

International
Media

TV Content

Books

Mobile
Content

Digital
Content

Online
Content

e-book

Character
Management

CSR

NINE

ANNUAL REPORT 2015

Nation International Edutainment Public Co., Ltd.





Nation International
Edutainment
Public Company
Limited
1858/123-124
Bangna-Trad Road,
Bangna, Bangkok
10260 Thailand
Tel. (662) 338 3694
Fax. (662) 338 3986

Vision:

To be recognized as one of the leading providers
of quality knowledge and fun

Mission:

To provide knowledge and fun from around
the world



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General Information

Name	Nation International Edutainment Public Company Limited
Symbol	NINE
Core Businesses	<ul style="list-style-type: none"> • Publishing Business: Publishes and distributes wide range of books and magazines for children and grown-ups. • TV Production • Service Business for Oversea Publications: Provides overseas periodical publishers many services including printing, advertising sales, subscription sales, distribution and delivery. • Digital Businesses: Provides digital content through various devices and operating systems, eg., online, mobiles, tablets and etc. • Character Management Businesses • Tutorial and Education Service
Head Office	1858/123-124, 29th Fl, Bangna-Trad Road, Bangna, Bangkok 10260
Registration	PLC no. 0107551000312
Telephone	(66) 2338-3333
Fax	(66) 2338-3904
Registered Capital	Baht 259,250,000
Paid-up Capital	Baht 170,048,386

The Company's shareholding exceeded 10% of Paid Capital (December 31, 2015).

Company Name / Address	Business	% of Holding	Registered Capital	Paid-up Capital
Direct Subsidiaries				
Nation Edutainment Co., Ltd. 1858/123-124 29th Floor Bangna-Trad Road, Bangna, Bangkok 10260	Publishing	99.99	41,250,000	41,250,000
Nation Kids Co., Ltd. ¹ 1858/123-124 29th Floor Bangna-Trad Road, Bangna, Bangkok 10260	Produce and conduct business as a content provider with multimedia channels including TV	99.99	1,000,000	1,000,000
Nation Global Edutainment Co., Ltd. 1858/123-124 29th Floor Bangna-Trad Road, Bangna, Bangkok 10260	Publishing	98.99	50,000,000	50,000,000
Nine Be Bright Co., Ltd. ² 1858/123-124 29th Floor Bangna-Trad Road, Bangna, Bangkok 10260	Education Service	-	-	-

Note :

1. Nation Kids Co., Ltd Ceased commercial operations in May 2014.

2. Nine Be Bright Co., Ltd. registered the liquidation with the Ministry of Commerce on October 20, 2015 and completed to liquidate the subsidiary on December 23, 2015.

Summary of Financial Data and Investments

(Unit: in Million Baht)

1. Data from Consolidated Financial Statements		2015	2014	2013
• Sales and Service Income		211.01	241.45	347.85
• Total Revenues		227.62	261.36	359.45
• Gross Profit Margin		57.12	64.14	105.79
• Profit Before Interest, Taxes, Depreciation and Amortization		11.06	31.01	64.52
• Net Profit (Loss)		(18.53)	1.71	20.44
• Total Assets		659.40	711.43	761.31
• Shareholders' Equity		487.03	516.27	529.64

2. Financial Ratios		2015	2014	2013
• Total Debts to Equity	Times	0.35	0.38	0.44
• Gross Profit Margin	%	27.07	26.56	30.41
• Net Profit on Total Revenues	%	(8.14)	0.66	5.69
• Return on Equity	%	(3.69)	0.33	5.74
• Return on Total Assets	%	(2.70)	0.23	3.62
• Earnings per Share (Basic)	Baht	(0.108)	0.01	0.16
• Earnings per Share (Diluted)	Baht	(0.108)	0.01	0.16
• Dividend per Share	Baht	0.07	0.10	0.15
• Book Value per Share (Basic)	Baht	2.86	3.04	4.22
• Book Value per Share (Diluted)	Baht	2.86	3.04	4.11

Summary of Financial Data and Investments

Investments in Subsidiaries of

Nation International Edutainment Public Company Limited

	Registered Capital Million Baht	Percentage of Investment
Publishing Business		
Nation Edutainment Co., Ltd.	41.25	99.99
Nation Global Edutainment Co., Ltd.	50.00	98.99
TV Program		
Nation Kids Co., Ltd.	1.00	99.99
(Ceased commercial operations in May 2014)		
Education Service		
Nine Be Bright Co., Ltd	1.00	59.99
(Liquidated and dissolution on December 23, 2015)		

Dividend Policy

In normal situation where the group has no capital requirement for investment or business expansion and has secured adequate cash flow, the group has a policy to pay dividend of the company and subsidiaries of no less than 30 percent of the company's net profit (individual company's financial statements) after corporate income tax, legal reserve requirement and other necessary and appropriate reserves. However, the dividend payment percentage may be changed depending on necessity and suitability of circumstantial conditions that are considered to be of the best interest of shareholders. The Board of Director's resolution to pay dividend must be approved at the shareholder's meeting, except for payment of interim dividend at which the Board of Directors have authority to approve and must report such payment at the next shareholder's meeting.

The company paid dividend from its operating results in 2014 and retained earnings at Bt 0.07/share, totaling Bt 11.90 million. Payment was made on May 27, 2015.

Message from the Chairman

Dear Shareholders,

2016 promises to be another challenging year for many sectors of the economy following on from a somewhat difficult year in 2015. Individual organizations need to be carefully attuned to the rapid changes occurring on a global scale and adjust accordingly. Similarly, Nation International Edutainment Public Company Limited needs to be sensitive to constantly changing consumer behavior in order to continue to operate its business in a sustainable manner. In 2016, the company will utilize the main strengths of the group to maximize returns, focusing on three main business areas. The first is publications for children and adults, selecting titles with good potential for profit for both print and digital formats with strict circulation control based on sales data. Second is the television business, producing programs for the group's own television channels as well as for non-affiliated channels and earning revenues from advertising sales and production services. The third business area is e-commerce, a rapidly growing business sector internationally. The company utilizes the entire customer database of Nation Group as well its existing delivery service network to facilitate e-commerce through its website nstore.net. With a strong focus on these three business areas, I am confident that the company will experience high levels of growth in 2016.

However, one area that we adhere to constantly and that we will not change is our commitment to provide quality content to ensure the continued trust of our consumers.

On behalf of the company, I would like to offer my gratitude to our shareholders, customers, financial institutions, members of the media and business partners, as well as the company's board of directors and employees who have enthusiastically dedicated themselves to their tasks to the best of their ability. All are critical to the company's ongoing stability and growth.

On behalf of Nation International Edutainment Public Company Limited, I extend my sincere thanks to all of you and look forward to your continuing support in the years ahead.



Duangkamol Chotana
Chairman

Board of Directors & Management Team

Mr. Somsak Cheer Chiranakhon
Independent Director and Chairman
of The Audit Committee

Mr. Sermsin Samalapa
Director

Mr. Suthichai Sae-Yoon
Director

Mr. Sutee Jintananarumit
Independent Director and
Member of The Audit
Committee

Dr. Santhaya Kittikowit
Independent Director and
Member of The Audit
Committee

Ms. Duangkamol Chotana
Chairman



Ms. Thitagan Thana-Olarn

Vice President - Business
Development

Mr. Pana Janviroj

Director and Chief Executive Officer

Mr. Sangchai Leelanawalikhit

Vice President - Sales

Ms. Boonpa Saebay

Assistant Vice President -
Accounting & Financing

Dr. Wongsiri Sankhavasi Miyaji

Editor-in-Chief



Board of Directors



Ms. Duangkamol Chotana

Position Chairman

Age 53 years

Qualification

- BA. Communication Arts, Chulalongkorn University

Training Course(s)

Thai Institute of Directors Association

- Directors Certification Program (DCP#144/2011)
- Anti-Corruption for Executive Program (ACEP 2/2012)

Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA)

- Executive Development Program (EDP # 4)

Thailand Energy Academy (TEA)

- Energy Literacy for The World (TEA#1/2015)

Training Course(s) 2015

Thai Listed Companies Association, The Stock Exchange of Thailand (TLCA)

- Leadership Development Program (LDP # 3)

No. of Shares Held as at December 30, 2015

Ms. Duangkamol Chotana 52,714 shares (0.03 %)

Relationship with NINE's Executive

- N/A -

Experience

March 2015 - Present Director and Chairman
Nation International Edutainment Plc.

Director of Other Listed Company

2011 - Present Director - Nation Broadcasting Corporation Plc.

2012 - Present Director and Chief Executive Officer
Nation Multimedia Group Plc.

Director of Other Non - Listed Company

2010 - Present Director - Krungthep Turakij Media Co., Ltd.

2012 - Present Director - Nation News Network Co., Ltd.

2012 - Present Director - Kom Chad Luck Media Co., Ltd.

2012 - Present Director and Chairman - WPS (Thailand) Co., Ltd.

2012 - Present Director - NML Co.Ltd.

2012 - Present Director - Nation U Co., Ltd.

2012 - Present Director - Bangkok Business Broadcasting Co., Ltd.

Aug.18, 2015 - Present Honorary Member - Nation U Co., Ltd.

Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

10 Months - Appointed as a director since March 9, 2015

The Meeting Attendance / Meeting Held (Frequency)

Board of Directors 4/4

Annual General Meeting of Shareholders 1/1

Board of Directors



Mr. Suthichai Sae-Yoon

Position Director

Age 70 years

Qualification

- Assumption Commercial College Bangkok (ACC)
- Saengthong School, Had Yai, Songkhla

Training Course(s)

Thai Institute of Directors Association

- Director Accreditation Program (DAP # 54)

Training Course(s) 2015

- N/A -

No. of Shares Held as at December 30, 2015

Mr. Suthichai Sae-Yoon	-	shares
Mrs. Nantawan Sae-Yoon	-	shares
Minor child	-	shares

Relationship with NINE's Executive

- N/A -

Experience

1971 - 2012	Editor-in-Chief - Nation Multimedia Group Plc.
1993 - March 2015	Chairman - Nation Broadcasting Corporation Plc.
2012 - March 2015	Director and Chairman - Nation Multimedia Group Plc.
2012 - March 2015	Chairman - Nation International Edutainment Plc.
March 2015 - Present	Director - Nation International Edutainment Plc.

Director of Other Listed Company

March 2015 - Present	Director, Chief Adviser to Editorial & Management Boards Nation Multimedia Group Plc.
March 2015 - Present	Director - Nation Broadcasting Corporation Plc.

Director of Other Non - Listed Company

2006 - Present	Director - NML Co., Ltd.
2008 - Present	Director - Nation News Network Co., Ltd.
2011 - Present	Director - Nation U Co., Ltd.
2012 - Present	Director - NBC Next Media Co., Ltd.
2012 - Present	Director - Nation Edutainment Co., Ltd.
2012 - Present	Director - Nation Kids Co., Ltd.
Dec. 29, 2014 - Present	Director - Nation Global Edutainment Co., Ltd.

Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

13 Years 9 Months (Appointed as a director since October 22, 1996)

The Meeting Attendance / Meeting Held (Frequency)

Board of Directors	4/5
Annual General Meeting of Shareholders	1/1

Board of Directors



Mr. Sermsin Samalapa

Position Director

Age 48 years

Qualification

- Master of Science in Real Estate Development, Sloan School of Management and Center for Real Estate, Massachusetts Institute of Technology (MIT), Cambridge, MA, USA
- Bachelor of Architecture from Faculty of Architecture, Chulalongkorn University
- Effective Strategies for Media Companies, Executive Education from Harvard Business School, Harvard University Cambridge, MA, USA

Training Course(s)

Thai Institute of Directors Association

- Director Accreditation Program (DAP # 24)

Training Course(s) 2015

- N/A -

No. of Shares Held as at December 30, 2015

Mr. Sermsin Samalapa - shares

Relationship with NINE's Executive

- N/A -

Experience

2010 - 2011	Director - Nation Multimedia Group Plc.
2012 - Present	Vice Chairman - Nation Multimedia Group Plc.
2011 - March 2015	Director - Nation Broadcasting Corporation Plc.
2011 - Present	Director - Nation International Edutainment Plc.

Director of Other Listed Company

March 2015 - Present	Executive Chairman - Nation Multimedia Group Plc.
March 2015 - Present	Chairman - Nation Broadcasting Corporation Plc.

Director of Other Non - Listed Company

2010 - Present	University Council - South-East Asia University
2011 - Present	Director - Nation U Co., Ltd.
August 18, 2015 - Present	University Council - Nation University

Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

4 Years 1 Month (Appointed as a director since November 9, 2011)

The Meeting Attendance / Meeting Held (Frequency)

Board of Directors	2/5
Annual General Meeting of Shareholders	1/1

Board of Directors



Mr. Pana Janviroj

Position Director and Chief Executive Office

Age 57 years

Qualification

- MA., Tufts University, USA

Training Course(s)

Thai Institute of Directors Association

- Directors Certification Program (DCP #71/2006)

Thai Listed Companies Association, The Stock Exchange of Thailand

- Risk Management Seminar & Workshop

Training Course(s) 2015

- Anti-Corruption for Executive Program (ACEP 15/2558)

No. of Shares Held as at December 30, 2015

Mr. Pana Janviroj - shares

Mrs. Pusadee Janviroj - shares

Minor child - shares

Relationship with NINE's Executive

- N/A -

Experience

2011 - Present Director and Chief Executive Officer
Nation International Edutainment Plc.

Director of Other Listed Company

2012 - Present Director - Nation Multimedia Group Plc.

Director of Other Non - Listed Company

2008 - Present Director - Nation News Network Co., Ltd.

2012 - Present Director - Yomiuri-Nation Information Service Co., Ltd.

2012 - Present Director - Nation Global Edutainment Co., Ltd.

2014 - Present Director - WPS (Thailand) Co., Ltd.

2014 - Present Director - Nation Edutainment Co., Ltd.

May 2015 - Present Director - Thai Listed Companies Association

Aug. 18, 2015 - Present Honorary Member - Nation University

Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

4 Years 9 Months (Appointed as a director since April 4, 2011)

The Meeting Attendance / Meeting Held (Frequency)

Board of Directors 5/5

Annual General Meeting of Shareholders 1/1

Board of Directors



Mr. Somsak Cheer Chiranakhon

Position Independent Director and Chairman of The Audit Committee

Age 72 years

Qualification

- Master in Engineering and Management of Industry, University of Wisconsin-USA
- BA in Engineering, University of Wisconsin-USA
- Certificate, Assumption Commercial College, Bangkok (ACC)

Training Course(s)

Thai Institute of Directors Association

- Directors Certification Program (DCP # 101)
- Audit Committee Program (ACP#23)

Training Course(s) 2015

- KPMG's Internal Audit oversight
- Transfer pricing act: Considerations for Audit Committees"

No. of Shares Held as at December 30, 2015

Mr. Somsak Cheer Chiranakhon	-	shares
Mrs. Arisara Chiranakhon	-	shares
Minor child	-	shares

Relationship with NINE's Executive

- N/A -

Experience

2008 - Present Independent Director & Chairman of The Audit Committee
Nation International Edutainment Plc.

Director of Other Listed Company

- N/A -

Director of Other Non - Listed Company

2000 - Present Managing Director - Wrebbit Asia Co., Ltd.
2002 - Present Chairman - Engery Control Co., Ltd.
2005 - Present Managing Director - P.R.S.S. Co., Ltd.

Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

7 Years 8 Months (Appointed as a director since April 11, 2008)

The Meeting Attendance / Meeting Held (Frequency)

Board of Directors	5/5
Audit Committee	4/4
Annual General Meeting of Shareholders	1/1

Board of Directors



Mr. Sutee Jintananarumit

Position Independent Director and Member of The Audit Committee

Age 71 years

Qualification

- BA in Architecture, Chulalongkorn University

Training Course(s)

Thai Institute of Directors Association

- Directors Certification Program (DCP#108)
- Financial Statement for Director # 3/2551

Training Course(s) 2015

- KPMG's Internal Audit oversight
- Transfer pricing act: Considerations for Audit Committees"

No. of Shares Held as at December 30, 2015

Mr. Sutee Jintananarumit	-	shares
Mrs. Fuengfa Jintananarumit	-	shares
Minor child	-	shares

Relationship with NINE's Executive

- N/A -

Experience

2008 - Present Independent Director and Member of The Audit Committee
Nation International Edutainment Plc.

Director of Other Listed Company

- N/A -

Director of Other Non - Listed Company

1975 - Present	Partner - Pac Design Partner Co., Ltd.
1988 - Present	Chairman - Topcon Co., Ltd.
1989 - Present	Chairman - Narumit Co., Ltd.
1995 - Present	Chairman - Pac Create Co., Ltd.
1995 - Present	Director - Siam Art Ceramic Co., Ltd.
2000 - Present	Managing Director - Engery Control Co., Ltd.
2011 - Present	Director - Hadyai Nakarin Co., Ltd.

Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

7 Years 5 Months (Appointed as a director since August 1, 2008)

The Meeting Attendance / Meeting Held (Frequency)

Board of Directors	5/5
Audit Committee	4/4
Annual General Meeting of Shareholders	1/1

Board of Directors



Dr. Santhaya Kittikowit

Position Independent Director and Member of The Audit Committee

Age 45 years

Qualification

- Doctor of Philosophy Degree, Technopreneurship and Innovation Management Chulalongkorn University
- M.B.A. International Management, University of Dallas, Texas, USA (Highest Honors)
- B.A. Costing, Chulalongkorn University

Training Course(s)

Thai Institute of Directors Association

- Director Accreditation Program (DAP# 107)

Training Course(s) 2015

- Transfer pricing act: Considerations for Audit Committees"

No. of Shares Held as at December 30, 2015

Ms. Santhaya Kittikowit - shares

Relationship with NINE's Executive

- N/A -

Experience

- | | |
|----------------|-------------------------------------------------------------------------------------------------|
| 1998 - 1999 | Senior Financial Analyst, Controller Department
Esso (Thailand) Plc. |
| 2013 - Present | Independent Director and Member of The Audit Committee
Nation International Edutainment Plc. |

Director of Other Listed Company

- N/A -

Director of Other Non - Listed Company

- | | |
|----------------|------------------------------------------------------------------------------------------------------|
| 1999 - Present | Department of Commerce, Chulalongkorn Business
School (CBS), Chulalongkorn University |
| 2012 - Present | Associate Dean for Student Affairs, Chulalongkorn
Business School (CBS), Chulalongkorn University |
| 2012 - Present | Department Committee, Chulalongkorn Business
School (CBS), Chulalongkorn University |

Director of A Competing Company or A Related Business Company

- N/A -

Year of Directorship

2 Year 8 Months (Appointed as a director since April 23, 2013)

The Meeting Attendance / Meeting Held (Frequency)

Board of Directors	4/5
Audit Committee	3/4
Annual General Meeting of Shareholders	1/1

Management Team



Dr. Wongsiri Sankhavasi Miyaji

Position Editor-in-Chief

Age 52 years

Qualification

- Doctor of Philosophy, Graduate School of Science and Technology, Chiba University, Japan
- Master Degree of Industrial Chemistry, Faculty of Engineering, Chiba University, Japan
- Bachelor Degree of Industrial Chemistry, Faculty of Engineering, Chiba University, Japan

Training Course(s)

- N/A -

No. of Shares Held as at December 30, 2015

3,000 shares (0.00%)

Relationship with NINE's Executive

- N/A -

Experience

2002 - 2006	Chief Operating Officer Nation Books International Co., Ltd.
2006 - 2012	Advisor Nation International Edutainment Plc.
2012 - Present	Editor-in-Chief Nation International Edutainment Plc.

The Meeting Attendance / Meeting Held (Frequency)

Annual General Meeting of Shareholders 1/1

Management Team



Ms. Thitagan Thana-Olarn

Position Vice President - Business Development

Age 52 years

Qualification

- MA, Translation, Chulalongkorn University
- MA, Journalism and Mass Communication, Thammasat University
- BA, Arts, Chulalongkorn University

Training Course(s)

- N/A -

No. of Shares Held as at December 30, 2015

- N/A -

Relationship with NINE's Executive

- N/A -

Experience

1994 - 2004	Senior Group Product and Marketing Division Manager and Director Asia Books Publishing Co., Ltd.
2004 - 2006	Director Asia Books Publishing Co., Ltd.
2006 - Present	Vice President - Business Development Nation International Edutainment Plc.

The Meeting Attendance / Meeting Held (Frequency)

Annual General Meeting of Shareholders 1/1

Management Team



Mr. Sangchai Leelanawalikhit

Position Vice President - Sales

Age 48 years

Qualification

- Master Degree of Business Administration, National Institute of Business Administration
- Bachelor Degree of Fine of Applied Arts, Chulalongkorn University

Training Course(s)

- N/A -

No. of Shares Held as at December 30, 2015

1,000 shares (0.00%)

Relationship with NINE's Executive

- N/A -

Experience

1990 - 2010	Advertising Manager Nation Multimedia Group Plc.
2010 - Present	Vice President - Sales Nation International Edutainment Plc.

The Meeting Attendance / Meeting Held (Frequency)

Annual General Meeting of Shareholders 1/1

Management Team



Ms. Boonpa Saebay

Position Assistant Vice President - Accounting & Financing

Age 42 years

Qualification

- BA Accounting, Bangkok University

Training Course(s) 2015

- Account & Tax update

No. of Shares Held as at December 30, 2015

- N/A -

Relationship with NINE's Executive

- N/A -

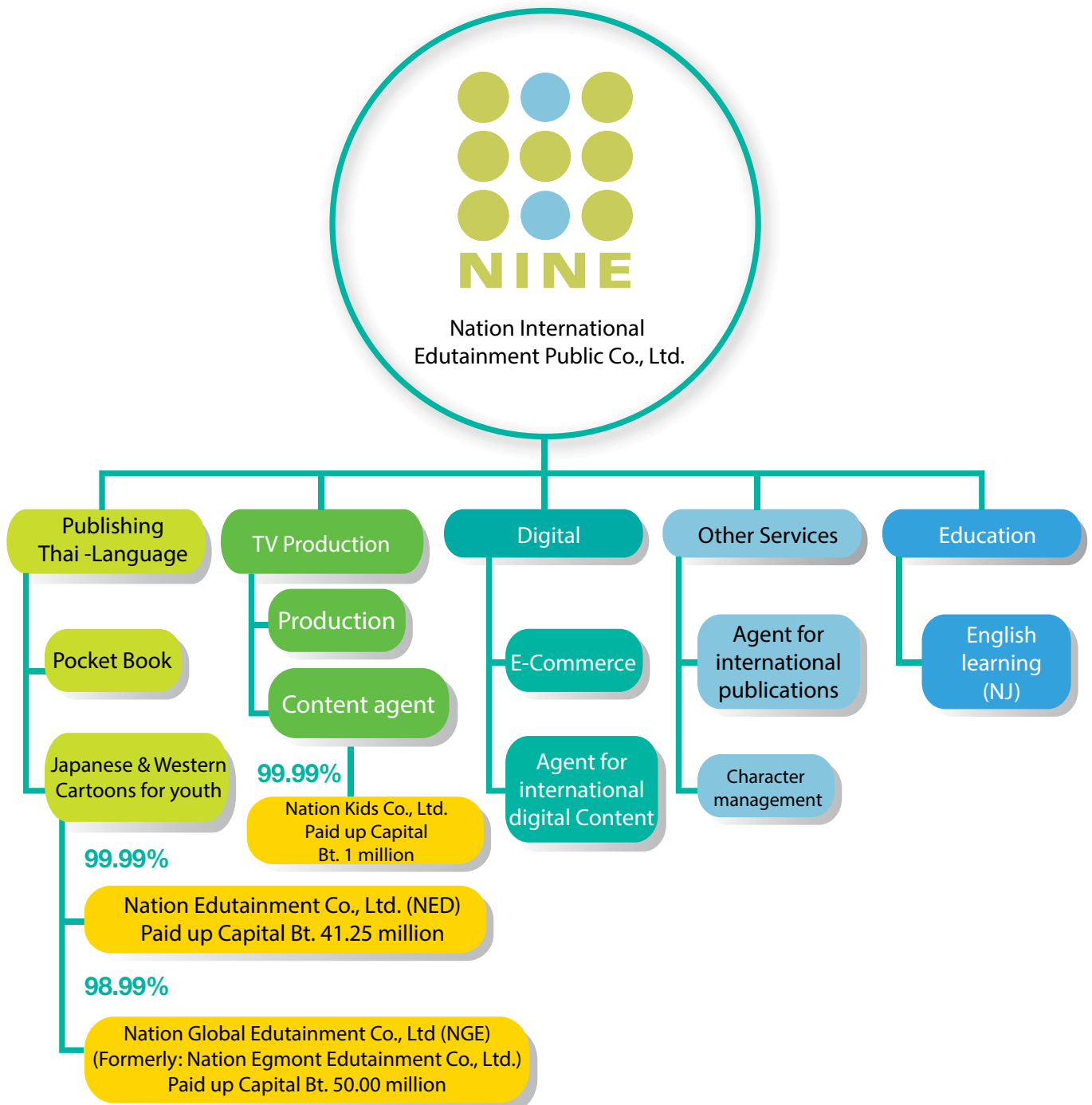
Experience

2008 - 2010	Manager Accounting Nation International Edutainment Plc.
2010 - 2014	Senior Accounting Manager Nation International Edutainment Plc.
2014 - Present	Assistant Vice President - Accounting & Financing Nation International Edutainment Plc.

The Meeting Attendance / Meeting Held (Frequency)

Annual General Meeting of Shareholders 1/1

Business Group Structure



Characteristics of the Business

Structure of Sales and Services Income

Nation International Edutainment Public Company Limited and subsidiaries have the structure of sales and service income grouped by products and services as follows:

Income from business group	Operated by	2015		2014		2013	
		Amount	%	Amount	%	Amount	%
1. Publishing Business							
1.1 Production and selling of pocket books	NINE	32.57	14.31	47.67	18.24	70.51	19.62
1.2 Production and selling of children printing	NGE, NED, NINE	90.88	39.93	72.14	27.60	140.06	38.96
2. Foreign printing agent business and related services ^A	NINE	65.54	28.79	72.45	27.72	79.69	22.17
3. Sale of goods and Service on internet	NINE	1.87	0.82	3.14	1.20	2.10	0.58
4. Production of TV programs and providing advertisements	NINE, NTK	20.16	8.86	42.21	16.15	51.32	14.28
5. Education	NBB, NINE	-	-	3.84	1.47	4.17	1.16
6. Other income ^B		16.60	7.29	19.91	7.62	11.60	3.23
Total income		227.62	100.00	261.36	100.00	359.45	100.00

Remark: ^A A Include printing income, delivery income, and service income from selling advertisement in foreign printing agent.

^B Other income are central service charge, other service income, sale of scraps, interest income, and other items etc.

Book Business



Pocketbooks

The Company operates a business through its own entity under the name of the “Nation Books Publisher”, a producer and distributor of the pocketbooks, who have been entrusted with copyrights from the famous writers and renowned domestic and foreign publishers as producer and distributor of the quality works, covering a variety of genres, including management, novel, language and learning, psychology and philosophy and religion and general category that meets the needs of all groups of readers.

Website: www.nine.co.th, www.facebook.com/NationBooksFanPage



Business Network

Nation Books



Good books for readers



Business Network

Nation Kids



Fun

books for
imagination



Cartoon & publications for youth

Nation Global Edutainment Company Limited operates publishing house, covering the production, import and distribution of printed materials for youth for education, entertainment, and skills promotion to the main target group, youth under the age of 18 years. They have largely been licensed from European countries, America, and Australia; for instances, the Walt Disney, Warner Bros., etc. and book distribution to the National Edutainment Co., Ltd. (NED).

The popular books and materials produced by the Nation Global include tales and skills activities of the Disney Character, the collection of the Disney classic tales in hardcover edition, "Princess Makeover" and so on.

Website: www.nine.co.th, www.facebook.com/NationKids





Business Network

Nation Edutainment



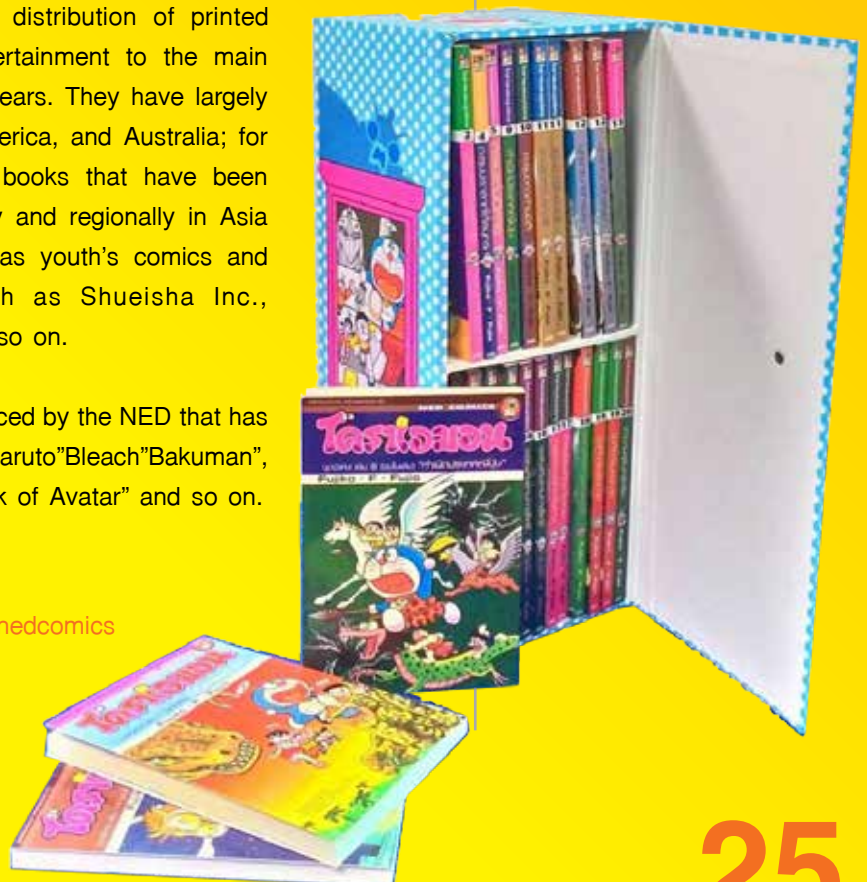
Popular Comics

Cartoon & publications for youth

NED has engaged in the production and distribution of printed materials for youth for education and entertainment to the main target group of youth under the age of 18 years. They have largely been licensed from European countries, America, and Australia; for instances, focusing on the popular comic books that have been licensed from leading publishers both locally and regionally in Asia countries, including Japan, Korea, as well as youth's comics and literature from various companies such as Shueisha Inc., Shogakukan Kodansha, and Futabasha and so on.

The comic books and juvenile literature produced by the NED that has been highly popular among readers include "Naruto" "Bleach" "Bakuman", "Blue Exorcist", and Thai comics, "The Book of Avatar" and so on.

Website: www.nine.co.th, www.facebook.com/nedcomics



Charactor Managment Business

Character Management



Cute
Characters
foravarity
of goods



The Company operates as a licensing agency of the internationally famous cartoon characters in the character management to the manufacturers who are interested in buy the copyright to produce goods for distribution in Thailand, owners of products and retailers who are Interested to buy the copyrights to promote sales, including marketing to promote the characters under the company's surveillance to be known and even more popular in Thailand.





Broadcassting Business

TV program production



Edutainment Variety for Kids and Modern Families



Nine TV has engaged in various types of TV programs for digital TV broadcasting, from the edutainment for youth and family to teens, variety, entertainment programs, along together with marketing promotion.

In addition, the company also specializes in the production of promotional materials and advertising materials to external customers; both private and public agencies.

Nowadays, the Nine TV has produced the variety show and entertainment, “Star’s Story NOW Society” 5 days a week, and discussion topics, “Kom Chud Luek Did Dao” weekly to the “NOW 26” Channel, and are now in development process of educational program for public agency, and online education for private agency.



Digital Business

Character Management



Serving good Products with our hearts



The Company has engaged in production and distribution of e-books in various formats, corresponding to the reading tastes and lifestyle. They include administration, management, religion, psychology, philosophy, language, fiction, literature, stories, cartoons and more, as well as newspapers, pocket books, magazines, which eases a convenience of buying to those reading-lovers without waste time to travel. Ordering is easily made through the website NSTORE.net, Nationbooks application on iOS, android, affiliates' application on iOS, and android, social media, LINE account, email, phone, and Affiliate Program.

Also, the Company operates as the distributor of various consumer products, covering the consumers of all age and lifestyles. They include IT items, household items, toys for children, products for health and beauty, sporting goods, car decoration, games, DVDs and many more. The purchase is easy and quick without waste of travel time through the website NSTORE.net, social media, LINE account, email, phone, Affiliate Program.

Website: nstore.net



Agent
international
publications
Business

International Media



The Nation Group operates as a distributor of the leading international publications and related services through its own entity. There are a total of 184 available copies, including foreign newspapers and magazines as well as a distributor of membership sales; most of which are adaptive to modern world and can be tracked by means of both the printed materials and online and advertising sales agent for the “Yomiuri Shimbun” newspapers, published in Thailand, undertaking of printing “Yomiuri Shimbun” newspapers, including shipment to several newspapers and magazines. All of these service rendered by the Company has been carried out in “One Stop Service” module to facilitate the owners of the publications, liaison, and arisen problem-solving.



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NJ MAGAZINE
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Learning English Media

"Nation Junior" is an English monthly magazine that satisfies the needs of adolescents for over 20 long years and it becomes like a trusted friend of a teenager and makes English a breeze in everyday life. With a compact design and worth knowledge and entertainment of the quality columns the come in double covers on the same book, the front cover contains 80% in English covering the IQ EQ Education and lifestyle while the back cover contains 20% in Thai covering the intensive preparation for university entrance exams in seven core subjects of English, Thai, Social Studies, Math, Basic Science, Chemistry, Biology and Physics (alternatively by subject).

A special edition of the National Junior, two volumes "NJ Special Admission" are produced by the month of October of every year; the content involves a recapitulation of the lessons and exams, instructed by the leading faculties for a review of the GAT / PAT, O-NET, and seven ordinary courses exams. The tutorial is available via broadband onto the participating schools across the country. The review can be also made through online websites throughout the year.

Website: www.njspellingbee.net



Overview and Competition

Industrial market and Competition in Publishing Business

In 2015, it was also a year of the steady decline of publishing industry. Obviously, several magazines shut down and the number of the people visiting the National Book Expo held in October 2015 declined up to 25%. The total sales of all publishers in the latest book fair held in October 2015 showed a decreased of 14.7 % from the previous year. (Source: The Publishers and Booksellers Association of Thailand). It's evident that the publishing industry has been in the doldrums. This condition has not occurred only in Thailand, but the world has been experiencing similar problems. Furthermore, the book retailer have also shut down constantly, especially the comic book stores which unit price of goods is not high, thereby consequently that readers buy books more difficultly and online ordering in small quantity is impossible, because shipping cost is close to the cost of goods. As a result, the readers have in waiting to buy comic books at the National Book Expo or book fairs and the comic books are more likely to be purchased than other kinds of books. As figures are shown, the sales of the comic books generated by the NINE from two events showed less decrease than that of other types of books (Source: NINE).

In regard of the books-for-adults such as business, health and famous books from abroad showed relatively stable revenue. Should there include a selection of books that content is fine and reliable and in the fashion of the interest, or targets the prospective readers more exactly, the year 2015 would be expected that the coloring books for adults remained popular among the adult readers. It is considered novelty and effulgences to readers.

In regard of the children's books, for instances, painting activity books, skills promoting books, English books are primarily based on both a loveliness of the characters and price to achieve the satisfactory sales.

Regarding to the electronic books in which its growth showed greater than ever before. However, it has still not replaced the revenue decline of paper books, because they have been popular among the readers without charge. Despites the numerous operators have run this business seriously with offer a wide range of products, the entrepreneurs and publishers are necessary to find out ways to generate revenue in the future.

With the situation mentioned above, the company continues to implement the strategies to sustain revenue and profits adequately. In doing so, content selection is crucial in order to meet the needs of readers, circulation control that matches the sales, adding products to children's books as motivation to buy, increase in the distribution channels onto new resources such as online stores, advertising by media of its affiliates to make the best benefits; either newspapers, magazines, or social media in which include more than five million members, as well as in conjunction with various partners to expand to new readers, and so on.

Industry and competition in the TV production business

In 2015, it was a time of intense competition in the digital TV industry channels in which the business channels grew up to 24 channels, and it has been transited from analog channels. Since each channel has tried to develop its identity, the production of the different various programmes has resulted to find appropriate ways that the audiences are exposed of the increased watching options. In addition, the TV ad spending in 2015 has moved from the old analog television and other media to add to digital television, thereby the digital TV ad spending has increased significantly.

Over the past year 2015, the Nine TV has diversified to create new items in addition to the youth and families conventional programmes, increase a greater proportion of the variety and entertainment programmes in responsiveness to the needs of the market, find out new competitive programmes to snatch audience rating by focusing on production through the NOW channel to jointly develop the creative programmes with the parent company, together with the development of programmes, activities, and knowledge and information media for youth together constantly.

Industry and competition in the digital television business

Access to digital media has been growing rapidly and the cellphone and smart phones become a main channel of the internet access in Thailand, as well as consumption behavior multiple devices (multiscreen) simultaneously, this results that the business necessarily develops its campaigns in all channels.

In addition, the digital world is not only the technology for use, but also it is a powerful instrument to develop knowledge and experience as well.

In Thailand, the electronic publishing industry has been in phase of development; including brands, retailers, publishers and applications development companies which have invested and launched the e-book and publication distribution system through the applications and various websites, and they have been more of the interest by the educational academies and organizations. To support the growing digital trend thereof, the company has expanded and invested in e-commerce businesses to distribute the company-owned publications, e-book, and consumer goods in general totally, as well as that of the partners, stores, and other publishers through e-commerce website, Nstore.net and also distributed to the LINE, LINE SHOP, tarad.com, LAZADA and other online channels, including marketing channels through Social Network, Google Search Engine, Affiliate Program both online and offline to promote the products on the NSTORE which covers both inside and outside the network, has expanded the distribution for partners' products increasingly, create a culture of service to ensure the customer satisfaction and impression, confidence in product quality and after-sales service in terms of delivery, warranty, return of goods within 30 days. Payment system covers all the channels and security, including other systems in the future to ensure that the consumers recognize our brand, brand awareness and intent to repeated purchase, as well as the E-book distribution for e-library increasingly.

Industry and competition in distribution of foreign publications

The sales of the foreign publications are associated with its growth of the customers which can be divided into four main groups.

a) Foreign tourists

Foreign tourists who travel and stay in the hotel accommodations across Thailand are considered key clients in the distribution of foreign newspapers and magazines of the Company.

b) Foreigners who reside in Thailand

Foreigners residing in Thailand for one month or higher are those customers who are interested in reading foreign magazines and newspapers.

c) Thai customers who are interested in reading foreign publications

Thai working groups and businessmen are considered a customer with high purchase power, and the graduate and postgraduate students who pay attention to foreign news are considered customers that are interested in reading foreign magazines and newspapers.

d) Educational institutions

The higher educational Institutions in general begin to break the budget to buy more electronic publications. There are a total of 146 public and private educational Institutions.

In the competitive situation of service business as distributor of foreign publications in category of membership, it has a few competitors. Its three main competitors include the Magazines International (Thailand) Plc., and the Post Publishing PCL., while the distributor in category of newsstands or bookstore, it has many competitors, including the large bookstores with franchises such as , Asia Books Co., Ltd. and other retail competitors, etc.

Industry and competition in distribution of youth's English magazines

Despite the current slowdown in the print media owing to the changing consumer behavior and the mobile communication technology that is quick and easy and lower price, the new generation youth are more likely to be informed via New Media primarily. However, the English magazine is non-class and edutainment-purposed which the competition is not so high, and is popular to be used as learning material among the teachers and students at the secondary level, the NJ Magazine has occupied the largest portion of market share with its capacity of access to schools across the country, followed by marketing through agents and members.

Regarding to content development, in addition to the all-around information that is regarded by the editor as one of the strengths of the Nation Group in the presentation of news and useful information, we also provide opportunities for young people to share their experiences through writing columns in English and to participate as a media producer alternatively, making the magazine content is diversified and meet the lifestyle of the youth effectively.

Risk Factors

Major risk factors affecting the company's operation include external factors and business-related factors as follows.

1. Risk Factors of Publishing Business

1.1 Risk of Publishing Industry

The 2015 publishing industry, in particular the pocketbooks and magazine was overall negative continually and declined purchasing power due to changing consumer behavior; that is to say; they are more likely to spend time on other media, the retail distributors closed down in the greater number than that of the previous year. As a result, the company's revenue regarding to book sales dropped and it is expected to be the respective condition in the year 2016.

In regard of the publishing business, the Company has implemented additional strategies to produce books that specifically meet the needs of readers by which the book categories that gain profits are chosen. Another current effective strategy implemented includes the giveaways and premiums inserted with the books to tempt the target customers, the selection of authors and books that have been popular both domestically and internationally, publicity and promotion provided to the bookstores and the readers, increasing sales network to new channel; non-traditional bookstores and online stores, and in partnership with non-publishers to co-produce goods, and so on.

1.2 Risk of technological change and competitors serving the same content

Nowadays, the development of the information technology and communications makes things easier, as well as technological devices such as computers, mobile phones, and tablets that its price is lower, resulted that the consumers turn to spend more time on the digital devices. In particular, the Japanese comics which the target includes the youth readers turning to read the pirated comics published by various websites without charge. As a result, the sales of comic books have been severely affected and the company has to seek for more patented digital Japanese comics to dilute the fashion of reading the pirated comics.

The company launched its online store, "Nstore" in 2014, with steadily increasing sales even though a ratio of sales has been sparse as compared to the printed books.

1.3 Risk of distribution channels

The Company distributes its products through various channels in order that the customers are convenient to buy goods consistently with purchasing behavior of each lifestyle.

Modern Trade is a channel that helps promote the product image because the format and positioning is administrated by product category explicitly, as well as enabling the partners to decorate selling space with promotional materials properly. Risk factors of prominent book display at the bookstore is dependent on each branch of Modern Trade's operation, resulting that opportunity to display the company's books prominently is difficult, share of sales increases due to higher rents of Modern Trade and other factors which makes the cost of goods higher.

Distribution Channel - Agent is a channel that focuses on selling comic books. Because of a variety of product placements and no enough space for display decoration, the risks follow because the books are not in the prominent position, leading to the loss of selling opportunity and risks due to the return of books in bulk, and most operation has been characterized of family business that has run for long time without an exact record of sales, resulted that monitoring sales is rather difficult.

E-commerce channel is likely to grow even more, making it easy for customers for they don't waste time in travelling to buy goods. Also, it is a distribution channel that will reduce the risks of Modern Trade and distribution agent channels. The company currently sells books through online channel; Nstore and Facebook primarily.

1.4 Risk of dependence of Nation affiliates in business operation and independence in the management of the affiliates

As the Nation is a major shareholder in the subsidiary companies, approximately 76.49 percent of the total issued shares after the IPO of the company. Until present, the Group has various related party transactions, for examples, buying a paper, printing employment, hiring on delivery of printing materials, and undertaking of services, and so on, to its subsidiary companies, as detailed in 10 related party transactions. In 2015 and 2014, the Group incurred expenses as cost of goods sold, cost of service, and selling and administrative expenses from such transactions with the subsidiary companies, approximately amounted of 84.39 and 100.87 million Baht, or accounting for 35.01% and 39.36%, respectively of total cost according to financial statement of the subsidiary companies in such period. In addition, the Group has continued to operate such transactions in the future. Since the Nation affiliates have experienced work teams with availability of distribution network and equipments at lower cost, should the Group undertake the operation on its own, furnished with adequate production capacity and services in the implementation, the Group may be at risk of relying the affiliates in supporting the business operations of the Group. Should the affiliated companies fail to support the services mentioned above, the Group may be affected for printing and delivery of printing material, but just slightly because the subsidiary companies can buy paper and receive services through distributors and other service providers available in Thailand at normal commercial terms and at market rates

similar to the related party transactions above, but cost may be higher than the prices charged by the Group. Moreover, the value of the related party transactions aforementioned in the year 2015 and 2014, accounting for 2.67% and 3.42% of total income of the affiliates in such a period, which is regarded very small. Thus, the subsidiary companies have not relied on revenue from the Group and motivated to take advantage of such transactions.

Group's management policy and decision is independent from the subsidiary companies in regard of the highest interest of minority shareholders and all stakeholders of its affiliates; that is to say; it has a freedom to provide goods or services with other external service providers who offer a price with normal commercial terms that is mostly beneficial to the Group. For examples, the company has currently hired an outside company for printing, so subsidiary companies have not relied on the Group that it lacks of independence.

1.5 The risk of a rise in the price of paper and paper shortages

The paper used in the production of publications categorized as commodity which price varies with demand of consumption and production of the manufacturer (Demand & Supply) and is the main raw material in the production of publications by the Group, which cost is approximately 13.87% and 13.51% of cost of sales and services according to the consolidated financial statements of the Group in the year 2015 and 2014, so the group. Therefore, the Group is risky of price fluctuations in paper, directly affecting production costs and net profit of the Group. In addition, the company has also a risk of shortage of the roll newsprint used to print newspapers, magazines and books, which printing volume is so high and is an important raw material to produce printing materials and this kind of paper is rare in Thailand and needed to buy in large quantities at one time.

To reduce the risk of paper shortages and increasing prices of the roll newsprint paper, the Group is necessary to buy from its affiliated companies and publish at the Group's publishing houses which are main publications of the Group. The affiliates have experience in purchasing the paper for a long time, including buying paper as backup, and understand the cycle of paper price very well. Also, the affiliates pursue on risk management of foreign exchange through the forward contract at the amount of paper that are expected to apply in advance. So, purchasing paper from the affiliated companies help reduce the risk of fluctuations in paper prices and paper shortages, as well as the bargain is achieved at lower price than market price in general.

In addition, the Group will order the paper before setting the selling price of the books in order that the affiliate companies can secure a proportion of paper cost to price of books. Also, the company is able to adjust the price of the books in various types. In the case that paper costs increase substantially.

1.6 Risk of publication copyright provision

In publishing business which the proportion of revenue accounted for 53.35% and 47.55% of total revenue of the Group in the year 2015 and 2014, the Group has not owned the copyright of most publications produced and distributed. However, the Group purchased the copyright from many copyright owners, or authors or publishers both domestic and overseas different countries to produce and distribute as exclusive agent in Thailand, which mostly lasts a period of 3-5 years and is eligible to renew the agreement on the same price and terms. However, the copyright owner is able to terminate the contract, should the Group default the agreement and/or having faced financial problems, and/or in bankruptcy status, etc. Therefore, the Group is possibly subject to be risk of failure of supplying the publishing copyright to be produced and distributed. In addition, the Group may be at risk of termination or cancellation of the agreement by the copyright owners, which may affect the business, financial position, and operating results of the Group in the future.

However, the Group has never faced problems pertaining to publication copyright provision from both domestic and overseas copyright owners over the past years. Owing to the publishing market is large with various copyrighted publications offered, and the Group has a good relationship with several famous writer and publishers, and be successful in production and distribution of publications and books continuously, the Group has the option to buy copyrighted publications with the trust of the owner of copyright in licensing the copyrighted publications that are likely to get popular to be produced and sold. The Company has complied with strictly. Moreover, the Group follows the contract strictly with no problems regarding to a refusal of renewal or termination throughout the past period.

In addition, the Group also plans to produce books with a wide diversity of content, copyright owners, and nations in order to reduce too much reliance on content and any countries. It also produces original books written by Thai authors increasingly, which this is regarded a way to distribute the risks. The company has also developed teams that are potential to produce content, and looked for domestic content creators.

1.7 The risk of decline in value of inventories.

Currently, the publications of the Group are mostly sold through dealers. The Group accepts the return of goods that cannot be sold through dealers, which may result in the growing stocks and such inventories may be deteriorated, damaged and obsolete over time, and consequently affected the performance of the Group. Current sales in the current year declines over the previous year, resulting that amount of inventories remains higher than that of the past. As of December 31, 2015 and 2014, the Group's net inventory worth 223.56 Million Baht and 232.56 million Baht, or accounted for 33.90% and 32.69% (respectively) of the value of total assets of

the Group. However, the company's allowance for obsolete inventory was at ratio of 100% of the inventories aged 1 year or higher with a complete serie titles, and inventories aged 3 years or higher with incomplete serie title. Such allowance for obsolete inventories is set on monthly basis, which is being re-considered for declining by the executives. As of December 31, 2015 and 2014, the Group's total allowance for obsolete inventories was 92.00 million Baht and 88.96 million Baht respectively. In addition, to reduce the amount of inventories, the Group brings out the old books to be sold periodically and held special activities to promote sales at the exhibitions which are held annually. For a series of comic books, the Group will proceed to sell new books alongside those previously sold, including bringing the fully-released comics to be sold in series to urge the sales. In addition, the Company is more caution in the production of new books and printing volume to avoid the excessive inventories. As such, the Company has policy on warehouse management by determining the appropriate number of products to avoid the excessive amount over the previous year.

2. Risks of agent for agent for international publications business

2.1 The risk of the renewal of contract

To operate the business service as a distributor of foreign publications, the company and its affiliates do enter the distribution agreement with the dealers and owners of publications. Mostly, the magazines distribution agreement lasts a period of one year with a the extension of the contract while the newspaper distribution agreement expires upon termination of the contract by the owner of a publication who is entitled to terminate the contract if the company or its affiliates encounter any of the following events; breach of contract, financial problems, insolvency or bankruptcy, by a written notice of the party in advance. However, the affiliated companies may be at risk when the owner of the publication denies renewing the contract or terminates the contract, this may affect the business, financial status, and the turnover of the company and the affiliates in the future.

However, the Group and owner of the publishing company have operated the business and have a goodwill relationship with each other for a long time. The company's executives and work teams have operated this business with the owner of the publication from the beginning while the Group complies with the regulations strictly, so there is no problem about non-renewal or termination of the contract over the past time. In addition, owner of the publication, the Yomiuri Shimbun has hired the Group to proceed on publishing and delivering the said international newspapers, which has invested in developing the database, improving customer database in information technology system of the company, and developing the company's human resources to be specialized in operation. Thus, chances that the owner of such publications will terminate the dealership contract with the company are slight.

2.2 Risk of discontinuity by publication owner

To operate service business as dealership of foreign publications, the Group is at risk of a discontinuity by publication owner, this might cause an impact on the business and operations. Therefore, the Group is needed to seek the renowned and stabilized publications to replace or supplement regularly. Despite a cancellation of publications in the Southeast Asian region due to the changes from traditional reading to online reading by the Wall Street Journal Asia, the company has still been undertaken as distributor of online membership sales.

2.3 Risk of online reading current

Currently, online reading has become increasingly popular, thereby affecting the distribution of the foreign newspapers and magazines. Inevitably, the publisher has been in adjustment by means of the distribution of the available newspapers or magazines together with online reading, enabling the readers to have more choices of reading, the termination of membership is less

3. Risks of broadcasting business

3.1 The risk of the transition to digital television

The transition to digital television in Thailand is a major factor affecting TV business competitiveness that has been stiffer. In particular, competition in the quality of the content to make difference from other TV producers to include a variety of quality that meets the needs of the audience as most as possible. However, at the beginning of digital TV systems, broadcasting has been operated in parallel with the analog television system (or free TV). Consequently, its rating is not so high as compared to the traditional system. The company focuses on improving the content and producing quality programmes with the use of diverse platforms to reach the target audience increasingly; whether be through online media, publicity through the affiliated media, marketing and on-ground activities that create the current involvement modernly.

3.2 The risk of higher competition in television

Television industry, especially the Free TV, has been more intense in terms of the type of programs and the increasing number of channels. As a result, the competition in the TV business has been stiffer. The company, however, has diversified in producing the programmes in the category of the edutainment for youth and family by adding the education and learning programs for the youth to the available edutainment channels for both private and the public sector and by focusing on quality creative content that is suitable for all the families actually, this reduces the risk of business in the intense competition.

In addition, the company also increased programs production by improving and developing from other media in its affiliates with existing consumer base, for instances, the English programme, developed together with the “Nation Junior” magazine that the customers are spread throughout the country, the “Kom Chud Luek Tid Dao”, developed in conjunction with the editorials of the

“Kom Chud Luek Ban Thueng”, and “Kom Chud Luek Award”, enabling the production more complete and comprehensive in content and all-around media, as well as to enhance skills and Know-How for the working teams to produce the more various programmes.

4. Risks of digital business

4.1 Risk of duplicate content smuggling

There are some websites that have smuggled offering illegal media such as comics, resulted that some customers consume such media with free of charge, thereby affecting their intent to purchase such goods legitimately. Therefore, it is important to select content that is unique and different with the use of high security technology and excellent service. The company has sought the unique electronic content from both in the country and overseas, and method of presentation that is superior to those illegal sites, as well as offering the attractive price.

4.2 Credibility and vulnerability of the website

Nowadays, it's widely recognized that social network plays a crucial role and influences the people's thinking and decision-making, and how people receive the information and news through online media; social network, blogs, posts and others. Customer behavior usually involves searching for information about products and services prior to decision to buy goods and services. However, such information is considered external factor that is rather difficult to control, but depending on the customer satisfaction with goods and services primarily. So, the control and sustaining the standard of service as whole is a must as it is substantially important to the e-commerce business in which the fastness and accuracy is a key, for examples, website availability, logistics, quality inspection of goods, payment method, return of goods measures, after-sale service, contact channel that is fast and convenient, as well as marketing communications that will require extra caution.

5. Risk of decreased reading value

As English magazine business has targeted the young readers primarily, evidently that today's teenagers access to the online media increasingly while the articles posted on the online media have still more fallen short to the preferences of young people than audio and visual communication, the “Nation Junior” magazine has modified its format, content and design to be more attractive in responsiveness to the current preferences and values through more beautiful and conceivable illustrations with concise characters in the easier literal comprehension. Further, the company held activities that promote the English knowledge. The company is the nation's leading famous producer for its English media. The company also includes the multimedia that can be assimilated with media effectively, thereby resulted that activities

can contribute the customers directly, including value creation and social and educational development (CSR), sponsored by both public and private sectors.

6. Risks of the tutorial school business

6.1 Impact on equity (Dilution Effect) from the exercise of “NINE-W1” warrants

In July 2013, the company has issued warrants to existing shareholders who subscribe for new ordinary shares in NINE-W1 amounted of 85,000,000 shares, aged of 5 years without any remuneration at ratio 1 ordinary shares for 1 warrant. As of December 31, 2015, the balance of the warrants was a total of 84,958,614 units.

In this regard, if the warrant holder exercises a right to purchase ordinary shares of the company in full. The company's shareholders may be affected by the Dilution Effect in terms of stock prices in the market may decline, and the proportion of shareholding that declines as follows.

Before the exercise of the warrants in full, (December 31, 2015)

Number of ordinary shares paid up	170,048,386	shares
Proportion of shareholding before the exercise of warrant	100	%

After the exercise of the warrants in full, (NINE-W1)

Number of ordinary shares paid up	255,007,000	shares
Proportion of shareholding after the exercise of warrant	66.68	%
Declined proportion of shareholding	33.32	%

6.2 Impact on equity (Dilution Effect) from the exercise of “ESOP-WA” warrants

In August 2013, the company has issued warrants to directors, executives, and / or employees of the company and / or its subsidiaries (ESOP) amounted 4,250,000 units, the no-par value shares, aged of 5-years, exercise ratio 1 warrant for 1 ordinary share at the exercise price THB 4 per 1 ordinary share. As at December 31, 2015, the balance of warrants was a total of 4,243,000 units.

In this regard, if the warrant holder exercises a right to purchase ordinary shares of the company in full. The company's shareholders may be affected by the Dilution Effect in terms of stock prices in the market may decline, and the proportion of shareholding that declines as follows.

Before the exercise of the warrants in full (December 31, 2015)

Number of ordinary shares paid up	170,048,386	shares
Proportion of shareholding before the exercise of warrant	100	%

After the exercise of the warrants in full (ESOP-WA)

Number of ordinary shares paid up	174,291,386	shares
Proportion of shareholding after the exercise of warrant	97.56	%
Declined proportion of shareholding	2.44	%

7. Risks of the Business Group

7.1 Risk of major shareholders to influence the policy setting and management

After the public offering of shares, currently the Nation Group holds 76.49% of the paid up capital. Therefore, it can control the votes in the significant resolution at shareholders' meeting completely, including the special resolution required by law or company's regulations that it shall be voted 3 out of 4 of the shares present and entitled to vote. Consequently, other shareholders cannot gather enough votes to check and balance the matters proposed by the major shareholders. In addition, the Nation Group also gets involved in the management of the affiliated companies with 3 out of 7 representative directors and 4 out of 7 managing directors as representatives of the Nation.

List of Major Shareholders

Name of top ten shareholders as of December 30, 2015 at closing book date:

No	Name	Shares	% Total Share
1.	Nation Multimedia Group Plc	130,067,287	76.488
2.	Mr. Sakunthon Jungrunreangkit	1,304,000	0.767
3.	Mr. Takorn Rattanakamolporn	1,171,500	0.698
4.	Mr. Chawalit Wisarankul	960,000	0.565
5.	Mr. Seni Prateepichai	860,000	0.506
6.	Mr. Vichaiya Maynon	820,000	0.482
7.	Mrs. Supreda Srisupornpun	630,000	0.370
8.	Mrs. Sunitra Yuwabun	560,000	0.330
9.	Mr. Pisanuwat Hongsa	521,300	0.307
10.	Mrs. Wannipa Vongjarukorn	500,000	0.294
	Other	32,653,599	19.203
	Total	170,048,386	100

Source : Thailand Securities Depository Co., Ltd.

Remark: The shareholders from the same entity and voted unanimously, which was Nation Multimedia Group Public Co., Ltd., to have its major shareholder

- Types of Shareholders - Share allotment by nationality

Shareholder by Nationality	Number of Shareholders	Number of Shares	% Total Share
Thai Shareholders	1,390	169,931,608	99.93
Foreign Shareholders	6	116,778	0.07
Total of Shareholders	1,396	170,048,386	100.00

* Nation International Edutainment Plc's regulation stipulates that "non-Thai shareholders are not allowed to hold the Company's stake in excess of 35% of total issued shares"

- Group of major shareholders who has significant impact on the formulation of management policies
 - None -
- Name of shareholders who conceal their true identity
 - None -

Corporate Governance Report

1. Corporate Governance Policy

Nation International Edutainment PLC's Board of Directors strongly believes that good corporate governance principles and system will ensure the Company's effective, transparent and accountable management and raise the level of credibility and confidence in the Company as perceived by shareholders, investors, stakeholders and related parties. Corporate governance also promotes sustainable growth, which will contribute to the Company's success, and enable the Company to achieve its ultimate goal of rendering the most optimized value to shareholders.

The Company's Board of Directors has set the corporate governance policy in line with the Stock Exchange of Thailand's code of best practices and is in charge of enforcing strict compliance of the corporate governance policy, and periodically adjusting the policy to suit circumstances and meet shareholders' expectations, ensuring shareholders' interests are well protected.

The Corporate Governance policy was approved by the Board of Directors and was first made known to the staff on November 17, 2008. The contents have been revised annually in compliance with the Corporate Governance principles for companies listed in the Stock Exchange of Thailand in 2012. The latest version was revised on November 6, 2013 and made known to employees at every level to acknowledge and observe strictly.

Communication of the Corporate Governance Policy

The Board well recognizes the practice of corporate governance to coincide with the Company's vision and commitment. As a main factor driving the operations of the Company and subsidiaries is the employees, the policy has been communicated to staff by publicizing it through the internal website. Management has closely monitored adherence to the policy to ensure that all aspects of the policy have been put into practice. In addition, in order to develop understanding with all stakeholders, the Company has publicized good corporate governance principles through the Company's website for interested persons and the acknowledgement of investors. If any shareholder would like to receive a copy of the aforementioned policies, please contact the corporate secretary and fill in the document request form which will be delivered with the annual report in order to develop an understanding of the Company's good corporate governance policy.

Monitoring of the Practice of Corporate Governance Policy

2011 was the year when NINE was registered in the Stock Market. With firm commitment to continuously improve corporate righteousness from the time of promulgation of Corporate Governance policy in 2006, NINE's Corporate Governance policy has been evaluated and

organization of the Annual General Meeting of Shareholders continuously developed each year as follows:

- The evaluation of Corporate Governance policy among Thai listed companies in 2015, held by the Thai Institute of Directors (IOD) rated NINE “Very good” (4 stars). The criteria were based on data disseminated through different communication channels of the Stock Exchange of Thailand, as well as other NINE’s publishing documents.
- Evaluation of the organization of the Annual General Meeting of Shareholders of 2015, held by Thai Investors Association, Thai Listed Companies Association and the Office of the Securities and Exchange Commission rated NINE “Excellent and Exemplary” for fifth consecutive year. Out of a total of 575 participating companies, the NINE is one of 162 listed companies gained complete 100 scores.

In 2015, NINE’s corporate governance principles covered five areas, namely:

- 1) Rights of shareholders
- 2) Equitable treatment of shareholders
- 3) Role of stakeholders
- 4) Information disclosure and transparency policies
- 5) Board of Directors’ responsibility

1. Rights of Shareholders

The Company realizes that the shareholders are entitled to the Company’s ownership rights. Shareholders control the management by appointing the Company’s Board of Directors to act and make key decisions for them as stated in the corporate governance principles. The Company values and respects the shareholders’ rights by adhering to the principles regulated by law.

The Company has a policy to treat every shareholder with equality. Realizing that the shareholders are entitled to the rights to access and receive sufficient and timely information of the Company and the Company protects the interests of the shareholders more than what is required by the law, the Investor Relations Division was set up to provide information and respond to enquiries. The website: www.nine.co.th publicizes the Company’s information for shareholders and investors both in Thai and English. The information provided includes the latest information and the investors’ newsletter, etc..

General Meetings of Shareholders

Holding a General Meeting of Shareholders

The Company’s Board of Directors realizes the significance of the Annual General Meeting of shareholders to allow shareholders to acknowledge the Company’s performance and share in

decision making on significant issues as well as assessing the operation of the Board of Directors and management. The Company therefore holds an Annual General Meeting in line with legal requirements and AGM Checklist, prepared by the Thai Investors Association, Thai Listed Companies Association and the Securities and Exchange Commission.

The Company designates the policy that promotes and facilitates the shareholders and institutional investors who attend the meeting of the shareholders. The information about date and time and place of the meeting event is provided with clear map. The place of the event is suitable with easy access; the Bangkok Mass Transit: BTS, for examples. The shareholders are exposed to register at least one hour prior to the commencement of the meeting. The channels to registration for individual shareholders and institutional investors are provided adequately; with revenue stamps in case of authorizing. In addition, the barcode technology is applied to the registration, counting votes, and monitor to ensure the fastness, convenience, and accuracy of the meeting.

In 2015, the Company held the 2015 Annual General Meeting on April 28, 2015 on the 27th Floor, Inter Link Tower at 14.00 hrs. with registration started at 12.00 hrs. 7 Directors and 44 shareholders and proxies carrying 145,169,813 out of 170,048,386 distributed shares or 85.37 percent attended the AGM. The meeting proceeded according to the recognized guidelines and legal requirements.

Before the AGM

The Company presented data in the notification for the AGM, featuring complete details in the Company's website 30 days before the meeting. And the Company asked Thailand Securities Depository Co., Ltd., the Company's Share Registrar, to send out notifications for the meeting to every shareholder at least 7 days before the meeting. The notification for the meeting featured agendas, facts and reasons, Board's opinions on each agenda, minutes of the previous AGM, Annual Report, documents for each agenda, clarifications, procedures and information about independent Directors, procedures to attend the AGM, the Company's Articles of Association concerning the AGM, location map of the meeting venue, a response envelope and proxy, specified by the Ministry of Commerce. The notification was also published in a daily newspaper for 3 successive days at least 3 days before the meeting to notify shareholders in advance and allow share minor holders to propose an agenda, nominate persons to become a Director and send in questions before the meeting from November 21, 2014 to January 30, 2015. It's published in the www.set.or.th and www.nine.co.th No shareholders nominated anyone to become a Director or propose an agenda for the meeting.

The Company reported about shareholders' rights in nominating persons to become Directors and proposing an agenda for the AGM in its website on February 3, 2015.

Before the 2015 AGM, the Company solicited shareholders to send in their questions in advance through the Company's website and Fax at 02-338-3904 from March 17, 2015 to March 31, 2015 for the Board and management to prepare data to clarify to the shareholders in the AGM but no shareholders sent in any questions.

On the date of AGM

The Company scheduled the date and time and chose a venue convenient for shareholders to attend the AGM, and assigned the staff to facilitate shareholders at the registration, attending the AGM. Shareholders could enroll for the AGM at least one hour before the meeting and throughout the meeting. The Company also presented a souvenir to every attendant. In addition, the Company had asked the auditor from KPMG Bhumichai Audit Co., Ltd. and legal advisor from Pow and Associates Law Office Co., Ltd. to attend the AGM, hear shareholders' opinions, answer questions from shareholders and check the vote counting. At every shareholder's meeting, the Chairman of the Board chairs the meeting.

Before the meeting got started, the Company explained to attendees procedures in the meeting, voting, vote counting, casting ballots and the Chairman allowed shareholders to ask questions or express their opinions and views and got the Chief Executive Officer and certain Executive Directors to answer those questions. Significant questions, answers and contents were summarized in the minutes of the meeting.

The Company employed a barcode information system in the enrollment and vote counting for each agenda. To elect Directors, shareholders were allowed to cast a ballot for each Director. Voting procedures, vote counting and resolutions were noted with agreeing, disagreeing and abstaining votes in the minutes. Voting for Directors was conducted by person and voting for each agenda was done in a ballot that could be checked later, all of which were recorded in the minutes of the meeting.

The Company proposed compensation to each Director in the AGM every year, presenting each Director's compensation compared with that offered in the previous year as well as clear policy and criteria concerning Directors' compensation.

Shareholders who cannot attend the AGM in person can assign a proxy, who is an independent Director and Chairman of Audit Committee member, Mr. Somsak Cheer Chiranakhon, who has no benefit in issues being considered, to represent them and cast votes on their behalf. The

Company has enclosed a proxy form (Form B), in which each shareholder can direct how to vote on each agenda, with the notification for the AGM.

After the AGM

The Company handed in the minutes of the AGM featuring detailed questions and answers to the Stock Exchange of Thailand in 14 days and made the minutes of the meeting available in the Company's website. Based on those practices, the Company was rated "Excellent" for the organization of the Annual General Meeting (AGM) by the Thai Investors Association, Thai Listed Companies Association and the Securities and Exchange Commission.

2. Equitable Treatment of Shareholders

The board has regularly controlled and checked up on the company's corporate governance structure to ensure equitable treatment for all shareholders, including small shares shareholders and overseas shareholders, as well as to ensure that the caretaking process is neither complicated nor incurring unnecessarily high costs. The shareholders have the right to participate in decision making and acknowledging the company's decisions on important circumstances as stipulated by law or the company's regulations.

- In the shareholders' meeting the company has a policy to treat the rights of every shareholder equally. No item shall be included in the agenda and no important information shall be changed if it's not informed to the shareholders in advance. Moreover, no document containing additional important information shall be provided in the meeting, to ensure the shareholders have sufficient time to make decisions.
- All shareholders have a right to vote as per the number of shares one holds. Each share counts for 1 vote and there is no special voting right.
- Shareholders with 1 share and above can propose to add agenda items for the general meeting in 2015 as well as nominate a person with appropriate qualifications to sit in the Board of Directors from November 21, 2014 - January 30, 2015. The Company shall make available the information through the Stock Exchange of Thailand's information channel and the Company's website with transparent steps and procedures in line with the extra procedure on rights of small shares shareholders. However, in 2015 there were no additional proposed agenda or Board of Directors nominations.
- Shareholders who are unable to attend the meeting may authorize an independent director who has no conflict of interest with the meeting agenda to attend and cast the ballot. Shareholders can download the proxy form from the Company's website.
- No transactions shall be mutually made with any joint-venture or related companies, as it may lead to significant conflict of interest.

3. Roles of stakeholders

Apart from taking care of the entitlement of the shareholders, the Board of Directors has a policy of taking care of the right of every group of stakeholders, not only the matters that have direct impact to business activities, but also matters that the Board feels good to the society.

The stakeholders will be well taken care of by the Company according to their pertaining legal right. The Board of Directors has promoted cooperation between the Company and stakeholders to strengthen financial stability and corporate sustainability.

In terms of good governance, there are several significant stakeholders such as employees, clients, shareholders, investors, trading partners, creditors, competitors, society, public sector, the community where the Company is located as well as independent auditors. The Board of Directors has a policy of treating each group of stakeholders, based on their legal rights or agreements with the Company; promoting stakeholders' engagement and contribution to the Company's operating results to ensure corporate sustainability; and disclosing sufficient important data to the stakeholders. The Board of Directors on November 17, 2008 set forth corporate code of conduct, and most recently review was conducted on February 11, 2015; amendment to catch up with the situation; anti-corruption policy has been established and performance strategies has been improved regarding complaint procedures more clearly. (details of which can be found in handbook on the code of conduct for the Board of Directors, Executives and employees at www.nine.co.th)

Ethics of the Board of Directors, Executives and employees are as follows:

1. Code of Business Conduct

1.1 Business Strategy

The Nation International Edutainment PLC has engaged in publishing business; producing and distributing printed media in pocket book for youth and electronic publication category, serves as distributor and service provider of the foreign publications, television service for youth, copyright management business, educational service, with a true commitment to produce the high quality products, content and services for the public under the experience, expertise and dedication of the executives and all employees.

1.2 Anti-corruption Policy

The company has operated the business in honesty and integrity; truly commitment to social responsibility and all stakeholder groups, steadfastly based on the Good Corporate Governance, and the Business Ethics, and the Code of Conduct. So, the company has established the "anti-corruption policy" in writing with approval of the Board of Directors for clear performance guidelines in conducting business and developing the company to the sustainable organization.

1. All directors, executives, employees of the company shall neither pursue on nor accept corruption in any aspects either directly or indirectly; including receipts of articles, gifts, entertainments, donations and other benefits from those people who deal business with the company.

2. They include employees, suppliers, customers and all stakeholders in the country and overseas. A review of compliance with the anti-corruption policy shall be conducted least 1 time on yearly basis. The assessment of the risk of corruption enterprise-wide shall be performed annually, including a review of performance strategies and requirements in accordance with changes in the business, rules, and regulation and applicable laws.

3. Any actions under the anti-corruption policy shall follow the practices as set forth in the Good Corporate Governance, the Ethical Business Manual, and the Code of Conduct, including rules and regulations, relevant operation manual, and other practices which may be set forth in the future by the company.

4. To achieve clarity in the implementation of the high risk matters relevant to the occurrence of the corruption, the directors, executives, and employees at all levels must be careful in any of the following actions.

4.1 Entertainment, gifts and other expenses

- Handling out, delivering, or receiving gifts and entertainments shall be in accordance with the regulations prescribed in the Ethical Business Manual, and the Code of Conduct.

4.2 Charity donations, funds, or contributions

- Handling out, delivering, or receiving donations, funds, or contributions shall be transparent and legal. Make sure that donations, funds, or contributions are not be used as bribery.

4.3 business relations and procurement

- Giving or accepting bribes in any kinds from trade partners, suppliers, contractors, government agencies, or any entities that have dealt business with the company is inhibited; however, make sure that it is executed in transparency, integrity and in accordance with applicable laws and requirements.

Duties and Responsibilities

1. Board of Directors is responsible for formulating policies and overseeing if the implementation of policies that support the anti-corruption policy efficiently; this is to ensure that the Top Management recognizes the importance of anti-corruption and cultivating it as organizational culture.

2. The Audit Committee is responsible for reviewing the financial reports and accounts, internal control, internal audit system, and risk management system to ensure that it meets the international standards and is precise, appropriate, modern and effective.

3. The Chief Executive Officer and the Boards is responsible for setting the availability of systems, promoting and supporting the anti-corruption policy to make sure that it is consistent with the changes in business, rules, regulation, and legal requirements.

4. Internal Audit Manager is responsible for the monitoring and reviewing the performance to ensure that the performance meets the policy, practices, authority, regulations and legal requirements, and the regulations set out by the regulatory agencies to ensure that the control system is appropriate and adequate to the risk of the possible corruptions, and report to the Audit Committee.

Practices Course

1. The Company's directors, executives, and employees at all levels shall comply with the anti-corruption policy, the Business Ethics, and the Code of Conduct, and not get involved in corruption either directly or indirectly.

2. The company's employees shall not neglect or overlook at when seeing any action that is presumed to be within the scope of the corrupting acts relevant to the company, but shall notify the supervisor or responsible person, and give an cooperation in the investigation, and if occurring any doubts or questions, he/she shall consult with supervisors or designated person regarding to the compliance with the Business Ethics, and the Code of Conduct through various channels defined.

3. The company ensures fairness and protection of employee who refuses or notifies the company the related corruptions, with the protection measures for complainants or those who cooperate in reporting the corruption as contained in Article 4 Complaints and Suggestions of the Business Ethics, and the Code of Conduct.

4. A person committing corruption violates the Business Ethics and the Code of Conduct of the company and shall be subject to the disciplinary action as prescribed by the company, and shall be punishable by law if such action breaks the law.

5. The company recognizes the importance of the dissemination of knowledge and understanding with others whose functions have to engage with the company or the stakeholders or that may cause potential impact on the company in regard of the matters that are required to follow the anti-corruption policy.

6. The company is truly committed to create and develop the personnel and staffs to be equipped with a clear consciousness, behave as good citizens of the society and the nation, and preserve the organizational culture, saying that "a corruption is unacceptable to the transactions with both government and the private sector".

Dissemination of anti-corruption policy

The company has disseminated the policy against corruption to the employees and stakeholders through the intranet, e-mail, and website of the company (www.nine.co.th). Over the past year, it found;

1. The company had no cases of wrongdoings caused by corruption / ethics.
2. The company had no scandals caused by defects in the regulatory activities of the Board.
3. None of the Board of Directors resigned due to the issue of corporate governance.

1.3 Non-infringement of copyright or intellectual property

The company has set the policy on the information systems security as practices of the company. It covers non-infringement of intellectual property or copyright. However, all employees are required to sign a consent letter in agreement with the terms of such a policy. In addition, the operation of the information systems and computer networks shall be monitored by the company to prevent the use of pirated software or the application that is irrelevant to works. The policies on non-infringement of copyright or intellectual property are as follows.

1. Installation of any programs; pirated software, freeware and shareware onto the computers of the company is prohibited. In the event that it's necessary to use the programs other than those installed in the company's computers, a permission to use the program is needed, and the system administrator or responsible employees shall perform installing or supervising.
2. Reproduction or imitation or any use of computer programs that violates the copyright laws, patent agreement, or the professional ethics is prohibited.

2. Ethics to stakeholders

2.1 Ethics on responsibilities to the media profession (Nation Way “Deviated from this is not us”)

Since the establishment of the company, the “Principles of Professional Ethics in Journalism” has been embraced strictly. For this is very reason, the media and journalists in the subsidiaries have earned the trust and faith by the public constantly; even in the time of emergency or the political pressure, we act firmly without abandoning the Principles of Professional Ethics.

“Nation Way” was established with intent to setting the principles of professional ethics as practices course for all employees at any level. It contains basic ethics, demeanors in society, and functioning on-duty and off-duty time

The company and its subsidiaries' employees in all fields shall adhere to the followings strictly without exception, so that we all help to preserve credibility and faith we have been entrusted by society.

The “Nation Way”, principles of professional ethics of the Nation, is classified into 13 parts as follows.

- Part 1 Ethical requirements of the media professionals
- Part 2 Ethics of Nation Group's media
- Part 3 Responsibilities to the readers, listeners and audience.

- Part 4 Commitment to the media profession and organization
- Part 5 Guidelines for news reporting and desirable behavior with the sources
- Part 6 Special privileges and conflict of interest
- Part 7 Guidelines for participating in political and social activities
- Part 8 Guidelines for the advertisement, marketing and sale departments
- Part 9 Guidelines for copyright and freelancing jobs
- Part 10 Guidelines for reporters in various beats
- Part 11 Guidelines for mistakes recovery
- Part 12 Guidelines for reporting the Company's activities
- Part 13 Guidelines and ethics on Nation Social Media

The Company has measures to prevent problems from libel and defamation charges arising from news reports by providing training courses for staff in the news department to keep them informed of the news reporting guidelines, undesirable statements and pictures. The Company has also reinforced the parties involved to perform accordingly. Throughout the last year, the number of charges leveled against the company considerably decreased from a year earlier.

2.2 Ethics on responsibilities to shareholders

The company has been truly committed to take responsibility and create maximum satisfaction of the shareholders with regard to the sustainable growth of the organization and the continuously reasonable return. Also, the company has operated the business in a transparent manner, uphold integrity and under the scope of laws and the Corporate Governance, and treat all shareholders equally, and reliable accounting system. The company provides the Investor Relations as channel to get contact and enquiries, clarify and provide information to shareholders and general investors.

2.3 Ethics on relations to customers

NINE is determined to building up satisfaction and confidence to customers and the public to make sure that they may receive best quality of products and services at reasonable prices, by continuously and seriously increasing standards and maintaining strong and sustainable relationship with them.

The Company regularly organizes activities to strengthen closer relationship with every group of clients, for example,

- Customers: NINE television audience, the Company focuses on customer satisfaction with the format and content of the presentation, including favors and giving back to customers through various activities and television programmes, as well as Facebook / NINE TV, the

“Wonder Kids” club activities in the “Kid Club” TV programme, so that the youth have the channels to show off their outstanding performance and talents through the digital TV, or joining the activities by sending VDO clips, selecting the youth with outstanding competency to show off on the Siam Discovery studio stage, inviting the audience from homes to participate travel activities and enrich the family experience together with the M.C of the “Traveling Bag” program, activities that promote relationships between families, such as “Movie Family” to invite the audience to watch movies exclusively with the M.C.

- Customers: readers - the Company provides throughout the year the activities that are suitable to customers of each age group, which media is available through various channels; both online and offline, for instances, the copyrighted Disney Princesses drawing contest, fun quiz to win prizes on a weekly basis through Fanpage, i.e. movie tickets for Shin-chan Manga, winning the new arrival books of the affiliates, organizing the book fair so that the readers can meet with authors in person, for examples, the Book Expos, National Book Fair, such as “Bharata Huajai Thai Satit Segal”, “How google works”, “Jack Ma: Founder and CEO of the Alibaba Group”, “THE EVERYTHING STORE”. The readers are also invited to watch the Movie Preview. The new films relating to books are, for examples, “Becoming Steve Jobs”, and “the Steve Jobs” movie at the Esplanade Cineplex, and talk with Steve Jobs’ authentic fans, as well as giveaways activities in the event, seminar on “Now, Discover Your Strengths”, which the clients of the Nations Books and the Nation Group are invited through the database, Email and Social Media without charge. It was interested by many participants. More than 100,000 copies of the “Now, Discover Your Strengths” have been published, and to prepare Thai personnel to accommodate the liberalization of labor in the region. At the end of the seminar, the valuable content from dialogues is shared among the Nation customers via Newsletter, Blog and Facebook.

2.4 Ethics on responsibilities to employees

As NINE has realized that human resources are best significant value and keys to organizational success, NINE has committed to personnel development, cultural reinforcement, promotion of physical and mental health and pleasant working atmosphere, promotion of team spirit in order to strengthen employee’s trusts and confidences. NINE has encouraged employees to elect their representatives to take part in the administration of welfare benefit programs as prescribed by the law, also allow and facilitate employees to set up “Labor Union for Thai Mass Media” in accordance with the Labor Relationship Act, A.D. 1975. This is to ensure employment fairness, strengthen relationship between the employer and employees and among employees themselves. Activities that engaged employees were as follows: a merit-making activity in which executives and employees jointly offered foods and alms to Buddhist monks once a month, New Year’s party and various clubs’ activities, for instance, volunteering developing camp, music club and sports club, etc.

Our employee welfare focuses on personnel development and welfare of workers. The provision of employee wages and benefits must be reasonable. In regard of short-term return, it is based on the Company's turnover each year, competitiveness in the labor market, planned departmental growth, potential, the cost of living, which a starting wage of employee and welfare also covers leaves in any cases, provident fund, fund for employee's children, emergency loans, uniforms cost, medical expenses, allowances, travel cost, as well as practices relating to labor and human rights that meets the international standards and requirements, right of the establishment of Labor Commission or Labor Unions for Employees, and the employees have the opportunity to comment or complain any issues. In regard of long-term return, the employees are entitled to buy the Employee Stock Options (ESOP) at the set price. The warrants to purchase common shares of the Nation International Edutainment Public Company Limited ("Company") in "ESOP-WA" is firstly issued on August 15, 2013, a total of 4,250,000 shares, with the exercise of right on every 15th of November and May of each year over the 5-year warrants; the exercise for the first time is on November 15, 2016 and the last date of the exercise is August 14, 2018 at the exercise ratio of 1 warrant: 1 new ordinary share, and the exercise price is four Baht per share. In addition, the recognized compensation transaction is recorded at employee retirement on annual basis since the year 2011. The Company also focuses on the accidents prevention and assistance measures in case of the incident by which the Company provides the employees at all levels the life insurance, and employees' health care annually as follows.

1. Life insurance (covering accidents and group insurance for employees at every level),
2. Annual medical check by a doctor and nurses from a hospital,
3. Subsidy in case an employee being hospitalized,
4. Provide helping fund, in case father, spouse and children or the employee himself passes away.

In terms of safety and hygiene in the workplace, NINE has emphasized training and campaigns for employees to realize the significance of working ambience to ensure safety to their life and property. In 2015, there was no accident at all and there were no sick leaves caused by working for NINE as most of the job was in the office while NINE has paid special attention to the working environment, keeping equipment, tools and other facilities in good, safe conditions.

Regarding to personnel quality development, the Company focuses on developing the potential of employees at all levels. To achieve this, the Company provides the employees and staffs with both in-house trainings, i.e., training courses on business ethics and the Code of Conduct, and external training course by the training institution or outside agencies; this is to equip the personnel and staffs with capacity that the knowledge acquired would be applied to improve the performance more efficiently. In providing trainings to the employees, NINE has complied with the

Skill Development Promotion Act. A.D. 2002, which requires a company having more than 100 employees to provide training to 50% of all employees and to submit the training topics to be certified by the Department of Skill Development, which the Company has strictly followed this regulation in providing training for employees.

In 2015, the Company provides the employees with training, representing 50 percent of a total of 82 employees. Of them, 17 percent employees are transited to the institutions or external agencies, and 83 percent are provided with in-house training.

Regarding to the respect for human rights, the Company designates the Business Ethics and the Code of Conduct on who one should treat each other with courtesy; respect for the individualism and human dignity, and the employees must not commit any action that may violate or threat others whether verbally or physically on non-discriminatory basis; race, sex, religion, age, physical and mental disability.

In the past year, there was no dispute between the employees and the Company, and the Company received close cooperation from the Labor Union in publishing and creating mutual understanding between employees and the organization. .

2.5 Relationship with trading partners

NINE is concerned with the equity and fidelity in business operation and mutual benefits with its trading partners, by abiding by the laws and covenants strictly and having good ethics in business operation. So, the practices course is defined as follows.

1. All directors, executives, and employees of the company must not receive or demand for any benefits and offers, or pay any benefits that are suspicious of corruption in transactions to trade partners.
2. Comply with laws and regulations strictly
3. Provide criterion for supplier selection and evaluation
4. Follow terms and conditions toward the trade partners strictly; in case of failure of compliance, it shall inform the partners in advance in order to further find out the solutions mutually, based on the principle of reasonableness.
5. Provide true and correct information
6. Support and collaborate with partners to make high quality and conforming products.
7. Support and cooperate with partners in the production of new products and services that meets the ever-changing needs of customers.
8. Keep confidentiality of partners and not make exploitation of the data for own benefits or related persons improperly.

The company has always recognized the relationship with its partners; for examples, cooperation with partners in transportation service and distribution at different areas, which has been under the operation of the NML Company Limited, a subsidiary. This is how the resources have been used for the highest benefits of each party.

Moreover, NINE had no disputes on matters concerning with its trading partners.

Criteria in selecting business partners are as follows:

1. Financial history is reliable and has potentiality to grow with NINE in the long run.
2. Produce or distribute the goods of high quality as required and can be inspected.
3. Render full support to any sale promotion programs and after sales services to customers.

2.6 Ethics on the relationships with competitors

In business competition, the company adheres to the Rule of Game and holds as just and good practice and the establishment of the trade alliances as follows.

1. Comply with the Rule of Game that is generally accepted by all.
2. Do not discredit competitors by the vilification without factual information, and avoid dishonest methods to destroy competitors.
3. Do not seek for the confidential information of competitors by dishonest or improper means, for instances, a bribery to the competitor's employees.

Over the previous year, the company did not have any disputes with competitors.

2.7 Ethics on the relationships with creditors

The company has been aware of the equality and loyalty to the trade account payables, and the compliance with the loan obligation of the banks, financial institutions, as well as payment for products and services, principals and interest expenses. Therefore, the best and fair practices are included;

1. Maintain and adhere to the terms and conditions bound to the creditors in terms of repayment, taking care of collaterals, surety, and other conditions, including not using the capitals derived from loan in a way that is contrary to the purpose of the agreement made with the lender.
2. Report the accurate and true financial position of the company to the creditors honestly
3. Report the account payable in advance if failed to fulfill its obligations contained in the agreement, and mutually finds out ways to solve such problems.

Over the previous year, the company did not have any disputes with account payable and the financial institutions

2.8 Ethics on social responsibility and environment

NINE supports employees to learn and realize the significance of environmental conservation and smart consumption of rare resources through internal communication channels, and encourages employees to take part in the campaigns to reduce greenhouse effect and global warming by changing the behavior of energy consumption, 5 S activity as well as encourages employees to join all other activities concerning environment, natural resource and energy conservation, held by NINE.

The Company is concerned with better standard of living and news consumption of Thai people, especially children and teenagers, paying special attention to presentation of quality and useful information to the society and common good and environmental conservation as one of the entrepreneurs in Thailand, and a medium to implant environmental conservation awareness to people in society. Over the year 2015, the Company organized the CSR activities. (For detail, see Corporate Social Responsibility, page 82, Annual Report)

As NINE is running a mass media business, its business and social activities must naturally deal and meet with various groups of people. The Company thereby has chances to listen to ideas and suggestions through its employees in dealing with the stakeholders, and through meeting of the executives, directors who have chances to meet the stakeholders continuously. The Company has a Call Center to receive complaints and solve service problems as well as general coordination with other sections. NINE has made great improvements based on those complaints.

Complaints and suggestions

The company upholds the Board of Directors and its employees to carry on the business with integrity and transparency, fairness and accountability in accordance with the Corporate Governance and Business Ethics, and the Code of Conduct of the Company. Also, the company provides channels for comments, informing complaints and suggestions; the employees and all stakeholders can make a complaint, comments, and reporting the events by mailing or email to the Audit Committee and Internal Audit Manager at email: audit_nine@nationgroup.com or visit in person, or postal mail to the Nation International Edutainment Plc. No. 1858/123-124, 28th Floor, Bangna-Trad Road, Bang Na Sub-Dt., Bang Na Dt. Bangkok 10260.

Procedure upon receipt of a complaint

- Internal Audit collects complaints and basic inspection information. If a complaint is prima facie, the gathered evidence will be submitted to the Chief Executive Officer so that a Commission of Inquiry will be appointed to further and along with the Human Resources serves as Secretary to the Commission of Inquiry, and report the results and the measures taken against the offenders to further submit the Chief Executive Officer, Internal Audit Manager and Audit Committee

- Protection measures for complainants – the Audit Committee provides fairness and protects the complainant, a person receiving a complaint, a person being complained and those involved in carrying out the investigation, including keeping the information confidential; which disclosure will be done as necessary in regard to safety and damage of those concerned persons.

4. Data disclosure and transparency

The Board of Directors makes sure that NINE disclose important data, both financial and non-financial data in an accurate, complete, in time and transparent manner and subject to inspection, as well as abiding by the relevant laws and regulations, through such accessible channels as the Company's website, disclosure channels of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC).

NINE has set in the policy of corporate governance that whenever there are changes of securities holdings by a director or executive, he/she is required to report the change of securities holdings to SEC and SET, and copy that report to the Corporate Secretary, who usually asks Directors and Executives to report their updated data at least once a year in November and collect all reports of securities holding and present to the Board at least once a year.

Realizing the importance of keeping internal data in the group of companies confidential, NINE has set a policy "Use of Internal Data", requiring Directors, Executives, staff and employees in the whole group to keep internal data confidential, except in case of disclosure for the benefit of business of the Company. The Company prohibits selling, purchasing, transferring and taking the transfer of the Company's securities, such confidential and / or internal data of the group of companies and / or any commitment that will cause damages to the group of companies either directly or indirectly.

In the past year, the Company disclosed both financial data and non-financial data correctly, completely, in time, transparently, in accordance with the criteria set forth by SEC and SET through SET's disclosure channels and NINE's website. NINE was not taken any action by SEC and SET for not complying with regulations on data disclosure.

The Company's annual report 2015 provides the following information:

1. Vision, mission and values of the organization
2. List of directors as well as their work and educational backgrounds, their family relationship with the management, their service in other listed companies and their holding of the Company's securities
3. Provide criterion for supplier selection and evaluation
4. Risk factors
5. Supervision policy and compliance policy

6. Directors' remuneration and Board meeting attendance
7. Board of Directors' performance in the past year and the training record of the board
8. Audit Committee's performance in the past year
9. Remuneration policy for directors and high-level management
10. The remuneration for service in the Board of Directors and other assignments for the Company and its subsidiaries
11. Annual Report of the Audit Committee
12. The Board's accountability report to the financial statements with the required content, endorsed by the Chairman of the Board and the Chief Executive Officer
13. Explanation and analysis of the financial status of the management
14. Accurate and complete financial statements in accordance with accounting standards
15. Financial statements and operating results

The Company has disclosed the following information at www.nine.co.th

1. Roles, duties and responsibilities of the directors, sub-committee and chief executive officer
2. Related Party Transactions Policy
3. Code of Conduct
4. Corporate Governance Policy
5. Audit Committee's Charter
6. Internal Audit's Charter
7. Quarterly and annual financial statements
8. Annual Report
9. Human resources management policy
10. Conflict of Interest Policy
11. Internal Control Policy
12. Articles of Association
13. Anti-corruption Policy

The Company has measures to prevent problems from libel and defamation charges arising from news reports by providing training courses for staff in the news department to keep them informed of the news reporting guidelines, undesirable statements and pictures. The Company has also reinforced the parties involved to perform accordingly. Throughout the last year, the number of charges leveled against the company considerably decreased from a year earlier.

Investor relationship

The Investor Relationship Office is responsible for communicating with institutional investors, shareholders and analysts on an equal and fair basis, answering questions concerning the Company's business activities and operation to investors, who send in questions through the

website, or by phone, or any other channels, in order to build and strengthen better relationship between NINE and its shareholders, institutional investors, general investors, securities analysts and public organizations equally. You can contact the Investor Relationship Office at:

Address : 1858/123-124, 29th Fl. TCIF Bldg. Bangna-Trad Rd.
Bangna Sub-District, Bangna District, Bangkok 10260
Tel. : 02-338-3333
Fax : 02-338-3904
Email : investor@nationgroup.com / investor@nine.co.th
Website : <http://www.nine.co.th>

Corporate Secretary Department

NINE has recognized the significance of working in compliance with the regulations required by the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant laws in an accurate, complete and transparent manner, which passes through sequential consideration and inspection. The Corporate appointed Ms. Punapa Thongthaveephan as Company Secretary on August 8, 2012, who takes charge of assisting the Chairman of the Board of Directors in monitoring the Board of Directors, sub-committee and all directors to perform in accordance with relevant laws, regulations, and rules. Moreover, the Corporate Secretary is responsible for preparing documents in line with the meeting's agenda, which are sufficient for consideration and making decisions by the board, recording the minutes of meetings accurately and correctly to demonstrate that the board has considered all the proposed agenda fully, faithfully, and responsibly, as a normal person operating the same business should do in the same situation. Also, the Corporate Secretary has the responsibility to keep a register of directors, a notice calling meetings, minutes of meetings of the Board of Directors and Shareholders, a report on conflicts of interest, and a report on interest filed by a director or an executive in carrying out duties in full compliance with the guidelines.

5. Responsibilities of the Board of Directors

Role, duties and responsibilities of the Board of Directors

The Board of Directors plays a key role in overseeing the Company's business operation for optimal benefits of parties concerned. The Board of Directors is accountable to shareholders and is independent from the management. The Company's Board of Directors consequently consists of well educated, experienced and skilled personnel in different fields - business, finance and accounting, management, marketing, strategies and laws.

The Board of Directors has set forth clearly the role, duties and responsibilities of the Board, Executive Committee, Chairman of the Board, Directors and Chief Executive Officer so that the Directors may be free in making decision for the highest benefit of the Company and shareholders as a whole. A procedure to monitor the Company's business operation has been set in place to ensure compliance with relevant laws on business morals, set up by the Board of Directors.

The Board of Directors approves the important matters concerning the Company's operation; including business plan, operating budgets, financial goals, and business strategies as proposed by the Chief Executive Officer, and monitoring the implementation of policies, strategies and action plans defined, as well as review of the vision and mission of the Company annually.

Role, duties and responsibilities of the Chairman of the Board of Directors

The Chairman of the Board of Directors has a role of chairing meetings, controlling, monitoring and allocating time for each agenda for each director to express his/her ideas on significant issues and cast the decisive vote in a Board meeting when an issue is voted equally by two parties, and be responsible as the Board leader for setting the scope of work and monitoring the activities of the organization and chairing the annual general meeting.

Counterbalance of Non-executive Directors

In 2015, the composition of the Company's Board of Directors featured seven directors — three independent directors, one director who served as an executive in NINE and its subsidiaries, and five non-executive directors. The Company had one-third independent directors in the Board, and that served as proper checks and balance.

These three independent directors have possessed required qualifications according to the independent director definition, who have been approved by the Board of Directors in compliance with the Securities and Exchange Commission's regulations in 2008. One of the three independent directors served as Chairman of the Audit Committee and two as members in the Audit Committee.

Term of directorship by directors and executives

According to NINE's Articles of Association, one third of the directors must duly resign every year. Outgoing directors may be reinstated for another term. However, the Company does not fix the number of successive term of directorship according to the Securities and Exchange Commission's regulations. NINE has a policy that the Managing Director can hold a position in maximal 5 other listed companies. A director cannot hold another directorship in any competitive companies or those having conflict of interest. The directors have disclosed the type of business and

directorship in other companies in the Director Record File in 2015. No directors held directorship in more than 5 listed companies.

NINE has no policy to let top management hold another title in other companies, except its subsidiary or affiliate companies, and requires them to report their directorship in other companies in the report form 56-1.

Compliance Unit

At the company, the departments are responsible for surveillance and compliance with rules, regulations, articles of association, and the regulations of the relevant departments. For examples, the Secretary is responsible for sustaining and monitoring the compliance of the SET and the SEC requirements and the relevant laws. Legal Division is responsible for custody and follow-up of the operation that is in harmony with the laws relating to the business. Internal Audit is responsible for review and traceability appropriately and adequately to the internal control system to develop and improve the internal control system of the organization to be more efficient.

Committees

The Board has appointed committees to screen details and set forth qualifications and scope of responsibilities in the regulations of each committee. Members of each committee are independent directors. Chairman of the Board will not hold any title in a committee and an independent director will serve as chairman of a committee.

In order for directors who are qualified, with leadership skills and vision, and specialized skills and experiences as well as those who have devoted their time to better understand corporate culture and code of conduct, the Board has not set up a Recruitment Committee and a Compensation Committee. But the whole Board will work together to nominate directors qualified and appropriate and leave to the Chairman to propose to shareholders in a general meeting. By this way, we can ensure transparency without interference by the management.

At present, the Company has two committees: Audit Committee and Executive Committee, for detailed duties and responsibilities, see “Sub-Committees”

Conflicts of interest

Recognizing the significance of this matter, NINE has announced its conflict of interest policy, forbidding directors, executives and employees to operate a business in competition with the Company and avoiding making interrelated transactions concerning oneself that may cause conflict of interest with the Company. Should there be any necessity to make such transactions, the Board will make sure that those transactions are transparent, righteous as if the transactions had been made with the third party. Directors, executives and employees who are the stakeholders in a transaction will not take part in the approval process. Those transactions have to comply with SET's regulations. Interrelated transactions among NINE, its subsidiaries and

affiliates in 2015 were presented to the Audit Committee and the Board for their acknowledgement in February 2016. NINE disclosed information of those transactions, agreement partners, reason / necessity in the Annual Report and report form 56-1.

Board meetings

Board meetings are usually scheduled in advance each year at least once in a quarter. And there may be an additional meeting if necessary. Clear agendas are worked out in advance, and follows-up with implement of those agendas are made regularly. The Corporate Secretary will send out a notification for a Board meeting with agendas jointly approved by the Chairman of the Board and Chief Executive Officer, along with related documents for each agenda to every director at least 7 days before the meeting so that the Board may have some time to study them before the meeting. In case a director wants to propose an agenda or require the management to update certain issues, he/she may notify the Chairman of the Board or Corporate Secretary.

Usually, each Board meeting takes a few hours. The Chairman of the Board offers a chance to every director to express his/her opinions and observations freely. To prevent financial data leakage unintentionally, the Board advises the management to report the Company's operating results only in the Board meeting. If there is no Board meeting in any month, the management need not present the Company's operating results. Independent directors and non-executive directors have regular meetings or communications to exchange ideas about administration issues without presences of the management. In case of concerns or worries, the Board will raise them to the management to handle.

Evaluation of the Board of Directors' performance

The Board of Directors has set forth a policy to have the Board's and committee's performance evaluated at least once a year so that the Board may review its performance, problems and obstacles faced in the past year and try to do better.

In 2015, the Board of Directors evaluated the Board's performance in 2 parts; namely individual evaluation (by oneself) and collective evaluation of the entire Board, based on the evaluation references of the Stock Exchange of Thailand and Thai Institute of Directors (IOD). Evaluation scores were as follows: 4: agree, 3 : rather strongly agree, 2 : agree, 1 : disagree, 0 : strongly disagree.

The evaluation process begins by November 2015. The Secretary submits the SET's Evaluation Form to the Board of Directors for review and reassurance of the accuracy, completeness and compliance with company's criteria. Next, the evaluation form will be forwarded to the Board of Directors and Audit Committee for evaluation. The evaluation form must be returned within January 15, 2016 in order to finalize scores and announce the results to the Board of Directors and the Audit Committee at the meeting on February 1/2016.

Evaluation could be summarized as follows:

- Individual assessment by topics - they include organizational structure and qualifications of the Board or Directors, the Board of Directors' Meeting, and the Board of Directors' role and responsibilities. The results showed that the majority agreed strongly and agreed very strongly, representing 96.10%.
- The Board's assessment by topics - they include organizational structure and qualifications of the Board or Directors, the Board of Directors' Meeting, and the Board of Directors' role and responsibilities, director's function, relationship with Management, self-development of the Board and executives. The results showed that the majority agreed strongly and agreed very strongly, representing 97.38%.
- Audit Committees' assessment by topics - they include organizational structure and qualifications of the Audit Committees, the meeting, and the Audit Committees' role and responsibilities. The results showed that the majority agreed very strongly, representing 80.95%.

Remunerations to Directors

The company sets a clear and transparent policy regarding remunerations of directors. Set at competitive rates for this industrial sector, remunerations are high enough to attract directors who have the required qualifications. Remunerations are approved at the shareholders' meetings. Directors tasked with more responsibility and duties shall have appropriate levels of remunerations in line with their newly-assigned duties and responsibilities.

The criteria for the performance of the Chief Executive Office, the Board of Directors will be responsible for evaluating, based on the principles and policies set out by the Board and the performance and operating results of the Company, along with the determination of the proper remuneration.

Remuneration to directors in 2015 and 2014 were as follows:

Name/Position	Remunerations 2015				Remunerations 2014			
	Remuneratio	Meeting Allowance	Others	Total	Remuneration	Meeting Allowance	Others	Total
Chairman:								
- Ms. Duangkamol Chotana	400,000.-	-	-	400,000.-	-	-	-	-
Non-Executive Directors:								
- Mr. Suthichai Sae-Yoon	200,000.-	-	-	200,000.-	400,000.-	-	-	400,000.-
- Mr. Sermsin Samalapa	200,000.-	-	-	200,000.-	200,000.-	-	-	200,000.-
- Mrs. Kesery Kanjana-Vanit	-	-	-	-	50,000.-	-	-	50,000.-
- Mr. Thepchai Sae -Yong	-	-	-	-	50,000.-	-	-	50,000.-
Chairman of Audit Committee:								
- Mr. Somsak Cheer Chiranakhon	400,000.-	-	-	400,000.-	400,000.-	-	-	400,000.-
Audit Committee:								
- Mr. Sutee Jintananarumit	300,000.-	-	-	300,000.-	300,000.-	-	-	300,000.-
- Dr. Santhaya Kittikowit	300,000.-	-	-	300,000.-	300,000.-	-	-	300,000.-
Executive Director:								
- Mr. Pana Janviroj	200,000.-	-	-	200,000.-	200,000.-	-	-	200,000.-
- Mr. Torboon Puangmaha	-	-	-	-	100,000.-	-	-	100,000.-
Total	2,000,000.-	-	-	2,000,000.-	2,000,000.-	-	-	2,000,000.-

Notes: At the Board of Directors' Meeting No. 2/2015 held on March 6, 2015, Ms. Duangkamol Chotana was appointed as director to replace Mr. Thepchai Sae-Yong and appointed Ms. Duangkamol Chotana Chairman of the Board, and appointed Mr. Pana Janviroj as Chief Executive Officer. However, the said remuneration is paid in accordance with taking a position.

Development of Directors and the management

Every new Director will attend an orientation by the Chairman of the Board of Directors concerning business operation, history and evolution of the Company, office location and branches, corporate culture, along with clarifications from the Managing Director and the Corporate Secretary about corporate structure, corporate governance policy, internal control system and documents concerned.

The Board of Directors encourages and supports every Director to attend seminars and training in order to increase their performance efficiency. NINE has a policy of encouraging Directors to participate in seminars and training on various subjects, held by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand or any other institutes, on specific duty development and responsibility of a Director, or innovated trends of management so that they may develop and improve their performance and apply knowledge gained to improve their performance continuously for the Company's benefits. In 2015, the following directors were encouraged to join the trainings;

No	Name	Position	Training Course(s) 2015
1	Mr. Somsak Cheer Chiranakhon	Independent Director and Chairman of the Audit Committee	KPMG <ul style="list-style-type: none"> Internal Audit oversight Transfer pricing act: Considerations for Audit Committees
2	Mr. Sutee Jintananarumit	Independent Director and Member of the Audit Committee	KPMG <ul style="list-style-type: none"> Internal Audit oversight Transfer pricing act: Considerations for Audit Committees
3	Dr. Santhaya Kittikowit	Independent Director and Member of the Audit Committee	KPMG <ul style="list-style-type: none"> Transfer pricing act: Considerations for Audit Committees
4	Mr. Pana Janviroj	Chief Executive Officer	<ul style="list-style-type: none"> SEC for CEO Forum 2015" No.1 "Executive Role of the Listed Companies, and Capital Market Development in Thailand"

Succession plan

The Board of Directors recognizes that the organization quality is reflected from operating employees. The Company's sustainable growth depends on building up capable staff to pass on the mission and continue the objectives of the founder, and organizational culture to the next generation. The Board consequently advises the management to prioritize efficient administration and human resource development, having a direction to achieve the goals according to the corporate vision, mission and value.

NINE has proper and transparent process of selecting personnel to take responsibility at every level of management title to ensure that the Company has got professional management, neutral, free from politics, and understand corporate culture, code of conduct for mass media. The Company set a succession plan as follows:

1. Chief Executive Officer

In case the position of the Chief Executive Officer becomes vacant or cannot perform his/her duties, an executive at similar level or a deputy will act in that position until a qualified person is recruited and selected according to the Company's criteria. The person selected shall have vision, knowledge, capability and experience, suitable to corporate culture, under consideration of the Board of Directors to present to the Chairman of the Board of Directors to propose to a shareholders' meeting.

2. Department Directors

When a position in the management from a Department Director upwards becomes vacant, or the one in charge cannot perform his/her duties, the Company has a succession plan as follows:

1. Analyze the Company's business operation, regarding strategies, policy, investment plan and expansion plan.
2. Assess the readiness of manpower in accordance with the Company's strategies both short term and long term.
3. Set up a plan to build up manpower, by developing manpower or recruiting new ones to replace those resigned.
4. Set up plan of recruitment and development plan in advance before employees get retired or resigned.
5. Specify competency which means knowledge, skills, personality and desirable attitude of employees in such positions and make a development plan for each individual.
6. Select, evaluate and appraise the potentiality of employees,
7. Use KPI system in testing and evaluating the staff so as to analyze employee potentiality.

2. Sub-committees

The Board of Directors has appointed two sets of sub-committees; consisting of Audit Committee and Executive Committee. The details are as follows:

2.1 Audit Committee

All Audit Committees must be an independent committee and appointed by the Board of Directors or shareholders. They must exercise their discretion independently. One Audit Committee must possess knowledge and expertise in accounting or related financial management as required by the Stock Exchange of Thailand, good command of reading and understanding the basic financial statements. The Audit Committee consists of three following members.

No	Name	Position	Qualification
1	Mr. Somsak Cheer Chiranakhon	The Chairman of Audit Committee	Independent Director
2	Mr. Sutee Jintananarumit	The Member of Audit Committee	Independent Director
3	Dr. Santhaya Kittikowit	The Member of Audit Committee	Independent Director and acknowledge accounting and financing

Roles and responsibilities of the Audit Committee

1. Review and make sure that that company's financial reporting (quarterly and yearly) is accurate with adequate disclosure regarding the company prior to submit the Board of Directors
2. Review and make sure that the company has the appropriate adequate and effective internal control and internal audit system, including considers the independence of the Internal Audit, approve the appointment, transfer, or dismissal of the Head of the Internal Audit, or any other departments that are responsible for internal audit.
3. Review and make sure that the company has adequate appropriate and effective risk assessment system and risk management.
4. Review and make sure that the company complies with the Securities and Exchange (SET) Act and requirements, or laws relating to the company's business.
5. Consider and nominate an independent person and determine the remuneration for the auditor of the company, liaison with auditors regarding to the purposes of the audit, scope, policy, plan, and the problems found during the inspection, and the issues that is recognized by the auditor as important, as well as attending meetings with the external auditors with an absence of the Top Management at least once a year.

6. Contemplate the related transactions or transactions that may cause conflicts of interest to ensure of the accuracy and completeness in accordance with the applicable laws and regulations of the SET, including disclosure of such transactions correctly and completely; this is to ensure that such transactions are reasonable and beneficial mostly to the Company.

7. Conduct the Audit Committee's report of the Corporate Governance, and be disclosed in the annual report of the company, which such a report shall be signed by the Chairman of the Audit Committee, and it includes the following information:

- Comments on the accuracy, completeness and reliability of the financial statements of the company
- Comments on the adequacy of the internal control system
- Comments on risk management system of the company
- Comments on compliance with the Securities and Exchange Commission Act, requirements, or laws relating to the Company's business.
- Comments on the appropriateness of the auditor
- Comments on report that may be a conflict of interest
- Number of the Audit Committee's Meeting and the attendance of each member of the Audit Committee.
- Overall opinion or notice obtained by the Board of Directors from functioning duties under the Charter
- Any other information that the shareholders and general investors should acknowledge under the scope of the duties and responsibilities assigned by the Board of Directors.

8. Perform other duties assigned by the Board of Directors under the approval of the Board on duties, the Audit Committee is directly responsible to the Board of Directors and the Board of Directors is also responsible for the operations of the company to the outsiders.

2.2 Board of Executive Committee

The Executive Committee has the authority and responsibility of corporate management regarding to normal business operations and administration, policymaking, business plan, fiscal budget, management structure, and administrative authorities of the company, and business operation rules in accordance with current economy and policies that have been assigned by the Board of Directors to submit the Board of Directors' Meeting for consideration and/or approval, including monitoring and tracking the operating results of the company under the policies set forth by the Board. The Executive Committee consists of five following members.

No	Name	Position
1	Ms. Duangkamol Chotana	Chairman of Executive Committee
2	Mr. Suthichai Sae Yoon	Chief Adviser to Management Boards
3	Mr. Sermsin Samalapa	Executive Director
4	Mr. Pana Janviroj	Executive Director
5	Mr. Thepchai Sae-Yong	Executive Director

Notes : Mr. Thepchai Sae-Yong resigned from the Board of Directors, effect from March 9, 2015 and the Board of Directors' Meeting No. 2/2015 held on March 6, 2015 appointed Ms. Duangkamol Chotana as director.

Roles and Responsibilities of the Board of Directors

1. Regulate affairs and formulate policy, direction and business strategies to implement the policies and to achieve goals defined by the Board of Directors, as well as propose policies, business plan, budget, and direction in business operation and plans to the Board for approval.

2. Consider organizational structure, authority to determine management, salary structure, including recruitment, training, appointment, hiring, transfer and assignment of wages, remuneration and bonuses for executive staffs, and dismissal of the employees, and assigning the Managing Director to act on behalf of the company in signing the employment agreement.

3. Consider and approve the transactions in normal course of the business; for examples, purchase of products, purchase of copyright, asset investment, financial transactions with banks / financial institutions; opening account, lending, loans, procurement of credit limit, mortgage, pledge, guarantees and others, including transactions and registration of land ownership for normal business operations within the credit limit for each items, subject to the authority of approval and commissioning by Board of Directors.

4. Assign business plan, budget and business operation approaches in accordance with the objectives assigned by the Board of Directors, authority to regulate the operations of the company under the business policies, business plans and business strategies approved by the Board of Directors, and subject to the conditions, rules and regulations and the Articles of Association.

5. Authority to implement the policies set out by the Board of Directors with the regard of business operation under the conditions, rules and regulations and the Articles of Association, except for transactions that the Board may have potential conflict of interests with the company or its subsidiaries. Action is permitted when obtaining the resolution of the Board of Directors'

Meeting in which the independent committees attend only. The related transactions, acquisition or disposition of the important assets of the company shall be pursued in accordance with the procedures prescribed by the SET and SEC.

6. Consider the company's profits and loss, and propose an interim or annual dividend payment to the Board of Directors.

7. Consider other matters as assigned by the Board, however, being authorized commissioned mentioned above shall not be characterized of delegation or sub-delegation that the Executive Committee or those authorized by the Executive Committee are allowed to approve their conflict of interest transactions as required by the SEC to the company or its subsidiaries, unless the approval of transactions that is based on the criterion approved by the Board of Directors.

However, the approval of a conflict of interest transaction will be executed in compliance with the Notification of the Stock Exchange of Thailand (SET), Capital Market Supervisory Board, and / or Stock Exchange Commissions (SEC) on criterion, procedures and disclosure of related party transactions of the listed company.

Besides, the Board of Directors is appointed or withdrawn by the Board of Director' Meeting, the Shareholders' Meeting.

3. Nomination and Election of Directors and Top Executives

3.1 Independent Director

Independent Committee is a non-executive director of the company, its subsidiaries, and the affiliates, they are independent of major shareholders and executives of the company, and have no relationship that may interfere with his exercise of independent judgment.

The definition of the independent director of the company is equal to the minimum requirements required by the SEC, and the SET.

Qualifications of the Independent directors

1. Hold no more than 1% of the total number of shares with voting rights of the company, holding company, subsidiaries, affiliated companies, the major shareholders who have authority to regulate the company. It is inclusive of the shares held by related parties, under Section 258 of the Securities and Exchange Act, of the respective independent committee.

2. Not a director or a committee who ever participating in management, staff, employee, any advisor who receive regular compensation, or a person who has a power of control of the company, holding company, subsidiaries, affiliated companies, or major shareholders of the company, unless he had vacated the office for no less than two years prior to his appointment.

Such prohibitions do not include the independent director who ever was a civil servant or advisor to the government agency, who is a major shareholder or who has power to control the corporation.

3. Not and never been engaged in trade relationship, business relations, and stakeholders in financial or other benefits relevant to management both directly or indirectly with the company, holding company, subsidiaries, affiliated companies, major shareholders, or those who have power to control the company in the way that may interfere with his independent judgment, not and never been a significant shareholder or a person who has authority to control the business of the company, subsidiaries, affiliates, or major shareholders, or those who have authority to the company, unless he had vacated the office for no less than two years prior to his appointment.

4. Not a representative either publicly or secretly for the directors, major shareholders, or any shareholder who is related to any major shareholders or the company's shareholders.

5. Act and exercise his independent discretion without the influence of the directors, or major shareholders, or concerned persons, or relatives.

6. Not and never been auditor of the company, holding company, subsidiaries, affiliated companies, major shareholders, or those who have authority to control the company, or significant shareholder who has authority of control, managing partner for juristic person at the audit firm to which auditor of the company, subsidiaries, affiliates, major shareholders, a person who has authority of control is subjected, unless he had vacated the office for no less than two years prior to his appointment.

7. Not and never been professional provider, but not limited to legal consultant, financial advisor, property appraiser whose income of service charge earned exceeds THB 2 million per year from the company, subsidiaries, affiliates, major shareholders, or those who have authority to control the company in the event that professional provider is a juristic person, including a significant shareholder, a person who has authority of control, or managing partner of the respective professional provider, unless he had vacated the office for no less than two years prior to his appointment.

8. Not operate the same business that competes with the business of the company, subsidiaries, not a significant member of the partnership, neither a director who has engaged in management, nor employee, nor consultant who earns a regular salary, or holding more than 1% of the total number of shares with voting rights of other firms that operate the same business that competes with the business of the company or subsidiaries.

9. Not possess any qualities that preclude him from the exercise of his independent opinion about the company's operations.

10. Independent Director shall be undergone the recruitment process defined by the Board of Directors or shareholders.

3.2 Recruitment of Directors and Top Executives

The company is aware of the importance of the media that may cue a public opinion. So, the executives or directors of the company must understand the role of media and adherence to the integrity, the Code of Conduct, and Business Ethics in order to set the policies in the presentation objectively and creatively, not distort it. Thus, recruiting and selecting an individual to serve as director and top executives of the company is so important and it is an immediate responsibility of the Board of Directors.

Nomination of Directors

The company assigns the Board of Directors to take responsibility to nominate the directors and consider the candidates who are qualified and appropriate, who are nominated from various sources, especially the Director Pool, in accordance with criterion required by laws, which is no prohibited characteristics by law, or that may affect the operations of the Group.

In addition, the company also opens they opportunities for minor, single, or multiple shareholders who hold the company's shares for at least one year and must hold shares on nominating date, and demonstrate the security certificate of the company, to nominate a person as director. Nomination must be done in advance at least 3 months prior to the Annual General Meeting of Shareholders, together with information on the qualifications and the consent of the nominated person.

Appointment of Directors must be approved by the Board of Directors' Meeting, which consists of the Independent Committees and Audit Committees. Appointing a director shall pass the resolution of the Shareholders' Meeting in accordance with the Articles of Association. Besides, the Articles of Association of the Company requires the Shareholders' Meeting to elect the directors under the following criterion and procedures.

- (A) Each shareholder shall have one vote for one share-one vote rule.
- (B) Each shareholder exercises his vote to elect directors individually.
- (C) The candidates with highest votes proceeding in order shall be elected as director at the same number of directors that is supposed to for such respective election. In the case of the tie, and the number of the elected persons in descending order exceeds the number of the directors that is supposed, the Chairman shall have the casting vote.

At any Annual General Meeting of Shareholders, one-third of the Board of Directors shall vacate the office; namely; the director whose length of service is longest shall vacate the position first. However, the director who vacated the office can be elected to resume the office.

Nomination of Top Executives

To nominate an individual to assume a position of director, the Executive Committee shall consider the nomination and election of qualified individuals in accordance with the criterion required by the company; namely; they must be far-sighted, knowledgeable, experienced matching the corporate culture, and be presented to the Board for approval.

4. Compliance with Corporate Governance of its subsidiaries and associated companies.

The company includes the policy on the inter-entity transactions of the company and its subsidiaries and persons who may have a conflict of interest, stakeholders, or that may be a conflict of interest in the future. The execution of transaction shall be in accordance with the normal business operation, caused by the outsiders. In the event that price cannot be compared to the outsiders, the mutual parties shall consider and further define the reasonable price of goods and services by which the Audit Committee is of the opinion about the necessity of the transaction and the appropriateness of price.

In 2015, the company and its subsidiaries included the inter-entity transactions with other related affair under the market price conditions. Other inter-entity transactions have been undergone the consideration of appropriateness and the value of the transactions by the Audit Committees. For further information, see the Footnotes to the Financial Statements.

5. Surveillance of Internal Data Control

5.1 Prevention of the use of inside information

The Company has set a policy to prevent Directors and Executives from abusing their authorities, unfair to other shareholders, or causing damage to shareholders in accordance with Article 241 of Securities and Stock Market Act, A.D. 1992, as follows:

1) It is prohibited for the Directors, Executives and employees who are related to internal data from disclosing such internal data to any outsiders or not related persons.

2) The Directors, Executives and employees, who are related with the preparation of financial statements or any other information, must be careful about securities trading before the announcement of the financial statements. Should there be any trading during that time, they're required to inform the Board of Directors.

5.2 Disclosure of stakeholder data

The Board of Directors has set forth a guideline for the Company's Board of Directors, its subsidiary companies and the Executives to disclose stakeholder data of their own and related

persons, according to Article 89/14 of Securities and Stock Market Act, A.D. 2008 to ensure transparency and prevention of conflict of interest. NINE requires Directors and Executives to report the change of their securities holding to the Securities and Exchange Commission (SEC) and SET at every trading, transfer or acquisition of securities in 3 days, from the date of the deal. It also requires directors and executives to make a report in the stakeholder data report of Directors, the Executives and related persons, according to the Capital Market Supervisory Board's Notification No. TJ 2/2552, enforceable since July 1, 2009, as follows;

1. It requires Directors and Executives to make a report of stakeholder data of their own and related persons annually. The Corporate Secretary will collect the stakeholder data of the Directors, the Executives and related persons and keep those data updated, ready to be revealed to the Board of Directors whenever the Board of Directors wishes to consider transactions between the Company and Directors and/or the Executives who are involved or related.

2. In case there is any change of data, the change must be reported immediately, the report of which shall be sent in 7 days from the date of the change.

3. The Corporate Secretary will hand in a copy of stakeholder report to the Chairman of the Board of Directors and the Chairman of the Audit Committee in 7 working days from the date the Company has received the report.

In 2015, there was one report and there was no transaction with conflict of interest with NINE.

Report on Shareholding

Regarding report on security trading of the Company's Board of Director and Executives, the Company has already sent an official letter to explain their liability in reporting their securities holding to the Securities and Exchange Commission according to Article 59 of the Securities and Exchange Act A.D. 1992. The Company has also informed the Company's Board of Directors every time there is purchase, selling, transfer or acquisition of securities.

In 2015 the Company set a policy that the directors and executives must report their shareholding to the Board of Directors annually and at least once a year. The directors have reported their shareholdings at the Board of Director's meeting on February 10, 2016.

And the Company's Board of Director has reported the shareholding by comparing an increase (decrease) between December 31, 2015 and December 31, 2014 as follow :-

No	Name	Number of Shares				Notes
		Dec. 31, 2015	Dec. 31, 2014	No. of shares increase (decrease) during the period (shares)	Company's holding (%) As of Dec. 31, 2015	
1	Ms. Duangkamol Chotana	52,714	52,714	-	0.03%	-
2	Mr. Suthichai Sae-Yoon	-	1,566,636	(1,566,636)	-	-
3	Mr. Sermsin Samalapa	-	-	-	-	-
4	Mr. Pana Janviroj	-	-	-	-	-
5	Mr. Somsak Cheer Chiranakhon	-	-	-	-	-
6	Mr. Sutee Jintananarumit	-	-	-	-	-
7	Dr. Santhaya Kittikowit	-	-	-	-	-
8	Dr. Wongsiri Miyaji	3,000	3,000	-	0.00%	-
9	Mr. Sangchai Leelanawalikhit	1,000	1,000	-	0.00%	-
10	Ms. Thitagan Thana-Olarn	-	-	-	-	-
11	Ms. Boonpa Saebay	-	-	-	-	-

Notes : 1. Paid shares as of December 30, 2558 of NINE is 170,048,386 shares
2. The total number of shares which the spouse. (if any)

6. Remuneration of the Auditor

6.1 Audit Fee

The company and its subsidiaries paid the audit fees to KPMG Phoomchai Audit Company Limited in the past fiscal year, totally amounted of THB 1,640,000.

Company	Audit Fee (Baht)
Nation International Edutainment Plc.	980,000
Subsidiaries	660,000
Total	1,640,000

6.2 Non-Audit Fee

The company and its subsidiaries had no other services of the audit firms in which the auditor is subject, individuals or business related to the auditors and the audit firms in which the auditor is subject over the past financial year.

Note: individuals or business related to the auditors and the audit firms in which the auditor is subject shall include;

1. Spouse and children who are dependent or the dependents of the auditor
2. Activities with authority to control the audit firms, activities under the control of the audit firm, and activities under the same control of the audit firm whether by direct or indirect.
3. Activities under the significant influence of the audit firm
4. Partner or equivalent of the audit firm
5. Spouses and children who are dependent or the dependents of the persons stated in (4)
6. Activities that the auditor, individual in Section (1) (4) or (5) has control or significant influence whether by direct or indirect.

7. Compliance with the Corporate Governance in other matters

7.1 Attendance

In 2015, the company held the Board of Directors' Meeting, the Audit Committee's Meeting, and the Shareholders' Meeting as detailed below.

No	Director	No of attendance/No of meetings		
		Board of Directors	Audit Committee	AGM
1	Ms. Duangkamol Chotana	4/4	-	1/1
2	Mr. Suthichai Sae-Yoon	4/5	-	1/1
3	Mr. Sermsin Samalapa	2/5	-	1/1
4	Mr. Pana Janviroj	5/5	4/4	1/1
5	Mr. Somsak Cheer Chiranakhon	5/5	4/4	1/1
6	Mr. Sutee Jintananarumit	5/5	4/4	1/1
7	Dr. Santhaya Kittikowit	4/5	3/4	1/1

The company provided the minutes in writing, which it contains essential information completely; the minutes with approval of the Board of Directors was retained.

Internal control and risk management

Since the Board of Directors focuses on the internal control system continuously, the internal control then covers finance, practices course, compliance with the applicable laws, rules and regulations. In addition, it includes the effective traceability and balancing mechanisms adequately to protect and safeguard the company's assets. The Internal Audit is responsible for monitoring the performance of the departments to ensure that they perform accurately and precisely in accordance with the regulations. In addition, the Audit Committee is responsible for overseeing and regulating the company's internal control system to comply with the policies and programs assigned by the Board of Directors, and in accordance with the rules required by the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC).

Directors on internal control

In 2015, the Board of Directors was presented a report by the Audit Committee with the regard of the review of financial statements and financial reports, and the performance of the Internal Audit. The Board of Directors recognized that the company's internal control system was of the level of satisfaction overall; that is to say, it assures the reliability of the financial statements reasonably; protect the company assets against the misuse of the management and staffs, including transactions with persons who may have conflicts of interest and the related parties. Performance meets the defined procedures with appropriate precise internal control in the different five components; internal control, risk assessment, performance control, information and communication system, and monitoring systems, which can be summarized as follows:

1. Organization and Environment

The company designates its business goals that are definite and measurable, and reviews the possibility of the goals set forth periodically. Employee remuneration is determined reasonably based on the performance of individual employees each year. The organizational structure includes a division of the line authority explicitly. It also includes the Business Ethics and the Code of Conduct to make sure that all executives and employees adhere as work instructions in compliance with standard and integrity, including the caring of stakeholders and the compliance with the statutory provision which is bound to all employees strictly.

2. Risk Management

The company assesses the potentials risks that may affect its operations. The Board of Directors' Meeting consists of Chief Executive Officer, Senior Director, and the related Line Directors. Risk management includes evaluating the risks factors and consequences that may arise, including planning, implementation and monitoring of operations.

3. Operational Control

The company has established policies and procedures for different units of works, including financial transactions, purchase and hiring, and general administration. It is responsible for assigning in writing the authority and limits of approval of the different levels of the executives clearly. The duties on bookkeeping, information, and safeguarding of assets are separately apart. On the approval of the transactions of the company and the shareholders, directors and related parties, the company is aware of the best interests of the company and is considered as transactions made with the outsiders.

4. Information and communications

The company provides information technology and communication channels, both inside and outside the organization as appropriate, so that all parties involve can receive the information accurately, completely, timely, as well as the adequate important information that can be used to support a decision-making.

5. Monitoring System

The company has pursued on monitoring and the internal control regularly. The Internal Audit Department monitors and reviews the performance of employees in the different departments, and reported to the Board of Directors and executives, and if the defects are identified significantly, it shall be reported and take corrective action within a reasonable period.

Chief Internal Auditor

Ms. Sawitree Ngamkham is Chief Internal Auditor; the Audit Committees agreed that the Chief Internal Auditor must be qualified to perform the functions effectively because he is knowledgeable, skillful and experienced to carry on auditing functions, with well-understanding of the activities and operations of the company. Besides, in the case of the appointment, removal and transfer of the Chief Internal Auditor, it must be approved by the Audit Committee.

Social Contribution Activities in 2015

Nation International Edutainment Public Co., Ltd. (NINE), a producer and distributor of education and edutainment publications from local and international authors and publishers, realizes the significance of social contributions. In 2015, the NINE organized and participated in the following social activities with primary aims of promoting youth learning:



Smile Library Project 2

The “Smile Library Project 2”, a donation of books to schools, in the cooperation with the alliances; both individuals and more than 30 private companies, delivered knowledge and educational materials to youth in rural areas, aiming to expose the world to those disadvantaged youth to be more cultivated and creative. In 2015, the Company and its alliances jointly delivered books to 100 schools across the country; the books numbered more than hundred thousand copies. The participating companies include, for examples, CUEL Co., Ltd., Asset Bright PCL, Khonburi Sugar PCL, Khon Kaen Sugar Industry PCL, HSBC, Phayathai Hospital², etc.



Social Contribution Activities in 2015

Smile Library

“1 Share, 1 Read Project 2”

To continue the royal wish of educational development by nurturing the reading habit, you are invited to buy a book via the NSTORE.net. In 2015, the books are gathered to deliver the Association for Children and Youth for Peace of Southern Border, the Border Patrol Police Schools, and those schools in need across the country, which more than one hundred thousand copies of the book were delivered and in the cooperation with the Nation's Music Club, had luncheon for children and delivering them the comic books and children's books as follows.

1. Ban Kru Noi Children's Home - Bangkok on February 22, 2015
2. Pattaya Orphanage - Chonburi on April 25, 2015
3. Children's Foster Home - Saraburi on June 28, 2015.
4. Ban Kru Mui Foster Home - Samutprakan on August 22, 2015.



Social Contribution Activities in 2015

NJ Spelling Bee 2015



Thailand's English Spelling Championship Contest No.18

NJ Magazine, English magazine for youth under the Nation International Edutainment PCL, organized Thailand's English spelling championship contest, or well known as the "NJ Spelling Bee" since 1998. The awards include the Honorable Cup granted by the HRH Princess Maha Chakri Sirindhorn, together with a scholarship to study English in the United States of America and the Eltham College, Melbourne, Australia. Regional champion and its advisor are granted the scholarships to study abroad.

Over the past 18 years, the NJ Spelling Bee has organized the event continuously and it becomes a well-known and the biggest English spelling contest in the country and the Asian region. To date, more than 20,000 youth participants each year are exposed the opportunity to make the best of their English language talent on the stage, and applies their knowledge to broaden their viewpoints of studying English abroad, as well as to strengthen the relationship between teachers and pupils in exchange of ideas, knowledge and experience.

Junior Dublin Literary Awards for Thailand:

“Thailand’s Creative English Essay Championship Contest”

NJ Magazine, in the cooperation with the Embassy of the Republic of Ireland in Thailand, organized Thailand’s Creative English Essay Championship Contest 2015 (the 10th year now) under the title “Two Worlds” to win award to visit the Republic of Ireland. This activity is one way to develop the English language potential of Thai youth and provides an opportunity for youth to express themselves in English to prepare a readiness entering the ASEAN Community. The company has been cooperated with its partners such as City Life Chiangmai Magazine as co-organizer at northern regional level and the Phuket Gazette Newspaper as co-organizer at southern regional level south. There are more than 1,000 works nationwide joined by high school students.

Social Contribution Activities in 2015

Junior Dublin Literary Awards
for Thailand



Social Contribution Activities in 2015

“Books for Children Project 2”

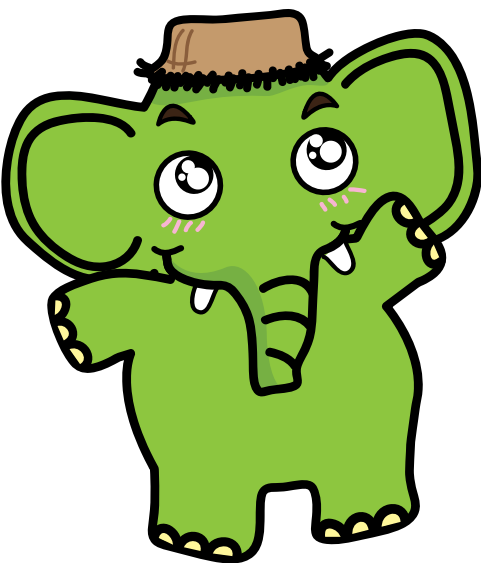


“Books for Children Project 2”

“Sustainable Giving” is a giving that brings forth learning, cumulating, and fulfilling the potential of Thai youth. The Company, in the cooperation with Thai Beverage PLC, has never ceased to carry on the project, the “Books for Children Project 2”, together with the spatial expansion of the distribution of knowledge through contributing instructional materials in all dimensions.

Education is another crucial CSR policy that ThaiBev continues to support the “Books for Children Project 2” for two consecutive years to reinforce the success of the prior project and to be part in the honor of HRH Princess Sirindhorn (Princess of Reading) in the auspicious 60th birthday anniversary on April 2, 2015.

The project is aimed to support and provide the effective instructional materials that help improve the educational potential of Thai children and youth in the rural schools subjected to the Border Patrol Police Schools nationwide. As firmly believe that education plays crucial role to national development. In particular, in the modern world that requires human resources with knowledge and the ability to enhance economic competitiveness and national development in various dimensions sustainably and the creation of the sustainable community; human, community, and social development in the wilderness to achieve the better quality of life under the Happy Smiley Community” concept.



Awards that Nation International Edutainment Pcl. received in 2015



Award from the Publishers and Bookseller Association of Thailand (PUBAT)

On October 21, 2015, the Company was bestowed a plaque of honor from the PUBAT as supporter of advertising and public relations in organizing the book fairs across the country, which encourages the reading of Thai prevalingly, and create a sustainable knowledge society as a basis for the national development.

Audit Committee's Report For the Year 2015

Attn. Shareholders of

Nation International Edutainment Public Company Limited

The Audit Committee

The Audit Committee of Nation International Edutainment Public Company Limited comprises three independent directors: Mr. Somsak Cheer Chiranakhon - Committee Chairman; Mr. Sutee Jintananarumit and Ms. Santhaya Kittikowit - Committee Members.

During 2015, the Audit Committee arranged four meetings, each took a few hours, implementing the responsibilities specified in the Audit Committee Charter. In such meetings, along with the company's Independent Auditor, Internal Audit Manager and Chief Executives to discuss all relevant issues.

The Committee's opinions:

- **Financial Statements:** The Audit Committee reviewed all quarterly financial statements, including the Annual Financial Statement for the year 2015, with management and the company's Independent Auditor. The audit inspected the financial reports of the company and its affiliates to ensure they had been organized correctly and properly, especially in their individual subject matter, in accordance with generally accepted accounting principles and that they disclosed all complete and credible information. In addition, the Committee reviewed the information disclosure and operations on mutual transactions between the company, its affiliates and its joint ventures, as well as connected transactions, in order to ensure the company had complied with and fulfilled all approved business practices and regulations as required by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
- **Internal Control System:** The Audit Committee considered organization structure of Internal Audit Department to make sure independent of operation. The Committee considered the Internal Audit System Plan for the Year 2015, with due concern for possible risk factors that might adversely affect the company's operations. The Committee also made suggestions and provided guidance on adjusting the plan to be compatible the current situation. In addition, the Committee resolutely pursued the implementation of adjustments on significant issues for the administrative section, as specified in the Audit Report. For the year 2015, the auditor could not find any material discrepancy for the internal control of the company.
- **Risk Management System:** The Audit Committee considered that the company's risk management system is appropriate and sufficient. The management has a track changes and associated risk factors closely and reported the situation including plan changes to The Audit Committee regularly.
- **Compliance with laws on securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as other laws relative to the company's business:** In February 2016, the Audit Committee arranged a meeting with the Company Secretary at which it was determined that the company had appropriately complied with all laws on securities and stock exchange and the regulations of the Stock Exchange of Thailand, as well as with other laws relative to the company's business.

- **Auditors:** The Audit Committee are agreed that the company's current Independent Auditor for the year 2016, Ms. Patamavan Vadhanakul, auditor registration No.9832, is a suitable, independent, knowledgeable and long-experienced auditor. With regard to the appointment of the company's Independent Auditor for the year 2015, the Audit Committee proposes the following persons from KPMG Poomchai Audit Co., Ltd. for due consideration as the company's Independent Auditor for the year 2015: Ms. Patamavan Vadhanakul, registration No. 9832; Mr.Winid Silamongkol, registration No. 3378, ; Ms. Vannaporn Jongperadechanon, registration No. 4098; Mr.Veerachai Ratanajaratkul, registration No.4323.

- **Connected Transactions:** The Audit Committee considered all connected transactions that might cause conflicts of interest with the company and subsidiaries. The Committee shall examine the transaction and give opinions about the necessity of the transaction as well as the appropriateness in terms of prices by considering from relevant market factors and comparable prices with the third party, if possible. The Committee shall disclose the information for the relevant items according to the requirement of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as the accounting standard as required by the Federation of Accounting Professions. The Committee believes such the transactions are accurate, general business transactions that the company has implemented under the principles of Good Corporate Governance.

From its operations under the auspices of the Audit Committee Charter, the Audit Committee has determined that the company has delegated the implementation of management under the principles of Good Corporate Governance that eventually contribute to transparency and integrity. This has resulted in a firm trust with shareholders, investors and relevant parties and in a flawless, efficient Internal Control System of the company. Connected transactions that might have conflicts of interest have proved to be accurate, general business transactions of a reasonable nature. Additionally, no irregular material transactions have been found. It has therefore been determined that the company has properly complied with the relevant provisions of the law, as well as appropriate rules and regulations of official regulating organizations.

The Financial Statement ending December 31, 2015, has disclosed sufficient information and contains no problematic situations, or transactions that could materially affect the company's financial statement, which has been organized correctly in its subject matter in accordance with generally accepted accounting principles.



(Mr. Somsak Cheer Chiranakhon)
Chairman of the Audit Committee

Report of the Board of Directors' Responsibilities to Financial Report of Nation International Edutainment Public Company Limited

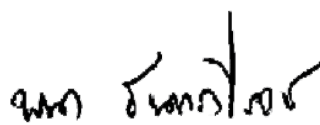
The Company's Board of Directors recognizes the significance of its duties and responsibilities, as directors of a listed company. The Board of Directors ensures that the Company's financial report contains accurate, transparent and full accounting records that reflect the Company's actual financial status and operational results. The Company's financial statements are adequately disclosed to prevent any fraud or mismanagement of the company's assets. The Company adheres to conform with recognized accounting standards that are fair and circumspect in the financial reporting processes of the Company and its Subsidiaries in the year ended 31 December 2014.

In order to strengthen the confidence of the shareholders, investors and other related parties, the Board of Directors establishes the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand and notification of the Capital Market Supervisory Board to review and ensure accuracy and sufficiency of the financial report, including transparent and complete disclosure of connected transactions or transactions with possible conflict of interest. The Audit Committee ensures the Company's risk management system, internal control, internal audit systems and corporate governance are appropriate and effective in compliance with laws of securities and exchange, regulations of the Stock Exchange of Thailand, notification of the Capital Market Supervisory Board and relevant rules and regulations. The Audit Committee had already reported to the Company's Board of Directors and presented them with the Audit Committee Report as an addendum to the annual registration statement (form 56-1) and annual report of the Company.

The Board of Directors is of the opinion that the financial statements for the year ended 31 December 2015 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management and audited by the Company's auditor, reflect accurate and complete financial status, operational results and cash flow in accordance with generally accepted accounting standards, rules, regulations and laws relating to the Company's businesses.



(Ms. Duangkamol Chotana)
Chairman



(Mr. Pana Janviroj)
Chief Executive Officer

The Results of the Consolidated Financial Statements

The consolidated financial statements of Nation International Edutainment Public Company Limited and its subsidiaries for the year ended 31 December 2015 represented a loss of Baht 18.35 million. Compared to the same period of 2014, the profit was Baht 1.73 million, a decline of 1,161%. The Company would like to clarify significant changes in the Group's operating results are as follows:

1. Revenues from sales and services for the year 2015 decreased 13% compared to the same period of 2014. The main reasons were:

- Revenues from circulation decreased 2% with circulation revenue of pocket books decreased 28% and Foreign publication decreased 17%. Whereas, revenue from children books increased 88%.
- Revenues from rendering of services decreased 24% with publishing, distributing and other service from foreign publications decreased 8%. Moreover, revenues from advertising and production of program in Digital TV decreased 52%.

2. Costs and expenses for the year 2015 decreased 6% compared to the same period of 2014. The main reasons were:

- Cost of goods sold decreased 11% due to the Group could control production cost more effectively.
- Cost of rendering of services decreased 17% in line with service revenue and the Group could control the production costs of program in Digital TV.
- Selling and administrative expenses increased 11% due to the increased in sale promotion and marketing expenses.

Conclusion :

The Group reported a loss for the year ended 31 December 2015 was Baht 18.35 million. Compared to the same period of 2014, showed a profit of Baht 1.73 million.

**Nation International Edutainment Public Company
Limited and its Subsidiaries**

Financial statements for the year ended
31 December 2015
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th-51st Floors, Empire Tower
1 South Sathorn Rd., Yannawa
Sathorn, Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50-51 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120

Tel: +66 2677 2000
Fax: +66 2677 2222
www.kpmg.co.th

Independent Auditor's Report

To the Shareholders of Nation International Edutainment Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Nation International Edutainment Public Company Limited and its subsidiaries (the "Group") and of Nation International Edutainment Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. //

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Patamavan Vadhanakul)
Certified Public Accountant
Registration No. 9832

KPMG Phoomchai Audit Ltd.
Bangkok
10 February 2016

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2015	2014	2015	2014
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	6	68,405,431	222,490,948	64,140,357	218,160,771
Current investments	7	250,706,534	105,000,000	250,498,935	105,000,000
Trade accounts receivable	8	47,229,499	35,939,239	44,865,242	34,075,675
Accrued income	5	6,549,981	26,680,104	3,333,049	21,739,038
Other receivables	9	5,602,350	16,693,242	43,131,295	45,462,771
Short-term loan to related party	5	-	-	3,000,000	3,000,000
Inventories	10	223,562,302	232,546,227	34,798,294	38,019,086
Other current assets		1,104,952	1,692,785	564,575	1,132,638
Total current assets		603,161,049	641,042,545	444,331,747	466,589,979
Non-current assets					
Restricted deposit	11	803,100	861,200	-	-
Investments in subsidiaries	12	-	-	61,409,712	62,009,712
Leasehold improvements and equipment	13	3,127,828	4,612,733	2,745,470	3,359,093
Intangible assets	14	21,584,260	30,971,359	7,950,940	12,253,346
Deferred tax assets	15	26,536,960	29,605,169	6,444,317	6,836,926
Other non-current assets		4,188,536	4,339,656	3,603,366	3,603,366
Total non-current assets		56,240,684	70,390,117	82,153,805	88,062,443
Total assets		659,401,733	711,432,662	526,485,552	554,652,422

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2015	2014	2015	2014
<i>(in Baht)</i>					
Current liabilities					
Bank overdrafts	16	9,915,228	9,874,350	-	-
Trade accounts payable	17	122,826,397	139,570,079	26,409,671	41,392,730
Other payables	18	9,697,373	6,662,779	4,272,640	7,436,921
Accrued expenses	5	15,389,558	23,991,415	6,237,048	10,344,586
Income tax payable		126,226	2,933,904	126,226	2,527,295
Other current liabilities	19	5,419,236	4,516,656	4,598,738	3,419,244
Total current liabilities		163,374,018	187,549,183	41,644,323	65,120,776
Non-current liabilities					
Employee benefit obligations	20	8,141,528	6,769,292	4,724,598	3,728,883
Other non-current liabilities		852,678	847,678	105,325	105,325
Total non-current liabilities		8,994,206	7,616,970	4,829,923	3,834,208
Total liabilities		172,368,224	195,166,153	46,474,246	68,954,984
Equity					
Share capital	21				
Authorised share capital		259,250,000	259,250,000	259,250,000	259,250,000
Issued and paid-up share capital		170,048,386	170,048,386	170,048,386	170,048,386
Premium on ordinary shares	21	272,705,895	272,705,895	272,705,895	272,705,895
Warrants	22	3,800,380	2,278,995	3,800,380	2,278,995
Retained earnings					
Appropriated					
Legal reserve	23	10,650,000	10,300,000	10,650,000	10,300,000
Unappropriated		29,648,149	60,253,392	22,806,645	30,364,162
Equity attributable to owners					
of the Company		486,852,810	515,586,668	480,011,306	485,697,438
Non-controlling interests		180,699	679,841	-	-
Total equity		487,033,509	516,266,509	480,011,306	485,697,438
Total liabilities and equity		659,401,733	711,432,662	526,485,552	554,652,422

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2015	2014	2015	2014
		(in Baht)			
Income					
Revenue from sales of goods	5	121,434,331	124,281,639	42,840,869	57,719,067
Revenue from rendering of services	5	89,577,157	117,168,290	89,530,815	106,168,841
Interest income	5	8,548,651	12,926,222	8,723,343	8,663,471
Other income	5, 25	8,062,887	6,980,502	11,358,902	8,578,859
Total income		227,623,026	261,356,653	152,453,929	181,130,238
Expenses					
Cost of sales of goods and rendering of services	5	153,886,289	177,309,075	90,281,348	105,973,589
Selling expenses	5, 26	39,656,984	34,519,413	26,476,346	27,484,418
Administrative expenses	5, 27	46,518,973	43,405,054	27,900,091	27,535,849
Finance costs		1,010,337	1,025,917	640,375	679,536
Total expenses		241,072,583	256,259,459	145,298,160	161,673,392
Profit (loss) before income tax expense		(13,449,557)	5,097,194	7,155,769	19,456,846
Income tax expense	30	(5,083,935)	(3,384,026)	(2,459,899)	(4,199,903)
Profit (loss) for the year		(18,533,492)	1,713,168	4,695,870	15,256,943
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the year		(18,533,492)	1,713,168	4,695,870	15,256,943

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
Note	2015	2014	2015	2014
	(in Baht)			
Profit (loss) attributable to				
Owners of the Company	(18,351,856)	1,726,281	4,695,870	15,256,943
Non-controlling interests	(181,636)	(13,113)	-	-
Profit (loss) for the year	(18,533,492)	1,713,168	4,695,870	15,256,943
Total comprehensive income (loss) attributable to				
Owners of the Company	(18,351,856)	1,726,281	4,695,870	15,256,943
Non-controlling interests	(181,636)	(13,113)	-	-
Total comprehensive income (loss) for the year	(18,533,492)	1,713,168	4,695,870	15,256,943
Earnings (loss) per share	31			
Basic earnings (loss) per share	(0.108)	0.010	0.028	0.090
Diluted earnings (loss) per share	(0.108)	0.010	0.026	0.090

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

Consolidated financial statements

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements							
		Retained earnings		Equity			
				attributable to		Total	
				owners of		Non-controlling	
				the Company		interests	

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements							
				Retained earnings			
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Total Equity
Note							
(in Baht)							
Year ended 31 December 2014							
Balance at 1 January 2014		170,048,386	272,705,895	721,758	9,500,000	32,911,458	485,887,497
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
22	Share-based payment transactions	-	-	1,557,237	-	-	1,557,237
32	Dividends to owners of the Company	-	-	-	-	(17,004,239)	(17,004,239)
Total contributions by and distributions to owners of the Company							
		-	-	1,557,237	-	(17,004,239)	(15,447,002)
		-	-	1,557,237	-	(17,004,239)	(15,447,002)
Total transactions with owners, recorded directly in equity							
Comprehensive income for the year							
Profit or loss		-	-	-	-	15,256,943	15,256,943
Total comprehensive income for the year		-	-	-	-	15,256,943	15,256,943
23	Transfer to legal reserve	-	-	-	800,000	(800,000)	-
Balance at 31 December 2014		170,048,386	272,705,895	2,278,995	10,300,000	30,364,162	485,697,438

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements							
		Retained earnings					
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Total Equity
Note					(in Baht)		
	Year ended 31 December 2015						
	Balance at 1 January 2015	170,048,386	272,705,895	2,278,995	10,300,000	30,364,162	485,697,438
	Transactions with owners, recorded directly in equity						
	Contributions by and distributions to owners of the Company						
	Share-based payment transactions	22	-	-	1,521,385	-	-
	Dividends to owners of the Company	32	-	-	-	(11,903,387)	1,521,385
	Total contributions by and distributions to owners of the Company		-	-	1,521,385	(11,903,387)	(10,382,002)
	Total transactions with owners, recorded directly in equity		-	-	1,521,385	(11,903,387)	(10,382,002)
	Comprehensive income for the year						
	Profit or loss		-	-	-	4,695,870	4,695,870
	Total comprehensive income for the year		-	-	-	4,695,870	4,695,870
	Transfer to legal reserve	23	-	-	-	(350,000)	-
	Balance at 31 December 2015	170,048,386	272,705,895	3,800,380	10,650,000	22,806,645	480,011,306

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2015	2014	2015	2014
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	(18,533,492)	1,713,168	4,695,870	15,256,943
<i>Adjustments for</i>				
Depreciation	1,997,675	2,264,291	1,347,720	1,375,802
Amortisation of intangible assets	21,502,064	22,625,912	5,938,895	9,352,416
Interest income	(8,548,651)	(12,926,222)	(8,723,343)	(8,663,471)
Finance costs	1,010,337	1,025,917	640,375	679,536
Bad and doubtful debts expense (reversal of)	1,305,723	935,568	(546,534)	335,332
Allowance for goods return (reversal of)	(7,344,946)	3,065,428	(768,181)	(267,272)
Loss on decline in value of inventories	3,042,426	4,150,809	634,950	2,543,234
Gain from bargain purchase	-	(7,579,285)	-	-
Loss from the measurement in fair value of prior non-controlling interest of the acquiree	-	7,110,884	-	-
Loss on disposal of investment in subsidiary	-	-	587,387	-
Gain on disposal of investment in debt security	(13,690)	-	(13,690)	-
Unrealised gain on valuation adjustment of investment in debt security	(6)	-	(6)	-
Loss on disposal of leasehold improvements and equipment	156,208	-	158,043	-
Employee benefit obligations	1,055,928	929,892	804,063	761,964
Share-based payment transactions	1,521,385	1,557,237	1,521,385	1,557,237
Income tax expense	5,083,935	3,384,026	2,459,899	4,199,903
	<u>2,234,896</u>	<u>28,257,625</u>	<u>8,736,833</u>	<u>27,131,624</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(5,251,037)	122,408,166	(9,474,852)	62,440,484
Accrued income	20,130,123	(13,041,058)	18,405,989	(11,439,414)
Other receivables	12,300,213	10,380,553	3,536,835	4,168,097
Inventories	5,941,499	(84,594,313)	2,585,842	(434,726)
Other current assets	587,833	6,277,842	568,063	5,011,883
Restricted deposit	58,100	(421,987)	-	-
Deferred tax assets	-	(11,215,903)	-	-
Other non-current assets	151,120	(1,054,013)	-	(1,016,576)
Trade accounts payable	(16,743,682)	(28,563,799)	(14,983,059)	(53,763,560)
Other payables	(86,358)	(7,993,265)	(2,712,033)	(6,727,253)
Accrued expenses	(8,601,857)	3,186,165	(4,107,538)	5,306,911
Other current liabilities	902,580	(5,344,166)	1,179,494	(3,711,172)
Employee benefit obligations	-	(90,405)	-	(945,600)
Other non-current liabilities	5,000	333,325	-	10,000
Cash generated from operating activities	<u>11,628,430</u>	<u>18,524,767</u>	<u>3,735,574</u>	<u>26,030,698</u>
Income tax paid	<u>(4,823,404)</u>	<u>(4,913,332)</u>	<u>(4,468,359)</u>	<u>(3,800,925)</u>
Net cash from (used in) operating activities	<u>6,805,026</u>	<u>13,611,435</u>	<u>(732,785)</u>	<u>22,229,773</u>

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	7,358,977	12,926,222	7,537,631	8,663,471
Current investments	(140,690,838)	(84,680,000)	(140,483,239)	(85,000,000)
Purchase of investment in debt security	(12,002,000)	-	(12,002,000)	-
Net cash inflow on disposal of investment in debt security	7,000,000	-	7,000,000	-
Cash inflow on refundable deposit guarantee for licencing auction	-	14,000,000	-	-
Purchase of equipment	(1,933,036)	(1,270,505)	(1,834,596)	(884,247)
Sale of leasehold improvements and equipment	474,657	-	470,561	-
Purchase of intangible assets	(8,541,765)	(11,671,331)	(1,636,489)	(2,501,488)
Net cash outflow on acquisition of investment in subsidiary	-	(10,000,000)	-	(10,000,000)
Net cash inflow on disposal of investment in subsidiary	-	-	12,613	-
Net cash used in investing activities	(148,334,005)	(80,695,614)	(140,935,519)	(89,722,264)
<i>Cash flows from financing activities</i>				
Interest paid	(694,029)	(790,169)	(448,723)	(527,256)
Dividends paid to owners of the Company	(11,903,387)	(17,004,239)	(11,903,387)	(17,004,239)
Bank overdrafts	40,878	101,462	-	-
Net cash used in financing activities	(12,556,538)	(17,692,946)	(12,352,110)	(17,531,495)
Net decrease in cash and cash equivalents	(154,085,517)	(84,777,125)	(154,020,414)	(85,023,986)
Cash and cash equivalents at 1 January	222,490,948	305,872,793	218,160,771	303,184,757
Cash and cash equivalents of subsidiary acquired during the year	-	1,395,280	-	-
Cash and cash equivalents at 31 December	68,405,431	222,490,948	64,140,357	218,160,771
<i>Non-cash transactions</i>				
Payables for purchase of equipment	42,849	495,097	42,849	495,097
Payables for purchase of intangible assets	3,573,200	-	-	-

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

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements

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Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 10 February 2016.

1 General information

Nation International Edutainment Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1858/123-124, 29th Floor, Bangna-Trad Road, Kwang Bangna, Khet Bangna, Bangkok, Thailand.

The Company was listed on the Market for Alternative Investment in November 2010.

The immediate parent company during the financial year was Nation Multimedia Group Public Company Limited (76.49% shareholding), which was incorporated in Thailand.

The principal activities of the Company are importing, publishing and distributing local and foreign publications, production of TV programs and providing advertisements through TV media, digital media and character management. Details of the Company’s subsidiaries as at 31 December 2015 and 2014 are given in notes 5 and 12.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 36.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Investment in debt securities	Fair value
Warrants	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 3 (l)

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

(c) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand, unless otherwise stated.

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 3 (q)	Current and deferred taxation
Note 15	Utilisation of tax losses
Note 20	Measurement of defined benefit obligations
Note 22	Measurement of share-based payments

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuations are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 20 Employee benefit obligations;
- Note 22 Share-based payment arrangements;
- Note 33 Financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Gain from bargain purchase is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination such as consulting fees and others are expensed as incurred.

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.

Foreign currency differences are recognised in profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

Costs are determined by the following principles:

Finishes goods and work in progress-books	- Weighted average
TV Programmes	- Represent the production costs for both in progress and completed. Costs of the programmes consist of expenses which directly related to the production, are recognised as costs when the rights are delivered and transferred or the programmes are broadcasted.
Raw materials	- Weighted average

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

(f) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investment in debt security

Marketable debt security held for trading, is classified as current asset and are stated fair value, with any resultant gain or loss recognised in profit or loss.

The fair value of financial instruments classified as held-for-trading is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(g) Leasehold improvements and equipment

Recognition and measurement

Owned assets

Leasehold improvements and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

When parts of an item of leasehold improvements and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvements and equipment.

Gains and losses on disposal of an item of leasehold improvements and equipment are determined by comparing the proceeds from disposal with the carrying amount of leasehold improvements and equipment, and are recognised net within income or expense in profit or loss.

Subsequent costs

The cost of replacing a part of an item of leasehold improvements and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvements and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of leasehold improvement and equipment. The estimated useful lives are as follows:

Leasehold improvement	5	years
Furniture, fixtures and office equipment	5	years
Vehicles	5	years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

Computer programmes and software licences

5 years

Licence fees - books

Based on the higher amount of amortisation between a straight-line basis over three and five years and calculation based on the numbers of books published or sold under the licence agreements.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of non-financial assets is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Interest-bearing liability

Interest-bearing liability is recognised initially at fair value less attributable transaction charges.

(k) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(l) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The Group recognise gain and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(n) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sales of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Rental income

Rental income is recognised in profit or loss on straight-line basis over the term of the lease.

Interest income

Interest income is recognised in profit or loss as it accrues.

(o) Finance costs

Finance costs comprise interest expense on bank overdrafts, unwinding of the discount on provisions and contingent consideration.

(p) Operating Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(q) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) *Earnings (loss) per share*

The Group presents basic and diluted earnings (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(s) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly gain from bargain purchase, cash and cash equivalents, deferred tax assets, other non-current assets, other current liabilities and employee benefit obligations.

4 Acquisition of a subsidiary

On 31 December 2014, the Company obtained control of Nation Global Edutainment Co., Ltd., a publishing by acquiring 49 percent of the ordinary shares from an existing shareholder with cash settlement of Baht 10 million. As a result, the Company's equity interest in the Company increased from 49.992 percent to 98.992 percent.

Taking control of Nation Global Edutainment Co., Ltd., will enable the Group to expand business and facilitate its operations.

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Notes to the financial statements

For the year ended 31 December 2014, Nation Global Edutainment Co., Ltd. contributed revenue of Baht 43.74 million and loss of Baht 14.76 million to the Group's results using the proportionate consolidation. If the acquisition had occurred on 1 January 2014, management estimates that consolidated revenue would have been Baht 86.61 million and consolidated loss for the year ended 31 December 2014 would have been Baht 29.22 million.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

<i>Identifiable assets acquired and liabilities assumed</i>	Carrying value as at 31 December 2014	Adjustments (in thousand Baht)	Fair value as at 31 December 2014
Cash and cash equivalents	2,847	-	2,847
Trade accounts receivable	5,567	-	5,567
Accrued income	4,941	-	4,941
Inventories	223,490	(22,581)	200,909
Other current assets	4,936	-	4,936
Restricted deposit	861	-	861
Equipment	701	-	701
Intangible assets	2,939	-	2,939
Deferred tax asset	22,428	-	22,428
Other non-current assets	572	-	572
Trade accounts payable	174,016	-	174,016
Other payables	31,418	-	31,418
Other current liabilities	3,051	-	3,051
Other non-current liabilities	2,340	-	2,340
Total identifiable net assets	58,457	(22,581)	35,876

The fair values of identifiable assets acquired and liabilities assumed have been determined by an independent valuation in January 2015.

Gain on bargain purchase

Gain on bargain purchase was recognised as a result of the acquisition as follow:

	Fair value (in thousand Baht)
Considerations transferred	10,000
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	362
Fair value of existing interest in the acquiree before the acquisition	17,935
Fair value of identifiable net assets	(35,876)
Gain from bargain purchase	7,579

The remeasurement of fair value of the Group's existing 49.992 percent interest in the acquiree resulted in a loss of Baht 7.11 million (Baht 17.94 million less Baht 25.05 million carrying value of equity - accounted investee at the acquisition date). The gain from bargain purchase and loss were presented at the net amount in other income in the consolidated statements of comprehensive income for the year ended 31 December 2014.

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5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries is described in note 12. Relationship with key management and other related parties were as follows:

Name of the entities	Country of incorporation /nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Nation Multimedia Group Public Company Limited	Thailand	Parent, 76.49% shareholding, some common directors
Nation Broadcasting Corporation Public Company Limited	Thailand	71.45% shareholding by parent, some common directors
Nation News Network Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
NML Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Kom Chad Luek Media Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Krungthep Turakij Media Co., Ltd.	Thailand	99.99% shareholding by parent, some common directors
Bangkok Business Broadcasting Co., Ltd.	Thailand	99.90% shareholding by parent, some common directors
Nation U Co., Ltd.	Thailand	90.00% shareholding by parent, some common directors
WPS (Thailand) Co., Ltd.	Thailand	84.50% shareholding by parent, some common directors
Nation University	Thailand	University, a license holding by Nation U Co., Ltd.
NBC Next Vision Co., Ltd.	Thailand	99.99% shareholding by Nation Broadcasting Corporation Public Company Limited, some common directors
Yomiuri-Nation Information Service Limited	Thailand	45.00% shareholding by parent, some common directors

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

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

Transactions	Pricing policies
Revenue from sales of goods and rendering of services	General market price
Cost of sales of goods and rendering of services	Negotiable rate which approximates market price
Sale of equipment	Book value plus margin
Purchase of equipment	Book value plus margin
Interest income on loan	Approximated loan rate of financial institutions
Other income	Negotiable rate
Selling and administrative expenses	Negotiable rate

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sales of goods and rendering of services	11,168	15,299	9,666	14,780
Cost of sales of goods and rendering of services	13,851	15,765	12,750	12,665
Sale of equipment	487	-	487	-
Selling and administrative expenses	8,957	9,174	7,444	8,132
Subsidiaries				
Revenue from sales of goods and rendering of services	-	-	134	11,418
Cost of sales of goods and rendering of services	-	-	54	-
Interest income on loan	-	-	198	203
Other income	-	-	4,288	727
Selling and administrative expenses	-	-	1,489	300
Joint venture				
Revenue from sales of goods and rendering of services	-	27,932	-	1,898
Cost of sales of goods and rendering of services	-	414	-	829
Interest income on loan	-	4,434	-	-
Other income	-	1,901	-	3,802
Selling and administrative expenses	-	2,097	-	1,677
Other related parties				
Revenue from sales of goods and rendering of services	16,467	6,033	16,004	5,902
Cost of sales of goods and rendering of services	56,645	70,366	32,440	44,067
Purchase of equipment	1,228	500	1,228	500
Selling and administrative expenses	4,197	3,055	1,459	1,560

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Notes to the financial statements

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Wages and salaries	8,205	7,007	8,205	4,843
Defined contribution plans	595	469	595	325
Others	536	450	536	311
Total key management personnel compensation	<u>9,336</u>	<u>7,926</u>	<u>9,336</u>	<u>5,479</u>

Balances as at 31 December with related parties were as follows:

Trade accounts receivable from related parties	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	16,427	7,874	16,270	7,813
Subsidiaries	-	-	3,671	3,522
Other related parties	9,132	645	8,861	545
	<u>25,559</u>	<u>8,519</u>	<u>28,802</u>	<u>11,880</u>
Less allowance for doubtful accounts	(67)	(67)	(67)	(67)
allowance for goods return	(19)	(16)	(19)	(16)
Net	<u>25,473</u>	<u>8,436</u>	<u>28,716</u>	<u>11,797</u>

Bad and doubtful debts expense for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Accrued income - related party	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other related party	<u>34</u>	<u>54</u>	<u>34</u>	<u>54</u>

Other receivables from related parties	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	112	5,901	112	5,832
Subsidiaries	-	-	39,134	32,932
Other related parties	1,666	4,755	1,637	4,729
	<u>1,778</u>	<u>10,656</u>	<u>40,883</u>	<u>43,493</u>
Less allowance for doubtful accounts	-	-	-	-
Net	<u>1,778</u>	<u>10,656</u>	<u>40,883</u>	<u>43,493</u>

Bad and doubtful debts expense for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements

<i>Short-term loan to related party</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiary	6.59	6.75	-	-	3,000	3,000

Movements during the years ended 31 December of short-term loan to related party were as follows:

<i>Short-term loan to related party</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 January	-	-	3,000	3,000
Increase	-	-	-	-
Decrease	-	-	-	-
At 31 December	-	-	3,000	3,000

<i>Trade accounts payable - related parties</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	18,598	18,893	3,634	4,601
Subsidiaries	-	-	3,584	3,768
Other related parties	92,647	105,647	8,419	18,848
Total	111,245	124,540	15,637	27,217

<i>Other payables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	3,801	4,911	1,141	2,520
Subsidiaries	-	-	995	3,342
Other related parties	666	535	479	461
Total	4,467	5,446	2,615	6,323

<i>Accrued expenses - related parties</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Parent	195	3,436	187	3,428
Subsidiary	-	-	-	200
Other related parties	3,015	3,360	712	1,036
Total	3,210	6,796	899	4,664

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

Significant agreements with related party

Short-term loan agreement

The Company entered into a short-term loan agreement with a subsidiary (“Nation Edutainment Co., Ltd.”) amounting to Baht 3 million. The loan was a promissory note and repayable at call. The loan bears interest rate at the average Minimum Loan Rate (average MLR) of four local financial institutions.

Other agreements

The Company and subsidiaries entered into agreements with the parent company to grant services relating to business management, operations, marketing and other services. The Company and the subsidiaries committed to pay service fees as specified in the agreements.

The Company entered into agreements with subsidiaries to provide services in relating to business management, operations and other services. The Company will receive service fees as specified in the agreements.

A subsidiary entered into an agreement with a other related party to rent a warehouse. The subsidiary committed to pay rental fees as specified in the agreement.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cash on hand	26	45	13	11
Cash at banks - current accounts	509	643	469	590
Cash at banks - saving accounts	27,817	51,719	23,658	47,560
Highly liquid short-term investments	40,053	170,084	40,000	170,000
Total	68,405	222,491	64,140	218,161

Cash and cash equivalents of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

7 Current investments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Short-term deposits at financial institutions	125,691	35,000	125,483	35,000
Promissory notes	120,000	70,000	120,000	70,000
Debt security held for trading	5,016	-	5,016	-
Total	250,707	105,000	250,499	105,000

Current investments of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements

Movement during the years ended 31 December of the marketable debt security was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Trading security				
At 1 January	-	-	-	-
Purchases during the year	12,002	-	12,002	-
Sales during the year	(6,986)	-	(6,986)	-
At 31 December	5,016	-	5,016	-

8 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Related parties	5	25,559	8,519	28,802	11,880
Other parties		32,550	48,391	17,573	25,020
Total		58,109	56,910	46,375	36,900
Less allowance for doubtful accounts		(5,377)	(8,123)	(78)	(624)
allowance for goods return		(5,503)	(12,848)	(1,432)	(2,200)
Net		47,229	35,939	44,865	34,076
Bad and doubtful debts expense (reversal of) for the year		1,306	936	(546)	335

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	17,382	8,278	17,022	8,228
Overdue :				
Less than 3 months	7,502	125	7,570	32
3-6 months	431	23	431	606
6-12 months	149	-	167	2,571
Over 12 months	95	93	3,612	443
	25,559	8,519	28,802	11,880
Less allowance for doubtful accounts	(67)	(67)	(67)	(67)
allowance for goods return	(19)	(16)	(19)	(16)
	25,473	8,436	28,716	11,797

Nation International Edutainment Public Company Limited and its Subsidiaries
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	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	21,750	34,200	17,072	23,202
Overdue :				
Less than 3 months	5,450	5,450	450	1,389
3-6 months	31	1,268	31	417
6-12 months	20	2,955	20	12
Over 12 months	5,299	4,518	-	-
	32,550	48,391	17,573	25,020
Less allowance for doubtful accounts	(5,310)	(8,056)	(11)	(557)
allowance for goods return	(5,484)	(12,832)	(1,413)	(2,184)
	21,756	27,503	16,149	22,279
Net	47,229	35,939	44,865	34,076

The normal credit term granted by the Group ranges from 15 days to 90 days.

Trade accounts receivable of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

9 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Related parties	5	1,778	10,656	40,883	43,493
Other parties					
Other receivables		100	114	100	53
Prepaid expenses		1,886	5,428	489	1,515
Advances to employees		648	495	473	402
Accrued interest		1,190	-	1,186	-
		3,824	6,037	2,248	1,970
Total		5,602	16,693	43,131	45,463

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Finished goods	222,906	232,103	34,142	37,576
Work in progress	656	443	656	443
Total	223,562	232,546	34,798	38,019

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements

11 Restricted deposit

As at 31 December 2015, The saving account of subsidiary of Baht 0.80 million (*2014: Baht 0.86 million*) has been pledged as collateral for letter of credits issued by a local financial institution.

12 Investments in subsidiaries

	Separate financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	62,010	26,964
Acquisition	-	35,046
Disposal	(600)	-
At 31 December	<u>61,410</u>	<u>62,010</u>

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Notes to the financial statements

Investments in subsidiaries as at 31 December 2015 and 2014, and dividend income from those investments for the years then ended, were as follows:

Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		(%)		(in thousand Baht)									
Nation Edutainment Co., Ltd.	Importing publishing and distributing cartoon's books for edutainment	99.99	99.99	41,250	41,250	25,364	25,364	-	-	25,364	25,364	-	-
Nation Kids Co., Ltd.	Production of TV programs and providing advertisements through TV media	99.99	99.99	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
Nine Be Bright Co., Ltd.	Education service	-	59.99	-	1,000	-	600	-	-	-	600	-	-
(ceased and completed liquidation on 23 December 2015)													
Nation Global Edutainment Co., Ltd.	Importing, publishing and distributing children's books for edutainment	98.99	98.99	50,000	50,000	35,046	35,046	-	-	35,046	35,046	-	-
Total				61,410	62,010	62,010	62,010	-	-	61,410	62,010	-	-

All subsidiaries were incorporated in Thailand.

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

Reclassification from joint venture

As at 31 December 2014, the Company made an additional investment in 49% of the issued and paid-up share capital of Nation Global Edutainment Co., Ltd., for a consideration of Baht 35.05 million, resulting to an increasing in the Company's interest in Nation Global Edutainment Co., Ltd., from 49.992% to 98.992%. Therefore, the ownership status of the company changed from a joint venture to be a subsidiary. Details of the acquisition are given in note 4.

Disposal

At the extraordinary shareholders' meeting of a shareholders of a subsidiary ("Nine Be Bright Co., Ltd.") held on 7 October 2015, the extraordinary resolution was passed to liquidate the subsidiary. The subsidiary registered the liquidation with the Ministry of Commerce on 20 October 2015 and completed to liquidate the subsidiary on 23 December 2015. The Company recognised a loss of Baht 0.59 million on disposal of such investment in the statements of comprehensive income for the year ended 31 December 2015.

13 Leasehold improvements and equipment

	Consolidated financial statements			
	Leasehold improvements	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Total
Cost				
At 1 January 2014	2,816	12,902	-	15,718
Additions	-	918	500	1,418
Acquisitions through business combinations	110	238	-	348
At 31 December 2014 and 1 January 2015	2,926	14,058	500	17,484
Additions	-	286	1,200	1,486
Disposals	(1,335)	(5,265)	(500)	(7,100)
At 31 December 2015	1,591	9,079	1,200	11,870
Depreciation				
At 1 January 2014	2,345	8,262	-	10,607
Depreciation charge for the year	326	1,905	33	2,264
At 31 December 2014 and 1 January 2015	2,671	10,167	33	12,871
Depreciation charge for the year	190	1,649	158	1,997
Disposals	(1,298)	(4,737)	(91)	(6,126)
At 31 December 2015	1,563	7,079	100	8,742
Net book value				
At 1 January 2014	471	4,640	-	5,111
At 31 December 2014 and 1 January 2015	255	3,891	467	4,613
At 31 December 2015	28	2,000	1,100	3,128

Nation International Edutainment Public Company Limited and its Subsidiaries
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		Separate financial statements		
		Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Total
	Leasehold improvements			
Cost				
At 1 January 2014	296	8,446	-	8,742
Additions	-	879	500	1,379
At 31 December 2014 and 1 January 2015	296	9,325	500	10,121
Additions	-	182	1,200	1,382
Disposals	(296)	(3,314)	(500)	(4,110)
At 31 December 2015	-	6,193	1,200	7,393
Depreciation				
At 1 January 2014	296	5,090	-	5,386
Depreciation charge for the year	-	1,343	33	1,376
At 31 December 2014 and 1 January 2015	296	6,433	33	6,762
Depreciation charge for the year	-	1,189	159	1,348
Disposals	(296)	(3,075)	(91)	(3,462)
At 31 December 2015	-	4,547	101	4,648
Net book value				
At 1 January 2014	-	3,356	-	3,356
At 31 December 2014 and 1 January 2015	-	2,892	467	3,359
At 31 December 2015	-	1,646	1,099	2,745

The gross amount of the Group's and the Company's fully depreciated equipment that was still in use as at 31 December 2015 amounting to Baht 8.19 million and Baht 0.99 million, respectively (2014: Baht 8.78 million and Baht 3.32 million, respectively).

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements

14 Intangible assets

	Consolidated financial statements		
	Computer Programmes and software licences	Licence fees - books	Total
	<i>(in thousand Baht)</i>		
<i>Cost</i>			
At 1 January 2014	635	167,362	167,997
Additions	-	10,202	10,202
Acquisitions through business combinations	175	1,294	1,469
At 31 December 2014 and 1 January 2015	810	178,858	179,668
Additions	206	11,909	12,115
Disposals	-	(106,593)	(106,593)
At 31 December 2015	1,016	84,174	85,190
<i>Amortisation</i>			
At 1 January 2014	351	125,720	126,071
Amortisation charge for the year	109	22,517	22,626
At 31 December 2014 and 1 January 2015	460	148,237	148,697
Amortisation charge for the year	237	21,265	21,502
Disposals	-	(106,593)	(106,593)
At 31 December 2015	697	62,909	63,606
<i>Net book value</i>			
At 1 January 2014	284	41,642	41,926
At 31 December 2014 and 1 January 2015	350	30,621	30,971
At 31 December 2015	319	21,265	21,584

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements

	Separate financial statements		
	Computer Programmes and software licences	Licence fees - books <i>(in thousand Baht)</i>	Total
Cost			
At 1 January 2014	-	55,623	55,623
Additions	-	2,501	2,501
At 31 December 2014 and 1 January 2015	-	58,124	58,124
Additions	206	1,430	1,636
Disposals	-	(22,135)	(22,135)
At 31 December 2015	206	37,419	37,625
Amortisation			
At 1 January 2014	-	36,519	36,519
Amortisation charge for the year	-	9,352	9,352
At 31 December 2014 and 1 January 2015	-	45,871	45,871
Amortisation charge for the year	18	5,920	5,938
Disposals	-	(22,135)	(22,135)
At 31 December 2015	18	29,656	29,674
Net book value			
At 1 January 2014	-	19,104	19,104
At 31 December 2014 and 1 January 2015	-	12,253	12,253
At 31 December 2015	188	7,763	7,951

15 Deferred tax

Deferred tax assets as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
		<i>(in thousand Baht)</i>		
Total	26,537	29,605	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	26,537	29,605	-	-
	Separate financial statements			
	2015	2014	2015	2014
		<i>(in thousand Baht)</i>		
Total	6,444	6,837	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	6,444	6,837	-	-

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Movements in total deferred tax assets during the year were as follows:

	Consolidated financial statements (Charged) / Credited to:			At 31 December 2015
	At 1 January 2015	Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Trade accounts receivable	4,194	(2,018)	-	2,176
Inventories	13,275	609	-	13,884
Provisions	1,354	274	-	1,628
Share-based payment transactions	456	(456)	-	-
Loss carry forward	10,326	(1,477)	-	8,849
Total	29,605	(3,068)	-	26,537

	Consolidated financial statements (Charged) / Credited to:			At 31 December 2014
	At 1 January 2014	Profit or loss	Other comprehensive income	
			Acquired in business combinations	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Trade accounts receivable	2,714	(335)	-	4,194
Inventories	8,342	830	-	13,275
Other current assets	1	(1)	-	-
Provisions	1,139	55	-	1,354
Share-based payment transactions	-	456	-	456
Loss carry forward	3,210	1,978	-	10,326
Total	15,406	2,983	-	29,605

	Separate financial statements (Charged) / Credited to:			At 31 December 2015
	At 1 January 2015	Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Trade accounts receivable	565	(263)	-	302
Inventories	5,070	127	-	5,197
Provisions	746	199	-	945
Share-based payment transactions	456	(456)	-	-
Total	6,837	(393)	-	6,444

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	At 1 January 2014	Separate financial statements (Charged) / Credited to:		At 31 December 2014
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Trade accounts receivable	616	(51)	-	565
Inventories	4,562	508	-	5,070
Provisions	729	17	-	746
Share-based payment transactions	-	456	-	456
Total	5,907	930	-	6,837

The group does not record deferred tax assets from tax losses amounting to Baht 14.66 million and Baht 14.42 million, expire in 2016 and 2020 respectively, management considered that it is not probable that the subsidiaries will have sufficient future taxable profit.

16 Interest-bearing liability

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Current				
Bank overdrafts				
Unsecured	9,915	9,874	-	-
Total current interest-bearing liability	9,915	9,874	-	-

As at 31 December 2015, the Group and the Company had overdraft lines and other credit facilities with certain local financial institutions totalling Baht 16.01 million and Baht 5.0 million, respectively (2014: Baht 17.01 million and Baht 6.0 million, respectively) which guaranteed by the parent company.

As at 31 December 2015, the Group and the Company had unutilised credit facilities totalling Baht 4.60 million and Baht 4.31 million, respectively (2014: Baht 4.49 million and Baht 4.16 million, respectively).

Interest-bearing liability of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

17 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Related parties	5	111,245	124,540	15,637	27,217
Other parties		11,581	15,030	10,773	14,176
Total		122,826	139,570	26,410	41,393

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18 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Related parties	5	4,467	5,446	2,615	6,323
Others					
Other payables		603	841	603	841
Advance received		1,042	376	1,042	273
Payable for purchase of equipment		3,585	-	13	-
		5,230	1,217	1,658	1,114
Total		9,697	6,663	4,273	7,437

19 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Output value added tax pending	3,350	2,289	3,095	1,873
Accrued withholding tax	1,308	1,323	1,006	934
Others	761	905	498	612
Total	5,419	4,517	4,599	3,419

20 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Statement of financial position				
obligation for:				
Post-employment benefits	8,142	6,769	4,725	3,729
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	1,373	1,166	996	914

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

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

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Movement in the present value of the defined benefit obligations.

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January		6,769	5,694	3,729	3,643
Include in profit or loss:					
Current service costs	28	1,056	930	804	762
Interest on obligation		317	236	192	152
		1,373	1,166	996	914
Others					
Transfer in (out)		-	-	-	118
Benefits paid by the plan		-	(946)	-	(946)
Acquisitions through business combinations		-	855	-	-
		-	(91)	-	(828)
Defined benefit obligations at 31 December		8,142	6,769	4,725	3,729

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(%)</i>			
Discount rate	4.1	4.1	4.1	4.1
Future salary increases	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 3 years (2014: 3 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
Defined benefit obligation				
31 December 2015	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(998)	1,160	(683)	789
Future salary growth (1% movement)	1,135	(997)	772	(682)
Future mortality (1% movement)	45	(50)	30	(33)

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Notes to the financial statements

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

21 Share capital

	Par value per share (in Baht)	2015		2014	
		Number	Amount	Number	Amount
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	<u>259,250</u>	<u>259,250</u>	<u>259,250</u>	<u>259,250</u>
At 31 December					
- ordinary shares	1	<u>259,250</u>	<u>259,250</u>	<u>259,250</u>	<u>259,250</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>
At 31 December					
- ordinary shares	1	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

22 Warrants

NINE-WA

At the annual general meeting of the shareholders of the Company held on 23 April 2013, the shareholders approved an issuance of warrants to the directors, management and/or employees of the Company and/or its subsidiaries of 4,250,000 units. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	5 years from the issuance date of warrant
Propose to sell to	The Company and/or subsidiaries' directors, management and/or employees
Issue and sell quantities	4,250,000 units
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 4 per ordinary share
Exercise period and proportion	The date 15 th of November and May in each year, to exercise not more than 20% each year.

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

The fair value of the warrant is measured using a Black-Scholes Model with the following financial assumptions:

Grant date share price (Baht)	4.74
Exercise price warrant (Baht)	4.00
Historical volatility in 3 years at the allotment date	81.75%
The expected period, that shareholders will completely use their right on warrant	5 years
Historical dividend yield in 3 years	2.93%
Risk free interest rate (3 years Government bond yield) at the allotment date	3.02%

The condition for subscription is comprised of each employee of the Company and/or its subsidiaries as of each offering date.

On 15 August 2013, the Company granted the rights and notified terms and conditions for exercising the rights to the directors, management and/or employees of the Company and/or its subsidiaries.

As the Thai Financial Reporting Standards 2 (TFRS 2): Share-based Payment was effective for the share-based payment awards granted on or after 1 January 2011. Therefore, according to TFRS 2, ESOP has to be measured by using the fair value of the warrants on the grant date.

The expenses for share-based payment transactions for the year ended 31 December 2015 were Baht 1.52 million and Baht 1.52 million for consolidated and separate financial statements, respectively (2014: Baht 1.56 million and Baht 1.56 million, respectively).

Movements during the year ended 31 December 2015 and 2014 of warrants were as follows:

	Consolidated financial statements / Separate financial statements			
	2015		2014	
	Number of warrant	Grant date fair value	Number of warrant	Grant date fair value
	(thousand units/in thousand Baht)			
At 1 January	832	2,279	265	722
Issued warrants during the year	678	1,664	1,059	1,928
Forfeited warrants during the year	(123)	(143)	(492)	(371)
At 31 December	1,387	3,800	832	2,279

NINE-W1

The outstanding unexercised warrants as at 31 December 2015 were as follows:

Unexercised warrants as at 1 January 2015	Issued warrants (million units)	Exercised warrants	Unexercised warrants as at 31 December 2015	Exercise price (Baht / share)	Expiry date
84.96	-	-	84.96	4	5 years from the grant date

Nation International Edutainment Public Company Limited and its Subsidiaries

Notes to the financial statements

Unexercised warrants as at 1 January 2014	Issued warrants (million units)	Exercised warrants	Unexercised warrants as at 31 December 2014	Exercise price (Baht / share)	Expiry date
84.96	-	-	84.96	4	5 years from the grant date

At the annual general meeting of the shareholders of the Company held on 23 April 2013, the shareholders approved an issuance and offering of warrants to the Company's existing shareholders who subscribed for additional ordinary shares in a ratio of 1 warrant for 1 existing ordinary share, without the offering price and approved an increase in the registered share capital from Baht 85 million (divided into 85,000,000 ordinary shares at a par value of Baht 1 per share) to Baht 259.25 million (divided into 259,250,000 ordinary shares at a par value of Baht 1 per share) by issuing of not exceeding 174,250,000 ordinary shares at a par value of Baht 1 per share to reserve for the increase in share capital and exercise of warrants as referred above.

23 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

24 Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services. For each of the strategic division, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Publishing
- Segment 2 TV Media
- Segment 3 Others

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Notes to the financial statements

Information about reportable segments:

	Publishing		TV Media		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(in thousand Baht)</i>							
External revenue	121,480	124,507	20,158	42,215	69,373	74,728	211,011	241,450
Other income	6,675	6,651	8,409	8,204	1,528	4,584	16,612	19,439
Total revenues	128,155	131,158	28,567	50,419	70,901	79,312	227,623	260,889
Interest income	66	4,573	8,409	8,204	74	149	8,549	12,926
Interest expense	44	102	1	-	1	1	46	103
Depreciation and amortisation	20,663	20,736	1,986	3,317	850	837	23,499	24,890
Segment profit (loss) before income tax	(22,971)	(18,817)	5,201	15,793	4,320	7,653	(13,450)	4,629
Reportable segment assets as at 31 December	259,829	285,479	315,948	304,032	49,437	63,321	625,214	652,832
Capital expenditures	13,213	10,707	152	631	236	282	13,601	11,620
Reportable segment liabilities as at 31 December	144,691	151,525	4,698	12,424	13,656	24,069	163,045	188,018

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Notes to the financial statements

Reconciliations of reportable segment profit or loss, assets and liabilities and other material items

	Consolidated financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
Revenues		
Total revenue from reportable segments	227,623	260,889
Other income	-	468
Consolidated total revenue	227,623	261,357
Profit or loss		
Total profit (loss) for reportable segments	(13,450)	4,629
Gain on bargain purchase	-	468
Consolidated profit (loss) before income tax	(13,450)	5,097
Assets		
Total assets for reportable segments	625,214	652,832
Other unallocated amounts	34,188	58,601
Consolidated total assets	659,402	711,433
Liabilities		
Total liabilities for reportable segments	163,045	188,018
Other unallocated amounts	9,323	7,148
Consolidated total liabilities	172,368	195,166

Geographical segments

The Group is managed and operated principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

25 Other income

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Central services charge	1,732	2,016	6,437	5,440
Other service income	4,061	1,516	3,630	720
Others	2,270	3,448	1,292	2,419
Total	8,063	6,980	11,359	8,579

26 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Personnel	11,058	10,354	6,336	8,085
Marketing	21,047	16,606	13,158	12,341
Others	7,552	7,559	6,982	7,058
Total	39,657	34,519	26,476	27,484

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Notes to the financial statements

27 Administrative expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2015	2014	2015	2014
			<i>(in thousand Baht)</i>		
Personnel		14,249	14,996	8,539	11,383
Management remuneration	5	9,336	7,926	9,336	5,479
Office expenses		15,503	13,907	5,965	6,457
Bad and doubtful debts expense (reversal of)	8	1,306	936	(546)	335
Depreciation		1,350	1,517	701	629
Others		4,775	4,123	3,905	3,253
Total		46,519	43,405	27,900	27,536

28 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2015	2014	2015	2014
			<i>(in thousand Baht)</i>		
Wages and salaries		49,280	45,921	36,039	31,969
Contribution to defined contribution plan		3,105	2,710	2,335	1,956
Post-employment benefits	20	1,056	930	804	762
Share-based payment transactions	22	1,521	1,557	1,521	1,557
Others		6,915	10,255	4,769	8,031
Total		61,877	61,373	45,468	44,275

Defined contribution plan

The defined contribution plan comprise a provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates of 5% of their basic salaries and by the Group at rates ranging from 5% to 7.5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by licensed Fund Manager.

Nation International Edutainment Public Company Limited and its Subsidiaries
Notes to the financial statements

29 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Changes in inventories		5,942	24,840	2,586	(435)
Paper, printing service and delivery costs		74,014	70,763	44,507	58,481
Other production expenses		18,110	18,172	13,953	14,552
License fees		25,544	31,286	7,344	11,505
Loss on decline in value of inventories		3,042	4,151	635	2,543
Employee benefit expenses	28	61,877	61,373	45,468	44,275
Selling expenses		27,952	23,418	19,493	18,652
Office expenses	27	15,503	13,907	5,965	6,457
Bad and doubtful debts expenses (reversal of)	8	1,306	936	(546)	335
Depreciation	13	1,997	2,264	1,348	1,376
Others		4,775	4,123	3,905	3,253
Total cost of sales of goods and rendering of services, selling expense and administrative expenses		240,062	255,233	144,658	160,994

30 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		2,067	6,367	2,067	5,130
Adjustment for prior year		(51)	-	-	-
		<u>2,016</u>	<u>6,367</u>	<u>2,067</u>	<u>5,130</u>
Deferred tax expense	15				
Movements in temporary differences		3,068	(2,983)	393	(930)
Total income tax expense		5,084	3,384	2,460	4,200

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Notes to the financial statements

Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit (loss) before income tax expense		<u>(13,450)</u>		<u>5,097</u>
Income tax using the Thai corporation tax rate	20	(2,690)	20	1,019
Expenses not deductible for tax purposes		364		2,228
Expenses for tax incentives		(883)		(1,005)
Reversal from previously recognised deferred tax expense		5,458		1,142
Current year losses for which no deferred tax asset was recognised		2,886		-
Over provided in prior year		(51)		-
Total	38	5,084	66	3,384

	Separate financial statements			
	2015		2014	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		<u>7,156</u>		<u>19,457</u>
Income tax using the Thai corporation tax rate	20	1,431	20	3,891
Expenses not deductible for tax purposes		636		1,239
Expenses for tax incentives		(326)		(930)
Reversal from previously recognised deferred tax expense		719		-
Total	34	2,460	22	4,200

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Group has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

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31 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2015 and 2014 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(18,352)</u>	<u>1,726</u>	<u>4,696</u>	<u>15,257</u>
Number of ordinary shares outstanding	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>	<u>170,048</u>
Earnings (loss) per share (basic) (in Baht)	<u>(0.108)</u>	<u>0.010</u>	<u>0.028</u>	<u>0.090</u>

Diluted earnings (loss) per share

The calculations of diluted earnings (loss) per share for the years ended 31 December 2015 and 2014 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>(18,352)</u>	<u>1,726</u>	<u>4,696</u>	<u>15,257</u>
Number of ordinary shares outstanding (basic)	170,048	170,048	170,048	170,048
Effect of exercise of shares options	-	-	11,479	-
Number of ordinary shares outstanding (diluted)	<u>170,048</u>	<u>170,048</u>	<u>181,527</u>	<u>170,048</u>
Earnings (loss) per share (diluted) (in Baht)	<u>(0.108)</u>	<u>0.010</u>	<u>0.026</u>	<u>0.090</u>

The warrants of NINE-WA project do not have the dilutive effect on the earnings (loss) per share calculation for the year ended 31 December 2015 because the fair value of service yet to be rendered together with the exercise price exceeds the average market price of ordinary share during the financial year.

32 Dividends

At the annual general meeting of the shareholders of the Company held on 28 April 2015, the shareholders approved the appropriation of dividends from the 2014 operating results of Baht 0.07 per share, amounting to Baht 11.90 million. The dividends were paid to the shareholders in May 2015.

At the annual general meeting of the shareholders of the Company held on 2 April 2014, the shareholders approved the appropriation of dividends from the 2013 operating results of Baht 0.10 per share, amounting to Baht 17.00 million. The dividends were paid to the shareholders in April 2014.

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Notes to the financial statements

33 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from bank overdrafts (note 16).

The effective interest rates of interest-bearing liability as at 31 December and the periods in which the liability mature or re-price were as follows:

Consolidated financial statements				
	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2015				
Current				
Bank overdrafts	7.45 - 7.95	<u>9,915</u>	<u>-</u>	<u>9,915</u>
2014				
Current				
Bank overdrafts	7.40 - 7.43	<u>9,874</u>	<u>-</u>	<u>9,874</u>

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

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Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values of financial assets

Fair values of financial assets, together with the carrying values shown in the consolidated and separate statement of financial position at 31 December were as follows:

Consolidated / Separate financial statements					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(in thousand Baht)					
31 December 2015					
Current					
Debt security held for trading	5,016	-	5,016	-	5,016

Financial instruments carried at fair value

Fair value hierarchy

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

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

The Group determines Level 2 fair values for debt security using net assets value of investment from Assets Management Entity's Report.

The fair value of account receivable and account payable – trade and other payables is taken to approximate the carrying value.

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34 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease Commitments</i>				
Within one year	5,268	6,292	2,568	2,561
After one year but within five years	2,429	7,697	2,429	4,997
Total	7,697	13,989	4,997	7,558
<i>Other commitment</i>				
Bank guarantees	1,497	2,648	694	1,844

- a) The Company entered into lease and service agreements for its office premises and facilities with a local company for the period of 3 years, commencing from 1 December 2014 to 30 November 2017 with an option for renewal. The company agreed to pay rental and service fees at the rate as specified in the agreements.
- b) A subsidiary entered into a warehouse rental agreement with a local company. The subsidiary agreed to pay rental fee at the rate as specified in the agreement. The agreement has period 3 years, expiring on 31 December 2016.

35 Events after the reporting period

At the Board of Directors' meeting of the Company held on 10 February 2016, the Board of Directors approved are as follows:

- a) The appropriation dividend of Baht 0.022 per share, amounted to Baht 3.74 million for the 2015 operating result. The dividend will be approved at the annual general meeting of shareholders; and
- b) The merger of two subsidiaries, Nation Edutainment Co., Ltd. and Nation Global Edutainment Co., Ltd., which Nation Global Edutainment Co., Ltd. will remain after the completion.

36 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS that have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits

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TFRS	Topic
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2015)	Related Party Disclosures
TAS 27 (revised 2015)	Separate Financial Statements
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TFRS 2 (revised 2015)	Share-based Payment
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 32 (revised 2015)	Intangible Assets – Web Site Costs
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment

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

37 Reclassification of accounts

Certain accounts in the 2014 financial statements have been reclassified to conform to the presentation in the 2015 financial statements as follows:

	2014					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. (in thousand Baht)	Before reclass.	Reclass.	After reclass.
<i>Statement of comprehensive income</i>						
Gain from bargain purchase	7,579	7,579	-	-	-	-
Other income	6,512	(468)	6,980	8,579	-	8,579
Administrative expenses	42,590	815	43,405	22,057	5,479	27,536
Management benefit expenses	7,926	(7,926)	-	5,479	(5,479)	-
		<u>-</u>			<u>-</u>	

Other Reference Persons

Security Registrar (Common Share)

Thailand Securities Depository Company Limited
93 The Stock Exchange of Thailand Building, 1st Floor, Tower B
Rachadapisek Road, Klongtoey, Bangkok 10110
Tel : (66) 2009-9999
Fax : (66) 2009-9991

Certified Public Accountant

- | | |
|-----------------------------------|------------------------------|
| 1. Ms. Patamavan Vadhanakul | Registration No. 9832 and/or |
| 2. Mr. Winid Silamongkol | Registration No. 3378 and/or |
| 3. Mr. Veerachai Ratanajaratkul | Registration No. 4323 and/or |
| 4. Ms. Vannaporn Jongperadechanon | Registration No. 4098 |

KPMG Phoomchai Audit Company Limited
1 Empire Tower, 50-51 Floor, South Sathorn Road, Yannawa, Bangkok 10120
Tel : (66) 2677-2000
Fax : (66) 2677-2222

Audit Fee

1. The audit fee of the Company and subsidiaries for the year 2015 is Bt 1,640,000
2. Non-audit fee -None-

Legal Consultants

1. S.A.T. Associates Legal & Tax Company Limited
Room 702 Chaophya Tower (Shangri-La Hotel)
89 Soi Wat Suan Plu, New Road, Bangrak, Bangkok 10500
Tel : (66) 2630-7636-8
Fax : (66) 2630-7637
2. Pow & Associates Law Office Limited
140/40A, 19th Floor, ITF Building, Silom Road, Kwaeng Suriyawongse, Khet Bangrak, Bangkok 10500
Tel : (66) 2634-4995-7
Fax : (66) 2238-2574, (66) 2634-4998

Investor Relations

Nation International Edutainment Public Company Limited
1858/123-124, 29th Floor, TCIF Tower Bangna-Trad Road, Bangna, Bangkok 10260
Tel : (66) 2338-3333
Fax : (66) 2338-3904
Email : investor@nine.co.th
Website : <http://www.nine.co.th>



Nation International Edutainment Public Co., Ltd.
1858/123-124 Bangna-Trad Road, Bangna, Bangkok 10260 Thailand
Tel. (662) 338 3694 Fax. (662) 338 3986

www.nine.co.th