracts with customers - sales		-	9,871	-	9,871
Revenue from contracts with customers - services		23,007	4,188	-	-
Revenue from contracts with customers - program rights		1,249,765	1,264,967	1,273,524	1,286,900
Gain on exchange rate		33,801	-	33,853	-
Other income		20,369	7,698	22,928	10,255
<b>Total revenues</b>		<u>1,326,942</u>	<u>1,286,724</u>	<u>1,330,305</u>	<u>1,307,026</u>
<b>Expenses</b>					
Cost of goods sold		-	3,752	-	3,752
Cost of services		28,098	18,467	-	-
Cost of program rights		671,080	721,355	672,816	733,443
Selling and servicing expenses		25,237	37,771	30,785	52,193
Administrative expenses		144,604	151,096	126,188	132,143
Loss on exchange rate		-	26,271	-	26,272
<b>Total expenses</b>		<u>869,019</u>	<u>958,712</u>	<u>829,789</u>	<u>947,803</u>
<b>Profit from operating activities</b>		<u>457,923</u>	<u>328,012</u>	<u>500,516</u>	<u>359,223</u>
Finance income		908	191	923	218
Finance cost		(118,405)	(68,099)	(118,069)	(68,099)
<b>Profit before income tax expenses</b>		<u>340,426</u>	<u>260,104</u>	<u>383,370</u>	<u>291,342</u>
Income tax expenses	13	(76,168)	(57,524)	(76,064)	(57,776)
<b>Profit for the period</b>		<u>264,258</u>	<u>202,580</u>	<u>307,306</u>	<u>233,566</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(5,687)	-	-	-
<b>Other comprehensive income for the period</b>		<u>(5,687)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>258,571</u>	<u>202,580</u>	<u>307,306</u>	<u>233,566</u>
<b>Earnings per share (Baht)</b>					
15					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.43</u>	<u>0.33</u>	<u>0.51</u>	<u>0.38</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.38</u>	<u>0.33</u>	<u>0.44</u>	<u>0.38</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 cash flows**

**For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>				
Profit before tax	340,426	260,104	383,370	291,342
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	23,154	9,521	15,961	7,978
Amortisation	655,045	694,243	654,937	694,189
Allowance for doubtful accounts	13,145	8,850	13,947	7,942
Unrealised gain on changes in value of securities	(366)	-	(366)	-
Realised gain on sales of securities	(722)	(27)	(722)	(27)
Reversal of impairment loss on intangible assets	-	(7,007)	-	(7,007)
Amortisation of deferred debenture issuing cost and convertible debentures	10,756	7,556	10,756	7,556
Long-term employee benefit expenses	2,016	3,734	1,736	3,384
Unrealised loss (gain) on exchange rate	(35,692)	22,442	(35,692)	22,439
Loss from fair value measurement of derivative assets	2,834	-	2,834	-
Interest expenses	104,772	60,419	104,435	60,419
Profit from operating activities before changes in operating assets and liabilities	1,115,368	1,059,835	1,151,196	1,088,215
Decrease (increase) in operating assets				
Trade and other receivables	109,101	(526,204)	90,172	(572,481)
Inventories	944	3,984	944	3,984
Value added tax receivable	(52,883)	5,065	(53,328)	7,599
Other current assets	6,509	(5,623)	3,737	(4,050)
Other non-current assets	(762)	1,774	-	1,522
Increase (decrease) in operating liabilities				
Trade and other payables	(46,706)	(34,689)	(45,051)	(14,931)
Advance receive for program rights	42,297	(37,211)	32,236	(19,435)
Withholding tax awaiting for submission	1,897	(19)	1,477	(83)
Value added tax awaiting for submission	3,780	-	3,782	-
Other current liabilities	(3,967)	(49)	(904)	1,143
Cash from operating activities	1,175,578	466,863	1,184,261	491,483
Cash paid for interest expenses	(96,379)	(55,277)	(96,379)	(55,277)
Cash paid for corporate income tax	(80,114)	(50,448)	(78,716)	(48,958)
<b>Net cash from operating activities</b>	<b>999,085</b>	<b>361,138</b>	<b>1,009,166</b>	<b>387,248</b>

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 (continued)****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from investing activities</b>				
Purchase of investment in securities	(700,000)	-	(700,000)	-
Cash received from sales of investment in securities	600,572	12,740	600,572	12,740
Increase of investment in subsidiaries	-	-	(320,024)	(68,000)
Acquisition of equipment	(2,988)	(37,830)	(2,763)	(8,536)
Advance payment for purchase of program rights and acquisition of intangible assets - program rights	(1,744,922)	(614,215)	(1,482,777)	(614,965)
Acquisition of computer software	(392)	(7,233)	-	(7,178)
Increase in loans to related parties	-	-	-	800
Increase in restricted bank deposits	(1,100)	(4,088)	(1,100)	(4,088)
<b>Net cash used in investing activities</b>	<b>(1,848,830)</b>	<b>(650,626)</b>	<b>(1,906,092)</b>	<b>(689,227)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institutions	(300,000)	(13,953)	(300,000)	(13,953)
Cash received from long-term loan from financial institution	500,000	-	500,000	-
Cash paid for long-term loan from financial institution	(53,250)	-	(53,250)	-
Net cash received from issuance of debentures	395,900	393,235	395,900	393,235
Cash paid for debenture	(539,200)	-	(539,200)	-
Net cash received from issuance of convertible debentures	1,181,744	-	1,181,744	-
Cash paid for lease liabilities	(18,259)	(3,397)	(16,803)	(3,397)
Dividend paid	(75,600)	(91,799)	(75,600)	(91,799)
<b>Net cash from financing activities</b>	<b>1,091,335</b>	<b>284,086</b>	<b>1,092,791</b>	<b>284,086</b>
<b>Translation adjustments</b>	<b>(5,687)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>235,903</b>	<b>(5,402)</b>	<b>195,865</b>	<b>(17,893)</b>
Cash and cash equivalents at beginning of period	116,940	125,884	100,454	118,099
<b>Cash and cash equivalents at end of period</b>	<b>352,843</b>	<b>120,482</b>	<b>296,319</b>	<b>100,206</b>
	-	-	-	-
<b>Supplement cash flows information</b>				
Non-cash transactions				
Acquisition of equipment but has not yet paid	-	5,852	-	2,184
Acquisition of assets under lease agreements	2,738	-	2,738	-
Acquisition of computer software but has not yet paid	-	1,473	-	1,473
Advance payment for purchase of program rights payable - related party	-	-	262,171	-
Acquisition of program rights but has not yet paid	81,198	43,241	81,198	43,241
Transfer other non-current assets to computer software	4,476	-	4,476	-

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 2020

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>									
	Issued and paid-up		Convertible debentures	Retained earnings		Other components of shareholders' equity		Total other components of shareholders' equity	Total shareholders' equity
	share capital	Share premium	- equity component	Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Deficit on business combination under common control		
<b>Balance as at 1 January 2019</b>	270,000	1,022,482	-	29,771	737,909	-	(6,104)	(6,104)	2,054,058
Total comprehensive income for the period	-	-	-	-	202,580	-	-	-	202,580
Dividend paid (Note 17)	-	-	-	-	(91,799)	-	-	-	(91,799)
<b>Balance as at 30 September 2019</b>	<u>270,000</u>	<u>1,022,482</u>	<u>-</u>	<u>29,771</u>	<u>848,690</u>	<u>-</u>	<u>(6,104)</u>	<u>(6,104)</u>	<u>2,164,839</u>
<b>Balance as at 1 January 2020</b>	270,000	1,022,482	-	32,400	896,294	-	(6,104)	(6,104)	2,215,072
Profit for the period	-	-	-	-	264,258	-	-	-	264,258
Other comprehensive income for the period	-	-	-	-	-	(5,687)	-	(5,687)	(5,687)
Total comprehensive income for the period	-	-	-	-	264,258	(5,687)	-	(5,687)	258,571
Issued the convertible debentures (Note 11)	-	-	176,828	-	-	-	-	-	176,828
Increase in share capital from stock dividend (Note 17)	33,749	-	-	-	(33,749)	-	-	-	-
Dividend paid (Note 17)	-	-	-	-	(75,600)	-	-	-	(75,600)
<b>Balance as at 30 September 2020</b>	<u>303,749</u>	<u>1,022,482</u>	<u>176,828</u>	<u>32,400</u>	<u>1,051,203</u>	<u>(5,687)</u>	<u>(6,104)</u>	<u>(11,791)</u>	<u>2,574,871</u>

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 2020**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Convertible debentures - equity component	Retained earnings		
				Appropriated	Unappropriated	
<b>Balance as at 1 January 2019</b>	270,000	1,022,482	-	29,771	744,153	2,066,406
Total comprehensive income for the period	-	-	-	-	233,566	233,566
Dividend paid (Note 17)	-	-	-	-	(91,799)	(91,799)
<b>Balance as at 30 September 2019</b>	<u>270,000</u>	<u>1,022,482</u>	<u>-</u>	<u>29,771</u>	<u>885,920</u>	<u>2,208,173</u>
<b>Balance as at 1 January 2020</b>	270,000	1,022,482	-	32,400	915,870	2,240,752
Total comprehensive income for the period	-	-	-	-	307,306	307,306
Issued the convertible debentures (Note 11)	-	-	176,828	-	-	176,828
Increase in share capital from stock dividend (Note 17)	33,749	-	-	-	(33,749)	-
Dividend paid (Note 17)	-	-	-	-	(75,600)	(75,600)
<b>Balance as at 30 September 2020</b>	<u>303,749</u>	<u>1,022,482</u>	<u>176,828</u>	<u>32,400</u>	<u>1,113,827</u>	<u>2,649,286</u>
						-

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 2020**

**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 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries, including the film industry. Even though consumers will watch more movies and series, entrepreneurs involved in this business might be affected by the situation. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**1.3 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.

#### 1.4 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 2019. There has been no change in the composition of the Group during the current period, except for investment in JKN Global Content Pte. Ltd. as described in Note 6 to the interim consolidated financial statements.

#### 1.5 New financial reporting standards

##### a) New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

##### Financial reporting standards related to financial instruments

A 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.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of change is described in Note 2 to the interim consolidated financial statements.

### **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

(Unaudited but reviewed)

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment.

#### **b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

### **1.6 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the convertible debentures and the changes in accounting policies related to financial instruments and leases.

#### **1.6.1 Convertible debentures**

Convertible debentures are classified into liability and equity components and these are presented separately in the statements of financial position. In separately presenting such components, the Company determines the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

(Unaudited but reviewed)

The liability component is presented at amortised cost until the conversion or maturity of the debentures. The value of the equity component determined upon the issue of the debentures does not change in subsequent periods.

Expenses for issuance debentures separately recorded between liability and equity component and based on the proportion. The expenses related to liability component deducted from convertible debenture - liability component and amortising over the life of the convertible debentures and expenses related to equity component deducted from equity component and was not amortised.

## **1.6.2 Financial instruments**

### **Classification and measurement**

Financial assets that are debt instruments are measured at fair value through profit or loss.

Financial assets that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

## **1.6.3 Leases**

### ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

(Unaudited but reviewed)

### ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

### ***Short-term leases and Leases of low-value assets***

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

## **2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 1.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			1 January 2020
	31 December 2019	financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investment	164	(164)	-	-
Other current financial assets	-	164	-	164
<b>Non-current assets</b>				
Right-of-use assets	-	-	52,146	52,146

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
The impacts of				
Financial reporting standards related to				
31 December	financial			1 January
2019	instruments	TFRS 16		2020
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of liabilities under				
hire purchase agreements	3,920	-	(3,920)	-
Current portion of lease liabilities	-	-	13,878	13,878
<b>Non-current liabilities</b>				
Liabilities under hire purchase				
agreement - net of current portion	4,214	-	(4,214)	-
Lease liabilities - net of current portion	-	-	46,402	46,402

(Unit: Thousand Baht)

Separate financial statements				
The impacts of				
Financial reporting standards related to				
31 December	financial			1 January
2019	instruments	TFRS 16		2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investment	164	(164)	-	-
Other current financial assets	-	164	-	164
<b>Non-current assets</b>				
Right-of-use assets	-	-	43,148	43,148
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of liabilities under				
hire purchase agreements	3,920	-	(3,920)	-
Current portion of lease liabilities	-	-	12,378	12,378
<b>Non-current liabilities</b>				
Liabilities under hire purchase				
agreement - net of current portion	4,214	-	(4,214)	-
Lease liabilities - net of current portion	-	-	38,904	38,904

(Unaudited but reviewed)

## 2.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value		
		through profit or loss	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>				
Cash and cash equivalents	116,940	-	116,940	116,940
Trade and other receivables	1,816,204	-	1,816,204	1,816,204
Other current financial assets	164	164	-	164
Restricted bank deposits	20,463	-	20,463	20,463
<b>Total financial assets</b>	<b>1,953,771</b>	<b>164</b>	<b>1,953,607</b>	<b>1,953,771</b>

(Unit: Thousand Baht)

Separate financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value		
		through profit or loss	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>				
Cash and cash equivalents	100,454	-	100,454	100,454
Trade and other receivables	1,779,434	-	1,779,434	1,779,434
Other current financial assets	164	164	-	164
Restricted bank deposits	20,463	-	20,463	20,463
<b>Total financial assets</b>	<b>1,900,515</b>	<b>164</b>	<b>1,900,351</b>	<b>1,900,515</b>

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss

(Unaudited but reviewed)

## 2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	48,264	36,611
Less: Short-term leases and leases of low-value assets	(720)	(720)
Add: Option to extend lease term	37,411	31,594
Less: Contracts reassessed as service agreements	(25,751)	(18,624)
Less: Deferred interest expenses	(7,058)	(5,713)
Increase in lease liabilities due to TFRS 16 adoption	52,146	43,148
Liabilities under hire purchase agreements as at 31 December 2019	8,134	8,134
Lease liabilities as at 1 January 2020	<u>60,280</u>	<u>51,282</u>
Comprise of:		
Current lease liabilities	13,878	12,378
Non-current lease liabilities	46,402	38,904
	<u>60,280</u>	<u>51,282</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Buildings and building improvement	52,146	43,148
<b>Total right-of-use assets</b>	<u>52,146</u>	<u>43,148</u>

(Unaudited but reviewed)

### 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				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2020	2019	2020	2019	
<b><u>Transaction with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Revenue from program rights	-	-	7	9	Contract Price
Other income	-	-	1	1	Contract Price
Service expenses	-	-	3	16	Contract Price
<b><u>Transaction with related parties</u></b>					
Revenue from services	4	-	-	-	Contract Price
Rental expenses	3	2	2	1	With reference with market price
Service expenses	5	6	4	6	Contract Price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2020	2019	2020	2019	
<b><u>Transaction with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Revenue from program rights	-	-	24	22	Contract Price
Other income	-	-	3	3	Contract Price
Service expenses	-	-	9	28	Contract Price
<b><u>Transaction with related parties</u></b>					
Revenue from services	10	-	1	-	Contract Price
Rental expenses	11	9	9	8	With reference with market price
Service expenses	12	8	11	8	Contract Price

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2020 and 31 December 2019 between the Group and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<b><u>Trade and other receivables - related parties (Note 4)</u></b>				
Subsidiaries	-	-	12,174	5,445
Related companies (related by common shareholder)	27,863	35,337	181	185
Total trade and other receivables - related parties	27,863	35,337	12,355	5,630
<b><u>Rental deposits</u></b>				
Related company (related by common shareholder)	2,000	2,000	1,838	1,838
Total rental deposits	2,000	2,000	1,838	1,838
<b><u>Trade and other payables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	308,352	49,939
Related companies (related by common shareholder)	1,081	676	782	394
Total trade and other payables - related parties	1,081	676	309,134	50,333
<b><u>Advance receive for program rights - related parties</u></b>				
Subsidiaries	-	-	11,618	21,879
Total advance receive for program rights - related parties	-	-	11,618	21,879
<b><u>Lease liabilities - related party</u></b>				
Related company (related by common shareholder)	44,727	-	36,847	-
Total lease liabilities - related party	44,727	-	36,847	-

(Unaudited but reviewed)

Loans to related party

As at 30 September 2020 and 31 December 2019, the balance of loans between the Group and those related party and the movement are as follows:

(Unit: Thousand Baht)

Loans to	Separate financial statements			
	Balance as at 31 December 2019	Increase during the period	Decrease during the period	Balance as at 30 September 2020
<b>Subsidiary</b>				
JKN News Company Limited	-	10,000	(10,000)	-
Total loans to related party	-	10,000	(10,000)	-

Loans to related party bearing interest at the rate of 5.025% per annum, repayable at call and no guarantee.

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2020 and 2019, 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	financial statements	financial statements
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	10,807	13,596	9,306	11,496
Post-employment benefits	235	314	203	281
Total directors and management's benefits	<u>11,042</u>	<u>13,910</u>	<u>9,509</u>	<u>11,777</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	36,640	41,223	31,756	35,923
Post-employment benefits	795	2,442	699	2,344
Total directors and management's benefits	<u>37,435</u>	<u>43,665</u>	<u>32,455</u>	<u>38,267</u>

(Unaudited but reviewed)

**4. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<b><u>Trade receivables - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	6,690	33,921	7,180	4,227
Past due				
Up to 3 months	2,355	1,284	3,365	1,271
3 - 6 months	17,115	-	515	-
6 - 12 months	-	132	1,295	132
Total	26,160	35,337	12,355	5,630
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	1,007,014	759,529	1,005,606	757,618
Past due				
Up to 3 months	196,639	219,679	195,913	219,113
3 - 6 months	186,972	312,846	186,972	312,846
6 - 12 months	322,479	508,801	322,479	503,986
Over 12 months	25,251	1,952	25,145	1,846
Total	1,738,355	1,802,807	1,736,115	1,795,409
Less: Allowance for doubtful accounts	(36,820)	(23,675)	(36,714)	(22,767)
Net	1,701,535	1,779,132	1,699,401	1,772,642
Total trade receivable - net	1,727,695	1,814,469	1,711,756	1,778,272
<b><u>Other receivables</u></b>				
Other receivable - unrelated parties	869	550	162	12
Accrued income - related party	1,703	-	-	-
Accrued income - unrelated party	295	1,185	-	1,150
Total other receivables	2,867	1,735	162	1,162
Trade and other receivables - net	1,730,562	1,816,204	1,711,918	1,779,434

As at 30 September 2020, the balance of trade receivables consisted of first 13 major customers which presented 96% of total balances (revenue from program rights for the nine-month period ended 30 September 2020 from these customers as percentage of approximately 94% of a total revenue from program rights), 2 domestic customers of these 13 customers were guaranteed by a major customer and customer's business partners.

(Unaudited but reviewed)

In addition, 6 major overseas customers (as at 30 September 2020, 5 overseas customers included in the first 13 major customers and the other who made full repayment in the third quarter of 2020) whose place of business and operations are in different countries but having the same Asia region domain name service provider (Registrar) in a particular country. The Company's management clarified that the major customers are various groups of individuals who have been in business relationships and have conducted business with each other in the program rights trading business, and therefore, it can be believed that the customers may have recommended the domain service provider to each other. During the first quarter of the current year, the Company has entered into partial debt payment insurance agreements for 3 of these debtors with a local financial institution. Therefore, the management believes that the fact that all 6 major customers having the same domain would not have any impact on the undertaking of transactions between the Company and the 6 customers.

During the first quarter of the current year, the Company sold and delivered products, in the form of program rights, to a major customer in the normal course of business. However, during the second quarter of the current year, the major customer entered into a negotiation with the Company over the return of program rights amounting to approximately Baht 83 million that had previously been contracted and delivered and to exchange these for new program rights. The Company issued a credit note to the major customer to maintain the business relationship, and also delivered and recorded sales of the new program rights, amounting to approximately Baht 118 million.

During the current period, the Group has considered setting up an allowance for doubtful accounts for long outstanding trade receivables of Baht 13 million (Separate financial statements: Baht 14 million) and the Company has been able to make partial collection of over Baht 207 million from major customers after the period-end. The Company is accelerating the debt repayment to increase the effectiveness of accounts receivable collection in the future in order to use money for working capital and settlement of liabilities, including loans and debentures that came due.

## 5. Other current financial assets

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
	<u>30 September 2020</u>
<b>Investments in debt instruments measured at fair value through profit or loss</b>	
Investment in securities - cost	100,150
Add: Unrealised gain on changes in value of investments	366
Investments in securities - fair value	<u>100,516</u>
Deposits in financial institutions	164
Total other current financial assets	<u><u>100,680</u></u>

(Unaudited but reviewed)

The fair value hierarchy of the above investments is level 2.

Movements in the investments in securities during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Balance as at 1 January 2020	-
Acquisition during the period	700,000
Disposal during the period	(599,850)
Unrealised gain on changes in value of investments	366
Balance as at 30 September 2020	100,516

## 6. Investment in subsidiaries

Details of investment in subsidiaries as presented in separate financial statements are as follows:

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
			(Percent)	(Percent)		
JKN Global Content Pte. Ltd.	USD 9.3 million	-	100	-	300,024	-
JKN Channel Company Limited	100,000	100,000	100	100	100,000	100,000
JKN News Company Limited	80,000	60,000	100	100	80,000	60,000
JKN IMC Company Limited	10,000	10,000	100	100	10,000	10,000
JKN Knowledge Company Limited	1,000	1,000	100	100	1,000	1,000
Total investment in subsidiaries					491,024	171,000

During the current period, the Company additional invested in share capital in subsidiaries are as follows:

On 2 April 2020, the Company additional invested in an increase share capital of JKN News Company Limited of 200,000 shares at a par value of Baht 100 per shares, totaling Baht 20,000,000, its shareholding in such subsidiary is unchanged at 100%.

On 17 April 2020 and 12 May 2020, the Company invested in share capital of JKN Global Content Pte. Ltd., which was newly incorporated in Singapore of 9,253,937 shares at a par value of USD 1 per shares, totaling USD 9.3 million. The amount of share invested is 100% of paid-up capital.

(Unaudited but reviewed)

**7. Advance payment for purchased program rights and intangible assets - program rights**

Movements of the advance payment for purchased program rights and intangible assets - program right accounts during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

	Advance payment for purchased program rights		Intangible assets - program rights	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2020</b>	411,817	411,817	1,447,099	1,452,344
Addition during the period - at cost	1,723,498	1,723,498	102,622	102,648
Amortisation for the period	(1,535)	(1,535)	(652,019)	(652,019)
Transfer in (out)	(1,224,484)	(1,224,484)	1,224,484	1,224,484
<b>Net book value as at 30 September 2020</b>	<u>909,296</u>	<u>909,296</u>	<u>2,122,186</u>	<u>2,127,457</u>

The Company made a large advance payment for purchased program rights in the nine-month period of 2020 because the Company's management believes that it was a good and appropriate time to make such a purchase. As a result, the outstanding balance of advance payments as at 30 September 2020 was approximately Baht 900 million (higher than that as at 31 December 2019, approximately of Baht 400 million) and the Company has an outstanding balance of intangible assets - program rights of approximately Baht 2,100 million (higher than that as at 31 December 2019, approximately of Baht 1,400 million).

The Coronavirus disease 2019 pandemic (COVID-19) has severely affected to economy and business during the year and this is expected to continue into the future. The Company has to make efforts to preserve business continuity. Therefore, it depends on the ability of the Company to choose appropriate program rights that can be sold at a reasonable price, as well as to amend its future business plans and sale plans in line with the economic situation and current circumstances.

(Unaudited but reviewed)

## 8. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Trade payables - related parties	-	-	305,692	46,991
Trade payables - unrelated parties	88,500	42,939	87,255	41,403
Other payables - related parties	1,005	475	2,551	264
Other payables - unrelated parties	11,150	31,375	8,823	20,813
Accrued expenses - related parties	76	201	891	3,078
Accrued expenses - unrelated parties	74,833	59,399	68,930	56,592
Total trade and other payables	<u>175,564</u>	<u>134,389</u>	<u>474,142</u>	<u>169,141</u>

## 9. Long-term loan from financial institution

(Unit: Thousand Baht)

	Consolidated/Separate financial statements
Long-term loan from financial institution	446,750
Less: Portion due within one year	(127,800)
Long-term loan from financial institution, net of current portion	<u>318,950</u>

Movements of the long-term loan from financial institution during the nine-month period ended 30 September 2020 are summarized below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements
Balance as at 1 January 2020	-
Add: Additional borrowings during the period	500,000
Less: Repayment during the period	(53,250)
Balance as at 30 September 2020	<u>446,750</u>

In April 2020, the Company entered into a long-term loan agreement with a financial institution with a total credit facility not exceeding Baht 500 million. This long-term loan is an unsecured loan and has a tenor of 4 years, bearing interest at MLR-1.375% per annum. The repayment of principal and interest are made on monthly basis commencing on 30 May 2020.

The loan agreements contain several covenants which, among other things, require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

(Unaudited but reviewed)

## 10. Debentures

Movements in the debentures account during the nine-month period ended 30 September 2020 are summarized below.

	(Unit: Thousand Baht) Consolidated/Separate financial statements
Balance as at 1 January 2020	1,288,747
Add: Debenture issuing during the period	400,000
Less: Deferred debenture issuing costs	(4,100)
Add: Amortisation of debentures issuing costs	8,778
Less: Repayment during the period	(539,200)
Balance as at 30 September 2020	1,154,225
Less: Portion due within one year	(758,073)
Debenture, net of current portion	396,152

The debenture No. 2/2018 amounting to Baht 500 million is secured by the Company's ordinary shares which held by the director totaling 86,206,897 shares of average of Baht 11.60 each (calculated based on the average bid price of 30 business days from 5 September 2018 to 17 October 2018) amounting to Baht 1,000 million.

On 17 April 2020, the Annual General Meeting of the Company's shareholders passed the solutions approving the increase in the amount for issuance and offering of the Company's debentures by Baht 1,000 million from the amount not exceeding Baht 1,500 million, to be a total amount not exceeding Baht 2,500 million.

On 24 July 2020, The Company issued the debenture No. 1/2020 to institutional investors or high net worth investors, amounting to Baht 400 million, bearing interest at a fixed rate of 6.60% per annum and have the tenure of 2 years 9 months. The terms of interest payment are every 3 months and the principal is to be redeemed on the debenture redemption date. The debenture is unsubordinated, unsecured debenture with debenture holders' representative in the name - registered certificate. The proceeds were used as the working capital for its operations.

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.

**11. Convertible debentures**

On 24 January 2020, the Company has issued the convertible debentures (Private Placement) to the North Haven Thai Private Equity (“NHTPE”). Key terms and conditions of the convertible debentures are as the following:

Type of debentures	Unsecured and unsubordinated convertible debentures
Maturity	5 years, commencing from the issue date
Issue size	Baht 1,200 million
Currency	Thai Baht
Maturity date	24 January 2025
Put option	At any time after 24 October 2023, for the amount in excess of Baht 500 million the Company shall have the option to extend the Bondholder’s put option until at any time after 24 October 2024
Coupon	3% per annum, the interest will be paid on a quarterly basis
Conversion period	1 year after the issue date up to date falling 10 close of business days before maturity date
Conversion price	Baht 8 per share which the conversion price of the convertible debenture is not lower than 90% of the market price which is calculated based on weighted average price of the Company’s shares trading on the Stock Exchange of Thailand for the past 15 consecutive business days during the period from 24 October 2019 to 13 November 2019, which is equivalent to 6.17 Baht per share.
Conversion ratio	The principal of the convertible debentures divided by the conversion price

Thai Accounting Standard No. 32 “Financial Instruments: Presentation”, requires the issuer of convertible debentures to present the debentures’ liability and equity components separately in the statement of financial position. Therefore, upon issuing the convertible debentures, the Company separated these components, determining the liability component by discounting the stream of future payments of principal and interest at the prevailing market rate. The carrying amount of the equity component was then determined by deducting the liability component from the total carrying value of the convertible debenture.

(Unaudited but reviewed)

The liability component is presented at amortised cost until the conversion or maturity of the debentures. The value of the equity component determined upon the issue of the debentures does not change in subsequent periods.

Movements of convertible debentures net from convertible debenture expenses during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements			
	Convertible debentures - liability component	Convertible debenture expenses	Total	Convertible debentures - equity component
Balance as at 1 January 2020	-	-	-	-
Issuing during the period	1,020,440	(15,524)	1,004,916	176,828
Amortisation of debenture expenses	-	1,978	1,978	-
Balance as at 30 September 2020	<u>1,020,440</u>	<u>(13,546)</u>	<u>1,006,894</u>	<u>176,828</u>

## 12. Share capital

On 24 January 2020, the Company registered the increase of the Company's registered share capital with the Ministry of Commerce from Baht 324 million (648,000,000 shares at a par value of Baht 0.5 each) to Baht 399 million (798,000,000 shares at a par value of Baht 0.5 each) to support the conversion rights of convertible debenture.

On 17 April 2020, the Annual General Meeting of the Company's shareholders passed the solutions approving the increase of the Company's registered share capital by Baht 52.4 million (104,839,834 shares at a par value of Baht 0.5 each) from amounting to Baht 399 million (798,000,000 shares at a par value of Baht 0.5 each) to new registered share capital of Baht 451.4 million (902,839,834 shares at a par value of Baht 0.5 each) to support the stock dividend, the exercise of warrants and the conversion rights of convertible debentures.

(Unaudited but reviewed)

### 13. 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 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	24,541	17,382	24,541	17,382
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(1,326)</u>	<u>(2,096)</u>	<u>(1,307)</u>	<u>(1,892)</u>
<b>Income tax expenses reported in the income statements</b>	<u>23,215</u>	<u>15,286</u>	<u>23,234</u>	<u>15,490</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	80,995	59,027	80,995	59,027
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(4,827)</u>	<u>(1,503)</u>	<u>(4,931)</u>	<u>(1,251)</u>
<b>Income tax expenses reported in the income statements</b>	<u>76,168</u>	<u>57,524</u>	<u>76,064</u>	<u>57,776</u>

#### 14. Warrants

The issuance and offering of the warrants have been approved by the Securities and Exchange Commission on 25 May 2018.

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 1.125 ordinary shares
Exercise Price	:	Baht 13.3333
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

On 8 May 2020, 25 JKN-W1 warrants were exercised to 27 ordinary shares by a warrant holder at a price of Baht 13.3333 per share.

On 9 May 2020, warrants of the Company (JKN-W1) was delisted.

#### 15. 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.

Diluted earnings per share is calculated by dividend profit for the period attributable to the equity holder of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

(Unaudited but reviewed)

The prior year's basic and diluted earnings per shares has been calculated as if the stock dividend had been distributed, at the beginning of the earliest period reported.

Basic earnings per share and diluted earnings per share are calculated below.

Consolidated financial statements						
For the three-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2020	2019	2020	2019	2020	2019	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company						
84,004	52,460	607,498	607,498	0.14	0.09	
<b>Effect of dilutive potential ordinary shares</b>						
Convertible debentures (Note 11)						
9,123	-	150,000	-			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of convertible debentures to ordinary shares						
93,127	52,460	757,498	607,498	0.12	0.09	
Separate financial statements						
For the three-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2020	2019	2020	2019	2020	2019	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company						
94,398	62,821	607,498	607,498	0.16	0.10	
<b>Effect of dilutive potential ordinary shares</b>						
Convertible debentures (Note 11)						
9,123	-	150,000	-			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of convertible debentures to ordinary shares						
103,521	62,821	757,498	607,498	0.14	0.10	

## (Unaudited but reviewed)

Consolidated financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2020	2019	2020	2019	2020	2019	
(Thousand) Baht)	(Thousand) Baht)	(Thousand) shares)	(Thousand) shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company						
264,258	202,580	607,498	607,498	0.43	0.33	
<b>Effect of dilutive potential ordinary shares</b>						
Convertible debentures (Note 11)						
24,882	-	150,000	-			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of convertible debentures to ordinary shares						
289,140	202,580	757,498	607,498	0.38	0.33	
Separate financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2020	2019	2020	2019	2020	2019	
(Thousand) Baht)	(Thousand) Baht)	(Thousand) shares)	(Thousand) shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company						
307,306	233,566	607,498	607,498	0.51	0.38	
<b>Effect of dilutive potential ordinary shares</b>						
Convertible debentures (Note 11)						
24,882	-	150,000	-			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of convertible debentures to ordinary shares						
332,188	233,566	757,498	607,498	0.44	0.38	

No calculation of diluted earnings per share from warrants for the three-month and nine-month periods ended 30 September 2020 and 2019 was made because warrants (JKN-W1) expired in May 2020 and their exercise price was in excess of the weighted average fair value of the Company's ordinary shares, respectively.

## **16. 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 2020 and 2019, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 September											
	Sales of program rights		Advertising services		Other business		Total		Eliminations		Consolidated	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues												
External customers												
- Domestic sales	169	289	5	3	-	-	174	292	-	-	174	289
- Export sales	217	123	-	-	-	-	217	123	-	-	217	123
Inter-segment	7	9	7	16	1	1	15	26	(11)	(26)	4	-
Total revenues	<u>393</u>	<u>421</u>	<u>12</u>	<u>19</u>	<u>1</u>	<u>1</u>	<u>406</u>	<u>441</u>	<u>(11)</u>	<u>(26)</u>	<u>395</u>	<u>412</u>
Segment profit (loss)	201	173	(5)	(5)	1	1	197	169	(2)	(9)	195	160
Other income											8	2
Gain on exchange rate											6	16
Selling and servicing expenses											(14)	(24)
Administrative expenses											(49)	(60)
Finance income											1	-
Finance cost											(40)	(27)
Income tax expenses											(23)	(15)
Profit for the period											<u>84</u>	<u>52</u>

(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									
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues												
External customers												
- Domestic sales	796	873	13	4	-	-	809	877	-	-	809	877
- Export sales	453	402	-	-	-	-	453	402	-	-	453	402
Inter-segment	24	22	20	28	3	3	47	53	(37)	(53)	10	-
Total revenues	<u>1,273</u>	<u>1,297</u>	<u>33</u>	<u>32</u>	<u>3</u>	<u>3</u>	<u>1,309</u>	<u>1,332</u>	<u>(37)</u>	<u>(53)</u>	<u>1,272</u>	<u>1,279</u>
Segment profit (loss)	600	560	(18)	(14)	3	3	585	549	(12)	(13)	573	536
Other income											20	8
Gain on exchange rate											34	-
Selling and servicing expenses											(25)	(38)
Administrative expenses											(145)	(151)
Loss on exchange rate											-	(26)
Finance income											1	-
Finance cost											(118)	(68)
Income tax expenses											(76)	(58)
Profit for the period											<u>264</u>	<u>203</u>

## **17. Dividend**

On 26 April 2019, the Annual Shareholders Meeting of the Company passed the resolutions approving the payment of a dividend from the profit for the year 2018 of Baht 0.17 per share of 540,000,000 ordinary shares, or a total of Baht 91.8 million. The dividend has been paid to shareholders on 23 May 2019.

On 17 April 2020, the Annual General Meeting of the Company's shareholders passed the resolutions approving the payment of a dividend for the year 2019 of Baht 0.2025 per shares, or a total of Baht 109.4 million which comprised by

1. A cash dividend of Baht 0.14 per share or a total of Baht 75.6 million.
2. A stock dividend at a rate of 1 dividend share for every 8 shares held total stock dividend 67,500,000 shares at par value of Baht 0.5 each, or a total of Baht 33.75 million equivalent to a dividend payment of Baht 0.0625 per share. In case there is any shareholders that have a remaining share after appropriated stock dividend, the dividend payment will be a cash dividend of Baht 0.0625 per share.

The dividend has been paid to shareholders on 29 April 2020.

## **18. Commitments and contingent liabilities**

### **18.1 Capital commitments**

- a) As at 30 September 2020, the Group had capital commitments of approximately USD 27 million, relating to purchasing of program rights (31 December 2019: the Group had capital commitments of approximately USD 19 million relating to purchasing of program rights and Baht 1 million relating to purchasing equipment and computer software).
- b) As at 30 September 2020, the Company had capital commitment amounting to USD 1 million (31 December 2019: None) in respect of the uncalled portion of investment in the subsidiary.

### **18.2 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 and the service for the center area and utility system. The terms of the agreements are generally between 1 and 3 years.

(Unaudited but reviewed)

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	31 December	30 September	31 December
	2020	2019	2020	2019
Payable:				
In up to 1 year	15	30	10	22
In over 1 and up to 3 years	7	19	6	14

### 18.3 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 has commitments to pay the royalty fee as stipulated in the agreement amounting to approximately USD 3 million (31 December 2019: USD 3 million).

### 19. Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from purchasing the program right that is denominated in foreign currencies. The Group seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 30 September 2020 and 31 December 2019, 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
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	20.37	24.11	2.80	0.86	31.66	30.15

As at 30 September 2020 and 31 December 2019, foreign exchange contracts outstanding are summarised below.

30 September 2020			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.50	30.07 - 31.50	21 January 2021 - 27 September 2021

  

31 December 2019			
Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.03	30.03	9 November 2020

## 20. Events after the reporting period

On 26 October 2020, the Company's Board of Directors' meeting passed the following significant resolutions:

- Approved the change of the name of the Company's subsidiary from "JKN Channel Co., Ltd." to "JKN Live Co., Ltd." and change the nature of business of the subsidiary from satellite TV station business and airtime service for advertisement to production service, studio leasing, costume rental (apparel and / or accessories), event organizer and artist management.
- Approved the acquisition of all shares in JKN Global Living Network Co., Ltd. of 1,000,000 shares (a par value Baht 100 per shares) at the price Baht 49 per shares, totaling Baht 49,000,000.
- Approved the investment in JKN MNB Co., Ltd., a newly registered company in Thailand. The amount of share invested is 51% of issued share capital.

The Company expected to complete the transactions by the second quarter of 2021.

## 21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2020.