1 General information

TV Thunder Public Company Limited (‘the Company’) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

1213/309 - 10 Soi Ladprao 94 (Panjamit) Srivara Road, Phlapphla, Wangthonglang Bangkok 10310.

For reporting purposes, the Company and its subsidiaries are referred to as ‘the Group’.

The principal business operations of the Group are summarised as follows:

1. Production services for television series and variety shows

2. Providing advertising service and other sales promotion activities

3. Managing, promoting and producing of television programmes, music, series and movies

4. Artist management

This interim consolidated and separate financial information was authorised for issue by the Board of Directors on 9 November 2017.

This interim consolidated and separate financial information has been reviewed, not audited.

2 Accounting policies

**2.1 Basis of preparation**

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for   
the year ended 31 December 2016.

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2016.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

**2.2 Revised accounting standards, revised financial reporting standards, and related interpretations**

The Group has applied the revised financial reporting standards effective on 1 January 2017 which were disclosed to financial statement for the year ended 31 December 2016. The application of those revised financial reporting standards does not have significant impact to the interim financial information.

3 Estimates

The preparation of interim consolidated and separate financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

4 Segment information

The Company reported operating segments in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

The factors used to identify the Group’s reportable segments include types services. There are four reportable segments i.e. (1) advertising business (2) services, events and television programme production business (3) artist management business and (4) other businesses.

The Board of Directors assesses the performance of the operating segments based on revenues from segment. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The Company’s revenues between segments are carried out at arm’s length. The revenue from external parties reported to the Board of Director is measured in a manner consistent with that in the statement of comprehensive income.

4 Segment information (continued)

Financial information of the Group for the three-month period ended 30 September classified by business segment is presented as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2017** | | | | | **2016** | | | | |
|  |  | **Services -** |  |  |  |  | **Services -** |  |  |  |
|  |  | **events and** |  |  |  |  | **events and** |  |  |  |
|  |  | **television** |  |  |  |  | **television** |  |  |  |
|  |  | **program** | **Artist** |  |  |  | **program** | **Artist** |  |  |
|  | **Advertising** | **production** | **management** | **Others** | **Total** | **Advertising** | **production** | **management** | **Others** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |  |  |
| Revenues from operation | 89,545,506 | 126,546,940 | 889,792 | - | 216,982,238 | 115,462,191 | 100,356,814 | 430,234 | 11,943 | 216,261,182 |
| Inter-segment revenue | (6,938,000) | (33,534,039) | (44,400) | - | (40,516,439) | (6,035,250) | (46,865,000) | (64,580) | - | (52,964,830) |
|  |  |  |  |  |  |  |  |  |  |  |
| Total revenues | 82,607,506 | 93,012,901 | 845,392 | - | 176,465,799 | 109,426,941 | 53,491,814 | 365,654 | 11,943 | 163,296,352 |
|  |  |  |  |  |  |  |  |  |  |  |
| Segment result | 14,745,115 | 35,081,078 | 180,200 | - | 50,006,393 | 26,707,556 | 14,024,567 | 77,222 | 3,420 | 40,812,765 |
|  |  |  |  |  |  |  |  |  |  |  |
| Other income |  |  |  |  | 517,027 |  |  |  |  | 1,600,839 |
| Selling and administrative |  |  |  |  |  |  |  |  |  |  |
| expenses |  |  |  |  | (22,911,781) |  |  |  |  | (26,238,847) |
| Finance costs |  |  |  |  | (21,062) |  |  |  |  | (50) |
| Share of profit of associate |  |  |  |  | 166,035 |  |  |  |  | - |
| Income tax expense |  |  |  |  | (5,531,336) |  |  |  |  | (2,379,921) |
|  |  |  |  |  |  |  |  |  |  |  |
| Net profit for the period |  |  |  |  | 22,225,276 |  |  |  |  | 13,794,786 |
|  |  |  |  |  |  |  |  |  |  |  |
| Loss attributable to |  |  |  |  |  |  |  |  |  |  |
| non-controlling interests |  |  |  |  | (693,553) |  |  |  |  | (622,908) |
|  |  |  |  |  |  |  |  |  |  |  |
| Profit attributable |  |  |  |  |  |  |  |  |  |  |
| to owners of the parent |  |  |  |  | 22,918,829 |  |  |  |  | 14,417,694 |

4 Segment information (continued)

Financial information of the Group for the nine-month period ended 30 September classified by business segment is presented as follows:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2017** | | | | | **2016** | | | | |
|  |  | **Services -** |  |  |  |  | **Services -** |  |  |  |
|  |  | **events and** |  |  |  |  | **events and** |  |  |  |
|  |  | **television** |  |  |  |  | **television** |  |  |  |
|  |  | **program** | **Artist** |  |  |  | **program** | **Artist** |  |  |
|  | **Advertising** | **production** | **Management** | **Others** | **Total** | **Advertising** | **production** | **management** | **Others** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |  |  |  |  |
| Revenues from operation | 220,279,984 | 233,057,573 | 2,425,281 | 145,794 | 455,908,632 | 278,072,624 | 272,404,074 | 1,274,510 | 19,259 | 551,770,467 |
| Inter-segment revenue | (24,852,000) | (62,055,139) | (163,160) | - | (87,070,299) | (18,694,000) | (95,935,000) | (80,860) | - | (114,709,860) |
|  |  |  |  |  |  |  |  |  |  |  |
| Total revenues | 195,427,984 | 171,002,434 | 2,262,121 | 145,794 | 368,838,333 | 259,378,624 | 176,469,074 | 1,193,650 | 19,259 | 437,060,607 |
|  |  |  |  |  |  |  |  |  |  |  |
| Segment result | 38,441,404 | 56,882,932 | 461,888 | 98,355 | 95,884,579 | 74,107,031 | 55,967,028 | 271,317 | 1,738 | 130,347,114 |
|  |  |  |  |  |  |  |  |  |  |  |
| Other income |  |  |  |  | 2,240,226 |  |  |  |  | 5,742,949 |
| Selling and administrative |  |  |  |  |  |  |  |  |  |  |
| expenses |  |  |  |  | (74,733,877) |  |  |  |  | (71,555,467) |
| Finance costs |  |  |  |  | (21,062) |  |  |  |  | (145) |
| Share of profit of associate |  |  |  |  | 247,354 |  |  |  |  | - |
| Income tax expense |  |  |  |  | (5,684,525) |  |  |  |  | (11,483,028) |
|  |  |  |  |  |  |  |  |  |  |  |
| Net profit for the period |  |  |  |  | 17,932,695 |  |  |  |  | 53,051,423 |
|  |  |  |  |  |  |  |  |  |  |  |
| Loss attributable to |  |  |  |  |  |  |  |  |  |  |
| non-controlling interests |  |  |  |  | (2,074,027) |  |  |  |  | (622,908) |
|  |  |  |  |  |  |  |  |  |  |  |
| Profit attributable |  |  |  |  |  |  |  |  |  |  |
| to owners of the parent |  |  |  |  | 20,006,722 |  |  |  |  | 53,674,331 |

5 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

The following table presents the Group’s and the Company’s financial assets that are measured at fair value at   
30 September 2017.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | | |
|  | **Unaudited** | | | |
|  | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Financial assets** |  |  |  |  |
| Short-term investments | 2,239,656 | - | - | 2,239,656 |
| Available-for-sale investments | 12,528,325 | - | - | 12,528,325 |
|  |  |  |  |  |
| **Total assets** | 14,767,981 | - | - | 14,767,981 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial information** | | | |
|  | **Unaudited** | | | |
|  | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Financial assets** |  |  |  |  |
| Short-term investments | 2,239,656 | - | - | 2,239,656 |
|  |  |  |  |  |
| **Total assets** | 2,239,656 | - | - | 2,239,656 |

The following table presents the Group’s and the Company’s financial assets that are measured at fair value at   
31 December 2016.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | | |
|  | **Audited** | | | |
|  | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Financial assets** |  |  |  |  |
| Short-term investments | 976,871 | - | - | 976,871 |
| Available-for-sale investments | 75,443,910 | - | - | 75,443,910 |
|  |  |  |  |  |
| **Total assets** | 76,420,781 | - | - | 76,420,781 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial information** | | | |
|  | **Audited** | | | |
|  | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Financial assets** |  |  |  |  |
| Short-term investments | 976,871 | - | - | 976,871 |
| Available-for-sale investments | 61,075,763 | - | - | 61,075,763 |
|  |  |  |  |  |
| **Total assets** | 62,052,634 | - | - | 62,052,634 |

5 Fair value estimation (continued)

The fair value of the following financial assets and liabilities approximate their carrying amount:

* Cash and cash equivalents
* Trade and other receivables
* Trade and other payables

There were no transfers between Levels 1 and 2 during the period.

There were no changes in valuation techniques during the periods.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1.

6 Reclassifications

The Group made change in presentation of pending input VAT and output VAT because during the period, the Group reclassified by presenting pending input VAT separately from pending output VAT. Comparative figures have been reclassified to conform with the current year presentation. As a result as at 31 December 2016, in consolidated financial information, other current assets and other current liabilities increased by Baht 4,633,527 and in separate financial information, other current assets and other current liabilities increased by Baht 2,070,684.

7 Cash and cash equivalents

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | **Separate financial information** | |
|  | **Unaudited** | **Audited** | **Unaudited** | **Audited** |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Cash on hand | 372,589 | 607,052 | 335,700 | 407,632 |
| Deposits held at call with banks | 38,109,483 | 65,146,173 | 24,443,764 | 22,592,567 |
|  |  |  |  |  |
|  | 38,482,072 | 65,753,225 | 24,779,464 | 23,000,199 |

**8 Trade and other receivables, net**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | **Separate financial information** | |
|  | **Unaudited** | **Audited** | **Unaudited** | **Audited** |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade accounts receivable - third parties | 140,730,921 | 88,214,057 | 87,240,722 | 42,685,803 |
| Less Allowance for doubtful accounts | (3,488,733) | (3,488,733) | (3,488,733) | (3,488,733) |
|  |  |  |  |  |
|  | 137,242,188 | 84,725,324 | 83,751,989 | 39,197,070 |
| Trade accounts receivable |  |  |  |  |
| - related parties (Note 20.3)) | - | - | 24,063,765 | 38,299,955 |
| Other receivables - third parties | 1,750,706 | 999,597 | 995,943 | 309,710 |
| Accrued income - television |  |  |  |  |
| programme production | 446,073 | 9,144,696 | 446,073 | 9,144,696 |
| Accrued income - related parties |  |  |  |  |
| (Note 20.3)) | 6,272 | - | 6,272 | - |
| Prepayments - production cost |  |  |  |  |
| and others | 651,339 | 967,355 | 471,504 | 832,195 |
| Prepayments - related parties (Note 20.3)) | - | - | 30,000,000 | 6,448,000 |
|  |  |  |  |  |
|  | 140,096,578 | 95,836,972 | 139,735,546 | 94,231,626 |

Aging of trade accounts receivable can be analysed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **Unaudited** | **Audited** | **Unaudited** | **Audited** |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Within credit term | 130,575,457 | 84,254,716 | 78,664,893 | 38,726,462 |
| Overdue |  |  |  |  |
| Up to 3 months | 5,769,810 | - | 4,190,175 | - |
| 3 - 6 months | 240,750 | 470,608 | 240,750 | 470,608 |
| 6 - 12 months | 656,171 | - | 656,171 | - |
| Over 12 months | 3,488,733 | 3,488,733 | 3,488,733 | 3,488,733 |
|  |  |  |  |  |
|  | 140,730,921 | 88,214,057 | 87,240,722 | 42,685,803 |
| Less Allowance for doubtful accounts | (3,488,733) | (3,488,733) | (3,488,733) | (3,488,733) |
|  |  |  |  |  |
|  | 137,242,188 | 84,725,324 | 83,751,989 | 39,197,070 |

Outstanding amounts due from related parties can be analysed as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **Unaudited** | **Audited** | **Unaudited** | **Audited** |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Within due | - | - | 24,063,765 | 38,299,955 |

Receivables from related parties are mainly from television programme production service, television programme consultant services and television commercial management and public relation services that the Company has provided to Creatist Media Company Limited.

9 Inventories, net

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated financial information** | | **Separate financial information** | |
|  | **Unaudited** | **Audited** | **Unaudited** | **Audited** |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Television programme under production | 52,730,480 | 44,750,546 | 32,558,747 | 43,623,127 |
|  |  |  |  |  |
| Books and CDs | 18,975 | 3,454,098 | 18,975 | 3,454,098 |
| Less Allowance for obsoleted inventories | - | (3,289,998) | - | (3,289,998) |
|  |  |  |  |  |
|  | 18,975 | 164,100 | 18,975 | 164,100 |
|  |  |  |  |  |
| Other inventories | 2,614,713 | 2,586,397 | 2,614,713 | 2,586,397 |
|  |  |  |  |  |
| Total | 55,364,168 | 47,501,043 | 35,192,435 | 46,373,624 |

**10 Available-for-sale investments**

The movements of available-for-sale investments mainly represent mutual funds during the nine-month period ended 30 September 2017 are as follows:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated** | **Separate** |
|  | **financial information** | **financial information** |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening balance | 75,443,910 | 61,075,763 |
| Purchases of securities | 15,000,000 | 15,000,000 |
| Disposals of securities | (77,945,374) | (76,000,000) |
| Change in revaluation | 29,789 | (75,763) |
|  |  |  |
| Closing balance | 12,528,325 | - |

**11 Investments in subsidiaries and associates**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial information** | | | |
|  | **Unaudited** | | | |
|  | **30 September 2017** | | | |
|  |  |  | **Percentage** | **Investment** |
|  | **Type of** | **Country of** | **of holding** | **Cost method** |
| **Company** | **business** | **incorporation** | **%** | **Baht** |
|  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |
| Creatist Media Co., Ltd. | Advertising | Thailand | 100 | 26,462,547 |
| EM Entertainment Co., Ltd. | Artist management | Thailand | 100 | 9,876,910 |
|  | Television |  |  |  |
| Bigbrain Co., Ltd. | programme production | Thailand | 51 | 4,080,000 |
|  |  |  |  |  |
| Total investments in subsidiaries |  |  |  | 40,419,457 |
| Less Allowance for impairment |  |  |  | (2,920,661) |
|  |  |  |  |  |
| Investments in subsidiaries, net |  |  |  | 37,498,796 |
|  |  |  |  |  |
| **Associates** |  |  |  |  |
|  | Video management on |  |  |  |
| Moindy Digital Co., Ltd | advertising media | Thailand | 33 | 14,000,000 |
|  | Online game and online |  |  |  |
|  | game and software |  |  |  |
| Triple S Interactive Co., Ltd. | development | Thailand | 50 | 2,500,000 |
|  |  |  |  |  |
| Total investment in associates |  |  |  | 16,500,000 |

**11 Investments in subsidiaries and associates** (continued)

**On** 9 **May** 2017**, the Board of Directors Meeting** 2/2017of the Company approved to invest in 10,000 ordinary shares at par value of Baht 100 per share and invest in 5,000 preferred shares at par value of Baht 2,600 per share of Moindy Digital Co., Ltd totalling Baht 14 million, which represents the ownership interest of 33.33%. The Company paid-up in full for subscribed shares in May 2017.

At the Executive Committees’ Meeting no. 5/2017 held on 18 July 2017, the executive committees passed a resolution approving the investment in newly established joint venture by EM Entertainment Co., Ltd., a subsidiary of the Company, totalling Baht 2,000,000 representing 50% of interest. The joint venture is established for the purpose of reality show production.

**On** 9 August 2017, the Executives Meeting no. 7/2017 of the Company approved to invest in 25,000 ordinary shares at par value of Baht 100 per share of Triple S Interactive Co., Ltd totalling Baht 2.5 million, which represents the ownership interest of 50%. The Company paid-up in full for subscribed shares in August 2017.

Triple S Interactive Co., Ltd. is deemed an associate of the Group so it isn’t included in the consolidated financial information. TV Thunder Public Company Limited and another shareholder each have 50% ownership interest in Triple S, but neither has control over it. Both shareholders can appoint up to two representatives to board of directors and shareholders meetings. Every meeting requires more than half of all directors to set up the meeting, and meeting resolutions are approved by a majority vote.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Separate financial information** | | | |
|  | **Audited** | | | |
|  | **31 December 2016** | | | |
|  |  |  | **Percentage** | **Investment** |
|  | **Type of** | **Country of** | **of holding** | **Cost method** |
| **Company** | **business** | **incorporation** | **%** | **Baht** |
|  |  |  |  |  |
| Creatist Media Co., Ltd. | Advertising | Thailand | 100 | 26,462,547 |
| EM Entertainment Co., Ltd. | Artist management | Thailand | 100 | 9,876,910 |
|  | Television |  |  |  |
| Bigbrain Co., Ltd. | programme production | Thailand | 51 | 4,080,000 |
|  |  |  |  |  |
| Total investments in subsidiaries |  |  |  | 40,419,457 |
| Less Allowance for impairment |  |  |  | (2,920,661) |
|  |  |  |  |  |
| Investments in subsidiaries, net |  |  |  | 37,498,796 |

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

The above allowance for impairment represents the allowance for impairment of the investment in EM Entertainment Co., Ltd. due to its continued loss over recent periods.

**12** **Property plant and equipment and computer software, net**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **Property,** |  | **Property,** |  |
|  | **plant and** | **Computer** | **plant and** | **Computer** |
| **For the nine-month period ended** | **equipment** | **software** | **equipment** | **software** |
| **30 September 2017** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Opening net book amount | 432,288,122 | 1,632,512 | 428,992,057 | 1,613,358 |
| Additions | 6,076,235 | 18,900 | 5,531,185 | 18,900 |
| Disposals, net | (4,514) | (24) | (4,054) | (24) |
| Depreciation/Amortisation | (12,380,173) | (416,556) | (11,407,355) | (412,659) |
|  |  |  |  |  |
| Closing net book amount | 425,979,670 | 1,234,832 | 423,111,833 | 1,219,575 |

On 31 December 2016, the Company pledged part of land and buildings at net book value of Baht 116.31 million   
as collateral for credit facilities obtained from a financial institution (Note 19).

The Company subsequently unpledged all of this part of land and buildings in May 2017 (Note 19).

13 Trade and other payables

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **Unaudited** | **Audited** | **Unaudited** | **Audited** |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Trade payables - others | 46,900,006 | 36,480,301 | 45,177,147 | 33,297,607 |
| Trade payables - related parties |  |  |  |  |
| (Note 20.3)) | - | - | 1,111,237 | 725,853 |
| Other payables - others | 25,778 | 28,180 | - | 8,346 |
| Other payables - related parties (Note 20.3)) | - | - | 105,000 | - |
| Accrued rebates for advertising |  |  |  |  |
| agencies | 2,592,000 | 2,502,334 | 1,467,000 | 2,018,584 |
| Other accrued expenses | 31,199,003 | 35,074,196 | 10,563,145 | 4,439,433 |
|  |  |  |  |  |
|  | 80,716,787 | 74,085,011 | 58,423,529 | 40,489,823 |

14 Finance lease liabilities

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and**  **Separate financial information** | |
|  | **Unaudited**  **30 September**  **2017** | **Audited**  **31 December**  **2016** |
|  | **Baht** | **Baht** |
|  |  |  |
| Finance lease liabilities | 2,088,000 | - |
| Less Deferred interest | (320,866) | - |
|  |  |  |
| Net | 1,767,134 | - |
| Less Current portion | (318,385) | - |
|  |  |  |
| Net | 1,448,749 | - |

The Company had liabilities under financial lease contracts with the details of payment as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated and Separate financial statements** | | | | | |
|  | **Unaudited** | | | **Audited** | | |
|  | **30 September 2017** | | | **31 December 2016** | | |
|  |  |  | **Present** |  |  | **Present** |
|  | **Future** |  | **value** | **Future** |  | **value** |
|  | **minimun** |  | **of minimum** | **minimun** |  | **of minimum** |
|  | **lease** | **Deferred** | **lease** | **lease** | **Deferred** | **lease** |
|  | **payment** | **interest** | **payment** | **payment** | **interest** | **payment** |
|  | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |  |  |
| Not later than one year | 432,000 | (113,615) | 318,385 | - | - | - |
| Later than 1 year |  |  |  |  |  |  |
| but not later than 5 years | 1,656,000 | (207,251) | 1,448,749 | - | - | - |
|  |  |  |  |  |  |  |
| Total | 2,088,000 | (320,866) | 1,767,134 | - | - | - |

**15 Warrants**

**Warrants to purchase ordinary shares TVT-W1**

On 17 May 2016, the Company issued warrants to offer to its existing shareholders according to the approval at the Annual General Meeting of the Company’s shareholdings for the year 2016, held on 25 April 2016, detailed as follows:

Type of warrants : To be issued under the names of respective holders and transferable.

Term of warrants : 2 years from the issuing and offering date

Number of warrants : 199,999,976 units

Ratio : 4 existing ordinary shares per 1 warrant

Offering price : Baht 0 per unit

Exercise ratio : 1 warrant per 1 ordinary share

Exercise price : Baht 1.50 per share

Exercise dates : 30 June 2017,

29 December 2017 and

16 May 2018

Last exercise date : 16 May 2018

On 30 September 2017, none of TVT-W1 warrants was exercised.

**16 Legal reserve**

|  |  |  |
| --- | --- | --- |
|  | Consolidated and Separate financial information | |
|  | **Unaudited** | **Audited** |
|  | **30 September** | 31 December |
|  | **2017** | 2016 |
|  | **Baht** | **Baht** |
|  |  |  |
| Opening balance | 8,890,687 | 6,376,578 |
| Additions | 836,181 | 2,514,109 |
|  |  |  |
| Closing balance | 9,726,868 | 8,890,687 |

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

17 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of issued ordinary shares during the period.

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding by assuming conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is warrants (Note 15). These warrants were only issued to the existing shareholders of the Company. The warrants are assumed to have been converted into ordinary shares, assuming that all warrants were exercised by considering the fair values of rights to purchase new ordinary shares. The purpose of this calculation is to determine the number of additional ordinary shares to be added to the number of shares currently held in the calculation of diluted earnings per share. No adjustment is made to earnings.

17 Earnings per share (continued)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month period** |  | |  | |
| **ended 30 September** | **2017** | **2016** | **2017** | **2016** |
|  |  |  |  |  |
| Profit attributable to shareholders (Baht) | 22,918,829 | 14,417,694 | 18,162,864 | 13,428,411 |
| Weighted average number of |  |  |  |  |
| ordinary shares (Shares) | 800,000,000 | 800,000,000 | 800,000,000 | 800,000,000 |
| Weighted average number of |  |  |  |  |
| ordinary shares to be issued for |  |  |  |  |
| warrants - TVT-W1(Shares) (Note 15) | 2,631,579 | 42,931,932 | 2,631,579 | 42,931,932 |
|  |  |  |  |  |
| Weighted average number of ordinary |  |  |  |  |
| shares including diluted ordinary |  |  |  |  |
| shares (Shares) | 802,631,579 | 842,931,932 | 802,631,579 | 842,931,932 |
|  |  |  |  |  |
| Basic earnings per share (Baht) | 0.03 | 0.02 | 0.02 | 0.02 |
| Diluted earnings per share (Baht) | 0.03 | 0.02 | 0.02 | 0.02 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month period** |  | |  | |
| **ended 30 September** | **2017** | **2016** | **2017** | **2016** |
|  |  |  |  |  |
| Profit attributable to shareholders (Baht) | 20,006,722 | 53,674,331 | 16,723,618 | 55,272,797 |
| Weighted average number of |  |  |  |  |
| ordinary shares (Shares) | 800,000,000 | 800,000,000 | 800,000,000 | 800,000,000 |
| Weighted average number of |  |  |  |  |
| ordinary shares to be issued for |  |  |  |  |
| warrants - TVT-W1(Shares) (Note 15) | 2,631,579 | 21,465,966 | 2,631,579 | 21,465,966 |
|  |  |  |  |  |
| Weighted average number of ordinary |  |  |  |  |
| shares including diluted ordinary |  |  |  |  |
| shares (Shares) | 802,631,579 | 821,465,966 | 802,631,579 | 821,465,966 |
|  |  |  |  |  |
| Basic earnings per share (Baht) | 0.03 | 0.07 | 0.02 | 0.07 |
| Diluted earnings per share (Baht) | 0.02 | 0.07 | 0.02 | 0.07 |

**18 Dividend**

At the Annual General Meeting of Shareholders held on 25 April 2016, the shareholders passed a resolution approving dividend payment at Baht 0.10 per share (Baht 40 million from its operating results for 2015 and Baht 40 million from unappropriated retained earnings) for 800 million shares, totalling Baht 80 million. The dividends were distributed on 24 May 2016.

At the Annual General Meeting of Shareholders held on 25 April 2017, the shareholders passed a resolution approving dividend payments at Baht 0.045 per share for 800 million shares, totalling Baht 36 million. The dividends were distributed on 24 May 2017.

**19 Credit facilities**

The Group and the Company has the following undrawn borrowing facilities:

|  |  |  |
| --- | --- | --- |
|  | **Consolidated and Separate financial information** | |
|  | **Unaudited** | **Audited** |
|  | **30 September** | **31 December** |
|  | **2017** | **2016** |
|  | **Baht** | **Baht** |
|  |  |  |
| Bank overdrafts | 17,000,000 | 17,000,000 |
| Promissory notes | 20,000,000 | 20,000,000 |
| Long-term borrowings | - | 105,000,000 |

On 31 December 2016, the Company pledged part of land and buildings as collateral for long-term borrowings but unpledged them in May 2017 as disclosed in Note 12.

20 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by related persons within the same family being Wannapinyo family, which owns 55.42% of the Company’s shares. The remaining 44.58% of the shares are widely held. The investments in subsidiaries are set out in Note 11.

Significant pricing policies for particular types of transactions are explained further below:

|  |  |
| --- | --- |
|  | **Term and basis** |
|  |  |
| Revenue from rendering of services | Determined at the price approximate to other customers. |
| Cost of services, Artists’ compensation | Determined at the price nearly to other customers. |

The following significant transactions were carried out with related parties:

**20.1) Sales of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month periods** |  |  |  |  |
| **ended 30 September** | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |
| Sales of television programme |  |  |  |  |
| production services | - | - | 38,722,400 | 50,165,250 |
| Revenue from studio rental | - | - | 144,000 | 55,000 |
| Interest income on |  |  |  |  |
| short-term loans | - | - | - | 1,333 |
|  |  |  |  |  |
| **Associate** |  |  |  |  |
| Interest income on short-term loans | 6,272 | - | 6,272 | - |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month periods** |  |  |  |  |
| **ended 30 September** | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |
| Sales of television programme |  |  |  |  |
| production services | - | - | 83,640,600 | 111,074,000 |
| Revenue from studio rental | - | - | 432,000 | 55,000 |
| Interest income on |  |  |  |  |
| short-term loans | - | - | - | 1,333 |
|  |  |  |  |  |
| **Associate** |  |  |  |  |
| Interest income on short-term loans | 6,272 | - | 6,272 | - |

20 Related party transactions (continued)

The following significant transactions were carried out with related parties: (continued)

**20.2) Purchases of services and others**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month periods** |  |  |  |  |
| **ended 30 September** | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |
| Artists’ compensation | - | - | 7,000 | 63,380 |
| Cost of advertising | - | - | 652,560 | 80,000 |
| Cost of services | - | - | 1,819,039 | - |
|  |  |  |  |  |
| **Directors** |  |  |  |  |
| Cost of services | 71,100 | - | 1,100 | - |
|  |  |  |  |  |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month periods** |  |  |  |  |
| **ended 30 September** | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |
| Artists’ compensation | - | - | 106,710 | 146,460 |
| Cost of advertising | - | - | 1,108,560 | 900,000 |
| Cost of services | - | - | 1,819,039 | - |
|  |  |  |  |  |
| **Directors** |  |  |  |  |
| Cost of services | 371,100 | - | 301,100 | - |

**20.3) Outstanding balances arising from sales/purchases of goods and services**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **Unaudited** | **Audited** | **Unaudited** | **Audited** |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |
| Trade accounts receivable | - | - | 24,063,765 | 38,299,955 |
| Prepayments - production cost |  |  |  |  |
| and others | - | - | 30,000,000 | 6,448,000 |
| Trade accounts payable | - | - | 1,111,237 | 725,853 |
| Other payable | - | - | 105,000 | - |
|  |  |  |  |  |
| **Associate** |  |  |  |  |
| Accrued income | 6,272 | - | 6,272 | - |

**20.4) Short-term loan to related party**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **Unaudited** | **Audited** | **Unaudited** | **Audited** |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Related party | 4,500,000 | - | 4,500,000 | - |

The Company loans to related party. Such loan is repayable on demand with fixed interest at the rate 1.375% per annum.

20 Related party transactions (continued)

The following significant transactions were carried out with related parties: (continued)

**20.5) Key management compensation**

The compensation paid or payable to key management for employee service are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the three-month periods** |  |  |  |  |
| **ended 30 September** | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits |  |  |  |  |
| (salary, bonus and other allowances) | 8,316,874 | 7,248,194 | 5,774,598 | 5,407,694 |
| Post-employee benefits | 210,314 | 180,627 | 188,915 | 176,998 |
|  |  |  |  |  |
|  | 8,527,188 | 7,428,821 | 5,963,513 | 5,584,692 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
| **For the nine-month periods** |  |  |  |  |
| **ended 30 September** | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Short-term employee benefits |  |  |  |  |
| (salary, bonus and other allowances) | 24,795,248 | 21,768,722 | 17,245,086 | 16,247,222 |
| Post-employee benefits | 630,940 | 541,885 | 566,743 | 530,996 |
|  |  |  |  |  |
|  | 25,426,188 | 22,310,607 | 17,811,829 | 16,778,218 |

**21** **Contingent liabilities**

Bank guarantee

Banks have provided guarantees on behalf of the Company and the Group as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial information** | | **Separate**  **financial information** | |
|  | **Unaudited** | **Audited** | **Unaudited** | **Audited** |
|  | **30 September** | **31 December** | **30 September** | **31 December** |
|  | **2017** | **2016** | **2017** | **2016** |
|  | **Baht** | **Baht** | **Baht** | **Baht** |
|  |  |  |  |  |
| Guarantee for utilities | 625,000 | 625,000 | 625,000 | 625,000 |
| Guarantee for goods payment | 206,000 | 206,000 | 206,000 | 206,000 |
| Guarantee for service agreement | - | 1,262,814 | - | 1,262,814 |
|  |  |  |  |  |
|  | 831,000 | 2,093,814 | 831,000 | 2,093,814 |

The guarantees are issued in the ordinary course of business. No liabilities are expected to arise from the above guarantees.