

MBK Public Company Limited and its subsidiaries  
Review report and interim financial statements  
For the three-month and six-month periods ended 30 June 2017

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of MBK Public Company Limited

I have reviewed the accompanying consolidated statement of financial position MBK Public Company Limited and its subsidiaries as at 30 June 2016, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of MBK Public Company Limited for the same periods. 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 auditing standards 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.

Nonglak Pumnoi

Certified Public Accountant (Thailand) No. 4172

EY Office Limited

Bangkok: 10 August 2017

**MBK Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 June 2017**

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	526,894	532,716	71,549	68,143
Current investments	2, 4	2,957,129	3,095,565	1,942,413	2,163,719
Trade and other receivables	2, 5	403,664	402,075	122,012	100,064
Short-term loans to related companies	2	117,094	75,248	8,828,075	8,061,168
Current portion of loans to customers	2, 6	2,937,039	1,807,800	-	574
Inventories	7	2,862,791	3,066,427	35,910	38,247
Other current assets		275,206	240,870	13,888	14,893
<b>Total current assets</b>		<b>10,079,817</b>	<b>9,220,701</b>	<b>11,013,847</b>	<b>10,446,808</b>
<b>Non-current assets</b>					
Restricted fixed deposits		5,818	5,813	-	-
Investments in associates	8	3,722,208	3,723,703	1,795,917	1,794,801
Investment in joint venture	9	100,189	121,720	-	-
Investments in subsidiaries	10	-	-	13,942,811	13,392,257
Other long-term investments	2, 11	6,636,291	6,335,054	6,008,635	5,717,598
Loans to customers - net of current portion	2, 6	6,809,466	6,447,620	-	-
Investment properties	12	9,755,642	10,010,533	5,290,596	5,378,708
Land held for development		519,557	519,557	-	-
Property, plant and equipment	13	4,424,717	4,574,106	884,265	920,947
Leasehold rights		250,288	262,312	-	-
Prepaid rental fee	16	602,709	520,620	602,709	520,620
Goodwill		72,033	72,033	-	-
Intangible assets		93,788	88,267	72,725	67,463
Deferred tax asset		549,344	493,065	444,746	397,460
Property foreclosed		119,519	117,752	-	-
Other non-current assets		4,634	4,845	75	75
<b>Total non-current assets</b>		<b>33,666,203</b>	<b>33,297,000</b>	<b>29,042,479</b>	<b>28,189,929</b>
<b>Total assets</b>		<b>43,746,020</b>	<b>42,517,701</b>	<b>40,056,326</b>	<b>38,636,737</b>

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

**MBK Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 30 June 2017**

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	14	1,955,022	1,330,209	1,460,000	800,000
Trade and other payables	2	912,550	1,069,794	400,964	435,596
Short-term loans from other company		22,699	26,059	2,780	5,559
Short-term loans from related companies	2	245,000	223,000	4,028,027	4,163,844
Current portion of long-term debentures	15	999,624	-	999,624	-
Current portion of advance rental and service deposits		568,928	532,927	514,084	488,724
Current portion of long-term lease liabilities under financial lease agreements	2, 16	51,796	31,445	51,796	31,445
Corporate income tax payable		183,691	166,335	53,926	34,697
Other current liabilities	2	673,440	676,997	247,140	302,509
<b>Total current liabilities</b>		<b>5,612,750</b>	<b>4,056,766</b>	<b>7,758,341</b>	<b>6,262,374</b>
<b>Non-current liabilities</b>					
Long-term debentures - net of current portion	15	8,094,186	9,093,026	8,094,186	9,093,026
Advance rental and service deposits - net of current portion		1,255,192	1,461,395	1,588,289	1,803,066
Long-term liabilities under financial lease agreements - net of current portion	2, 16	4,804,024	4,999,838	4,804,024	4,999,838
Provision for long-term employee benefits		190,437	181,813	79,090	75,671
Deferred tax liabilities		1,306,563	1,195,104	879,926	782,418
Deposits	2	1,140,115	1,163,604	765,594	768,039
Other non-current liabilities		12,952	13,974	23,530	26,737
<b>Total non-current liabilities</b>		<b>16,803,469</b>	<b>18,108,754</b>	<b>16,234,639</b>	<b>17,548,795</b>
<b>Total liabilities</b>		<b>22,416,219</b>	<b>22,165,520</b>	<b>23,992,980</b>	<b>23,811,169</b>

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

**MBK Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

As at 30 June 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
	1,707,960,000 ordinary shares of Baht 1 each	1,707,960	1,707,960	1,707,960
Issued and paid-up				
	1,707,960,000 ordinary shares of Baht 1 each	1,707,960	1,707,960	1,707,960
	Premium on ordinary shares	1,276,038	1,276,038	1,276,038
Difference between the lower acquisition cost of business and fair value				
		172,206	172,206	-
Surplus from the change in the ownership interests in a subsidiary				
		2,015	-	-
Retained earnings				
	Appropriated - statutory reserve	200,000	200,000	200,000
	Unappropriated	13,001,129	12,444,607	9,358,042
	Other components of shareholders' equity	4,076,170	3,617,935	3,521,306
Equity attribute to owners of the Company before treasury stock and non-controlling interests of the subsidiaries				
		20,435,518	19,418,746	16,063,346
	Less: Treasury stock	(711,994)	(711,994)	-
	Equity attributable to owners of the Company	19,723,524	18,706,752	16,063,346
	Non-controlling interests of subsidiaries	1,606,277	1,645,429	-
	<b>Total shareholders' equity</b>	<b>21,329,801</b>	<b>20,352,181</b>	<b>16,063,346</b>
	<b>Total liabilities and shareholders' equity</b>	<b>43,746,020</b>	<b>42,517,701</b>	<b>38,636,737</b>

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

(Unaudited but reviewed)

**MBK Public Company Limited and its subsidiaries****Statements of comprehensive income****For the three-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		621,268	972,295	-	-
Service and rental income		1,095,902	1,070,236	706,577	712,424
Revenue from hotel operations		271,242	314,044	158,015	154,447
Revenue from financial business	18	410,632	316,734	897	1,166
Other income					
Interest income		3,201	3,575	105,448	73,562
Dividend income		215,066	235,092	1,212,105	1,377,015
Gains on sales of investments		170	-	-	-
Others		21,391	22,432	3,406	3,176
<b>Total revenues</b>		<b>2,638,872</b>	<b>2,934,408</b>	<b>2,186,448</b>	<b>2,321,790</b>
<b>Expenses</b>					
Cost of sales		435,591	693,578	-	-
Cost of service and rental		674,597	650,946	364,136	348,031
Direct hotel operating expenses		220,633	212,437	114,268	112,205
Selling expenses		168,018	156,102	45,301	36,500
Administrative expenses		400,012	405,841	128,961	118,673
<b>Total expenses</b>		<b>1,898,851</b>	<b>2,118,904</b>	<b>652,666</b>	<b>615,409</b>
<b>Profit before share of profit from investments in associates and joint venture, finance costs and income tax expenses</b>					
		740,021	815,504	1,533,782	1,706,381
Share of profit from investments in associates and joint venture	8.2, 9.2	18,507	21,961	-	-
<b>Profit before finance costs and income tax expenses</b>		<b>758,528</b>	<b>837,465</b>	<b>1,533,782</b>	<b>1,706,381</b>
Finance costs		(159,429)	(167,592)	(221,478)	(220,406)
<b>Profit before income tax expenses</b>		<b>599,099</b>	<b>669,873</b>	<b>1,312,304</b>	<b>1,485,975</b>
Income tax expenses	19	(68,065)	(86,362)	(13,981)	(20,772)
<b>Profit for the periods</b>		<b>531,034</b>	<b>583,511</b>	<b>1,298,323</b>	<b>1,465,203</b>

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

(Unaudited but reviewed)

**MBK Public Company Limited and its subsidiaries**

**Statements of comprehensive income (continued)**

**For the three-month period ended 30 June 2017**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
Note	2017	2016	2017	2016
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods - net of income tax:</i>				
19				
Losses on change in value of in available-for-sale investments	(198,450)	(161,313)	(222,092)	(428,262)
Unrealised gains (losses) on investments in loans	305	(133)	305	(133)
Gains (losses) on changes in values of available-for-sale investments of an associate	1,809	(6,548)	-	-
Unrealised gains (losses) on investments in loans of an associate	(4,814)	2,135	-	-
Translation adjustment of an associate	(5,058)	(798)	-	-
<b>Other comprehensive income for the periods</b>	<b>(206,208)</b>	<b>(166,657)</b>	<b>(221,787)</b>	<b>(428,395)</b>
<b>Total comprehensive income for the periods</b>	<b>324,826</b>	<b>416,854</b>	<b>1,076,536</b>	<b>1,036,808</b>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	533,378	588,229	1,298,323	1,465,203
Non-controlling interest of the subsidiaries	(2,344)	(4,718)		
	<b>531,034</b>	<b>583,511</b>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	327,368	422,576	1,076,536	1,036,808
Non-controlling interest of the subsidiaries	(2,542)	(5,722)		
	<b>324,826</b>	<b>416,854</b>		
(Unit: Baht)				
<b>Earnings per share</b>				
20				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.40	0.44	0.76	0.86

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

(Unaudited but reviewed)

**MBK Public Company Limited and its subsidiaries****Statements of comprehensive income****For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		1,159,778	2,092,845	-	-
Service and rental income		2,214,070	2,207,496	1,402,163	1,430,497
Revenue from hotel operations		651,081	699,693	334,583	340,353
Revenue from financial business	18	783,433	606,651	1,943	2,426
Other income					
Interest income		4,817	6,779	206,334	139,119
Dividend income		215,066	246,994	1,220,985	1,388,856
Gains on sales of investments		21,204	11,182	21,034	11,182
Others		42,560	43,254	7,297	4,667
<b>Total revenues</b>		<b>5,092,009</b>	<b>5,914,894</b>	<b>3,194,339</b>	<b>3,317,100</b>
<b>Expenses</b>					
Cost of sales		786,674	1,462,696	-	-
Cost of service and rental		1,360,578	1,307,243	724,361	696,346
Direct hotel operating expenses		452,158	435,344	230,885	224,740
Selling expenses		323,414	319,316	94,083	77,059
Administrative expenses		795,467	807,733	261,367	242,300
<b>Total expenses</b>		<b>3,718,291</b>	<b>4,332,332</b>	<b>1,310,696</b>	<b>1,240,445</b>
<b>Profit before share of profit from investments in associates and joint venture, finance costs and income tax expenses</b>					
		1,373,718	1,582,562	1,883,643	2,076,655
Share of profit from investments in associates and joint venture	8.2, 9.2	103,502	80,931	-	-
<b>Profit before finance costs and income tax expenses</b>		<b>1,477,220</b>	<b>1,663,493</b>	<b>1,883,643</b>	<b>2,076,655</b>
Finance costs		(300,385)	(339,923)	(439,738)	(441,827)
<b>Profit before income tax expenses</b>		<b>1,176,835</b>	<b>1,323,570</b>	<b>1,443,905</b>	<b>1,634,828</b>
Income tax expenses	19	(183,766)	(218,105)	(33,057)	(47,578)
<b>Profit for the periods</b>		<b>993,069</b>	<b>1,105,465</b>	<b>1,410,848</b>	<b>1,587,250</b>

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



(Unaudited but reviewed)

**MBK Public Company Limited and its subsidiaries****Statements of comprehensive income (continued)****For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods - net of income tax:</i>				
19				
Gains on change in value of in available-for-sale investments	466,222	440,906	389,775	75,586
Unrealised gains (losses) on investments in loans	783	(7,266)	783	(7,266)
Gains on changes in values of available-for-sale investments of an associate	15,871	45,274	-	-
Unrealised losses on investments in loans of an associate	(5,162)	(907)	-	-
Translation adjustment of an associate	(18,258)	(9,713)	-	-
	<u>459,456</u>	<u>468,294</u>	<u>390,558</u>	<u>68,320</u>
<i>Other comprehensive income not to be reclassified</i>				
<i>to profit or loss in subsequent periods - net of income tax:</i>				
Actuarial losses	(432)	-	-	-
	<u>(432)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the periods</b>	<u>459,024</u>	<u>468,294</u>	<u>390,558</u>	<u>68,320</u>
<b>Total comprehensive income for the periods</b>	<u>1,452,093</u>	<u>1,573,759</u>	<u>1,801,406</u>	<u>1,655,570</u>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	997,373	1,123,448	1,410,848	1,587,250
Non-controlling interest of the subsidiaries	(4,304)	(17,983)		
	<u>993,069</u>	<u>1,105,465</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	1,455,608	1,590,605	1,801,406	1,655,570
Non-controlling interest of the subsidiaries	(3,515)	(16,846)		
	<u>1,452,093</u>	<u>1,573,759</u>		

(Unit: Baht)

<b>Earnings per share</b>		20	
Basic earnings per share			
Profit attributable to equity holders of the Company	0.75	0.84	0.83
	<u>0.75</u>	<u>0.84</u>	<u>0.83</u>

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

(Unaudited but reviewed)

**MBK Public Company Limited and its subsidiaries****Statement of cash flows****For the six-month period ended 30 June 2017**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit before tax	1,176,835	1,323,570	1,443,905	1,634,828
Adjustments to reconcile profit before tax				
to net cash provided by (paid from) operating activities:				
Depreciation	573,166	550,729	238,585	207,898
Amortisation	9,141	7,654	6,361	5,055
Amortisation of underwriting fee	783	846	783	846
Amortisation of leasehold right and prepaid rental fee	392,410	392,430	378,457	378,457
Losses on sale and interest income of investments in loans	656	472	656	472
Gains on sales of investments	(21,054)	(11,182)	(21,034)	(11,182)
Gains (losses) on disposal of investment properties	(395)	305	(1)	(30)
(Gains) losses on disposal of property, plant and equipment	(7,583)	16,307	(666)	-
Allowance for impairment of investments in subsidiaries (reversal)	-	-	(1,554)	(1,461)
Gain on bargain purchase of investment in a subsidiary	(717)	-	-	-
Allowance for impairment of investments in other company (reversal)	(150)	-	-	-
Allowance for impairment loss on property, plant and equipment (reversal)	(800)	-	-	-
Allowance for impairment of property foreclosed	3,005	587	-	-
Gains on exchange	(25,409)	(882)	-	-
Allowance for doubtful accounts (reversal)	16,103	(49)	(103)	(361)
Allowance for diminution in value of inventories (reversal)	(458)	(326)	-	-
Income from rental deposits and revenue received in advance	(238,987)	(300,948)	(210,243)	(214,701)
Provision for long-term employee benefits	14,120	9,360	4,233	3,019
Interest income	(4,817)	(6,779)	(206,334)	(139,119)
Interest expenses	320,645	338,984	438,944	440,969
Dividend income	(215,066)	(246,994)	(1,220,985)	(1,388,856)
Shares of profits from investments in associates and joint venture	(103,502)	(80,931)	-	-
Profit from operating activities before changes in				
operating assets and liabilities	1,887,926	1,993,153	851,004	915,834
Net movements in operating assets and liabilities (Note 21)	(1,892,159)	(1,548,865)	(532,456)	(581,715)
<b>Cash flows from (used in) operating activities</b>	<b>(4,233)</b>	<b>444,288</b>	<b>318,548</b>	<b>334,119</b>
Cash payments for employee benefits	(5,495)	(229)	(814)	(229)
Cash payments for corporate income tax	(223,543)	(285,556)	(61,246)	(90,257)
<b>Net cash flows from (used in) operating activities</b>	<b>(233,271)</b>	<b>158,503</b>	<b>256,488</b>	<b>243,633</b>

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

(Unaudited but reviewed)

**MBK Public Company Limited and its subsidiaries**

**Statement of cash flows (continued)**

**For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Cash payments for purchases of current investments	(62,718)	(366,653)	(55,208)	(366,626)
Cash receipts from sales of current investments	500,084	375,540	492,464	375,540
Cash payments for short-term loan to related companies	(57,000)	(7,452)	(2,270,275)	(2,328,162)
Cash receipts from short-term loan to related companies	14,904	8,675	1,503,367	537,946
Interest income	4,493	7,000	185,708	125,254
Cash receipts from investments in loans	1,593	2,962	1,593	2,962
Cash payments for increase in share capital of subsidiaries	-	-	(549,000)	(5,000)
Cash payments for purchases investments in the subsidiary from non-controlling interest of the subsidiary	(4,502)	(17,573)	-	-
Cash payments for purchases of investments an associate and increase in share capital of investments in joint venture	(1,116)	(4,700)	(1,116)	(4,700)
Dividend receipts from investments	332,841	396,397	1,220,985	1,388,856
Cash receipts from sales of property, plant and equipment and investment properties	9,574	26,369	856	630
Cash payments for purchases of property, plant and equipment and investment properties	(194,567)	(267,756)	(117,160)	(148,387)
Cash receipts from sales of intangible assets	3,410	98	-	-
Cash payments for purchases of intangible assets	(18,105)	(12,603)	(11,621)	(10,917)
Cash payments for prepayments long-term rental fee	(1,929)	(1,929)	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>526,962</b>	<b>138,375</b>	<b>400,593</b>	<b>(432,604)</b>

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

(Unaudited but reviewed)

**MBK Public Company Limited and its subsidiaries**

**Statement of cash flows (continued)**

**For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from financing activities</b>				
Increase in bank overdrafts	(187)	37	-	-
Cash receipts from short-term loans from other company	420	-	-	-
Cash payments of short-term loans from other company	(3,780)	(1,000)	(2,780)	-
Cash receipts from short-term loans from related companies	67,000	37,000	540,280	923,300
Cash payments of short-term loans from related companies	(45,000)	(75,000)	(676,097)	(602,600)
Cash receipts from short-term loans from financial institutions	3,299,000	5,304,500	3,040,000	3,674,000
Cash payments of short-term loans from financial institutions	(2,674,000)	(4,956,500)	(2,380,000)	(2,887,000)
Cash payment of long-term liabilities under financial lease agreements	(320,041)	(301,925)	(320,041)	(301,925)
Interest payments	(153,671)	(197,012)	(291,409)	(279,457)
Dividend payments	(440,851)	(440,851)	(563,628)	(563,628)
Dividend payments to non-controlling interests of the subsidiaries	(28,403)	(7,402)	-	-
Cash receipts from long-term debentures	-	1,997,750	-	1,997,750
Repayment of long-term debenture	-	(2,000,000)	-	(2,000,000)
<b>Net cash flows used in financing activities</b>	<b>(299,513)</b>	<b>(640,403)</b>	<b>(653,675)</b>	<b>(39,560)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,822)</b>	<b>(343,525)</b>	<b>3,406</b>	<b>(228,531)</b>
Cash and cash equivalents at beginning of period	532,716	746,929	68,143	303,792
<b>Cash and cash equivalents at end of period</b>	<b>526,894</b>	<b>403,404</b>	<b>71,549</b>	<b>75,261</b>
<b>Supplemental cash flows information:</b>				
Operational cash flows from interest	783,348	606,988	1,943	2,426
Interest paid recorded as property development for sale	(22,407)	(12,802)	-	-
<b>Non-cash transactions:</b>				
Transfer from land held for development to property development for sale	-	105,230	-	-
Transfer from land held for development to investment properties	-	104,829	-	-
Transfer from investment properties to property development for sale	-	492,182	-	-

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

(Unaudited but reviewed)

## MBK Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements																	
Equity attributable to owners of the Company																	
	Difference			Surplus from the change in the ownership interests in subsidiaries	Retained earnings			Other components of shareholders' equity					Total		Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	cost of business and fair value		Appropriated		Unappropriated	Other comprehensive income					Total other components of shareholders'	Treasury stocks			of the Company
					Statutory reserve	Treasury stock reserve		Unrealised gains on available- for-sale investments	Unrealised gains (losses) on investments in loans	Unrealised gains (losses) on available- for-sale securities of an associate	Unrealised gains (losses) on investments in loans of an associate	Translation adjustment of an associate					
<b>Balance as at 1 January 2016</b>	1,886,291	1,276,038	172,206	-	200,000	2,805,281	11,100,873	2,176,453	1,170	(22,110)	61,073	58,223	2,274,809	(3,517,274)	16,198,224	1,742,418	17,940,642
Profit (loss) for the period	-	-	-	-	-	-	1,123,448	-	-	-	-	-	-	-	1,123,448	(17,983)	1,105,465
Other comprehensive income for the period	-	-	-	-	-	-	-	439,769	(7,266)	45,274	(907)	(9,713)	467,157	-	467,157	1,137	468,294
Total comprehensive income for the period	-	-	-	-	-	-	1,123,448	439,769	(7,266)	45,274	(907)	(9,713)	467,157	-	1,590,605	(16,846)	1,573,759
Dividend paid	-	-	-	-	-	-	(440,851)	-	-	-	-	-	-	-	(440,851)	(7,402)	(448,253)
Decrease in non-controlling interests of the subsidiary from increase in proportion of shareholding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17,573)	(17,573)
<b>Balance as at 30 June 2016</b>	<u>1,886,291</u>	<u>1,276,038</u>	<u>172,206</u>	-	<u>200,000</u>	<u>2,805,281</u>	<u>11,783,470</u>	<u>2,616,222</u>	<u>(6,096)</u>	<u>23,164</u>	<u>60,166</u>	<u>48,510</u>	<u>2,741,966</u>	<u>(3,517,274)</u>	<u>17,347,978</u>	<u>1,700,597</u>	<u>19,048,575</u>
<b>Balance as at 1 January 2017</b>	1,707,960	1,276,038	172,206	-	200,000	-	12,444,607	3,513,029	(5,268)	(4,532)	59,827	54,879	3,617,935	(711,994)	18,706,752	1,645,429	20,352,181
Profit (loss) for the period	-	-	-	-	-	-	997,373	-	-	-	-	-	-	-	997,373	(4,304)	993,069
Other comprehensive income for the period	-	-	-	-	-	-	-	465,001	783	15,871	(5,162)	(18,258)	458,235	-	458,235	789	459,024
Total comprehensive income for the period	-	-	-	-	-	-	997,373	465,001	783	15,871	(5,162)	(18,258)	458,235	-	1,455,608	(3,515)	1,452,093
Dividend paid	-	-	-	-	-	-	(440,851)	-	-	-	-	-	-	-	(440,851)	(28,403)	(469,254)
Purchases of investments in a subsidiary	-	-	-	2,015	-	-	-	-	-	-	-	-	-	-	2,015	689	2,704
Decrease in non-controlling interests of the subsidiary from increase in proportion of shareholding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,923)	(7,923)
<b>Balance as at 30 June 2017</b>	<u>1,707,960</u>	<u>1,276,038</u>	<u>172,206</u>	<u>2,015</u>	<u>200,000</u>	-	<u>13,001,129</u>	<u>3,978,030</u>	<u>(4,485)</u>	<u>11,339</u>	<u>54,665</u>	<u>36,621</u>	<u>4,076,170</u>	<u>(711,994)</u>	<u>19,723,524</u>	<u>1,606,277</u>	<u>21,329,801</u>

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

(Unaudited but reviewed)

## MBK Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

## Separate financial statements

	Retained earnings					Other components of shareholders' equity				Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated		Unappropriated	Other comprehensive income			Treasury stocks	
			Statutory reserve	Treasury stock reserve		Unrealised gains on available-for-sale investments	Unrealised gains (losses) on investments in loans	Total other components of shareholders' equity		
<b>Balance as at 1 January 2016</b>	1,886,291	1,276,038	200,000	2,805,281	7,456,846	1,992,162	1,170	1,993,332	(2,805,281)	12,812,507
Profit for the period	-	-	-	-	1,587,250	-	-	-	-	1,587,250
Other comprehensive income for the period	-	-	-	-	-	75,586	(7,266)	68,320	-	68,320
Total comprehensive income for the period	-	-	-	-	1,587,250	75,586	(7,266)	68,320	-	1,655,570
Dividend paid (Note 26)	-	-	-	-	(563,628)	-	-	-	-	(563,628)
<b>Balance as at 30 June 2016</b>	<u>1,886,291</u>	<u>1,276,038</u>	<u>200,000</u>	<u>2,805,281</u>	<u>8,480,468</u>	<u>2,067,748</u>	<u>(6,096)</u>	<u>2,061,652</u>	<u>(2,805,281)</u>	<u>13,904,449</u>
<b>Balance as at 1 January 2017</b>	1,707,960	1,276,038	200,000	-	8,510,822	3,136,016	(5,268)	3,130,748	-	14,825,568
Profit for the period	-	-	-	-	1,410,848	-	-	-	-	1,410,848
Other comprehensive income for the period	-	-	-	-	-	389,775	783	390,558	-	390,558
Total comprehensive income for the period	-	-	-	-	1,410,848	389,775	783	390,558	-	1,801,406
Dividend paid (Note 26)	-	-	-	-	(563,628)	-	-	-	-	(563,628)
<b>Balance as at 30 June 2017</b>	<u>1,707,960</u>	<u>1,276,038</u>	<u>200,000</u>	<u>-</u>	<u>9,358,042</u>	<u>3,525,791</u>	<u>(4,485)</u>	<u>3,521,306</u>	<u>-</u>	<u>16,063,346</u>

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

**MBK Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month and six-month periods ended 30 June 2017**

**1. General information**

**1.1 General information of the Company and its subsidiaries**

MBK Public Company Limited (the “Company”) is a public company incorporated and domiciled in Thailand and listed on the Stock Exchange of Thailand. Its registered office is 8th Floor MBK Center Building, 444 Phayathai Road, Pathumwan, Bangkok 10330. The principal business operations of the Company and its subsidiaries (“the Group”) are summarised as follows:

- Shopping center business
- Hotel and tourism business
- Golf business
- Real estate business
- Food solution business
- Financial business
- Other business
- Supporting business

**1.2 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

### 1.3 Basis of consolidation

1.3.1 The consolidated financial statements include the financial statements of MBK Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016.

The consolidated interim financial statements include the account balances of the Company and its subsidiaries. Material intercompany transactions and balance have been eliminated. The Company’s percentages of shareholding in subsidiaries are as follows:

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 June 2017	31 December 2016
			%	%
<b>Directly owned</b>				
Glas Haus Ratchada Company Limited	Property for lease and real estate	Thailand	100.00	100.00
MBK Square Company Limited	Property for lease and management service	Thailand	99.99	99.99
MBK Smart Force Security Guard Company Limited	Security service	Thailand	99.97	99.97
MBK Hotels and Resorts Company Limited	Hotel	Thailand	100.00	100.00
Supsinthanee Company Limited	Hotel	Thailand	100.00	100.00
Lanta Land Development Company Limited	Hotel	Thailand	99.99	99.99
MBK Business Company Limited	Personnel management service	Thailand	99.99	99.99
MBK Hotels and Tourism Company Limited	Hotel management and travel	Thailand	99.99	99.99
Riverdale Golf and Country Club Company Limited	Golf course and real estate	Thailand	99.99	99.99
Patum Rice Mill and Granary Public Company Limited	Processing and packaging rice	Thailand	74.52	74.52
Primacy Elegance Investments Limited	Investment	British Virgin Island	100.00	100.00
MBK Premium Company Limited	Leasing and hire purchase	Thailand	100.00	100.00
T Leasing Company Limited	Motorcycle hire purchase	Thailand	99.99	99.99
X-Gen Premium Company Limited	Dormant	Thailand	99.99	99.99
MBK Center Company Limited	Car park rental	Thailand	99.99	99.99
MBK Asset Company Limited	Dormant	Thailand	99.99	99.99
MBK Shopping Center Company Limited	Investment	Thailand	99.99	99.99
MBK Training Center Company Limited	Training service to affiliates	Thailand	99.97	99.97



(Unaudited but reviewed)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 June 2017	31 December 2016
			%	%
<b>Directly owned (continued)</b>				
MBK Broker Company Limited	Life assurance and insurance broker	Thailand	99.99	99.99
MBK Insurance Broker Company Limited	Dormant	Thailand	99.99	99.99
MBK Charan Company Limited (Formerly known as "MBK Chiangmai Company Limited ")	Real estate	Thailand	99.97	99.97
MBK Service Solution Company Limited	Consulting service (Cessation since February 2016)	Thailand	99.99	99.99
MBK Real Estate Company Limited	Property management service	Thailand	99.97	99.97
MBK Enterprise Company Limited (Formerly known as "Mah Boonkroong Sirichai Enterprise Company Limited")	Golf course and property for lease	Thailand	99.99	99.99
MBK Digital Company Limited	Online marketplace	Thailand	99.97	99.97
MBK Online Company Limited	Dormant	Thailand	99.97	99.97
MBK Club Company Limited	Recreation membership card	Thailand	99.99	99.99
<b>Indirectly owned</b>				
The Nine Center Company Limited	Shopping center, property for lease and real estate	Thailand	99.98	99.98
Paradise Park Company Limited*	Shopping center and property for lease	Thailand	65.36	65.36
Paradise Retail Company Limited**	Retail business in shopping center	Thailand	65.36	65.36
Siam Delice Company Limited***	Shopping center and property for lease	Thailand	65.36	65.36
Glas Haus Building Company Limited	Property for lease	Thailand	99.99	99.99
MBK Food and Entertainment Company Limited	Food center	Thailand	62.14	62.14
MBK Capital Company Limited	Land rental	Thailand	99.99	99.99
Absolute Travel Company Limited	Hotel	Thailand	99.99	99.99
MBK Leisure Company Limited	Dormant	Thailand	99.99	99.99
MBK Food Island Company Limited	Food center	Thailand	74.51	74.51
MBK Food System Company Limited	Restaurant (Cessation since November 2016)	Thailand	74.51	40.99
Tantara Gallery Company Limited	Dormant	Thailand	99.99	99.99
MBK Resort Public Company Limited	Golf course, hotel and real estate	Thailand	72.60	72.60
NASSET PROPERTY FUND1	Property fund (The Fund matured and dissolution on 31 August 2015)	Thailand	72.45	72.45
Phuket Loch Palm Golf Club Company Limited	Dormant	Thailand	72.60	72.60
PRG Granary Company Limited	Warehouse rental and transportation	Thailand	74.51	74.51

(Unaudited but reviewed)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 June 2017	31 December 2016
			%	%
<b>Indirectly owned (continued)</b>				
Ratchsima Rice Company Limited	Distribution and processing of rice and factory building rental	Thailand	74.51	74.51
Sima Pac Company Limited	Factory building rental and distribution of rice (cessation of manufacturer and distribution of plastic bag business since August 2016)	Thailand	74.51	74.51
Innofood (Thailand) Company Limited	Distribution of rice and restaurant	Thailand	74.51	74.51
Plan Estate Company Limited	Real estate and property management service	Thailand	72.60	72.60
Crystal Lake Properties Company Limited	Real estate	Thailand	72.60	72.60
C L P Management Company Limited	Property management service	Thailand	72.60	72.60
Plan Appraisal Company Limited	Survey and appraisal services	Thailand	72.60	72.60
Lan Bangna Company Limited	Dormant	Thailand	72.60	72.60
MBK Guarantee Company Limited	Lending	Thailand	99.98	99.98
Kathu Land Company Limited	Dormant	Thailand	70.36	70.36
MBK Residence Company Limited	Real estate	Thailand	99.96	99.96
MBK Advance Company Limited	Dormant	Thailand	99.89	99.89
MBK Sukhumvit Company Limited	Real estate	Thailand	99.94	99.94
M G 3 Company Limited	Held property foreclosed	Thailand	99.97	99.97
M G 4 Company Limited	Held property foreclosed	Thailand	99.97	99.97
MBK Realty Company Limited	Real estate	Thailand	54.98	54.98
MBK Restaurant Group Company Limited	Restaurant	Thailand	62.14	62.14
T Consultant Company Limited	Dormant	Thailand	99.99	99.99
SCB Building Company Limited	Dormant	Thailand	99.70	99.70
MBK Golf Management Company Limited (Formerly known as "MBK Bangyai Company Limited")	Personnel management services	Thailand	99.99	99.99
M G 5 Company Limited	Dormant	Thailand	99.97	99.97
M G 6 Company Limited	Dormant	Thailand	99.97	99.97

\* The Company has the indirect holding of 65.36% through MBK Shopping Center Company Limited of 50.00% and Siam Piwat Company Limited of 15.36%.

\*\* The Company has the indirect holding of 65.36% through Paradise Park Company Limited.

\*\*\* The Company has the indirect holding of 65.36% through The Nine Center Company Limited of 50.00% and Siam Piwat Company Limited of 15.36%.

During the six-month period ended 30 June 2017, there were the following significant changes:

On 10 January 2017, Mah Boonkrong Sirichai Enterprise Company Limited registered with the Ministry of Commerce for the change of its name to “MBK Enterprise Company Limited”.

On 16 February 2017, Patum Rice Mill and Granary Public Company Limited, a subsidiary of the Company, acquired 490,910 ordinary shares of MBK Food System Company Limited, representing 45 percent of its registered capital, from the other existing shareholders at 9.17 Baht per share, or for a total of approximately Baht 4.5 million. The Group’s total indirect shareholding in this company arose from 40.99 percent to 74.51 percent.

On 4 April 2017, the meeting of the Board of Directors No. 3/2017 of Ratchsima Rice Company Limited and Innofood (Thailand) Company Limited, the subsidiaries of the Group, passed a resolution of granting approval for the subsidiaries to increase their registered capital as follows.

- (1) Ratchsima Rice Company Limited increased its registered capital from Baht 62.50 million to Baht 300 million, through the issuance of 9.50 million preference shares with a par value of Baht 25 each, totaling Baht 237.50 million, with all shares to be allocated to PRG Granary Company Limited, the shareholder of such company. PRG Granary Company Limited paid in the called-up share subscription on 28 April 2017 and the share capital increase was registered with the Ministry of Commerce on 5 May 2017.
- (2) Innofood (Thailand) Company Limited increased its registered capital from Baht 21 million to Baht 71 million, through the issuance of 0.50 million preference shares with a par value of Baht 100 each, totaling Baht 50 million, with all shares to be allocated to Ratchsima Rice Company Limited, the shareholder of such company. Ratchsima Rice Company Limited paid in the called-up share subscription on 28 April 2017 and the share capital increase was registered with the Ministry of Commerce on 5 May 2017.

On 18 April 2017, MBK Chiangmai Company Limited, a subsidiary of the Company, registered with the Ministry of Commerce for the change of its name to “MBK Charan Company Limited”, and registered increase capital from Baht 1 million to Baht 550 million, through the issuance of 5.49 million preference shares with a par value of Baht 100 each, total amounting to Baht 549 million, and all share allocation to the Company. The Company paid in the called-up share subscription on 17 April 2017.

On 20 April 2017, MBK Bangyai Limited, a subsidiary of the Group, changed the name to “MBK Golf Management Company Limited” and registered with the Ministry of Commerce to conform with the operations of the business.

On 1 May 2017, T Leasing Company Limited sold all ordinary shares of T Consultant Company Limited, a subsidiary of the Group, total 0.50 million shares (or equivalent to 99.99% of its registered capital) at Baht 1.50 each, for total amounting to approximately Baht 0.75 million to MBK Real Estate Company Limited, a subsidiary of the Company, to restructure of the shareholding in the Company's subsidiary. In this regard, the Company eliminated loss on sale of investment which is relevant to such related party transaction from the consolidated financial statements.

1.3.2 The separate financial statements, which present investments in subsidiaries, and associates presented under the cost method, have been prepared solely for the benefit of the public.

#### **1.4 New financial reporting standards**

During the period, the Group have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### **1.5 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

## 2. Related party transactions

In addition to nature of relationship between the Company and related companies except its associates as stated in Note 8, its joint venture as stated in Note 9, and its subsidiaries as stated in Note 10 which are summarised as follows:

Company's name	Relationship
Thanachart Capital Public Company Limited and its subsidiaries	A major group of shareholders of the Company which holds ordinary shares representing for a total of 21.98% and related by the way of common directors.
Dusit Thani Public Company Limited	11.67% shareholding held by the Group
Siam Piwat Holding Company Limited	A subsidiary of an associate of the Company
The ICONSIAM Residences Corporation Limited	49% shareholding held by a subsidiary of an associate of the Company
The ICONSIAM Superlux Residence Corporation Limited	49% shareholding held by a subsidiary of an associate of the Company
ICONSIAM Company Limited	51% shareholding held by a subsidiary of an associate of the Company

During the period, the Company and its subsidiaries had the significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unaudited but reviewed)

**Transactions with related parties**

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
<b>Transactions with subsidiary companies</b>					
(eliminated from the consolidated financial statements)					
Rental income	-	-	13	15	Market prices
Consulting fees	-	-	1	1	The same rates as the third parties
Dividend income	-	-	928	1,009	As declared
Personnel expense	-	-	56	40	115% of salary of hotel staff paid by a subsidiary for parent company
Hotel management fee	-	-	12	9	Contract price
Security expense	-	-	11	13	115% of the cost of security services paid by a subsidiary for parent company
Interest income	-	-	103	71	MOR rate less a fix percentage
Interest expense	-	-	51	50	MOR rate less a fix percentage
<b>Transactions with associated companies</b>					
Shared service income	1	1	1	1	Market prices
Management fee	2	1	1	1	Contract price
Dividend income	-	-	84	138	As declared
Project management and sales					
commission income	1	1	-	-	The same rates as the third parties
Interest income	1	1	1	1	MOR rate less a fix percentage
Interest expense	1	1	1	-	MOR rate less a fix percentage and fixed deposit interest rate of a commercial bank plus a fix percentage
<b>Transactions with related companies</b>					
Rental income	50	55	28	28	Market prices
Dividend income	170	143	156	143	As declared
Project management and sales commission income	19	15	-	-	The same rates as the third parties
Hotel franchise fee	1	1	1	1	The same rates as the third parties
Insurance expense	1	1	-	-	The same rates as the third parties

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
<b>Transactions with subsidiary companies</b>					
(eliminated from the consolidated financial statements)					
Rental income	-	-	28	28	Market prices
Consulting fees	-	-	2	1	The same rates as the third parties
Dividend income	-	-	928	1,009	As declared
Personnel expense	-	-	115	77	115% of salary of hotel staff paid by a subsidiary for parent company
Hotel management fee	-	-	26	20	Contract price
Security expense	-	-	24	25	115% of the cost of security services paid by a subsidiary for parent company
Interest income	-	-	198	134	MOR rate less a fix percentage
Interest expense	-	-	102	98	MOR rate less a fix percentage
<b>Transactions with associated companies</b>					
Shared service income	1	1	1	1	Market prices
Management fee	3	2	2	2	Contract price
Dividend income	-	-	93	150	As declared
Project management and sales commission income	1	2	-	-	The same rates as the third parties
Interest income	2	2	2	2	MOR rate less a fix percentage
Interest expense	2	1	2	-	MOR rate less a fix percentage and fixed deposit interest rate of a commercial bank plus a fix percentage
<b>Transactions with related companies</b>					
Rental income	101	105	56	57	Market prices
Dividend income	170	159	156	143	As declared
Project management and sales commission income	30	33	-	-	The same rates as the third parties
Hotel franchise fee	1	1	1	1	The same rates as the third parties
Insurance expense	1	1	1	1	The same rates as the third parties

(Unaudited but reviewed)

As at 30 June 2017 and 31 December 2016, the balances of the accounts between the Company and those related companies are as follows:

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
Note		30 June 2017	31 December 2016	30 June 2017	31 December 2016
	<b>Current investments - available-for-sales securities</b>				
	Related companies	972	893	-	-
	<b>Trade and other receivables</b>				
	Subsidiaries	-	-	42	26
	Associated companies	3	5	2	1
	Related companies	36	35	-	-
	Total trade and other receivables	39	40	44	27
	<b>Short-term loans to related companies</b>				
	Subsidiaries	-	-	8,778	7,996
	Associated companies	117	75	50	65
	Total short-term loans to related companies	117	75	8,828	8,061
	<b>Loan to customer - a related company</b>				
	Related company	15	20	-	-
	<b>Long-term investments - available-for-sales securities</b>				
	Related companies	6,134	5,832	5,976	5,684
	<b>Trade and other payables</b>				
	Subsidiaries	-	-	56	60
	Associated companies	1	1	1	-
	Total trade and other payables	1	1	57	60
	<b>Short-term loans from related companies</b>				
	Subsidiaries	-	-	3,843	4,164
	Associated companies	245	223	185	-
	Total short-term loans from related companies	245	223	4,028	4,164
	<b>Current liabilities - advance rental deposit and rental deposit</b>				
	Related companies	54	54	31	31
	<b>Advance rental and service deposits</b>				
	Subsidiaries	-	-	355	366
	<b>Deposits</b>				
	Subsidiaries	-	-	13	14
	<b>Long-term liabilities under finance lease agreements</b>				
	Subsidiaries	-	-	22	25



(Unaudited but reviewed)

Short-term loans to related companies are unsecured loans that are due at call, consisting of Baht loans bearing interest at the MOR of a local commercial bank less fixed percentages per annum and a US dollar loan bearing interest at a fixed rate per annum.

Short-term loans from related companies represent short-term loans for working capital and repayable at call. The loans bear interest at MOR of a local commercial bank per annum rate less a fixed percentage.

Liabilities under finance lease agreements represent financial lease liabilities for the lease motor vehicles from a subsidiary for 72 monthly installments. Interest rates are 5.62% - 6.40% per annum (31 December 2016: 5.62% - 6.40% per annum).

The movements on short-term loans to and short-term loans from related companies are as follows:

(Unit: Million Baht)

	Consolidated financial statements			Balance as at 30 June 2017
	Balance as at 31 December 2016	During the period		
		Addition	Settlement	
<b>Short-term loans to related companies</b>				
Paemala Spa Company Limited	5	-	-	5
Max Asset Management Company Limited	65	-	(15)	50
Siam Piwat Holding Company Limited	-	57	-	57
DMS Property Investment Private Limited	5	-	-	5
<b>Total</b>	<b>75</b>	<b>57</b>	<b>(15)</b>	<b>117</b>
<b>Loan to customer - a related company</b>				
PT Retail Corporation Limited	20	5	(10)	15
<b>Total</b>	<b>20</b>	<b>5</b>	<b>(10)</b>	<b>15</b>
<b>Short-term loans from related companies</b>				
Siam Piwat Holding Company Limited	38	22	-	60
Apple Auto Auction (Thailand) Company Limited	185	25	(25)	185
Lam Luk Ka Golf and Country Club Company Limited	-	20	(20)	-
<b>Total</b>	<b>223</b>	<b>67</b>	<b>(45)</b>	<b>245</b>

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			Balance as at 30 June 2017
	Balance as at	During the period		
	31 December 2016	Addition	Settlement	
<b>Short-term loans to related companies</b>				
Riverdale Golf and Country Club Company Limited	4,836	1,297	(732)	5,401
MBK Hotels and Resorts Company Limited	374	120	(182)	312
MBK Center Company Limited	1	1	(1)	1
T Leasing Company Limited	2,226	827	(50)	3,003
MBK Enterprise Company Limited (Formerly known as "Mah Boonkrong Sirichai Enterprise Company Limited")	85	11	(38)	58
MBK Smart Force Security Guard Company Limited	-	2	(2)	-
MBK Charan Company Limited (Formerly known as "MBK Chiangmai Company Limited")	474	8	(482)	-
MBK Training Center Company Limited	-	1	(1)	-
MBK Digital Company Limited	-	3	-	3
Max Asset Management Company Limited	65	-	(15)	50
<b>Total</b>	<b>8,061</b>	<b>2,270</b>	<b>(1,503)</b>	<b>8,828</b>
<b>Short-term loans from related companies</b>				
Supsinthanee Company Limited	417	10	(7)	420
MBK Premium Company Limited	543	20	(30)	533
MBK Asset Company Limited	345	8	(15)	338
MBK Business Company Limited	613	45	(60)	598
Glas Haus Ratchada Company Limited	1,147	170	(360)	957
Primacy Elegance Investments Limited	226	4	-	230
Lanta Land Development Company Limited	78	27	(23)	82
MBK Insurance Broker Company Limited	2	-	-	2
MBK Broker Company Limited	2	2	(2)	2
MBK Smart Force Security Guard Company Limited	7	1	(7)	1
MBK Hotels and Tourism Company Limited	30	11	(39)	2
MBK Service Solution Company Limited	158	5	(8)	155
MBK Square Company Limited	65	4	(10)	59
MBK Charan Company Limited (Formerly known as "MBK Chiangmai Company Limited")	-	67	(1)	66
X-Gen Premium Company Limited	62	1	-	63
MBK Training Center Company Limited	1	3	(4)	-
MBK Real Estate Company Limited	200	34	(39)	195
MBK Shopping Center Company Limited	72	80	(22)	130
MBK Club Company Limited	7	3	-	10
MBK Digital Company Limited	4	-	(4)	-
Apple Auto Auction (Thailand) Company Limited	185	25	(25)	185
Lam Luk Ka Golf and Country Club Company Limited	-	20	(20)	-
<b>Total</b>	<b>4,164</b>	<b>540</b>	<b>(676)</b>	<b>4,028</b>

(Unaudited but reviewed)

	Separate financial statements			Balance as at 30 June 2017
	Balance as at 31 December 2016	During the period		
		Addition	Settlement	
<b>Long-term liabilities under finance lease agreements</b>				
MBK Premium Company Limited	25	-	(3)	22

### Directors and management's benefits

During the three-month and six-month periods ended 30 June 2017, the Group had salaries, bonuses, meeting allowances, gratuities and post-employment benefit of their directors and management totaling Baht 23 million and Baht 58 million, respectively, and separate financial statements totaling Baht 14 million and Baht 41 million, respectively. (2016: consolidated financial statement: Baht 20 million and Baht 50 million, respectively, and separate financial statements: Baht 12 million and Baht 35 million, respectively).

### Guarantees obligations with related parties

The Company entered into Corporate Guarantee Agreements for loans of its associate as described in Note 23.3.2 to the financial statements. There were no guarantee fees because the loans were guaranteed by all shareholders based upon shareholding proportion.

The Company entered into Corporate Guarantee Agreements for debt commitments according to cross currency and interest rate swap agreement of its subsidiary, as discussed in Note 23.3.3 to the financial statements. There were no guarantee fees because the agreements were guaranteed by all shareholders.

## 3. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Cash on hand	7,161	8,829	1,565	1,573
Cash at banks	404,733	393,887	69,984	66,570
Short-term investments with maturity not over 3 months	115,000	130,000	-	-
Cash and cash equivalents	526,894	532,716	71,549	68,143

As at 30 June 2017, bank deposits in saving accounts, fixed deposits and current investments carried interests between 0.13 and 2.24 percent per annum (31 December 2016: between 0.13 and 1.64 percent per annum).

(Unaudited but reviewed)

**4. Current investments**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<b>Fixed deposit with maturity over 3 months</b>	431	426	431	426
<b>Available-for-sale securities</b>				
Equity securities	2,293,962	2,710,124	1,842,243	2,258,465
Add: Unrealised gains (losses) on changes in values of investments	662,631	384,911	99,739	(95,172)
Fair value	2,956,593	3,095,035	1,941,982	2,163,293
Government bonds	100	100	-	-
Add: Surplus on investments	5	4	-	-
Amortised cost	105	104	-	-
<b>Current investments</b>	<b>2,957,129</b>	<b>3,095,565</b>	<b>1,942,413</b>	<b>2,163,719</b>

**5. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due	36,403	36,328	4,637	9,236
Past due				
Overdue 1 - 30 days	5	10	1,502	1,955
Overdue more than 30 - 60 days	-	430	606	410
Overdue more than 60 - 90 days	1	21	117	-
Overdue more than 90 days	246	20	898	627
<b>Total trade receivables - related parties</b>	<b>36,655</b>	<b>36,809</b>	<b>7,760</b>	<b>12,228</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	158,087	150,655	13,818	14,456
Past due				
Overdue 1 - 30 days	50,710	61,676	29,528	29,088
Overdue more than 30 - 60 days	15,190	7,825	6,433	2,629
Overdue more than 60 - 90 days	2,113	1,482	1,188	346
Overdue more than 90 days	22,866	21,974	1,721	1,183
Total	248,966	243,612	52,688	47,702
Less: Allowance for doubtful account	(20,019)	(20,024)	(329)	(432)
Total trade receivables - unrelated parties, net	228,947	223,588	52,359	47,270
Total trade receivables - net	265,602	260,397	60,119	59,498
<b>Other receivables - related parties</b>				
Interest receivables	1,089	770	35,738	15,119
Prepaid expenses	1,068	38	295	-
Other receivables	-	2,648	-	-
Total other receivables - related parties	2,157	3,456	36,033	15,119
<b>Other receivables - unrelated parties</b>				
Advances	6,722	2,122	-	-
Interest receivables	7,616	7,531	-	-
Prepaid expenses	47,636	41,369	21,379	18,073
Other receivables	73,931	87,200	4,481	7,374
Other receivables - unrelated parties	135,905	138,222	25,860	25,447
Total other receivables	138,062	141,678	61,893	40,566
Total trade and other receivables - net	403,664	402,075	122,012	100,064

(Unaudited but reviewed)

## 6. Loans to customers

### 6.1 Classified by loans to customers type

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Loans	6,181,942	5,359,949	-	-
Installment receivables	6,929	9,682	-	574
Hire purchase receivables	4,821,591	3,987,154	-	-
Less: Deferred revenue	(1,144,388)	(997,904)	-	-
Total loans to customers	9,866,074	8,358,881	-	574
Less: Allowance for doubtful accounts	(119,569)	(103,461)	-	-
Total	9,746,505	8,255,420	-	574
Less: Current portion of loans to customers	(2,937,039)	(1,807,800)	-	(574)
Loans to customers - net of current portion	6,809,466	6,447,620	-	-

### 6.2 Classified by aging from the maturity date

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Not yet due or overdue not over				
1 month	8,980,492	7,679,570	-	574
Overdue 1 - 3 months	596,279	434,551	-	-
Overdue more than 3 - 6 months	110,573	96,136	-	-
Overdue more than 6 - 12 months	65,848	105,580	-	-
Overdue more than 12 months	112,882	43,044	-	-
Total	9,866,074	8,358,881	-	574
Less: Allowance for doubtful accounts	(119,569)	(103,461)	-	-
	9,746,505	8,255,420	-	574

### 6.3 Loans and installment receivables

The Group has finance business segment which operated in lending business with secured short-term and long-term loans. Details are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Loans	6,181,942	5,359,949	-	-
Installment receivables	6,929	9,682	-	574
Total loans and installment receivables	6,188,871	5,369,631	-	574
Less: Allowance for doubtful accounts	(7,640)	(7,640)	-	-
Total	6,181,231	5,361,991	-	574
Less: Current portion	(1,598,070)	(353,144)	-	(574)
Net of current portion	4,583,161	5,008,847	-	-

Short-term and long-term loans to persons and companies are secured by the pledged/mortgaged of assets specified in the loan agreements and carried interest at rates of a commercial bank. Long-term loans are mature between 2 - 30 years. As at 30 June 2017, the overdue loan over 3 months amounting to approximately Baht 177 million (31 December 2016: Baht 149 million), however, no allowance for doubtful account was required because the value of collateral of these loans was higher than the outstanding balance.

### 6.4 Hire purchase receivables

The average contract period of hire purchase receivables are 1 - 5 years with interest charged at the fixed rate as specified in the contracts. The remaining hire purchase receivables were classified by due date are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2017			
	Amounts due under the agreements			
	Less than 1 year	1 - 5 years	Non-performing loans <sup>(3)</sup>	Total
Gross investment in the agreements	1,930,499	2,750,692	140,400	4,821,591
Unearned financial income <sup>(1)</sup>	(583,981)	(524,386)	(36,021)	(1,144,388)
Minimum payments over the hire purchase term	1,346,518	2,226,306	104,379	3,677,203
Less: Allowance for doubtful accounts <sup>(2)</sup>				(111,929)
Hire purchase receivables - net				3,565,274
Less: Current portion of hire purchase receivables				(1,338,969)
Hire purchase receivables - portion due more than 1 year				2,226,305

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
31 December 2016				
Amounts due under the agreements				
	Less than 1 year	1 - 5 years	Non-performing loans <sup>(3)</sup>	Total
Gross investment in the agreements	2,107,342	1,761,577	118,235	3,987,154
Unearned financial income <sup>(1)</sup>	(646,280)	(322,905)	(28,719)	(997,904)
Minimum payments over the hire purchase term	1,461,062	1,438,672	89,516	2,989,250
Less: Allowance for doubtful debts <sup>(2)</sup>				(95,821)
Hire purchase receivables - net				2,893,429
Less: Current portion of hire purchase receivables				(1,454,656)
Hire purchase receivables - portion due more than 1 year				1,438,773

(1) After deduction of commission and deferred initial direct costs of hire-purchase

(2) Because the Group is unable to separate allowance for doubtful accounts into that for the current portion (due within 1 year) and that for the long-term portion, all allowance for doubtful accounts is presented as a deduction against the current portion of hire purchase receivables.

(3) Non-performing loans are loans that cease revenue recognition on the accrual basis, presenting the current portion of receivables.

Hire purchase receivables were classified by aging from the maturity date as stated in the contract as follows:

(Unit: Thousand Baht)

Consolidated financial statements		
	30 June 2017	31 December 2016
Not yet due or overdue less than 1 month	3,201,871	2,599,521
Overdue 1 - 3 months	370,952	300,313
Overdue more than 3 - 6 months	86,774	79,595
Overdue more than 6 - 12 months	15,801	7,741
Overdue more than 12 months	1,805	2,080
Total	3,677,203	2,989,250
Less: Allowance for doubtful accounts	(111,929)	(95,821)
Hire purchase receivables - net	3,565,274	2,893,429



## 7. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Decrease to net realisable value		Inventories - net	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Property development for sale	2,587,971	2,708,895	-	-	2,587,971	2,708,895
Finished goods	69,408	66,704	(46)	(504)	69,362	66,200
Raw materials	93,534	173,572	-	-	93,534	173,572
Supplies and equipment for operations	102,019	105,636	(2,472)	(2,472)	99,547	103,164
Food and beverage	12,377	14,596	-	-	12,377	14,596
<b>Total inventories</b>	<b>2,865,309</b>	<b>3,069,403</b>	<b>(2,518)</b>	<b>(2,976)</b>	<b>2,862,791</b>	<b>3,066,427</b>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Decrease to net realisable value		Inventories - net	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Supplies and equipment for operations	31,772	33,028	-	-	31,772	33,028
Food and beverage	4,138	5,219	-	-	4,138	5,219
<b>Total inventories</b>	<b>35,910</b>	<b>38,247</b>	<b>-</b>	<b>-</b>	<b>35,910</b>	<b>38,247</b>

As at 30 June 2017, a subsidiary has pledged inventories of approximately Baht 152 million (31 December 2016: Baht 229 million) to secure a loan facility from a financial institution, as discussed in Note 14.

## 8. Investments in associates

8.1 Investments in associates as at 30 June 2017 and 31 December 2016 comprise the following:

	Nature of business	Country of incorporation	Shareholding percentage both directly and indirectly owned	
			30 June 2017	31 December 2016
			%	%
<b>Listed company</b>				
Royal Orchid Hotel (Thailand) Public Company Limited	Hotel	Thailand	29.86	29.86
<b>Non-listed companies</b>				
Siam Piwat Company Limited	Shopping center and property for lease	Thailand	30.72	30.72
Max Asset Management Company Limited	Asset management	Thailand	16.56	16.56
Paemala Spa Company Limited	Property for lease	Thailand	25.00	25.00
Puen Pob Patt Company Limited	Dormant	Thailand	36.29	36.29
Apple Auto Auction (Thailand) Company Limited	Vehicle broker	Thailand	49.99	49.99
DMS Property Investment Private Limited	Hotel	Maldives	35.00	35.00
Lam Luk Ka Golf and Country Club Company Limited	Golf course	Thailand	45.49	45.32
MBK Life Assurance Public Company Limited	Life insurance	Thailand	49.00	49.00
MT Service 2016 Company Limited	Back-office and business support	Thailand	49.00	49.00
TM Broker Company Limited	Agents and consultants for non-life and life insurance	Thailand	49.00	49.00

## 8.2 Share of comprehensive income and dividend received

(Unit: Thousand Baht)

	Consolidated financial statements									
	Cost				Carrying amount based on equity method		Shares of profits (losses) from investments in associates for the three-month periods ended		Shares of profits (losses) from investments in associates for the six-month periods ended	
	30 June	31 December	30 June	31 December	30 June	30 June	30 June	30 June		
	2017	2016	2017	2016	2017	2016	2017	2016		
<b>Listed company</b>										
Royal Orchid Hotel (Thailand) Public Company Limited	731,903	731,903	436,843	443,509	3,048	2,685	18,533	43,627		
<b>Non-listed companies</b>										
Siam Piwat Company Limited	947,012	947,012	1,698,695	1,673,042	28,598	19,307	86,541	71,333		
Max Asset Management Company Limited	23,681	23,681	106,749	113,861	8,078	8,307	8,221	7,180		
Paemala Spa Company Limited	1,250	1,250	-	-	-	-	-	-		
Puen Pob Patt Company Limited	480	480	-	-	-	-	-	-		
Apple Auto Auction (Thailand) Company Limited	45,000	45,000	114,225	118,902	4,573	5,695	11,973	14,673		
DMS Property Investment Private Limited	408,483	408,483	433,631	444,872	3,547	(6,167)	11,581	10,991		
Lam Luk Ka Golf and Country Club Company Limited	304,255	303,139	320,792	320,106	(1,061)	1,305	6,160	5,086		
MBK Life Assurance Public Company Limited	441,669	441,669	599,080	587,513	(11,946)	2,794	(8,271)	(48,317)		
MT Service 2016 Company Limited	24,500	24,500	9,008	15,062	(3,731)	-	(6,054)	-		
TM Broker Company Limited	9,800	9,800	3,185	6,836	(1,667)	-	(3,652)	-		
<b>Investments in associates</b>	<b>2,938,033</b>	<b>2,936,917</b>	<b>3,722,208</b>	<b>3,723,703</b>	<b>29,439</b>	<b>33,926</b>	<b>125,032</b>	<b>104,573</b>		

(Unit: Thousand Baht)

	Separate financial statement					
	Cost		Dividend received for the three-month periods ended		Dividend received for the six-month periods ended	
	30 June	31 December	30 June	30 June	30 June	30 June
	2017	2016	2017	2016	2017	2016
<b>Non-listed companies</b>						
Siam Piwat Company Limited	947,012	947,012	60,755	121,211	60,755	121,211
Max Asset Management Company Limited	23,681	23,681	-	-	8,880	11,840
Puen Pob Patt Company Limited	480	480	-	-	-	-
Apple Auto Auction (Thailand) Company Limited	45,000	45,000	16,650	16,650	16,650	16,650
Lam Luk Ka Golf and Country Club Company Limited	304,255	303,139	6,590	-	6,590	-
MBK Life Assurance Public Company Limited	441,669	441,669	-	-	-	-
MT Service 2016 Company Limited	24,500	24,500	-	-	-	-
TM Broker Company Limited	9,800	9,800	-	-	-	-
Investments in associates	1,796,397	1,795,281	83,995	137,861	92,875	149,701
Less: Allowance for impairment	(480)	(480)				
<b>Investments in associates - net</b>	<b>1,795,917</b>	<b>1,794,801</b>				

(Unaudited but reviewed)

**8.3 Fair value of investment in an associate which is a listed company on the Stock Exchange of Thailand.**

In respect of investment in an associated company that is a listed company on the Stock Exchange of Thailand, its fair value is as follows:

(Unit: Million Baht)

	Fair value	
	30 June 2017	31 December 2016

  

Royal Orchid Hotel (Thailand) Public Company Limited	910	784
--	-----	-----

**9. Investment in joint venture**

**9.1 Detail of investment in joint venture:**

Investment in joint venture represents investment in entity which is jointly controlled by the subsidiary and other company. Detail of this investment is as follows:

Joint ventures	Nature of business	Country of incorporation	Shareholding percentage	
			30 June 2017	31 December 2016
			%	%
<b>Indirectly owned</b>				
PT Retail Corporation Limited	Retail business in shopping center	Thailand	50.00	50.00

**9.2 Share of comprehensive income**

During the periods, the Group recognised its share of comprehensive income from investments in the joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements							
	Cost				Share of losses from investment in joint venture for the three-month periods ended		Share of losses from investment in joint venture for the six-month periods ended	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016

  

<b>Indirectly owned</b>								
PT Retail Corporation Limited	200,000	200,000	100,189	121,720	(10,932)	(11,965)	(21,530)	(23,642)
<b>Total</b>	<b>200,000</b>	<b>200,000</b>	<b>100,189</b>	<b>121,720</b>	<b>(10,932)</b>	<b>(11,965)</b>	<b>(21,530)</b>	<b>(23,642)</b>

**10. Investments in subsidiaries**

Investments in subsidiaries as at 30 June 2017 and 31 December 2016 comprise the following:

	Paid-up capital		Shareholding percentage both directly and indirectly owned	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
	Thousand Baht	Thousand Baht	%	%
<b>Listed company</b>				
Patum Rice Mill and Granary Public Company Limited	600,000	600,000	74.52	74.52
<b>Non-listed companies</b>				
Riverdale Golf and Country Club Company Limited	4,000,000	4,000,000	99.99	99.99
MBK Hotels and Resorts Company Limited	2,200,000	2,200,000	100.00	100.00
Glas Haus Ratchada Company Limited	1,083,500	1,083,500	100.00	100.00
MBK Business Company Limited	570,000	570,000	99.99	99.99
MBK Premium Company Limited	528,319	528,319	100.00	100.00
Supsinthanee Company Limited	505,325	505,325	100.00	100.00
MBK Asset Company Limited	300,000	300,000	99.99	99.99
Primacy Elegance Investments Limited	111	111	100.00	100.00
MBK Smart Force Security Guard Company Limited	1,000	1,000	99.97	99.97
MBK Center Company Limited	2,000	2,000	99.99	99.99
MBK Shopping Center Company Limited	300,000	300,000	99.99	99.99
MBK Square Company Limited	100,000	100,000	99.99	99.99
MBK Hotels and Tourism Company Limited	10,000	10,000	99.99	99.99
T Leasing Company Limited	500,000	500,000	99.99	99.99
X-Gen Premium Company Limited	90,000	90,000	99.99	99.99
Lanta Land Development Company Limited	340,000	340,000	99.99	99.99
MBK Training Center Company Limited	3,000	3,000	99.97	99.97
MBK Insurance Broker Company Limited	2,000	2,000	99.99	99.99
MBK Broker Company Limited	4,000	4,000	99.99	99.99
MBK Charan Company Limited (Formerly known as "MBK Chiangmai Company Limited")	550,000	1,000	99.97	99.97
MBK Service Solution Company Limited	150,000	150,000	99.99	99.99
MBK Real Estate Company Limited	1,000,000	1,000,000	99.97	99.97
MBK Enterprise Company Limited (Formerly known as "Mah Boonkrong Sirichai Enterprise Company Limited")	1,350,000	1,350,000	99.99	99.99
MBK Digital Company Limited	5,000	5,000	99.97	99.97
MBK Online Company Limited	1,000	1,000	99.97	99.97
MBK Club Company Limited	5,000	5,000	99.99	99.99

The details of investments in subsidiaries are presented in separate financial statements, are as follows:

(Unit: Thousand Baht)

	Cost		Dividend received for the three-month periods ended		Dividend received for the six-month periods ended	
	30 June	31 December	30 June	30 June	30 June	30 June
	2017	2016	2017	2016	2017	2016
<b>Listed company</b>						
Patum Rice Mill and Granary Public Company Limited	422,235	422,235	125,197	125,197	125,197	125,197
<b>Non-listed companies</b>						
Riverdale Golf and Country Club Company Limited	3,999,992	3,999,992	120,000	120,000	120,000	120,000
MBK Hotels and Resorts Company Limited	2,200,000	2,200,000	63,800	6,600	63,800	6,600
Glas Haus Ratchada Company Limited	1,000,015	1,000,015	312,590	365,681	312,590	365,681
MBK Business Company Limited	570,000	570,000	31,900	41,250	31,900	41,250
MBK Premium Company Limited	528,319	528,319	27,000	28,000	27,000	28,000
Supsinthanee Company Limited	500,006	500,006	2,500	3,500	2,500	3,500
MBK Asset Company Limited	300,000	300,000	13,800	15,000	13,800	15,000
Primacy Elegance Investments Limited	111	111	-	-	-	-
MBK Smart Force Security Guard Company Limited	1,345	1,345	3,580	3,350	3,580	3,350
MBK Center Company Limited	2,000	2,000	-	-	-	-
MBK Shopping Center Company Limited	300,000	300,000	22,200	2,700	22,200	2,700
MBK Square Company Limited	100,000	100,000	7,500	7,000	7,500	7,000
MBK Hotels and Tourism Company Limited	10,000	10,000	36,500	-	36,500	-
T Leasing Company Limited	533,000	533,000	140,000	262,500	140,000	262,500
X-Gen Premium Company Limited	90,000	90,000	-	-	-	-
Lanta Land Development Company Limited	420,101	420,101	-	-	-	-
MBK Training Center Company Limited	3,000	3,000	3,900	1,500	3,900	1,500
MBK Insurance Broker Company Limited	2,000	2,000	-	-	-	-
MBK Broker Company Limited	4,000	4,000	2,000	2,400	2,000	2,400
MBK Charan Company Limited (Formerly known as "MBK Chiangmai Company Limited")	550,000	1,000	-	-	-	-
MBK Service Solution Company Limited	150,000	150,000	6,750	13,500	6,750	13,500
MBK Real Estate Company Limited	1,000,000	1,000,000	9,190	10,989	9,190	10,989
MBK Enterprise Company Limited (Formerly known as "Mah Boonkrong Sirichai Enterprise Company Limited")	1,270,800	1,270,800	-	-	-	-
MBK Digital Company Limited	5,000	5,000	-	-	-	-
MBK Online Company Limited	1,000	1,000	-	-	-	-
MBK Club Company Limited	5,000	5,000	-	-	-	-
Investments in subsidiaries	13,967,924	13,418,924	928,407	1,009,167	928,407	1,009,167
Less: Allowance for impairment	(25,113)	(26,667)				
Investments in subsidiaries, net	13,942,811	13,392,257				

During the period, there were the significant changes as discussed in Note 1.3.1.

## 11. Other long-term investments

Other long-term investments as at 30 June 2017 and 31 December 2016 comprise the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Long-term investment - related companies	6,134,162	5,831,655	5,976,062	5,683,755
Investments in loans	29,284	30,554	29,284	30,554
Investments in other companies	477,845	477,995	3,289	3,289
Total	6,641,291	6,340,204	6,008,635	5,717,598
Less: Allowance for impairment	(5,000)	(5,150)	-	-
Other long-term investments	6,636,291	6,335,054	6,008,635	5,717,598

### 11.1 Long-term investment - related companies

Long-term investment - related companies as at 30 June 2017 and 31 December 2016 comprise the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<b>Available-for-sale securities</b>				
Equity securities	1,825,322	1,825,323	1,668,562	1,668,562
Add: Unrealised gain on changes in value of investment	4,308,840	4,006,332	4,307,500	4,015,193
Fair value	6,134,162	5,831,655	5,976,062	5,683,755
Long-term investment - related companies	6,134,162	5,831,655	5,976,062	5,683,755

### 11.2 Other long-term investment

#### M G 1 Company Limited

Investment in other company of Baht 466 million in the consolidated financial statements as of 30 June 2017 and 31 December 2016, is an investment in the ordinary shares (100%) of M G 1 Company Limited ("MG1") which is held by another subsidiary, MBK Guarantee Company Limited ("MBK-G"). The Company has obligations in respect of this investment under the agreement to purchase and to sell.

(Unaudited but reviewed)

On 20 December 2013, MBK Guarantee Company Limited entered into an agreement to sell and to purchase shares, whereby it grants an option to purchase shares of M G 1 Company Limited to unrelated parties, for a period of 2 years from the agreement date, at the net book value of the investment plus future interest and some additional expenses. In addition, on 15 December 2015, the unrelated parties sent a letter to MBK-G requesting an extension of the agreement for a period of 1 year, and paid an extension fee of Baht 5 million. On 14 March 2016, MBK-G received an additional amount of Baht 15 million, bringing total receipts to Baht 20 million. Subsequently on 13 May 2016, MBK-G extended the agreement to 30 December 2016 and the Company is currently in the process of negotiating a further extension of this period. MBK-G has certain commitments under the agreement, including an undertaking not to sell, transfer, or allow creation of lien over any assets in MG1. As a result of this, MBK-G does not have control over MG1, and therefore reclassified the investment in MG1 from “investment in subsidiary” to “investment in other company” in the consolidated financial statements.

Assets and liabilities of MG1 as at 30 June 2017 and 31 December 2016 are as follows:

	(Unit: Million Baht)	
	30 June 2017	31 December 2016
<b>Assets</b>		
Loans to a related company	20	20
Investment properties - net	440	440
Other assets	-	1
<b>Total assets</b>	<u>460</u>	<u>461</u>
<b>Liabilities</b>		
Other payables and other current liabilities	(1)	(1)
<b>Total liabilities</b>	<u>(1)</u>	<u>(1)</u>
<b>Net assets value</b>	<u>459</u>	<u>460</u>

## 12. Investment properties

Movement of the investment properties for the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2017</b>	10,010,533	5,378,708
Acquisitions during period - at cost	109,824	86,838
Disposals during period - net book value at disposal date	(714)	-
Reclassification	(503)	(1,411)
Depreciation for period	(363,498)	(173,539)
<b>Net book value as at 30 June 2017</b>	<u>9,755,642</u>	<u>5,290,596</u>

(Unaudited but reviewed)

### 13. Property, plant and equipment

Movements of the property, plant and equipment account for the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2017</b>	4,574,106	920,947
Acquisitions during period - at cost	57,847	27,143
Disposals during period - net book value at disposal date	(882)	(189)
Transfers	1	-
Reclassification	2,513	1,410
Reversal of allowance of impairment	800	-
Depreciation for the period	(209,668)	(65,046)
<b>Net book value as at 30 June 2017</b>	<b>4,424,717</b>	<b>884,265</b>

### 14. Bank overdrafts and short-term loans from financial institutions

	(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements		
	Interest rate (per annum)	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Bank overdrafts	6.87%	22	209	-	-
Short-term loans from financial institutions	1.69% - 2.95%	1,955,000	1,330,000	1,460,000	800,000
Total bank overdrafts and short-term loans from financial institutions		<u>1,955,022</u>	<u>1,330,209</u>	<u>1,460,000</u>	<u>800,000</u>

As at 30 June 2017, bank overdrafts and short-term loans from financial institutions of a subsidiary of Baht 495 million (31 December 2016: Baht 500 million) are secured by the pledge of inventories and treasury stock held by subsidiary as described in Notes 7 and 17, respectively.



**15. Long - term debentures**

(Unit: Thousand Baht)

Type of debentures	Interest rate (per annum)	Period	Due date	Consolidated/Separate financial statements	
				30 June 2017	31 December 2016
Unsubordinated and unsecured debentures					
- 2/2011	5.00%	7 years	9 August 2018	300,000	300,000
- 3/2011	4.95%	7 years	24 August 2018	400,000	400,000
- 1/2012	4.93%	10 years	24 July 2022	500,000	500,000
- 2/2012	4.70%	10 years	7 September 2022	400,000	400,000
- 3/2012	4.72%	10 years	20 September 2022	1,000,000	1,000,000
- 4/2012	5.10%	15 years	7 November 2027	1,500,000	1,500,000
- 1/2013	4.75%	7 years	17 July 2020	1,700,000	1,700,000
- 2/2013	4.75%	7 years	25 July 2020	300,000	300,000
- 1/2015	2.47%	3 years	24 June 2018	1,000,000	1,000,000
- 1/2016	3.125%	7 years and 19 days	17 March 2023	1,000,000	1,000,000
- 2/2016	3.57%	10 years	26 February 2026	1,000,000	1,000,000
Total				9,100,000	9,100,000
Less: Underwriting fee on debenture issuance				(6,190)	(6,974)
				9,093,810	9,093,026
Less: Current portion				(999,624)	-
Long-term debentures - net of current portion				8,094,186	9,093,026

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios.

**16. The agreement granting the right to utilise the shopping center at the Pathumwan intersection / Liabilities under finance lease agreements**

On 21 April 1983, the Company entered into agreements with Chulalongkorn University ("the University") to lease and develop land at the Pathumwan intersection for a period of 30 years, expiring on 21 April 2013. At the end of the agreements, the Company agreed to transfer all rights in property development constructed on the land under the lease agreements to the University.

On 16 October 2007, the Company and the University signed lease agreements granting the right to utilise the shopping center at Pathumwan intersection for a period of 20 years (from 22 April 2013 to 21 April 2033), under which the Company is required to pay annual rental as stipulated in the lease agreements. In addition, the Company paid Baht 2,519 million for the first right of refusal to enter into agreements with the University, and on 15 July 2009, the Company paid Baht 279 million for the registration of leasehold rights - land and building with the Department of Lands. These prepaid amounts of Baht 2,798 million are recorded as cost of land and building rental as at the effective date of the lease agreement.

(Unaudited but reviewed)

On 22 April 2013, the effective date of the new lease agreement, the Company considered the materiality of the terms and conditions of the lease agreement, in accordance with TAS 17- Leases, and concluded that the Company should separate the land and building elements based on the income approach and the market rental rate for the land as determined by an independent appraiser. The land rental element is classified as an operating lease, for which the rental payments are recognised as an expense on a straight-line basis over the lease period. Meanwhile, the building rental element is classified as assets under financial lease at the present value of the lease payments. It is then depreciated over the lease period. The assets under financial lease are presented in investment properties (Note 12), and property, plant and equipment (Note 13). In addition, the outstanding rental obligations, net of deferred interest expense, presented as liabilities under finance lease agreements and the deferred interest expense is amortised over the lease period.

Under the terms and conditions of the lease agreements, the Company has to comply with certain conditions and restrictions relating to matters such as renovation of the building and related infrastructure under a budget and within a timeframe set forth in the lease agreement, the arrangement of insurance coverage for the assets, the repair and maintenance of the assets in good condition, and the pledge of a bank guarantee of Baht 112 million in respect of certain performance bonds. In addition, if the total revenue of the Company every 5 years is higher than the estimated revenue as defined in the lease agreement, the Company is required to pay revenue sharing at the rate 5% of the excess estimated revenue within 90 days after the end of the accounting period of every fifth year.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	30 June 2017	31 December 2016
Liabilities under finance lease agreements	7,896,216	8,216,257
Less: Deferred interest expenses	(3,040,396)	(3,184,974)
Total	4,855,820	5,031,283
Less: Current portion	(51,796)	(31,445)
Liabilities under finance lease agreements - net of current portion	4,804,024	4,999,838

(Unaudited but reviewed)

Future minimum lease payments required under finance lease agreements were as follows:

(Unit: Thousand Baht)

	As at 30 June 2017			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	827,423	3,836,836	14,594,806	19,259,065
Less: Portion of land lease which is operating lease	(488,180)	(2,263,733)	(8,610,936)	(11,362,849)
Future minimum lease payment for finance lease	339,243	1,573,103	5,983,870	7,896,216
Less: Deferred interest expenses	(287,447)	(1,101,200)	(1,651,749)	(3,040,396)
Present value of future minimum lease payments	51,796	471,903	4,332,121	4,855,820

(Unit: Thousand Baht)

	As at 31 December 2016			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Future minimum lease payments	780,587	3,619,657	15,639,408	20,039,652
Less: Portion of land lease which is operating lease	(460,547)	(2,135,597)	(9,227,251)	(11,823,395)
Future minimum lease payments for finance lease	320,040	1,484,060	6,412,157	8,216,257
Less: Deferred interest expenses	(288,595)	(1,113,154)	(1,783,225)	(3,184,974)
Present value of future minimum lease payments	31,445	370,906	4,628,932	5,031,283

## 17. Treasury stock

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2017	31 December 2016
Treasury stocks held by subsidiaries	711,994	711,994

### Treasury stocks held by subsidiaries

Treasury stocks represented the Company's shares held by subsidiaries totaling 499 million shares with a par value of Baht 1 each which have been presented in the consolidated financial statements by applying the cost method, apportioned accounting to holding of the Group.

(Unaudited but reviewed)

As at 30 June 2017, a subsidiary has pledged and entered into a negative pledge agreement on the treasury stock of 318 million shares with a par value of Baht 1 each (31 December 2016: 318 million shares with a par value of Baht 1 each), with book value (cost method) at end of reporting period amounting to Baht 609 million (31 December 2016: Baht 609 million) to secure bank overdraft and short-term loan facilities from banks, as discussed in Note 14.

#### 18. Revenue from financial business

Revenue from financial business for the three-month and six-month periods ended 30 June 2017 and 2016 comprise the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Loan to customers	151,222	107,259	283,839	195,931
Hire purchase and financial lease	259,410	209,475	499,594	410,720
Total revenue from financial business	<u>410,632</u>	<u>316,734</u>	<u>783,433</u>	<u>606,651</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Loan to customers	897	1,166	1,943	2,426
Total revenue from financial business	<u>897</u>	<u>1,166</u>	<u>1,943</u>	<u>2,426</u>

**19. Income tax expenses**

Income tax expenses of the Group for the three-month and six-month periods ended 30 June 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Interim corporate income tax	106,653	130,887	240,899	286,296
<b>Deferred tax:</b>				
Financial lease agreement	(22,419)	(24,677)	(46,602)	(50,978)
Timing differences of accounting and taxable income recognition	(2,394)	2,822	(7,682)	3,450
Share of profit from investment in associates	(13,049)	(23,127)	(542)	(21,845)
Relating to origination and reversal of others temporary differences	(726)	457	(2,307)	1,182
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>68,065</b>	<b>86,362</b>	<b>183,766</b>	<b>218,105</b>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Interim corporate income tax	36,671	44,304	80,474	96,364
<b>Deferred tax:</b>				
Finance lease agreement	(22,419)	(24,677)	(46,602)	(50,978)
Relating to origination and reversal of others temporary differences	(271)	1,145	(815)	2,192
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>13,981</b>	<b>20,772</b>	<b>33,057</b>	<b>47,578</b>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Unrealised gains (losses) on change in value of available-for-sale investments	(47,701)	(36,716)	114,005	112,776
Unrealised gains (losses) on investments in loans	76	(33)	196	(1,817)
Unrealised gains (losses) on change in value of available-for-sale investments of an associate	453	(1,637)	3,968	11,318
Unrealised gains (losses) on investments in loans of an associate	(1,204)	534	(1,291)	(227)
Translation adjustment of an associate	(1,264)	(199)	(4,564)	(2,428)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>(49,640)</b>	<b>(38,051)</b>	<b>112,314</b>	<b>119,622</b>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Unrealised gains (losses) on change in value of available-for-sale investments	(55,523)	(107,065)	97,444	18,897
Unrealised gains (losses) on investments in loans	76	(33)	196	(1,817)
<b>Income tax expense reported in the statement of other comprehensive income</b>	<b>(55,447)</b>	<b>(107,098)</b>	<b>97,640</b>	<b>17,080</b>

**20. Earnings per share**

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

The weighted average number of ordinary shares for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows:

(Unit: Shares)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Ordinary shares issued and paid-up	1,707,960,000	1,886,291,000	1,707,960,000	1,886,291,000
Less: Treasury stock held by the Company	-	(178,331,000)	-	(178,331,000)
Treasury stock held by subsidiaries	(372,040,750)	(372,040,750)	(372,040,750)	(372,040,750)
Weighted average number of ordinary shares held by third parties	<u>1,335,919,250</u>	<u>1,335,919,250</u>	<u>1,335,919,250</u>	<u>1,335,919,250</u>

(Unit: Shares)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Ordinary shares issued and paid-up	1,707,960,000	1,886,291,000	1,707,960,000	1,886,291,000
Less: Treasury stock held by the Company	-	(178,331,000)	-	(178,331,000)
Weighted average number of ordinary shares held by third parties	<u>1,707,960,000</u>	<u>1,707,960,000</u>	<u>1,707,960,000</u>	<u>1,707,960,000</u>

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Profit for the period (Thousand Baht)	533,378	588,229	997,373	1,123,448
Weighted average number of ordinary shares (shares)	1,335,919,250	1,335,919,250	1,335,919,250	1,335,919,250
Earnings per share (Baht/share)	0.40	0.44	0.75	0.84

(Unaudited but reviewed)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Profit for the period (Thousand Baht)	1,298,323	1,465,203	1,410,848	1,587,250
Weighted average number of ordinary shares (shares)	1,707,960,000	1,707,960,000	1,707,960,000	1,707,960,000
Earnings per share (Baht/share)	0.76	0.86	0.83	0.93

**21. Net movements in operating assets and liabilities**

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>(Increase) decrease in operating assets</b>				
Trade and other receivables	(39,879)	468,974	(1,224)	(25,490)
Loans to customers	(1,507,192)	(1,932,829)	574	536
Prepaid rental fee	(460,546)	(434,478)	(460,546)	(434,478)
Inventories	202,116	508,499	2,337	2,458
Other current assets	(34,338)	16,874	1,007	10,203
Restricted fixed deposits	(5)	(4)	-	-
Property foreclosed	(4,773)	(38,850)	-	-
Other assets	212	(612)	-	-
<b>Increase (decrease) in operating liabilities</b>				
Trade and other payables	(127,085)	(199,696)	(34,410)	(62,596)
Other current liabilities	(3,556)	(142,559)	(55,367)	(60,550)
Cash receipts from advance rental and services deposits	88,158	57,326	31,672	-
Refund of advance rental and services deposits	(19,955)	(12,429)	(10,846)	(409)
Deposits received	486,354	692,711	440,605	503,593
Refund of deposits received	(470,648)	(531,483)	(443,050)	(511,735)
Other liabilities	(1,022)	(309)	(3,208)	(3,247)
<b>Net movements in operating assets and liabilities</b>	<b>(1,892,159)</b>	<b>(1,548,865)</b>	<b>(532,456)</b>	<b>(581,715)</b>



## 22. 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 operating decision maker has been identified as the Company's Board of Directors.

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

1. Shopping center business engages in the business of rental space to retail tenants in the shopping centers and the business of office space for rent.
2. Hotel and tourism business engages in providing for lodging, food and drink, and other facilities and services related for accommodation and travel.
3. Golf business engages in golf services, clubhouse and selling golf equipment.
4. Real estate business engages in residential for sale, property management and asset appraisal.
5. Food solution business engages in producing and selling rice for both local and export markets, the food center business and restaurant.
6. Finance business engages in providing general loan for housing and bridge loan of which the security is marketable property in good location, and motorcycle hire purchase business and provision of life assurance business.
7. Other business engages in the business of car and motorcycle auction. (The company that engages in such business is classified as an associate therefore the recognition of operating results is in the form of profit sharing.)
8. Supporting business performs as a back office functions for the Group.

No operating segments have been aggregated to form the above reportable operating segments.

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. However, the Group financing activities (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

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 revenue, profit and total assets information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2017 and 2016, respectively.

(Unit: Thousand Baht)

	For the three-month period ended 30 June 2017									
	Shopping center	Hotel and tourism	Golf	Real estate	Food solution	Finance	Other	Supporting	Elimination of inter-segment revenues	Total
Revenue from external customers	1,007,062	271,073	94,856	225,091	378,239	419,464	1,243	2,016	-	2,399,044
Inter-segment revenues	47,715	80,630	875	11,035	1,486	559	-	6,248	(148,548)	-
Total revenues	<u>1,054,777</u>	<u>351,703</u>	<u>95,731</u>	<u>236,126</u>	<u>379,725</u>	<u>420,023</u>	<u>1,243</u>	<u>8,264</u>	<u>(148,548)</u>	<u>2,399,044</u>
Segment operating profit (loss)	<u>250,491</u>	<u>(7,343)</u>	<u>(7,679)</u>	<u>43,061</u>	<u>(20,560)</u>	<u>151,720</u>	<u>1,222</u>	<u>848</u>	<u>-</u>	<u>411,760</u>
Share of profit (loss) from investments										
in associates and joint venture	17,666	6,595	(1,061)	-	-	(5,535)	4,573	(3,731)	-	18,507
Unallocated income and expenses:										
Interest income										3,201
Dividend income										215,066
Gain on sales of investments										170
Other income										21,391
Finance costs										(70,996)
Income tax expenses										(68,065)
(Profit) loss for the period for non-controlling interests of the subsidiaries										<u>2,344</u>
Profit attributable to equity holder of the Company										<u>533,378</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month period ended 30 June 2017

	Shopping	Hotel			Food				Elimination of	
	center	and tourism	Golf	Real estate	solution	Finance	Other	Supporting	inter-segment	Total
									revenues	
Revenue from external customers	1,994,629	650,601	243,960	385,220	722,690	805,500	2,739	3,023	-	4,808,362
Inter-segment revenues	95,973	167,326	2,559	26,954	2,879	1,150	-	10,176	(307,017)	-
Total revenues	<u>2,090,602</u>	<u>817,927</u>	<u>246,519</u>	<u>412,174</u>	<u>725,569</u>	<u>806,650</u>	<u>2,739</u>	<u>13,199</u>	<u>(307,017)</u>	<u>4,808,362</u>
Segment operating profit (loss)	<u>480,073</u>	<u>81,530</u>	<u>34,035</u>	<u>62,171</u>	<u>(27,876)</u>	<u>289,444</u>	<u>2,703</u>	<u>673</u>	<u>-</u>	<u>922,753</u>
Share of profit (loss) from investments										
in associates and joint venture	65,010	30,115	6,160	-	-	(3,701)	11,972	(6,054)	-	103,502
Unallocated income and expenses:										
Interest income										4,817
Dividend income										215,066
Gain on sales of investments										21,204
Other income										42,560
Finance costs										(133,067)
Income tax expenses										(183,766)
(Profit) loss for the period for non-controlling interests of the subsidiaries										<u>4,304</u>
Profit attributable to equity holder of the Company										<u>997,373</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 30 June 2016

	Shopping center	Hotel and tourism	Golf	Real estate	Food solution	Finance	Other	Supporting	Elimination of inter-segment revenues	Total
Revenue from external customers	1,009,225	256,980	107,613	494,687	449,370	354,754	-	680	-	2,673,309
Inter-segment revenues	47,924	69,309	346	22,999	634	668	-	4,754	(146,634)	-
Total revenues	<u>1,057,149</u>	<u>326,289</u>	<u>107,959</u>	<u>517,686</u>	<u>450,004</u>	<u>355,422</u>	<u>-</u>	<u>5,434</u>	<u>(146,634)</u>	<u>2,673,309</u>
Segment operating profit (loss)	<u>281,280</u>	<u>(9,938)</u>	<u>(2,200)</u>	<u>98,338</u>	<u>(2,767)</u>	<u>128,882</u>	<u>-</u>	<u>(246)</u>	<u>-</u>	<u>493,349</u>
Share of profit (loss) from investments										
in associates and joint venture	6,064	(3,482)	1,305	-	-	11,101	5,695	-	1,278	21,961
Unallocated income and expenses:										
Interest income										3,575
Dividend income										235,092
Other income										22,432
Finance costs										(106,536)
Income tax expenses										(86,362)
(Profit) loss for the period for non-controlling interests of the subsidiaries										<u>4,718</u>
Profit attributable to equity holder of the Company										<u>588,229</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month period ended 30 June 2016

	Shopping center	Hotel and tourism	Golf	Real estate	Food solution	Finance	Other	Supporting	Elimination of inter-segment revenues	Total
Revenue from external customers	2,008,482	642,282	262,642	1,094,866	939,121	658,217	-	1,075	-	5,606,685
Inter-segment revenues	93,284	148,901	634	49,465	1,588	1,335	-	10,980	(306,187)	-
Total revenues	<u>2,101,766</u>	<u>791,183</u>	<u>263,276</u>	<u>1,144,331</u>	<u>940,709</u>	<u>659,552</u>	<u>-</u>	<u>12,055</u>	<u>(306,187)</u>	<u>5,606,685</u>
Segment operating profit (loss)	<u>548,283</u>	<u>93,328</u>	<u>41,165</u>	<u>260,199</u>	<u>(10,132)</u>	<u>230,225</u>	<u>-</u>	<u>(1,136)</u>	<u>-</u>	<u>1,161,932</u>
Share of profit (loss) from investments in associates and joint venture	42,995	54,617	5,086	-	-	(41,136)	14,673	-	4,696	80,931
Unallocated income and expenses:										
Interest income										6,779
Dividend income										246,994
Gain on sales of investments										11,182
Other income										43,254
Finance costs										(227,502)
Income tax expenses										(218,105)
(Profit) loss for the period for non-controlling interests of the subsidiaries										17,983
Profit attributable to equity holder of the Company										<u>1,123,448</u>

(Unit: Thousand Baht)

	Shopping Center	Hotel and tourism	Golf	Real estate	Food solution	Finance	Other	Supporting	Unallocated assets	Total
<b>Segment assets</b>										
As at 30 June 2017	<u>9,891,621</u>	<u>1,606,712</u>	<u>4,253,992</u>	<u>2,190,287</u>	<u>1,010,871</u>	<u>9,939,741</u>	<u>-</u>	<u>3,050</u>	<u>14,849,746</u>	<u>43,746,020</u>
As at 31 December 2016	<u>9,998,472</u>	<u>1,726,943</u>	<u>4,252,622</u>	<u>2,363,369</u>	<u>1,071,818</u>	<u>8,475,477</u>	<u>-</u>	<u>3,617</u>	<u>14,625,383</u>	<u>42,517,701</u>

**23. Commitments and contingencies****23.1 Capital commitments**

As at 30 June 2017 and 31 December 2016, the Group has the capital commitments for construction, shopping center, hotel and tourism, golf, real estate and other relating to each segment as follows:

	(Unit: Million Baht)	
	30 June 2017	31 December 2016
Shopping center business	301	269
Hotel and tourism business	7	4
Golf business	24	24
Real estate business	105	107
Total	<u>437</u>	<u>404</u>

**23.2 Long-term service commitments**

As at 30 June 2017 and 31 December 2016, the Group has future minimum lease payments required under these non-cancellable operating leases contracts are as follows:

	(Unit: Million Baht)	
	30 June 2017	31 December 2016
<b>Payable within:</b>		
Less than 1 year	135	112
1 to 5 years	146	149
More than 5 years	421	434
Total	<u>702</u>	<u>695</u>

In addition, as at 30 June 2017 and 31 December 2016, the Company has future minimum lease payments under the agreement granting the right to utilise the shopping center at the Pathumwan intersection for the portion of land lease which is classified as operating lease (as mentioned in Note 16) as follows:

	(Unit: Million Baht)	
	30 June 2017	31 December 2016
<b>Payable within:</b>		
Less than 1 year	488	460
1 to 5 years	2,264	2,136
More than 5 years	8,611	9,227
Total	<u>11,363</u>	<u>11,823</u>

### 23.3 Guarantees

23.3.1 As at 30 June 2017, there are outstanding bank guarantees of approximately Baht 321 million (31 December 2016: Baht 323 million) issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

23.3.2 On 5 September 2011, the Company entered into Corporate Guarantee Agreement and Pledge of Shares Agreement with a local commercial bank to guarantee the borrowing of DMS Property Investment Private Limited, an associate, with the bank according to the portion of investment, the associate has total loan facilities amounting to USD 44 million.

As at 30 June 2017, a subsidiary of the Company's shareholding interest in such associate representing 35% of its share capital and the outstanding loan was USD 17 million or equivalent to Baht 556 million (31 December 2016: USD 19 million or equivalent to Baht 656 million).

23.3.3 On 22 August 2016, the Company entered into a guarantee contract with a local commercial bank, to guarantee debt commitments according to cross currency and interest rate swap agreements, of MBK Hotels and Resorts Company Limited, a subsidiary, amounting to Baht 467 million as discussed in Note 24.2.1.

### 23.4 Commitment to provide services to golf members

A subsidiary has a commitment to provide services to golf members, which were transferred from the previous owner with the golf course at the acquisition date. The details of membership contracts are as follows:

	Number of contracts	Membership fee range (Baht per contract)
Permanent contracts	266	200,000 - 630,000

Under the terms and conditions of membership contracts, the subsidiary will not receive any additional membership fee from all transferred members until the periods of such contracts have been expired including not receiving the green fee from transferred permanent members perpetually on the acquisition date. The subsidiary could not estimate the present value of all relevant costs that may occur from providing services to those permanent members. However, such costs were considered to reduce projected net cash flow in the future that reflects in the fair value at the acquisition date, and to determine the current range of rental fee of the golf course.

## 23.5 Litigation

As at 30 June 2017, the subsidiaries were defendant in certain lawsuits involving compensation of approximately Baht 20 million (31 December 2016: Baht 20 million). The cases were not yet final; nevertheless, the subsidiary company's management believe they will not suffer material losses from these suits.

## 24. Financial instruments

### 24.1 Foreign currency risk

Two subsidiaries are exposed to foreign exchange risk which arises from trading transactions and loans denominated in foreign currencies in the consolidated financial statements are summarised below.

	Foreign currency	Financial assets as at 30 June 2017 (Thousand units)	Average exchange rate as at 30 June 2017 (Baht per 1 foreign currency unit)
Trade receivables	USD	189	33.734
Investment in associate (foreign country)	USD	13,475	33.734

  

	Foreign currency	Financial assets as at 31 December 2016 (Thousand units)	Average exchange rate as at 31 December 2016 (Baht per 1 foreign currency unit)
Trade receivables	USD	48	35.566
Investment in associate (foreign country)	USD	13,475	35.566

A subsidiary has sold forward exchange contracts for expose foreign exchange risk which arises from trading transactions. Outstanding on 30 June 2017 and 31 December 2016 are summarised below.

As at 30 June 2017			
Foreign currency	Sold amount (Thousand units)	Contractual exchange rate (Baht per 1 foreign currency unit)	Maturity date
USD	671	33.910 - 35.217	11 September 2017 - 29 December 2017

  

As at 31 December 2016			
Foreign currency	Sold amount (Thousand units)	Contractual exchange rate (Baht per 1 foreign currency unit)	Maturity date
USD	335	34.666 - 35.657	10 February 2017 - 19 June 2017



## 24.2 Derivatives

As at 30 June 2017 and 31 December 2016, the Group has the following financial derivative instruments.

### 24.2.1 Cross currency and interest rate swap agreements

A subsidiary entered into cross currency interest rate swap agreements with a local bank to manage the risk associated with investment in an associate under foreign currency, which the maturity date was on 9 September 2018. Under the terms and conditions of the swap agreements are agreed as follows:

#### (1) Cross currency swap

As 30 June 2017 and 31 December 2016, a subsidiary entered into cross currency swap agreement to exchange the currency between Baht and US dollar. The contractual exchange rate is Baht 34.69 to 1 US dollar. The subsidiary has commitments with the bank counterparty at the initial date and terminated date of the agreement as follows:

	<u>At initial date</u>	<u>At terminated date</u>
The subsidiary received from / (paid to) the bank counterparty	USD 13.475 million (Baht 467million)	(USD 13.475 million) Baht 467 million

#### (2) Interest rate swap

A subsidiary entered into interest rate swap agreement to manage the risk associated with investment in an associated company that operates hotel business in oversea equivalent to the same amount of the currency swap as above mentioned, to be exchanged its interest rate from fixed rate to another fixed rate as the agreement. Under the agreement, the subsidiary will receive interest income from the bank counterparty that calculated the interest based on the partial of short-term loans amounting to Baht 467 million, bearing interest at the fixed rate 0.12% per annum. However, the subsidiary has to pay interest expense to the bank counterparty by calculation the interest based on the principal amount of USD 13.475 million, bearing interest at a fixed rate at 0%.

#### (3) The fair value of the derivative

	(Unit: Thousand Baht)	
	<u>30 June 2017</u>	<u>31 December 2016</u>
Fair value of cross currency interest rate swap agreements	10,646	(13,606)

**24.2.2 Interest rate swap**

The Company entered into interest rate swap agreement with local commercial bank to manage the risk associated with its interest-bearing financial liabilities. The partial amount of long-term debenture to be exchanged its interest rate from fixed rate to floating rate. Under the agreement, the Company will receive interest income from the bank counterparty that calculated the interest based on the partial of long-term debenture amounting to Baht 1,000 million, bearing interest at the fixed rate 5.10% per annum. However, the Company has to pay interest expense to the bank counterparty by calculation the interest based on interest at the MLR minus a premium.

	(Unit: Thousand Baht)	
	30 June 2017	31 December 2016
Fair value of interest rate swap agreements	71,023	54,906

**25. Fair value of financial instruments**

The Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Group endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets and liabilities
- Level 2 - Use of other observable inputs for such assets and liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

(Unaudited but reviewed)

As of 30 June 2017, the Group had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Available-for-sale securities				
Equity securities	2,957	-	-	<b>2,957</b>
Other long-term investments				
Equity securities	6,134	-	473	<b>6,607</b>
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Cross currency and interest rate swap agreement	11	-	-	<b>11</b>
Interest rate swap agreement	71	-	-	<b>71</b>
<b>Assets for which fair value are disclosed</b>				
Loans to	-	117	-	<b>117</b>
Investment properties	-	-	9,756	<b>9,756</b>
<b>Liabilities for which fair value are disclosed</b>				
Loans from	-	268	-	<b>268</b>
Debentures	-	9,094	-	<b>9,094</b>

(Unit: Million Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Available-for-sale securities				
Equity securities	1,942	-	-	<b>1,942</b>
Other long-term investments				
Equity securities	5,976	-	3	<b>5,979</b>
<b>Assets for which fair value are disclosed</b>				
Loans to	-	8,828	-	<b>8,828</b>
Investment properties	-	-	5,291	<b>5,291</b>
<b>Liabilities for which fair value are disclosed</b>				
Loans from	-	4,031	-	<b>4,031</b>
Debentures	-	9,094	-	<b>9,094</b>

Valuation techniques and inputs to Level 2 and 3 valuation

- a) The fair value of investments in non-marketable equity securities is determined using common valuation techniques such as the market approach, cost approach or income approach, as well as book value or adjusted book value.
- b) The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair values of investment properties have been determined based on valuation performed by an independent valuer. The fair value of the land awaiting sale and land/land improvement for rent have mainly been determined based on market approach, while that of the building for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.
- d) The fair values of floating rate or fixed rate loans to, loans from and debentures have been determined based on
- (1) not more than 1 year from the statement of financial position date remaining to maturity are assumed to approximate their book values.
  - (2) more than 1 year from the statements of financial position date remaining to maturity are determined by discounting the expected future cash flows at the market interest rate for similar debt.

During the current period, there were no transfers within the fair value hierarchy.

**26. Dividend**

	Approved by	Total dividend (Million Baht)	Dividend (Baht per share)	Dividend payment date
Final dividends on the six-month period ended 31 December 2016	Annual General Meeting of the shareholders on 26 April 2017	564	0.33	12 May 2017
Final dividends on the six-month period ended 31 December 2015	Annual General Meeting of the shareholders on 20 April 2016	564	0.33	9 May 2016

**27. Events after the reporting period**

On 17 July 2017, Siam Piwat Holding Company Limited sold all ordinary shares of Paradise Park Company Limited, a subsidiary of the Group, total 3.50 million shares (or equivalent to 50% of its registered capital) at Baht 114.51 each, for total amounting to approximately Baht 400.80 million to MBK Shopping Center Company Limited, a subsidiary of the Company, to expand the company's business.

On 17 July 2017, Siam Piwat Holding Company Limited sold all ordinary shares of Siam Delice Company Limited, a subsidiary of the Group, total 51.00 million shares (or equivalent to 50% of its registered capital) at Baht 6.17 each, for total amounting to approximately Baht 314.92 million to The Nine Center Company Limited, a subsidiary of the Company, to expand the company's business.

On 18 July 2017, the Extraordinary General Meeting of the shareholders of MBK Enterprise Company Limited, a subsidiary of the Company, passed a resolution granting approval for the subsidiary to increase its registered capital from Baht 1,350 million to Baht 3,000 million, through the issuance of 16.50 million preference shares with a par value of Baht 100 each, total amounting to Baht 1,650 million, and all share allocation to the Company. The Company paid in the called-up share subscription on 18 July 2017. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 19 July 2017.

**28. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised director on 10 August 2017.